

A G E N D A

600 NORTHEAST GRAND AVENUE PORTLAND, OREGON 97232-2736



METRO

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MEETING: METRO POLICY ADVISORY COMMITTEE

DATE: September 28, 2005
DAY: Wednesday, 5:00-7:00 p.m.
PLACE: Metro Council Chamber/Annex

NO	AGENDA ITEM	PRESENTER	ACTION	TIME
	CALL TO ORDER	Hoffman		
1	SELF INTRODUCTIONS, ONE MINUTE LOCAL UPDATES & ANNOUNCEMENTS	All		5 min.
2	CITIZEN COMMUNICATIONS FOR NON-AGENDA ITEMS			5 min.
3	CONSENT AGENDA <ul style="list-style-type: none">• July 27, 2005• August 10, 2005• September 14, 2005	Hoffman	Decision	5 min.
4	COUNCIL UPDATE	Hosticka	Update	5 min.
5	SEPTEMBER 29 COMPLIANCE HEARING	Deffebach	Briefing	15 min.
6	NEW LOOK AT 2040 <ul style="list-style-type: none">• Mayor's Forum Debrief• Scoping	McArthur/Cotugno	Discussion	40 min.
7	UGB INDUSTRIAL LANDS REMAND (COO Recommendation)	Neill	Introduction	45 min.

UPCOMING MEETINGS:

MPAC: October 12 & 26, 2005

MPAC Lively Centers, Room 270: September 28, 2005; October 26, 2005

MPAC Coordinating Committee, Room 270: November 9, 2005; December 14, 2005

For agenda and schedule information, call Kim Bardes at 503-797-1537. e-mail: bardes@metro.dst.or.us

MPAC normally meets the second and fourth Wednesday of the month.

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METRO POLICY ADVISORY COMMITTEE MEETING RECORD

July 27, 2005 – 5:00 p.m.

Metro Regional Center, Council Chambers

Committee Members Present: Charles Becker, Nathalie Darcy, Rob Drake, Judie Hammerstad, John Hartsock, Jack Hoffman, Laura Hudson, Tom Hughes, Richard Kidd, Norm King, Alice Norris, Wilda Parks, Martha Schrader, Ted Wheeler

Alternates Present: Sam Adams, Diane Linn

Also Present: Catherine Arnold, City of Beaverton; Hal Bergsma, City of Beaverton; Jim Bernard, City of Milwaukie; Ron Bunch, City of Gresham; Cindy Catto, AGC; Bob Clay, City of Portland; Shirley Craddick, City of Gresham; Dan Drentlaw, Oregon City; Kay Durtschi, MTAC; Meg Fernekees, DLCD; Javon Gilmore, Gresham First; Felisa Hagins, SEIU; Irene Marvich, League of Women Voters; Laura Oppenheimer, The Oregonian; Jim Ressen, Portland Tribune; Pat Ribellia, City of Hillsboro; Paul Savas, OLUD & OLSD; Amy Scheckla-Cox, City of Cornelius; Dee Wescott, City of Damascus; Jim Wright, City of Damascus; David Zagel, TriMet

Metro Elected Officials Present: Liaisons – Susan McLain, District 4 others: David Bragdon, Council President; Brian Newman, District 2

Metro Staff Present: Kim Bardes, Dan Cooper, Andy Cotugno, Chris Deffebach, Robin McArthur, Sherry Oeser, Kelley Webb

1. SELF-INTRODUCTIONS, ONE MINUTE LOCAL UPDATES & ANNOUNCEMENTS

Chair Jack Hoffman, MPAC Chair, called the meeting to order 5:05 p.m.

Chair Hoffman asked those present to introduce themselves, to give a one-minute local update, and for any announcements.

Chair Hoffman announced the Fred Kent, PPS, presentation on urban plazas and public spaces for the next MPAC meeting on August 10, 2005.

2. CITIZEN COMMUNICATIONS FOR NON-AGENDA ITEMS

There were none.

3. CONSENT AGENDA

Meeting Summary July 13, 2005.

Motion:	Mayor Tom Hughes, City of Hillsboro, with a second from Mayor Rob Drake, City of Beaverton, moved to adopt the consent agenda without revision.
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Vote:	The motion passed unanimously.
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4. COUNCIL UPDATE

Councilor Susan McLain thanked the City of Hillsboro for the Get Centered event in Hillsboro. She announced the next Get Centered event in Vancouver. She pointed out the new 2030 maps displayed at the side of the room for the members. She announced that the Measure 37 Claims Process would be ready in August and the task force would be reporting to the Metro Council on August 18th. She said that the Metro Council had reviewed and approved some technical amendments to the functional plan. Councilor McLain said that she would be bringing to MPAC some work related to administrative changes to the Urban Growth Boundary (UGB). This work would make the administrative code tighter. She also announced that the Land Conservation and Development Commission (LCDC) final order of the 2004 UGB Industrial Lands Decision had been received by Metro and that would be covered in greater detail under agenda item #6.

5. REGIONAL FRAMEWORK PLAN

Sherry Oeser, Metro Planning Community Development Program Supervisor, reviewed the reasons for making changes to the Regional Framework Plan. She summarized the material provided in the meeting packet, which is attached and forms part of the record. MTAC had approved the changes to the framework plan last month and it was now before the MPAC committee for review and recommendation to the council.

Motion:	John Hartsock, Clackamas County Special Districts, with a second from Mayor Richard Kidd, City of Forest Grove, moved to recommend approval and adoption of the updated Regional Framework Plan to the Metro Council.
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Vote:	The motion passed unanimously.
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6. LCDC FINAL ORDER OF 2004 UGB INDUSTRIAL LANDS DECISION

Lydia Neill, Metro Planning Community Development Principal Regional Planner, briefly reviewed the LCDC remand for the MPAC members, that material is attached and forms part of the record.

8. 2030 FORECAST

Andy Cotugno, Metro Planning Director, gave a PowerPoint presentation titled 2030 Forecasts and Regional Allocations. Copies of those slides are attached and form part of the record. He then reviewed the comments from the joint MTAC/TPAC meeting held earlier the same day. The memorandum summarizing those comments is attached and forms part of the record.

There was concern expressed over the location of future jobs versus the location of future housing and the ultimate effects that would have on the transportation system. There was also concern expressed that some areas ripe for growth would not be considered for UGB expansion due to state law and protection of farmland.

Chair Hoffman said that there would be further opportunity to raise those issues again in October and November of 2005. He said they could use the 2030 forecast as a foundation to talk about the future and the upcoming UGB expansion in 2007.

Council President Bragdon said that while the forecast was compiled of technical information it did raise major policy questions. The Metro Council had spent time discussing how to frame and organize Metro and future outreach efforts around the larger picture. He said that Metro would be hosting another Mayors' Symposium in September and some of those big issues would be raised at that meeting.

7. SAVING DOWNTOWNS

Chair Hoffman said that there were four issues about downtown development that he thought converged: 1) the Get Centered campaign, 2) the Regional Framework Plan revision, 3) the 2030 Forecast, and 4) the article in the Oregonian regarding Wal-Mart and the City of Milwaukie. He affirmed that this was not a Wal-Mart bashing opportunity, and that was why he had asked Mayor Hammerstad to share her case study with MPAC as well. He had also invited representatives from Tualatin and Tigard, but they were not able to send someone. He posed the question: if there was development outside of town centers that could conflict with maintenance and enhancement of the town centers would that be an issue of metropolitan concern that MPAC could discuss and address or was it matter of strict local concern? This is what he hoped they would discuss.

Dan Cooper, Metro Attorney, said that the members, elected officials, and appointed planning commissioners that may have received email regarding this topic and who would be considering a quasi judicial decision regarding one of these issues, whether a large format retail store or anything else, would still make their decision on evidence in the record and the criteria they had in their own codes on the date the application was filed. Therefore, a lot of the material that was sent out would not necessarily need to be part of their record. If they had concerns about anything they had heard at MPAC/Metro or the materials that were sent to them, they should talk to their planning director and city attorney about whether they needed to make any disclosure about x-party contact. He suggested that each jurisdiction work at the local level to make sure that whatever decision they ended up making on those cases was consistent with the evidence in the record and local codes. He said that this would just be a discussion of policy making on a regional level and it was perfectly appropriate for the usual type of discussions that MPAC had.

Mayor Rob Drake said that the City of Beaverton did have a pending application. He said that he had indicated to Chair Hoffman that the conversation about big box retailers should be broad and related to downtowns and complete communities and not about a specific retailer because there were many retailers of the same size, etc. He said that the City of Beaverton would be submitting all documents received to the record so that it was complete and there would be no allegations otherwise. He said that he had no bias about retailers large or small.

Chair Hoffman said that his intent was to cover the broad spectrum of big box, but that case studies were always helpful. He said that the matter of big box was important and timely because they were talking about 2030 and the future. Retail and commercial development follow people and possible tie-ins were important to consider. He asked Mayor Bernard, City of Milwaukie, to present his case study.

Mayor Bernard introduced himself and gave a brief bio. He said that the City of Milwaukie had not developed to its potential because of fear of competition with Clackamas Town center and the Milwaukie Market Place. He said that the City of Milwaukie had previously rezoned the downtown area for professional offices, which brought the value of those buildings down significantly. He said that half the downtown area had been bought by one outfit and there was no community involvement in the area. That was a cause of decay in the community and light rail possibilities. He said that the jurisdictions needed to talk about how to keep mass merchandisers from preventing development in downtown areas. He said

that starting a Farmer's Market really brought the community together and started a redevelopment effort. He said that the city had real concern that the wrong business in that particular site could possibly ruin growth opportunities. He said he felt that they should talk about protecting downtowns and encouraging growth on a regional scale. He said that there was a Wal-Mart already located on Johnson Creek Boulevard which didn't have a lot of traffic. He said that Wal-Mart stores tended to saturate the market and after strong sales for the first 2-3 years the situation would start to decay and end up below the sales the community had prior to Wal-Mart locating there.

Mayor Judie Hammerstad, City of Lake Oswego, said that her case study was different but that the issues were the same. She said they had to consider whether they invested in town centers according to the 2040 Growth Concept and if the region would support that decision. Or, would they allow development to undermine the town centers? She said that for Lake Oswego the frustration was not with the town center but rather with the lifestyle center built on their southwestern border. She said that a lifestyle center was not a town center. It had no housing and it was entirely automobile dependent. With the exception of movie theaters all the retail would be in direct competition with anything that would be developed in a town center. She said that the issue was regionally significant because of Metro's inability to regulate the development of a lifestyle center that would not support existing town centers especially since it was in the same proximity of three designated town centers. She said that the financial issues were considerable also. The city put public dollars into town center development and then they were undermined by a lifestyle center down the road. She said that Lake Oswego would continue to be successful because they had a strong community built around their town center, but not all cities had the ability to compete with a place like Bridgeport. She said it was a concern that needed to be discussed on a regional scale. She said they needed to look at the effects of big box business or faux town centers and how they draw from the town center.

John Hartsock, Clackamas County Special Districts, asked if anyone knew what effect big box had as part of a town center.

Mayor Hammerstad said that they would not have room for that in the City of Lake Oswego downtown. She said that the town ordinances also had size restrictions on big box because Lake Oswego did not have the ability to accommodate large size big boxes.

Councilor McLain said that they needed to consider the number of town centers and regional centers the region could support. She said that they needed to look at how many town centers were needed right now to be successful in the coming years. Would those be successful or would they be diluting the community? As they know from periodic review, there was only so much room in the region and with towns that were two or three miles apart, what would the effects be on jobs and type of jobs? They also needed to consider the types of jobs that they wanted to attract. She felt that they were really speaking to this issue of constrained resources.

Sam Adams, City of Portland, said that both mayors had made good points with their case studies. He said it was a new phenomenon and that the region was under-tooled to deal with it. He stressed that not all big boxes had that affect on communities and different communities also had different needs.

Mayor Hughes said the cities were forced to make decisions based on their local land use codes. He said that superimposing a regional policy over the top of that would present some difficulties. They would need to strike a balance between what the regional government could do in terms of general policy over what the cities have implemented at a local level. He said that many jurisdictions were trying to rejuvenate their downtowns.

Mayor Drake suggested that MPAC needed to be careful of the net they would cast by regulating big box. They could well end up hurting the region. He gave Safeway and Albertsons stores as examples of big box businesses that are often needed in a community. He said that they needed to remain mindful of the end results.

Nathalie Darcy said that MPAC had already decided that centers were important to the region and that communities would invest in town centers, so if the communities or MPAC saw big box as a threat to that goal, then they needed to seriously look at that and continue to have discussion about it.

Chair Hoffman said he would like to continue the discussion in September and October and that he hoped to include other jurisdictions in future discussions.

9. MEASURE 37 CLAIMS PROCESS

Andy Cotugno said they had planned to introduce the claims process for Measure 37, but due to time constraints Metro staff would have to put this on a future agenda. He asked the MPAC members to look at the draft material provided in the meeting packet as preparation for that upcoming presentation and discussion.

There being no further business, Chair Hoffman adjourned the meeting at 7:07 p.m.

Respectfully submitted,

Kim Bardes
MPAC Coordinator

ATTACHMENTS TO THE RECORD FOR JULY 27, 2005

The following have been included as part of the official public record:

AGENDA ITEM	DOCUMENT DATE	DOCUMENT DESCRIPTION	DOCUMENT NO.
#8 2030 Forecast	7/27/05	Memorandum to MPAC from Andy Cotugno re: 2030 Growth Forecast and allocations	072705-MPAC-01
#8 2030 Forecast	7/27/05	PowerPoint slides re: 2030 Forecasts and Regional Allocations	072705-MPAC-02
#7 LCDC Final Order of 2004 UGB Industrial Lands Decision	7/25/05	Letter from LCDC to David Bragdon re: Periodic Review Task 2 Partial Approval and Remand (LCDC Order 05-WKTASK-001673)	072705-MPAC-03
#7 Saving Downtowns	7/21/05	Email from Joe Grillo to MPAC members and interested parties, regarding Saving Downtowns and specifically Wal-Mart	072705-MPAC-04
#7 Saving Downtowns	7/21/05	Email from W G White to MPAC members and interested parties, regarding Wal-Mart	072705-MPAC-05
#7 Saving Downtowns	7/23/05	Email from Pat Russell to MPAC members and interested parties, regarding MPAC discussions	072705-MPAC-06
#7 Saving Downtowns	7/24/05	Email from Jack Hoffman to Joe Grillo regarding land use and Wal-Mart	072705-MPAC-07
#7 Saving Downtowns	7/25/05	Email from Sylvia Strauss to MPAC members and interested parties regarding email string on Wal-Mart	072705-MPAC-08
#7 Saving Downtowns	7/25/05	Email from Pat Russell to MPAC members and interested parties regarding Wal-Mart	072705-MPAC-09
#7 Saving Downtowns	7/25/05	Email from Jack Hoffman to Mayors and MPAC members and interested parties re: MPAC discussion concerning Large Format Retailers	072705-MPAC-10
#7 Saving Downtowns	7/25/05	Email from Sylvia Strauss to Bob LeFeber and MPAC members and interested parties regarding MPAC Discussion concerning Large Format Retailers	072705-MPAC-11
#7 Saving Downtowns	7/26/05	Email from Isador W. Morgavi to MPAC members and interested parties re: MPAC discussion concerning Large Format Retailers	072705-MPAC-12
#7 Saving Downtowns	7/8/05	Letter from Jim Barnard, Mayor of Milwaukie, to Tom Potter, Mayor of Portland re: Wal-Mart	072705-MPAC-13

METRO POLICY ADVISORY COMMITTEE MEETING RECORD

August 10, 2005 – 5:00 p.m.

Metro Regional Center, Council Chambers

Committee Members Present: Nathalie Darcy, Rob Drake, Andy Duyck, John Hartsock, Jack Hoffman, Laura Hudson, Richard Kidd, Charlotte Lehan, Ted Wheeler

Alternates Present: Larry Cooper

Also Present: Lois Achenbach, Hollywood Neighborhood Association; John Anderson, Troutdale City Administrator; Lenny Anderson, Swan Island TMA; Catherine Arnold, City of Beaverton; Joan Baucus, Portland Farmers Market; Gretchen Buehner, City of Tigard; Ron Bunch, City of Gresham; Bob Clay, City of Portland; Robb Courtney, City of Gresham; Valerie Counts, City of Hillsboro; Danielle Cowan, City of Wilsonville; Kevin A. Cronin, City of Sherwood; Brent Curtis, Washington County; Theodora Duling, Tigard Planning Commission; Dan Eisenbeis, 1000 Friends of Oregon; Kathy Everett, Gresham Downtown Dev. Assoc.; Meg Fernekees, DLCD; Ed Gronke, Clackamas County Citizen Representative; Jim Hendrix, City of Tigard; Jim Jacks, City of Tualatin; Nancy Kraushaar, City of Oregon City; Irene Marvich, League of Women Voters; Annette Mattson, PGE; Sue O'Halloran, KMO Inc; Ross Plambeck, PDC; Trudi Rahija, Hollywood Neighborhood Association; Amanda Rhoads, Portland Bureau of Planning; Amy Scheckla-Cox, City of Cornelius; Doug Schmitz, City of Lake Oswego; Sydney Sherwood, City of Tigard; Meganne Steele, PSU-MURP; Nancy Stevens, Kaiser Permanente; Pete Truax, City of Forest Grove; Janet Young, City of Beaverton; Rob Wheeler, City of Happy Valley; Jim Wright, City of Damascus

Metro Elected Officials Present: Liaisons – Robert Liberty, District 6; others: David Bragdon, Council President; Rod Park, District 1; Brian Newman, District 2

Metro Staff Present: Kim Bardes, Linnea Nelson, Kathryn Schutte, Kelley Webb

1. SELF-INTRODUCTIONS, ONE MINUTE LOCAL UPDATES & ANNOUNCEMENTS

Jack Hoffman, MPAC Chair, called the meeting to order 5:02 p.m.

Chair Hoffman asked those present to introduce themselves. He said that they would skip the consent agenda and Council update in order to go directly into the presentation as the meeting was being taped live for cable.

2. CITIZEN COMMUNICATIONS FOR NON-AGENDA ITEMS

There were none.

3. CONSENT AGENDA

Meeting Summary July 27, 2005.

Deferred to the next meeting.

4. COUNCIL UPDATE

Deferred to the next meeting.

5. URBAN PLAZAS, PUBLIC SPACES: ARE THEY THE HEART OF A COMMUNITY?

Chair Hoffman gave an overview of Urban Growth Boundary expansions over the years, referring to maps displayed around the room. He said that the dots on the map did not represent the community or the people of the region. He introduced Matt Emlen, the moderator for this program.

Matt Emlen, Moderator, gave an introduction of the panel and background information on each of them. For details please see the attached Event Outline that forms part of the record. The guest speakers were: Fred Kent, Project for Public Spaces; Doug Macy, Walker Macy; Suzanne Briggs, Oregon Farmer's Markets Association; Karen Whitman, Karen Whitman Projects; Judy Bailey, City of Vancouver, Washington.

Fred Kent, Project for Public Spaces, spoke about communities and growth. He gave a PowerPoint presentation during the course of the panel discussion. Mr. Kent, Mr. Emlen, and the panelists gave their presentation which was also video taped and broadcast live on cable.

There being no further business, Chair Hoffman adjourned the meeting at 6:30 p.m.

Respectfully submitted,

Kim Bardes
MPAC Coordinator

ATTACHMENTS TO THE RECORD FOR AUGUST 10, 2005

The following have been included as part of the official public record:

AGENDA ITEM	DOCUMENT DATE	DOCUMENT DESCRIPTION	DOCUMENT NO.
#5 Urban Plazas, Public Spaces	August 2005	Get Centered! Get Square! Flyer	081005-MPAC-01
#5 Urban Plazas, Public Spaces	August 2005	Get Centered! Get Square! Flyer with bios for the panelists	081005-MPAC-02
#5 Urban Plazas, Public Spaces	August 10, 2005	Get Square Event Outline	081005-MPAC-03

METRO POLICY ADVISORY COMMITTEE MEETING RECORD

September 14, 2005 – 5:00 p.m.

Metro Regional Center, Council Chambers

Committee Members Present: Charles Becker, Nathalie Darcy, Andy Duyck, Dave Fuller, John Hartsock, Jack Hoffman, Tom Hughes, Charlotte Lehan, Alice Norris, Martha Schrader, Ted Wheeler

Alternates Present: Judie Hammerstad, Laura Hudson, Norm King, John Leeper

Also Present: Hal Bergsma, City of Beaverton; Ron Bunch, City of Gresham; Bob Clay, City of Portland; Brent Curtis, Washington County; Kay Durtschi, MTAC; Stacy Hopkins, DLCD; Jim Jacks, City of Tualatin; Stephan Lashbrook, City of Lake Oswego; Irene Marvich, League of Women Voters; Jim McCarthy, HBA Portland; Doug McClain, Clackamas County; Greg Miller, Associated General Contractors; Pat Ribellia, City of Hillsboro; Paul Savas, OLU & OLSD; Jonathan Schlueter, Westside Economic Alliance; Andrea Vannelli, Washington County; David Zagel, TriMet;

Metro Elected Officials Present: Liaisons –Robert Liberty, Council District 6 others: David Bragdon, Council President

Metro Staff Present: Kim Bardes, Dick Benner, Dan Cooper, Chris Deffebach, Paul Garrahan, Robin McArthur, Linnea Nelson

1. SELF-INTRODUCTIONS, ONE MINUTE LOCAL UPDATES & ANNOUNCEMENTS

Jack Hoffman, MPAC Chair, called the meeting to order 5:08 p.m.

Chair Hoffman asked those present to introduce themselves, to give a one-minute local update, and for any announcements.

2. CITIZEN COMMUNICATIONS FOR NON-AGENDA ITEMS

There were none.

3. CONSENT AGENDA

Meeting Summary July 27, 2005 & August 10, 2005.

Deferred to next meeting

4. COUNCIL UPDATE

Councilor Bragdon announced the upcoming Second Mayor's Symposium on Friday, September 16, 2005 and gave an overview of the meeting format. He reviewed the upcoming legislative calendar for the Metro Council. There had been a boundary commission hearing earlier in the day on the Happy Valley/Damascus case. He said that Metro had received the official remand for 2003 on industrial land and that basically the commission was asking for some additional acreage. Metro staff was looking at ways to satisfy that request and would give a more in-depth report later in the meeting. He said that there was a ruling last week on court of appeals case from the 2002 residential decision which found technical fault on two areas.

5. BALLOT MEASURE 37 FINAL TASK FORCE REPORT

Mayor Judie Hammerstad gave an overview of the report, which was included in the meeting packet and forms part of the record. She said that the committee was made up of very diverse people and that they had agreed not to discuss merits of Measure 37 but to address the resulting issues instead. She said that the committee process was difficult because issues surrounding Measure 37 were so unresolved or concrete. She said that the report provided findings and questions, but no answers as of yet. She reviewed and explained some of the recommendations made by the task force from the report.

John Leeper, Washington County, expressed concern over some of the recommendations from the task force as he said they could possibly be opening new avenues of concern and study. He said that Washington County had the most claims in the region and that 98% of them were in the forest or agricultural areas and not over the urban growth boundary.

Doug McClain said that the committee had been formed with a variety of perspectives and he agreed with Mayor Hammerstad that the task force seemed to find more questions but no answers as yet.

Andy Duyck asked if the committee had tracked building permits issued on properties as a result of claims.

Mayor Hammerstad said that they had not.

There was discussion about claims and building permits. It was noted that most claims in the region were not near (or pertaining to) the urban growth boundary (UGB) yet, however one of the biggest claims in Washington County was actually over the UGB.

Council President Bragdon thanked Mayor Hammerstad and the committee members for their work on Measure 37 and the report.

Robert Liberty reviewed a map on display in the front of the room, which showed all the Measure 37 claims submitted in the region thus far.

Chair Hoffman asked the members if they would like to discuss the recommendation in terms of MPAC involvement in claims/granting of waivers on borders?

Mayor Alice Norris said that she thought that the majority of cities did not have claims yet. She said that for now it was mostly an issue for the counties.

