



MEMORANDUM

TO: Deschutes County Planning Commission

FROM: Nick Lelack, AICP, Director
Peter Gutowsky, AICP, Planning Manager

DATE: January 21, 2021

SUBJECT: Deschutes 2040 / Orientation to Statewide Planning Goal 9

I. Background

The Community Development Department (CDD) anticipates initiating a Deschutes County Comprehensive Plan Update (Deschutes 2040) in the fall of 2021. Staff prepared a seven-month, 12-part orientation for the Planning Commission to familiarize itself with the Statewide Planning Goals and their relationship to noteworthy state statutes (ORSs), administrative rules (OARs), Comprehensive Plan Sections, implementing codes, and issues emerging since 2010. More information is available at www.deschutes.org/Plan2040. Table 1 lists the Planning Commission work session dates for the Statewide Planning Goals. The February or March dates may be modified to accommodate an annual joint meeting with the Board of County Commissioners (Board). This is part 8 of 12 of the orientation series.

Table 1 – Planning Commission Work Session Dates & Discussion Topics

<i>Dates</i>	<i>Statewide Planning Goals</i>
September 10	Oregon Land Use Program Overview
September 24	Goal 1 - Citizen Involvement Goal 2 - Land Use Planning
October 8	Goal 3 - Agricultural Lands Goal 4 - Forest Lands
October 22	Goal 5 - Natural Resources, Scenic and Historic Areas, and Open Spaces (PART 1 - Water Resources, Wildlife)
November 12	Goal 5 - Natural Resources, Scenic and Historic Areas, and Open Spaces (PART 2 - Scenic and Open Spaces and Historic Resources) Goal 5 - Natural Resources, Scenic and Historic Areas, and Open Spaces (PART 3 - Mineral and Aggregate Resources)
December 10	Goal 6 - Air, Water, and Land Resources Quality Goal 7 - Areas Subject to Natural Hazards
January 14	Goal 8 - Recreational Needs

January 28	Goal 9 - Economic Development
February 11	Goal 10 - Housing Goal 11 - Public Facilities and Services
February 25	Goal 12 - Transportation
March 11	Goal 13 - Energy Conservation Goal 14 - Urbanization
March 25	Recap / Annual Work Plan Work Session - Discussion

II. Statewide Planning Goal 9

Goal 9 – Economy

Goal 9 planning ensures cities and counties have enough available land to realize economic growth and development opportunities. Commercial and industrial development provide economic activities that are vital to the health, welfare, and prosperity of Oregon's citizens. To be ready for these opportunities, cities perform Economic Opportunity Analyses (EOAs) based on a 20-year forecast of population and job growth.

Under Goal 9, all local governments should have a working inventory of areas suitable for economic growth that can be provided with public services. These inventories primarily focus on planning for major industrial and commercial developments and having a ready supply of land appropriately zoned and located for those opportunities and local investments. As with all areas of the comprehensive plan, the amount of land planned for economic development should be adequate for a 20-year supply. The economic development plans formed by a city often use one or more market incentives to encourage the type of development a community or county would like to see. These might include tax incentives or disincentives, land use controls, or preferential assessments.

The following OAR implements Goal 9:

- OAR 660-009 – Economic Development¹

III. Deschutes County Comprehensive Plan

Section 3.4 – Rural Economy

Section 3.8 highlights Economic Development for Central Oregon (EDCO) and at the time, 2009 economic indicators (Attachment 1). Their most recent annual report in 2020 highlights:

¹ OAR 660-009 applies to areas inside Urban Growth Boundaries (UGBs) and are intended to ensure an adequate land supply for business and employment growth.

- Central Oregon, comprised of Crook, Deschutes, and Jefferson counties, receives 4.5 million visitors each year;²
- Central Oregon and the Bend-Redmond Metropolitan Statistical Area (MSA) continually top the nation in population growth;³
- Private sector employment growth in the region was 26% higher than Oregon’s average over the last 10 years and is projected to grow by 18% through 2024;⁴ and
- Central Oregon ranked 1st in the nation for Gross Domestic Product (GDP) growth at 8.1%. The top five employers in the region in 2019 were: St. Charles Hospital, Bright Wood Corporation, Les Schwab regional, Sunriver Resort, and Mt. Bachelor.⁵

Section 3.4 also summarizes agricultural trends in 2008 and 2009. The U.S. Department of Agriculture (USDA) produces a complete count of U.S. farms and ranches and the people who operate them every five years. The most recent count for Deschutes County was recently released for 2017. Notable statistics recognize:

- Deschutes County ranks 29th in the State for its market value for agricultural products sold. Marion is 1st at \$701,580,000; and
- Deschutes County ranks 2nd in the State for horses, ponies, mules, burros, and donkeys and 8th for hogs and pigs.⁶

Below, Table 2 compares the last three Censuses of Agriculture for Deschutes County.

Table 2 - Censuses for Deschutes County

	2007	2012	2017
Number of Farms	1,405	1,283	1,484
Land in Farms (acres)	129,369	131,036	134,600
Average Size of Farm (acres)	92	102	91
Market Value of Products Sold	\$19,759,000	\$20,570,000	\$28,769,000
Average per Farm	\$14,063	\$16,033	\$19,386
Government Payment	\$135,000	\$241,000	\$90,000
Average per Farm Receiving Payment	\$6,736	\$5,488	\$7,477

² <https://edcoinfo.com/wp-content/uploads/2020/11/2020-Central-Oregon-Economic-Profile.pdf>. Page 6

³ Ibid.

⁴ Id. Page 11.

⁵ Id. Page 15.

⁶ Links to the complete 2017 Census of Agriculture Report for Oregon and County Data are:

<https://www.nass.usda.gov/Publications/AgCensus/2017> and

https://www.nass.usda.gov/Publications/AgCensus/2017/Full_Report/Volume_1,_Chapter_2_County_Level/Oregon/orv1.pdf

(Note: 20MB; 586 pages)

Section 3.4 also identifies opportunities for economic development.⁷ Table 3 lists them and the progress to date.

