

RESERVES STEERING COMMITTEE MEETING #9

ANNOTATED AGENDA

Date: December 10, 2008
Time: **9:00 a.m. to noon**
Place: Council Chamber, Metro Regional Center
600 NE Grand Avenue, Portland

I. Welcome and Introductions (9:00 – 9:20)

Debra Nudelman, facilitator

- Agenda review
- Adoption of November 12, 2008 meeting minutes
- Updates since last meeting

Packet materials: November 12, 2008 meeting minutes.

II. Public Comment (9:20 – 9:30)

III. Update on Phase 3 Suitability Analysis Work (9:30 – 10:00)

Core 4 staff

Desired Outcomes: Update on technical activities and county advisory committee activities related to study area suitability analysis.

Packet materials: None.

IV. Making The Greatest Place: Employment and Economic Trends Project (10:00 – 10:30)

Eric Hovee, ED Hovee and Company LLC

Desired Outcomes: Understanding of Metro's Employment and Economic Trends project and how it will inform the Reserves process.

Packet Materials: None (handout at meeting).

V. Break (10:30 – 10:45)

VI. Making The Greatest Place: Local Aspirations (10:45 – 11:15)

Chris Deffebach, Metro

Desired Outcomes: Understanding of Local Aspirations work currently underway around the region and how it will inform the Reserves process.

Packet Materials: None (handout at meeting)

VII. Phase 3 Public Outreach/Education Process (11:15 – 11:30)

Core 4 staff

Desired Outcomes: Initial discussion of how the Coordinated Public Involvement Plan will be implemented in Phase 3 of the Reserves program.

Packet Materials: Staff memorandum; also refer to Coordinated Public Involvement Plan, previously distributed at the April 2008 Reserves Steering Committee meeting.

VIII. Looking Forward to 2009, Next Steps and Wrap-up (11:30 – noon)

Core 4/Debra Nudelman

- Process to fill open positions on Reserves Steering Committee for 2009
- Upcoming meetings & topics
- Confirm agreed-upon next steps
- Meeting summary

IX. Adjourn

Upcoming meeting topics (draft - subject to change):

Wednesday, January 14, 2009

- Phase 3 suitability analysis: initial screening results and discussion
- Making The Greatest Place update

Wednesday, February 11, 2009

- Continued discussion of Phase 3 suitability analysis initial screening results; policy direction from Committee
- Discussion of secondary screening process
- Public outreach/education update

Wednesday, March 11, 2009

- Continued discussion of secondary screening process
- Making the Greatest Place update: Local Aspirations, Employment Trends

Wednesday, April 8, 2009

- Phase 3 suitability analysis: secondary screening results and discussion; policy direction from Committee

Note: public education/outreach phase being planned for February/March 2009; details to follow

**RESERVES STEERING COMMITTEE
DRAFT MEETING SUMMARY**

November 12, 2008; 9:00 am – 12:00 noon
Metro Regional Center, Council Chambers

Core 4 Members Present: Washington County Chair Tom Brian, Multnomah County Commissioner Jeff Cogen, Metro Councilor Kathryn Harrington, Clackamas County Commissioner Martha Schrader.

Reserves Steering Committee Members Present: Chris Barhyte, Shane Bemis, Jeff Boechler, Craig Brown, Bill Ferber, Karen Goddin, Judie Hammerstad, Kirk Jarvie, Gil Kelley, Charlotte Lehan, Greg Manning, Sue Marshall, Mary Kyle McCurdy, David Morman, Alice Norris, Greg Specht, Jeff Stone.

Alternates Present: Drake Butsch, Bob Clay, Jim Johnson, Donna Jordan, Richard Kidd, Jim Labbe, Bob LeFeber, John Pinkstaff, Lidwien Rahman, Bob Rindy, Marc San Soucie.

Also Present: Judy Andreen, Chuck Beasley, Dick Benner, Bob Bobosky, Susana Brennan, Gretchen Buehner, Carol Chesarek, Steve Cohen, Karol Collymore, Danielle Cowan, Brent Curtis, Mike Dahlstrom, Donny Elsner, Jim Emerson, Mark Griffin, David Halseth, Jon Holan, Tony Holt, Adelle Jenike, Vern Johnson, Catherine Keith, Tim Knapp, Christine Kosinski, Art Lutz, Robin McArthur, Doug McClain, Rob Murch, Jim Needham, Tim O'Brien, Mark Ottenad, Ron Papsdorf, Joanne Rigutto, Dan Riordan, Joseph Schaefer, Stephen Shane, Steven Sparks, Dick Springer, Ric Stephens, Thane Tienon, Jessica Tump, Ray Valone, Gayleen Weiler, John Williams.

Facilitation Team: Debra Nudelman, Aurora Martin.

I. WELCOME AND INTRODUCTIONS

Deb Nudelman called the meeting to order at 9:13 a.m., welcomed everyone, made brief introductory remarks, and asked attendees to introduce themselves.

Deb provided an overview of the agenda and meeting materials, and asked for comments or amendments to the September meeting summary.

Greg Manning asked that his comments at the bottom of page 2 be revised to read “in coordination with the Reserves Business Coalition” and “to look at development constraints from an industrial and commercial development perspective.”

There being no other amendments, the summary was adopted as final pending the agreed-to revisions. Deb then asked for updates since the last Steering Committee meeting.

Gil Kelley introduced his memo outlining concerns he raised at the August Steering Committee meeting about the timeline for recommendations to designate long term urban and rural reserves. This memo was in response to Mayor Drake's suggestion to put those concerns in writing. Gil is concerned the Steering Committee cannot make an informed decision about 50-year needs before there is an understanding of the 20-year needs. In addition, he is concerned there will not be

enough time to communicate Steering Committee recommendations to local governments and their constituents. Gil noted that although this meeting might not be the appropriate time to do so, he would like to discuss this subject further.

Marc San Soucie reported that Mayor Drake has read the memo and agrees with Gil Kelley's comments.

Greg Specht agreed that this meeting is not the right time to discuss this memo. He said the Steering Committee needs to stick with the current timeline and that changing the timeline now would be inappropriate.

