STAFF REPORT

Coos County Planning
60 E. Second
Coquille, OR 97423
http://www.co.coos.or.us/
Phone: 541-396-7770

I. FILE # AM-26-002/RZ-26-001 - ORDINANCE 26-10-003PL

REPORT DATE: November 24, 2026

FILE NUMBER: AM-26-002/RZ-26-001

APPLICANT: Peppermill, LLC

REPRESENTATIVE: Sheri McGrath, Parametrix

STAFF CONTACT(S): Jill Rolfe, Coos County Community Development Director

MEETING DATE: December 1, 2026 at 2:30
Please join my meeting at : **https://meet.goto.com/964495293**
You can also dial in using your phone.
Access Code: 964-495-293
United States: +1 (571) 317-3122

II. SUBJECT PROPERTIES

Account Number	Map and Tax Lot	Acres	Existing Zoning	Overlays and Development Considerations
1217100	29S1418-00-01600	24.40	Forest (F)	Bandon Airport Conical Zone (ABC); Forest Mixed Use (MU); Natural Hazard – Tsunami (NHTHO); Natural Hazard – Wildfire (NHWF)
1217108	29S1418-00-01607	4.92	EFU; Forest (F)	ABC; Floodplain (FP); MU; National Wetland Inventory (NWI); NHTHO; NHWF
1217109	29S1418-00-01608	5.44	EFU; Forest (F)	ABC; FP; MU; NWI; NHTHO; NHWF
1217111	29S1418-00-01610	7.50	EFU; Forest (F)	ABC; FP; MU; NWI; NHTHO; NHWF
1217112	29S1418-00-01611	5.95	EFU; Forest (F)	ABC; FP; MU; NWI; NHTHO; NHWF
1217115	29S1418-00-01616	10.45	Forest (F)	ABC; FP; MU; NWI; NHTHO; NHWF
TOTAL	6 Tax Lots	58.66		

Overlay abbreviations:

- ABC: Bandon Airport Conical Zone
- FP: Floodplain
- MU: Forest Mixed Use
- NWI: National Wetland Inventory Site
- NHTHO: Natural Hazard – Tsunami
- NHWF: Natural Hazard – Wildfire

Note: The subject properties total approximately 58.66 acres. The proposed amendments apply only to the Forest-designated portions of the properties. Existing Exclusive Farm Use (EFU)

designations would remain unchanged.

The property owner is listed consistently as Peppermill LLC, and mailing addresses have been excluded as requested.

III. PROPOSAL AND PROPERTY INFORMATION

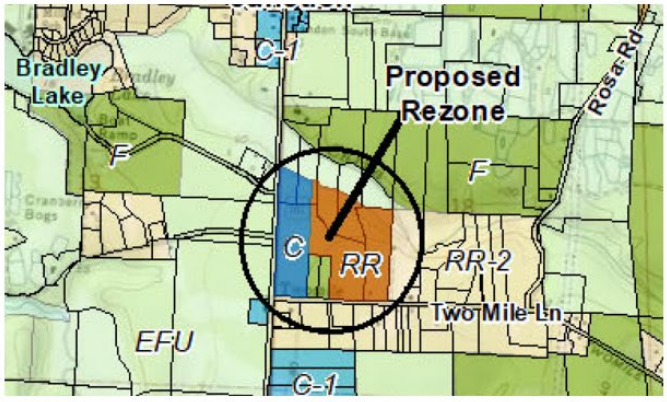
The applicant requests a Comprehensive Plan Map amendment and Official Zoning Map amendment for property located near Highway 101, Two Mile Lane, and China Creek Road, approximately 2.75 miles south of Bandon. The application involves Tax Lots 1600, 1607, 1608, 1610, 1611, and 1616 on Map Township 29S Range 14W Section 18.

The applicant proposes to amend the Comprehensive Plan Maps and Official Zoning Map to change portions of the properties currently designated Forest and Mixed Use in the Comprehensive Plan and zoned Forest to residential and commercial designations, with corresponding Rural Residential–2 (RR-2) and Commercial (C-1) zoning.

The proposed amendments are limited to the portions of the properties currently designated and zoned Forest. Several of the subject tax lots contain both Forest and Exclusive Farm Use (EFU) zoning. The EFU portions are not included in the proposed amendments and will retain their existing Comprehensive Plan designations and zoning.

The proposed amendments would allow residential and commercial uses on land currently designated Forest and require an exception to the applicable statewide planning goals. The applicant requests an irrevocably committed exception to Statewide Planning Goals 3 (Agricultural Lands) and 4 (Forest Lands), pursuant to OAR 660-004-0028.

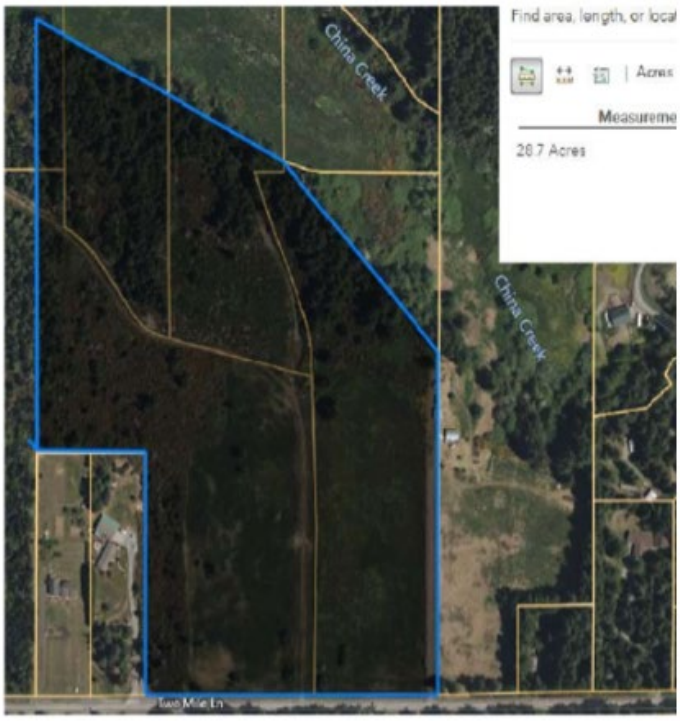
The applicant contends that existing residential and commercial development in the surrounding area, historical land divisions, roadway and utility improvements, and other site-specific conditions have made continued agricultural and forest uses impracticable. The County must evaluate the submitted evidence to determine whether the proposed exception satisfies the applicable approval criteria.







Proposed C-1 Zoning



Proposed RR-2 Zoning

The applicant describes the property as largely undeveloped, with China Creek Road, an approximately 20-foot all-weather roadway, and electrical conduit/utility boxes. The area includes forest vegetation and grasses. The application identifies Bandon Airport Conical Zone, Floodplain, Forest Mixed Use, National Wetland Inventory, Tsunami and Wildfire considerations that effect some or all of the properties. The applicant asserts that nearby residential and commercial development and parcelization have irrevocably committed the area to nonresource uses. Those assertions require independent evaluation against the applicable exception rules and site-specific evidence.

IV. PLANNING COMMISSION RECOMMENDATION

The Coos County Planning Commission held a public hearing on November 5, 2026, to consider applications AM-26-002 and RZ-26-001, submitted by Peppermill LLC. The applications request comprehensive plan and zoning map amendments for Forest-designated portions of six properties near Highway 101, Two Mile Lane, and China Creek Road south of Bandon. The proposal would establish rural residential and commercial plan designations and apply Qualified Rural Residential-2 (Q-RR-2) and Qualified Commercial-1 (Q-C-1) zoning. The existing plan designations and zoning on the Exclusive Farm Use (EFU) portions are outside the proposed amendment area.

Staff presented the proposed irrevocably committed exception to Statewide Planning Goals 3 and 4 and explained the additional Goal 14 requirements associated with the proposed two-acre minimum parcel size. The Commission reviewed written comments from ODOT, written opposition raising concerns about resource lands, water, septic capacity, and transportation safety, and responses submitted by the applicant and its traffic engineer. The Commission heard testimony from Sheri McGrath and Chris McWhorter on the proposal. No opponents or neutral parties spoke at the hearing.

Summary of Discussion

Commissioners discussed whether the existing pattern of development, prior land divisions, roads, and utilities supported the proposed exceptions and whether the proposed zoning would be compatible with nearby farm and forest operations. They discussed requiring a recorded farm and forest practices covenant and prohibiting planned unit developments in the Q-RR-2 area.

The Commission also discussed whether China Creek Road could serve future development, when County Road standards and improvements would apply, and whether a future road through the EFU area near China Creek would require a wetland delineation. For the commercial area, commissioners discussed using qualified zoning to tie transportation analysis and any necessary access or intersection improvements to the specific development proposed. The discussion included a possible Highway 101 turn lane, as well as state requirements affecting outdoor advertising signs and roadside tree removal along the highway.

Planning Commission Recommendation

Commissioner Aguirre moved to recommend approval as outlined by staff, and Commissioner Schab seconded the motion. The motion passed unanimously. The Planning Commission recommended that the Board of Commissioners approve AM-26-002 and RZ-26-001 based on the findings in the staff report and the evidence in the record, subject to the following ten recommended conditions.

A. General Conditions Applicable to Q-RR-2 and Q-C-1

1. **Irrevocably Committed Exception.** The Board shall adopt findings supporting an irrevocably committed exception under OAR 660-004-0028 based on the evidence in the record.
2. **Preservation of Exclusive Farm Use Lands.** The existing comprehensive plan designations and EFU zoning on the affected portions of the properties shall remain in place. The amendments shall apply only to the Forest-designated portions approved for redesignation and rezoning.
3. **Rural Character and Compatibility.** The Board shall adopt findings demonstrating compliance with OAR 660-004-0018, including applicable limitations needed to maintain rural character, avoid committing adjoining resource lands to nonresource uses, and ensure compatibility with surrounding farm and forest operations.

B. Conditions Specific to Q-RR-2

4. **Farm and Forest Practices Covenant.** Before approval of new residential development, the property owner shall record a covenant acknowledging that surrounding properties may be used for lawful farm and forest practices. The covenant shall give notice of potential noise, dust, odors, equipment operations, and other customary impacts. It shall run with the land and bind subsequent property owners, subject to applicable law.
5. **China Creek Road Improvements.** Before approval of development requiring improvements to China Creek Road, the applicant shall demonstrate compliance with the applicable standards of CCZLDO Section 7.2. Required improvements shall be determined based on the development proposed, the applicable road classification, and review by the Coos County Roadmaster.
6. **Qualified Rural Residential-2 Zoning and Goal 14 Compliance.** The residential portions of the amendment area shall be zoned Q-RR-2 pursuant to CCZLDO Section 5.1.240. The Board shall adopt findings addressing the applicable Goal 14 requirements, including OAR

660-004-0040(8)(i) and any exception necessary to authorize the proposed two-acre minimum parcel size.

7. **Prohibition on Planned Unit Developments.** Planned unit developments are prohibited within the Q-RR-2 portions of the subject properties.
8. **Wetland Delineation and Road Improvements Through EFU Lands.** If a future road is proposed through the existing EFU portions near China Creek, a wetland delineation shall be completed where required before authorization of the road improvements. Any required land use approvals and state or federal permits shall be obtained before construction.

C. Conditions Specific to Q-C-1

9. **Qualified Commercial-1 Zoning and Transportation Requirements.** The commercial portions of the amendment area shall be zoned Q-C-1 pursuant to CCZLDO Section 5.1.240. Commercial uses and development intensity shall be subject to the limitations established through the qualified zoning and the Board's adopted findings. Before approval of a specific commercial development proposal, the applicant shall provide any additional transportation analysis needed to evaluate the proposal and demonstrate compliance with applicable transportation requirements, including OAR 660-012-0060 and applicable ODOT standards. Required access, intersection, and other transportation improvements shall be based on the development proposed and incorporated into the applicable development approval.
10. **Highway 101 Scenic Overlay.** Future development within the Q-C-1 area adjacent to Highway 101 shall comply with applicable state requirements associated with the highway's scenic highway and scenic byway designations, including outdoor advertising sign regulations under ORS Chapter 377 and applicable ODOT requirements. Where applicable, forest operations within designated visually sensitive corridors shall comply with ORS 527.755 and associated Oregon Forest Practices Act requirements.

Comment Received After the Planning Commission Hearing

On November 24, 2026, Sheri McGrath requested that her email be included in the December 1 Board packet and that the Board omit Condition 10 from any approval. She stated that the condition cites state requirements and questioned the County's authority to impose or enforce them. Her request is before the Board for consideration.

Staff has no issue with the removal of this condition as the condition cites state requirements that apply independently of the County's decision. The state scenic designations do not, by themselves, authorize the County to impose a local scenic overlay through these map amendments. ODOT administers the applicable state outdoor advertising sign requirements under ORS Chapter 377. The Oregon Department of Forestry administers the forest practices requirements that apply to covered operations within visually sensitive corridors under ORS 527.755.

V. REVIEW PROCEDURES AND DECISION FRAMEWORK

Oregon's land use planning system was established through Senate Bill 100 in 1973 and requires local governments to adopt comprehensive plans and implementing land use regulations consistent with the Statewide Planning Goals. Coos County's Comprehensive Plan and Zoning and Land Development Ordinance became effective January 1, 1986, following the state acknowledgment process.

The Comprehensive Plan establishes the County's long-term land use policies and designations,

while the zoning ordinance implements those policies through permitted uses and development standards. A Comprehensive Plan amendment changes an underlying plan designation or policy, whereas a rezone changes the zoning classification and the uses that may be permitted on a property. When a proposed zoning designation is inconsistent with the Comprehensive Plan, both actions may be necessary.

Property ownership, development limitations under existing zoning, or proximity to residential and commercial development do not independently establish that a proposed amendment or rezone satisfies the applicable approval criteria.

Article 5.1 of the Coos County Zoning and Land Development Ordinance (CCZLDO) establishes the procedures for Comprehensive Plan amendments and rezones.
Under Section 5.1.220, the Planning Director investigates the proposed rezone and prepares a report evaluating compliance with the applicable standards. The Planning Commission conducts a public hearing, considers the evidence in the record, and makes a recommendation to the Board of Commissioners.

Section 5.1.225 establishes three criteria for recommending approval of a rezone:

1. The proposed rezone conforms to the Comprehensive Plan or satisfies Section 5.1.215 of the CCZLDO.
2. The proposed rezone will not seriously interfere with permitted uses on nearby properties.
3. The proposed rezone complies with other applicable policies and ordinances adopted by the Board of Commissioners.

The Planning Commission may recommend approval, qualified approval, or denial based on its findings. Under Section 5.1.235, the Board of Commissioners considers the recommendation and takes final action. A Planning Commission recommendation does not itself amend the zoning map.

Changing land designated for agricultural or forest use to rural residential or commercial use may require an exception to Statewide Planning Goal 3 (Agricultural Lands), Goal 4 (Forest Lands), or both.

Oregon recognizes three principal types of goal exceptions under Statewide Planning Goal 2, ORS 197.732, and OAR Chapter 660, Division 4:

Exception Type	General Basis
Physically Developed	Existing development has made the property unavailable for resource uses.
Irrevocably Committed	Existing development patterns and other circumstances make continued resource use impracticable.
Reasons Exception	Specific reasons justify an exception, supported by an evaluation of alternatives and impacts.

The Planning Commission must determine whether the evidence in the record supports the findings required by the CCZLDO and applicable state law. For this application, the review must address both whether the proposed exception area qualifies as irrevocably committed and whether the requested residential and commercial zoning designations are permissible under the limitations

governing exception areas.