Table 2 – Economic Development Opportunities / Progress to Date

Category	Opportunities	Progress to Date
Farming and forestry and related businesses	Deschutes County can support farming as a contributor of the economy by promoting a diverse, sustainable, revenue-generating agricultural sector, including emerging agricultural conditions and markets.	In 2011, the Oregon Legislature adopted Senate Bill (SB) 960, which enabled agri-tourism and other commercial events related and supportive of agriculture to be established in Exclusive Farm Use (EFU) zoning.
Recreation and tourism	These sectors include revenue from hunting, fishing, and wildlife viewing. Also referenced are Mt Bachelor Ski Resort and other area resorts. This sector is anticipated to continue growing.	Mt. Bachelor received U.S. Forest Service approval of its master plan in 2011. Approved projects included a summer downhill mountain bike park, zip line, Cloud Chaser - eastside quad lift and trails, replacement of Rainbow and Sunrise lifts, and new/larger Sunrise Lodge and expanded Sunrise parking. In 2015, Caldera Springs Destination Resort expanded to include an adjacent 614-acre property. The annexed property will include a maximum of 395 single-family residences, a maximum of 95 additional overnight lodging units, recreation facilities, and additional resort core amenities.
Unincorporated Communities	New commercial and industrial uses are permitted in unincorporated communities	In 2020, the Board adopted an applicant-initiated legislative amendment allowing employee housing as an outright permitted use, subject to site plan review, in the Sunriver Business Park Zoning District.
Home-based businesses	Although not a major economic player, for many rural residents the opportunity to run a small business out of their homes provides extra income. Home businesses are regulated tightly on agricultural land by the state, and by the county through the home occupation code.	No major update. CDD continues to receive and process home occupation applications.
Green Employment	New initiatives for green energy take advantage of the local abundance of resources.	Since 2015, Deschutes County has approved six solar farms generating over 60 megawatts of power.

⁷ Deschutes County supports Central Oregon Visitors Association (COVA), EDCO, chambers of commerce, among other organizations, and regularly provides grants to support various economic development initiatives across the county.

<p>Bend Airport</p>	<p>The Bend Airport is owned and managed by the City of Bend as a municipal airport with supporting aviation associated businesses. Aviation industries are also a major focus of EDCO.</p>	<p>In 2020, the Board adopted amendments proposed by the City of Bend to streamline review of personal use hangers, reduce front and rear yard setbacks, allow parking in the front yard, and adopt OAR and Federal Aviation Administration (FAA) definitions.</p>
<p>Coordination</p>	<p>The County can support and coordinate with agencies, organizations and jurisdictions in promoting economic development such as coordinating on the Regional Economic Opportunity Analysis for Un-Met Large-Lot Industrial Sites</p>	<p>In 2013, the U.S. Environmental Protection Agency (EPA) selected Deschutes County for two brownfields assessment grants totaling \$400,000. Approximately \$264,000 was made available for Phase I and Phase 2 Environmental Site Assessments (ESAs) for eligible sites. The grant also dedicated \$90,000 for Area Wide Planning (AWP). AWP offered resources to conduct research, technical assistance and training that resulted in an area-wide plan and implementation strategy for Redmond’s Mid-Town.⁸</p> <p>In 2019, the City of Redmond and Deschutes County amended the UGB. This expansion covered 949 acres in total: 789 acres was designated for large lot industrial development in accordance with the Central Oregon Regional Large Lot Industrial Lands Program and 160 acres allowed for the expansion of the existing Deschutes County Fairgrounds and Oregon Military Department’s National Guard Armory.</p>
<p>Environment</p>	<p>Deschutes County’s quality of life is increasingly recognized as an important factor in economic development and can be viewed as a strategic resource to be managed for its long-term contributions as a tourist destination, to employee retention, and locational decisions for industrial recruitment.</p>	<p>In 2015, Deschutes County adopted Oregon Department of Fish and Wildlife’s (ODFW) Greater Sage-Grouse Habitat Area Inventory Map. This effort among many others, compelled U.S. Fish and Wildlife Service (USFWS) to determine that federal land management plans and partnerships with states, ranchers, and Non-Governmental Organizations adequately protected sage-grouse habitat, thereby averting a federal endangered species listing.</p> <p>In 2020, USFWS issued an Incidental Take Permit to the Deschutes Basin Board of Control member districts and the City of Prineville. The Habitat Conservation Plan (HCP) helps these entities meet their current and future water needs while enhancing fish and wildlife habitat.</p>

⁸ https://www.deschutes.org/sites/default/files/fileattachments/community_development/page/780/epa_brownfield_project_report.pdf

Lastly, Section 3.4 recognizes Rural Commercial and Rural Industrial zoning. The Rural Commercial designation is applied to five exception areas: Deschutes Junction, Deschutes River Woods Store, Pine Forest, Rosland, and Spring River. The Rural Industrial designation applies to three exception areas: Redmond Military, Deschutes Junction, and Bend Auto Recyclers.

The Comprehensive Plan's Rural Economy Goals and Policies recognize among others:

- Promote rural economic initiatives, including home-based businesses that maintain the integrity of the rural character and natural environment.
- Support a regional approach to economic development in concert with Economic Development for Central Oregon or similar organizations.
- Support renewable energy generation as an important economic development initiative.

Section 4.2 - Urbanization

Section 4.2 will be discussed in greater detail on March 11, recapping Goal 14. Worth noting for the purpose of economic development is a summary of Central Oregon's Large Lot Industrial Land Needs Analysis (Attachment 2). Starting in 2010, Deschutes, Crook and Jefferson counties and their respective cities, undertook an unprecedented regional evaluation of the economic opportunities and constraints associated with users of large industrial parcels in the Central Oregon region. The purpose of this evaluation was to aid in providing a more diversified economic base for the region that would accommodate industrial uses with a need for larger lots than possibly may be currently available in any of the Central Oregon cities. Ultimately utilizing a new OAR, the Board adopted Ordinance 2013-002, emphasizing Central Oregon's short term need for a critical mass of competitive and diverse vacant, developable industrial sites. An additional necessary component is an intergovernmental agreement (IGA) between the region's jurisdictions and the Central Oregon Intergovernmental Council (COIC).⁹

Through the IGA, COIC will provide oversight of the short-term land supply of large-lot industrial sites to enable the region to become competitive in industrial recruitment. Once each of the three counties and their respective cities adopt similar ordinances and enter into an IGA with COIC, the large lot sites will enable industrial recruitment opportunities to attract potential industrial users to consider the region that may not have otherwise without the availability of these large lots. The IGA between COIC and the region's cities and counties was executed in 2013.

The Comprehensive Plan's Urbanization Goals and Policies relating to Central Oregon's Large Lot Industrial Land Needs recognize among others:

- Deschutes County supports a multi-jurisdictional cooperative effort to pursue a regional approach to establish a short-term supply of sites particularly designed to address out-of-region industries that may locate in Central Oregon.