Mayor Hughes said that some of the claims in the cities were pretty outrageous, whereas the ones received by the counties seemed more along the lines of what the measure had been intended to do.

Chair Hoffman said that for Measure 37 there was the issue of transferability, which caused him concern. For one thing, long-term ground leases could present problems in that the owner of the Measure 37 waiver would lease on a 99-year lease to big box businesses and large commercial developers. He said that another concern was that they could anticipate that Oregonians in Action would have an initiative on the November 2006 ballot addressing transferability.

Stacey Hopkins, Department of Land Conservation and Development, said that DLCD has had at least one mortgage broker contact them regarding issues with the secondary mortgage selling market – a number of the larger national firms were uncertain about continuing to do work in the rural areas of Oregon.

Mayor Hughes said that one of most intriguing of the 11 measures already circulating for 2006 was the one with the proposed ballot title of “Government Get Your Hands Off My Property.”

Chair Hoffman said that MPAC might want to monitor Measure 37 claims between now and the end of the year and revisit it early next year.

Councilor Liberty said that if Measure 37 had said that taxpayers would have to pay for the claims, then the ballot probably would have failed.

6. GET CENTERED! GET SQUARED! FOLLOW-UP

Kelley Webb, Metro Planning Community Development Manager, gave a brief follow-up report on the Get Centered! Get Squared! event with guest speaker Fred Kent from the August 10, 2005 MPAC meeting. She distributed several handouts recapping the presentation and those are attached and form part of the record. Ms. Webb said that the MPAC subcommittee on Lively Centers had discussed things they could do to continue to keep the focus on centers. She recounted some of those ideas and informed the MPAC members that once they found a chair for the subcommittee they would move forward on formulating ideas.

Chair Hoffman asked the MPAC members if they thought the MPAC committee could do anything to help policies, funding, etc. and support place-making activities in regional and town centers, and main streets? He also said that MPAC would need to decide if it was important to continue the subcommittee.

Mayor Becker said that they should wait until after the Vancouver Get Centered event and give the members time to think of what else the committee could accomplish.

Ms. Webb continued to review the handouts and reported on what the committee had been working on and brainstorming for the future of the committee.

Chair Hoffman briefly reviewed a tentative proposal for MPAC’s agenda for the rest of the year.

7. TRANSPORTATION CORRIDOR STUDIES

Bridget Weighart, Metro Planning Corridor and Freight Manager, gave a little history on the corridor planning and reviewed the material included in the meeting packet and a map displayed at the back of the room. The packet material is attached and forms part of the record.

Mayor Charlotte Lehan said that she hoped that staff was including south of the Boone Bridge when they were studying that corridor because that bridge was the only flow for traffic in that area going over the Willamette.

Ted Wheeler asked if laying out the planning to 2020 was a typical time frame or was there a way to expedite the projects?

Ms. Weighart said that construction had begun on some projects while others would be finished early. The projects would unfold and come to completion over a period of time with completion for all slated projects by 2020.

Mayor Becker said that there ought to be a resolve among the MPAC members and JPACT to work together to ensure that the corridors as they were studied addressed the local land use needs and plans.

Chair Hoffman said that Mayor Becker had sent him an email earlier in the day stressing the need to have more coordination between MPAC and JPACT. Chair Hoffman said that he thought that was a good idea and he suggested that next year a liaison be appointed to attend the JPACT meetings and report to MPAC and that maybe MPAC and JPACT could work together on coordination of land use and transportation.

Councilor Liberty said that they were talking about regional investment strategy in transportation. He said they were also going to have a discussion about the "new look" at future plans as they were making significant decisions on how to spend the money for the future. He said that this work would be very important.

Mayor Becker said that maybe there needed to be more city representation on JPACT.

Mayor Hughes said that membership on JPACT was no longer reflective of the region due to shifts in population in cities, and that the cities had little representation on JPACT. He suggested that it might be time for a reorganization of JPACT. He pointed out that there were several members on both committees.

Dave Fuller agreed with Mayor Hughes and he said that perhaps JPACT should be organized in a similar fashion to MPAC regarding representation. The goal would be to make sure that different jurisdictions got proper representation.

Councilor Liberty said that JPACT and the Metro Council together formed the MPO, which were governed by federal requirements. Any reorganization would have to take those requirements into consideration.

Ms. Weighart reviewed the status of the resolution and the timeline for it to reach Council.

Chair Hoffman said he would like to schedule a continued discussion on this issue at a future meeting.

8. UGB INDUSTRIAL LAND REMAND

Chris Deffebach, Metro Long Range Policy Planning Manager, gave a brief update on the LCDC remand. She informed the members that the Metro Chief Operating Officer would release his recommendation next week, and then it would go through MTAC and MPAC, property owners would have to be noticed, Metro would have open houses and workshops, then it would come back to MTAC and MPAC in October to get a recommendation for Council. It was scheduled for Council consideration in November.

9. ORDINANCE NO. 05-1077 FISH & WILDLIFE HABITAT

Ms. Deffebach recapped the revision of the model ordinance policy issues that MPAC had previously identified. The ordinance was now to the point where they would have a public hearing and Council was ready to review the ordinance and technical amendments. She briefly reviewed the amendments drafted by Metro Council members.

Ms. Deffebach said that Metro staff was proposing an appendix regarding map verification and map corrections. She reviewed the verification process. Metro would continue to make ongoing changes to the map, although they could not say how often they would need to make those changes.

10. MEASURE 37 CLAIMS PROCESS

Dick Benner, Metro Attorney, said that the Measure 37 claims process would probably be adopted by the Council on September 22, 2005. He briefly reviewed the process for the members.

There being no further business, Chair Hoffman adjourned the meeting at 7:10 p.m.

Respectfully submitted,

Kim Bardes
MPAC Coordinator


ATTACHMENTS TO THE RECORD FOR SEPTEMBER 14, 2005

The following have been included as part of the official public record:

AGENDA ITEM	DOCUMENT DATE	DOCUMENT DESCRIPTION	DOCUMENT NO.
#6 Get Centered	8/17/05	Memorandum to MPAC members and interested parties from Jack Hoffman and David Bragdon	091405-MPAC-01
#6 Get Centered	September 2005	Flyer on Get Centered!	091405-MPAC-02

**METRO**

TO: Mayors and County Commission Chairs
Planning Directors

FROM: Michael Jordan, Chief Operating Officer 

DATE: September 2, 2005

RE: Urban Growth Management Functional Plan 2004 Annual Compliance Report

To help evaluate how the region is meeting its growth management goals, the Metro Code requires Metro to prepare an annual Urban Growth Management Functional Plan Compliance Report. The 2004 Annual Compliance Report is enclosed. This report summarizes compliance with each requirement of the Functional Plan by each city and county in the district.

Metro is also required to notify all cities and counties in the district of the public hearing on compliance. That hearing will be held on Thursday, September 29, 2005 at 2 p.m. in the Metro Council Chamber, 600 NE Grand Avenue in Portland. After the hearing, the Metro Council will issue an order determining the Functional Plan requirements with which each city and county complies.

Usually the Metro Council holds a compliance hearing earlier in the year. This year the hearing was delayed so that the Council could gain a better understanding of compliance issues in general but specifically Title 7 (Affordable Housing). You will note that the compliance report lists several local governments that have not completed Title 7 affordable housing work. Earlier this year, the Metro Council formed the Housing Choice Task Force which is examining affordable housing issues and may recommend changes to Title 7. The Council may wait until the Task Force completes its work before considering Title 7 compliance issues.

The Council does not have jurisdiction in this proceeding to determine whether previous amendments of comprehensive plans or land use regulations made by a city or county comply with functional plan requirements if those amendments already comply pursuant to Metro Code 3.07.810(F) or (G). The Council also does not have jurisdiction to reconsider a determination in a prior compliance order issued pursuant to Metro Code 3.07.880(C) that a city or county complies with a functional plan requirement.

If you have any questions about the compliance report or about the hearing, please contact Sherry Oeser at (503) 797-1721.

SO/ff

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**URBAN GROWTH MANAGEMENT FUNCTIONAL PLAN
ANNUAL COMPLIANCE REPORT
December 23, 2004
Revised August 31, 2005
DRAFT**

INTRODUCTION

Metro Code 3.07.880 requires an annual Urban Growth Management Functional Plan Compliance Report and requires that this report include:

- An accounting of compliance with each requirement of the Functional Plan by each city and county in the district.
- A recommendation for action that would bring a city or county into compliance with the functional plan requirement and advice to the city or county whether it may seek an extension pursuant to Metro Code 3.07.850 or an exception pursuant to Metro Code 3.07.860.
- An evaluation of the implementation of the Functional Plan and its effectiveness in helping achieve the 2040 Growth Concept.

This report outlines the status of each local government's effort to comply with Titles 1 through 7 and Title 11 of the Functional Plan since the adoption of the 2003 Compliance Order and any outstanding compliance issues. Compliance for Titles 1 through 7 is presented in a compliance matrix in Appendix A, Tables 1 through 7 and summarizes compliance by jurisdiction. Attachment 1 to this compliance report is the Title 7 Affordable Housing component that provides a detailed analysis of Title 7 compliance issues. Title 11 reporting is presented by area rather than by jurisdiction.

EVALUATION OF THE IMPLEMENTATION OF THE FUNCTIONAL PLAN

A primary goal of regional policy contained in the Regional Framework Plan is efficient use of land within the urban growth boundary (UGB). The Urban Growth Management Functional Plan helps the region achieve that goal by setting forth specific actions that local governments can take to use land more efficiently. Those actions include setting minimum densities, increasing zoned capacities for dwelling units and jobs, permitting accessory dwelling units, limiting the amount of land dedicated to parking and enhancing the role of centers in the region.

The region has reached a compliance rate of 99% for Titles 1 through 6 requirements as shown in Appendix B. Compliance for Title 7 is at 62% and only three local governments have met all of the Title 7 reporting requirements. Passage of ballot measure 37 has delayed some local government action on Title 3 compliance legislation.

Some progress is being made by those local governments that have Title 11 planning responsibilities, however, compliance with Title 11 is complex and expensive. For example, new areas will often be governed and serviced by more than one jurisdiction or service provider, requiring multi-party coordination. Even if the area falls within one jurisdiction, it can be costly and time-consuming to carry out the Title 11 planning. Furthermore, some of the areas are not contiguous to city boundaries, requiring intervening land to be annexed prior to Title 11 planning. As a result of these issues, several areas will likely not meet deadlines scheduled for 2005. According to the Office of Metro Attorney, the Council has several options available to it

should local governments not meet their Title 11 deadline. These include 1) extension of time to complete planning, 2) amending the UGB ordinance to allow more time for completion by a local government, 3) providing Metro resources to assist local government, 4) relying on landowners in an area to complete Title 11 planning for consideration by the local government or 5) pursue an enforcement action according to Metro Code. These may not be the only options available to the Council. If the Council chooses, staff can research further possible options.

GENERAL COMPLIANCE ISSUES

Ordinance No. 02-969B, adopted by the Metro Council in December 2002, contained amendments to Titles 1, 4 and 6 of the Functional Plan. Ordinance No. 04-1040B, adopted by the Metro Council in June 2004, amended Title 4 of the Functional Plan. A number of these amendments require local governments to take action by July 7, 2005 to comply with new requirements. In addition, when land is brought into the Urban Growth Boundary, conditions including a timeline for compliance are placed on those areas. In May 2004, the Chief Operating Officer sent a letter to local governments clarifying the requirements of the third year (2004) report of Title 7. These compliance issues are summarized below.

Title 1: Requirements for Housing and Employment Accommodation

Two reporting requirements were added to Title 1. Local governments are required to report annually on changes in capacity and biennially on the actual density of new residential development.

Title 4: Industrial and Employment Areas

A new design type, Regionally Significant Industrial Areas (RSIAs) was added and changes were made to Industrial Areas. Local jurisdictions will have new reporting requirements in 2005.

Title 6: Central City, Regional Centers, Town Centers and Station Communities

Title 6 requires each city and county with a center shown on the 2040 Growth Concept Map to develop a strategy to enhance centers within their jurisdiction by December 31, 2007. To assist in evaluating the effectiveness of Title 6, each local government with a center is to biennially report on the progress of Centers. The next report will be due April 15, 2006.

Title 7: Affordable Housing

Title 7 requires each jurisdiction to: a) adopt voluntary affordable housing production goals; b) adopt policies ensuring that their comprehensive plan and implementing ordinances include diverse range of housing, measures to maintain existing supply and increase dispersion of affordable housing, and measures to increase housing for all income levels; c) consider amendment of their comprehensive plan and implementing ordinances with land use tools and strategies; and d) submit three progress reports in 2002, 2003 and 2004.

In May 2004, Metro's Chief Operating Officer sent a letter to local jurisdictions clarifying the requirements of the third year (2004) report due in June 2004. The third report requires that:

"...each city and county within the Metro region shall report to Metro on the outcome of the amendments to its comprehensive plan and implementing ordinances pending at the time of submittal of the report described in subsection B of this section and on the public response, if any, to any implementation adopted by the city and county to increase the community's stock of affordable housing, including but not limited to the tools and strategies in subsection 3.07.730.B. "

As used above:

Outcome includes:

1. Affordable housing projects that were initiated or completed as a result of the implementation of the tools and strategies described in the previous sections, including the number of units produced and income level/s served; and
2. Partnerships that were created between the city and affordable housing developers (non-profit developers and private sector developers)
3. Pending amendments to the comprehensive plan and implementing ordinances.

Public response means: A summary of comments of developers and citizens expressed during the consideration of affordable housing strategies, including the following:

1. Affordable housing production goals;
2. Policies to ensure diversity of housing types, maintaining the existing supply and increasing the opportunities for new dispersed affordable housing, and increasing opportunities for household of all income levels to live within the jurisdiction;
3. Land use affordable housing tools and strategies: i) density bonus; ii) replacement housing; iii) inclusionary housing; iv) transfer of development rights; iv) elderly and people with disabilities; vi) local regulatory constraints – discrepancies in planning and zoning codes, and local permitting or approval process; and vii) parking;
4. Other affordable housing tools and strategies: i) replacement housing resulting from urban renewal; ii) inclusionary housing in urban renewal districts; iii) fee waivers or funding incentives; iv) promotion of affordable housing for incomes 50% to 120% of the regional median household income (RMHI); and v) joint coordination or action to meet the affordable housing production goals; and
5. Funding for housing.

Title 8: Compliance Deadlines

Metro is required to notify local governments of the deadlines for compliance with the requirements of the Functional Plan. Appendix C lists the schedule of compliance dates.

Title 11: Planning for New Urban Areas

The purpose of Title 11 is to guide planning for conversion from rural to urban use for land that is brought into the UGB. Interim protection measures and planning requirements are placed on the land as a condition to the ordinances that add land to the UGB. The conditions include a timeline for compliance that varies by area.

OUTSTANDING COMPLIANCE ISSUES BY TITLE

Title 1: Wilsonville has not provided a capacity analysis as required by Title 1.

Title 3: Lake Oswego, West Linn and Clackamas County have not fully complied with the Water Quality Performance Standards as required by Title 3. Clackamas County has requested an exception to Title 3 Water Quality Performance Standards.

Title 6: Gresham did not submit a progress report on Centers as required by Title 6.

Title 7:

- Three jurisdictions – Beaverton, Portland and Multnomah County – have fully complied with all the requirements of Title 7 by submitting the three progress reports, adopting affordable

housing production goals and policies in their comprehensive plans and code, and adopting most of the land use strategies.

- Two jurisdictions – Fairview and King City – have complied with almost all of the Title 7 requirements by indicating the two strategies currently implemented in the cities, and considering but declining to adopt the rest of the strategies.
- Four jurisdictions – Cornelius, Johnson City, Rivergrove and Sherwood – have not submitted any of the three progress reports.
- The other 18 jurisdictions¹ have complied partially with the Title 7 requirements.

These compliance issues are shown in Appendix D, Outstanding Compliance Elements.

RECOMMENDATIONS FOR ACTION TO BRING JURISDICTIONS INTO COMPLIANCE WITH TITLES 1 THROUGH 7

Titles 1 through 6

There are five jurisdictions – Gresham, Lake Oswego, West Linn, Wilsonville, and Clackamas County -- that have not yet met all of the requirements of Titles 1 through 6. Lake Oswego and West Linn are not in compliance for Title 3 Water Quality Resource Area Performance Standards. Gresham has not submitted a Centers progress report as required by Title 6 and Wilsonville has not submitted a capacity analysis required by Title 1. Lake Oswego and West Linn are working on their compliance requirements. Clackamas County is requesting an exception to Title 3 for a small portion of the county. Staff recommends that Gresham and Wilsonville formally be requested to attend the public hearing on compliance to explain to the Council the status of their compliance work and when the work will be completed.

Title 7

Ten jurisdictions (Beaverton, Durham, Fairview, Gladstone, Maywood Park, Portland, Tigard, West Linn, Multnomah County and Washington County) have submitted the three progress reports, but only three (Beaverton, Portland and Multnomah County) have fully complied with Title 7 requirements. Among the remaining jurisdictions, some have submitted one or two reports that do not have complete information, while four (Cornelius, Johnson City, Rivergrove and Sherwood) have not submitted any report.

Staff recommends that the assessment of the region's affordable housing supply effort in early 2005 will provide comprehensive information on factors creating barriers to affordable housing production in the region. The information will help the new HTAC to be created in early 2005 by the Metro Council to understand the housing problems in the region and recommend appropriate roles for the variety of local jurisdictions in the region.

TITLE 11: PLANNING FOR NEW URBAN AREAS

Title 11 guides planning for converting land brought into the UGB from rural to urban uses. Title 11 has interim protection measures (Metro Code 3.07.1110) and planning requirements (Metro Code 3.07.1120). When land is brought into the boundary, meeting the requirements of Title 11 is one of the conditions of approval. Title 11 does not require interim protection measures to be codified in local comprehensive plans and implementing ordinances.

¹ The new City of Damascus is not included in this count.

Since land is added to the UGB by area, not all jurisdictions are required to comply with Title 11. A jurisdiction may have more than one area added at one time or over a series of additions to the boundary and all must meet the requirements of Title 11. As a result, compliance is reported on an area basis rather than on a jurisdictional basis.

3.07.1110 Interim Protection of Areas Brought into the Urban Growth Boundary

This section requires no affirmative actions by local governments. Instead, it includes four provisions for preserving the condition of land until the planning requirements of Metro Code 3.07.1120 are completed. The local governments responsible for the protection measures are the counties. An exception to this is Area 94 brought into the UGB in 2002 and largely within the City of Portland.

Under this section, a county may not approve any of the following four actions:

1. Land use regulations or zoning map amendments that increase residential density
2. Land use regulations or zoning map amendments that allow commercial and industrial uses not previously allowed to occur prior to the completion of the concept planning process
3. Any land division or partition that would result in the creation of any new parcel that would be less than 20 acres in total size
4. In a Regionally Significant Industrial Area, a commercial use that is not accessory to an industrial use, schools, churches or other institutional or community services intended to serve people who do not work or reside in the area

The counties, under Title 8 (Metro Code 3.07.820), are currently required to report to Metro land use regulations or zoning map amendments such as items 1 and 2 above. During this reporting period, Metro has not received notification of any such action by Clackamas, Multnomah or Washington counties. The Metro Code does not require counties to notify Metro of "land use decisions" such as land divisions or conditional use permits in a specific zone thus Metro has no information to report on measures 3 and 4. During the past year, Clackamas, Multnomah and Washington counties have not approved any of the above listed actions and thus are in compliance with the Title 11 interim protection measures.

3.07.1120 Urban Growth Boundary Amendment Urban Reserve Plan Requirements

This section requires that all land added to the UGB be subject to adopted comprehensive plan amendments consistent with all applicable titles of the Functional Plan including the requirements of Title 11 planning. Either a city or a county can complete the planning. As a condition of approval for all land added to the UGB in 2002 and 2004 a timeframe was placed on individual areas for completion of the Title 11 planning. At this time, no local jurisdiction is out of compliance with Title 11 planning requirements; however, several jurisdictions will likely not meet their March 2005 planning timeline. The chart below summarizes the status of each Title 11 planning area. A map showing these areas will be available in January 2005.

**TITLE 11 NEW AREA PLANNING
(as of December, 2004)**

Project	Lead Government	Plan Deadline	Status
1998 UGB Expansion			
Pleasant Valley Concept Plan	Gresham and Portland	NA	Concept plan and implementation planning completed; zoning adopted
1999 UGB Expansion			
Villebois Village	Wilsonville	NA	Concept plan and comprehensive plan amendments & zoning complete; construction underway
Witch Hazel Community Plan	Hillsboro	March 2005	Concept plan complete; City adopted comprehensive plan amendment in February 2004; zoning will be adopted upon annexation.
2002 UGB Expansion			
Springwater Community Plan	Gresham	March 2005	Planning process ongoing; three alternatives have been narrowed to one
Damascus/Boring Concept Plan	Clackamas County	March 2007	Core values completed; inventory phase complete; alternatives developed and now being evaluated
Park Place Master Plan	Oregon City	March 2007	Developer portion of area to work with neighborhood residents in developing plan for all three sites
Beavercreek Road	Oregon City	March 2007	Area residents hired consultant to develop a concept plan
South End Road	Oregon City	March 2007	City has no plans for this area yet
West Linn	West Linn or Clackamas County	March 2005	City has no plans for this area yet Not likely to complete on time
East Wilsonville	Wilsonville	March 2007	No action; some early talks on part of residents and homebuilders
Northwest Wilsonville	Wilsonville	March 2007	No action; the city had a consultant do a preliminary urban reserve plan in 1998
Brookman Road Area	Sherwood or Washington Co	March 2007	No plans for concept planning at this time
Study Area 59	Sherwood or Washington County	March 2005	City to work with school district to site facilities; concept planning and annexation complete within 3 years; Not likely to complete on time
Cipole Road	Sherwood	March 2005	No plans for concept planning at this time Not likely to complete on time
99W Area	Sherwood	March 2005	No plans for concept planning at this time. City Transportation System Plan to be completed first Not likely to complete on time
NW Tualatin	Tualatin	March 2005	The city received a TGM grant and planning is underway
Tonquin Site	Tualatin	March 2007	These two sites, known as 'SW Tualatin', are being planning together. The city received a TGM grant for \$170,000 and will be underway
Tigard Sand and Gravel Site	Tualatin	March 2007	

Project	Lead Government	Plan Deadline	Status
King City	King City	March 2005	Planning completed; annexed to city
Bull Mountain Area (Study Area 63)	Tigard or Washington County	March 2005	City and county need to first work out agreements about serving areas and then a planning timeline Not likely to complete on time
Bull Mountain Area (Study Area 64)	Tigard or Washington County	March 2005	City and county need to first work out agreements about serving area and then a planning timeline Not likely to complete on time
Cooper Mountain	Washington County, Beaverton or Hillsboro	March 2005	Washington County and Beaverton not pursuing planning at this time Not likely to complete on time
Study Area 69	Washington County or Hillsboro	March 2005	Washington County and Hillsboro not pursuing planning at this time (area not in Beaverton planning areas)
Study Area 71	Hillsboro	March 2005	Portion contained in Witch Hazel Community Plan; remainder of area to be planned in new few years Not likely to complete on time
Study Area 77	Cornelius	March 2005	Concept plan complete; City adopted comprehensive plan and zoning amendments, and annexed the area in January 2004
Shute Road Site	Hillsboro	March 2005	Concept plan complete; City adopted comprehensive plan and zoning in late 2003; annexed to Metro; shovel-ready site status pending
Forest Grove Swap	Forest Grove	March 2005	Work plan being developed Not likely to complete on time
Bethany	Beaverton or Washington County	March 2005	County to do planning after appeals completed Not likely to complete on time
Bonny Slope (Study Area 93)	Multnomah County	March 2005	County analyzing options to implement Title 11; some land owners examining privately-lead plan and self-funding; Metro Council adopted Resolution 04-3518 directing Metro staff to facilitate the completion of concept planning Not likely to complete on time
Area 94	Portland	March 2009	City considering budgeting for planning during FY 2005-06. Appeal is pending for this area
2004 UGB Expansion			Areas not yet acknowledged by LCDC

APPENDICES

**Appendix A:
Status of Compliance by Jurisdiction
by Functional Plan Title**

Titles 1 through 7

Title 1: Housing and Employment Accommodation								
	Capacity Analysis Metro Code 3.07.120	Change in capacity reporting 3.07.120(D) ²	Map of design types 3.07.130	Minimum density 3.07.140(A)	Partitioning standards 3/07.140(B)	Accessory dwelling units 3.07.140(C)	Accessory dwelling units in centers 3.07.140(C)	Reporting Requirements ³ 3.07.140(D)
Beaverton	In compliance		In compliance	in compliance	in compliance	in compliance	07/07/05	4/15/06
Cornelius	In compliance		In compliance	In compliance	In compliance	In compliance	N/A	4/15/06
Durham	In compliance		In compliance	In compliance	In compliance	In compliance	N/A	4/15/06
Fairview	In compliance		In compliance	In compliance	In compliance	In compliance	07/07/05	4/15/06
Forest Grove	In compliance		In compliance	In compliance	In compliance	In compliance	07/07/05	4/15/06
Gladstone	In compliance		In compliance	In compliance	In compliance	In compliance	07/07/05	4/15/06
Gresham	In compliance		In compliance	In compliance	In compliance	In compliance	07/07/05	4/15/06
Happy Valley	In compliance		In compliance	In compliance	In compliance	In compliance	07/07/05	4/15/06
Hillsboro	In compliance		In compliance	In compliance	In compliance	In compliance	07/07/05	4/15/06
Johnson City	In compliance		In compliance	In compliance	In compliance	In compliance	N/A	4/15/06
King City	In compliance		In compliance	In compliance	In compliance	In compliance	07/07/05	4/15/06
Lake Oswego	In compliance		In compliance	In compliance	In compliance	In compliance	07/07/05	4/15/06
Maywood Park	In compliance		In compliance	In compliance	In compliance	In compliance	N/A	4/15/06
Milwaukie	In compliance		In compliance	In compliance	In compliance	In compliance	07/07/05	4/15/06
Oregon City	In compliance		In compliance	In compliance	In compliance	In compliance	07/07/05	4/15/06
Portland	In compliance		In compliance	In compliance	In compliance	In compliance	07/07/05	4/15/06
Rivergrove	In compliance		In compliance	In compliance	In compliance	In compliance	N/A	4/15/06
Sherwood	In compliance		In compliance	In compliance	In compliance	In compliance	07/07/05	4/15/06
Tigard	In compliance		In compliance	In compliance	In compliance	In compliance	07/07/05	4/15/06
Troutdale	In compliance		In compliance	In compliance	In compliance	In compliance	07/07/05	4/15/06
Tualatin	In compliance		In compliance	In compliance	In compliance	In compliance	07/07/05	4/15/06
West Linn	In compliance		In compliance	In compliance	In compliance	In compliance	07/07/05	4/15/06
Wilsonville	In progress		In compliance	In compliance	In compliance	In compliance	07/07/05	4/15/06
Wood Village	In compliance		In compliance	In compliance	In compliance	In compliance	07/07/05	4/15/06
Clackamas County	In compliance		In compliance	In compliance	In compliance	In compliance	07/07/05	4/15/06
Multnomah County	In compliance		In compliance	In compliance	In compliance	In compliance	N/A	4/15/06
Washington County	In compliance		In compliance	In compliance	In compliance	In compliance	07/07/05	4/15/06

² Required if capacity changes³ Report contains actual density of new residential development per net developed acre authorized in those zoning districts that allow residential development in the preceding 24 months.