The Commission's recommendation must be based on compliance with the applicable approval criteria and supported by substantial evidence in the record.

VI. APPLICABLE PLANS, GOALS, AND ORDINANCES

Coos County Zoning and Land Development Ordinance:

- Article 5.1 – Plan Amendments and Rezones

Coos County Comprehensive Plan:

- Volume I, Part I:
  - Section 3.2 – Agriculture/Forest/Natural Resource
  - Section 3.3 – Rural Residential/Rural Center/Urban Residential
  - Section 3.4 – Industrial/Commercial/Controlled Development
  - Section 5.3 – Agricultural Lands
  - Section 5.4 – Forest Lands
  - Section 5.16 – Industrial & Commercial Lands
  - Section 5.17 – Housing

- Volume I, Part II:
  - Section 3.1 – Agricultural Lands
  - Section 3.2 – Forest Lands
  - Section 4.4 – Industrial and Commercial Lands

Statewide Planning Goals:

- Goal 1 – Citizen Involvement
- Goal 2 – Land Use Planning
- Goal 3 – Agricultural Lands
- Goal 4 – Forest Lands
- Goal 5 – Open Spaces, Scenic & Historic Areas and Natural Resources
- Goal 6 – Air, Water, and Land Resources Quality
- Goal 7 – Areas Subject to Natural Disasters and Hazards
- Goal 8 – Recreational Needs
- Goal 9 – Economic Development
- Goal 10 – Housing
- Goal 11 – Public Facilities and Services
- Goal 12 – Transportation
- Goal 13 – Energy Conservation
- Goal 14 – Urbanization

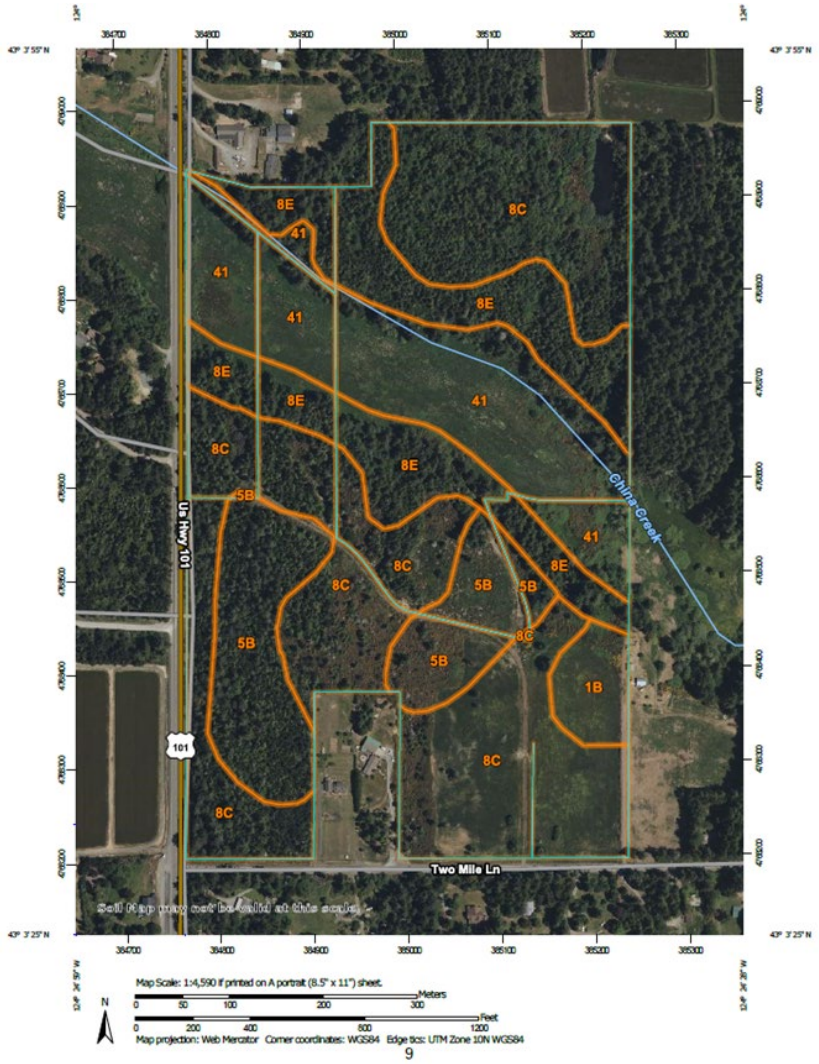
VII. EVIDENCE SUBMITTED

A. AGRICULTURAL AND FOREST SOIL INFORMATION

The applicant’s NRCS map unit table identifies approximately 60.1 acres of area of interest: Bandon sandy loam 2.3 acres; Blacklock fine sandy loam 11.9 acres; Bullards sandy loam (7–12% slopes) 26.5 acres; Bullards sandy loam (30–50% slopes) 7.5 acres; and Nestucca silt loam 11.9 acres. These figures describe the soils study area, not necessarily the amendment area.

The following values are taken from the submitted NRCS Custom Soil Resource Report, particularly pages 26–27 (Forestland Productivity) and page 32 (Agricultural Land Capability and Yields).

Soil type	Agricultural capability, nonirrigated	Forest productivity, cu. ft./acre/year
1B – Bandon sandy loam	Class IIIe	143 Douglas-fir; 200 Sitka spruce
5B – Blacklock fine sandy loam	Class VIw	72 shore pine
8C – Bullards sandy loam, 7–12%	Class IIIe	143 Douglas-fir; 229 Sitka spruce
8E – Bullards sandy loam, 30–50%	Class VIe	143 Douglas-fir; 229 Sitka spruce
41 – Nestucca silt loam	Class IIIw	114 red alder



The NRCS forest productivity estimates identify the potential annual wood-volume growth for individual tree species under suitable growing conditions. These figures represent estimated forest productivity rather than actual timber harvest volumes. The highest productivity estimate for a particular species does not necessarily represent the overall productivity of an entire parcel.

The agricultural capability classifications identify Bandon sandy loam, Bullards sandy loam on 7 to 12 percent slopes, and Nestucca silt loam as Class III soils. In western Oregon, Class I through IV soils are generally considered agricultural lands under Statewide Planning Goal 3, subject to the applicable definitions and site-specific considerations. This explains why the Mixed Use overlay was applied to the property.

The NRCS data also indicate that several soil units have substantial potential for commercial timber production. These productivity estimates are relevant to determining whether the land qualifies as forestland under Statewide Planning Goal 4. However, soil productivity alone does not establish whether forest operations are practicable. That determination requires consideration of the property's physical characteristics, existing development, ownership patterns, and surrounding land uses.

B. TRANSPORTATION ANALYSIS

The Oregon Department of Transportation (ODOT) reviewed Sandow Engineering's February 20, 2026 Transportation Planning Rule Analysis for AM-26-002 and RZ-26-001. ODOT requested clarification of the commercial trip-generation estimate and the northbound right-turn lane evaluation at Highway 101 and Two Mile Lane. ODOT also supported evaluating a southbound left-turn lane when specific development is proposed and noted that the improvement and associated widening could require right-of-way beyond the subject property. Sandow responded to ODOT in Exhibit 3 and addressed transportation concerns raised in written opposition in Exhibit 2.

Commercial trip generation. The original analysis projected 311 PM peak-hour trips for a 60,000-square-foot shopping center using the Institute of Transportation Engineers (ITE) 11th Edition rate of 5.19 trips per 1,000 square feet for Land Use Code 821. Sandow explained that it inadvertently used the 11th Edition rate. Applying the 12th Edition rate of 4.76 to the same scenario yields approximately 286 PM peak-hour trips. Sandow concluded that the original analysis could stand because it evaluated a higher trip volume.

Highway 101 turn lanes. Sandow confirmed that the analyzed northbound right-turn movement met ODOT's vehicle-volume criterion for a turn lane. Sandow recommended reevaluating the need for a northbound right-turn pocket when a specific development is proposed so that any improvement reflects the actual traffic and site design. Sandow's separate queuing evaluation recommended a southbound left-turn lane on Highway 101 and separate left- and right-turn lanes on the Two Mile Lane approach. Sandow also reported that the existing crash patterns and intersection geometry did not identify an existing safety issue requiring mitigation.

Transportation Planning Rule. Sandow concluded that the proposed amendments would not significantly affect a transportation facility under OAR 660-012-0060. Its analysis assumed that most site traffic would use the proposed access to Highway 101, found that projected traffic could be served under Two Mile Lane's existing Major Collector classification without a change to that classification or its implementing standards, and projected that the Highway 101 and Two Mile Lane intersection would meet ODOT's performance standards at the end of the Transportation System Plan planning period.

Staff evaluation. Exhibits 2 and 3 clarify the trip-generation calculation and confirm that the northbound right-turn movement meets the vehicle-volume criterion. The Board's amendment-stage findings should explain how the commercial scenario evaluated by Sandow represents the uses and intensity allowed under the proposed Q-C-1 zoning and identify any zoning limits or access assumptions the Board relies on. Recommended Condition 9 provides for further analysis of the actual commercial proposal and for any warranted access or intersection improvements, including necessary right-of-way, to be addressed in the applicable development approval.

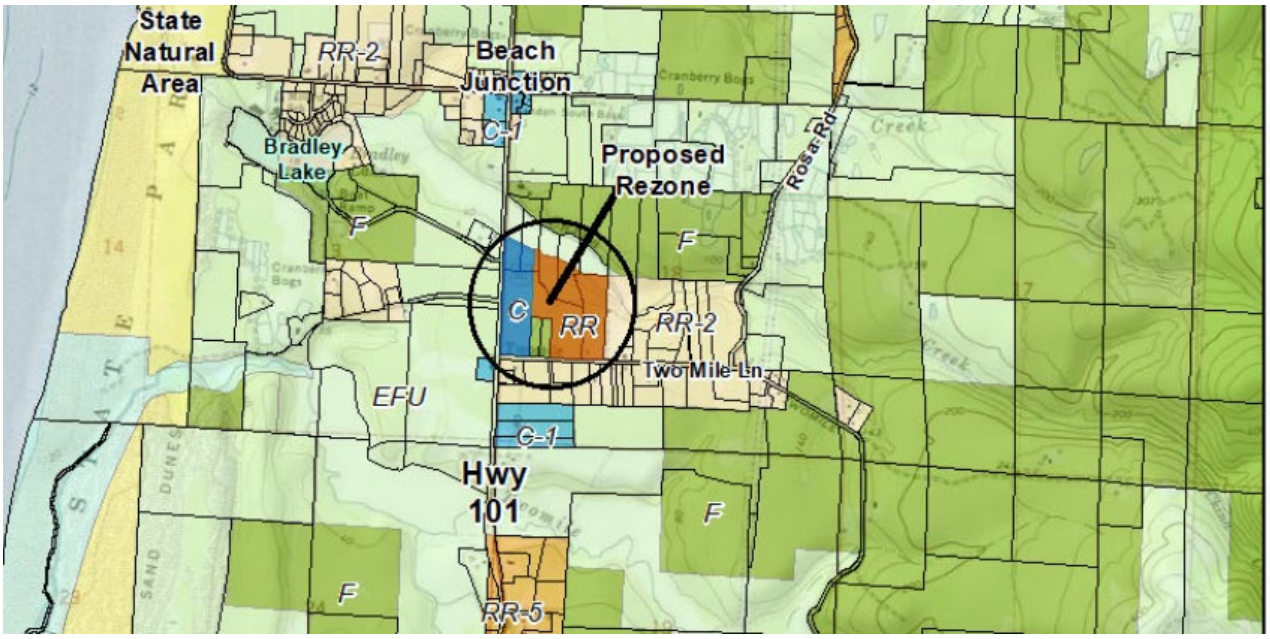
Record note. The approximately 286 trips are calculated from Sandow's stated 12th Edition rate. The excerpts establish Sandow's conclusions and recommendations. ODOT's concurrence should be a condition of approval.

C. SURROUNDING USES AND APPLICANT'S EXCEPTION RATIONALE

The applicant has explained that the surrounding development, existing parcel sizes, roadway and utility improvements, and geographic separation make resource use impracticable. Existing access, utilities and neighboring dwellings are relevant but do not alone establish irrevocable commitment.

Findings should address each OAR 660-004-0028 factor, including existing adjacent uses, public services, parcelization and ownership, neighborhood and regional characteristics, natural barriers, physical development, and other relevant evidence. The County will need to evaluate the actual feasibility of farm and forest uses on the subject area, not merely the desirability of alternative development. Distinguish the RR-2 area from the C-1 area; an exception for rural housing does not automatically justify the full range of C-1 commercial uses.

The application identifies RR-2 land to the east and south, EFU land to the north and west, and nearby commercial activity at Beach Junction.



The Commission must assess the potential range of permitted C-1 and RR-2 uses, including traffic, access, buffering, noise, lighting, rural services and effects on adjoining farm/forest operations. A finding that the applicant intends compatible uses is not equivalent to a finding about all uses

enabled by an unqualified zone. Evaluate whether a Q-qualified designation, use restrictions, setbacks or other enforceable standards would be necessary, and whether such measures are supported by the record.

VIII. PROPOSED FINDINGS AND ANALYSES

A. COOS COUNTY COMPREHENSIVE PLAN AND REZONE CRITERIA

- ***SECTION 5.1.100 LEGISLATIVE AMENDMENT OF TEXT ONLY:***

An amendment to the text of this ordinance or the comprehensive plan is a legislative act within the authority of the Board of Commissioners. [OR 04 12 013PL 2/09/05]

- ***SECTION 5.1.110 WHO MAY SEEK CHANGE:***

Coos County shall consider the appropriateness of legislative plan text and map amendment proposals upon:

1. *A motion by the Board of Commissioners; or*
2. *A motion of the Planning Commission; or*
3. *The submission of formal request made by either:*
   a. *The Citizen Advisory Committee; or*
   b. *An application filed by a citizen or organization, accompanied by a prescribed filing fee. If a Measure 56 notice is required the applicant shall be responsible for the payment of all cost associated with that service.*

FINDING: The application was initiated by a private property owner and proposes amendments affecting only the applicant's property. The proposed amendments are not legislative changes affecting a broader geographic area or multiple property owners. Accordingly, individual property owner notice pursuant to ORS 215.503 (Measure 56) is not required for this application. The applicable public hearing and land use notice requirements remain in effect. Staff concludes that this provision has been satisfied.

- ***SECTION 5.1.115 ALTERATION OF A RECOMMENDED AMENDMENT BY THE PLANNING DIRECTOR:***

The Planning Director may recommend an alteration of a proposed amendment if, in the director's judgment, such an alteration would result in better conformity with any applicable criteria. The Planning Director shall submit such recommendations for an alteration to the Hearings Body prior to the scheduled public hearing for a determination whether the proposed amendment should be so altered.