⁹ <https://www.coic.org/community-development/large-lot-industrial/>

- Deschutes County supports EDCO, a non-profit organization facilitating new job creation and capital investment, to monitor and advocate for the region's efforts of maintaining an inventory of appropriately sized and located industrial lots available to the market.
- Deschutes County will strengthen long-term confidence in the economy by building innovative public to private sector partnerships.

Attachments:

1. Comprehensive Plan Section 3.4
2. Comprehensive Plan Section 4.2

Section 3.4 Rural Economy

Background

Economic development is critically important to maintaining quality of life. When the Statewide Planning system was initiated, farming and forestry were strongly protected because they were the State's primary economic drivers. Statewide Planning Goal 9, Economic Development and Oregon Administrative Rule (OAR) 660-009 apply to areas inside urban growth boundaries and are intended to ensure an adequate land supply for business and employment growth. The Rule defines the preparation of Economic Opportunity Analyses (EOA) to identify and promote a diverse economy.

Rural Economy 2008-2009

Source: *Economic Development for Central Oregon website*

- The top three economic sectors in 2009 were: retail trade, leisure and hospitality, educational and health services
- Median income for a family of four in 2008 was \$63,500
- A 2009 list of top private employers shows Sunriver at #3 and Eagle Crest at # 12 and Black Butte Ranch at #15
- 2009 unemployment ranged from approximately 13%-16% - up from 5.3% in 2000

Source: *Fishing, Hunting, Wildlife Viewing and Shellfishing in Oregon, 2008, May 2009, Prepared for the Oregon Department of Fish and Wildlife by Dean Runyan Associates*

- A total of \$78 million was spent in Deschutes County in 2008 on fishing, hunting and wildlife viewing

Source: *Oregon State University Extension Oregon Agricultural Information Network, Deschutes County Agricultural Commodity Sales for 2008 and 2009*

- Over \$26 million in crop and livestock sales in 2008 (revised estimate)
- Over \$19 million in crop and livestock sales in 2009 (preliminary estimate)

Source: *County GIS*

- There are 5 developed Rural Commercial lots
- There are 3 developed Rural Industrial lots

Economic Trends

Deschutes County's economy was initially built around farming and logging. As those sectors declined, recreation and tourism increased as people were drawn to the beauty and opportunities to recreate on public lands. The high quality of life became a draw for employers and employees alike. Until recently, the building sector boomed as new housing was built to meet both increased housing demand and the real estate speculation that followed. Housing prices rose so high that workforce housing became a limiting factor in economic growth. The period of strong growth ended with the national recession that began in late 2007, leading to falling housing prices and rising unemployment.

A partner for the County in promoting a healthy economy is Economic Development for Central Oregon (EDCO). This private non-profit organization is dedicated to diversifying the

tri-county regional economy by attracting new investment and jobs. This organization also tracks the local economy. As noted above, statewide land use goals and rules direct growth primarily in urban areas. Still, there are economic opportunities that can be supported by the County.

Farming and forestry and related businesses

- Economic opportunities in these sectors are discussed in the Agriculture and Forest sections of this Plan.

Recreation and tourism

- These sectors include revenue from hunting, fishing and wildlife viewing that are discussed in the Wildlife section of this Plan. Also included here are Mt Bachelor ski resort and other area resorts. This sector is anticipated to continue growing.

Unincorporated Communities

- New commercial and industrial uses are permitted in unincorporated communities. These uses are limited in size. See Chapter 4 for more information.

Home-based businesses

- Although not a major economic player, for many rural residents the opportunity to run a small business out of their home provides extra income. Home businesses are regulated tightly on agricultural land by the state, and by the county through the home occupation code.

Green Employment

- New initiatives for green energy take advantage of the local abundance of resources. See the Energy section of this Plan.

Bend Airport

- The Bend Airport is owned and managed by the City of Bend as a municipal airport with supporting aviation associated businesses. Aviation industries are also a major focus of EDCO. As of 2010 the City of Bend and Deschutes County are working to create a new master plan for the area that will promote future aviation related business while protecting the nearby rural residences from aviation-related impacts.

Coordination

- The County can support and coordinate with agencies, organizations and jurisdictions in promoting economic development such as coordinating on the Regional Economic Opportunity Analysis for Un-Met Large-Lot Industrial Sites due to be completed in 2011.
- The County can support farming as a contributor of the economy by promoting a diverse, sustainable, revenue-generating agricultural sector, including emerging agricultural conditions and markets.

Environment

- Deschutes County's quality of life is increasingly recognized as an important factor in economic development and can be viewed as a strategic resource to be managed for its long-term contributions as a tourist destination, to employee retention, and locational decisions for industrial recruitment.

Rural Commercial and Rural Industrial

In Deschutes County some properties are zoned Rural Commercial and Rural Industrial. The initial applications for the zoning designations recognize uses that predated State land use laws. However, it may be in the best interest of the County to provide opportunities for the establishment of new Rural Industrial and Rural Commercial properties when they are appropriate and regulations are met. Requests to re-designate property as Rural Commercial or Rural Industrial will be reviewed on a property-specific basis in accordance with state and local regulations.

Rural Commercial

The county may apply the Rural Commercial plan designation to property within specific exception areas or to any other specific property that satisfies the requirements for a comprehensive plan designation change as set forth by State Statute, Oregon Administrative Rules, this Comprehensive Plan and the Deschutes County Development Code, and that is located outside unincorporated communities and urban growth boundaries. The rural commercial uses and services in these areas are limited in size and scope to those that are less intensive than uses allowed in Unincorporated Communities. The uses and densities are limited by the zoning, thereby maintaining rural integrity.

The county has applied the Rural Commercial designation to the following acknowledged exception areas:

- Deschutes Junction
- Deschutes River Woods Store
- Pine Forest
- Rosland
- Spring River

As a part of State required Periodic Review, a Rural Commercial designation was applied to Deschutes Junction, Deschutes River Woods Store and Spring River. These areas had previously been designated Rural Service Centers, but a new Unincorporated Communities Rule (OAR 660-022) defined “rural service centers” in such a way that these areas no longer matched the criteria.

The Rural Commercial plan designation and zoning brings each of these three areas into compliance with state rules by adopting zoning to ensure that they remain rural and that the uses allowed are less intensive than those allowed in unincorporated communities as defined in OAR 660-022.

The County recently applied a new Rural Commercial plan designation to Rosland (2002) and Pine Forest (2007) commercial centers which historically were committed to commercial uses prior to the adoption of zoning regulations.