Councilor Harrington noted that there is time on the December 10 agenda for Metro staff to provide further information about work going into the Urban Growth Report that may or may not address concerns expressed in the memo.

Deb Nudelman stated that the memo is now part of the record. Project management team staff will take the memo into consideration and determine if and where it should appear on the December 10 agenda. [Action Item]

Greg Manning reported that the mapping presentation he gave at the September 10 meeting has now been presented to all of the county reserves committees. He has one more presentation scheduled with the Clackamas County economic development group later this month.

Commissioner Schrader reported that Clackamas County is continuing work on the first cut on reserve areas. She gave a presentation at a recent Clackamas County reserves committee meeting about where the Steering Committee is in the process.

Chair Brian reported that in Washington County, the urban and rural reserves steering committee approved the study area and presented the study area to the Board who approved it as well.

Commissioner Cogen reported that the Multnomah County Citizens Advisory Committee (CAC) met since the last Steering Committee meeting. That group started the conversation about urban and rural reserves and is running into challenges about making decisions before knowing the estimated population growth in the area.

Deb Nudelman drew Steering Committee members' attention to the fall joint MPAC and JPACT meeting schedule.

Councilor Harrington noted that there is information coming out of each of these meetings. Metro Council has made a commitment to try different tools and see how the different scenarios fit into the process, so it can come up with a discussion guide before making a decision in the latter part of next year.

Deb Nudelman also noted the 2009 Reserves Steering Committee meeting schedule and asked Steering Committee members to let staff know of any major conflicts involving multiple Steering Committee members.

Deb Nudelman then asked for public comment.

II. PUBLIC COMMENT FOR NON-AGENDA ITEMS

Carol Chesarek, Forest Park Neighborhood and Multnomah County Reserves CAC, does not feel there is a clear standard for how to define which areas are subject to urbanization and which are not. She referred to the memo from staff in the meeting packet and noted that on page 2, under the first bullet, it focuses on areas potentially subject to urbanization. She said this passage seems to imply that some areas do not need to be considered for rural reserves. She believes it is necessary in this initial phase to pay attention to rural reserves near the UGB and urged caution about eliminating rural reserves this early in the process.

Christine Kosinski, Hamlet of Beavercreek, reminded the Steering Committee of the Rural Perspectives folder that was handed out at the August 13 meeting. She then read a letter she wrote titled “Don’t Go Down a Slippery Slope! Natural Hazards” discussing concerns about natural hazards such as steep slopes and areas subject to landslides. This letter will be posted on the Reserves website.

Gil Kelley agreed that the location of steep slopes is an important topic and asked if the Steering Committee could get a report at the next meeting about LIDAR mapping and feasibility from Metro staff.

Councilor Harrington responded that the Core 4 can take the request and see if and when that can be done, but it is not in a position to commit Metro staff time. [Action Item]

III. UPDATE ON BROAD STUDY AREA MAP ENDORSEMENT

Deb Nudelman reminded the group that at the September 10 meeting, the Steering Committee was asked to give an endorsement of the broad study area map, which it did. Each of the Core 4 took that consideration back to their boards and commissions. Deb noted that the check mark of having the boards give their approval is a small check mark but it is a critical one to make sure everyone is being rigorous and moving forward. She then asked each of the Core 4 to provide a report on the decisions of their boards.

Chair Brian reported that the Washington County Reserves Coordinating Committee discussed the study area, recommended it to the Washington County Board, and the Board approved the study area. There were a number of questions about the Steering Committee process, such as how to narrow the study area of 400,000 acres to the necessary area of reserves without knowing population and employment numbers.

Commissioner Schrader reported that she presented the broad study area map to her commission and they are in agreement that the broad study area is a good place to start. Clackamas County technical staff has begun work on how to apply the factors.

Councilor Harrington reported that the Metro Council adopted a formal resolution that passed 7-0 to endorse the broad study area. She appreciates all of the input from the Steering Committee and that of other advisory committees.

Commissioner Cogen reported that the Multnomah County CAC endorsed the broad study area. It was then brought before the Board of Commissioners in a briefing, and the Multnomah County commissioners all gave head nods in approval for the broad study area.

Lidwien Rahman asked for clarification if the broad study area included the piece of land north of Molalla.

Commissioner Schrader confirmed that piece is not included in the broad study area.

Deb Nudelman stated the records will show that the study area has been endorsed. She noted that the technical work will be occurring through the spring when the Steering Committee will come to its next set of decision points.

Chris Barhyte asked for confirmation that as the process continues, and if other areas are found that make sense for inclusion into the study area, that they will not be precluded from being considered.

Councilor Harrington said yes. As was stated in the last meeting, this group reserves the right to “get smarter.”

IV. LOCAL FOOD SYSTEM PRESENTATIONS AND DISCUSSION

Weston Miller, Chair of the Portland Multnomah Food Policy Council (FPC), presented information from the FPC urging the Steering Committee to keep direct market farms in mind as it recommends designations for urban and rural reserves. The FPC has prepared a set of maps to be used as a tool for designating urban and rural reserve areas. He noted that agriculture and growth are often contradictory land use patterns and the FPC is concerned there will be less agricultural land available as the region grows. He noted that regional and urban food supply is emerging as a hot topic as consumers grow more interested in small ecological footprints, food security, food system education, and supporting the local farm economy. Support of the local farm economy can be done through direct market farm strategies such as CSAs, farmers’ markets, farm stands, and direct sales to groceries and restaurants. There has been an increase in Oregon in direct market farms, and it is becoming a significant sector of the economy. The average size of the direct market farms is 45 acres, and 19% of those farms are within the UGB. Agriculture is a vibrant industry in the region and this process provides an opportunity to maintain the current base while enhancing the industry through policy.

Gil Kelley asked what percentage of farms are located within the study area if 19% of farms are within the UGB.

Jim Johnson responded that it would be about the same number. The 19% includes all urban areas within the region. At the beginning of the mapping exercise, it became obvious that local food production is no longer niche marketing but rather is becoming an important and mainstream agricultural base. The main farmers’ market in Portland is going to have to expand because it cannot handle the number of people who visit it. In addition, 2-3% of value of fruit and vegetable sales in Portland come from farmers’ markets.