FINDING: **This provision establishes discretionary authority for the Planning Director and does not independently establish an approval criterion. The provision is satisfied procedurally, as no alteration is presently recommended.**

- ***SECTION 5.1.120 PROCEDURE FOR LEGISLATIVE AMENDMENT:***

The Board of Commissioners shall conduct one or more public hearings with 10 days advance published notice of each of the hearings. The public notice shall state the time and place of the hearing and contain a statement describing the general subject matter of the ordinance under consideration. (ORS 215.060 & ORS 215.223). Notice to DLCD shall be provided 35 days prior to the initial hearing per ORS 197.610. Notice of adoption is subject to ORS 197.615. [OR 04 12

013PL 2/09/05]

FINDING: **This is not a legislative amendment; therefore, Section 5.1.120 is not applicable.**

- ***SECTION 5.1.125 MINOR TEXT CORRECTIONS:***

The Director may correct this ordinance or the Comprehensive Plan without prior notice or hearing, so long as the correction does not alter the sense, meaning, effect, or substance of any adopted ordinance. [OR 04 12 013PL 2/09/05]

FINDING: **This is not a minor text correction; therefore, this section is not applicable.**

- ***SECTION 5.1.130 NEED FOR STUDIES:***

The Board of Commissioners, Hearings Body, or Citizen Advisory Committee may direct the Planning Director to make such studies as are necessary to determine the need for amending the text of the Plan and/or this Ordinance. When the amendment is initiated by application, such studies, justification and documentation are a burden of the initiator.

FINDING: **Staff has prepared a report incorporating the application materials, supporting studies, and other information submitted for review of the proposed Comprehensive Plan amendment and rezone. The applicant has provided supporting documentation, including soil reports and a transportation analysis. Pursuant to this section, the burden of providing sufficient studies, justification, and documentation to demonstrate compliance with the applicable approval criteria remains with the applicant. The Planning Commission may request additional information or studies if necessary to complete its review.**

- ***SECTION 5.1.135 STATUS OF HEARINGS BODY RECOMMENDATIONS TO THE BOARD OF COMMISSIONERS:***

A Hearings Body recommendation for approval or approval with conditions shall not in itself amend this Ordinance or constitute a final decision.

FINDING: **The Planning Commission serves in an advisory capacity for proposed Comprehensive Plan amendments and rezones. Any recommendation for approval or approval with conditions will be forwarded to the Board of Commissioners for consideration and final action. A recommendation by the Planning Commission does not itself amend the Comprehensive Plan or Zoning and Land Development Ordinance.**

- ***SECTION 5.1.200 REZONES:***

Rezoning constitutes a change in the permissible use of a specific piece of property after it has been previously zoned. Rezoning is therefore distinguished from original zoning and amendments to the text of the Ordinance in that it entails the application of a pre-existing zone classification to a specific piece of property, whereas both original zoning and amendments to the text of the Ordinance are general in scope and apply more broadly.

FINDING: **The applicant proposes to rezone portions of the subject property from existing resource zoning classifications to Rural Residential-2 (RR-2) and Commercial (C-1). The**

request involves applying existing zoning classifications to specific properties and does not propose the creation of a new zoning district or amendments to the text of the Zoning and Land Development Ordinance. Therefore, the application constitutes a rezone and is subject to the applicable Comprehensive Plan amendment and rezone review procedures and approval criteria.

- ***SECTION 5.1.210 RECOMMENDATION OF REZONE EXPANSION BY THE PLANNING DIRECTOR:***

The Planning Director may recommend an expansion of the geographic limits set forth in the application if, in the Planning Director's judgment, such an expansion would result in better conformity with the criteria set forth in this Ordinance for the rezoning of property. The Planning Director shall submit a recommendation for expansion to the Hearings Body prior to the scheduled public hearing for a determination whether the application should be so extended.

FINDING: The Planning Director has reviewed the proposed rezone boundaries and has not recommended an expansion of the geographic area identified in the application. The application will be considered based on the boundaries submitted by the applicant. This provision is procedural and does not establish an independent approval criterion.

- ***SECTION 5.1.215 ZONING FOR APPROPRIATE NON-FARM USE:***

Consistent with ORS 215.215(2) and 215.243, Coos County may zone for the appropriate non-farm use one or more lots or parcels in the interior of an exclusive farm use zone if the lots or parcels were physically developed for the non-farm use prior to the establishment of the exclusive farm use zone.

FINDING: **The applicant proposes to rezone portions of the subject property currently designated for Forest with a Mixed Use overlay to Rural Residential and Commercial. The application does not rely on a non-farm use that was physically developed prior to the establishment of the EFU zone. Instead, the applicant seeks an irrevocably committed exception to Statewide Planning Goals 3 and 4 pursuant to OAR 660-004-0028. Therefore, Section 5.1.215 is not applicable to the proposed rezone.**

- ***SECTION 5.1.220 PROCESS FOR REZONES:***

1. *Valid application must be filed with the Planning Department at least 35 days prior to a public hearing on the matter.*
2. *The Planning Director shall cause an investigation and report to be made to determine compatibility with this Ordinance and any other findings required.*
3. *The Hearings Body shall hold a public hearing pursuant to hearing procedures at Section 5.7.300.*
4. *The Hearings Body shall make a decision on the application pursuant to Section 5.1.225.*
5. *The Board of Commissioners shall review and take appropriate action on any rezone recommendation by the Hearings Body pursuant to Section 5.1.235.*
6. *A decision by the Hearings Body that a proposed rezone is not justified may be appealed pursuant to Article 5.8.*

FINDING: **The applicant submitted a Comprehensive Plan amendment and rezone**

application to the Planning Department for review. Staff has conducted an investigation of the proposal and prepared this report addressing the applicable provisions of the Coos County Zoning and Land Development Ordinance, Comprehensive Plan, and Oregon Administrative Rules.

The Planning Commission has conducted a public hearing pursuant to Section 5.7.300 and evaluate the application under the approval criteria in Section 5.1.225. Following the hearing, the Planning Commission made a recommendation as explained in the Planning Commission section of this report. The Board of Commissioners will consideration that recommendation and take final action pursuant to Section 5.1.235. Any decision that the proposed rezone is not justified may be appealed pursuant to Article 5.8.

Coos County submitted the proposed Comprehensive Plan amendment and rezone to the Oregon Department of Land Conservation and Development (DLCD) through the Post-Acknowledgment Plan Amendment (PAPA) online reporting system. The initial submittal identifies the proposed amendment as AM-26-002 / RZ-26-001, with a first public hearing scheduled for November 5, 2026. The submittal includes the application materials, proposed mapping, soil reports, and transportation analysis. The PAPA submission documents the County's initial notification to DLCD prior to the scheduled public hearing. All notices have been posted, published or mailed in accordance with the appropriate date.

- ***SECTION 5.1.225 DECISIONS OF THE HEARINGS BODY FOR A REZONE:***

The Hearings Body shall, after a public hearing on any rezone application, either:

1. *Recommend the Board of Commissioners approve the rezoning, only if on the basis of the initiation or application, investigation and evidence submitted, all the following criteria are found to exist:*

    a. *The rezoning will conform with the Comprehensive Plan or Section 5.1.215; and*
    b. *The rezoning will not seriously interfere with permitted uses on other nearby parcels; and*
    c. *The rezoning will comply with other policies and ordinances as may be adopted by the Board of Commissioners.*

2. *Recommend the Board of Commissioners approve, but qualify or condition a rezoning such that:*

    a. *The property may not be utilized for all the uses ordinarily permitted in a particular zone;*
    b. *The development of the site must conform to certain specified standards; or*
    c. *Any combination of the above.*

    A qualified rezone shall be dependent on findings of fact including but not limited to the following:

        i. *Such limitations as are deemed necessary to protect the best interests of the surrounding property or neighborhood;*
        ii. *Such limitations as are deemed necessary to assure compatibility with the surrounding property or neighborhood;*
        iii. *Such limitations as are deemed necessary to secure an appropriate development in*

harmony with the objectives of the Comprehensive Plan; or

iv. Such limitations as are deemed necessary to prevent or mitigate potential adverse environmental effects of the zone change.

3. Deny the rezone if the findings of 1 or 2 above cannot be made. Denial of a rezone by the Hearings Body is a final decision not requiring review by the Board of Commissioners unless appealed.

FINDING: The applicant, Peppermill, LLC, requests amendments to the Coos County Comprehensive Plan Map and Official Zoning Map for portions of Tax Lots 1600, 1607, 1608, 1610, 1611, and 1616, identified on Assessor's Map 29S-14W-18. The proposal would redesignate portions of the properties currently designated Forest and Mixed Use in the Comprehensive Plan and zoned Forest to Rural Residential and Commercial, with corresponding Rural Residential-2 (RR-2) and Commercial-1 (C-1) zoning.

Several of the subject tax lots contain both Forest and Exclusive Farm Use (EFU) zoning. The proposed amendments are limited to the Forest-designated and Forest-zoned portions. The existing EFU designations and zoning would remain unchanged, maintaining the County's resource land protections on those portions of the properties.

The applicant requests an irrevocably committed exception to Statewide Planning Goals 3 and 4 under OAR 660-004-0028. The application addresses the factors required by that rule, including existing adjacent uses, public facilities and services, parcel size and ownership patterns, neighborhood characteristics, natural and physical features, and existing development. The applicant contends that the cumulative effects of these circumstances have made continued agricultural and forest operations impracticable within the proposed exception area.

CCZLDO Section 5.1.225(1)(a) requires a proposed zone change to conform to the Comprehensive Plan or satisfy the applicable requirements for a Comprehensive Plan amendment under Section 5.1.215. The applicant has requested corresponding amendments to the Comprehensive Plan and Official Zoning Map, allowing the County to evaluate the proposed designations together under the applicable state and local requirements.

Volume I, Part II, Sections 3.1 and 3.2 of the Comprehensive Plan establish the agricultural and forestland inventories used to evaluate the resource characteristics of land within the County. The applicant submitted Natural Resources Conservation Service (NRCS) soil information identifying agricultural capability classifications and potential forest productivity. The reports identify Class III agricultural soils within the study area, including Bandon, Bullards, and Nestucca soil units, together with soils capable of supporting commercial timber production.

The soil information establishes that portions of the study area retain agricultural and forest production capability. However, the physical capability of land to support resource production is not the sole consideration in determining whether an irrevocably committed exception is justified. OAR 660-004-0028 requires consideration of existing development, surrounding uses, ownership patterns, public facilities, physical characteristics, and other circumstances affecting the practicability of continued resource operations.

The subject properties are located approximately 2.75 miles south of Bandon, in an area containing established rural residential development, commercial activity near Highway 101, and agricultural and forest lands. Existing RR-2 zoning and residential development are located to the east and south. The applicant identifies the surrounding residential development pattern, historical parcelization, China Creek Road, and installed electrical infrastructure as evidence of the area's transition toward nonresource uses.

These circumstances are relevant because existing development and infrastructure can affect the ability to conduct resource operations, particularly where access, equipment movement, and management activities must occur in proximity to established residential uses. The existing development pattern also provides a basis for evaluating whether the proposed residential designation would be a compatible continuation of surrounding development rather than the establishment of an isolated residential area.

The applicant has provided historical land division information documenting the configuration of the subject properties and surrounding parcels. The County may consider this history together with subsequent physical development and existing uses in evaluating whether the proposed exception area has become irrevocably committed to nonresource uses. Historical parcelization alone does not establish commitment, but it is relevant when considered with the roadway, utility improvements, and surrounding development that have occurred.

The existing EFU-designated portions generally correspond to wetter areas of the subject properties and extend across multiple tax lots. This configuration is relevant to understanding the relationship between the proposed exception area and the lands that would remain designated for resource use. Retaining the EFU designation on these portions would preserve the existing zoning protections while allowing the County to consider whether the remaining Forest-designated areas are suitable for a different designation.

The applicant also submitted Oregon Water Resources Department records concerning cranberry operations associated with Fugate Farms, located west of Highway 101. These materials identify agricultural production areas, reservoirs, streams, and associated water infrastructure, documenting the presence of established agricultural operations in the surrounding area.

The records include a June 5, 2026, Final Order denying an extension of time for Permit S-53694, associated with Application S-73857. The order explains that a required permit amendment was not submitted, resulting in the deadline for completing beneficial use reverting to October 1, 2015. OWRD subsequently denied the requested extension through October 1, 2031.

These records provide information concerning surrounding agricultural uses and water infrastructure that is relevant to the neighborhood characteristics evaluated under OAR 660-004-0028. Although the order does not establish that agricultural use of the subject property is impracticable, it provides additional context concerning agricultural activities and water development in the vicinity.

The proposed RR-2 designation would not prohibit all agricultural activities. Property owners could continue agricultural uses permitted under the zoning ordinance, but the designation would also authorize residential and other nonresource uses independently of agricultural production. The proposed zoning would therefore provide greater flexibility for rural residential development without requiring continued agricultural production as the primary use.

The County must also consider whether residential development authorized under RR-2 zoning would remain compatible with surrounding agricultural operations. The existing RR-2 development pattern provides evidence that residential and resource uses already occur in proximity to one another. Development standards, setbacks, and other applicable requirements may provide additional measures to minimize potential conflicts with adjoining EFU and Forest lands.

With respect to forest resources, the applicant's NRCS information identifies potential forest productivity within the study area. These estimates demonstrate physical production capability but do not independently determine whether commercial forest operations remain practicable under existing site conditions.

The subject properties contain forest vegetation and areas with wet or potentially constrained conditions. Forest operations are subject to the Oregon Forest Practices Act and applicable administrative rules, including provisions resulting from the Private Forest Accord. These regulations establish requirements concerning timber harvesting, forest roads, riparian vegetation retention, wetlands protection, and associated management activities.

Depending on the location and classification of regulated streams and wetlands, riparian management areas, and other site-specific characteristics, these requirements have an effect on the amount of land available for harvesting, equipment access, road construction, and other forest operations. The applicant's identification of environmental constraints is therefore relevant to evaluating the practicability of continued forest management.

The existence of these regulations does not independently establish irrevocable commitment. However, the County will consider their cumulative effects together with the property's configuration, existing infrastructure, surrounding residential development, and other physical circumstances. Additional testimony explaining how these conditions affect forest management within the actual proposed exception area would further support the Commission's evaluation.

The applicant's exception justification addresses the factors identified in OAR 660-004-0028. Taken together, the existing development pattern, historical parcelization, roadway and utility infrastructure, relationship to adjoining properties, and identified environmental characteristics provide evidence relevant to determining whether continued resource operations are practicable. The combined effects have been explained by the applicant rather than relying on any individual factor.

The proposed RR-2 designation is located primarily on the eastern portion of the exception area, adjacent to established rural residential development. This location is relevant to the

requirements of OAR 660-004-0018, which governs the uses, densities, and public facilities and services authorized within exception areas.

The existing residential development pattern, together with roadway access and utility infrastructure, supports consideration of additional rural residential development in this location. The proposal would extend an established rural residential land use pattern rather than introduce residential development into an area characterized exclusively by resource uses.

The County must evaluate the uses and development intensity authorized by RR-2 zoning, including residential and accessory uses, potential conditional uses, and additional land divisions. The compatibility analysis should consider the full range of development authorized by the proposed designation rather than only the applicant's anticipated residential development or the uses can be limited to ensure the impacts are minimized.

The Commission may consider whether increased setbacks, limitations on particular uses, a larger minimum parcel size, or other development standards would provide appropriate protection for adjoining resource operations. CCZLDO Section 5.1.225 also provides a framework for considering a qualified rezone where limitations are necessary to ensure compatibility with surrounding uses.

The proposed residential designation must additionally comply with the applicable requirements of Statewide Planning Goal 14. OAR 660-004-0040(8)(i) distinguishes newly designated rural residential exception areas from previously acknowledged rural residential areas. For a new rural residential area designated after October 4, 2000, the rule generally requires a minimum lot or parcel size of at least ten acres unless a minimum of at least two acres is established through the applicable Goal 14 exception process under OAR Chapter 660, Division 14.