Existing Rural Commercial Designated Exception Areas

The Deschutes Junction Rural Commercial boundary includes 1.77 acres, bounded by Tumalo Road on the South, Highway 97 on the East, with the remainder surrounded by Agricultural (EFU) and Rural Residential (MUA-10) lands.

The Deschutes River Woods Store Rural Commercial boundary includes 4.99 acres bounded by Baker Road on the North, Highway 97 on the East, railroad tracks and Cheyenne Road on

the West and Morningstar Christian School on the South. The surrounding land is zoned Rural Residential (RR-10). The Deschutes River Woods residential subdivision is adjacent to this property.

The Pine Forest Rural Commercial boundary includes approximately 2.0 acres bounded by Pine Forest Drive and Burgess Road. The remainder is surrounded by exceptions land zoned RR-10.

The Rosland Rural Commercial boundary includes approximately 4.5 acres near the intersection of Burgess and River Pine Roads. The remainder is surrounded by exceptions land zoned RR-10.

The Spring River Rural Commercial boundary includes 9.16 acres bounded by Spring River Road on the North, Lunar Drive on the East and additional commercial and residential uses on the South and West. The surrounding land is zoned Rural Residential (RR-10).

Rural Industrial

The county may apply the Rural Industrial plan designation to specific property within existing Rural Industrial exception areas, or to any other specific property that satisfies the requirements for a comprehensive plan designation change set forth by State Statute, Oregon Administrative Rules, this Comprehensive Plan and the Deschutes County Development Code, and that is located outside unincorporated communities and urban growth boundaries. The Rural Industrial plan designation and zoning brings these areas and specific properties into compliance with state rules by adopting zoning to ensure that they remain rural and that the uses allowed are less intensive than those allowed in unincorporated communities as defined in OAR 660-022.

The county originally applied the Rural Industrial designation to the following acknowledged exception areas.

- Redmond Military
- Deschutes Junction
- Bend Auto Recyclers

Existing Rural Industrial Designated Exception Areas

The Redmond Military site consists of tax lot 1513000000116 and is 35.42 acres, bounded by the Redmond Urban Growth Boundary to the west and agricultural lands (EFU) surrounding the remainder of the property.

The Deschutes Junction site consists of the following tax lots: 161226C000107 (9.05 acres), 161226C000106 (4.33 acres), 161226C000102 (1.41 acres), 161226C000114 (2.50 acres), portions 161226C000300 (12.9 acres), 161226C000301 (8.93 acres), 161226A000203 (1.5 acres) and those portions of 161226C000111 located west of the Burlington Northern-Santa Fe railroad tracks (16.45 acres). Generally, the Deschutes Junction site is bordered on the west by Highway 97, on the east by the Burlington Northern Railroad, on the north by Nichols Market Road (except for a portion of 161226A000111), and on the south by EFU-zoned property owned by the City of Bend.

Bend Auto Recyclers consists of tax lot 1712030000111 and is 13.41 acres, bounded by Highway 97 to the west, and Rural Residential (MUA-10) lands to east, north and south.

Future of Deschutes County Economy

A key to economic growth in Deschutes County is to recognize and protect the natural resources that contribute to the quality of life that draws both employers and employees as well as tourists to the area. A 2010 report on Deschutes County's economy by Headwaters Economics and Economic Development for Central Oregon outlined a number of recommendations to increase economic diversity and resiliency. Areas where the County can consider focusing its attention are: promoting housing diversity, local amenities, better transportation access and higher education. According to the report, public incentives are also helpful.

Given the State emphasis on economic development inside cities, the County's primary role is to cooperate with cities and EDCO. Coordinating with cities, agencies and organizations that are actively promoting economic development can be an effective use of resources. As an example of local partnering, in 2010 the County initiated a Regional Economic Opportunity Analysis to identify the need for large-lot industrial sites.

From a rural perspective, working with the agriculture and forest sectors to encourage new uses as discussed in those sections of this Plan is an option to supplement the otherwise minimal growth expected in rural commercial and rural industrial uses. Other options include supporting sustainable recreation, tourism and commercial alternative energy projects. Finally, home based businesses that minimize impacts on rural neighbors can also be encouraged.

Section 3.4 Rural Economy Policies

Goal and Policies

Goal I Maintain a stable and sustainable rural economy, compatible with rural lifestyles and a healthy environment.

- Policy 3.4.1 Promote rural economic initiatives, including home-based businesses, that maintain the integrity of the rural character and natural environment.
- a. Review land use regulations to identify legal and appropriate rural economic development opportunities.
- Policy 3.4.2 Work with stakeholders to promote new recreational and tourist initiatives that maintain the integrity of the natural environment.
- Policy 3.4.3 Support a regional approach to economic development in concert with Economic Development for Central Oregon or similar organizations.
- Policy 3.4.4 Support regional educational facilities and workforce training programs.
- Policy 3.4.5 Support renewable energy generation as an important economic development initiative.
- Policy 3.4.6 Support and participate in master planning for airports in Deschutes County.
- Policy 3.4.7 Within the parameters of State land use regulations, permit limited local-serving commercial uses in higher-density rural communities.

Lands Designated and Zoned Rural Commercial

- Policy 3.4.8 Update the policies for lands designated Rural Commercial as needed.
- Policy 3.4.9 Rural Commercial designated lands located outside of urban growth boundaries shall allow uses less intense than those allowed in unincorporated communities as defined by Oregon Administrative Rule 660-22 or its successor. Rural Commercial zoning shall be applied to any new properties that are approved for Rural Commercial designation as allowed by State Statute, Oregon Administrative Rules and this Comprehensive Plan.
- Policy 3.4.10 Rural Commercial zoning shall be applied to Deschutes Junction, Deschutes River Woods Store, Pine Forest, Rosland and Spring River.
- Policy 3.4.11 In Spring River there shall be a Limited Use Combining Zone.
- Policy 3.4.12 County Comprehensive Plan policies and land use regulations shall ensure that new uses authorized on Rural Commercial designated lands do not adversely affect agricultural and forest uses in the surrounding areas.
- Policy 3.4.13 Zoning in the area shall ensure that the uses allowed are rural as required by Goal 14, Urbanization, and less intensive than those allowed for unincorporated communities as defined in OAR 660-22. New commercial uses shall be limited to those that are intended to serve the surrounding rural area or the travel needs of people passing through the area.