Title 2: Regional Parking Policy	Minimum/Maximum Performance Standards 3.07.220(A)(1) and (2)	Variance Process 3.07.220(A)(3)	Blended Ratios 3.07.220(B)
Beaverton	In compliance	In compliance	In compliance
Cornelius	In compliance	In compliance	In compliance
Durham	In compliance	In compliance	In compliance
Fairview	In compliance	In compliance	In compliance
Forest Grove	In compliance	In compliance	In compliance
Gladstone	In compliance	In compliance	In compliance
Gresham	In compliance	In compliance	In compliance
Happy Valley	In compliance	In compliance	In compliance
Hillsboro	In compliance	In compliance	In compliance
Johnson City	In compliance	In compliance	In compliance
King City	In compliance	In compliance	In compliance
Lake Oswego	In compliance	In compliance	In compliance
Maywood Park	In compliance	In compliance	In compliance
Milwaukie	In compliance	In compliance	In compliance
Oregon City	In compliance	In compliance	In compliance
Portland	In compliance	In compliance	In compliance
Rivergrove	In compliance	In compliance	In compliance
Sherwood	In compliance	In compliance	In compliance
Tigard	In compliance	In compliance	In compliance
Troutdale	In compliance	In compliance	In compliance
Tualatin	In compliance	In compliance	In compliance
West Linn	In compliance	In compliance	In compliance
Wilsonville	In compliance	In compliance	In compliance
Wood Village	In compliance	In compliance	In compliance
Clackamas County	In compliance	In compliance	In compliance
Multnomah County	In compliance	In compliance	In compliance
Washington County	In compliance	In compliance	In compliance

	Title 3: Water Quality, Flood Management and Fish and Wildlife Conservation		
	Flood Management Performance Standards 3.07.340(A)	Water Quality Performance Standards 3.07.340(B)	Erosion and Sediment Control 3.07.340(C)
Beaverton	In compliance	In compliance	In compliance
Cornelius	In compliance	In compliance	In compliance
Durham	In compliance	In compliance	In compliance
Fairview	In compliance	In compliance	In compliance
Forest Grove	In compliance	In compliance	In compliance
Gladstone	In compliance	In compliance	In compliance
Gresham	In compliance	In compliance	In compliance
Happy Valley	In compliance	In compliance	In compliance
Hillsboro	In compliance	In compliance	In compliance
Johnson City	In compliance	In compliance	In compliance
King City	In compliance	In compliance	In compliance
Lake Oswego	In compliance	In progress	In compliance
Maywood Park	NA	NA	In compliance
Milwaukie	In compliance	In compliance	In compliance
Oregon City	In compliance	In compliance	In compliance
Portland	In compliance	In compliance	In compliance
Rivergrove	In compliance	In compliance	In compliance
Sherwood	In compliance	In compliance	In compliance
Tigard	In compliance	In compliance	In compliance
Troutdale	In compliance	In compliance	In compliance
Tualatin	In compliance	In compliance	In compliance
West Linn	In compliance	In progress	In compliance
Wilsonville	In compliance	In compliance	In compliance
Wood Village	NA	In compliance	In compliance
Clackamas County	In compliance	Exception Requested	In compliance
Multnomah County	In compliance	In compliance	In compliance
Washington County	In compliance	In compliance	In compliance

	Title 4: Industrial and Other Employment Areas		
	Protection of Regionally Significant Industrial Areas* 3.07.420	Protection of Industrial Areas 3.07.430*	Protection of Employment Areas 3.07.440
Beaverton	NA	7/22/07	In compliance
Cornelius	NA	7/22/07	In compliance
Durham	NA	7/22/07	In compliance
Fairview	7/22/07	7/22/07	In compliance
Forest Grove	NA	7/22/07	In compliance
Gladstone	NA	NA	In compliance
Gresham	7/22/07	7/22/07	In compliance
Happy Valley	7/22/07	NA	NA
Hillsboro	7/22/07	7/22/07	In compliance
Johnson City	NA	NA	NA
King City	NA	NA	NA
Lake Oswego	NA	7/22/07	In compliance
Maywood Park	NA	NA	NA
Milwaukie	NA	7/22/07	In compliance
Oregon City	7/22/07	7/22/07	In compliance
Portland	7/22/07	7/22/07	In compliance
Rivergrove	NA	NA	NA
Sherwood	NA	7/22/07	In compliance
Tigard	NA	7/22/07	In compliance
Troutdale	7/22/07	7/22/07	In compliance
Tualatin	7/22/07 ⁴	7/22/07	In compliance
West Linn	NA	NA	In compliance
Wilsonville	7/22/07	In compliance	In compliance
Wood Village	NA	7/22/07	In compliance
Clackamas County	7/22/07	7/22/07	In compliance
Multnomah County	NA	7/22/07	In compliance
Washington County	NA	7/22/07	In compliance

* Compliance dates revised from December 23, 2004 version to reflect two years from date of acknowledgement by LCDC

⁴ Area is in unincorporated Washington County but Tualatin has grant to plan for area and area is expected to be annexed to Tualatin

Title 5: Neighbor Cities and Rural Reserves		
	Rural Reserves 3.07.520	Green Corridors 3.07.520
Beaverton	NA	NA
Cornelius	NA	NA
Durham	NA	NA
Fairview	NA	NA
Forest Grove	NA	NA
Gladstone	NA	NA
Gresham	NA	In compliance
Happy Valley	NA	NA
Hillsboro	NA	In compliance
Johnson City	NA	NA
King City	NA	NA
Lake Oswego	NA	NA
Maywood Park	NA	NA
Milwaukie	NA	NA
Oregon City	NA	In compliance
Portland	NA	NA
Rivergrove	NA	NA
Sherwood	NA	In compliance
Tigard	NA	NA
Troutdale	NA	NA
Tualatin	NA	In compliance
West Linn	NA	In compliance
Wilsonville	NA	In compliance
Wood Village	NA	NA
Clackamas County	In compliance	In compliance
Multnomah County	NA	In compliance
Washington County	In compliance	In compliance

Title 6: Central City, Regional Centers, Town Centers and Station Communities				
	Develop a Strategy to Enhance Centers (Due 12/31/2007) 3.07.620	Special Transportation Areas 3.07.630 ⁵	Encourage Siting Government Offices in Centers 3.07.640	Reporting on Centers Progress 3.07.650
Beaverton	In compliance	07/07/05	07/07/05	In compliance
Cornelius	NA	NA	NA	NA
Durham	NA	NA	NA	NA
Fairview	12/31/07	07/07/05	07/07/05	In compliance
Forest Grove	12/31/07	07/07/05	07/07/05	In compliance
Gladstone	12/31/07	07/07/05	07/07/05	In compliance
Gresham	12/31/07	07/07/05	07/07/05	In progress
Happy Valley	12/31/07	07/07/05	07/07/05	In compliance
Hillsboro	12/31/07	07/07/05	07/07/05	In compliance
Johnson City	NA	NA	NA	NA
King City	12/31/07	07/07/05	07/07/05	In compliance
Lake Oswego	12/31/07	07/07/05	07/07/05	In compliance
Maywood Park	NA	NA	NA	NA
Milwaukie	12/31/07	07/07/05	07/07/05	In compliance
Oregon City	12/31/07	07/07/05	07/07/05	In compliance
Portland	12/31/07	07/07/05	07/07/05	In compliance
Rivergrove	NA	NA	NA	NA
Sherwood	12/31/07	07/07/05	07/07/05	In compliance
Tigard	12/31/07	07/07/05	07/07/05	In compliance
Troutdale	12/31/07	07/07/05	07/07/05	In compliance
Tualatin	12/31/07	07/07/05	07/07/05	In compliance
West Linn	12/31/07	07/07/05	07/07/05	In compliance
Wilsonville	12/31/07	07/07/05	07/07/05	In compliance
Wood Village	12/31/07	07/07/05	07/07/05	In compliance
Clackamas County	12/31/07	07/07/05	07/07/05	In compliance
Multnomah County	12/31/07	07/07/05	07/07/05	In compliance
Washington County	12/31/07	07/07/05	07/07/05	In compliance

⁵ Any city or county that has adopted a Centers Development Strategy (3.07.620) and measures to discourage commercial retail use along state highways outside of centers shall be eligible for designation of a center as a Special Transportation Area. A Special Transportation Area is a designation authorized by the Oregon Transportation Commission for urban street design features on state highways.

Title 7: Affordable Housing								
	Voluntary Goals	15 Strategies Addressed	First Progress Report – 2002		Second Progress Report – 2003		Third Progress Report – 2004	
			Report Received	Consideration by Elected Body	Report Received	Consideration by Elected Body	Report Received	Consideration by Elected Body
Beaverton	Adopted	Completed	Received	No	Received	Yes	Received	Yes
Cornelius								
Durham		Partial	Received	No	Received	Yes	Received	Yes
Fairview		Partial	Received	Yes	Received	Yes	Received	Yes
Forest Grove		Partial	Received	Yes				
Gladstone		Partial	Received	Yes	Received	Yes	Received	Yes
Gresham		Partial	Received	Yes	Received	Yes		
Happy Valley		Partial	Received	Yes				
Hillsboro		Partial	Received	No				
Johnson City								
King City					Received	Yes	Received	Yes
Lake Oswego					Received	Yes	Received	Yes
Maywood Park		Partial	Received	Yes	Received	Yes	Received	Yes
Milwaukie		Partial	Received	Yes				
Oregon City		Partial	Received	Yes	Received	Yes		
Portland	Adopted	Completed	Received	No	Received	Yes	Received	Yes
Rivergrove								
Sherwood								
Tigard		Partial	Received	Yes	Received	Yes	Received	No
Troutdale		Partial	Received	Yes	Received	Yes		
Tualatin		Partial	Received	No				
West Linn		Partial	Received	No	Received	No	Received	Yes
Wilsonville		Partial	Received	Yes	Received	Yes		
Wood Village		Partial	Received	No	Received	Yes		
Clackamas County		Partial	Received	No				
Multnomah County	Adopted	Completed	Received	No	Received	No	Received	Yes
Washington County		Partial	Received	Yes	Received	Yes	Received	Yes

APPENDIX B
Summary of Compliance with the Functional Plan

Functional Plan Title	No. of Applicable Jurisdictions	No. of Jurisdictions in Compliance	Percentage Complete
Title 1 – minimum densities	27	27	100%
Title 1 – partitioning standards	27	27	100%
Title 1 – accessory dwelling units	27	27	100%
Title 1 – map of design types	27	27	100%
Title 1 – capacity analysis	27	26 (analysis completed)	96%
Total Title 1	135	134	99%
Title 2 – minimum/maximum standards	27	27	100%
Title 2 – variance process	27	27	100%
Title 2 – blended ratios	27	27	100%
Total Title 2	81	81	100%
Title 3 – floodplain standards	25	25	100%
Title 3 – water quality standards	26	23	88%
Title 3 – erosion control standards	27	27	100%
Total Title 3	78	75	96%
Title 4 – retail in Industrial Areas	20	20	100%
Title 4 – retail in Employment Areas	22	22	100%
Total Title 4	42	42	100%
Title 5 – rural reserves	2	2	100%
Title 5 – green corridors	10	10	100%
Title 5 - Total	12	12	100%
Title 6 – Centers Development Strategy	22	Due December 2007	
Title 6 – Siting Government Offices	22	Due July 2005	
Title 6 – Reporting on Centers Progress	22	21	95%
Total Title 6	22	21	95%
Total Titles 1-6	370	365	99%
Title 7 – 1st progress report	27 – due January 31, 2002	21 (received)	78%
Title 7 – 2nd progress report	27 – due December 31, 2003	17 (received)	63%
Title 7 – 3rd progress report	27 – due June 30, 2004	12 (received)	44%
Total Title 7	81	50	62%

**APPENDIX C:
COMPLIANCE DATES FOR THE
URBAN GROWTH MANAGEMENT FUNCTIONAL PLAN**

Functional Plan Requirement	When Local Decisions Must Comply		
	Plan/Code Amendment 3.07.810(D) ⁶	Land Use Decision 3.07.810(E) ⁷	Adoption 3.07.810(B) ⁸
Title 1: Determine capacity for housing and jobs (3.07.120.A)			12/08/02
Title 1: Report changes to jobs/housing capacity annually (3.07.120.D)			07/07/05 and 4/15 each subsequent year
Title 1: Map design types (3.07.130)	12/08/00	12/08/01	12/08/02
Title 1: Adopt minimum density (3.07.140.A)	12/08/00	12/08/01	12/08/02
Title 1: No prohibition to partition lots twice the minimum size (3.07.140.B)	12/08/00	12/08/01	12/08/02
Title 1: Allow accessory dwelling unit in SFD (3.07.140.C)	12/08/00	12/08/01	12/08/02
Title 1: Allow accessory dwelling unit in attached SFD in Centers and Stations (3.07.140.C)	07/07/03	07/07/04	07/07/05
Title 1: Report density of residential development (3.07.140.D)			07/07/05
Title 2: Parking minimum and maximum standards (3.07.220.A.1)	01/07/98	01/07/99	01/07/00
Title 2: Adopt maximum parking standards (3.07.220.A.2)	01/07/98	01/07/99	01/07/00
Title 2: Adopt blended parking ratios in mixed-use areas (3.07.220.B)	01/07/98	01/07/99	01/07/00
Title 2: Establish a variance process (3.07.220.A.3)	01/07/98		01/07/00
Title 2: Monitor and report parking data annually (3.07.220.D)	01/07/98		01/07/00 and each subsequent year

⁶ A city or county that amends its plan to deal with the subject of a Functional Plan requirement any time after the effective date of the requirement (the date noted) must ensure that the amendment complies with the Functional Plan

⁷ A city or county that has not yet amended its plan to comply with a Functional Plan requirement must, following one year after acknowledgement of the requirement (the date noted), apply the requirement directly to land use decisions

⁸ Cities and counties must amend their plans to comply with a new Functional Plan requirement within two years after acknowledgement of the requirement (the date noted)

Functional Plan Requirement	When Local Decisions Must Comply		
	Plan/Code Amendment 3.07.810(D) ⁶	Land Use Decision 3.07.810(E) ⁷	Adoption 3.07.810(B) ⁸
Title 3: Adopt model or equivalent and map or equivalent (3.07.330.A)	12/08/00)	12/08/01	12/08/02
Title 3: Floodplain management performance standards (3.07.340.A)	12/08/00	12/08/01	12/08/02
Title 3: Water quality performance standards (3.07.340.B)	12/08/00	12/08/01	12/08/02
Title 3: Erosion control performance standards (3.07.340.C)	12/08/00	12/08/01	12/08/02
Title 3: Fish and wildlife habitat Conservation (3.07.350)			
Title 4: Map RSIA's in new UGB additions (3.07.420.A)	07/22/05	07/22/06	07/22/07
Title 4: Map RSIA's in pre-expansion UGB (3.07.430.B)	07/22/05	07/22/06	07/22/07
Title 4: Limit uses in Regionally Significant Industrial Areas (3.07.420)	07/22/05	07/22/06	07/22/07
Title 4: Limit retail uses in Industrial Areas (3.07.430)	07/22/05	07/22/06	07/22/07
Title 4: Limit retail uses in Employment Areas (3.07.440)	07/07/03	07/07/04	07/07/05
Title 5: Rural reserves (3.07.520)	01/07/98		01/07/00
Title 5: Green corridors (3.07.520)	01/07/98		01/07/00
Title 6: Develop a strategy for each Center (3.07.620)			12/31/07

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⁸ Cities and counties must amend their plans to comply with a new Functional Plan requirement within two years after acknowledgement of the requirement (the date noted)

Functional Plan Requirement	When Local Decisions Must Comply		
	Plan/Code Amendment 3.07.810(D) ⁶	Land Use Decision 3.07.810(E) ⁷	Adoption 3.07.810(B) ⁸
Title 6: Address barriers to siting government offices in centers (3.07.640)			Based on Center Development Strategy
Title 6: Require demonstration that government offices cannot be located in Centers (3.07.640.B)	07/07/03	07/07/04	07/07/05
Title 6: Reporting on progress biennially (3.07.650)			4/15/04 and every two years
Title 7: Consider specific tools and strategies (3.07.730.B, 3.07.760)	12/31/03	12/31/03	
Title 7: Adopt strategies and measures to increase housing opportunities (3.07.730.A)			06/30/04
Title 8: Compliance procedures	02/14/03		
Title 9: Performance Measures			
Title 10: Definitions	12/08/00	12/08/01	12/08/02
Title 11: Set interim protection for areas brought into the UGB (3.07.1110)	12/08/00	12/08/01	12/08/02
Title 11: Prepare a comprehensive plan and zoning provisions for territory added to the UGB (3.07.1120)	12/08/00		Metro sets date as condition
Title 12: Establish level of service standards for parks (3.07.1240.A)			2 years after Parks Functional Plan Adopted
Title 12: Provide access to parks by walking, bicycling, transit (3.07.1240B)			07/07/05

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⁷ A city or county that has not yet amended its plan to comply with a Functional Plan requirement must, following one year after acknowledgement of the requirement (the date noted) apply the requirement directly to land use decisions

⁸ Cities and counties must amend their plans to comply with a new Functional Plan requirement within two years after acknowledgement of the requirement (the date noted)

APPENDIX D

Outstanding Compliance Elements

	Title 1	Title 2	Title 3	Title 4	Title 5	Title 6	Title 7
Beaverton							
Cornelius							See Title 7 section
Durham							See Title 7 section
Fairview							See Title 7 section
Forest Grove							See Title 7 section
Gladstone							See Title 7 section
Gresham						Centers progress report	See Title 7 section
Happy Valley							See Title 7 section
Hillsboro							See Title 7 section
Johnson City							See Title 7 section
King City							See Title 7 section
Lake Oswego			Water quality				See Title 7 section
Maywood Park							See Title 7 section
Milwaukie							See Title 7 section
Oregon City							See Title 7 section
Portland							
Rivergrove							See Title 7 section
Sherwood							See Title 7 section
Tigard							See Title 7 section
Troutdale							See Title 7 section
Tualatin							See Title 7 section
West Linn			Water quality				See Title 7 section
Wilsonville	Capacity Analysis						See Title 7 section
Wood Village							See Title 7 section
Clackamas County			Exception Requested				See Title 7 section
Multnomah County							
Washington County							See Title 7 section

Agenda Item #5 – September 29 Compliance Hearing:

Attachment 1, Title 7 (Affordable Housing) Component of the 2004 Compliance Report of the Urban Growth management Functional Plan is provided on the Metro Policy Advisory Committee (MPAC) webpage at <http://www.metro-region.org/article.cfm?articleid=8878>

That document is too large to supply in this packet.