The applicant proposes a two-acre minimum parcel size. Although existing RR-2 zoning is located east and south of the subject properties, the proposed exception area is currently designated Forest. Accordingly, the existing residential development pattern provides evidence relevant to compatibility and the appropriateness of the proposed designation, but the County must also establish compliance with the applicable Goal 14 requirements for the proposed density.

The County's original Comprehensive Plan process evaluated rural residential development opportunities in relation to existing development, resource land protection, and the availability of rural services. The County established rural residential exception areas based on findings addressing the characteristics and development patterns of individual areas.

Additional housing information is available through the City of Bandon Housing Needs Assessment, commissioned by the City of Bandon and Wild Rivers Coast Alliance. The assessment evaluated housing conditions within the entire 97411 ZIP code, including rural areas outside the Bandon Urban Growth Boundary. It considered housing availability, population and employment trends, and demand for additional housing, including single-family dwellings.

The Peppermill property is located within the geographic area evaluated by the assessment. The assessment provides regional context concerning the need for additional housing opportunities within the Bandon-area housing market, including housing associated with employment in natural resource industries, tourism, and other sectors of the coastal economy.

The assessment is relevant to the County's consideration of whether additional rural residential development would serve identified housing needs. The subject property's proximity to existing residential development and transportation infrastructure provides a basis for considering whether the proposed RR-2 designation could accommodate additional housing in a manner consistent with the surrounding rural development pattern.

The Housing Needs Assessment does not independently establish that the subject property qualifies for an irrevocably committed exception or that the proposed two-acre minimum parcel size satisfies Goal 14. However, it provides supporting evidence concerning regional housing demand that may be considered with the existing development pattern, available rural services, and the property's physical characteristics when evaluating the proposed residential designation and density.

According to the application, the proposed C-1 designation would apply to the western portion of the exception area near Highway 101. Volume I, Part II, Section 4.4 of the Comprehensive Plan provides the inventory and factual background for industrial and commercial land use planning, including economic development, transportation access, and existing commercial activity.

The applicant identifies nearby commercial development and proximity to Highway 101 as supporting the proposed commercial designation. The application also includes a transportation analysis prepared by Sandow Engineering evaluating potential development and impacts on the surrounding transportation system.

The location of the proposed commercial designation near an existing transportation corridor and commercial development provides a basis for considering the appropriateness of additional commercial uses. The County must also determine whether the uses, development intensities, and services authorized under C-1 zoning satisfy OAR 660-004-0018 and remain compatible with surrounding rural and resource lands.

The proposed amendments would establish residential and commercial designations in locations influenced by existing nonresource development while retaining the EFU zoning on portions of the subject properties. The application provides evidence addressing the resource inventories, historical development, surrounding land use patterns, infrastructure, environmental characteristics, and transportation conditions relevant to the requested amendments.

The Commission may consider this evidence collectively in determining whether the proposed exception area qualifies as irrevocably committed to nonresource uses and whether the requested designations are appropriate. The Commission may also consider additional applicant testimony, agency comments, and modifications to the proposed zoning where necessary to establish compliance with the applicable requirements.

The evidence submitted provides a factual basis supporting consideration of the proposed Comprehensive Plan amendments and corresponding zoning designations. An affirmative recommendation should be supported by findings demonstrating that the proposed exception satisfies OAR 660-004-0028, that the authorized residential and commercial uses comply with OAR 660-004-0018, and that the proposed two-acre residential density satisfies the applicable Goal 14 requirements.

- ***SECTION 5.1.230 STATUS OF HEARINGS BODY RECOMMENDATION OF APPROVAL:***

The recommendation of the Hearings Body made pursuant to 5.1.225(1) or (2) shall not in itself amend the zoning maps.

FINDING: The Planning Commission serves in an advisory capacity when reviewing the proposed Official Zoning Map amendment. Any recommendation for approval or approval with conditions pursuant to Section 5.1.225(1) or (2) will be forwarded to the Board of Commissioners for consideration and final action. A recommendation by the Planning Commission does not independently amend the Official Zoning Map. This provision is procedural and does not establish an independent approval criterion.

- ***SECTION 5.1.235 BOARD OF COMMISSIONERS ACTION ON HEARINGS BODY RECOMMENDATION:***

Not earlier than 15 days following the mailing of written notice of the Hearings Body recommendation pursuant to Section 5.1. 225, the Board of Commissioners shall either:

1. *adopt the Hearings Body recommendation for approval or approval with conditions;*
2. *reject the Hearings Body recommendation for approval or approval with conditions and dismiss the application;*
3. *accept the Hearings Body recommendation with such modifications as deemed appropriate by the Board of Commissioners; or*
4. *if an appeal has been filed pursuant to Article 5.8, the Hearings Body recommendation shall become a part of the appeal hearing record, and no further action is required to dispense with the Hearings Body recommendation.*

FINDING: The Planning Commission conducted a public hearing on November 5, 2026, to consider the proposed Comprehensive Plan Map and Official Zoning Map amendments. The Board of Commissioners hearing is scheduled for December 1, 2026 to review the proposal and recommendations.

The Board may adopt, reject, or modify the Planning Commission's recommendation, or consider the matter through the applicable appeal process.

This section establishes procedural requirements for Board action. Staff will ensure that the required notice period is satisfied prior to the Board of Commissioners taking final action on the proposed amendments.

- ***SECTION 5.1.240 REQUIREMENTS FOR "Q" QUALIFIED CLASSIFICATION:***

Where limitations are deemed necessary, Board of Commissioners may place the property in a "Q" Qualified rezoning classification. Said "Q" Qualified Classification shall be indicated by the symbol "Q" preceding the proposed zoning designation (for example: Q C-1).

FINDING: CCZLDO Section 5.1.240 authorizes the Board of Commissioners to apply a Qualified ("Q") classification when limitations on the proposed zoning are necessary. The applicant proposes Rural Residential-2 (RR-2) and Commercial-1 (C-1) zoning on portions of the subject properties currently designated Forest. The amendments would allow additional residential and commercial development in an area with existing rural residential uses, commercial activity, and adjoining farm and forest lands. This finding addresses the transportation basis for applying the Qualified Commercial-1 (Q-C-1) classification to the proposed commercial area.

Sandow Engineering's February 20, 2026 Transportation Planning Rule Analysis evaluated a 60,000-square-foot shopping center and estimated 311 weekday PM peak-hour trips. In its October 14, 2026 comments, ODOT requested verification of that estimate and clarification of the northbound right-turn lane evaluation at Highway 101 and Two Mile Lane. In Exhibit 3, Sandow explained that the original estimate used the ITE 11th Edition rate of 5.19 trips per 1,000 square feet. Applying the 12th Edition rate of 4.76 to the same scenario yields approximately 286 weekday PM peak-hour trips. Sandow concluded that the original analysis remained adequate because it evaluated a higher trip volume.

Sandow confirmed that the projected northbound right-turn movement met ODOT's vehicle-volume criterion and recommended reevaluating the need for a right-turn pocket when a specific development is proposed. In Exhibit 2, Sandow also reported that its queuing analysis supported a southbound left-turn lane on Highway 101 and separate left- and right-turn lanes on the Two Mile Lane approach. ODOT supported evaluating the southbound left-turn lane in conjunction with future development and noted that the improvement and associated widening could require additional right-of-way beyond the subject property.

Sandow concluded that the amendments would not significantly affect a transportation facility under OAR 660-012-0060. Its analysis assumed that most site traffic would use a proposed access to Highway 101 and projected that the Highway 101 and Two Mile Lane intersection would meet ODOT's performance standards at the end of the Transportation System Plan planning period. In making its amendment-stage determination, the Board should address how the commercial scenario evaluated by Sandow represents the uses and intensity allowed under the proposed Q-C-1 zoning and identify any enforceable limitations or access assumptions on which its determination relies.

On November 5, 2026, the Planning Commission recommended applying Q-C-1 zoning with a transportation condition. Staff concurs and recommends that the Board apply Q-C-1 zoning to the proposed commercial area, subject to Condition 9. The condition requires any additional transportation analysis needed to evaluate a specific commercial proposal before approval. The County will coordinate with ODOT, as applicable, to determine what access, turn-lane, or other intersection improvements are warranted by the proposed development and incorporate required improvements into the development approval.

- ***SECTION 5.1.250 PERMITS AND APPLICATIONS MORATORIUM:***

1. *After a proposed rezoning has been set for public hearing, no building or sewage disposal system permits shall be issued until final action has been taken. Final action constitutes either:*

    a. *Withdrawal of the application by the applicant;*
    b. *Expiration of the County's appeal period without an appeal having been filed; or*
    c. *Final order of Board of Commissioners upon hearing the appeal.*

2. *Following final action on the proposed rezoning, the issuance of a verification letter shall be in conformance with the application approval.*

FINDING: There are no pending applications that would require a moratorium. Therefore, this section is not applicable to this request.

- ***SECTION 5.1.275 STANDARDS FOR COMPREHENSIVE PLAN AND REZONE FOR NONRESOURCE LAND: (NOT APPLICABLE)***

FINDING: The applicant is not seeking to establish that the subject property qualifies as nonresource land based on its soil classifications or agricultural and forest productivity. Instead, the applicant has elected to pursue an irrevocably committed exception to Statewide Planning Goals 3 and 4 under OAR 660-004-0028.

This exception process recognizes that land may retain agricultural or forest production capability while surrounding development, existing land uses, infrastructure, parcelization, and other physical circumstances have made continued resource use impracticable. Accordingly, the application is being evaluated under the standards for an irrevocably committed exception rather than the standards for redesignating nonresource land under Section 5.1.275. The Commission can find that Section 5.1.275 is not applicable to the proposed amendment.

B. GOAL 2 EXCEPTION APPLICABILITY — OAR 660-004-0010

- ***660-004-0010 APPLICATION OF THE GOAL 2 EXCEPTION PROCESS TO CERTAIN GOALS***

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

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

(b) Goal 4 "Forest Lands"; however, an exception to Goal 4 "Forest Lands" is not required for any of the forest or nonforest uses allowed in a forest or mixed farm/forest zone

under OAR chapter 660, division 6, "Forest Lands";

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

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

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

FINDING: OAR 660-004-0010 establishes the applicability of the Goal 2 exception process to statewide planning goals that protect resource lands or restrict urban development on rural lands. The rule identifies Goals 3 and 4 as subject to the exception process when proposed uses are not otherwise authorized under the applicable agricultural or forest land regulations. The applicant requests amendments to the Coos County Comprehensive Plan and Official Zoning Map to redesignate portions of the subject properties currently designated and zoned Forest to Rural Residential-2 (RR-2) and Commercial-1 (C-1). These designations would authorize residential and commercial uses beyond those otherwise permitted under the existing Forest zoning.

The applicant has elected to pursue an irrevocably committed exception under OAR 660-004-0028, asserting that the cumulative effects of surrounding residential and commercial development, historical parcelization, existing infrastructure, and physical characteristics have made continued resource operations impracticable.

Although portions of the subject tax lots are designated Exclusive Farm Use (EFU), those areas are not included in the proposed amendments and will retain their existing resource designations and zoning. The requested exception applies only to the Forest-designated portions proposed for redesignation.

OAR 660-004-0010 also recognizes that an exception to Goal 14 may be required when development proposed on rural land exceeds the limitations otherwise applicable to rural uses. The applicant proposes RR-2 zoning with a two-acre minimum parcel size. Accordingly, the proposed residential density must also be evaluated under OAR 660-004-0040(8)(i) and the applicable Goal 14 exception requirements in OAR Chapter 660, Division 14.

The Goal 2 exception process is applicable to the proposed amendments. The applicant has appropriately identified OAR 660-004-0028 as the procedural basis for requesting an irrevocably committed exception to the applicable resource goals. Approval remains subject to demonstrating compliance with the substantive requirements of that rule, the standards governing uses and development within exception areas under OAR 660-004-0018, and any additional Goal 14 exception requirements applicable to the proposed RR-2 density.

(2) The exceptions process is generally not applicable to those statewide goals that provide general planning guidance or that include their own procedures for resolving conflicts between competing uses. However, exceptions to these goals, although not required, are possible and exceptions taken to these goals will be reviewed when submitted by a local jurisdiction. These statewide goals are:

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

(b) Goal 6 "Air, Water, and Land Resources Quality";

(c) Goal 7 "Areas Subject to Natural Hazards";

(d) Goal 8 "Recreational Needs":

(e) Goal 9 "Economic Development";
(f) Goal 10 "Housing" except as provided for in OAR 660-008-0035, "Substantive Standards for Taking a Goal 2, Part II, Exception Pursuant to ORS 197.303(3)";
(g) Goal 12 "Transportation" except as provided for by OAR 660-012-0070, "Exceptions for Transportation Improvements on Rural Land";
(h) Goal 13 "Energy Conservation";
(i) Goal 15 "Willamette River Greenway" except as provided for in OAR 660-004-0022(6); and
(j) Goal 19 "Ocean Resources."

FINDING: OAR 660-004-0010(2) identifies statewide planning goals for which an exception is generally not required because those goals provide general planning guidance or establish separate procedures for addressing land use conflicts.

The applicant requests an irrevocably committed exception to the applicable resource land goals to allow Rural Residential-2 (RR-2) and Commercial-1 (C-1) designations on portions of the subject properties currently designated Forest. The application does not request exceptions to the statewide planning goals identified in subsection (2).

The proposed amendments remain subject to applicable requirements addressing natural resources, environmental quality, natural hazards, economic development, housing, transportation, and other relevant planning considerations. The applicant has submitted information concerning soil characteristics, environmental constraints, surrounding development, housing conditions, and transportation impacts to assist the County in evaluating the proposed designations.

In particular, the proposed commercial designation must be evaluated for consistency with applicable transportation requirements, including the Transportation Planning Rule under OAR Chapter 660, Division 12. The applicant's transportation analysis and comments received from the Oregon Department of Transportation provide a basis for evaluating transportation impacts and determining whether additional development limitations or improvements are necessary.

Separate exceptions to the goals identified in OAR 660-004-0010(2) are not proposed or required solely as a result of the requested amendments. Compliance with the applicable substantive requirements of those goals and their implementing regulations must nevertheless be demonstrated as part of the Comprehensive Plan amendment and zone change review.

C. IRREVOCABLY COMMITTED EXCEPTION — OAR 660-004-0028

- ***660-004-0028 EXCEPTION REQUIREMENTS FOR LAND IRREVOCABLY COMMITTED TO OTHER USES***

(1) A local government may adopt an exception to a goal when the land subject to the exception is irrevocably committed to uses not allowed by the applicable goal because existing adjacent uses and other relevant factors make uses allowed by the applicable goal impracticable:
(a) A "committed exception" is an exception taken in accordance with ORS 197.732(2)(b), Goal 2, Part II(b), and with the provisions of this rule, except where other rules apply as described in OAR 660-004-0000(1).
(b) For the purposes of this rule, an "exception area" is that area of land for which a

"committed exception" is taken.

(c) An "applicable goal," as used in this rule, is a statewide planning goal or goal requirement that would apply to the exception area if an exception were not taken.

FINDING: The applicant requested an irrevocably committed exception to Statewide Planning Goals 3 and 4 under OAR 660-004-0028 to allow portions of the subject properties currently designated Forest to be redesignated Rural Residential and Commercial, with corresponding RR-2 and C-1 zoning.

OAR 660-004-0028(1) allows a local government to adopt an exception where existing adjacent uses and other relevant factors have made uses authorized by the applicable resource goal impracticable. The rule does not require a finding that the land is physically incapable of agricultural or forest production. Rather, the County must evaluate whether the cumulative effects of existing development and other relevant circumstances have irrevocably committed the proposed exception area to nonresource uses.