- Policy 3.4.14 New commercial uses shall be limited in size to 2,500 square feet or if for an agricultural or forest-related use, 3,500 square feet.
- Policy 3.4.15 A lawful use existing on or before November 5, 2002 that is not otherwise allowed in a Rural Commercial zone, may continue to exist subject to the county's nonconforming use regulations.
- Policy 3.4.16 An existing lawful use may expand up to 25 percent of the total floor area existing on November 5, 2002.
- Policy 3.4.17 The Rural Commercial zoning regulations shall allow a mixed use of residential or rural commercial uses.
- Policy 3.4.18 Residential and commercial uses shall be served by DEQ approved on-site sewage disposal systems.
- Policy 3.4.19 Residential and commercial uses shall be served by on-site wells or public water systems.
- Policy 3.4.20 Community sewer systems, motels, hotels and industrial uses shall not be allowed.
- Policy 3.4.21 Recreational vehicle or trailer parks and other uses catering to travelers shall be permitted.

Lands Designated and Zoned Rural Industrial

- Policy 3.4.22 Update the policies for lands designated Rural Industrial as needed.
- Policy 3.4.23 To assure that urban uses are not permitted on rural industrial lands, land use regulations in the Rural Industrial zones shall ensure that the uses allowed are less intensive than those allowed for unincorporated communities in OAR 660-22 or any successor.
- Policy 3.4.24 Limited Use Combining zones shall be applied to the Redmond Military (Tax lot 1513000000116), Deschutes Junction (Tax lot 161226C000301, Tax lot 161226C000300, Tax lot 161226C000111 and Tax lot 161226A000203) to ensure permitted uses are compatible with surrounding farm and forest lands.
- Policy 3.4.25 To ensure that the uses in Rural Industrial zone on tax lot 16-12-26C-301, as described in Exhibit "C" and depicted on Exhibit "D" attached to Ordinance 2009-007 and incorporated by reference herein, are limited in nature and scope, the Rural Industrial zoning on that site shall be subject to a Limited Use Combining Zone which will limit the uses to storage, crushing, processing, sale and distribution of minerals.
- Policy 3.4.26 To ensure that the uses in the Rural Industrial Zone on Tax Lot 300 on Assessor's Map 16-12-26C-300 and Tax Lot 203 on Assessor's Map 16-12-26A-300 and portions of Tax Lot 111 on Assessor's Map 16-12-26C-111 as described in Exhibit 'D' and depicted in Exhibit 'E' attached to Ordinance 2010-030 and incorporated by reference herein, are limited in nature and scope, the Rural Industrial zoning on the subject parcel shall be subject to a Limited Use

Combining Zone, which will limit the uses to storage, crushing, processing, sale and distribution of minerals, subject to conditional use and site plan approval.

- Policy 3.4.27 Land use regulations shall ensure that new uses authorized within the Rural Industrial sites do not adversely affect agricultural and forest uses in the surrounding area.
- Policy 3.4.28 New industrial uses shall be limited in size to a maximum floor area of 7,500 square feet per use within a building, except for the primary processing of raw materials produced in rural areas, for which there is no floor area per use limitation.
- Policy 3.4.29 A lawfully established use that existed on or before February 2, 2003 not otherwise allowed in a Rural Industrial zone may continue to exist subject to the county's non-conforming use regulations.
- Policy 3.4.30 A lawfully established use that existed on or before February 2, 2003 may be expanded to occupy a maximum of 10,000 square feet of floor area or an additional 25 percent of the floor area currently occupied by the existing use, whichever is greater.
- Policy 3.4.31 Residential and industrial uses shall be served by DEQ approved on-site sewage disposal systems.
- Policy 3.4.32 Residential and industrial uses shall be served by on-site wells or public water systems.
- Policy 3.4.33 Community sewer systems shall not be allowed in Rural Industrial zones.
- Policy 3.4.34 A 2009 exception (Ordinance 2009-007) included an irrevocably committed exception to Goal 3 and a reasons exception to Goal 14 to allow rural industrial use with a Limited Use Combining Zone for storage, crushing, processing, sale and distribution of minerals.
- Policy 3.4.35 A 2010 exception (Ordinance 2010-030) took a reasons exception to Goal 14 with a Limited Use Combining Zone for storage, crushing, processing, sale and distribution of minerals.
- Policy 3.4.36 Properties for which a property owner has demonstrated that Goals 3 and 4 do not apply may be considered for Rural Industrial designation as allowed by State Statute, Oregon Administrative rules and this Comprehensive Plan. Rural Industrial zoning shall be applied to a new property that is approved for the Rural Industrial Plan designation.

Section 4.2 Urbanization

Background

This section describes the coordination between the County and the cities of Bend, La Pine, Redmond and Sisters on Urban Growth Boundaries (UGBs) and Urban Reserve Areas (URAs). Statewide Planning Goal 2 recognizes the importance of coordinating land use plans.

“City, county, state and federal agency and special district plans and actions related to land use shall be consistent with the comprehensive plans of cities and counties and regional plans adopted under ORS Chapter 268.”

Oregon Revised Statute 197.015(5) goes further to define comprehensive plan coordination.

“A plan is “coordinated” when the needs of all levels of governments, semipublic and private agencies and the citizens of Oregon have been considered and accommodated as much as possible.”

Population

An important basis for coordinating with cities is adopted population projections. Having an estimate of anticipated population is the first step to planning for future growth and conservation. ORS 195.025(1) requires counties to coordinate local plans and population forecasts. The County oversees the preparation of a population forecast in close collaboration with cities. This is important because the population of the County has increased significantly in recent decades and a coordinated approach allows cities to ensure managed growth over time.

Table 4.2.1 – Population Growth in Deschutes County 1980 to 2010

Sources	1980	1990	2000	2010
Population Research Center July 1 estimates	62,500	75,600	116,600	172,050
US Census Bureau April 1 counts	62,142	74,958	115,367	157,733

Source: As noted above

In 1996 Bend, Redmond, Sisters and the County reviewed recent population forecasts from the Portland State University Center Population and Research Center (PRC) and U.S. Census Bureau, Department of Transportation, Woods and Poole, Bonneville Power Administration and Department of Administrative Services Office of Economic Analysis. After reviewing these projections, all local governments adopted a coordinated population forecast. It was adopted by Deschutes County in 1998 by Ordinance 98-084.

The results of the 2000 decennial census and subsequent population estimates prepared by the PRC revealed that the respective populations of the County and its incorporated cities were growing faster than anticipated under the 1998 coordinated forecast. The cities and the County re-engaged in a coordination process between 2002 and 2004 that culminated with the County adopting a revised population forecast that projected population to the year 2025. It was adopted by Ordinance 2004-012 and upheld by the Land Use Board of Appeals on March 28, 2005.