M E M O R A N D U M

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(tel) 503-797-1700 | (fax) 503-797-1797



METRO

Date: September 20, 2005
TO: Councilor Newman
CC: Metro Council, MPAC
From: Lydia Neill, Principal Regional Planner
RE: Possible Conditions on 2005 Industrial Expansion Areas

Background

The Metro Council met on September 20, 2005 at a work session to discuss the Chief Operating Officers (COO) recommendation for fulfilling the requirements in the Partial Approval and Remand Order 05-WK TASK - 001673 issued by the Land Conservation and Development (LCDC). Staff presented a proposal to fulfill the remaining tasks that were specified in the order. The COO recommendation proposes adding land in the Evergreen and Cornelius areas to fulfill the need for industrial land. The Metro Council discussed a number of possible conditions to address efficient utilization of land for industrial purposes, prevent encroachment of non-industrial uses that could be detrimental to industrial development, distribution of tax benefits and capitalization of wealth created through urbanization. In addition, staff was instructed to consider other areas that may not be contiguous to the Metro UGB but could be located adjacent to a neighboring city that desires expansion for industrial purposes. The possible conditions that are under discussion by the Metro Council are as follows:

- Require that Hillsboro initiate a discussion on fiscal sharing with cities located within Washington County
- Ensure that land is used solely for industrial purposes
- Obtain a commitment from the City of Hillsboro that office and commercial uses will be directed to the regional center and station areas and that options for increasing housing opportunities will be explored to limit future UGB expansions on farmland and create a better jobs/housing balance
- Designate the resource area closest to Shute Road as a regionally significant industrial area (RSIA), approximately 250 acres
- Provide notice that the expansion area will be considered for windfall tax purposes
- Adjust the northern boundary to the creek

Remand From LCDC of the Industrial Lands Decision

Decision/Communications Schedule DRAFT 9/20/05

Date	Committee	Item(s)	Action	Staff Work Needed
September 6	Council WKS	Introduction- discussion of content remand and schedule	Intro., provide staff direction	Summary of remand work items, schedule - LN
September 6	--	<i>Draft column 9/20- Hillsboro Argus & Oregonian newspaper adv. 9/19- DLCD notice, CPO notice documents for internal review</i>	Prepare notice and informational article	Draft items, public affairs to circulate for internal review -SO
September 7	CREEC	Review remand	--	--
September 14	MPAC	Discuss schedule with coordinating committee	--	--
September 20		<i>Oregonian Ad to be published</i>		
September 20	Council WKS	Discussion of remand work program elements- draft proposal	Ongoing direction	Draft staff report and proposed map- available at the meeting/LN
September 20	--	Chief Operating Officer releases recommendation	Public release	Press release-KK, SO, GW
September 21	MTAC	Introduction- discuss remand contents, COO recommendation	Introduction	Same as council packet-LN
September 21	MCCI	Review work program, COO recommendation	Comments on Public involvement	SO will attend and present
September 21	Westside Eco Alliance	Review COO recommendation	none	LN will present
September 23	--	<i>Notice to DLCD and all CPOs near areas under consideration (all class II areas)- 45 days in advance of 1st public hearing,</i>	Mail notice	Fill out blue form, prepare notice to CPOs
September 26	--	<i>Final Draft property owner and workshop notice for 10/6</i>	Prepare notice	Final Draft notice, internal review- SO (Incorporate MPAC comments before final)
September 26		<i>E-News to CPOs and interested persons list</i>	Send E-news in tandem with DLCD notice	Write send E-news; check mailing list for accuracy
September 28	MPAC	Introduction of COO recommendation, review MTAC comments,	Briefing	LN
October 4	Council WKS	Review of comments on the draft proposal, review of workshop	Briefing	LN
October 5	MTAC	Action on COO recommendation	Briefing, discussion	LN
October 6	--	<i>Notice mailed to property owners, meets 20 day notice and provides notice of the workshop</i>	<i>Mail to property owners</i>	Secure property owner mailing list; Get mailing house bids, coordinate Printer/Mail piece-SO, Creative Services
October 17		<i>Hillsboro Argus Ad for workshop & hearing</i>	Submitted to paper for Oct.18 publication	SO, Creative Services

Remand From LCDC of the Industrial Lands Decision

Decision/Communications Schedule DRAFT 9/20/05

October 18	Council WKS			
October 20	Workshop	<i>Workshop in Hillsboro area</i>	Prepare info materials/maps; Set-up; staff	LN,SO,TO,CD, add other
October 26	MPAC	Action on COO recommendation	Action	LN
October 27	Council REG	1 st reading of ordinance	Read only	Ordinance draft/title- DB
November 10	Council REG	Public hearing, ACTION - held in Hillsboro	Hearing and possible Council action	Maps and materials, Ordinance and staff report-LN
November 17	Council REG	Hold for possible further Council discussion/action IF NECESSARY	HOLD OVER- Action- adopt ordinance	
December 1 DEADLINE	--	Submit all work to DLCD to satisfy the remand WKTASK # 0011673, adopt ordinance and findings	Send materials to DLCD by Nov. 28	Staff report, findings, documentation, LN

STAFF REPORT

FOR THE PURPOSE OF AMENDING THE METRO URBAN GROWTH BOUNDARY TO INCREASE CAPACITY TO ACCOMMODATE GROWTH IN INDUSTRIAL EMPLOYMENT IN RESPONSE TO REMAND FROM THE LAND CONSERVATION AND DEVELOPMENT COMMISSION.

Date: September 20, 2005

Prepared by: Lydia M. Neill
Principal Regional Planner

BACKGROUND

The Land Conservation and Development Commission (LCDC) met on November 3, 2004 to consider acknowledgement of Metro's urban growth boundary (UGB) decision on industrial land. The Commission heard arguments from objectors as well as Metro before issuing a Partial Approval and Remand Order 05-WK TASK- 001673 on July 22, 2005. The order was received on July 25, 2005. The analysis and findings are discussed within this staff report to demonstrate that Metro complies with the Statewide and regional land use laws.

ANALYSIS/INFORMATION

Metro undertook an evaluation of the UGB as part of Periodic Review in 2002. This review process involved technical evaluation, study of options to increase capacity and add land to meet the 20-year forecast for future population and employment growth. Metro conducted an extensive public involvement program to engage stakeholders, local elected officials and citizens in the decision making process. To complete Periodic Review, Metro held over a dozen meetings and workshops, provided notice of the decision in several publications and mailed over 70,000 brochures to property owners, local governments and community planning organizations. The Metro Council added 18,638 acres in 2002 primarily to meet the residential and employment needs for the planning period from 2002-2022. In 2004 the remaining industrial land was added to the UGB (1,956 acres). As part of the LCD's review and acknowledgement of these decisions made by the Metro Council the following Remand Order has been issued.

Remand Order 05-WKTASK-001673 approved most of Metro's actions to complete Periodic Review on June 24, 2004. The remand order identified a number of items that require providing additional information to justify Metro's actions.

LCDC acknowledged the following elements of the 2004 decision:

- Inclusion of industrial land in the following areas: Damascus West, Beavercreek, Quarry, Coffee Creek, Tualatin and Helvetia;
- Change of the designation from residential to industrial for 90 acres of land located south of Gresham that was included in the UGB in December 2003;
- Amendments to Title 4 to protect industrial lands and establish regionally significant industrial areas and the designation of those areas;
- Amendments to the Regional Framework Plan Policy 1.12 to protect agriculture and forest resource lands;
- Removal of three parcels near King City from the UGB (tax lots 1300, 1400 and 1500); and
- The completed Housing Needs Analysis.

Order 05-WKTASK-0015254 requires Metro to address the following six issues. Each of the issues is discussed in detail in the following section of the staff report. A summary of the issues that will be addressed in the Chief Operating Officer's (COO) recommendation is as follows:

1. Ensure that an adequate amount of land is deducted for infrastructure including streets;
2. Amend the 2002-2022 Employment Urban Growth Report: An Employment Land Needs Analysis (Employment UGR) to reconcile the difference in the refill rate from 50 to 52 percent;
3. Demonstrate that the demand for large lots has been satisfied as identified in the Employment Urban Growth Report;
4. Clarify whether 70 percent of the land need for warehouse and distribution is satisfied on vacant land inside of the UGB or land recently added to the UGB;
5. Recalculate the total need for industrial land based on the items above and demonstrate how the land need will be met; and
6. Demonstrate how the locational factors in Goal 14 have been met in reaching the decision to bring a portion of the Cornelius area into the UGB.

Proposed Chief Operating Officer Recommendation

The proposed recommendation satisfies each of these issues contained in the remand by providing:

- An additional 198 acres is needed to ensure that adequate land has been allotted for infrastructure (streets);
- Additional information to explain that the commercial refill rate of 52 percent corresponds to the observed refill rate, which reduces the need for industrial land;
- Adding 330 net acres of the Evergreen Study to the UGB to meet the demand based on a reduction of land for streets and to satisfy the 20 year need for land;¹
- Additional information has been provided on how the demand for large lots (50 to 100 plus acres) can be met when adjacent tax lots under the same ownership are aggregated and a condition is placed on the Evergreen area to form a one hundred acre lot;
- Additional analysis to explain how 70 percent of the demand for warehouse and distribution land is met inside of the UGB and in expansion areas; and
- Additional findings to demonstrate that all of the locational factors in Goal 14 were balanced in reaching the decision to include the Cornelius area into the UGB.

Each of the tasks in the remand work order is discussed in more detail in the following Staff Report.

1. Ensure that the amount of land added to the UGB under Task 2 includes an adequate amount of land for public infrastructure including streets:

Metro applied a methodology to deduct for the loss of land due to the public infrastructure (streets). This methodology was consistent with that used in previous urban growth reports to account for streets and is based on lot size. The total reduction in buildable acres by accounting for street right of way is 198 acres.

The 2002 Alternative Analysis methodology did not include a deduction for streets on lands that were being considered purely for industrial purposes. This was due in part to the single purpose for which the land was being considered and because of the variability

¹ Future streets have been deducted from net acres.

of building types and uses that might occur on this land which would make it difficult to assess an appropriate deduction. Metro has assumed that other public infrastructure including sanitary sewer and domestic water are accounted for within the dedication of public right of way for streets or in easements, which do not impact the buildable land, supply. Most development includes a standard seven-foot public utility easement along the frontage of all lots that is available if needed for electrical, water, cable, fiber optics and sanitary sewer. Because these easements are located within areas that are typically set aside for required building setbacks no deduction has been made in buildable lands. Major public utility easements for BPA and natural gas transmission lines have been deducted from buildable lands because of the size of these easements and the restrictions on uses within these areas that are necessary due to safety concerns.

Methodology

To make an appropriate deduction for street right of way and for consistency with previous UGB assessment work, staff recommends that the methodology adopted and acknowledged in the 1997 and 2002 Residential and Employment Urban Growth Reports (UGR's) be replicated. The methodology used in the UGR (1997 and 2002) to determine net vacant buildable land included the following deductions for streets based on the size of the tax lot: lots under 3/8th of an acre at 0 percent, lots from 3/8th of an acre up to one acre at 10 percent; and all lots over one acre in size at 18.5 percent. Applying this methodology to the areas included in the UGB for industrial purposes in 2004 decreased the net buildable land available by 198 acres. This results in a need to add 198 net acres of additional buildable land to the UGB to meet the 20-year land supply requirement.

Table 1. contains the deductions necessary for streets based on the size of the lots located in each expansion area (2004 and 2005). The total acres lost to streets for the lands included in the UGB in 2004 is based on the methodology discussed above totals 198 net acres.

Table 1. Deductions for Streets in 2004 and 2005 Expansion Areas

EXPANSION AREAS	Total Acres	Net Acres²	Reduction for Streets	Tier and Designation	2040 Design Type
2004 Expansion Areas					
Damascus West	102	58	11	Tier 4 -Resource	Industrial
Tualatin	646	273	66	Tier 1-Exception	Industrial
Quarry (partial)	354	190	46	Tier 4 -Resource	Industrial
Beavercreek	63	25	5	Tier 4 -Resource	Industrial
Coffee Creek (partial)	264	78	19	Tier 1 - Exception	Industrial
Cornelius (partial)	261	114	23	Tiers 1 & 5 - Mixed	RSIA
Helvetia (partial)	249	121	28	Tiers 1 & 3 - Mixed	RSIA
TOTAL	<i>1,939</i>	<i>859</i>	<i>198</i>		
2005 Expansion Areas				Tier 1 & 5 Mixed	RSIA-partial
Evergreen (partial)	587	330	101		
TOTAL Including 2005 Areas	2,526	1,189	299		

² Net acres include: deductions for streets, Title 3, floodplain and slopes.

2. Amend the Employment UGR as necessary to incorporate any changes to assumptions in the analysis to reconcile the change in the commercial refill rate to 52 percent from 50 percent:

After much policy discussion regarding emerging trends of the conversion of traditional manufacturing-based industrial jobs to a more knowledge based economy that relies on building types and densities that more closely resemble commercial office, the Metro Council adopted a commercial refill rate of 52 percent. As a result, the Employment UGR has been amended to reflect the adoption of a 52 percent refill rate.

Refill Data

The Employment UGR uses both MetroScope modeling data and historic data to define a range of assumptions to assess the capacity of land available in the UGB to accommodate population and employment growth. The Employment UGR discusses both the results of MetroScope modeling and the observed historic average for refill activity. MetroScope is an integrated land use and transportation model that incorporates historic data to estimate the effects of policy changes and land additions to the UGB. In modeling of a base case scenario, which is an estimate of applying existing policies, MetroScope indicated an average commercial refill rate of 50 percent. The refill rate is the share of region's demand for employment land that is met by infill and redevelopment.

The observed refill rate, computed from several studies on refill activity during the 1990's, was an average of 52 percent. The difference between the 50 percent rate in the UGR and the observed rate of 52 percent is minimal and can be understood by examining market activity and policies that are currently in place. Using the observed refill rate (52 percent) rather than the modeled rate means that effectively there is more commercial land available to satisfy the portion of industrial demand that is most similar to commercial office.

Applying the Refill Rate

Assuming an increased refill rate is consistent with regional policies and programs that encourage development in the region's regional and town centers. Typically, town and regional center redevelopment is at greater densities that result in a compact urban form. Metro has developed several new programs to encourage development in centers, urban investment and redevelopment of brownfield sites. All of these actions support more efficient utilization of the region's land supply and higher refill rates over time.

The conversion of older industrial areas to higher density uses and the cross-consumption of industrial areas for commercial uses were well documented in the MetroScope base case modeling and also in observed building permit activity. In addition, the Metro Council received testimony from industrial users and real estate professionals that trends indicate that future industrial users will use and occupy building space differently from the past. In today's market, Industrial operations are more likely to contain more office and product development type functions rather than traditional manufacturing that requires raw material storage and the use of heavy equipment.

After much discussion regarding emerging trends of the conversion of traditional manufacturing-based industrial jobs to a more knowledge based economy that relies on building types and densities that more closely resemble commercial office, the Metro Council adopted commercial refill rate of 52 percent. As a result, the Employment UGR has been amended to reflect the adoption of a 52 percent refill rate. The amendment to

the Employment UGR is provided in Attachment 1. As indicated in the Supplemental Staff Report, June 21, 2004, adopted by Ordinance No. 04-1040B, applying the observed refill rate of 52 percent to the total adjusted demand for commercial land, which was estimated at 4,757 net acres results in a surplus of 178 net acres of land that has been applied to reduce the industrial land deficit.

- 3. Demonstrate the supply of large lots inside of the UGB is sufficient to meet the demand for large lots identified in the Employment UGR and either demonstrate how the need can be accommodated within the existing UGB or whether additional parcels are obtained by adding land to the UGB:**

The need for large lots (50 to 100 plus acre categories) has been met by examining the land supply in the UGB including the expansion areas added in 2002, 2004 and a condition to form a 100 acre lot in the 2005 expansion areas. This study included an examination of all adjoining tax lots under the same ownership and compared the size of these lots to the demand for lots in the 50 to 100 acre categories. The result is that the 100-acre category demand has been met and there is a surplus of 3 lots in the 50 to 100 acre category.

Lot Size by Sector

Metro examined the need for large lots of industrial land to meet the warehouse/distribution, tech-flex and manufacturing sectors for expansion and retention purposes. The Employment UGR discussed the need for industrial land in terms of lot size, building types, employment sectors and densities. The need for large lots for industrial purposes in the region has been discussed and examined in great length over the last several years. As a result of this work including studies such as the Regional Industrial Land Study completed in 1999 the methodology for assessing the industrial land supply was modified in the Employment UGR.

The Employment UGR indicated a need for 10 lots within the 50 to 100 acre range and 4 lots in the 100 plus acre size range. The demand for these large lots (50 acres and greater) can be satisfied on existing land located within the UGB or on new land that was added to the UGB in 2002, 2004 and 2005 expansions.

2005 Study of Lots Under the Same Ownership

Metro completed an aggregation study of tax lots that were located in the Alternative Analysis study and the 2002, 2004 expansion areas that were most suitable for industrial development.³ Additional analysis was performed in 2005 to consider the likelihood of consolidation to produce larger lots for development based upon the existing ownership patterns in the 2002, 2004 and 2005 expansion areas. The study used Regional Land Information System (RLIS) data that included size of parcels, location and ownership based on information provided by the county tax assessor's offices. The most conservative approach considered only contiguous tax lots under the same ownership. All contiguous tax lots under the same ownership were considered to be available to be consolidated for development purposes.

Using this method most likely under-estimates the possibility of forming larger parcels for development because some aggregation will undoubtedly occur on lots under

³ Industrial Land Aggregation Methodology, Test and Results, September 24, 2003, Ordinance No. 04-1040B, Appendix Item m.

different ownership as well. This analysis is considered a surrogate for the status of legal lots for development purposes because this information is not obtainable for a study of this size. Obtaining legal lot status would require a title research for every tax lot in the study. Tax lots may be created or split only for tax purposes and not necessarily for sale which may give the impression that there are actually fewer large legal lots of record available.

Table 2. below assessed the available land supply by lot size and demonstrated that the supply for lots within the 50 to 100 acre size range exceeded the need when contiguous lots under the same ownership where examined. The supply in the 100 plus acre size range will be met with a condition placed on the 2005 expansion areas to form at least one 100-acre lot for development through consolidation.

The table below compares the available land supply by lot size and year with the demand for large lot industrial land.

Table 2. Demand and Supply Comparison to Meet Need for Large Lots

Supply-Availability of Land	50-100 acre lots	100 plus acre lots
2000 UGB ⁴	3	0
2002 Expansion areas ⁵	6	2
2004 Expansion areas ⁶	3	1
2005 Expansion Areas⁷	2	1
<i>Total</i>	12	4
DEMAND FOR LAND	10	4
<i>Surplus</i>	2	0

In addition to meeting the need for large lots by examining tax lots under common ownership the potential for aggregation between separate owners was considered but the results were not included in Table 2. In the 2002, 2004 and 2005 expansion areas there are numerous parcels of land that exceed 30 acres in size that are located adjacent to large lots. These situations provide good opportunities to form larger development areas to supplement the need for large lots.

The COO Recommendation for the 2005 expansion of the UGB in the Evergreen area includes consolidation requirement as a condition of approval to form at least one 100-acre development area to satisfy the 100 plus acre large lot requirement. The study area contains a number of medium to large tax lots (between 20 to 50 acres). The area

⁴ See Employment UGR page 32, Table 17- Metro UGB Industrial Inventory Less Commercial Development (Potentially Available Industrial Land). Page 34, footnote 23. The supply was adjusted for commercial consumption of industrial land, for the consumption of land from the 2000 vacant land inventory to the beginning of the forecast period (2002) and land consumed up to the point where this report was published.

⁵ The 2004 expansion areas had conditions of approval that required aggregation to form larger lots for development. The three areas contain the following conditions: 1) Springwater- form the largest number of parcels 50 acres or larger, 2) Shute Road- form at least one 100 acre or larger lot or three 50 acre or larger lots and 3) Tigard Sand and Gravel- form at least one 100 acre or two 50 acre lots. These conditions have been included in the estimates for providing large lots.

⁶ A 96.20 acre lot under a single ownership is assumed to satisfy the 100-acre lot size requirement.

⁷ The 2005 expansion areas have conditions of approval requiring consolidation of lots to form at least one 100-acre development area in order to meet the need for large lots. A 48-acre lot is assumed to meet the 50 to 100 acre lot size requirement.

contains one 48 acre and 36-acre tax lots. The area also contains five 20-acre tax lots that could be consolidated into larger lots. The majority of the medium to large tax lots are either vacant or contain single-family residential uses and low value agricultural outbuildings.

Table 2. illustrates that the demand for large parcels will be met through land available inside of the UGB in 2000 and through UGB expansions in 2002, 2004 and 2005.

4. Clarify whether 70 percent of the land for warehousing and distribution uses applies to all vacant industrial land or only to the need to add land to the UGB:

Based on an examination of the land supply inside of the UGB (including the 2002, 2004 and 2005 expansion areas) there is sufficient land available to satisfy 70 percent of the total need for industrial land for warehouse and distribution uses.

The Employment UGR segregated the demand for industrial land into three sectors; 1) warehouse/distribution, 2) tech flex and 3) general manufacturing. The Employment UGR forecasted that 70 percent of the total vacant industrial land need is for warehouse and distribution type industries. The 2004 Industrial Land Alternatives Analysis study areas were examined based on the following locational factors: 1) transportation access within two miles of an interchange; 2) location within one mile of other industrial areas and; 3) a minimum size of 300 acres for the formation of new industrial areas. Different industries have different needs for access or proximity to suppliers. Because of the nature of the warehouse and distribution industry good access to major arterials, highways and freeways on transportation routes that are located adjacent to non-residential uses is key. Access to these types of facilities through residential areas is not desirable due to potential conflicts and travel patterns.

2005 Analysis of Warehouse and Distribution Opportunities

A more specific analysis was conducted to identify the key site characteristics necessary for location of warehouse and distribution uses. This analysis consisted of examining several studies that have been conducted to understand the value of the distribution industry to the regional economy and a GIS based study of employment data and industrial land and infrastructure locations.

State Employment 202 Data

An examination of the covered State Employment 202 data has revealed that there are concentrations of distribution and logistics firms (warehouse/distribution and wholesale trade) inside the existing UGB along I-5, I-84, Highway 217, Highway 212/224, Highway 30, adjacent to Port Terminal facilities, Columbia Boulevard and on marine Drive.⁸ This data was mapped and compared to the region's industrial and vacant land base and arterial/highway base to indicate where existing firms have chosen to locate. The patterns and concentrations of wholesale trade and warehouse and distribution firms reveals information on the importance of transportation, zoning requirements and some suppliers are needed to serve the population base. Wholesale trade firms are located throughout the region but are heavily concentrated in the same locations as distribution and logistics firms. It is estimated that 75.4 percent of firms of these types are located within a distance of one-mile from the transportation corridors discussed above. The one-mile limit was selected for analysis because of the concentration of existing firms around

⁸ Port terminal facilities: terminal 2, 4, 5 and 6.

interchange locations and Port facilities instead of a two-mile limit that was recommended in interviews conducted with industrial users as part of a locational and siting study.⁹

Freight movement is generally concentrated along I-5, I-84 and I-205 within two miles of an interchange. Highway 26 is much less desirable for regional warehouse/distribution uses because of congestion and distance from Port facilities, except for localized warehouse and distribution functions are important for serving the population located west of the Willamette River as well as the industrial base that stretches from Hillsboro to the Tualatin/Wilsonville area.

Localized warehouse and distribution functions serve firms located in existing industrial areas in key transportation corridors (I-5, I-84 and I-205) or adjacent to Port facilities but they may also provide support for commercial users and the population base located throughout the UGB. Warehouse and distribution functions may include movement of goods from local suppliers, product shipments and retail/wholesale activities. This demand for localized warehouse and distribution services corresponds to the demand for a relatively high number of lots in the under one to 10 acre category range. In fact, 93 percent of the overall demand for warehouse and distribution land is expected to be satisfied on smaller lots (under 10 acres).

Port of Portland Study on Economics of the Distribution Industry

The Port of Portland conducted a study titled The Economic Impacts of the Value Added Regional Distribution Industry In The Portland Area (EVD Study). The EVD Study provides information on the industry sectors within the distribution and logistics industry, job densities, salaries, revenue estimates and types of operations that produce spin-off economic impacts. The study was based on interviews with 67 different firms to collect data on job densities, induced job effects, wages and salaries and to produce an income multiplier for the value added benefits of the distribution industry. The information presented in this study is pertinent to the discussion of whether the region's land supply is adequate to meet the land needs of the warehouse and distribution sector which has been forecasted to consume up to 70 percent of the need for vacant industrial land. The study found that there are nine key distribution sectors located in our region and they include: apparel, food products, local food distribution, beverage, paper/paper products, steel and metal, lumber/forest products, general retail/wholesale and miscellaneous bulk distribution. This shows the diversity of the distribution and logistics industry, confirms some of the land size requirements discussed in the Employment UGR and affirms how this industry is dispersed throughout the region depending upon the needs of a particular type of firm. These industries use both local and regional distribution transportation networks to transload, package and ship products within the region. Some of these firms take advantage of the region's port, air cargo, steamship service and rail networks.

No conditions of approval were imposed on areas brought into the UGB for industrial purposes to require that the areas specifically be used for this warehouse and distribution use. Rather, these areas will be permitted to respond to the needs of the market as the economy evolves over the planning period. Metro Council heard testimony from local governments, industry experts and economic development professionals that employment land needs and firm location decisions are changing quickly. The land and structure needs

⁹ Industrial Land and Siting Factors memorandum included in Metro Ordinance 04-1040B, Appendix A, item o.

of a particular industry are responding to the demands of international business cycles and as a result the local land supply needs to be responsive.