Lidwien Rahman noted that the map is missing a couple of farmers’ markets such as the Hillsdale market on Sundays and the Multnomah Village farmers’ market on Thursdays.

Jeff Stone said this further demonstrates the complexities and priorities that agriculture has in Oregon. He reminded the group that the nursery industry is one of the largest in the state. The Oregon State University Extension Service tries to show varying degrees that agriculture touches all our lives.

Charlotte Lehan pointed out a minor mapping error. Charbonneau is inside the UGB and is not foundation agriculture land.

Greg Specht asked if there were specific criteria, such as dollar sales or length of time selling to farmers' markets, used to list these farms as vendor farms.

Weston Miller responded that all the farms that were included are direct marketing to farmers' markets in the Portland area. This number does not include any farms that are selling exclusively to restaurants or groceries.

Greg Specht clarified that he was trying to understand the size of the farms.

Jim Johnson said that the database is extensive but incomplete. The City of Portland collected information from farmers' markets, CSAs, and farmers in the tri-county area. The farms range in size from one tenth of an acre to 500 acres. The estimated number of farms is conservative.

Chris Barhyte noted that the cities have a challenge to protect that agricultural resource.

Deb Nudelman introduced Sheila Martin, Director of the Institute of Metropolitan Studies at Portland State University.

Sheila Martin gave a presentation summarizing Portland State's recently released Food System Sustainability Assessment. The scope of analysis included everything from the soil to associated health impacts of what people are eating to how the waste from packaging is disposed. All of Washington and Oregon were considered in collecting the supply data and the demand data was derived from the seven-county Portland metropolitan region. Researchers gathered information from reliable data sources, literature, and stakeholder interviews. The findings concluded that some farmers would like to expand the size of their farms but land prices have increased as the amount of urban land is increasing. There has been a rise in cash receipts, but those do not tell whole story without adjusting for inflation. Agricultural land competes for food and non-food uses, although some areas are not appropriate for non-food crops. Water is critical to the food system and the amount of groundwater being used is increasing as are concerns about the impact of agriculture on water quality.

Other challenges facing the farming community are rising energy prices and an increasingly aging work force. However, farm production is a linchpin of the entire food cluster. If farm production in an area stops, then other areas of food system would disappear as well. Direct selling is important as it significantly increases the amount of consumer dollar the farmers are able to keep.

Chair Brian asked if the study has numbers on how many of the small farmers are engaged in second jobs.

Sheila Martin responded that many families earn money from other areas as well.

Chair Brian asked what percentage of the farms participating in farmers' markets engaged in selling at several locations.

Sheila Martin noted that there has been discussion about the need for better infrastructure and storage facilities to make it easier for farmers bringing food from far away to participate.

Jim Johnson noted that almost 100% of farms participating in farmers' markets are engaged in other channels. 98% of farms in Oregon are family-owned, and there are not many industrial farms. However, 42% of the total acreage in Oregon is managed by 6% of the farms. He noted that the footprint of Oregon agriculture is large but the data is skewed by small family farms.

Sue Marshall was pleased to see that community gardens were included in the study. There are 1,000 people in Portland on waiting lists for community gardens. She noted it is good to know there are green spaces to support the food system, and they provide additional benefits to recreation and health.

Greg Manning observed it was stated that 2-3% of produce is grown locally. He asked if there were numbers showing how much of the food dollars spent in the Metro region is produced here.

Sheila Martin responded that they have not been able to find that out and does not know of any source for information to show how much food that is produced locally is consumed locally.

Jeff Stone noted that some of the information is market-based, as with the farm-to-schools program. The point is valid and one to which the agricultural community hopes to get an answer.

Weston Miller pointed out the need for more research in the valley to get a picture of the whole impact to agriculture in the Metro region.

Mary Kyle McCurdy asked for clarification as to where the information about 2-3% of produce being grown locally comes from.

Jim Johnson responded that the 2-3% statistic comes from information from the Portland farmers' markets.

Jim Labbe noted that early on in this process, maps of natural features were prepared and he is curious to know how that work is progressing.

John Williams responded that some mapping work has been completed. Each of the Core 4 jurisdictions has that information and it can also be made available to this group, possibly in electronic format before the next meeting. [Action Item]

V. PHASE 3 SUITABILITY ANALYSIS OVERVIEW

John Williams reported on the Reserves Phase 3 suitability analysis work program on behalf of the Core 4 project management team. He said the project management team is focusing on the broad work first followed by the screening and iterative approach. Integration with the broader Making

the Greatest Place work is also being done. The initial screening focuses on identifying candidate areas to be studied in more detail. On the rural reserves side, overlay mapping is being used to identify general areas of suitability. While this would not mean an area would have to be strong in all three areas to be defined as rural reserves, it could be used to identify candidate areas. Also, staff is looking at ways to determine if an area could be subject to urbanization over the next 40 to 50 years since that is a potential tool for selection of rural reserves under the factors.

On the urban reserve side, expert panels of utility and service providers have been convened to get an idea of serviceability to different areas. That information will be brought back to the Steering Committee to inform its recommendations. The second piece in the initial screening for urban reserves is the broad-scale mapping of factors such as proximity to population and employment centers, development constraints, and slope and wetlands factors.

Results of the initial screening work will be discussed with advisory committees at upcoming meetings and then will come to the Reserves Steering Committee. Some areas might be eliminated from consideration and others might not be, however it is still early to make that decision. If some areas are eliminated, then staff can focus their work on further analysis elsewhere. There is an anticipated round of public outreach in early 2009 as that will be a good point for an update about the process and where it is at so far.

Judie Hammerstad noted that in Clackamas County, the advisory committee is composed of representatives from smaller cities. Apart from being on the Steering Committee, there is no other way for larger cities to participate in the process. She asked if each of the counties is structured in the same way.