The following table displays the 2004 coordinated population forecast for Deschutes County and the UGBs of the cities of Bend, Redmond, and Sisters.

Table 4.2.2 – Coordinated Population Forecast 2000 to 2025

<i>Year</i>	<i>Bend UGB</i>	<i>Redmond UGB</i>	<i>Sisters UGB</i>	<i>Unincorporated County</i>	<i>Total County</i>
2000	52,800	15,505	975	47,320	116,600
2005	69,004	19,249	1,768	53,032	143,053
2010	81,242	23,897	2,306	59,127	166,572
2015	91,158	29,667	2,694	65,924	189,443
2020	100,646	36,831	3,166	73,502	214,145
2025	109,389	45,724	3,747	81,951	240,811

Source: 2004 Coordinated Population Forecast for Deschutes County

The process through which the County and the cities coordinated to develop the 2000-2025 coordinated forecast is outlined in the report titled "Deschutes County Coordinated Population Forecast 2000-2025: Findings in Support of Forecast."

The fourth city in Deschutes County is the City of La Pine. Incorporated on November 7, 2006, the City of La Pine's 2006 population estimate of 1,590 was certified by PRC on December 15, 2007. As a result of La Pine's incorporation, Deschutes County updated its Coordinated Population Forecast with Ordinance 2009-006.

The purpose of this modification was to adopt a conservative 20 year population forecast for the City of La Pine that could be used by city officials and the Oregon Department of Land Conservation and Development to estimate its future land need and a UGB.

The following table displays the coordinated population forecast for Deschutes County, the UGBs of the cities of Bend, Redmond, and Sisters, and La Pine from 2000 to 2025. By extending the growth rate to the year 2025, La Pine's population will be 2,352. The non-urban unincorporated population decreases by 2,352 from its original projection of 81,951, to 79,599.

Table 4.2.3 – Coordinated Population Forecast 2000 to 2025, Including La Pine

<i>Year</i>	<i>Bend UGB</i>	<i>Redmond UGB</i>	<i>Sisters UGB</i>	<i>La Pine UGB</i>	<i>Unincorporated County</i>	<i>Total County</i>
2000	52,800	15,505	975	-	47,320	116,600
2005	69,004	19,249	1,768	-	53,032	143,053
2010	81,242	23,897	2,306	1,697	57,430	166,572
2015	91,158	29,667	2,694	1,892	64,032	189,443
2020	100,646	36,831	3,166	2,110	71,392	214,145
2025	109,389	45,724	3,747	2,352	79,599	240,811

Source: 2004 Coordinated Population Forecast for Deschutes County – updated 2009

2030 Population Estimate

This Comprehensive Plan is intended to manage growth and conservation in the unincorporated areas of the County until 2030. Because the official population forecast extends only to 2025, County staff used conservative average annual growth rates from the adopted population forecast to estimate population out to 2030. The following table estimates Deschutes County population by extending the adopted numbers out an additional five years.

Table 4.2.4 – Deschutes County 2030 Population Forecast

Year	Bend UGB	Redmond UGB	Sisters UGB	La Pine UGB	Unincorporated County	Total County
2030	119,009	51,733	4,426	2,632	88,748	266,538

Source: County estimates based on the 2004 Coordinated Population Forecast as shown below

Bend's average annual growth rate from 2025 to 2030 is 1.70%

Redmond's average annual growth rate from 2025 to 2030 is 2.50%

Sisters' based their population on forecasted rates of building growth, residential housing units, and persons per dwelling unit

La Pine's average annual growth rate from 2025 to 2030 is 2.20%

Deschutes County's unincorporated area average annual growth rate from 2025 to 2030 is 2.20%

As the pie chart below indicates, if population occurs as forecasted, 67% of the County's population will reside in urban areas by 2030.

In 2030

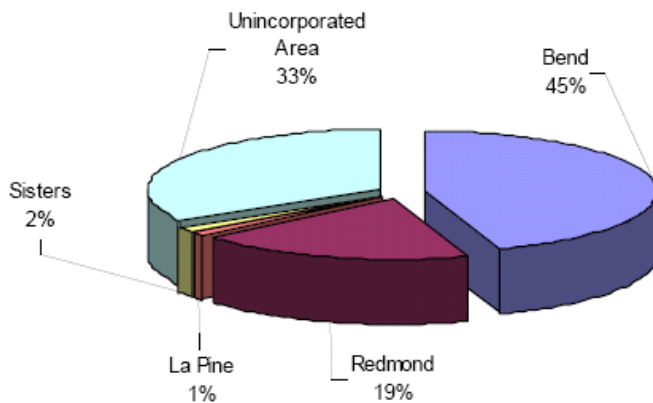


Figure 4.1 Deschutes County 2030 Estimated Population

Such growth will undoubtedly require strategically managing the provision of public services and maintaining adequate amounts of residential, commercial and industrial lands. Growth pressures will also require programmatic approaches to maintain open spaces, natural resources, and functional ecosystems that help define the qualities of Deschutes County.

Urban Growth Boundary Amendments

Bend

The City of Bend legislatively amended its UGB as part of a periodic review acknowledgment in December 2004. The Bend City Council and the Board of County Commissioners adopted concurrent ordinances that expanded the Bend UGB by 500 acres and satisfied a 20 year demand for industrial land.

In July 2007, the Bend-La Pine School District received approvals to expand the City of Bend UGB to include two properties for the location of two elementary schools, one at the Pine Nursery, the other on Skyliner Road. In 2014, the Bend-La Pine School district received approval to include a 33-acre site within the UGB near Skyliners Road to facilitate the construction of a public middle school.

The Bend City Council and the Board of County Commissioners approved a legislative amendment to the Bend UGB in September 2016. The adopted amendment added 2,380 acres of land intended to satisfy a 20-year land need for needed housing, employment, and public uses

from 2008 to 2028. The adopted UGB amendment also satisfied the terms of a 2010 Remand Order from the Oregon Land Conservation and Development Commission (10-REMAND-PARTIAL ACKNOW-001795).

The City of Bend UGB amendment identified 5 existing neighborhood typologies within the City, with the “Transect” being the defined neighborhood typology which “provides a transitional residential development pattern from urban to rural using a variety of housing types integrated with the surrounding natural landscape to minimize the impact on sensitive ecosystems, wildlife and to reduce the risk of wildfire.” The City applied this Transect concept to specific areas added to the UGB identified as the “Shevlin Area” and the “West Area” and created area-specific policies for those areas to recognize the unique characteristics of the area and create a transition from higher densities within the city to lower densities extending westward to the City of Bend UGB . In coordination with the city, Deschutes County has continued this concept for the areas in the county on the west side of Bend adjacent to the “Shevlin” and “West Area” in its Rural Housing elements and policies found in Chapter 3 of this Comprehensive Plan.