The UGB contains approximately 10,589 vacant industrial acres or 60 percent of industrial land that could be used for warehouse and distribution purposes due to the proximity to Port facilities and the freeway system discussed above. This land combined with the land added in 2002 and 2004 in the Damascus and Tualatin areas will meet the need for vacant industrial land for warehouse and distribution purposes. The Damascus area (roughly 12,000 acres) is being concept planned and an environmental impact statement (EIS) is being prepared to determine the best alignment for the first phase of the Sunrise Corridor to provide access to this area. Phase I of the Sunrise Corridor extends from I-205 to 172nd Avenue and will increase accessibility to planned industrial areas. As this area urbanizes and a range of uses from residential, commercial and industrial locate in this area the demand for warehouse and distribution uses to serve this development will increase. This assertion is confirmed through the examination of State Employment 202 data that demonstrated a strong correlation between population, highway access and an industry base and warehouse and distribution uses.

5. Based on the analysis of items 1-4 above recalculate the total industrial supply and demand and compare with the identified land need of 1,180 net acres:

The total need for industrial demand was re-calculated at 331 net acres and will be met by including a portion of the Evergreen area in the UGB. The total industrial land need was calculated by meeting the shortfall in the need for industrial land of 133 acres and making up the reduction of net buildable land for public infrastructure of 198 net acres.

20-Year Land Supply

The UGB expansion completed in 2004 did not fully satisfy the requirements for a providing a 20-year supply of industrial land. The total net supply was short 133 acres of industrial land. With the proposed 2005 expansion the shortfall in the overall need for industrial land and the compensation for the reduction in buildable lands for streets a 20-year supply will be provided. Taking into account the deduction for public infrastructure including streets in all areas that have been added to the UGB in 2004 the total unsatisfied need for land is 331 net acres.¹⁰ The following chart describes the accounting of the demand for land, supply and deductions for infrastructure.

Table 3. Reconciliation of Land Supply to Meet the Need for Industrial land

	Net Acres
<i>Demand for Industrial Land</i> ¹¹	1,180
2004 UGB Amendments	(1,047)
Increase in the Demand for Land based on a reduction for streets ¹²	198
DEFICIT	133
TOTAL REMAINING DEMAND	(331)
2005 UGB Expansion	330
NET DIFFERENCE BETWEEN SUPPLY AND DEMAND	(1)

¹¹ Title 4 policy savings, application of a 52 percent refill rate, adjustments to the UGB in 2002 and application of the commercial land surplus have reduced demand for Industrial land.

¹² 2004 expansion area reduction in buildable lands

Discussion of Areas Considered and Not Recommended

In 2004 the Metro Council analyzed twelve resource land study areas that contain mostly Class II soils only after including in the UGB suitable exception land areas and resource land areas of less capable soils (Class III & IV soils). The Council compared the resource land study areas with Class II soils using the “locational” factors in Goal 14 (factors 3-7) and the policies in the Regional Framework Plan (RFP). Ten of the twelve areas that were considered for UGB expansion were rejected after weighing the impact on agriculture, natural resources, ability to efficiently provide services, suitability for industrial purposes and conformance with Metro policies.¹³ Two of the areas, Cornelius and Helvetia had some portion of land added to the UGB in locations where resource land was adjacent to exception land. A brief description of these areas, a locational factor comparison that includes ease of servicing and the impacts of urbanization are discussed below.

Noyer Creek

The Noyer Creek area was eliminated from consideration because this area is part of the secondary study area for the Damascus Boring Concept Plan effort and it is anticipated that it may become part of the Damascus town center. This area is likely to contain very little land that is suitable for industrial development because of its distance from transportation facilities and lack of continuity with other planned industrial areas.

Wilsonville South and East

The Wilsonville South and East areas were identified by the City of Wilsonville as being difficult to serve with infrastructure. The City expressed a concern that the community has a disproportionate amount of employment and was seeking a better balance between jobs and housing. The Wilsonville South area is separated from the City by the Willamette River and is inconsistent with RFP policies 1 and 1.6 that require maintenance of a compact urban form. The Wilsonville South area contains some of the State’s most important and productive agricultural lands and would be adversely impacted by urbanization.

Farmington and Hillsboro South

The Farmington and Hillsboro South areas contain large parcels that are currently engaged in commercial agriculture and would have a high impact on farming. The shape of the Farmington area creates a long border between agricultural uses to the east and provides limited opportunities for buffers. A portion of the Hillsboro South area is located in the Tualatin Valley Irrigation District, which expands the viability for agriculture due to the increase in types of crops that can be grown.

Forest Grove East and West

Forest Grove East and West areas have very high impacts on nearby agricultural activities and both areas are located in the Tualatin Valley Irrigation district. The core agricultural area located to the north would be negatively impacted due to traffic and the intrusion of urbanization into the large agricultural area that extends north to Highway 26 and beyond. The majority of the Forest Grove East area is separated from the city by a natural resource area that makes the provision of urban services difficult. The majority of

¹³ Twelve areas that contained Class II soils were considered suitable industrial development in the 2002 Alternative Analysis Report: Evergreen, Cornelius, Farmington, Forest Grove East, Forest Grove West, Jackson School Road, Noyer Creek, Helvetia, Hillsboro South, West Union, Wilsonville East and Wilsonville South.

both of these areas (East and West) are not located within one mile of an industrial district making the viability of the area poor.

Jackson School Road

The Jackson School Road area is disconnected from existing industrial areas within the UGB and urbanization of this area will have potential impacts on a large expanse of agricultural land located west and north of the site. This area contains large parcels of land that are currently in agricultural use.

Helvetia

Urbanization of the remaining portion of the Helvetia area not included in the UGB in 2004 would significantly impact a core agricultural area located to the north of Highway 26. There are no suitable buffers within or at the edge of the study area that can be established to limit impacts on the core agricultural area.

West Union

The West Union does not contain enough usable acreage to make this area suitable for industrial development. The area is bi-sected by a large natural resource area and steeper slopes make this area difficult to develop for industrial use. A portion of the area contains Class III soils but this area is unsuitable for industrial development.

Table 4. Locational Factor Scores

Area	Locational Factor Scores						
	Trans.	Sewer	Water	Storm	Environ.	SEE	Agriculture
Cornelius (partial)	Easy	Easy	Easy	Easy	Moderate	Low	Moderate
Evergreen (partial)	Moderate	Difficult	Easy	Easy	Moderate	Moderate	Moderate
Farmington	Moderate	Difficult	Easy	Easy	Moderate	Moderate	High
Forest Grove East	Moderate	Easy	Moderate	Easy	Moderate	High	High
Forest Grove West	Moderate	Easy	Moderate	Easy	Moderate	High	High
Helvetia ¹⁴	Moderate	Moderate	Easy	Easy	Moderate	High	High
Hillsboro South	Moderate	Difficult	Easy	Easy	Low	Moderate	Moderate
Jackson School Rd	Moderate	Difficult	Easy	Easy	Low	High	High
Noyer Creek	Easy	Difficult	Moderate	Easy	Low	Moderate	Low
West Union	Moderate	Moderate	Moderate	Easy	High	High	High
Wilsonville East	Moderate	Difficult	Difficult	Moderate	Low	High	High
Wilsonville South	Difficult	Difficult	Difficult	Moderate	Low	High	High

Evergreen Expansion Area

The proposed UGB expansion in the Hillsboro area (portion of the Evergreen Study Area) would meet the overall demand for industrial land by including 330 net acres of land, shown in Attachment 2.

Pro’s of Inclusion

- Meets short-term land needs for industrial
- Helps satisfy the need of large lots
- Has a natural feature that can be used as a buffer between farmland
- Located adjacent to an established industrial area
- Has fewer impacts to agricultural uses than other Class II farmlands

¹⁴ 249 acres of land were added to the UGB and acknowledged by LCDC in 2005.

- Contains 216 acres exception lands (38 percent of the area)
- Easy to serve with water
- Eases conflicts between potential residential uses and the airport

Con's of Inclusion

- Not likely to be used to meet the demand for warehouse and distribution uses unless it meets a localized need
- Has impacts on commercial agriculture by pushing urban development further into the agricultural base in Washington County and may isolate the area north of Gulch Creek
- Rated as difficult to serve for sanitary sewer

The Evergreen expansion area would address short-term land needs, it has a sufficient lotting pattern to meet the demand for large lots (50 to 100 acre parcels) with an aggregation condition, it has similar or fewer impacts on farmland compared to other suitable Class II farmlands areas under consideration and it is ideally suited for industrial use due to the proximity to an established industrial land base.

This area was supported by testimony from the City of Hillsboro for inclusion in the UGB in a letter received from the City dated September 2, 2005 in Attachment 3. This area is ideally situated due to its proximity to other industrial uses located south and west of the site and its location adjacent to the high-tech crescent that stretches from Hillsboro, along the Highway 217 through Tualatin and into Wilsonville. The letter also speaks to the progress the City has made in achieving 2040 Regional Center objectives to encourage development of housing at greater densities and the location of employment uses in areas with access to transit. The City discusses the synergistic effects of locating additional industrial land in the Evergreen area and the positive effects this would have on development in the Hillsboro Regional Center.

The proximity of this site to services is key for the short-term timely development of the site for industrial uses. Most major public facilities are available in Evergreen Road and are sized adequately for industrial development. The site has good access to Highway 26. ODOT submitted testimony that this development would have moderate impacts on the interchange at Shute and Highway 26. These impacts can be addressed during Title 11 planning for the area under Title 11 of the Urban Growth Management Functional Plan if it is included in the UGB.

The proposed area is located west and north of the Shute Road expansion area that was added to the UGB in 2002 making this a logical extension of this existing industrial area. The land is also best suited for industrial development due to its proximity to the Port of Portland airport facilities and the airport runway protection zone (RPZ) that is located to the west and southwest. Federal Aviation Authority (FAA) regulations favor industrial versus residential use in this area. The Port of Portland has acquired a number of parcels in this area for development purposes, protection of the RPZ and future airport expansion. The developable parcels currently under Port ownership are located west of Sewell Road along Evergreen Road.

Although the area contains some Class II farmland (333 gross acres) it is non-irrigated and is not within the Scoggins Irrigation District (SID). Irrigation allows cultivation of a wider variety of crops including nursery stock, which is one of Oregon's highest dollar per acre agricultural products. Lack of irrigation reduces the viability of the proposed

area for commercial agriculture, compared to other areas of Class II soils under consideration that do have irrigation rights. The Evergreen area contains 1 acre of Class I, 333 acres of Class II, 37 acres of Class III and 0 acres of Class IV farmland. The Evergreen area has the lowest percentages of the highest value soil classes (classes I and II) than all other areas except West Union.

Table 5. Soil Class by Study Area

Area	Total Acres	Class I		Class II		Class III		Class IV		Except. Land	
		ac.	%	ac.	%	ac.	%	ac.	%	ac.	%
Cornelius (partial)	261	2	0	143	55	77	30	0	0	148	57
Evergreen (partial)	556	1	0	333	60	37	7	0	0	216	39
Farmington	690	0	0	568	82	90	13	0	0	102	15
Forest Grove East	836	11	1	691	83	134	16	0	0	74	9
Forest Grove West	477	0	0	340	71	128	27	0	0	0	0
Helvetia ¹⁵	1,273	192	15	719	56	353	28	0	0	76	6
Hillsboro South	715	36	5	526	74	152	21	0	0	0	0
Jackson School Rd	1,046	1	0	833	80	121	12	12	1	129	12
Noyer Creek	359	0	0	301	84	44	12	1	0	61	17
West Union	1,451	6	1	666	46	674	46	70	5	21	1
Wilsonville East	881	0	0	719	82	66	7	23	3	16	2
Wilsonville South	1,178	10	1	1,074	91	29	2	0	0	196	17

The nearly surrounded nature of the agricultural lands in the Evergreen area (between the UGB on the east and south and exception lands to the west), potential for good edges, moderate level of small parcels and the and the fact that the area is not in an irrigation district are the primary reasons that this area received consideration.

With the addition of the proposed Evergreen expansion area, the UGB would contain a 20-year supply of land for industrial purposes.

- 6. Refine the analysis that shows how Metro balanced the locational factors in Goal 14 (factors 3 through 7) in reaching the decision to add the Cornelius area into the UGB and also explain why the economic consequences outweigh the retention of agricultural land and compatibility with adjacent agricultural uses:**

A portion of the Cornelius study area was included in the UGB in 2004 by the Metro Council after considerable study of similar areas and through the examination of applicable policies and agency objectives. New information has been prepared that supports our recommendation to include this area in the UGB for industrial purposes.

Cornelius

The proposed UGB expansion in the Cornelius area meets the need for industrial land by including 114 net acres of land. A portion of the area is located adjacent to the City's industrial park and can be efficiently provided urban services.

¹⁵ 249 acres of land were added to the UGB and acknowledged by LCDC in 2005.

Pro's of Inclusion

- Contains 148 acres of exception lands (57 percent of the total land) which is the highest priority of land available for inclusion in the UGB
- Farmland located between exception area has been minimized and this land is needed to efficiently provide services to the exception areas
- Provide an increase to the City's tax base which will provide revenues for basic City services
- A portion of the area to be added is adjacent to an area that is already zoned for industrial development
- Area has been identified as easy to serve for water, sewer and storm water services and creates an efficient use of services inside the existing UGB and the proposed area
- Council Creek provides a buffer between farm uses to the north at the west end of the expansion area and further east it provides a buffer between residential uses

Con's of Inclusion

- The farmland located north of the Council Creek is an important agricultural area that could be negatively impacted by urban development

In 2004 the Metro Council analyzed study areas that contain Class II soils only after including in the UGB suitable exception land areas and resource land areas of less capable soils. The Council compared resource land study areas with Class II soils using the "locational" factors in Goal 14 (factors 3-7) and the policies in the Regional Framework Plan (RFP) to reach a decision to add a portion of the Cornelius study area to the UGB. The Cornelius area contains 2 acres of Class I, 143 acres of Class II, 77 acres of Class III, 0 acres of Class IV lands. The Cornelius area has the lowest percentages of the highest value soil classes (classes I and II) than all other areas except West Union. See Table 4. on page 13 for a full comparison of soil types between areas that were considered for industrial expansion. Staff reports and findings that accompanied Ordinance No. 04-1040B, which added a portion of the Cornelius study area, contain the information and analysis to explain the Council's decision. This section of the staff report will emphasize new information regarding the portion of the Cornelius study area included in the UGB. Based upon this information it is proposed that the Council once again include this area in the UGB.

The proposed portion of the Cornelius study area (261 acres) contains 148 acres of exception lands, the highest priority for lands for expansion of the UGB and 113 acres of farmland. A map of the proposed area has been included in Attachment 4. The Supplement to the Alternatives Analysis, in Attachment 5 notes that the resource lands included in this expansion area are either bordered by Council Creek on the north (western half of the area), which forms an excellent buffer between the proposed industrial use and agricultural activities, or is located between two exception areas that act as "bookends" for the farmland portion of the area that lies north of Council Creek (50 acres). The exception lands contain rural residential uses that reduce the viability of this farmland portion of the study area for commercial agriculture.

Inclusion of the farmland located between the two exception areas will make the provision of water, sewer transportation services more efficient for the entire expansion area. Extension of streets into the exception areas alone (if the intervening EFU area was

not included in the UGB) would limit the accessibility of fire and life safety vehicles and place additional demands on the local street system to the south. Inclusion of the two resource land parcels would make the provision of public facilities and services to industrial areas in the two exception land portions more efficient and orderly. Looping water and sewer lines through the EFU area to serve exception areas is consistent with good engineering practices for service delivery and maintenance of systems. The western resource land portion of the area is located adjacent to an industrially zoned area inside the UGB, which allows for the efficient provision of services to the new industrial area outside the UGB.

The City of Cornelius has provided Metro with additional information regarding the availability of services and the planned infrastructure to serve the expansion area in a letter dated September 12, 2005 from the City in Attachment 5. The letter details transportation improvements water and sewer line efficiencies within the exception areas, intervening resource lands and within the existing UGB. Information was also provided on existing farm practices within the proposed area and the value of this area as industrially designated land to the City for both economic and social purposes.

Through the implementation of Title 11 planning by the City of Cornelius, natural resource impacts and level of service impacts on Tualatin Valley Highway will be addressed. In addition, the financially constrained and the priority system in Metro's Regional Transportation Plan (RTP) include several projects that will address congestion issues in this area.

In addition to meeting the demands for industrial land by including this area in the UGB the area has positive economic and social implications for the City of Cornelius. The close proximity to the City's main street will enhance existing development and provide additional employment opportunities for city residents. Adding jobs to a community that has more housing than jobs provides an opportunity to decrease trips to other parts of the region for employment. The City has the longest average commute in the region. The positive economic implications of including 261 acres of industrial land are significant for a community that ranks nearly last (23rd out of the 24 cities) in the region in total taxable real market value and real property value per capita.¹⁶ A city's tax base determines what resources are available for community services like police, fire, planning, libraries, social services and governance. The city's tax base is heavily weighted toward residential, which typically requires more services per dollar generated of tax revenue than industrial areas creating an even greater drain on municipal finances.

The RFP and statewide planning Goal 14 require the Council to weigh the consequences of inclusion of the proposed Cornelius area with RFP policies and Goal 14's "locational" factors and with other possible areas. This report recommends that the Council again include this part of the Cornelius study area rather than other Class II farmland under consideration, weighing Factors 3- Orderly and Economic Services, Factor 4- Maximum Efficiency of Land Uses, and 5- Environmental, Energy, Economic and Social Consequences more heavily than Factors 6- Retention of Agricultural Land and Factor 7- Compatibility with Nearby Agriculture. Likewise, the report recommends weighing RFP Policies 1.2.1(c) Regional Balance and Equity, 1.3.1(c) and 1.4.2 Balance of Jobs and Housing. The need for industrial development in this part of the region and the ability to bring development to the proposed area efficiently outweighs the small loss to the

¹⁶ 2004 Performance Measures Report, page 19 and 20.

commercial agricultural base compared to other resource land areas that contain Class II soil.

The conclusions that are discussed above are based on new information submitted into the record by the City of Cornelius and resulting from additional staff analysis to reaffirming the decision to add this area to the UGB for industrial purposes. This action best supports the policies in the Regional Framework Plan, balances the community and the region's need to provide a sufficient land supply for the 20-year planning period and complies with State law.

Known opposition:

Several property owners have expressed opposition to the proposed expansion area. 1000 Friends of Oregon and the Washington County Farm Bureau have expressed opposition to both the expansion adjacent to the City of Cornelius and the Evergreen Road expansion areas. The owners of the Langdon Farms area located south of Wilsonville have expressed opposition to Metro's failure to include the Langdon Farms area into the UGB for industrial purposes.

Legal Antecedents: none

Anticipated Effects:

Acknowledgement by LCDC is expected upon adoption of the UGB amendments and submittal of all remand requirements to complete Periodic Review.

Budget Impacts:

No budget impacts resulting from this decision are anticipated.

RECOMMENDED ACTION

Approval of Ordinance No. 05-1070 to expand the UGB and provide additional findings necessary to satisfy the conditions of the Remand Order 05-WKTASK -001673 received from LCDC.

Attachment 1: Addendum to the 2002-2022 Urban Growth Report: An Employment Land Needs Analysis, September 2005

Attachment 2: Map of Proposed Evergreen Expansion Area

Attachment 3: Letter from City of Hillsboro, dated September 2, 2005

Attachment 4: Map of Proposed Cornelius Expansion Area

Attachment 5: Addendum to the Alternatives Analysis, September 2005

Attachment 6: Letter from the City of Cornelius, dated September 12, 2005

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2002-2022 Urban Growth Report: An Employment Needs Analysis September 2005 Addendum

Background

In August 2002, the 2002-2022 Employment Urban Growth Report (Employment UGR) was prepared to assess supply and demand for employment uses for the period between 2002-2022 as part of Metro's periodic review of the urban growth boundary(UGB). This report was updated in December 2002 and was adopted by the Metro Council on June 24th as part of Ordinance 1040B to fulfill the agency's responsibility for maintaining a 20 year supply of land within the urban growth boundary.

The Land Conservation and Development Commission (LCDC) remanded a portion of Metro's decision that was part of Ordinance 1040B which adopted the Employment UGR and the commercial refill rate assumptions. Remand Order number 05-WKTASK-001673 required the 2002-2022 Employment UGR to be amended as necessary to incorporate any changes to assumptions to reconcile the change in the commercial refill rate to 52 percent. The reasons for the adjustment of the commercial refill rate from 50 to 52 percent are contained in this September 2005 Addendum to the Employment UGR. As part of the review of the information contained in the adopted Employment UGR and through testimony that was submitted into the record an adjustment was made to the commercial refill rate. This adjustment to the commercial refill rate has implications on how the demand for industrial demand is met.

Data Sources in the Employment UGR

The range of refill rates (50-52 percent) were estimated by using MetroScope, an integrated land use and transportation forecast model and by examining historical data. The refill rate is a forecast parameter that Metro policy makers and local governments can influence through policy and market incentives. An initial "base case" scenario was run in MetroScope to estimate future land needs and indicated an average refill rate of 50 percent through the year 2022. The "base case" scenario assumes land use and transportation policies in effect today will continue in future years. In other modeling scenarios completed prior to adoption of the Employment UGR several alternative growth scenarios suggested that commercial refill rates could fluctuate depending on the land use assumptions used in the MetroScope model.

Historical estimates of the commercial refill rate occurring in the Metro area were measured at a rate of 52 percent during the mid- 1990's. The historical refill rate is based on GIS information, county assessment records and building permit reports provided by local governments.

How Changes in Refill Rates Affect the Demand for Industrial Land

Refill occurs on land that Metro already considers already developed. The change in the commercial refill rate from 50 to 52 percent that is used in the Employment UGR has land supply affects. The supply or inventory of vacant land is unaffected by adjustments to the commercial refill rate.

Industrial land demand is unaffected by commercial refill rate changes, but the industrial need (i.e. shortages) can be satisfied by assuming a different refill rate. The Metro Council assumed that the excess commercial capacity or savings from assuming a higher commercial refill rate will offset a portion of the shortfall of industrial land. The adoption of the change to the refill assumptions was based on testimony by industry experts and economic development professionals. The nature of industrial jobs are changing and is moving towards a more knowledge based economy that has different space requirements. In the future more industrial users are expected to have more office type space requirements and as a result industrial jobs are

increasingly accommodated in buildings and spaces that are customarily associated with commercial office uses.¹

In general, the change in the commercial refill rate reduces the projected land demand for commercial users. In turn, the higher refill rate implies that both commercial and industrial users would conceivably find additional redevelopment opportunities in outmoded buildings. A slightly higher refill rate has the desired effect of reducing the demand for vacant land, potentially increases redevelopment in centers and increases job densities.

Changing the commercial refill rate to 52 percent lowers the demand for vacant commercial land by almost 200 net acres of land (174 acres). The 174 In 2004 the Metro Council study areas that contain Class II soils in priority only after including in the UGB suitable “exception areas” and areas of less capable soils. The Council compared study areas with Class II soils using the “locational” factors in Goal 14 (factors 3-7) and the policies in the Regional Framework Plan (RFP) to reach a decision to add a portion of the Cornelius study area to the UGB.² net acres of savings is transferred to accommodate a portion of the demand for industrial land.

As a result of this adjustment to the commercial refill rate the land demand estimates reported in the Employment UGR have been amended. The following tables replace tables found in the Employment UGR (pages 38 to 43) beginning in the Commercial Land Need Assessment section.

Table 19 summarizes the parcel size and demand estimates for commercial demand.

Table 19 Revised

Number of Tax Lots - Demand		Acres Demand (net acres)	
Net Demand adj. for Refill		Acres Demand adj. for Refill	
	Commercial		Commercial
under 1 acre	5,819	under 1 acre	2,909.4
1 to 5	241	1 to 5	665.1
5 to 10	28	5 to 10	212.0
10 to 25	19	10 to 25	326.5
25 to 50	6	25 to 50	211.9
50 to 100	5	50 to 100	375.0
100 or more	-	100 or more	0.0
	6,117		4,700.0

Table 20 shows a summary detail of commercial demand by building type – commercial, retail and institutional users. This table describes the breakdown by lot size and number of lots by building type.