Commissioner Schrader said there was a reason why the county came up with the composition of the committees in the way they did. The Core 4 felt secure that larger cities would be active in the region and at the Steering Committee. She noted that the Core 4 tried to balance the weight of the larger cities with opportunities available and had no intention of excluding anyone from conversations. She asked if that is a concern, that it be discussed. All information being disseminated at the regional table is extremely transparent.

Judie Hammerstad is concerned how the Core 4 will be making decisions. Each PAC will feed into the Boards' decisions, so larger cities have to make another attempt to get their information into that decision. She feels the cities should have a say in the whole process because they will be the urban service providers.

Commissioner Schrader noted that Judie mentioned the C4, which includes all the municipalities in Clackamas County coming together. The Core 4 is attempting through that structure to make sure each city has significant input.

Greg Specht said he is looking forward to the work product that will show what the candidate areas are. He asked if there is a way to distribute that information electronically before the December 10 meeting.

John Williams answered that he will take that request back to the project management team and see if that can be done. He noted that staff will notify the Steering Committee in advance about what can be done by when. [Action Item]

David Morman appreciated the food system presentations. He noted that the forestry sector provided a technical mapping presentation in May. He would be happy to make that information available again electronically or through an additional presentation. He believes it is unclear right now how to make sure the technical information provided by the forestry sector is correctly interpreted.

Lidwien Rahman said she is on the technical panel for transportation. When the panel last met, it focused on scenarios to build transportation infrastructure and specifically, a road network. She pointed out that there was no assessment done on the current system and its ability to accommodate existing as well as future traffic. She feels it is important that this is considered as part of Phase 3. She is also concerned that TriMet was not represented at the meeting.

John Williams noted that TriMet was invited to the meeting but was unable to attend. Staff understands that all modes of transportation need to be included. In this phase, staff is gaining a broad understanding of issues and will get more specific as the process proceeds.

Gil Kelley drew attention to the diagram on page one of the memo. With respect to the governance characteristic, he asked when the question of the growth that has occurred in unincorporated areas of Washington County will be dealt with.

Chair Brian noted that issue is being raised. There is clearly a large unincorporated population. Once population and employment goals are identified, the answer may be more clearly defined. There are some areas that cities would like to have in their jurisdictions and others they are not interested in. Governance decisions are going to be identified over the next 12 months.

Gil Kelley said he does not see this as a screening issue.

Chair Brian agreed he does not think it is possible to do a clear early screening on that issue.

Sue Marshall commented that certain cities are moving forward with designations independent of this process. She asked how the early designation of reserves around the city of Hillsboro fits in to this process.

John Williams answered that different cities around the region are in different phases of their planning for the future. The Core 4 is working with all cities to coordinate a consistent view of the future. While some cities are out ahead a little, it does not mean they are separate from this process.

Councilor Harrington noted that the reserves around the city of Hillsboro are not a formal designation but rather an expression of their area of interest.

Chair Brian said that both the counties and Metro have been talking with cities to know what their interests are and some have moved more quickly through that process. Hillsboro has identified areas they would like discussed as possible reserves areas.

Greg Manning asked that when the first pass at candidate reserves areas is released if a suitability analysis that led to those decisions will be released as well.

John Williams confirmed that staff will be able to explain all recommendations made about the suitability of reserve areas.

Greg Manning noted that there will be discussion from the business coalition about how to digest and inform the peer review of that information.

John Williams said that the initial mapping work that was done will have to be refined in order to make findings down the road. There will need to be an understanding of how sections of land will respond to each of the factors, and staff will conduct a more detailed analysis to inform policy decisions that need to be made. On the urban reserves side, there are a couple of things to do when candidate areas are identified, such as constraint mapping. The screening metaphor will be important in this phase. At this phase it is not possible to get to a very specific level of detail. Also, it is not enough to understand detailed analysis of suitability, but they also need to understand where the region is headed and how much capacity needs to be included. In early 2009 we hope to have some initial understanding from local governments about what their aspirations are, as well as some initial population and employment numbers. That is a critical piece of the puzzle for making reserves decisions.

Deb Nudelman noted that due to time constraints, the Core 4 will not provide updates on their county processes.

VI. REGIONAL INFRASTRUCTURE ANALYSIS

Malu Wilkinson provided a summary of the results from the Regional Infrastructure analysis that began a year ago. The executive summary of the report is provided in the meeting packet. She noted that infrastructure is key to supporting future growth. In order to meet growth needs and support the current population, the analysis looked at not only pipes, pavement and wires, but also parks, plazas, parking structures, schools, and civic buildings. Results showed that residents have an expectation that basic infrastructure will be provided. Infrastructure is facing funding challenges as both federal and state spending on infrastructure is declining and local funding is restricted. The Infrastructure Advisory Committee found that the state needs about \$10 billion in upgrades to accommodate the growing population, and about half of that gap is not currently funded. Transportation takes the largest portion of infrastructure investment, and a large amount of money is devoted to maintenance.

Water and sewer issues are causing additional challenges. The region will need more water and standards governing how water is treated and returned to the system are becoming more stringent. Different infrastructure for retaining water year round is also needed. About 150 new school facilities will be needed by 2055. Additional parks, open spaces, and civic buildings help make the area a good place to live, although bonds have been difficult to get passed. The study also concludes that the region will need two to three new 400 MW power plants, which will also bring the challenge of how to site transmission lines.

Another piece studied in the analysis was how the public can best invest in infrastructure. Experts agree that compact growth reduces infrastructure costs. The analysis looked at 17 case studies, five of which were in urban redevelopment locations. In order to standardize costs, the analysis looked at Equivalent Dwelling Units (EDU). Metro has also recently received feedback from the business community, as well as other groups, about how to improve this work. Because of the wide variation

between projects, it is difficult to make comparisons between sites. In North Main Village, the cost of needed infrastructure was about \$8,000 per EDU, while the SW Tualatin concept plan would cost an estimated \$180,000 per EDU. The biggest issue right now is infrastructure funding. Regional costs for roads, bridges, and transit account for the largest portion of the cost, however no one is directly paying for the regional system even though everyone is benefiting from it. The focus of Metro's infrastructure work is to encourage efficiency and better manage the demand for infrastructure.