The Bend City Council and the Board of County Commissioners approved an applicant-initiated, quasi-judicial application to adjust the Bend UGB in 2019. The adjustment removed 4.02 acres of land from the Bend UGB and added approximately 8.18 acres for a net increase of 4.16 acres. The adjustment accommodated the Skyline Ranch Road right-of-way because the previous alignment was deemed topographically infeasible.

Sisters

The City of Sisters legislatively amended its UGB in September 2005 when its City Council and the Board of County Commissioners adopted respective ordinances. The Sisters UGB expansion covered 53 acres and satisfied a 20 year demand for residential, commercial, light industrial, and public facility land. In March 2009, Sisters amended their UGB to facilitate the establishment of a 4-acre fire training facility for the Sisters/Camp Sherman Fire District.

Redmond

The City of Redmond legislatively amended its UGB in August 2006 when its City Council and the Board of County Commissioners adopted respective ordinances. The Redmond UGB expansion covered 2,299 acres and satisfied a 20 year demand for residential and neighborhood commercial land.

In February 2019, Redmond amended its UGB through a joint process when its City Council and the Board of County Commissioners adopted respective ordinances. This expansion covered 949 acres in total: 789 acres was designated for large lot industrial development in accordance with the Central Oregon Regional Large Lot Industrial Lands Program, and 160 acres allowed for the expansion of the existing Deschutes County Fairgrounds and Oregon Military Department’s National Guard Armory.

The Redmond City Council and the Board of County Commissioners approved an applicant-initiated, quasi-judicial application to adjust the Redmond UGB in 2020. The adjustment added approximately 156 acres of land into the Redmond UGB in exchange for removing equivalent

area of land from the UGB. The exchange property is being offered to better achieve land needs that were detailed in the 2012 Senate Bill 1544 by providing more development ready land within the Redmond UGB.

La Pine

In 2012 La Pine adopted its first Comprehensive Plan. La Pine established a UGB that matches the city limits, because the City contains sufficient undeveloped land for future housing, commercial and industrial needs over a 20-year period. The Plan map includes land use designations intended to provide an arrangement of uses to ensure adequate and efficient provision of public infrastructure for all portions of the City and UGB.

Urban Reserve Area

Redmond

In December 2005, Redmond City Council and the Board of County Commissioners adopted a 5,661 acre URA for the City. It is the first URA in Central Oregon because most cities find planning farther into the future than the 20-year UGB timeframe, challenging.

Coordination

As noted above, Statewide Goal 2 and ORS promote land use planning coordination. The purposes of the urbanization goals and policies in this section are to provide the link between urban and rural areas, and to provide some basic parameters within which the urban areas of Deschutes County can develop, although the specific comprehensive plan for each community remains the prevailing document for guiding growth in its respective area. These policies permit the County to review each city's comprehensive plan to ensure effective coordination.

The Redmond and Deschutes County Community Development Departments received the Oregon Chapter of American Planning Association's (OAPA) Professional Achievement in Planning Award in 2006 for the "Redmond Urban Reserve Area / Urban Growth Boundary Expansion Project."

The following quote taken from the Oregon Chapter of the American Planning Association's 2006 Awards Program shows why the Redmond Community Development Department was chosen for this award.

"An outstanding effort to address Redmond's rapid population growth, including the successful designation of an Urban Reserve and the imminent designation of an Urban Growth Boundary, a "Framework Plan" with a requirement for master planning, and the establishment of "Great Neighborhood Principles."

Central Oregon Large Lot Industrial Land Need Analysis

During the 1990s, the Central Oregon region experienced a dramatic transformation from an economy concentrated largely in wood products into a service based economy serving a growing and diverse tourism and household base. Accelerated in-migration and tourism growth gave way to rapid economic expansion, escalation in home prices, and a systematic shift in the local economy from goods producing activities to service oriented industries. While initially representing a diversification of the local economy, this shift led to an over-reliance upon these types of industries.

During the recent recession, the regional economy's vulnerabilities became apparent. Suitable land for today's industrial development forms emerged as one of Oregon's most severe development challenges. In 2010, 2011, and 2012, Deschutes, Crook and Jefferson counties and their respective cities, undertook an unprecedented regional evaluation of the economic opportunities and constraints associated with users of large industrial parcels in the Central Oregon region. The purpose of this evaluation was to aid in providing a more diversified economic base for the region that would accommodate industrial uses with a need for larger lots than possibly may be currently available in any of the Central Oregon cities. As part of that evaluation, Deschutes County hired a consultant to draft an analysis of Central Oregon's opportunities, competitiveness, ability, and willingness to attract more basic industries. The analysis focused specifically on industries that require large lots. The result was a document called the Central Oregon Regional Economic Opportunity Analysis, and was the basis for Ordinance 2011-017, dated May 31, 2011.

Ordinance 2011-017 was appealed to the Land Use Board of Appeals by 1,000 Friends of Oregon ("1,000 Friends"). The appeal was stayed in early 2012 to allow Deschutes County, the Governor's Office, and 1,000 Friends to explore a settlement, which was ultimately reached in April, 2012. The settlement consisted of policy concepts focusing entirely on Central Oregon's short-term need for large-lot industrial sites as well as a commitment from the Department of Land Conservation and Development ("DLCD") to initiate rule-making that summer. The three counties, their respective cities, 1,000 Friends, and DLCD staff then engaged in drafting a proposed rule. In August, the final draft of that rule was then sent to the Oregon Land Conservation and Development Commission ("LCDC"). As a result, in November, the LCDC adopted Oregon Administrative Rule (OAR) 660-024-0040 and 660-024-0045. That rule provides that the large lot industrial land need analysis agreed upon by all of the parties, once adopted by each of the participating governmental entities, would be sufficient to demonstrate a need for up to nine large industrial sites in Central Oregon. Six of the sites will be made available initially. Three more sites may be added under the rule as the original sites are occupied. After the adoption of the new OARs, Deschutes County voluntarily repealed Ordinance 2011-017 and adopted a new ordinance, Ordinance 2013-002, in accordance with the OARs.