The subject properties are located approximately 2.75 miles south of Bandon, near Highway 101 and Two Mile Lane, in an area containing established rural residential development, commercial activity, and agricultural and forest lands. Existing RR-2 zoning and residential development are located east and south of the proposed exception area, while commercial development is established near Highway 101. These existing uses are relevant to the character of the surrounding area and the practicability of continued resource management.

The applicant has documented historical land divisions, existing parcel configurations, ownership patterns, and infrastructure improvements, including China Creek Road and associated electrical facilities. These improvements provide access and utility infrastructure capable of supporting nonresource development and demonstrate that portions of the property have already been physically improved in anticipation of uses other than agricultural or forest production.

The applicant also identifies the relationship between the proposed exception area and adjoining properties, including established residential development, existing transportation corridors, and wetter portions of the subject properties that retain their EFU designation. The combination of existing development, parcel configuration, infrastructure, and physical characteristics is relevant to determining whether continued agricultural and forest operations are practicable within the proposed exception area.

The submitted NRCS soil information identifies agricultural capability and potential forest productivity within the study area. Although these characteristics demonstrate that portions of the land retain the physical capacity for resource production, they do not independently establish that commercial agricultural or forest operations remain practicable under existing conditions. The applicant's exception justification addresses the relationship between the land's resource potential and the surrounding development and physical circumstances that may limit its continued management for resource purposes.

The proposed amendments would not affect the existing EFU-designated portions of the subject properties. Those lands would retain their resource designation and zoning. The requested exception is limited to the Forest-designated portions proposed for residential and

commercial development, allowing the County to evaluate the practicability of resource operations within the defined exception area without redesignating the adjoining EFU lands.

The proposed RR-2 designation would be located primarily adjacent to existing rural residential development, while the proposed C-1 designation would be situated near Highway 101 and established commercial activity. This arrangement reflects the surrounding development pattern and provides a basis for considering the requested designations as extensions of existing nonresource uses rather than isolated residential or commercial development within an otherwise exclusively resource-oriented area.

The applicant has addressed the relevant circumstances through its submitted exception justification, including existing adjacent uses, historical parcelization, public facilities and services, physical development, and natural features. These factors must be considered collectively in determining whether the proposed exception area has become irrevocably committed to uses not allowed by the applicable resource goals.

The applicant has identified existing adjacent nonresource uses and other relevant circumstances supporting consideration of an irrevocably committed exception under OAR 660-004-0028(1). The surrounding development pattern, established infrastructure, parcel configuration, and physical characteristics provide a factual basis for evaluating whether continued resource operations have become impracticable. The Planning Commission may rely on the submitted application materials, together with testimony and other evidence received during the public hearing, to determine whether the cumulative circumstances satisfy the requirements for a committed exception.

For purposes of subsection (1)(a), the applicant is requesting a committed exception consistent with the framework established by ORS 197.732(2)(b), Goal 2, Part II(b), and OAR 660-004-0028.

For purposes of subsection (1)(b), the exception area consists only of those portions of the subject properties proposed for redesignation from Forest to Rural Residential and Commercial. The existing EFU-designated portions are excluded.

For purposes of subsection (1)(c), the applicable resource goal is primarily Statewide Planning Goal 4, Forest Lands, because the proposed exception area is currently designated and zoned Forest. Goal 3, Agricultural Lands, is also identified in the application due to the agricultural characteristics of portions of the land and the property's Mixed Use designation. The applicability of Goal 3 must be evaluated in relation to the land included within the proposed exception area.

The requested exception provides the basis for considering nonresource designations on land currently subject to resource land protections. Approval of the exception remains subject to demonstrating that the cumulative circumstances make uses allowed by the applicable resource goals impracticable and to compliance with the additional requirements governing the proposed uses and development densities.

(2) Whether land is irrevocably committed depends on the relationship between the exception area and the lands adjacent to it. The findings for a committed exception therefore must

address the following:
(a) The characteristics of the exception area;
(b) The characteristics of the adjacent lands;
(c) The relationship between the exception area and the lands adjacent to it; and
(d) The other relevant factors set forth in OAR 660-004-0028(6).

FINDING: The applicant has addressed the characteristics of the proposed exception area, the characteristics of adjacent lands, the relationship between those lands, and the additional factors identified in OAR 660-004-0028(6). The submitted materials describe the existing development pattern, historical land divisions, ownership, roadway and utility infrastructure, soil characteristics, and physical conditions affecting the subject properties and surrounding area.

The proposed exception area consists of portions of Tax Lots 1600, 1607, 1608, 1610, 1611, and 1616 currently designated and zoned Forest. The properties are located approximately 2.75 miles south of Bandon, near Highway 101 and Two Mile Lane. The exception area remains largely undeveloped, with existing forest vegetation, China Creek Road, and associated electrical infrastructure. The applicant's soil reports identify agricultural capability and potential forest productivity, while the submitted materials also describe wet areas and other physical characteristics that may affect resource management.
The surrounding area contains a mixture of residential, commercial, agricultural, and forest uses. Established Rural Residential-2 (RR-2) development is located east and south of the proposed exception area, and commercial development occurs near Highway 101.

Agricultural lands, including active cranberry operations, are located in the surrounding area. Portions of the subject tax lots are designated Exclusive Farm Use (EFU) and would retain their existing resource designation and zoning.

The relationship between the exception area and adjacent lands is central to the applicant's justification. The existing residential development to the east and south establishes a nonresource development pattern immediately adjoining portions of the proposed exception area. Commercial activity and Highway 101 influence the western portion, while the remaining resource lands and wetter portions of the properties affect the configuration and potential management of the land.

The applicant contends that these surrounding uses, together with historical parcelization and existing infrastructure, have changed the circumstances under which agricultural and forest operations could occur. Resource management activities must be evaluated in relation to established residential development, access and transportation conditions, adjoining ownerships, and the physical characteristics of the land. The presence of residential development does not independently prevent forest management; however, its relationship to the proposed exception area is relevant when considered with the other circumstances identified in the application.

The applicant has also documented historical land divisions, existing parcel configurations, ownership patterns, and improvements, including China Creek Road and electrical facilities. These circumstances are relevant to determining whether the land can reasonably be managed for resource production in conjunction with surrounding properties. Although the subject tax lots are under common ownership, their configuration and relationship to existing

development and physical constraints must be considered when evaluating the practicability of coordinated resource operations.

The existing Forest designation and identified soil productivity demonstrate that the land retains resource characteristics. However, OAR 660-004-0028 does not require the County to establish that agricultural or forest production is physically impossible. The applicable determination is whether existing adjacent uses and other relevant factors have made uses allowed by the resource goals impracticable.

The proposed amendments would retain the EFU designations on portions of the subject properties, preserving those areas for uses authorized under the existing resource zoning. The proposed RR-2 designation would be located primarily adjacent to established rural residential development, while the C-1 designation would be located near Highway 101 and existing commercial activity. This arrangement reflects the surrounding development pattern and provides a basis for considering the proposed nonresource designations in relation to the existing uses of adjacent lands.

The applicant has provided evidence addressing the characteristics of the exception area, adjacent lands, and their relationship, as required by OAR 660-004-0028. The surrounding residential and commercial development, historical parcelization, existing infrastructure, resource land configuration, and physical characteristics are relevant factors that must be evaluated collectively.

The applicant's materials support consideration of the proposed exception as a continuation of an established mixed rural development pattern rather than the introduction of isolated nonresource uses. The Commission may consider these circumstances, together with the additional factors addressed under OAR 660-004-0028(6), in determining whether the cumulative effects of existing development and other relevant conditions have made continued resource operations impracticable within the proposed exception area.

(3) Whether uses or activities allowed by an applicable goal are impracticable as that term is used in ORS 197.732(2)(b), in Goal 2, Part II(b), and in this rule shall be determined through consideration of factors set forth in this rule, except where other rules apply as described in OAR 660-004-0000(1). Compliance with this rule shall constitute compliance with the requirements of Goal 2, Part II. It is the purpose of this rule to permit irrevocably committed exceptions where justified so as to provide flexibility in the application of broad resource protection goals. It shall not be required that local governments demonstrate that every use allowed by the applicable goal is "impossible." For exceptions to Goals 3 or 4, local governments are required to demonstrate that only the following uses or activities are impracticable:

(a) Farm use as defined in ORS 215.203;

(b) Propagation or harvesting of a forest product as specified in OAR 660-033-0120; and

(c) Forest operations or forest practices as specified in OAR 660-006-0025(2)(a).

FINDING: OAR 660-004-0028(3) establishes that an irrevocably committed exception does not require a demonstration that every resource use authorized by the applicable statewide planning goal is impossible. Rather, the County must determine whether the circumstances identified in the rule have made farm use, propagation or harvesting of forest products, and forest operations or practices impracticable within the proposed exception area.

The applicant has submitted information concerning agricultural capability, forest productivity, existing development, historical parcelization, roadway and utility infrastructure, and physical characteristics affecting the subject properties. These materials provide a basis for evaluating the practicability of resource uses in relation to the existing conditions of the land and its surroundings.

With respect to farm use under ORS 215.203, the applicant's soil reports identify Class III agricultural soils within the study area, indicating that portions of the land retain agricultural capability. However, soil classification alone does not establish whether agricultural operations are practicable. The subject properties contain areas with wet conditions, and portions are currently designated Exclusive Farm Use (EFU). The existing EFU-designated areas are excluded from the proposed amendments and would retain their resource zoning.

The applicant has also documented surrounding agricultural operations, including cranberry production west of Highway 101. These operations demonstrate that agricultural activities remain established in the surrounding area. Nevertheless, the practicability of farm use within the proposed exception area must be evaluated based on its particular configuration, physical conditions, access, and relationship to adjoining uses rather than the presence of agricultural activity elsewhere in the vicinity.

With respect to propagation or harvesting of forest products, the applicant's NRCS soil information identifies potential forest productivity within the study area. Although this information establishes that portions of the property retain the physical capability to produce timber, potential productivity does not necessarily establish that timber production and harvesting remain practicable under existing conditions.

The proposed exception area is influenced by established residential development to the east and south, commercial activity near Highway 101, historical land divisions, and existing roadway and electrical infrastructure. The applicant contends that these circumstances, considered collectively, have limited the ability to manage the property for commercial forest production.

The applicant has also identified wet areas and other environmental characteristics that may affect forest management. Forest harvesting and associated activities are subject to the Oregon Forest Practices Act and applicable administrative rules, including requirements concerning riparian areas, wetlands, forest roads, and vegetation retention. Depending on the location of regulated resources and the extent of applicable restrictions, these requirements may affect harvesting opportunities, equipment access, and the construction or maintenance of forest roads.

With respect to forest operations or practices under OAR 660-006-0025(2)(a), the County must consider the practical ability to conduct activities associated with forest management, including harvesting, reforestation, road construction, and other authorized operations. The relationship between the exception area and adjoining residential properties is relevant to evaluating access, equipment movement, and the conduct of forest operations in proximity to established nonresource uses.

The applicant's documentation of historical parcelization, China Creek Road, electrical infrastructure, surrounding development, and physical constraints provides evidence of circumstances affecting the property. Although these factors do not individually establish that forest operations are impracticable, the rule requires consideration of their combined effects rather than a determination based on any single characteristic.

The existing resource capability of the land does not preclude consideration of an irrevocably committed exception. OAR 660-004-0028 expressly recognizes that resource protection goals may be applied with flexibility where existing adjacent uses and other relevant circumstances make the specified resource activities impracticable.

The applicant has identified and addressed the factors relevant to determining whether farm use, propagation or harvesting of forest products, and forest operations or practices are impracticable within the proposed exception area. The established residential and commercial development pattern, historical parcelization, existing infrastructure, physical characteristics, and potential regulatory constraints provide a factual basis for evaluating the requested exception.

The Commission may consider these circumstances collectively, together with the applicant's testimony and supporting evidence, in determining whether the property has become irrevocably committed to nonresource uses. An affirmative determination must establish that the specified resource activities are impracticable within the proposed exception area, rather than merely demonstrating that residential or commercial development would be a more desirable or economically beneficial use of the property.

(4) A conclusion that an exception area is irrevocably committed shall be supported by findings of fact that address all applicable factors of section (6) of this rule and by a statement of reasons explaining why the facts support the conclusion that uses allowed by the applicable goal are impracticable in the exception area.

(5) Findings of fact and a statement of reasons that land subject to an exception is irrevocably committed need not be prepared for each individual parcel in the exception area. Lands that are found to be irrevocably committed under this rule may include physically developed lands.

(6) Findings of fact for a committed exception shall address the following factors:
(a) Existing adjacent uses;
(b) Existing public facilities and services (water and sewer lines, etc.);
(c) Parcel size and ownership patterns of the exception area and adjacent lands:

(A) Consideration of parcel size and ownership patterns under subsection (6)(c) of this rule shall include an analysis of how the existing development pattern came about and whether findings against the goals were made at the time of partitioning or subdivision. Past land divisions made without application of the goals do not in themselves demonstrate irrevocable commitment of the exception area. Only if development (e.g., physical improvements such as roads and underground facilities) on the resulting parcels or other factors makes unsuitable their resource use or the resource use of nearby lands can the parcels be considered to be irrevocably committed. Resource and nonresource parcels created and uses approved pursuant

to the applicable goals shall not be used to justify a committed exception. For example, the presence of several parcels created for nonfarm dwellings or an intensive commercial agricultural operation under the provisions of an exclusive farm use zone cannot be used to justify a committed exception for the subject parcels or land adjoining those parcels.

(B) Existing parcel sizes and contiguous ownerships shall be considered together in relation to the land's actual use. For example, several contiguous undeveloped parcels (including parcels separated only by a road or highway) under one ownership shall be considered as one farm or forest operation. The mere fact that small parcels exist does not in itself constitute irrevocable commitment. Small parcels in separate ownerships are more likely to be irrevocably committed if the parcels are developed, clustered in a large group or clustered around a road designed to serve these parcels. Small parcels in separate ownerships are not likely to be irrevocably committed if they stand alone amidst larger farm or forest operations, or are buffered from such operations;

(d) Neighborhood and regional characteristics;
(e) Natural or man-made features or other impediments separating the exception area from adjacent resource land. Such features or impediments include but are not limited to roads, watercourses, utility lines, easements, or rights-of-way that effectively impede practicable resource use of all or part of the exception area;
(f) Physical development according to OAR 660-004-0025; and
(g) Other relevant factors.

(7) The evidence submitted to support any committed exception shall, at a minimum, include a current map or aerial photograph that shows the exception area and adjoining lands, and any other means needed to convey information about the factors set forth in this rule. For example, a local government may use tables, charts, summaries, or narratives to supplement the maps or photos. The applicable factors set forth in section (6) of this rule shall be shown on the map or aerial photograph.

FINDING: The applicant has submitted findings, maps, historical land division records, soil information, and supporting documentation addressing the factors identified in OAR 660-004-0028(6). The evidence establishes that the proposed exception area is situated within an existing pattern of rural residential and commercial development and has been affected by historical parcelization, roadway and utility improvements, and physical characteristics that influence its continued use for agricultural and forest production.

The proposed exception area consists of portions of Tax Lots 1600, 1607, 1608, 1610, 1611, and 1616 on Assessor's Map 29S-14W-18, approximately 2.75 miles south of Bandon. Although the land remains largely undeveloped and retains agricultural and forest production capability, the irrevocably committed exception process does not require the County to establish that resource production is physically impossible. The relevant consideration is whether existing adjacent uses and other circumstances have made the specified resource activities impracticable.