Greg Manning thanked Malu for referring to the peer review completed with Group Mackenzie that did call out some of the generalization between infill and the limited number of case studies that were being reviewed. Greg looks forward to working with Metro in expanding the report.

Chris Barhyte asked if the analysis considered the impact of infilling on surrounding areas.

Todd Chase responded that if the improvement was adjacent to a site, then the financial impact was picked up in the cost. If it was not adjacent, then it was not included in this analysis. He agreed that is a glaring omission in this study.

Chair Brian noted that on the development side, if the infrastructure is available in an area to accommodate an additional "X" number of people, then the costs for infrastructure are cheaper. However, if a threshold is crossed at which point the infrastructure has to be replaced, then the calculations will be different. The group should not ignore what happens when an additional school, park, or fire stations needs to be sited in an area that is being suburbanized. He noted that growth costs money. He asked if there is a way to create an optimum density cluster as a way to drive the desired policies. He noted the committee needs to make sure that there are industrial lands to meet where people live and adequate employment land where there are new residences.

Councilor Harrington noted the analysis is limited by the number of case studies. She suggested that as there is a refinement in this process, additional requests for different kinds of data will reveal the other areas where people want information but the data is not available.

Malu Wilkinson confirmed that the analysis was limited based on available data and in discussing the report, it needs to be clear what the limitations of the analysis are. She responded to Chair Brian's question that the analysis does not assume that everyone commutes to center. She noted that they will need to be clearer about the assumptions.

Deb Nudelman noted that the PowerPoint slides and memo will be available on the Metro website. She will work with Core 4 staff to determine if this topic needs to be revisited at the December 10 meeting. [Action Item]

VII. SUMMARY

There being no further business, Deb Nudelman adjourned the meeting at 12:02 pm.

Respectfully submitted by Kearns & West.

ATTACHMENTS TO THE PUBLIC RECORD FOR NOVEMBER 12, 2008

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

AGENDA ITEM	DOC TYPE	DOC DATE	DOCUMENT DESCRIPTION	DOCUMENT No.
1.	Memo	11/10/08	To: Reserves Steering Committee From: Gil Kelley RE: Timeline for Reserves Committee Recommendation	111208rsc-01
2.	Letter	Undated	“Don’t Go Down a Slippery Slope! Natural Hazards” Submitted by Christine Kosinski	111208rsc-02
4.	PowerPoint slides	11/12/08	Planting Prosperity and Harvesting Health: Trade-offs and Sustainability in our Regional Food System	111208rsc-03
6.	Memo	10/30/08	To: Malu Wilkinson From: Todd Chase RE: Potential Infrastructure Cost Criteria and Draft Rating System Approach	111208rsc-04



Memorandum

Date: December 10, 2008

To: Councilor Kathryn Harrington, Metro
Commissioner Martha Schrader, Clackamas County
Commissioner Jeff Cogen, Multnomah County
Commissioner Tom Brian, Washington County
Reserves Steering Committee Members

From: Reserves Public Involvement Team

Subject: Reserves Phase 3 Public Involvement Process Update

Summary

The reserves public involvement staff from the three counties and Metro are developing materials and planning events that will engage citizens in a robust discussion during Phase 3 of the factors used in analyzing lands within the study area and the implications of each reserve designation. The focus will be on the suitability of lands for consideration as an urban or rural reserve.

Outreach Activities and Tools

The Reserves Coordinated Public Involvement Plan identifies many of the same activities and tools for raising public awareness in Phase 3 as in Phase 2, including:

- Public meetings hosted by counties and Metro
- County coordinating committee deliberations
- Presentations, publications and articles that will be provided to advisory committees, organizations and citizen groups
- Media coverage
- Up-to-date county and Metro reserves websites

The public involvement team has identified a number of other potential outreach tools and activities including:

- Self-guided interpretive displays in public places such as malls and community colleges
- Radio talk shows
- Interactive web pages
- Workshops and charrettes

The public involvement team is placing priority on those activities that best support the reserves decision process; provide citizens with opportunities for learning and commenting; and are feasible to carry out effectively given limitations of time and funding.

The team encourages the participation of the regional Reserves Steering Committee members which at minimum might include establishing a link from each organization's web site to the Metro reserves site at www.oregonmetro.gov/reserves . To support that effort the team will provide a website icon with the link to Metro's site.

Outreach Content

Phase 3 of the Coordinated Public Involvement Plan focuses on educating the public regarding the application of factors to the reserves study area and soliciting feedback on how the Metro Council and county commissions might weigh various factors when designating reserves.

As candidate areas are identified, the team sees value in working with citizens in these areas via their county planning organizations (CPOs) or other appropriate local community groups to explore the application of factors to their landscapes and to seek deeper understanding of the implications of each reserve designation. The focus will remain on land suitability for urban or rural use.

Although these meetings are still in the planning stage, we anticipate that at each meeting the team will:

- Present an overview of the reserves designation process and the *Making the Greatest Place* context for regional decision-making
- Discuss the factors in-depth and their relative local importance
- Present candidate areas and the refinement process used to identify them
- Explore implications of urban, rural or no designation
- Share aspirations of nearest city/cities and discuss implications
- Ask citizens for their support of the candidate areas, or if candidate areas are not supported, what additional information should be considered.

Activity Timeframe

Phase 3 public outreach activities will begin in January. Because the candidate areas will not be identified until mid to late January, public meetings and CPO workshops will likely take place in late February, March, and April.

Materials following this page were distributed at the meeting.

M E M O R A N D U M

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METRO

To: Reserves Steering Committee

From: Chris Deffebach, Manager, Land Use Planning

Subject: Local Jurisdiction Growth Aspiration Requests

Date: December 8, 2008

Metro staff has requested information from Metro area planning directors on the aspirations for growth in their communities for use in several tracks of the Making the Greatest Place effort. This memo summarizes this request and its relevance for consideration of urban and rural reserves. Staff will briefly summarize the Local Aspiration effort at the Reserves Steering Committee meeting on December 10th.