Utilizing the new OARs, Ordinance 2013-002 emphasized Central Oregon's short term need for a critical mass of competitive and diverse vacant, developable industrial sites. An additional necessary component is an intergovernmental agreement ("IGA") between the region's jurisdictions and the Central Oregon Intergovernmental Council ("COIC"). Through the IGA, COIC will provide oversight of the short-term land supply of large-lot industrial sites to enable the region to become competitive in industrial recruitment. Once each of the three counties and their respective cities adopt similar ordinances and enter into an IGA with COIC, the large lot sites will enable industrial recruitment opportunities to attract potential industrial users to consider the region that may not have otherwise without the availability of these large lots. The IGA between COIC and the region's cities and counties was executed on April 9, 2013.

Participating local governments will review the program after all nine sites have been occupied or after ten years, whichever comes first

In February 2019, Deschutes County adopted Ordinance No. 2019-003, which implemented the large lot industrial policies defined by Oregon Administrative Rule (OAR) 660-024-0040 and 660-024-0045. The ordinance amended the Deschutes County Comprehensive Plan map to allow for 789 acres of a 949-acre parcel owned by the Oregon Department of State Lands to be incorporated into the City of Redmond's UGB (the remaining 160 acres were transferred into the UGB pursuant to different criteria). This site, referred to as the South Redmond Tract, was submitted to the Large Lot Industrial Lands program by the City of Redmond in 2015 after an extensive analysis of several potential sites utilizing the criteria of the adopted Central Oregon Large Lot Industrial Lands Needs Analysis ("the Analysis"). COIC accepted the property into the Large Lot Industrial (LLI) program on May 7, 2015. Subsequently, the City of Redmond amended its zoning code to add a Large Lot Industrial Zone, which addresses the requirements of the LLI program and ensures that properties with this zoning designation are to be utilized solely for large lot industrial or directly related purposes.

Section 4.2 Urbanization Policies

Goals and Policies

Goal 1 **Coordinate with cities, special districts and stakeholders to support urban growth boundaries and urban reserve areas that provide an orderly and efficient transition between urban and rural lands.**

Policy 4.2.1 Participate in the processes initiated by cities in Deschutes County to create and/or amend their urban growth boundaries.

Policy 4.2.2 Promote and coordinate the use of urban reserve areas.

Policy 4.2.3 Review the idea of using rural reserves.

Goal 2 **Coordinate with cities, special districts and stakeholders on urban growth area zoning for lands inside urban growth boundaries but outside city boundaries.**

Policy 4.2.4 Use urban growth area zoning to coordinate land use decisions inside urban growth boundaries but outside the incorporated cities.

Policy 4.2.5 Negotiate intergovernmental agreements to coordinate with cities on land use inside urban growth boundaries and outside the incorporated cities.

Policy 4.2.6 Develop urban growth area zoning with consideration of the type, timing and location of public facilities and services provision consistent with city plans.

Policy 4.2.7 Adopt by reference the comprehensive plans of Bend, La Pine, Redmond and Sisters, as the policy basis for implementing land use plans and ordinances in each city's urban growth boundary.

Goal 3 **Coordinate with cities, special districts and stakeholders on policies and zoning for lands outside urban growth boundaries but inside urban reserve areas.**

Policy 4.2.8 Designate the Redmond Urban Reserve Area on the County Comprehensive Plan Map and regulate it through a Redmond Urban Reserve Area (RURA) Combining Zone in Deschutes County Code, Title 18.

Policy 4.2.9 In cooperation with the City of Redmond adopt a RURA Agreement consistent with their respective comprehensive plans and the requirements of Oregon Administrative Rule 660-021-0050 or its successor.

Policy 4.2.10 The following land use policies guide zoning in the RURA.

- a. Plan and zone RURA lands for rural uses, in a manner that ensures the orderly, economic and efficient provision of urban services as these lands are brought into the urban growth boundary.
- b. New parcels shall be a minimum of ten acres.
- c. Until lands in the RURA are brought into the urban growth boundary, zone changes or plan amendments shall not allow more intensive uses or uses that

generate more traffic, than were allowed prior to the establishment of the RURA.

- d. For Exclusive Farm Use zones, partitions shall be allowed based on state law and the County Zoning Ordinance.
- e. New arterial and collector rights-of-way in the RURA shall meet the right-of-way standards of Deschutes County or the City of Redmond, whichever is greater, but be physically constructed to Deschutes County standards.
- f. Protect from development existing and future arterial and collector rights-of-way, as designated on the County's Transportation System Plan.
- g. A single family dwelling on a legal parcel is permitted if that use was permitted before the RURA designation.

Policy 4.2.11 Collaborate with the City of Redmond to assure that the County-owned 1,800 acres in the RURA is master planned before it is incorporated into Redmond's urban growth boundary.

Goal 4 To build a strong and thriving regional economy by coordinating public investments, policies and regulations to support regional and state economic development objectives in Central Oregon.

Policy 4.2.12 Deschutes County supports a multi-jurisdictional cooperative effort to pursue a regional approach to establish a short-term supply of sites particularly designed to address out-of-region industries that may locate in Central Oregon.

Policy 4.2.13 Deschutes County recognizes the importance of maintaining a large-lot industrial land supply that is readily developable in Central Oregon.

Policy 4.2.14 The Central Oregon Regional Large Lot Industrial Land Need Analysis ("Analysis"), adopted by Ordinance 2013-002 is incorporated by reference herein.

Policy 4.2.15 Within 6 months of the adoption of Ordinance 2013-002, in coordination with the participating local governments in Central Oregon, Deschutes County shall, execute an intergovernmental agreement ("IGA") with the Central Oregon Intergovernmental Council ("COIC") that specifies the process of allocation of large lot industrial sites among the participating local governments.

Policy 4.2.16 In accordance with OAR 660-024-004 and 0045, Deschutes County, fulfilling coordination duties specified in ORS 195.025, shall approve and update its comprehensive plan when participating cities within their jurisdiction legislatively or through a quasi-judicial process designate regionally significant sites.

Policy 4.2.17 Deschutes County supports Economic Development of Central Oregon ("EDCO"), a non-profit organization facilitating new job creation and capital investment to monitor and advocate for the region's efforts of maintaining an inventory of appropriate sized and located industrial lots available to the market

Policy 4.2.18 Deschutes County will collaborate with regional public and private representatives to engage the Oregon Legislature and state agencies and their commissions to address public facility, transportation and urbanization issues that hinder economic development opportunities in Central Oregon.

Policy 4.2.19 Deschutes County will strengthen long-term confidence in the economy by building innovative public to private sector partnerships.