The surrounding land use pattern is particularly relevant. Established Rural Residential-2 (RR-2) development is located immediately east and south of the proposed exception area, while commercial development occurs near Highway 101. Agricultural and forest lands remain in the surrounding area, demonstrating that the neighborhood contains a mixture of resource and nonresource uses rather than an exclusively resource-oriented development pattern.

The existing residential development establishes a relationship between the proposed exception area and adjoining nonresource uses that must be considered when evaluating continued resource management. The applicant's proposed RR-2 designation would extend the existing rural residential development pattern, while the proposed C-1 designation would be located near Highway 101 and existing commercial activity. The proposed arrangement therefore reflects the established character of the surrounding area rather than introducing an isolated residential or commercial development pattern.

Existing infrastructure further supports the applicant's justification. China Creek Road provides an established access corridor, and electrical infrastructure has been installed within the subject properties. These improvements demonstrate that the land has undergone physical development associated with access and utility service. When considered with surrounding residential and commercial development, the improvements contribute to the existing nonresource development pattern and influence how the property may be managed in conjunction with adjoining lands.

The applicant has documented the historical division of the subject properties, including the resulting parcel configuration and relationship to surrounding ownerships. The County recognizes that historical parcelization alone does not establish irrevocable commitment. However, the significance of the parcelization in this application is its relationship to subsequent infrastructure improvements, established residential development, and the physical configuration of the land.

The subject tax lots are under common ownership and must be considered together when evaluating their potential for coordinated agricultural or forest management. The applicant's justification does not depend solely on the existence of multiple tax lots. Rather, it relies on the combined effects of existing development, improvements, and physical conditions affecting the proposed exception area and its relationship to surrounding lands.

The neighborhood and regional characteristics further support consideration of the requested exception. The property is located south of Bandon within an established rural development corridor containing residential uses along Two Mile Lane, commercial activity near Highway 101, and continuing agricultural and forest operations. The proposed residential and commercial designations would follow this existing development pattern, with residential uses adjoining established RR-2 development and commercial uses located near the highway corridor.

Natural and man-made features also influence the relationship between the exception area and adjacent resource lands. Highway 101, Two Mile Lane, China Creek Road, existing utility infrastructure, and areas with wet conditions affect the configuration and potential management of the property. The existing EFU-designated portions generally correspond to

wetter areas and extend across multiple tax lots. These portions are excluded from the proposed amendments and would retain their existing resource designation and zoning.

The configuration of the remaining Forest-designated land, in relation to these features and surrounding development, is relevant to evaluating the practical conduct of resource operations. Roads, drainage conditions, and existing improvements influence access, equipment movement, and the ability to manage land as a coordinated agricultural or forest operation.

The applicant's soil reports identify agricultural capability and potential forest productivity within the study area. These characteristics demonstrate that portions of the land retain the physical capacity for resource production. However, the presence of productive soils does not resolve whether agricultural and forest operations remain practicable when the existing development pattern, physical constraints, access, and other relevant circumstances are considered together.

The applicant has also identified wet areas and environmental characteristics affecting portions of the property. Forest operations are subject to the Oregon Forest Practices Act and applicable administrative rules, including requirements concerning riparian areas, wetlands, vegetation retention, and forest road construction. These regulations, together with the property's physical conditions, are relevant to evaluating the practical limitations on timber harvesting and associated forest operations.

The applicant's supporting materials also document surrounding agricultural activities, including cranberry operations and associated water infrastructure west of Highway 101. These records establish that agricultural operations remain part of the surrounding land use pattern. The requested exception would not alter the existing EFU designations on portions of the subject properties, allowing those lands to remain subject to the County's resource land protections.

The existing physical development within the proposed exception area consists primarily of China Creek Road and associated electrical infrastructure. Although the land is not extensively developed, OAR 660-004-0028 does not require every parcel within an exception area to contain buildings or other substantial improvements. The rule permits consideration of undeveloped land where the relationship to existing adjacent uses and other relevant circumstances supports a determination of irrevocable commitment.

The applicant has addressed the seven factors identified in OAR 660-004-0028(6), including adjacent uses, public facilities and services, parcel size and ownership patterns, neighborhood characteristics, natural and man-made features, physical development, and other relevant factors. The submitted maps and supporting documentation provide the information necessary to evaluate the exception area and its relationship to surrounding lands.

The significance of these circumstances is their cumulative effect. The proposed exception area is not being evaluated solely on the basis of its soil productivity, parcel sizes, or proximity to residential development. Rather, the applicant has demonstrated an established pattern of surrounding nonresource development, historical land divisions followed by infrastructure

improvements, and physical conditions that collectively influence the practicability of continued resource management.

The County recognizes that the existence of adjoining residential development does not automatically prevent agricultural or forest operations and that the presence of roads or utility facilities does not independently establish irrevocable commitment. Nevertheless, OAR 660-004-0028 requires consideration of the combined relationship between the exception area and surrounding lands rather than treating each factor as an independent basis for approval.

The proposed exception would recognize the existing relationship between the subject properties and the surrounding rural development pattern while retaining the EFU designations on portions of the properties. The proposed RR-2 and C-1 designations would correspond to established residential and commercial uses in the immediate vicinity.

The Commission can find that the applicant has addressed the applicable factors under OAR 660-004-0028(6) and provided a factual basis supporting the requested irrevocably committed exception. The existing adjacent nonresource uses, historical parcelization, roadway and utility improvements, neighborhood development pattern, and physical characteristics collectively support the determination that continued resource management within the proposed exception area has become impracticable.

Based on the submitted evidence and the relationship between the proposed exception area and adjoining lands, The Commission can find that the application supports an affirmative determination under OAR 660-004-0028, subject to the Commission's consideration of the complete evidentiary record. The proposed exception would allow the County to recognize an established rural development pattern while maintaining resource zoning on the EFU-designated portions of the subject properties.

D. PLANNING AND ZONING FOR EXCEPTION AREAS — OAR 660-004-0018

- ***OAR 660-004-0018 PLANNING AND ZONING FOR EXCEPTION AREAS***

(1) Purpose. This rule explains the requirements for adoption of plan and zone designations for exceptions. Exceptions to one goal or a portion of one goal do not relieve a jurisdiction from remaining goal requirements and do not authorize uses, densities, public facilities and services, or activities other than those recognized or justified by the applicable exception. Physically developed or irrevocably committed exceptions under OAR 660-004-0025 (Exception Requirements for Land Physically Developed to Other Uses) and 660-004-0028 (Exception Requirements for Land Irrevocably Committed to Other Uses) and 660-014-0030 (Rural Lands Irrevocably Committed to Urban Levels of Development) are intended to recognize and allow continuation of existing types of development in the exception area. Adoption of plan and zoning provisions that would allow changes in existing types of uses, densities, or services requires the application of the standards outlined in this rule.

(2) For "physically developed" and "irrevocably committed" exceptions to goals, residential plan and zone designations shall authorize a single numeric minimum lot size and all plan and zone designations shall limit uses, density, and public facilities and services to those that satisfy (a) or (b) or (c) and, if applicable, (d):

(a) That are the same as the existing land uses on the exception site;

(b) That meet the following requirements:

(A.) The rural uses, density, and public facilities and services will maintain the land as "Rural Land" as defined by the goals, and are consistent with all other applicable goal requirements;

(B.) The rural uses, density, and public facilities and services will not commit adjacent or nearby resource land to uses not allowed by the applicable goal as described in OAR 660-004-0028 (Exception Requirements for Land Irrevocably Committed to Other Uses); and

(C.) The rural uses, density, and public facilities and services are compatible with adjacent or nearby resource uses;

(c) For uses in unincorporated communities, the uses are consistent with OAR 660-022-0030 (Planning and Zoning of Unincorporated Communities), "Planning and Zoning of Unincorporated Communities", if the county chooses to designate the community under the applicable provisions of OAR chapter 660, division 22;

(d) For industrial development uses and accessory uses subordinate to the industrial development, the industrial uses may occur in buildings of any size and type provided the exception area was planned and zoned for industrial use on January 1, 2004, subject to the territorial limits and other requirements of ORS 197.713 (Industrial development on industrial lands outside urban growth boundaries) and 197.714 (Cooperation of county and city concerning industrial development).

(3) Uses, density, and public facilities and services not meeting section (2) of this rule may be approved on rural land only under provisions for a reasons exception as outlined in section (4) of this rule and applicable requirements of OAR 660-004-0020 (Goal 2, Part II(c), Exception Requirements) through 660-004-0022 (Reasons Necessary to Justify an Exception Under Goal 2, Part II(c)), 660-011-0060 (Sewer Service to Rural Lands) with regard to sewer service on rural lands, OAR 660-012-0070 (Exceptions for Transportation Improvements on Rural Land) with regard to transportation improvements on rural land, or OAR 660-014-0030 (Rural Lands Irrevocably Committed to Urban Levels of Development) or 660-014-0040 (Establishment of New Urban Development on Undeveloped Rural Lands) with regard to urban development on rural land.

(4) "Reasons" Exceptions:

(a) When a local government takes an exception under the "Reasons" section of ORS 197.732 (Goal exceptions)(1)(c) and OAR 660-004-0020 (Goal 2, Part II(c), Exception Requirements) through 660-004-0022 (Reasons Necessary to Justify an Exception Under Goal 2, Part II(c)), plan and zone designations must limit the uses, density, public facilities and services, and activities to only those that are justified in the exception.

(b) When a local government changes the types or intensities of uses or public facilities and services within an area approved as a "Reasons" exception, a new "Reasons" exception is required.

(c) When a local government includes land within an unincorporated community for which an exception under the "Reasons" section of ORS 197.732 (Goal exceptions)(1)(c) and OAR 660-004-0020 (Goal 2, Part II(c), Exception Requirements) through 660-004-0022 (Reasons Necessary to Justify an Exception Under Goal 2, Part II(c)) was previously

adopted, plan and zone designations must limit the uses, density, public facilities and services, and activities to only those that were justified in the exception or OAR 660-022-0030 (Planning and Zoning of Unincorporated Communities), whichever is more stringent.

FINDING: OAR 660-004-0018 establishes the requirements for planning and zoning lands approved through an exception to the statewide planning goals. The rule recognizes that an irrevocably committed exception does not independently authorize all uses, densities, or public facilities and services that may otherwise be permitted under a proposed zoning classification. The County must establish that the proposed designations satisfy the applicable requirements for rural exception areas.

The applicant requests Rural Residential-2 (RR-2) and Commercial-1 (C-1) zoning on portions of the subject properties currently designated Forest. The proposed exception area is located approximately 2.75 miles south of Bandon, near Highway 101 and Two Mile Lane, within an established pattern of rural residential, commercial, agricultural, and forest uses.

The proposed designations are intended to recognize the existing development pattern and accommodate compatible rural residential and commercial development. The applicant is not proposing incorporation into an urban growth boundary or the extension of urban-level public facilities and services. Accordingly, the proposed amendments are evaluated under OAR 660-004-0018(2)(b), which allows rural uses and densities where the resulting development maintains the land as rural, does not commit adjacent or nearby resource lands to nonresource uses, and remains compatible with surrounding resource operations.

The proposed RR-2 designation would apply primarily to the eastern portion of the exception area, adjoining established RR-2 development. The existing residential development pattern supports the proposed designation by demonstrating that rural residential uses are already established in the immediate vicinity. The two-acre minimum parcel size would provide opportunities for additional rural housing while maintaining a development pattern characterized by individual residential parcels rather than urban residential development.

The County's Comprehensive Plan recognizes rural residential development within designated exception areas, and the existing development along Two Mile Lane provides a basis for evaluating the proposed designation as a continuation of the surrounding rural residential pattern. The Bandon Housing Needs Assessment also identifies housing demand within the 97411 ZIP code, including areas outside the Bandon Urban Growth Boundary. This information provides additional context supporting opportunities for rural residential housing in proximity to existing development and infrastructure.

The proposed RR-2 designation would establish a single numeric minimum parcel size of two acres, consistent with the requirement in OAR 660-004-0018(2). However, the proposed density must also satisfy OAR 660-004-0040(8)(i) and the applicable Goal 14 exception requirements. The surrounding RR-2 development and regional housing information provide supporting evidence for considering the proposed density but do not replace those requirements.

The proposed C-1 designation would apply to the western portion of the exception area near Highway 101, where commercial activity is already established. The location of the proposed commercial designation near an existing transportation corridor and commercial development supports consideration of commercial uses as part of the surrounding rural development pattern.

The applicant submitted a transportation analysis prepared by Sandow Engineering evaluating potential development and its effects on the transportation system. ODOT's comments dated October 14, 2026, identify concerns regarding projected commercial traffic and the potential need for transportation improvements. These comments provide a basis for considering a Q-C-1 Qualified Commercial classification under CCZLDO Section 5.1.240 to establish enforceable limitations addressing transportation impacts.

A qualified classification could limit commercial development intensity, authorize only specified commercial uses, or establish transportation-related requirements appropriate to the development supported by the record. Such limitations would allow the County to address the potential effects of commercial development while maintaining consistency with the rural character of the surrounding area and applicable transportation requirements.

The proposed amendments would not change the existing Exclusive Farm Use (EFU) designations on portions of the subject properties. Those areas would remain subject to the County's resource zoning requirements. Agricultural and forest operations also remain established in the surrounding area, and the proposed residential and commercial development must be evaluated in relation to those uses.

OAR 660-004-0018(2)(b)(B) requires that the proposed uses and density not commit adjacent or nearby resource lands to nonresource uses. The existing residential and commercial development pattern is relevant to this determination because the proposed designations would be located adjacent to similar established uses rather than introducing an entirely new development pattern into an area devoted exclusively to resource production.

The proposed arrangement would concentrate residential development near existing RR-2 properties and commercial development near Highway 101. This configuration provides an opportunity to accommodate additional nonresource development while maintaining the existing resource designations on adjoining EFU lands and minimizing the expansion of residential and commercial uses into surrounding agricultural and forest areas.

OAR 660-004-0018(2)(b)(C) also requires compatibility with adjacent or nearby resource uses. The surrounding area contains active agricultural operations, forest lands, and established residential development. The coexistence of these uses demonstrates an existing mixed rural development pattern. The proposed zoning would continue that pattern, subject to the County's applicable development standards and any additional limitations necessary to protect adjoining resource operations.

Although RR-2 zoning would allow certain agricultural activities, it would also authorize residential and other nonresource uses. The County must therefore consider the full range of permitted and conditional uses, potential residential density, and associated development impacts. The same consideration applies to the proposed C-1 classification, which could

authorize commercial uses with varying levels of traffic, noise, operating activity, and demand for public facilities.

CCZLDO Section 5.1.240 provides the Board of Commissioners with authority to apply a qualified zoning classification where limitations are necessary. This mechanism allows the County to establish restrictions on particular uses or development intensity to ensure compatibility with surrounding properties and consistency with the requirements of OAR 660-004-0018.

The proposed amendments are not intended to establish an unincorporated community under OAR Chapter 660, Division 22, and do not involve the industrial development provisions identified in OAR 660-004-0018(2)(d). Accordingly, subsections (2)(c) and (2)(d) are not applicable.

The applicant is pursuing an irrevocably committed exception under OAR 660-004-0028 rather than a reasons exception under OAR 660-004-0020 through 660-004-0022. The provisions governing reasons exceptions in subsections (3) and (4) are therefore not the basis for the requested amendments, provided the proposed uses, densities, and services satisfy subsection (2).