Each of the Making the Greatest Place tracks requires an understanding of aspirations for growth in each jurisdiction. Estimates of how local communities plan to grow will help determine:

- How we plan to meet 20 year needs identified in the Urban Growth Report
- How to set priorities for high capacity transit and other transportation investments
- How to size urban and rural reserves
- How to target technical assistance to support achieving these aspirations.

To coordinate between the different Making the Greatest Place tracks, staff have requested planning directors to describe the aspirations for growth in their communities. The request asks:

1. What are your plans for growth in your city in general and in your centers, corridors and employment areas in particular?
 - What is your planned capacity? Is our understanding of your current planned capacity correct?
 - What are your aspirations for capacities beyond current adopted plans, if any?
 - What are your plans for growth in the 50 year timeframe, if any?
2. What kind of community are you planning for?

- Are you planning for an 18- hour community or other community shown on the Activity Spectrum?
 - Are you planning for a particular quality of environment, such low-rise or high-rise?
3. What policy and investment choices will it take for you to achieve these aspirations?
- What type of transportation or other infrastructure?
 - What type of financial assistance?
 - What type of regulatory or other tools?

In addition, we are using this opportunity to ask jurisdiction staff to give feedback on Metro's vacant land inventory and capacity assumptions for use in completing the employment analysis for the Urban Growth Report.

Washington, Clackamas and Multnomah County planning staff are partnering with Metro staff to convene planning directors, collect aspirations and synthesize the results at a subarea level. In addition, the local aspirations will be summarized at the regional level and evaluated to see how the sum of the local aspirations supports the success of the region as a whole.

The planning directors have been asked to submit the local aspirations by January 2009 to support the development of other Making the Greatest Place products in February and March. The summary of local aspirations will provide one view of the future capacities within the region and can inform the sizing of urban reserve in the spring. The summary of local aspirations will also support the prioritization of mobility and community building projects at RTP workshops in February and March. The High Capacity Transit project will incorporate the summary of the local aspiration work to evaluate alternative corridors.

Finally, the results we receive will reflect only an initial consideration of how the region wants to grow in the next 20 to 50 years. Every community in the Metro region is at a different point in the planning process. Some communities will be able to estimate their capacity under current zoning while others will reflect a more elaborate vision and potential consideration beyond current zoning. Throughout 2009 and 2010, we expect the aspirations to be revised as many communities consider different growth options through a public process as part of their periodic review.

The local aspirations should help illustrate where and how the region plans to grow and the investments and priorities communities are making to achieve those aspirations. This information will support the upcoming decisions in Making the Greatest Place and help set policy and investment priorities.

ECONOMIC & EMPLOYMENT TRENDS ANALYSIS FOR THE PORTLAND METRO REGION – FINAL REPORT OUTLINE

(Discussion Draft - December 9, 2008)

EXECUTIVE SUMMARY

- Purpose & Uses
- Framing Choices
- New Forecast Paradigm

I. TRENDS ANALYSIS PURPOSE & USES

Overall Purpose: Outline a *new paradigm* for evaluating job needs and associated employment land demand within the Portland metropolitan region.

Operating Principles:

- Metro region *design types* as centers, corridors, employment and industrial areas.
- Market and geographic *overlays* as for market subareas, zoning/comprehensive plan designations, commercial/industrial building types, and density of development.

Multiple Time Horizons: 5, 20, and 50 years.

Anticipated Users:

- Metro Council for *Urban Growth Report* update.
- Metro staff for land use and transportation planning (including MetroScope model).
- Local jurisdictions as background context and input to Goal 9 comprehensive plan updates.
- Business and economic development organizations – for on-going dialogue to better link market-defined opportunities with public policy and planning objectives.

Linkage to Metro Urban Growth Report: Metro not required to directly address DLCD Goal 9 requirements on a regional basis but is required by Goal 14 to provide employment capacity for 20-year growth forecast; will meet broader regional job and associated employment land needs with Metro Title 4.

II. FRAMING CHOICES FOR JOB DEMAND IN THE PORTLAND METRO REGION

Purpose: Bring the employment and economic trends forecasting process into alignment with the Metro region's 2040 design types– illustrating how changing market and policy assumptions affect job potentials and employment land needs across the region over 5-, 20 and 50-year time horizons.

Themes for a New Jobs Paradigm:

- Focus on articulating most likely together with emerging traded and non-traded sector jobs of the future.
- Determine how best to facilitate targeted jobs with appropriate land use and infrastructure planning.
- Options for accommodating targeted, globally competitive traded sector industries (which may require more land use flexibility than captive, typically service-oriented business activities).

Distinguishing Employment Choices:

- *Market options* – anticipated development patterns short and longer term, by subarea and design type.
- *Broad regional policy options* – ranging from UGB adjustments to infrastructure funding.
- *Subregional allocations* – continuation of market trends vs. policy based (as for jobs/housing balance).

Multiple Time Horizons:

- *Short-term (5-year)* – reshaping the regional discussion but still largely in synch with the existing commercial, industrial, and institutional real estate paradigm.
- *Mid-term (20-year)* – with more focus on public-private implementation (as for infrastructure).
- *Long-term (50-year)* – predicated on reinvention of the jobs/land paradigm for substantially greater regional job base but with less development and land “footprint” per job.

Policy Options (Examples):

- *Baseline or reference projection* – Metro 2060 consistent with previous 2002 Urban Growth Report methodology.
- *Center and corridor focus* – for increased share of service plus selected portions of traded sector jobs.
- *Performance based UGB changes* – reduction from baseline as with threshold triggers for urban reserves (a strategy to address needs, not a modeling approach).

Each policy option is to be assessed in terms of competitiveness for targeted employment, UGB leakage, job capture by design type, resulting density and location of development, and associated land pricing.

III. TOWARD A NEW UGB EMPLOYMENT FORECAST ALLOCATION PARADIGM

Purpose: Utilize readily available and updatable employment and GIS land data sets plus MetroScope outputs to model observed and projected employment-driven land demand and associated development characteristics within the tri-county UGB. Create an employment forecast model and subregional allocations responsive to varied market and public policy inputs (addressing uncertainty or range of reasonably foreseeable out-year conditions).