¹ See “ A Review of Information Pertaining to regional Industrial Lands”, Ordinance 1040B, Appendix A, item p, and 2002-2022 Urban Growth Report: An Employment Lands Needs Analysis, June 24, 2004, Supplement.

² Twelve areas that contained class II soils were considered suitable industrial development in the 2002 Alternative Analysis Report: Evergreen, Cornelius, Farmington, Forest Grove East, Forest Grove West, Jackson School Road, Noyer Creek, Helvetia, Hillsboro South, West Union, Wilsonville East and Wilsonville South.

Table 20 Revised

NUMBER OF LOTS NEEDED BY PARCEL SIZE & BUILDING TYPE - 2000-2022				
	office	retail	med/gov	Total
under 1	3,581	1,395	842	5,819
1 to 5	81	103	58	241
5 to 10	9	6	13	28
10 to 25	4	1	13	19
25 to 50	1	0	5	6
50 to 100	2	0	3	5
100 plus	0	0	0	0
	3,678	1,505	934	6,117

Adjusted for Refill

In Chart 9, the commercial land demand is depicted in total – including the component of demand that is composed of refill. Note that demand that is accommodated through refill does not consume vacant land, so in later tables the commercial and industrial demand ignore any reference to refill. Chart 9 and Table 24 are shown for completeness purposes to illustrate the total demand that exists for commercial uses. Chart 10 nets out the refill component and shows only the net demand for vacant commercially zoned land.

Chart 9 Revised

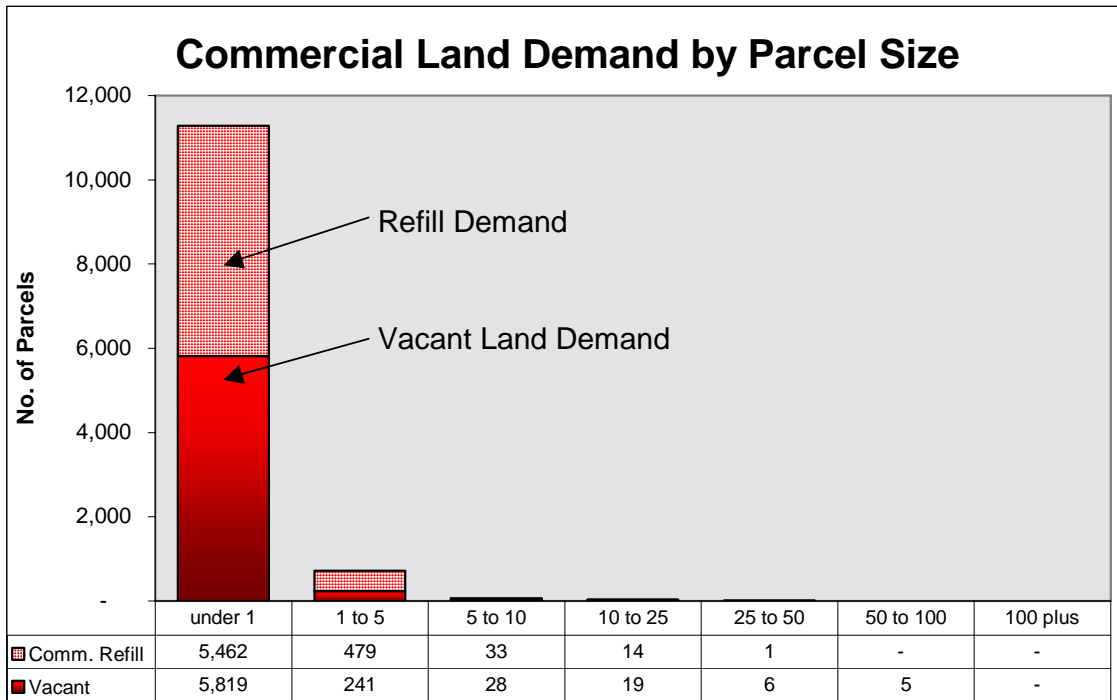


Chart 10 Revised

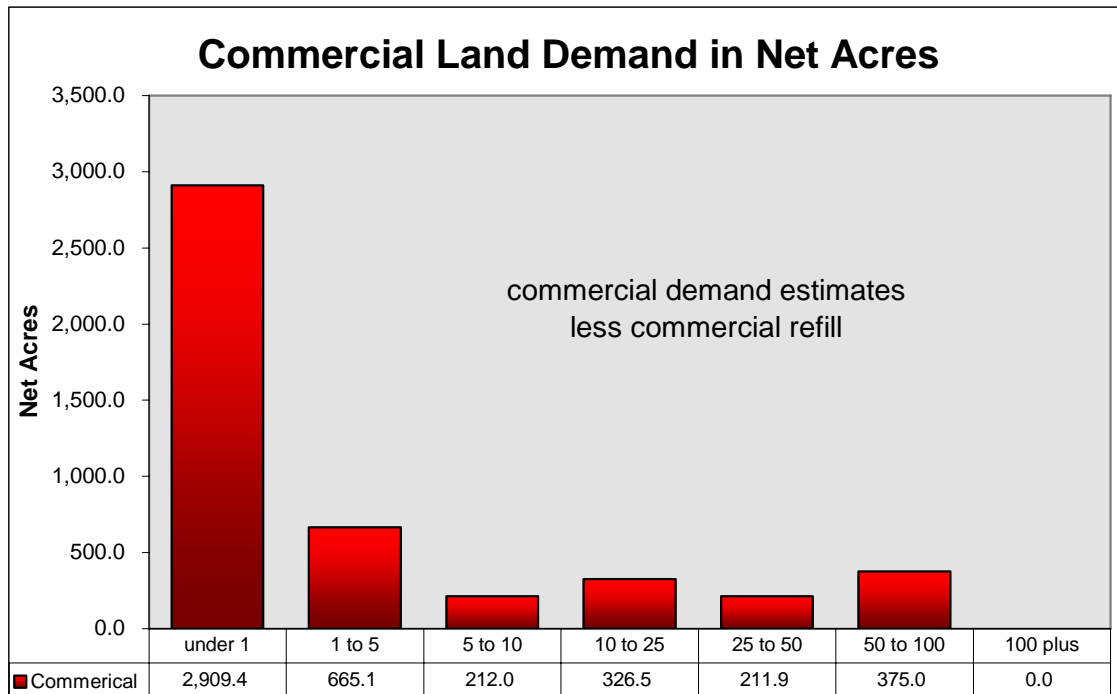


Table 24 Revised

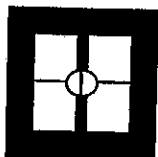
Commercial Land Need Surplus								
COMMERCIAL by No. of Lots								
	under 1	1 to 5	5 to 10	10 to 25	25 to 50	50 to 100	100 plus	TOTAL
Vac. Supply	3,373	917	151	57	12	7		4,517
Demand	5,819	241	28	19	6	5		6,117
vacant	11,280	719	61	33	7	5		12,105
refill	(5,462)	(479)	(33)	(14)	(1)			(5,988)
net need	(2,446)	676	123	38	6	2	0	(1,600)

COMMERCIAL by Net Acres								
	under 1	1 to 5	5 to 10	10 to 25	25 to 50	50 to 100	100 plus	TOTAL
Vac. Supply	951.9	2,076.3	976.0	793.1	371.4	465.1	0.0	5,633.9
Demand	2,909.4	665.1	212.0	326.5	211.9	375.0		4,700.0
vacant	5,640.2	2,157.6	457.2	569.8	258.8	375.0		9,459
refill	(2,730.8)	(1,435.5)	(245.2)	(243.3)	(46.9)			(4,702)
net need	(1,957.5)	1,411.2	764.0	466.6	159.5	90.1	0.0	933.9

Conclusion

In the Addendum to the Employment UGR dated September 2005, the total commercial demand was adjusted from an estimated 4,874 net acres to 4,700 net acres due to the change in the commercial refill rate from 50 to 52 percent. The resulting surplus of 174 net acres has been applied to the industrial land deficit on a one to one basis. This change in the commercial refill rate recognizes changes that are taking place in the marketplace and does not result in a shortage in the supply of commercial land or comprise Metro's ability to meet the 20-year land supply requirement.

CITY OF HILLSBORO



Via: Electronic Transmission

September 2, 2005

Hon. David Bragdon, President
Hon. Brian Newman, Councilor
Metro Council
600 NE Grand Avenue
Portland, OR 97232

RE: City Program for 2040 Centers Development.

Gentlemen:

Thanks for visiting me yesterday at our new Civic Center. Our discussions of several matters, including some aspects of the 2004 LCDC UGB Remand Order were very informative and productive. We should have more such talks more often.

Yesterday, you asked about our progress toward achieving 2040 Regional Urban Center objectives that apply to Downtown Hillsboro and other parts of Hillsboro. I summarize below projects and actions we have taken in recent years toward Downtown Hillsboro revitalization and upcoming projects and actions we expect to take very soon toward that end.

1. In the early 1990s we adopted *Downtown Hillsboro Station Community* development policies and flexible mixed use development regulations. These measures increased the dwelling unit capacities and building height limits within the Regional Center to allow more than 2,000 additional housing units within this Center. (See Hillsboro 1998 Functional Plan Compliance Report.)
2. In 1997, a City-Downtown property owners/business working partnership completed a jointly-funded (est. \$12 million total value) *Downtown Core Area Local Improvement District (LID)*. This project widened sidewalks and simultaneously upgraded underground and street public infrastructure and utilities that now contain adequate capacities to support multi-story mixed uses within our Downtown Core Area.

3. Aided by a DLCD Technical Assistance Grant, we completed in 2002 a *Downtown Hillsboro Redevelopment Market Feasibility Analyses* jointly undertaken by the City and a Downtown stakeholders advisory committee. This project by E.D. Hovee and Co. identified and ranked six (6) "Priority Redevelopment Sites" within our Downtown Core (ranking the First Interstate Bank Site as No. 1 Priority). For each priority site, the project presented conceptually-designed mixed-use projects (and corresponding financial pro forma sheets) that a concurrent market study (also done as a part of this project) showed could be supported by the local and regional economy at that time. This project reported two major hurdles standing in the way of such Downtown redevelopment. These are inadequate downtown parking under existing land use codes and inadequate assessed property values of existing Downtown properties to support conventional redevelopment financing. Two upcoming projects listed below will address and, hopefully, find solutions to these hurdles.
4. Two years ago, the City completed a \$4 million renovation of a former church donated to the City which is now the *Glenn & Viola Walters Cultural Arts Center*. Located on Main Street, this Center anchors the east end of the Downtown Core Area. It provides a center for public and private arts and cultural exhibits and events.
5. The City acquired ownership of a building space on Main Street at the center of the Downtown Core that was the site of the *Town Theater* in the heyday of Downtown Hillsboro. Community-based uses are intended for this site provided severe structural limitations to building space renovations and remodeling can be overcome.
6. This year the City completed construction of the two largest projects in its *Civic Center Master Plan*: a \$36 million *City Civic Center* and the 90-units, affordable housing *City Center Apartments*. Located on Main Street, the Civic Center houses most of the City's agencies, a new *Starbucks* coffee shop and ground level, 20,000 sq. ft. space designed and targeted for *private restaurant* use. Development of a 30-unit, *Market Housing Project* on City Downtown property located across the street from the Civic Center and City Center Apartments is the only incomplete Civic Center Master Plan project.
7. Since 2000 weekly *Tuesday Markets and Saturday Markets* during the Spring and Summer take place on Main Street in the Downtown Core. These are sponsored primarily by the Downtown Hillsboro Business Association with weekly co-sponsors by other Downtown and community businesses.
8. Earlier this month, our City Council approved the immediate hiring a long-budgeted, full-time *Downtown Hillsboro Project Manager* and hiring of this position in the City's Economic Development Department will be advertised in September. The responsibilities of this Project are listed on the sheet accompanying this letter.

9. This month, the Cities of Hillsboro and Beaverton was informed that their joint application for an ODOT/TGM Grant to conduct and complete a *Beaverton/Hillsboro Downtown Parking Solutions* was approved for Grant funding. For both Cities, the main focus of this project is to develop effective alternative solutions to chronic inadequate downtown parking in both downtown core areas under existing land use codes. Such solutions likely will include, code adjustments, feasible shared parking facilities and/or structured parking facilities. For Downtown Hillsboro, this project hopefully will remove the greatest current barrier to private redevelopment, expansions and improvements to Downtown properties and business spaces.
10. After consultation with DLCD, the City is preparing a DLCD Technical Assistance Grant Application to fund a *Downtown Hillsboro Core Area Renaissance Project* which will prescribe how to generate Core Area economic revitalization to be driven in large part by a 24/7 presence in the Core Area of arts- and culture-related (broadly defined) commerce, public art and other like-kind places, activities and events. If funded, this Project will seek to emulate the successful steps taken by other Cities and urban places (i.e., Tacoma, WA, Austin, TX, and the Albina, Pearl District, NW 23rd and Hawthorne Blvd. communities in Portland) to spur urban center revitalization driven by creative businesses and activities.

In addition to our intensive efforts to revitalize the core of our Downtown Regional Center as the crucial initial, we have had significant success and progress in achieving 2040 Center objectives within our two Town Centers, Tanasbourne and Orenco. The successes of the *Orenco Town Center and Village* are widely known and need not be repeated here. Recently, our Tanasbourne Town Center has begun to take off.

Last year, *The Shops at Tanasbourne* retail center core of the Town Center open its door and has been economically successful to date. *Kaiser Medical* will build a major *medical clinic and outpatient medical center* next to its current clinic in the Town Center. *Standard Insurance, Inc.* has acquired existing flex offices and will build additional flex office buildings within the Tanasbourne Center to house some of its business sections to be relocated from its Downtown complex. Higher density housing and mixed use developments are being constructed in the "*Tanasbourne Center Superblock*" located directly across Cornell Road from the Shops at Tanasbourne in accordance with our acknowledged Tanasbourne Town Center Plan.

Finally, our *South Hillsboro Concept Plan*, which designs the development of another 2040 Town Center within the 1400-acre South Hillsboro Area, was completed several years to satisfy Metro Title 11 Concept Planning requirements upon inclusion of the entire South Hillsboro Area into the Metro UGB. A copy of that Plan is being transmitted to you along with a hard copy of this letter by courier. As described at p. 81 of the Plan, the overall South Hillsboro development concept incorporates four unique and distinct neighborhoods:

Hon. David Bragdon and Brian Newman

September 2, 2005

Page 4

- One town center known as Ladd-Reed in the northeast corner.
- One neighborhood/mainstreet center known as Gordon Creek, to the northwest.
- One neighborhood/mainstreet center known as Butternut Creek, to the southeast.
- One low density area known as Hazeldale to the south.
- Future implementation of the South Hillsboro Concept Plan, including Areas 69 and 71 which were added to the UGB in 2002, would provide approximately 6700 more residential units.

If the South Hillsboro Area were added to the Metro UGB, the area would provide additional residential capacity to accommodate housing demand generated within new industrial areas also added to the UGB and City. We have always said that jobs/housing imbalance in the City would be significantly reduced but not eliminated if housing were developed within the South Hillsboro Area. The imbalance is a natural and predictable outcome of Hillsboro's recognized role as a regional (and county) employment center that will likely always attract more workers than can be accommodated in housing units within the City.

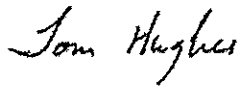
It is wrong to assume that, beyond the South Hillsboro Area, the City will pursue more residential UGB expansions to attain a perfect jobs/housing balance within our City limits. The actual "housing shed" for the regional and county-wide employment center in our City extends well beyond those limits. It encompasses existing residential areas throughout urban Washington County as well as newly-added UGB areas like the Bethany area which will add around 3500 additional units. It also encompasses existing and new residential areas in other Westside cities such as Forest Grove, North Plains, and Beaverton that also may have existing capacity. Recent employment studies (i.e., Joe Cortright, 2004) confirm that many residents in these jurisdictions work in the regional employment center in our City. It is reasonable to assume more of the same if new industrial sites are added to the UGB and regional employment center.

Continued investment in a multi-modal transportation system that connects these areas with the regional employment center is a strategy that merits added focus. The City continues to pursue efficiencies in development of neighborhoods, such as Witch Hazel Village, that will create vibrant pedestrian and bicycle friendly communities with an average density of 10 dwelling units per net acre, while providing adequate parks and open space and appropriate mixed use opportunities. We will continue to seek strategies that can reasonably provide housing choices for those who choose to live and work in Hillsboro, recognizing that attaining an equally balanced jobs/housing ratio is not a realistic (or perhaps even advisable) land use objective.

Hon. David Bragdon and Brian Newman
September 2, 2005
Page 5

I hope this information is helpful in your upcoming Council's Industrial UGB Remand deliberations as they may relate to our City. Please let me know if you need more information.

Sincerely,

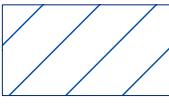
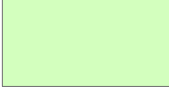


A handwritten signature in cursive script that reads "Tom Hughes". The signature is written in dark ink and is positioned to the left of a vertical line.

Tom Hughes
Mayor

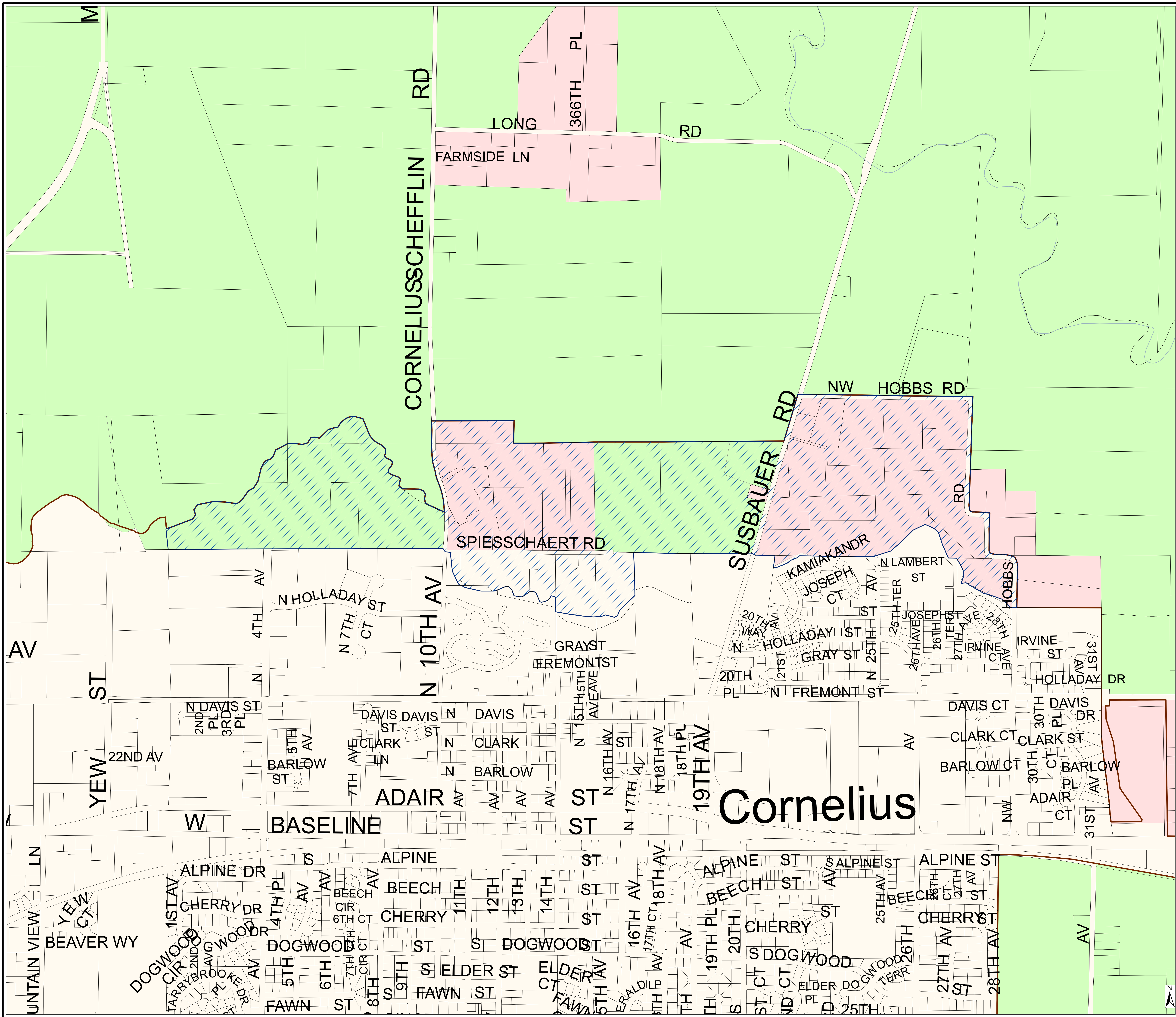
Attachment and Enclosure.

Chief Operating Officer Recommendation

Cornelius

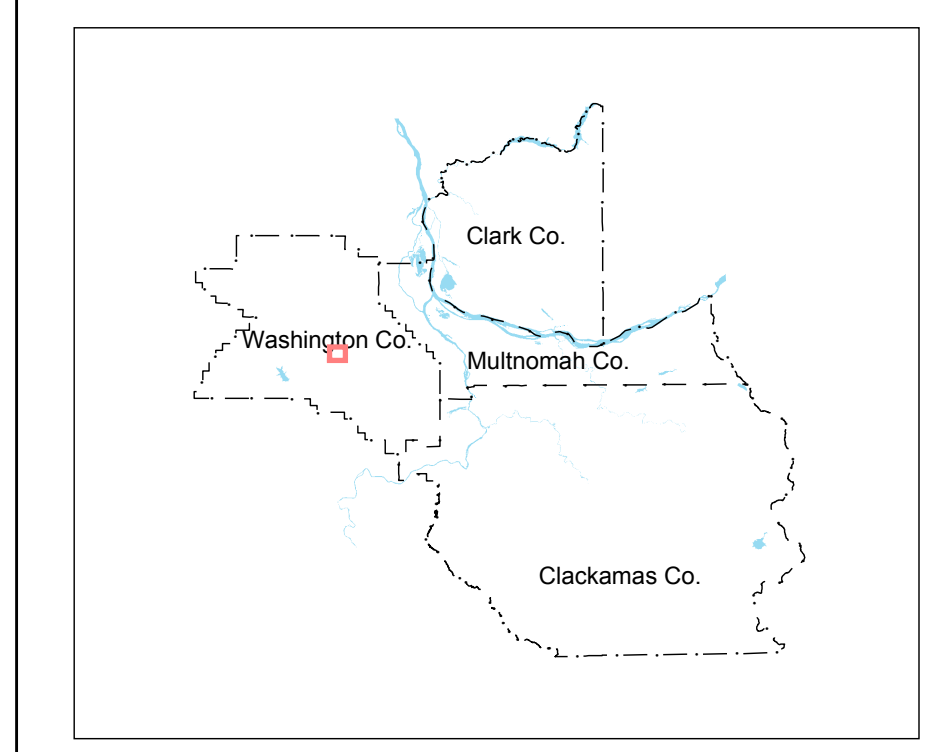
-  Cornelius
-  Resource Land
-  Exception Land
-  UGB

Total Acres = 261
 Exception Land = 154 ac.
 Resource Land = 107 ac,
 Gross Buildable Acres = 137
 Deduction for Future Streets = 46 ac.
 Net Buildable Acres = 91 ac.



Cornelius

The information on this map was derived from digital databases on Metro's GIS. Care was taken in the creation of this map. Metro cannot accept any responsibility for errors, omissions, or positional accuracy. There are no warranties, expressed or implied, including the warranty of merchantability or fitness for a particular purpose, accompanying this product. However, notification of any errors will be appreciated.