The Commission can find that the existing rural residential and commercial development pattern, location of the proposed designations, available transportation and utility infrastructure, and retention of existing EFU zoning provide a basis for supporting the proposed RR-2 and C-1 classifications under OAR 660-004-0018(2)(b).

The proposed designations would accommodate additional development within an established mixed rural area rather than creating an isolated development pattern. The County may apply qualified zoning classifications or other enforceable development limitations where necessary to maintain rural character, avoid committing adjacent resource lands to nonresource uses, and ensure compatibility with surrounding agricultural and forest operations.

The Commission can find that the proposed amendments can be consistent with OAR 660-004-0018(2)(b), provided the final zoning provisions establish appropriate limits on authorized uses, residential density, public facilities and services, and development intensity. The proposed two-acre minimum parcel size must independently satisfy the applicable Goal 14 requirements, and any transportation limitations necessary to support the commercial designation should be incorporated into the adopting ordinance.

E. GOALS 3 AND 4 — RESOURCE CAPABILITY

For forest productivity, DLCD's discussion of Just v. Linn County indicates that rural land producing more than 80 cubic feet per acre annually is almost certainly suitable for commercial forest use, even with some limiting factors. This is case-law guidance, not a standalone statutory threshold. That makes the Bullards, Bandon, and Nestucca soils particularly relevant.

For agriculture, the presence of Class III soils is important, but the County must also consider the applicable Goal 3 definitions, soil distribution, existing land uses, and agricultural suitability

FINDING: Statewide Planning Goals 3 and 4 establish protections for agricultural and forest lands based on their resource characteristics and suitability for continued production. The applicant's soil reports identify Bullards, Bandon, and Nestucca soils within the study area, including soils with Class III agricultural capability and forest productivity ratings that support commercial timber production. These characteristics are relevant to the property's existing Forest designation and have been considered in evaluating the requested exception. The County recognizes that forest productivity is an important consideration under Goal 4.

The decisions in *Just v. Linn County* address the significance of soil productivity information and the circumstances under which other reliable evidence may be considered in evaluating commercial forest suitability. The productivity ratings associated with the subject soils support recognition of the property's forest resource capability. However, the applicant is not seeking a determination that the land is unsuitable for commercial forestry based solely on soil productivity. Instead, the applicant requests an irrevocably committed exception under OAR 660-004-0028.

Similarly, the presence of Class III agricultural soils is relevant to Goal 3, but does not independently resolve whether farm use is practicable within the proposed exception area. The distribution of those soils, existing land uses, wet conditions, and relationship to surrounding agricultural operations must be considered. The existing EFU-designated portions of the subject properties would remain unchanged under the proposal.

The applicable exception standard requires consideration of the relationship between the proposed exception area and adjoining lands. The applicant has identified established rural residential development to the east and south, commercial development near Highway 101, existing roadway and electrical infrastructure, historical parcelization, and physical characteristics affecting the property. These circumstances provide the basis for evaluating whether the specified agricultural and forest activities remain practicable despite the land's underlying resource productivity.

The County finds that the soil information establishes resource capability but does not, by itself, determine the outcome of the requested irrevocably committed exception. The applicant's justification relies on the cumulative effects of surrounding development and other relevant factors identified in OAR 660-004-0028 rather than an assertion that the soils lack productive capacity. This approach is consistent with the purpose of the committed exception process, which permits consideration of existing circumstances that make resource activities impracticable without requiring proof that production is physically impossible.

F. GOAL 14 — URBAN DEVELOPMENT ON RURAL LAND

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

(1) As used in this rule, "undeveloped rural land" includes all land outside of acknowledged urban growth boundaries except for rural areas committed to urban development. This definition includes all resource and nonresource lands outside of urban growth boundaries. It also includes those lands subject to built and committed exceptions to Goals 3 or 4 but not developed at urban density or committed to urban level development.

(2) A county can justify an exception to Goal 14 to allow establishment of new urban development on undeveloped rural land. Reasons that can justify why the policies in Goals 3, 4, 11 and 14 should not apply can include but are not limited to findings that an urban

population and urban levels of facilities and services are necessary to support an economic activity that is dependent upon an adjacent or nearby natural resource.

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

(a) That Goal 2, Part II (c)(1) and (c)(2) are met by showing that the proposed urban development cannot be reasonably accommodated in or through expansion of existing urban growth boundaries or by intensification of development in existing rural communities;

(b) That Goal 2, Part II (c)(3) is met by showing that the long-term environmental, economic, social and energy consequences resulting from urban development at the proposed site with measures designed to reduce adverse impacts are not significantly more adverse than would typically result from the same proposal being located on other undeveloped rural lands, considering:

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

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

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

(A) Whether urban development at the proposed site detracts from the ability of existing cities and service districts to provide services; and

(B) Whether the potential for continued resource management of land at present levels surrounding and nearby the site proposed for urban development is assured.

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

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

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

FINDING: OAR 660-014-0040 establishes the requirements for an exception to Statewide Planning Goal 14 when a county proposes to authorize new urban development on undeveloped rural land outside an acknowledged urban growth boundary. The rule recognizes that undeveloped rural land includes resource and nonresource lands, including properties subject to exceptions to Goals 3 or 4 that have not been developed at urban densities or committed to urban levels of development.

The subject properties are located approximately 2.75 miles south of Bandon, outside the City's acknowledged Urban Growth Boundary. The applicant proposes to redesignate portions of the properties currently designated Forest to Rural Residential and Commercial

through an irrevocably committed exception under OAR 660-004-0028. The existing Exclusive Farm Use designations would remain unchanged.

The proposed amendments are intended to recognize and extend the established rural development pattern in the vicinity of Highway 101 and Two Mile Lane. Rural residential development is already established east and south of the proposed exception area, and commercial uses occur near Highway 101. The proposed designations would place additional rural residential and commercial development in proximity to these existing uses rather than establishing a new urban center.

The applicant has not proposed incorporation of a new city, establishment of an urban growth boundary, or extension of urban-level public facilities and services. The proposed amendments are therefore evaluated in the context of rural exception area planning, including the requirements of OAR 660-004-0018 governing allowable uses, densities, and public facilities and services.

OAR 660-014-0040 provides a separate process for authorizing urban development on undeveloped rural land when such development cannot be accommodated through existing urban growth boundaries or rural communities and when the additional requirements concerning environmental, economic, social, energy, compatibility, and public facilities impacts are satisfied. Those provisions are not the basis for the applicant's requested irrevocably committed exception.

The County recognizes that the proposed residential density and commercial uses must remain consistent with the applicable requirements for rural lands. In particular, OAR 660-004-0040(8)(i) establishes additional requirements for residential parcel sizes within newly designated rural residential exception areas. The proposed RR-2 designation, which establishes a two-acre minimum parcel size, must satisfy those requirements, including any applicable Goal 14 exception provisions.

Similarly, the proposed commercial designation must be evaluated based on the types and intensity of development authorized by the zoning classification. The location of the commercial area near Highway 101 and existing commercial development supports its consideration as part of the surrounding rural development pattern. Appropriate limitations on commercial uses, development intensity, and public facilities may be established through a qualified zoning classification to maintain the rural character of the exception area.

The Commission can find that OAR 660-014-0040 does not independently prohibit the proposed comprehensive plan and zoning amendments. The applicant is seeking rural residential and commercial designations through an irrevocably committed exception rather than authorization for a new urban development area. Accordingly, the standards of OAR 660-014-0040 are not independently applicable unless the proposed uses, densities, or public facilities constitute urban development or the County relies upon this rule to justify an exception to Goal 14.

The proposed amendments may be considered under the applicable rural exception provisions, subject to compliance with the separate requirements governing residential density, commercial development intensity, and public facilities and services.

G. OREGON STATEWIDE PLANNING GOALS

- **GOAL 1 – CITIZEN INVOLVEMENT**

FINDING: Statewide Planning Goal 1 requires opportunities for citizen involvement in land use planning decisions. The proposed comprehensive plan and zoning map amendments are subject to the County's established public review procedures, including notice to affected property owners, interested agencies, and the public, and consideration by the Planning Commission and Board of Commissioners through the applicable public hearing process. These procedures provide opportunities for public participation, testimony, and consideration of the evidence before a final decision is made. The Commission can find that the application is being processed through the County's acknowledged land use procedures designed to satisfy Goal 1.

- **GOAL 2 – LAND USE PLANNING**

FINDING: Statewide Planning Goal 2 requires land use decisions to be supported by an adequate factual basis and coordinated with affected governmental agencies. The applicant has submitted supporting materials addressing the proposed amendments, including an irrevocably committed exception justification under OAR 660-004-0028, historical property information, soil reports, maps, and a transportation analysis. The proposed amendments recognize the existing relationship between the subject properties and surrounding rural residential and commercial development while retaining the existing EFU designations. The County's review includes the applicable exception criteria, comprehensive plan policies, zoning provisions, and coordination requirements. The Commission can find that the application provides a factual basis for consideration of the requested amendments under Goal 2, with the specific exception findings incorporated into the record.

- **GOAL 3 – AGRICULTURAL LANDS**

FINDING: Statewide Planning Goal 3 protects agricultural lands for farm use and associated agricultural activities. The subject properties contain soils with agricultural capability, including Class III soils, and portions of the properties are currently designated Exclusive Farm Use. The applicant does not propose to redesignate the existing EFU lands, which would remain subject to the County's agricultural land protections. The applicant's irrevocably committed exception justification addresses the practicability of farm use within the proposed exception area in relation to surrounding development, physical characteristics, ownership patterns, and existing improvements. The Commission can find that the proposed amendments recognize the existing rural development pattern while retaining agricultural protections on the EFU-designated portions of the properties.

- **GOAL 4 – FOREST LANDS**

FINDING: Statewide Planning Goal 4 protects forest lands for timber production, forest management, and associated resource activities. The applicant proposes to redesignate portions of the subject properties currently designated Forest to Rural Residential and Commercial. The submitted soil information identifies potential commercial forest productivity, which has been considered in evaluating the application. The applicant seeks an irrevocably committed exception under OAR 660-004-0028 rather than a determination that the land lacks forest productivity. The exception justification addresses existing adjacent

residential and commercial uses, historical parcelization, roadway and electrical infrastructure, physical characteristics, and the relationship between the exception area and adjoining resource lands. The Commission can find that these circumstances collectively support consideration of the proposed exception based on the practicability of continued forest operations rather than soil productivity alone. The detailed findings addressing OAR 660-004-0028 provide the basis for the requested exception to Goal 4.

- **GOAL 5 – OPEN SPACES, SCENIC AND HISTORIC AREAS, AND NATURAL RESOURCES**

FINDING: Statewide Planning Goal 5 requires the identification and protection of significant natural, scenic, historic, and cultural resources. The subject properties contain environmental features, including wet areas and associated natural resources, that have been considered in the applicant's supporting materials. The proposed comprehensive plan and zoning map amendments do not independently authorize development within protected resource areas or eliminate applicable environmental review requirements. Future development would remain subject to the County's adopted Goal 5 protections and other applicable state and federal requirements. The Commission can find that the proposed amendments can be implemented consistently with Goal 5 while maintaining the protections applicable to identified resources.

- **GOAL 6 – AIR, WATER, AND LAND RESOURCES QUALITY**

FINDING: Statewide Planning Goal 6 requires the maintenance and improvement of air, water, and land resource quality. The proposed amendments would establish rural residential and commercial designations in an area containing existing residential, commercial, agricultural, and forest uses. Future development would remain subject to applicable requirements for wastewater disposal, stormwater management, erosion control, solid waste disposal, and protection of water resources. The proposed amendments do not independently authorize activities that would violate applicable environmental standards. The Commission can find that the proposed designations can be implemented consistently with Goal 6 through compliance with applicable development and environmental regulations.

- **GOAL 7 – AREAS SUBJECT TO NATURAL DISASTERS AND HAZARDS**

FINDING: Statewide Planning Goal 7 requires local governments to consider natural hazards when planning for development. The subject properties are located within a coastal region where potential hazards may include flooding, wildfire, seismic activity, and other site-specific conditions. The proposed amendments do not remove the applicability of existing natural hazard regulations or authorize development without required site evaluations and permits. Future residential and commercial development would remain subject to applicable floodplain, geologic hazard, wildfire, and building code requirements. The Commission can find that the proposed amendments can be implemented consistently with Goal 7 through the County's existing natural hazard review and development standards.

- **GOAL 8 – RECREATIONAL NEEDS**

FINDING: Statewide Planning Goal 8 requires consideration of recreational needs and opportunities. The proposed amendments would allow rural residential and commercial uses within an established rural development area south of Bandon. The application does not

propose the removal of an identified public recreational facility or the redesignation of land specifically planned for public recreation. The surrounding region provides a variety of recreational opportunities associated with the southern Oregon coast. The Commission can find that the proposed amendments do not conflict with identified recreational needs or the County's ability to provide for recreational opportunities under Goal 8.

- **GOAL 9 – ECONOMIC DEVELOPMENT**

FINDING: Statewide Planning Goal 9 encourages planning for economic development and employment opportunities consistent with community needs and available resources. The proposed Commercial-1 designation would provide an opportunity for additional commercial activity near Highway 101 and existing commercial development south of Bandon. The proposed location would concentrate commercial opportunities within an established transportation corridor rather than introduce isolated commercial development into an exclusively resource-oriented area. The applicant's transportation analysis and ODOT's comments have identified considerations related to the intensity of future commercial development. The County may utilize a qualified commercial zoning classification to establish enforceable limitations appropriate to the site and transportation system. The Commission can find that the proposed commercial designation supports opportunities for rural economic activity, subject to the applicable limitations on uses, intensity, compatibility, and transportation impacts.

- **GOAL 10 – HOUSING**

FINDING: Statewide Planning Goal 10 requires local governments to plan for housing needs consistent with applicable statewide planning requirements. The proposed RR-2 designation would provide opportunities for additional rural residential development adjacent to established RR-2 properties. The 2017 Bandon Housing Needs Assessment identifies housing needs within the broader 97411 ZIP code area, which includes lands outside the City's Urban Growth Boundary. Although the assessment does not independently establish the need for the proposed exception or authorize a particular rural residential density, it provides relevant context regarding housing demand in the surrounding community. The proposed residential designation would extend an existing rural residential development pattern and provide additional opportunities for housing outside the urban growth boundary. The Commission can find that the proposal is supportive of housing opportunities, provided the proposed two-acre minimum parcel size satisfies the applicable Goal 14 and rural exception area requirements.

- **GOAL 11 – PUBLIC FACILITIES AND SERVICES**

FINDING: Statewide Planning Goal 11 requires public facilities and services to be planned and provided in a manner consistent with the intended land use and applicable statewide planning requirements. The subject properties are located outside an acknowledged urban growth boundary and are proposed for rural residential and commercial development rather than urban development. China Creek Road provides existing access, and electrical infrastructure has been installed within portions of the properties. Future development would be required to demonstrate adequate access, water supply, wastewater disposal, and other necessary services in accordance with applicable County and state requirements. The proposed amendments do not independently authorize the extension of urban-level sewer or

other public facilities. The Commission can find that the proposed designations can maintain the rural character of the area through appropriate limitations on development and the provision of services consistent with Goal 11.