Employment Trends:

- Review actual job growth experience for sectors experiencing greatest growth, redevelopment/infill vs. greenfield development; density and capture by 2040 design type and market subareas.
- Identify forecast options consistent with industry practices for retail, industrial, and institutional uses.

Variables Affecting Location Decisions:

- *Emerging drivers* altering the relationship between job change and building/site needs.
- Distinction between the requirements/push points of *traded sector* (often footloose) versus *local service* (captive) demand.
- Findings of *global* literature search integrated with *Portland region-specific* results of Metro and Portland Business Alliance/G9 sponsored traded sector focus group research process.

New Demand Assessment Paradigm:

- Formulation and ground-testing of spread sheet model applicable in conjunction with the 2060 forecast and MetroScope.
- Flexible approach to allocating where and how future jobs may locate – addressing job sectors, market subareas and 2040 design types plus unique drivers for traded-sector, population-serving and institutional employment.
- Bracketing a range of possible outcomes covering assumptions such as job growth and related characteristics, employee location preferences, employment and building development density.
- Projection of 5, 20, and 50-year building and space demands (with 2-3 scenarios for the 50-year horizon).

New Capacity/Inventory Approach:

- Recommended new land and building capacity approach to assessing the supply of employment land in the tri-county UGB (for measures of job capacity covering more than just site acreage requirements).
- Building from prior regional industrial land supply (RILS) analyses with additional site attributes describing both a site's market potential and development readiness.
- Ground-truthing land inventory information with Metro staff and local jurisdiction contacts.
- Comparison of development capacity to employment demand scenarios (5-, 20-, 50-year time horizons).

GROUP

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MEMORANDUM

PROJECT NUMBER: 2080413 DATE: October 22, 2008
PROJECT NAME: Metro Infrastructure Study

TO: Associated General Contractors
Clackamas County Business Alliance
Columbia Corridor Association
Commercial Real Estate Economic Coalition
East Metro Economic Alliance
Home Builders Association of Metro Portland
National Association of Industrial and Office Properties
Portland Business Alliance
Portland Metro Association of Realtors
Westside Economic Alliance

FROM: Matthew Butts, PE LEED AP
Associate Principal / Director of Civil Engineering

SUBJECT: Review of Materials and Findings

At the request of the above listed business organizations, Group Mackenzie and Johnson-Gardner have reviewed a Metro document entitled "Comparative infrastructure cost: local case studies, Regional Infrastructure Analysis, Discussion Draft" (Discussion Draft) dated July 9, 2008. We believe this document is part of the support for a policy document issued by Metro within a similar timeline, entitled "Regional Infrastructure Analysis," which is currently being used to focus infrastructure funding priorities.

Based on our review, we find the Discussion Draft has significant limitations that can be grouped into three categories: the selection of dissimilar case studies, restrictions due to the approach or methodologies utilized within the case studies, and the purported conclusions, based on the study. It is our determination that the Discussion Draft fails to support its conclusions and should not be used as a foundation for policy recommendations.

It is important to note we have not prepared alternative recommendations as part of this summary, and do not have specific opposition to the supposition that infrastructure costs may be lower for centrally-located development. We caution, however, that more detailed analysis is required in order to make policy conclusions.

PROBLEMS WITH THE CASE STUDY APPROACH

The case studies are grouped in two categories: the first category is urban areas, with five examples that tend to be development projects, most 2 to 5 acres in size, with South Waterfront the largest at 130 acres; the second category is urbanizing areas, which are entire development areas that range between 200 and 12,000 acres. Costs were divided between local/community and regional. This was done to create comparative averages between the categories and is identified as being representative of the seven-county area.

We question the ability to draw comparisons between individual mixed-use projects, for example the 2.39-acre Lakeview Village in Lake Oswego, which is in the urban category, and a large-scale single-use UGB expansion, such as the 431-acre SW Tualatin Concept Area or the 12,000-acre mixed use Damascus

urbanizing area. The method used to accomplish this comparison is a conversion into a general EDU figure for comparison between, what we see as dissimilar projects.

Regional infrastructure costs appear to be compared against a seven-county average taken from an external source, while local/community infrastructure costs are compared against a selected average of the 17 case studies, less individually considered outliers. With this, the case studies are located only in the Metro service area and not the larger seven-county area.

It is our opinion that a case study approach provides anecdotal information and should not be used to draw final conclusions. Local/community infrastructure costs in the 12 urbanizing areas were based on preliminary estimates from the concept plans of those areas, rather than measurable actualized costs. The preliminary cost estimates from the concept plans utilized as the case studies were developed with differing methodologies and underlying assumptions, making it difficult to compare across averages.

The cost findings that are presented show that the local/community costs vary widely for both urban and urbanizing projects. Despite what the averages purport to show, a look at the individual data points show that the cost of providing local/community infrastructure for urban redevelopment projects can be just as high or higher than in urbanizing areas. Reviewed individually, the local/community costs for three of the five selected urban project case studies showed costs close to, or greater than, the urbanizing average.

It should also be noted that the case studies represent a mix of land use goals. The Shute Road and SW Tualatin areas are almost exclusively designated for employment uses, with specific restrictions placed on them as to the type and size of uses. These compare with other urbanizing case studies that are either a mix of uses to create complete communities, such as Damascus, and other areas that are predominately residential in nature, such as North Bethany. The urban case studies are either exclusively residential projects, with some support retail (e.g. Lake Oswego Village, North Main Village), or mixed use with a combination of housing, office and retail (e.g. Brewery Blocks). These differing land use goals need to be considered in a policy discussion on regional infrastructure, not simply the costs of providing infrastructure.

The caution of projecting conclusions from the case studies is acknowledged in the Discuss Draft on Page 11, where it state's that "the small number of case studies included herein places limitations on drawing firm conclusions". However, the study, in numerous places, goes on to draw the conclusion that costs of providing infrastructure to urban redevelopment is less expensive than urbanizing areas. Specifically, this is stated on Page 8, "when all public costs, including regional costs...are added up, urban redevelopments are less expensive per EDU than developments in urbanizing areas."