Location Map



METRO DATA RESOURCE CENTER
 600 NORTHEAST GRAND AVENUE PORTLAND, OREGON 97232-2736
 TEL: (503) 797-1742 FAX: (503) 797-1909
 dc@metro.oreg.on.us www.metro-region.org

ADDENDUM TO THE ALTERNATIVES ANALYSIS
September 2005

Evergreen Expansion Area		Gross Vacant Buildable Acres 431	
Total Acres	587	Public Land Acres	0
Total Acres in Parcels	556	Total Developed Acres	90
Resource Land Acres	339	Total Constrained Acres	35

General Site Description

The Evergreen Expansion Area is located north of the City of Hillsboro, north of NW Evergreen Road. To the south and east is the UGB; to the north is Highway 26 and to the west is rural land. The Hillsboro Regional Center is approximately 4 miles southwest of the area via NW Evergreen Road and NW Glencoe Road. The expansion area is composed of two sections; a small 35 acre (parcels) section composed of rural residences focused on NW Oak Drive and NW Birch Avenue near the Shute Road interchange on Highway 26 and a large 521 acre (parcels) section north of NW Evergreen Road in the vicinity of NW Sewell Road, both of which provide access to the area. The two expansion areas total 587 acres in size (parcels and street right-of-way) and contain both non-resource land and resource land.

Parcelization, Building Values, Development Patterns

This study area of 587 acres contains 105 tax lots or portions of tax lots that vary in size from less than one acre to approximately 48 acres in size. There is one parcel greater than 40 acres in size, one between 30 and 40 acres, three between 20 and 30 acres, and eleven between 10 and 20 acres in size. Seventy-eight parcels, or seventy-four percent are less than 5 acres in size and twenty-three parcels or twenty-two percent are less than one acre in size. Many of these small parcels are located in the small expansion area section near Highway 26 and NW Shute Road and along NW Sewell Road in the larger section. Seventy-four of the one hundred and five parcels have residences ranging in value from \$40,000 to \$322,000 with twenty-one valued greater than \$150,000. In general, the entire area is open and involved in agricultural activity or functions as a pocket of rural residences.

Physical Attributes (Power lines, Easements, Airport Fly-over Zones)

A power line runs in an east west direction through the center of the larger section of expansion area. There are no other utility lines running through the area. The area is adjacent to the Hillsboro Airport runway protection zone.

Public Services Feasibility

The City of Hillsboro and Clean Water Services are the service providers for this area.

- **Water:** There is a 66-inch distribution line in NW Evergreen Road adjacent to the large expansion area. Pressure reducing valves are in place throughout the line to provide distribution capabilities. This expansion area is easy to serve.
- **Sewer:** Service to this area is separated into two districts. Existing 18 and 21-inch gravity sewers that are located approximately 1,400 feet to the south may serve the southeast corner of the larger expansion area. Serving the remaining portion of the expansion area by gravity would require extensive downstream improvements or construction of new sewers through a developed residential area, as there are no existing large diameter sewers available. This area would be difficult to serve.

- **Stormwater:** Stormwater from new development will be required to be treated with detention, water quality facilities or both. The responsibility for the required treatment will be with the developer, thus impacts to downstream facilities will be minimal. Water quality sensitive areas will have vegetated corridor standards applied to them. This area is easy to serve.

Transportation Services

This area received a moderate overall transportation rating due to a moderate availability level of transportation facilities, a relatively low expected volume to capacity ratio on adjacent arterials and major collectors, and moderate environmental factors. This area did receive a difficult score for a high potential trip generation rate. ODOT has expressed concerns that industrial expansion in the NW Shute Road area may affect the nature and cost of needed interchange improvements both at NW Shute Road and NW Cornelius Pass Road. ODOT would like to see an Interchange Area Management Plan for NW Shute Road be prepared as part of the Title 11 planning for the area. Additional widening of US 26 west of NW 185th Avenue may be needed in the future, but this is not currently identified in the Regional Transportation Plan.

Agricultural Analysis

Zoning

The small section of the expansion area is a pocket of exception land zoned AF 5. The larger area contains exception land zoned AF 5 along NW Sewell Road and resource land zoned EFU and AF 20 by Washington County. To the west is resource land zoned EFU and a pocket of exception land zoned AF10 near the intersection of NW Evergreen Road and NW Glencoe Road. To the north is Highway 26 that separates the area from a large expanse of EFU zoned land. The UGB is to the south and east.

Current Agricultural Activity

The small expansion area near the Shute Road interchange contains no agricultural activity. Over half of the larger expansion area is currently being used for field crop activities and there also are a few forested areas. Approximately 53 acres of exception land are actively farmed. Adjacent land to the east within the UGB is in agricultural production and is primarily field crops. To the west is a large area of field crops. To the north is Highway 26 that separates the area from a large expanse of agricultural land mostly in field crop production. There are seven places of use water permits identified by the Oregon Water Resources Department (WRD) within the expansion area. Six are for irrigation and one for nursery use. These seven places of use permits represent less than a quarter of the study area land. There are ten points of diversion water permits identified by the WRD within the expansion area. Nine of the diversions are for irrigation and one is for storage.

Agricultural Compatibility

Urbanization of this area for industrial uses would result in an increase in traffic on NW Evergreen Road and NW Sewell Road and to a lesser extent on NW Meek Road and possibly NW Jackson School Road. This increased traffic on NW Jackson School Road could have an effect on the transport of agricultural goods between the current UGB and US Highway 26 to the north as well as on NW Evergreen Road. This increase in traffic could also have an impact on the normal movement of farm equipment on these two roadways, although both roads currently carry a heavy load of non-farm vehicle trips that already impact the movement of goods and equipment. Urbanization of this area would

bring new development directly adjacent to actively farmed areas to the north and west. Issues relating to complaints due to noise, odor, and the use of pesticides and fertilizers may occur in these areas. Such complaints are less likely to arise however, from industrial areas than from residential areas. There is extensive farmland to the north across Highway 26, but the highway acts a buffer for this area. The adjacent agricultural activity within the UGB is expected to cease or continue on a smaller scale as the area urbanizes.

Gulch Creek flows east to west across the northern edge of the expansion area prior to flowing into Waible Reservoir to the west. A tributary to Gulch Creek flows briefly through the eastern edge and an unnamed stream flows west through the southern portion of the large expansion area. Beyond the expansion area the unnamed stream flows through agricultural land that is in the UGB on Port of Portland property associated with the Hillsboro Airport. Urbanization of this area will result in increased impervious surface area that may diminish water quality and increase the chance of flooding downstream however; Waible Reservoir may provide some flood control for the downstream farmland. Increased flow may affect the downstream agricultural activities on the Port of Portland property. Urbanization of this area may have an affect on the value of the adjacent land involved in agricultural activities to the north and west. Specifically, the land between the expansion area, Highway 26 and the remaining exception land may be the most threatened as it will be more isolated from the larger expanse of agricultural land to the west. Highway 26 provides a buffer for the agricultural land north of the highway and to a lesser extent the remaining exception land provides a buffer to the agricultural land to the west. In addition, the Hillsboro Airport runway protection zone may also provide a level of protection for the land to the west. The remaining adjacent land in agricultural production is already inside the UGB. Urbanization of this area may be perceived as a continued process of urbanization of the farming community north of NW Evergreen Road. Overall, urbanization of this area would have a moderate impact on adjacent agricultural activity to the north and west.

Environmental Social Energy Economic Analysis

General Character of the Area

The large section of the expansion area can be characterized as flat, open land with the vast majority in agricultural production. There are a number of rural residences along NW Sewell Road. A pocket of rural residences makes up the small section of expansion area near the Shute Road interchange.

Environmental

Gulch Creek flows east to west across the center of the study area toward Waible Reservoir to the west for approximately 0.5 miles. A tributary to Gulch Creek measures approximately 0.07 miles. An unnamed stream flows through the southern portion of the area for approximately 0.95 miles for a total of approximately 1.52 miles of streams. There are 2 small wetlands associated with Gulch Creek in the middle segment of the larger area and a portion of a larger wetland associated with Waible Reservoir, which totals approximately 2.3 acres of wetland in the expansion area. A floodplain follows the entire length of Gulch Creek and has an average width of 300 feet. Additionally, there is a floodplain associated with the Gulch Creek tributary and the unnamed stream for a total length of floodplain of 1.52 miles. There are very minimal areas of slopes greater than ten percent along Gulch Creek. There is no designated open space in this study area. All of Gulch Creek and the unnamed stream have been identified as a significant

Water Area, Wetland and Fish and Wildlife Habitat on Washington County's Rural/Natural Resource Plan. Metro's Goal 5 Fish and Wildlife Habitat Inventory identifies 12 percent of the area land in the inventory. Urbanization of this would have a moderate impact on natural resources as outlined in the ESEE analysis described in the 2003 Industrial Land Alternatives Analysis Study based on the stream corridor length and the associated floodplain that are along the edges of the area.

Social Energy Economic

This expansion area is mid-sized, contains a medium number of parcels, the majority of which are less than 5 acres in size, although there are five parcels greater than 20 acres in size. The majority of the area is open and involved in agricultural activity and there are two concentrations of residential use. Negative economic impacts associated with loss of agricultural activity due to urbanization would be less than the potential economic benefits from development opportunities, especially for the larger parcels. The small parcels that contain residences may not realize an economic opportunity as industrial land based on the value of the existing home and land and the need to consolidate parcels. This is especially true for the small expansion area near the Shute Road interchange. Urbanization of this agricultural area may have a minimal economic impact on the agricultural lands directly to the north between the expansion area and highway 26 due to increased isolation from the larger expanse of agricultural land to the west. Urbanization of this area would result in an increase in vehicle miles traveled, the level of impact depending on the industrial use. This increase in vehicle miles traveled may also negatively affect movement on the Highway 26 corridor. Current residents and adjacent residents outside the UGB would realize negative social impacts from the urbanization of this farmland for industrial use. This is especially true for the residents of the exception land to the north centered on NW Sewell and NW Meek Roads. Due to the negative and positive consequences of including this mid-sized somewhat isolated agricultural area in the UGB, urbanization of this study area would result in a moderate energy/social/economic consequence.

Other Identified Resources

The Washington County Rural/Natural Resource Plan identifies the Shute Residence at 4825 NW 253rd as a historic property.

Cornelius Expansion Area		Gross Vacant Buildable Acres 137	
Total Acres	261	Public Land Acres	5
Total Acres in Parcels	253	Total Developed Acres	32
Resource Land Acres	107	Total Constrained Acres	79

General Site Description

The Cornelius Expansion Area is located on the north side of the City of Cornelius. To the north, east, and west is rural land. The area from The Cornelius Main Street area is approximately ¼ mile to the south and is accessed via N 10th and N 19th Avenues. The area is irregular in shape and Council Creek forms the northern edge of the expansion area on the west end. Access to the expansion area from the north is by NW Cornelius Schefflin Road and NW Susbauer Road, which turn into N 10th and N 19th Avenues respectively within the city limits. Additional access from the south is by NW Hobbs Road, which forms the eastern edge of the expansion area and N 4th Avenue, thus providing four transportation connections to Tualatin Valley Highway. The expansion area is 261 acres in size of which approximately 146 acres are exception land. The remaining 107 acres is resource land.

Parcelization, Building Values, Development Patterns

This expansion area of 261 acres contains 47 tax lots or portions of tax lots that vary in size from less than 1 acre to approximately 30 acres in size. There is one parcel just over 30 acres in size, five between 10 and 20 acres, and eleven between five and ten acres in size. Over half of the parcels (30) are less than five acres in size and five are less than one acre. Eighteen of the parcels, or forty percent have residences ranging in value from \$65,000 to \$259,000 however; all but five are valued less than \$150,000. In general the expansion area can be divided into three land use categories; agricultural activity, rural residences, most of which are not associated with large scale farming activities and vacant natural resource areas along Council Creek. The agricultural activity is occurring on resource and exception land and the natural resources and rural residences are mostly associated with the exception land. There is one rural industrial use located on exception land adjacent to NW Susbauer Road.

Physical Attributes (Power lines, Easements, Airport Fly-over Zones)

There are no power lines or public easements running through the area. Available data does not indicate that this area is within significant range of an airport flight zone.

Public Services Feasibility

The City of Cornelius and Clean Water Services are the service providers for this area.

- **Water:** There is a 72-inch water transmission main that runs east through the City of Cornelius, which has four direct connections to the line. Twelve-inch mainlines are located in N. 4th, 10th, 19th and 29th Avenues, which extend north to the edge of the study area and provide opportunities for looping water service required for fire protection. The City currently has one centrally located reservoir and a second centrally located reservoir is identified in the water CIP for construction in 2005-07. This area would be easy to serve.
- **Sewer:** This area can be served by gravity to an existing 36-inch gravity sewer line located along the entire southern boundary of the study area. The existing sewer line is currently scheduled for an upgrade; therefore any additional

capacity for this area could be easily included in the design of the planned upgrade. This area is easy to serve.

- **Stormwater:** Stormwater from new development will be required to be treated with detention, water quality facilities or both. The responsibility for the required treatment will be with the developer, thus impacts to downstream facilities will be minimal. Water quality sensitive areas will have vegetated corridor standards applied to them. This area is easy to serve.

Transportation Services

This area received an easy overall transportation rating due to a higher availability level of transportation facilities, a relatively low expected volume to capacity ratio on adjacent arterials and major collectors, and a relatively low potential trip generation rate based on the small size of the area. ODOT has expressed concerns that any industrial expansion in this area will have an impact on the NW Glencoe Road interchange on US 26 and add congestion to Tualatin Valley Highway. Safety improvements completed last year at the Glencoe Road interchange have added some capacity for the time being. Other more likely limiting factors may be NW Cornelius Shefflin and NW Susbauer Roads (Washington County roads) leading to US 26. The Washington County Transportation System Plan designates freight routes along NW Cornelius Shefflin Road to NW Zion Church Road to NW Glencoe Road to US 26.

Agricultural Analysis

Zoning

Generally the expansion area can be divided into four sections two each of exception land zoned AF5 and resource land zoned AF20 that form an alternating pattern (Map 1). Proceeding east to west, the area begins with a segment of exception land that extends to NW Susbauer Road with two parcels (one zoned RIND) of exception land protruding into the resource land segment on the west side of NW Susbauer Road. This resource land segment is composed of portions of two parcels and extends west to the end of NW Spiesschaert Road. The next exception land segment contains the parcels adjacent to NW Spiesschaert Road that extend to NW Cornelius Sheffelin Road. The final resource land segment is on the west side of NW Cornelius Sheffelin Road, south of Council Creek. The two exception land areas, which represent a majority of the acreage is zoned AF5. The resource land within the expansion area is zoned AF20 by Washington County. A portion of one parcel that is on the west side of NW Susbauer Road is zoned RIND with the remainder of the parcel zoned AF20. The majority of the land to the north is zoned EFU, but there is pocket of exception land zoned AF10 approximately one-half mile to the north along NW Cornelius Schefflin Road. To the south is the main street district of Cornelius. To the west is resource land zoned EFU and AF20 on the north side of Forest Grove and to the east is resource land zoned AF20 and a small pocket of exception land zoned AF5 directly adjacent to the expansion area.

Current Agricultural Activity

Over half of the expansion area is involved in agricultural activity that is composed primarily of field crops with a small amount of row crops and pastureland. Approximately 60 acres of exception land are actively being farmed. Adjacent to the north, east and west of the expansion area are large areas of agricultural activity that is a mixture of field and row crops, nursery stock and orchards. This area to the north, east and west is part of a very large expanse of agricultural land extending north to Highway 26. There are two places of use water permits identified by the Oregon Water Resources Department

(WRD) within the expansion area that are for irrigation. These two places of use permits cover a very small portion of the western section of the expansion area. There is one point of diversion water permit identified by the WRD within the expansion area for irrigation through the use of a stream. The entire area is within the boundary of the Tualatin Valley Irrigation District, although not all parcels have water rights.

Agricultural Compatibility

Urbanization of this area for industrial uses would result in an increase in traffic on NW Cornelius Schefflin Road and NW Susbauer Road. This increased traffic may have an effect on the transport of agricultural goods produced to the north, east and west as both roads lead to US Highway 26 via NW Zion Church Road and NW Glencoe Road. The Tualatin Valley Highway that runs east west through the center of Cornelius may also see an increase in traffic, which could affect the movement of goods from agricultural areas to the south and west of Cornelius and Forest Grove. The increased traffic north of Cornelius may also have an impact on the normal movement of farm equipment, as the area between the expansion area and Highway 26 has extensive agricultural operations. The Urbanization of this area would bring new development directly adjacent to actively farmed areas to the north and east. Issues relating to complaints due to noise, odor, and the use of pesticides and fertilizers may occur depending on the industrial use. Such complaints are less likely to arise however, from industrial areas than from residential areas.

Council Creek, which forms the northern edge of the western portion of the expansion area (west of NW Cornelius Schefflin Road), acts as a buffer between the expansion area and the adjacent agricultural activity reducing the likelihood of conflict between the two uses. East of NW Cornelius Schefflin Road Council Creek forms the southern edge of the expansion area prior to joining Dairy Creek east of the expansion area. Two unnamed tributaries to Council Creek flow south through the central portion of the area. Urbanization of this area will result in increased impervious surfaces that may diminish water quality and increase the chance of flooding downstream. Council Creek flows through a forested corridor along the southern edge of the area and then crosses agricultural lands to meet Dairy Creek. Increased flow may affect these downstream agricultural activities. Urbanization of this area may affect the value of nearby land involved in agricultural activities by encouraging land banking and speculation resulting in the inability of farmers to acquire parcels needed for agricultural production. However, the agricultural lands to the north are part of a larger expanse of farmland that stretches to Highway 26 and beyond and may be less affected by speculation, as the major portion of farming community would be intact. Alternatively, urbanization of this area may be perceived as a first step of urbanization into this farming community. Only 49 acres of resource land included in the expansion area would be directly adjacent to the actively farmed resource land to the north, thus reducing the potential for speculation and land banking. Overall, urbanization of this area would have a medium impact on adjacent agricultural activity to the north, east and west.

Environmental Social Energy Economic Analysis

General Character of the Area

The area is characterized by flat land in agricultural production, rural residences and natural resources along Council Creek and tributaries.

Environmental





Council Creek flows west to east along the expansion area edges for roughly 2.1 miles and two tributaries flow from north to south through the center of the area for approximately 0.5 miles, for a total of 2.6 miles of stream corridor. There are wetlands associated with Council Creek all along the stream corridor that total approximately 27 acres. There also is a floodplain associated with Council Creek that extends the entire length of the stream corridor and averages about 280 feet in width. Slopes greater than 10 percent can be found along all stream corridors. There is approximately 23 acres of Metro owned open space in this study area. A portion of Council Creek has been identified as a significant Water Area, Wetland and Fish and Wildlife Habitat on Washington County's Rural/Natural Resource Plan. Metro's Goal 5 Fish and Wildlife Habitat Inventory identifies 29 percent of the area land in the inventory. Urbanization of this area would have a moderate impact on these natural resources as outlined in the ESEE analysis described in the 2003 Industrial Land Alternatives Analysis Study, as the majority of the resources are concentrated along Council Creek, which would be protected under normal development scenarios, and not distributed throughout the study area. In addition a significant portion of Council Creek flows through Metro owned open space (23 acres) and the natural resources along this section would be protected and most likely enhanced.

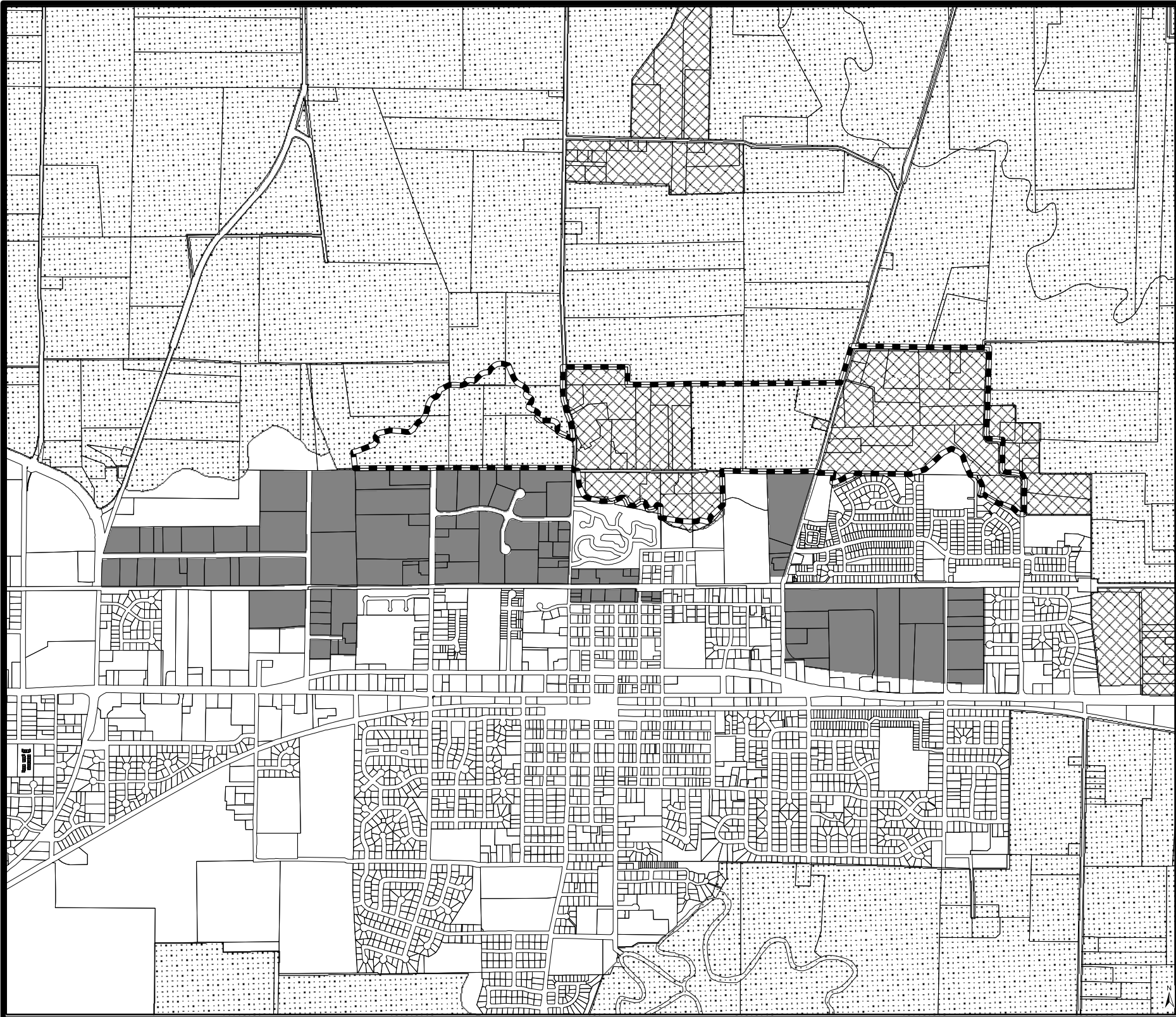
Social Energy Economic

This area is small in size, contains a small number of parcels, most of which are less than 5 acres in size. The area is a mixture of rural residences, agricultural land and natural resource areas. Land in agricultural activity represents approximately half of the expansion area, the majority of which is to be found on the two resource land portions. There are two small pockets of rural residences that make up most of the home sites. The small residential parcels may not realize an economic opportunity as industrial land based on the value of the existing home, land and the difficulty in consolidating parcels. Negative economic impacts associated with loss of agricultural activity due to urbanization would be less than the potential economic benefits from development opportunities. Urbanization of this small amount of land in agricultural productivity would have a minimal economic impact on the adjacent agricultural lands to the north, east and west in terms of equipment and labor sharing. Urbanization of this small area would result in an increase in vehicle miles traveled, the actual impact depending on the future industrial use. Current residents, adjacent residential neighborhoods and adjacent farmers could realize negative social impacts from the urbanization of this farmland for industrial use. However, Council Creek provides a buffer to the adjacent residential areas to the south and the western portion of the area is adjacent to industrially zoned land, thus reducing social impacts to adjacent residential neighborhoods. Due to the negative and positive consequences of urbanizing a small area and the potential minor impacts on adjacent residential areas and agricultural land, urbanization of this study area would result in a low energy/social/economic consequence.