- **GOAL 12 – TRANSPORTATION**

FINDING: Statewide Planning Goal 12 requires land use planning decisions to provide for a safe, convenient, and efficient transportation system. The proposed exception area is located near Highway 101 and Two Mile Lane, with access provided through the existing roadway network, including China Creek Road. The applicant submitted a transportation analysis prepared by Sandow Engineering evaluating potential traffic impacts associated with the proposed amendments. ODOT's October 14, 2026, comments identify concerns regarding the projected intensity of commercial development and potential transportation improvements. These comments have been considered in evaluating the proposed commercial designation. Staff supports consideration of a Q-C-1 Qualified Commercial classification under CCZLDO Section 5.1.240 to establish enforceable limitations on commercial uses or development intensity consistent with the transportation analysis and applicable transportation requirements. The final zoning provisions must demonstrate compliance with the Transportation Planning Rule, including OAR 660-012-0060, as applicable. The Commission can find that the proposed amendments can be structured to support Goal 12 through appropriate transportation-related limitations and development standards.

- **GOAL 13 – ENERGY CONSERVATION**

FINDING: Statewide Planning Goal 13 encourages land use patterns that conserve energy and promote efficient use of existing infrastructure. The proposed amendments would locate additional rural residential and commercial development adjacent to established development and near Highway 101, rather than creating an isolated development area requiring entirely new transportation and utility corridors. The existing roadway network and electrical infrastructure provide opportunities to utilize established facilities. Concentrating proposed development near existing rural residential and commercial uses supports efficient infrastructure planning and may reduce the need for additional extensions into surrounding resource lands. The Commission can find that the proposed amendments are consistent with the energy conservation objectives of Goal 13.

- **GOAL 14 – URBANIZATION**

FINDING: Statewide Planning Goal 14 establishes requirements for the orderly transition of rural land to urban uses and the establishment of urban growth boundaries. The subject properties are located approximately 2.75 miles south of Bandon, outside the City's acknowledged Urban Growth Boundary. The applicant proposes rural residential and commercial designations through an irrevocably committed exception to the applicable resource land goals rather than inclusion within an urban growth boundary.

The proposed amendments are intended to recognize and extend the existing rural development pattern in the vicinity of Highway 101 and Two Mile Lane. The applicant has not proposed the establishment of a new city or the extension of urban-level public facilities and services. The proposed uses and densities must nevertheless comply with the applicable requirements for rural exception areas under OAR 660-004-0018 and OAR 660-004-0040.

The proposed RR-2 designation establishes a two-acre minimum parcel size. OAR 660-004-0040(8)(i) establishes additional requirements for newly designated rural residential exception areas, including the circumstances under which residential parcels smaller than 10 acres may be authorized. Accordingly, the proposed two-acre density requires a separate demonstration of compliance with the applicable Goal 14 exception provisions.

The proposed commercial designation must likewise be limited to uses, development intensity, and public facilities consistent with the rural character of the area. The County may utilize qualified zoning to establish appropriate limitations where necessary.

The Commission can find that the proposed amendments are intended to accommodate rural development within an established rural residential and commercial pattern rather than establish a new urban development area. Compliance with Goal 14 depends upon the final determination regarding the proposed RR-2 density and the limitations applicable to future commercial development. The detailed Goal 14 findings address these requirements separately.

IX. OPPOSITION TO PROPOSAL

Under ORS 197.797(1), an issue that may form the basis of an appeal to the Land Use Board of Appeals (LUBA) must be raised before the record closes at or following the County's final evidentiary hearing. The issue must be stated with enough specificity and supported by statements or evidence that give the decision-maker and the parties an adequate opportunity to respond.

The Planning Commission received written opposition before its November 5, 2026 hearing on File Numbers AM-26-002/RZ-26-001. The opposition raised concerns under Statewide Planning Goals 3, 4, 11, 12, and 14, including the loss of farm and forest lands, potential impacts to China Creek and Two Mile Creek, groundwater availability, septic capacity, transportation safety, and the suitability of the proposed residential and commercial development. The written opposition is included in the record as Exhibit 1. No opponents spoke at the Planning Commission hearing.

RESPONSE ISSUE 1. VIOLATION OF GOAL 3 (AGRICULTURAL LANDS) & GOAL 4 (FOREST LANDS): FAILURE TO DEMONSTRATE NON-VIABILITY: The County finds that the record addresses Statewide Planning Goals 3 and 4 and supports the requested irrevocably committed exception for the Forest-designated amendment area. The map amendments apply only to the portions of the properties designated and zoned Forest. No land would be removed from the County's Goal 3 agricultural lands inventory, and the existing Comprehensive Plan designations and Exclusive Farm Use (EFU) zoning would remain in place.

Under OAR 660-004-0028, the applicable standard is whether existing adjacent uses and other relevant factors make resource uses impracticable within the proposed exception area. The staff report evaluates the soils' resource capability, historical parcel configuration, adjacent uses, roads and utilities, and physical site conditions. Taken together, that evidence supports staff's conclusion that continued resource use is impracticable within the proposed exception area.

The applicant bears the burden of demonstrating that the exception criteria are met. Under ORS 197.797(1), a party seeking to preserve an issue for appeal must raise it before the close of the record and provide statements or evidence sufficient to give the County and the parties an adequate opportunity to respond. The opposition asserts that the Comprehensive Plan requires proof that the

land is “entirely non-viable” for timber use, but identifies no Plan provision imposing that requirement. It also does not identify a specific Goal 3 or Goal 4 requirement the findings fail to address or explain why the site-specific evidence is insufficient under OAR 660-004-0028. Staff concludes that the record supports the findings on this issue.

RESPONSE TO ISSUE 2 — RIPARIAN RESOURCES AND FISH HABITAT

Staff finds that the comment does not establish a basis to deny or delay the map amendments pending an on-site study by the Oregon Department of Fish and Wildlife (ODFW). The comment identifies potential sources of runoff but provides no site-specific evidence showing that runoff from development allowed by the amendments would reach China Creek or Two Mile Creek as asserted or cause an increase in contamination. The comment also identifies no applicable approval criterion requiring ODFW to conduct the requested study before the County acts on the amendments.

Lawful farm and forest practices can also involve the use of fuels, fertilizers, and other chemicals. The potential presence of those materials, by itself, does not establish that the proposed zoning would increase impacts to either creek. Oregon’s right-to-farm and right-to-forest provisions address certain nuisance and trespass claims. Water-quality and habitat requirements apply independently.

Future development would remain subject to the County’s applicable stream and riparian setbacks. Recommended Condition 8 requires a wetland delineation, where required, before authorization of road improvements through the EFU portions near China Creek and requires applicable approvals and permits before construction. Work involving removal or fill within a stream reach designated Essential Salmonid Habitat may require authorization from the Oregon Department of State Lands, even for small quantities of material. At the map amendment stage, the County must also address Goal 5 if the amendments allow a new conflicting use on an inventoried significant resource site or within its impact area.

RESPONSE TO ISSUE 3 — GOAL 11, GROUNDWATER, AND ONSITE SEPTIC

Goal 11 does not require a cumulative aquifer drawdown study or a parcel-by-parcel septic suitability study for these map amendments. As relevant here, Goal 11 governs the provision of public facilities and services on rural lands, including limits on extending sewer service and on relying on water or sewer service to justify higher residential density. The applicant proposes to rely on wells and onsite wastewater systems. The amendments do not propose extending municipal water or sewer service.

The comment raises concerns about impacts to neighboring wells and contamination from future drainfields. It provides no site-specific data showing that the proposed zoning would cause the claimed impacts and identifies no Goal 11 provision requiring the studies requested. The two-acre minimum is a zoning standard. Any future land division or development must satisfy the applicable water supply and wastewater requirements. Where an onsite septic system is proposed, a site evaluation must establish suitability for the proposed use before an installation permit can be issued.

The County finds that the objection does not establish a Goal 11 violation or a basis to deny the amendments pending the requested studies. The Board must separately address the applicable Goal

14 exception criteria for the proposed two-acre minimum, including the findings on public facilities and services required for the rural residential exception area.

RESPONSE TO ISSUE 4 — GOAL 12 AND TRANSPORTATION SAFETY
The applicant submitted a Transportation Planning Rule Analysis prepared by Sandow Engineering dated February 20, 2026. Sandow addressed the specific traffic safety objections in Exhibit 2 and responded to ODOT's technical comments in Exhibit 3. The applicant also responded to the written opposition in Exhibit 4.

Sandow concluded that the trips projected under the proposed amendments could be accommodated under Two Mile Lane's existing Major Collector classification and that the Highway 101 and Two Mile Lane intersection would meet ODOT's performance standards at the end of the Transportation System Plan planning period. The analysis assumed that most site traffic would use the proposed access to Highway 101. Sandow's review of existing crash patterns and intersection geometry identified no existing safety issue requiring mitigation. Its queuing analysis recommended a southbound left-turn lane on Highway 101 and separate left- and right-turn lanes on the Two Mile Lane approach. Sandow also confirmed that the projected northbound right-turn movement on Highway 101 met ODOT's vehicle-volume criterion and recommended reevaluating the need for a right-turn pocket when a specific development is proposed.

The objection identifies concerns about road width, shoulders, and pavement structure, but provides no traffic counts, roadway measurements, crash data, or other site-specific evidence showing that the amendments would result in a significant effect under OAR 660-012-0060. The County finds that Sandow's analysis and supplemental responses address the transportation objection. In adopting its findings, the Board should identify the uses, development intensity, and access assumptions on which it relies in determining the effects of the proposed amendments.

Recommended **Condition 5** addresses compliance with County Road standards when proposed development requires improvements to China Creek Road. Recommended **Condition 9** requires additional transportation analysis as needed before approval of a specific commercial development proposal and requires warranted access and intersection improvements to be incorporated into the development approval. Therefore, this has been addressed.

RESPONSE TO ISSUE 5 — GOAL 14 AND RURAL DENSITY
The proposed Q-RR-2 zoning would establish a two-acre minimum parcel size. A two-acre minimum does not, by itself, establish that development is urban in character. For a newly designated rural residential exception area, OAR 660-004-0040(8)(i) provides a path to authorize a two-acre minimum through a Goal 14 exception. The staff report addresses that exception separately from the resource goal exceptions. Recommended Condition 6 calls for the Board to adopt the findings necessary to authorize the two-acre minimum, and Condition 7 prohibits planned unit developments in the Q-RR-2 area.

The comment characterizes the properties as a buffer but identifies no adopted buffer requirement or specific deficiency in the Goal 14 findings. The proposed residential zoning extends the existing rural residential pattern, and the existing EFU designations and zoning are retained. The proposed commercial area is near existing commercial activity along Highway 101. The staff report separately evaluates the uses and development intensity allowed under the proposed Q-C-1 zoning.

The County finds that the generalized concern about rural sprawl does not establish a Goal 14 violation. The Board's decision should rest on the findings addressing the proposed residential density and the uses and intensity allowed in the qualified commercial area.

RESPONSE TO THE OPPOSITION'S CONCLUSION

The Planning Commission reviewed the written opposition in Exhibit 1 at its November 5, 2026 hearing. The Commission found that the objections were stated in general terms and did not identify specific facts or explain how the evidence in the record failed to satisfy the applicable approval criteria. The Commission had no opportunity to ask follow-up questions or clarify the factual basis for the objections as no additional testimony or appearance was made the hearing. The testimony was provided as soon as it was received but that was after the staff report had been provided.

The Commission considered the written opposition, the applicant's responses, and the other evidence in the record. It concluded that the objections did not warrant denial and unanimously recommended approval subject to the recommended conditions.

X. SUMMARY AND SUGGESTED MOTION

The applicant, Peppermill LLC, represented by Sheri McGrath, requests approval of AM-26-002 and RZ-26-001 to amend the Comprehensive Plan and Zoning Maps for portions of Tax Lots 1600, 1607, 1608, 1610, 1611, and 1616 in Township 29 South, Range 14 West, Section 18. The properties are approximately 2.75 miles south of Bandon near Highway 101 and Two Mile Lane. The amendments would redesignate the affected Forest lands for rural residential and commercial use and apply Qualified Rural Residential-2 (Q-RR-2) and Qualified Commercial-1 (Q-C-1) zoning. The existing Comprehensive Plan designations and zoning on the Exclusive Farm Use (EFU) portions would remain in place.

Staff finds that the historical parcel configuration, adjacent development, existing roads and utilities, and physical characteristics of the amendment area collectively support an irrevocably committed exception to Statewide Planning Goals 3 and 4 under OAR 660-004-0028. In reaching that conclusion, staff considered the resource capability of the soils and the practicability of continued farm and forest uses in light of the surrounding development and site conditions. The proposed residential area extends the existing rural residential pattern to the east and south, and the proposed commercial area is near established commercial activity along Highway 101. The Board's findings must address the applicable rural use, density, compatibility, and public facilities and services requirements under OAR 660-004-0018. The Board must also separately adopt the Goal 14 findings and any exception required under OAR 660-004-0040(8)(i) to authorize the proposed two-acre minimum parcel size.

Sandow Engineering's supplemental response clarified that the updated ITE rate yields approximately 286 weekday PM peak-hour trips for the 60,000-square-foot commercial scenario, compared with the 311 trips evaluated in the original analysis. Sandow concluded that the amendments would not significantly affect a transportation facility and confirmed that the projected northbound right-turn movement at Highway 101 and Two Mile Lane met ODOT's vehicle-volume criterion. Staff supports applying Q-C-1 zoning under CCZLDO Section 5.1.240 with Condition 9, which requires additional transportation analysis as needed for a specific commercial development proposal and incorporation of required improvements into the applicable development approval. The Board's amendment-stage findings under OAR 660-012-0060 must address the uses and

intensity allowed by the adopted zoning and identify any enforceable limitations or access assumptions on which its determination relies.

The Planning Commission held a public hearing on November 5, 2026, and unanimously recommended approval with ten conditions. On November 24, 2026, Sheri McGrath requested that the Board remove Condition 10, titled "Highway 101 Scenic Overlay." Staff supports removing Condition 10 because it cites state requirements that apply independently of the County's decision. An advisory note in the decision can identify the applicable state outdoor advertising and forest practices requirements along Highway 101.

Staff recommends that the Board approve AM-26-002 and RZ-26-001, apply Q-RR-2 and Q-C-1 zoning as shown on the amendment maps, adopt the supporting findings and applicable exceptions, and approve Planning Commission recommended Conditions 1 through 9. Staff recommends addressing the Highway 101 state requirements in an advisory note in place of Condition 10.

Suggested Board Motion

I move to approve AM-26-002 and RZ-26-001 and adopt Ordinance No. 26-10-003PL, including the Comprehensive Plan and Zoning Map amendments and supporting findings, as modified by the Board. The amendments apply Qualified Rural Residential-2 and Qualified Commercial-1 zoning to the Forest-designated portions shown on the amendment maps and retain the existing plan designations and zoning on the Exclusive Farm Use portions.

The approval adopts the irrevocably committed exceptions to Statewide Planning Goals 3 and 4, the Goal 14 exception authorizing the two-acre minimum parcel size, and the findings addressing compliance with the Transportation Planning Rule.

The approval is subject to Planning Commission recommended Conditions 1 through 9. The Board removes recommended Condition 10, "Highway 101 Scenic Overlay," and directs staff to include an advisory note in the decision regarding applicable state outdoor advertising and forest practices requirements along Highway 101.

This recommendation is based on the Planning Commission's consideration of the application, staff report, agency comments, public testimony, and the complete record.

ATTACHMENTS: Draft Ordinance No.: 26-10-003PL
Application
Exhibit 1- Opposition testimony Faganello
Exhibit 2 – Sandow Engineering Response to Faganel
Exhibit 3 – Sandow Engineering Response to ODOT
Exhibit 4 – Applicant's Response to Opposition