METHODOLOGY ISSUES

Regional Costs

The most glaring methodological issue is the use of commute distances as a proxy for regional costs. As stated on Page 8, "a good proxy for gauging regional infrastructure consumption is household commute distance." The report lists a number of costs that should be included in the regional category, including "highways, light rail, bridges, and marine and air terminals," but does not attempt to quantify these costs, rather defaulting to commute distances. There is no discussion of alternative or additional elements (other than commute distance) for comparison. Using commute distances therefore results in the urban redevelopment projects having a much smaller impact on regional facilities than urbanizing development. The study assumes that urban residents will have an average commute distance of 5 miles, compared to 17 miles in new urbanizing plan areas.

The report cites an article by Jonathan Miller of the Urban Land Institute, also on Page 8, wherein he recommends a full infrastructure cost analysis for developments and states his conclusion that, if this were done, “central, transit-oriented locations” would be favored. This article does not reference commute distances as a measure of impact.

Using commute distances and assuming that future patterns will “increase in concentric rings around the region’s core” (Page 9 graphic) does not seem to match the current available data. The most recent Census data for a range of locations around the Portland Metro area show that commute times, and the percentage of employed residents who commute alone by automobile are remarkably consistent from urban to suburban locations:

	Mean Commute Time (Minutes)	% of Commuters, Alone by Auto
97209	22	71%
97212 (Inner Eastside)	21	61%
Portland	23	60%
Lake Oswego	22	78%
Gresham	27	71%
Oregon City	25	77%
Tualatin	22	77%
Hillsboro	24	72%
Forest Grove	24	70%
Source: US Census Data		

In other words, it remains far from proven that residents in an urban redevelopment area such as the Brewery Blocks are not commuting to a suburban location for employment, and thus using the regional transportation system. According to the Census, an estimated 60% of Portland residents commute to the suburbs for work.

Therefore, if commute distance is used as the proxy for regional costs between development locations, it seems likely that the regional infrastructure impact of urban redevelopment projects is under-estimated in this analysis.

Also, many residents in new urbanizing plan areas will likely be employed elsewhere in the suburbs or outside the CBD. In other words, it may be as likely a Brewery Blocks resident commutes to the suburbs as it is likely a Witch Hazel or Springwater resident commutes into Beaverton or the Columbia Corridor, respectively. If this is the case, transportation impacts may be mainly a localized cost, rather than a regional one. The use of commute distance alone fails to acknowledge the creation of mixed uses (particularly jobs) outside of the City Center and within the urbanizing areas.

Full Impact of Urban Redevelopment

In assessing the true cost per EDU of redevelopment in urban areas, it is important to fully consider the costs of added congestion from the increased density. As central Portland and inner neighborhoods grow more dense, the existing infrastructure system must be retro-fitted and upgraded to accommodate more people, employees, vehicle trips, energy use, waste, etc.

The public method for recovering a portion of these costs is through the assessment of System Development Charges (SDC). These costs are paid by the developer, builder, or end user, and are carefully calculated for both reimbursement for existing infrastructure and new infrastructure needed to serve the development.

Increasing inner-city growth necessitates the sometimes extraordinary costs of retrofit projects such as the Big Pipe, the bus mall redesign, extended street car and MAX, the Aerial Tram, bridge repair, arterial redesigns, plus the increased maintenance of all existing facilities.

It is far from clear that the methodology used in this study estimates the total costs of the private and public investments, as well as the cost of congestion, in assessing the impacts of urban redevelopment.

Public Subsidy of Urban Development

While the study acknowledges that urban redevelopment projects often include public subsidies, the cost estimates of individual case studies (e.g., Lake Oswego Village Center, North Main Village, Brewery Blocks) were shown to have “zeroes” for infrastructure cost while these developments did benefit from public investment (e.g. parking, streetcar, parks).

Supportive Citations

There is also a general lack of citations in the report. Much of the data and assumptions in the Discussion Draft go without citation, while the citations provided center on Urban Land Institute articles and editorial articles from the Atlantic Monthly and American Planning Association. The data used to create these articles may well be relevant to the general discussion, but they do not offer rationale toward direct comparison between averaged groups of case studies.

CONCLUSIONS

While the draft report does not have a section for conclusions, there are statements throughout the report that can be read as conclusions. Our thoughts and conclusions follow:

- The sample of urbanizing projects used demonstrates a great variety in infrastructure costs. This implies that it isn't urbanizing per se that is cost inefficient, but perhaps large scale suburban development in poorly chosen areas. Areas nearer the existing infrastructure grid, in the natural path of development, should carry lower costs. The conclusion of the data as presented may be only that the infrastructure cost of new urbanizing areas or redevelopment in urban areas can vary widely depending on the suitability of the location and its proximity to existing core infrastructure, regardless of a designation of urban or urbanizing and a projected commute distance.
- The cost of increased congestion on existing urban systems needs to be fully factored into cost estimates and regional impacts are under-represented for the urban redevelopment projects considered in this study. There is no inclusion of cost for large-scale urban infrastructure improvements in part due to increased density (streetcar, water and sewer systems, bridge repair, etc.). This also relates to the stated inability to link a particular development to regional costs, while the analysis then does so only to projects in the urbanizing areas.
- It seems likely that the regional infrastructure impacts of urban redevelopment have been underestimated in this analysis (based on commute distance as the proxy). The fact is that residents of dense urban redevelopment are still quite likely to commute by car out of the immediate area. Likewise, employees in the redeveloped urban area may well live in the suburbs and commute into the city. Thus the regional infrastructure costs for these developments shouldn't be as great as those presented in this study.

Metro Infrastructure Study
Review of Materials and Findings
Project Number 2080413
October 22, 2008
Page Number 5

In conclusion, due to the small sample size and variety of methodologies used among the examples, the results of this study should not be used to state the conclusion that it is more expensive to serve urbanizing areas at the edge of the UGB, than mixed use urban projects. Again, while this may generally be acknowledged, more detailed analysis is required to provide the quantifiable analysis necessary to make infrastructure funding decisions.

c: Jerry Johnson – Johnson-Gardner
Mark Clemons, Chris Clemow – Group Mackenzie