Cornelius Expansion Area

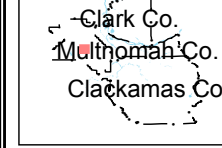
Map 1

-  Cornelius Expansion Area
-  Resouce Land
-  Exception Land
-  Industrial Zoning



The information on this map was derived from digital databases on Metro's GIS. Care was taken in the creation of this map. Metro cannot be held responsible for errors, omissions, or for any consequences arising from the use of the information. However, Metro will not be held responsible for any errors, omissions, or for any consequences arising from the use of the information.

1 inch equals 1,628 feet



Location Map



METRO DATA RESOURCE CENTER
 850 NORTHEAST GRAND AVENUE PORTLAND, OREGON 97232-2738
 TEL: (503) 581-1421 FAX: (503) 781-1859
 @metro.or.gov www.metro-or.gov



CITY OF CORNELIUS

September 12, 2005

Richard Benner, Metro Counsel
 Metro
 600 NE Grand Avenue
 Portland, Oregon 97232

Re: Findings on Cornelius UGB Expansion for Industrial Use

Dear Mr. Benner:

On behalf of the City of Cornelius, I would like to add explanation to the findings of fact submitted and implied by last year's testimony supportive of Metro's recommended Urban Growth Boundary extension just north of our City limits. We want to clarify the importance of inclusion of the 42 acres of Class II farmland that appears to be central to the challenge of our 262 gross acres of UGB expansion.

Findings Corrections

First, I will correct inaccurate site information presented by 1000 Friends of Oregon that turned up in the findings and context of DLCD's remand order.

1. The portion of this expansion area that is north of Council Creek and designated Class II farmland is only 16% of the gross acreage of the site – 42 acres.
2. Part of these two tax lots totaling 42 acres is stream and not farmable, the rest is land that has not been irrigated in over 10 years, lost its water rights and is therefore limited to dry land farming that "barely pays the taxes". (See the Tualatin Irrigation Map & Margaret Lafollette Smith testimony.)
3. Far from a "protrusion" into the core of valuable farmland, these 42 acres are nearly surrounded (approx. 295 degrees of a circle) by urban and exception uses, and as a bridge between exception areas forms a dipping line across an area of existing suburban uses.
4. Industrial use access is good; the site is an extension of an existing high quality industrial park, is divided by a recently improved county freight route (with 2 new freight standard bridges funded for construction in 2006 and 2007, is only 1/2 mile from TV Highway (state freight route) and 5.6 miles, not "18 miles", from Sunset Highway via roads improved in 2005 and a planned new interchange.
5. This area's rating for environmental, energy, economic and social consequences should be high. The City of Cornelius' Goal 5 Natural Resources Plan, requirements and record are clearly stronger than Washington County's. Note Cornelius' ability and recent record of protecting and developing the environmental resources of Council Creek & tributaries, including requiring buffers, restoration and public trail space of residential & commercial

developments, and successful advocacy for Metro approval of a Council Creek Trail system and acquisition of greenspace along Council Creek.

Moreover, reducing commuter traffic along Susbauer and Cornelius-Schefflin roads from Cornelius, which has the longest average commute in the Metro region, by developing jobs within walking and biking distance of employee homes, will reduce energy used and pollution from inefficient auto use and dangerous traffic congestion. More local industry and jobs in a residential heavy area will of course improve the Cornelius economy, financial health, public services and the livability of residents.

Increased Efficiency of Services In Expansion Area

Second, I hope to make it more clear that development of these 42 acres of non-irrigated farmland will lead to more efficient urban service provision for both existing and future uses in the expansion area and uses within the existing urban growth boundary/city limits. Besides the well-known efficiency advantages of urban scale development over exception-scale development, the following specific efficiencies should be noted.

1. With construction of new OTIA funded bridges across Council Creek at Susbauer and Cornelius-Schefflin (bracketing the recommended expansion area and consistent with City industrial/pedestrian standards) in 2006 and 2007, all urban services – roads, water, sanitary sewer and storm water utilities will be developed to the edge of the recommended expansion area. That is to say urban service availability is excellent. (See the example City master plan map.)
2. All Cornelius Comprehensive Plan components are up-to-date (periodic review orders satisfied), including our Transportation Systems Plan and master plans for water, storm water and sanitary sewer systems, and project the efficiencies of service extension into this expanded urban area. (See the example City master plan map.)
3. Water lines particularly must be looped for safe circulation and efficient service. Cornelius currently provides water from Cornelius-Schefflin Road to residents along the 1,000 ft. long dead end Spieschart Road, within the exception area west of the 42-acre farmland parcels. Safer, more efficient and orderly provision of water to existing and future uses in this area and the exception area between Susbauer and Hobbs Road to the east will require extension of water lines from the Cornelius-Schefflin line through the two farmland parcels to the Susbauer line and on through the eastern exception area to the Hobbs Road line. Water line loops keep water fresh, provide adequate flow and backup for water line failure.
4. Transportation connection from the County freight arterial Cornelius-Schefflin to Susbauer between the two sizable exception areas is essential for safety and efficient service for existing and future uses in the expansion area, as well as existing and planned uses within the current UGB/City limits. This requires construction of a road through the two-parcel 42-acre farmland site.

Specifically, the one access to Spieschart Road, a substandard bridge in the Council Creek floodplain, will be moved north when the new Cornelius-Schefflin Bridge is constructed. Public safety standards require a second access, which most efficiently must extend to Susbauer Road (the other side of the two farmland parcels). Additionally, there exists a

meat packing plant on the north side of the farmland parcels that generates traffic that will best be expanded and handled by an industrial collector between Susbauer and Cornelius-Schefflin built to city standards, rather than the current driveway onto the unsignaled county maintained Susbauer Road.

5. Thus the entire recommended expansion area -- exception areas and farm area -- not only can be served more efficiently with water and transportation if served together, but must be served as a connected system to meet safe standards of construction and maintenance.
6. Both storm water and sanitary sewer systems, managed at the basin level by Clean Water Services, have major lines of service running along Council Creek north of Cornelius and Forest Grove. It will be relatively easy to access these services from the north, as it is from existing local lines from the south. (See the example master plan map.)

Increased Efficiency of Services Within Existing Urban Areas

Development of this recommended expansion area promises to increase the safety, efficiency, affordability and orderliness of urban service provision within the current UGB/City limits, as well. There are significant economies of scale inherent in developing on the north side of recent and current public and private improvements. The costs of base infrastructure improvements, including recent freight route widening, new bridges, storm water and sanitary sewer lines along Council Creek and the new 72" water line the length of Cornelius are the same with or without development along the north of these services. Local and county share of capital costs and system-scale maintenance costs are virtually the same. Additional development adds private system development fees to share in paying for system maintenance and more ongoing utility fees to pay for service. More development north of Council Creek will also tend to geographically center Clean Water Services infrastructure along Council Creek and thus spread out the cost/value of those major service investments to closer-in users.

Development of the recommended expanded area will increase the safety and reduce maintenance problems within the current UGB/City limits. Water line loops made possible by development of the expanded area will reduce the danger of back-up and contamination problems into existing development within the current City limits. (Inherent in the dead end water line along Spieschart Rd.) Alternatives to road access safety problems within the current UGB/City limits, including dangerous current accesses in the Council Creek floodplain and uncollected driveway accesses both inside and very near the City limits along Susbauer Road can be constructed only with the resources of private development and reviewed under City urban standards.

Industrial Land in Cornelius -- Characterized

Much of Cornelius' industrial/commercial base supports the agricultural industries surrounding our community. New Seasons Food and Sabroso fruit processing plants, Hazelnut Growers of Oregon Coop, Pacific Harvest Supply Company, Fisher Implements and the new Coastal Farm Implements store are examples. Without nearby urban space for processing, supply and fueling businesses, and sustainable living areas for agricultural workers, agriculture industry costs go up and health goes down.

Only 9% of land within the UGB/Cornelius city limits is currently zoned for industry. Only 45 acres are vacant for industrial development. A combination of lots totaling 20 acres is the largest area

available for industry. There is a growing demand for agriculture supportive industry. The City is in great need for local jobs for our residents, many of which are agriculture workers, and for industry to increase our tax base to sustain our services.

Recent examples of demand for industrial space that we have not been able to meet include, Sabroso Fruit Processing Company which needed 20 acres to expand into, couldn't deal with the one package of 20 acres available, and moved to Woodburn in 2004. The Hazelnut Growers of Oregon want to move their processing plant from the center of our commercial area of town to twice their current 10 acres at the edge of a town. And there is commercial business demand for their central location.

Industrial uses are generally a good buffer between agriculture uses and higher density residential and commercial uses. The fact that industrial demands for transportation facilities are more similar (freight/farm equipment) to farm uses, than residential and commercial uses (autos & transit), supports the conclusion that this recommended UGB expansion would result in less conflict between farm and town uses than a future with no expansion.

In summary, use of the 42 acres of farmland in question for industrial development will be better for the agriculture industry than its continued use as an island of subsistence dry land farming, with fewer resources and unmet need for road improvements and effective buffers.

The recommended expansion of 262 gross acres on the north side of Cornelius will result in three efficiently served groups of parcels of over 50 acres each – an excellent resource for both urban and agricultural community. It will most importantly meet the six critical community and regional needs the City of Cornelius originally identified in its proposal for UGB expansion in 2002.

1. Increase the meager supply of medium-large lot industrial land
2. Support specific agriculture and high-tech industries that are regionally significant, locally based, publicly invested in and widely acclaimed
3. Provide efficient, cost-effective and safe urban services for existing & projected citizens & businesses, and for adjacent exception and rural lands
4. Sustain regionally significant natural resources, particularly along Council Creek
5. Provide local jobs for the community with the longest average commute in the region, thus saving time, energy and relieving traffic congestion
6. Make Cornelius a more complete, balanced and financially sustainable community

I hope, I have added clarity to these original objectives and our need for the 42 acres under special scrutiny. We have wanted from the start for this small UGB expansion for future industrial uses to be a proactive balancing of two important and interdependent super-objectives – protecting agricultural land in this rich Tualatin Valley and building a complete sustainable community in Cornelius.

Your partner in reaching all of Oregon's land use goals,


Richard Meyer
Development & Operations Director

Copy: Pam Berry & Amy Scheckla-Cox

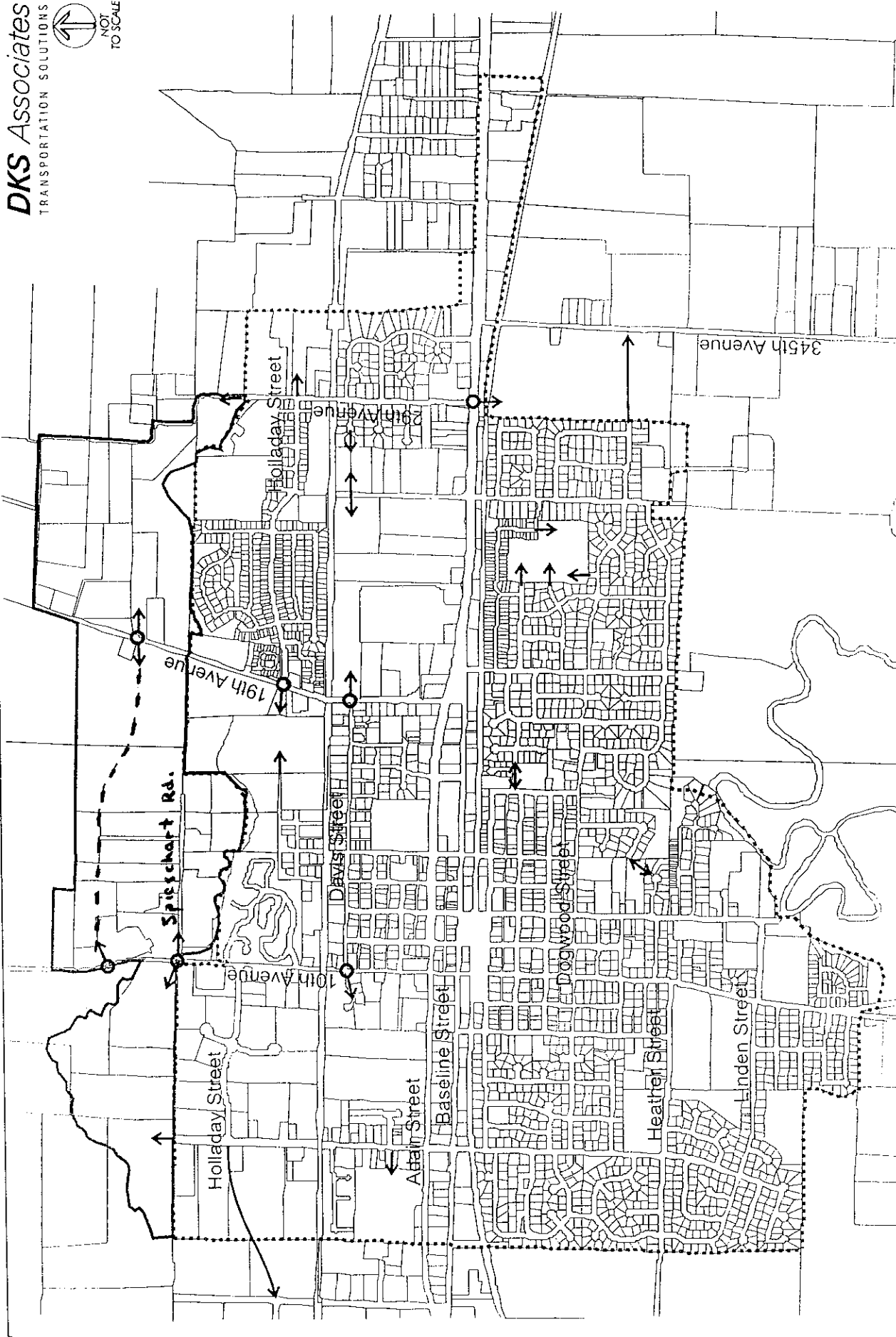
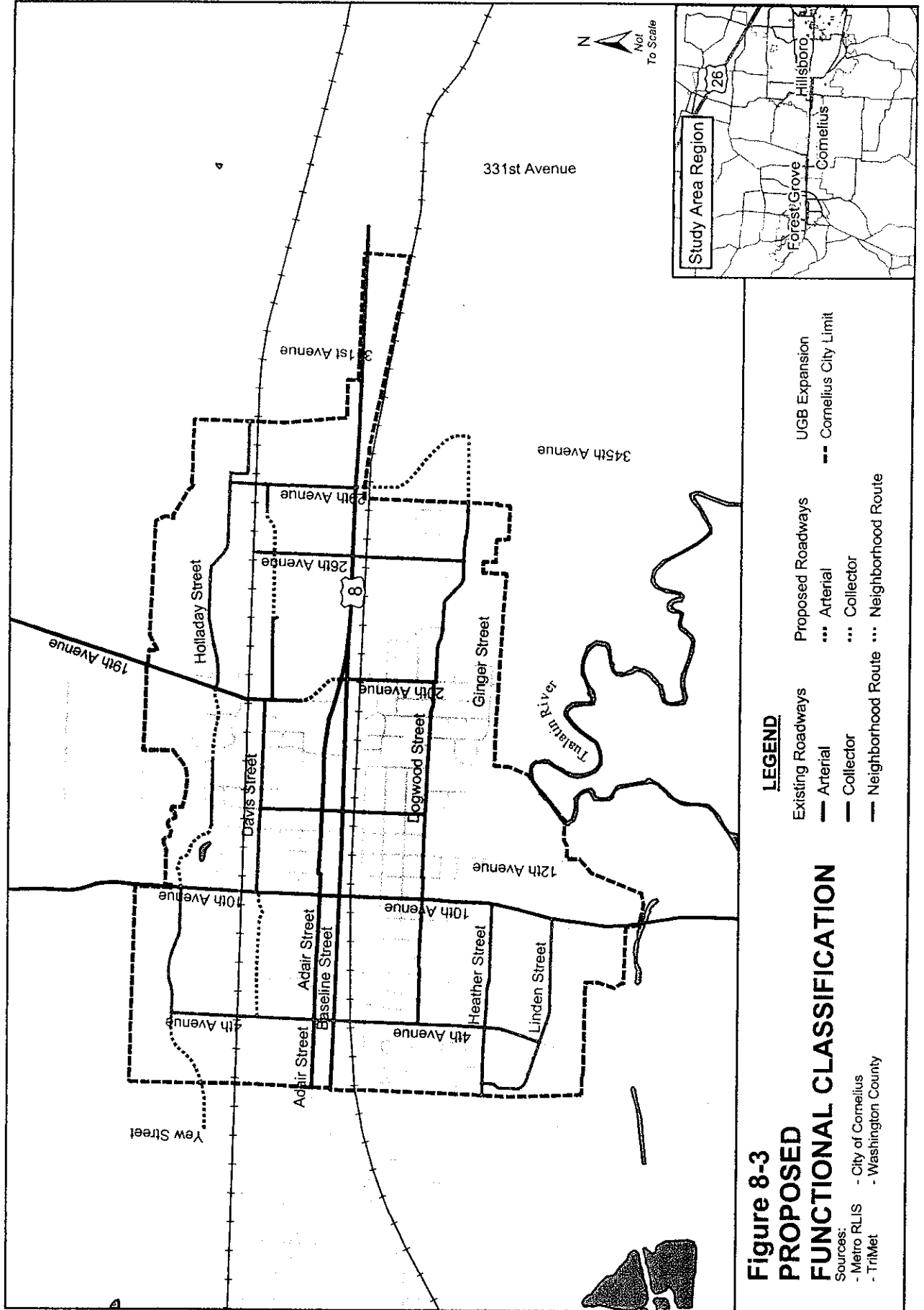
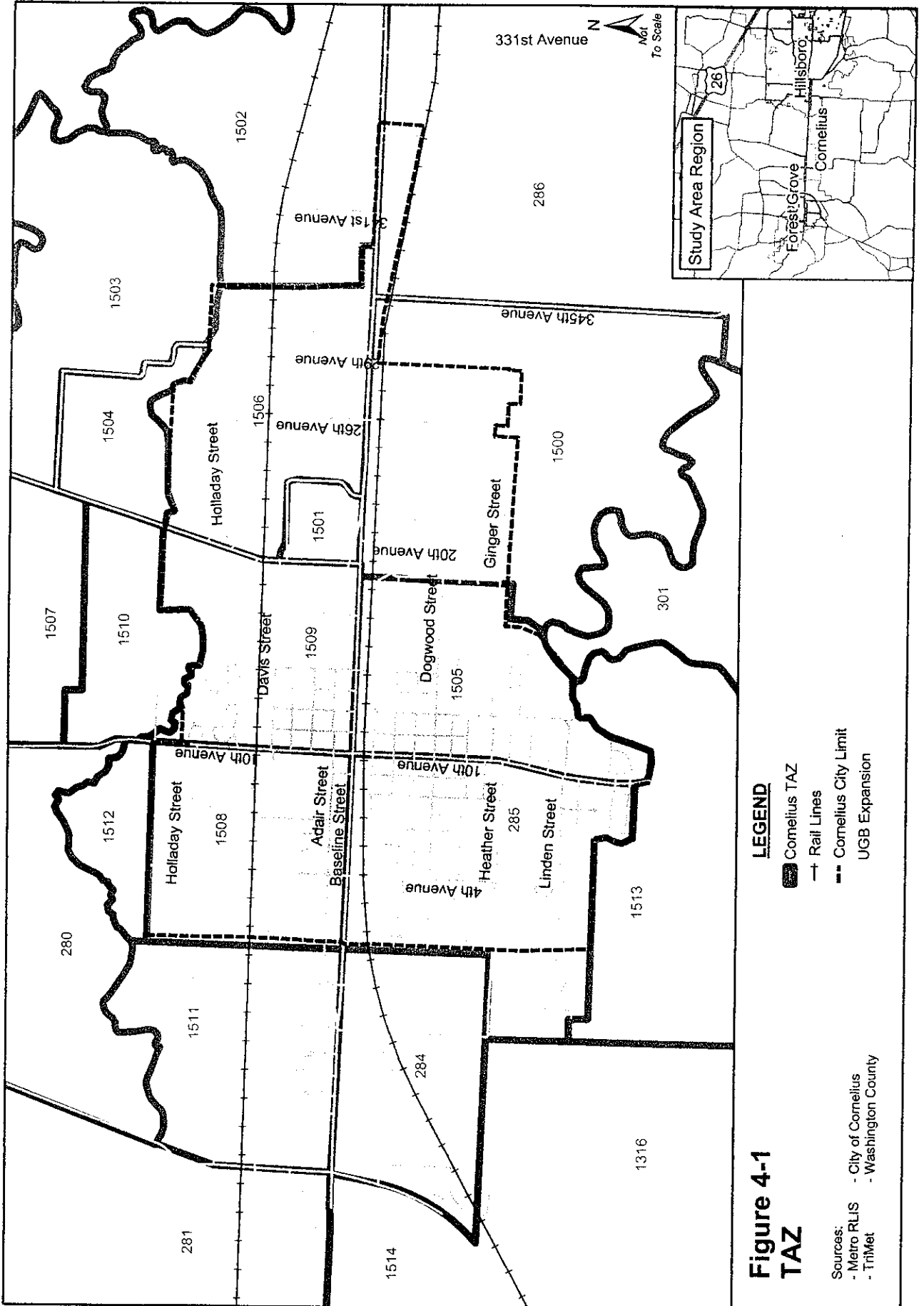


Figure 8-2
STREET CONNECTIVITY MAP
& WATER

- LEGEND**
- - Access Point on Existing Arterial
 - ↔ - Street Connection (Motor Vehicle/Ped/Bike)

NOTE: Connections are conceptual only, additional studies should be completed for specific alignments.





**Figure 4-1
TAZ**

Sources:
- Metro RLIS
- TriMet
- City of Cornelius
- Washington County

LEGEND

- Cornelius TAZ
- Rail Lines
- Cornelius City Limit
- UGB Expansion

LONG RD

19

21

20

CORNELIUS SCHEFFLIN

CMS 47
Council Creek
Trust

F-2

SPIESSCHAERT

HOLLADAY

4TH

SUSBAUER

22

HOBBS

HOBBS

F-3

Council Creek

F-4

23

24

n Northern RR

ADAIR

MH-1
TYP

DAVIS

19TH

ADAIR

ALPINE

BASELINE

Pacific RR

8TH

10TH

12TH

P-4
P-3
P-2

HEATHER

DOGWOOD

KODIAK

GINGER

P-11 - P-12

26TH

29TH

BASELINE

341ST
338TH
336TH

31

28

27

26

29

32

CMS
Council
Trust

Burfin

HOBBS

HOBBS

CORNELIUS SCHEFFLIN

Council Creek
Trunk
CWS 42"

Council Creek

SUSBAUER

SPIESSCHAERT

HOLLADAY

North Drainage Basin
South Drainage Basin
Burlington Northern RR

4TH

6

3

19TH

DAVIS

5

8

7

ADAIR

10"

10"

10"

BASELINE 10"

26TH

3

29TH

1

BAI

Mission Trunk
Southern Pacific RR

ALPINE

ALPINE

8TH

10TH

10TH

9

13

16

15

14

DOGWOOD

12"

15"

10"

10"

12"

10"

1"

10"

10"

10"

CWS 30"
Forest Grove
Mission Trunk

HEATHER

12"

12"

24"

24"

15"

15"

15"

15"

15"

CWS
12" and 14"
Force Mains

15"

24"

24"

15"

15"

15"

15"

KODIAK

17

17

17

17

17

17

17

17

GINGER

10"

10"

10"

10"

10"

10"

10"

10"

North
Drainage
Basin

15"

15"

15"

15"

15"

15"

15"

15"

HOBBS

HOBBS

SUSBAUER

SPIESSCHAERT

CORNELIUS SCHEFFLIN

Council Creek Trunk
CWS 42"

CWS Council Tru

4TH

HOLLADAY

orthern RR

ADAIR

DAVIS

Trunk
RR

ALPINE

BASELINE

BASELINE

19TH

26TH

29TH

ALPINE

12TH

10TH

8TH

DOSWOOD

HEATHER

KODIAK

CWS
12" and 14"
Force Mains

ve Trunk

GINGER

