



PRELIMINARY URBAN GROWTH REPORT

2009 – 2030

Employment – Executive Summary

May 2009

INTRODUCTION

A strong regional economy that provides job choices and prosperity is an important part of quality of life. The economic health of the Portland metropolitan region is partially dependent upon global factors as the world shifts towards new market realities. However, local and regional choices can shape this region's place in the global economy. In addition to capacity to support job growth, factors that contribute to a strong regional economy include an educated workforce, high value-added businesses and above average wage levels, a diverse mix of jobs, successful economic development efforts by private- and public-sector leaders, a balanced transportation system, infrastructure investments and a vibrant quality of life.

Oregon's land use laws were crafted to protect and maintain a high quality of life for our residents. In the Portland metropolitan area, Metro is the agency legally responsible for anticipating changes in population and employment and monitoring our region's ability to support jobs and a strong economy. Oregon land use law requires that Metro maintain sufficient capacity for the number of people anticipated to work in the region over the next 20 years. Every five years, Metro conducts an inventory of the current capacity to support employment growth within the urban growth boundary, forecasts employment growth over a 20-year period, calculates the anticipated need, and documents the results of these analyses in an urban growth report. This preliminary urban growth report provides the analysis of the region's employment demand and the capacity of the existing urban growth boundary (UGB) to meet that demand. A separate report, issued on March 31, provides an analysis of the region's residential capacity and demand.

This preliminary employment urban growth report indicates that there is sufficient capacity within the current urban growth boundary to meet the low end of the regional forecasted employment demand in the 5- and 20-year time frames. The analysis shows that there is sufficient capacity to meet the high end of industrial demand, but policy or investment changes must be made to meet the high end of the non-industrial demand. The analysis also calls out a potential gap in the capacity of the existing UGB to meet unique industry needs. The report illustrates a potential disparity between the location of certain types of land supply and current employment location trends. These topics should be considered for local and regional discussion, specifically through Metro's Making the Greatest Place initiative that connects land use and transportation policies and investments to support vibrant communities across the region.

Metro has developed a new approach to analyzing employment demand and supply in this preliminary urban growth report, considering changing times and learning from past experiences. This demand and supply analysis describes Metro's best estimates of what is likely to happen over the next 20 years, given the policies in place today, which may or may not be adequate for adaptation to a changing world. The initial assumptions made in this preliminary urban growth report are likely to be amended as a result of local and regional discussions and policy changes made in the spring and summer of 2009. This preliminary analysis provides a vehicle for seeking feedback on assumptions. The analysis will be revised and released as a draft in September for the Metro Council to consider for adoption.

OUTCOMES-BASED APPROACH TO GROWTH MANAGEMENT

Planning for the future is not just an exercise in analyzing numbers and issuing forecasts. Planning creates opportunities for people and communities to define and articulate their collective desires and aspirations for enhancing the quality of life in our region and their communities. It allows citizens and their elected leaders to take stock of the successes that have been achieved in their communities through years of hard work. It also requires us to think carefully about and to be accountable for the costs of our choices, ensuring we get the greatest possible return on public investments.

Aside from fulfilling statutory requirements, this preliminary urban growth report provides the region with an opportunity to assess how it has been performing and determine which policy actions could be taken to improve future outcomes and ensure that our communities are sustainable. Shorter-term circumstances such as the current economic recession and longer-term concerns such as climate change demand that we do things differently and make a new approach to our growth management responsibilities all the more timely.

The determination of employment demand and capacity is necessarily part art and part science. State statutes and statewide planning goals direct the region to determine what share of growth can “reasonably” be accommodated inside the existing boundary before expanding it. Ultimately, how the region defines “reasonable” will be a reflection of regional and community values and commitments. At the opposite ends of the spectrum, the Metro urban growth boundary could be held tight or expanded significantly. There are tradeoffs that accompany such choices. This preliminary urban growth report is intended not just to determine whether there is a need to increase employment capacity over the next 20 years, but also to place growth management decisions in the context of the region’s desired outcomes.

Characteristics of a successful region

In 1995, the region endorsed the 2040 Growth Concept, an innovative blueprint that seeks to direct future population and employment growth into urban centers, transportation corridors and employment areas in a manner that uses land more efficiently and enhances the character and economic vitality of urban communities. In making growth management decisions, the Metro Council and the Metro Policy Advisory Committee (MPAC) have indicated their desire to weigh policy and investment tradeoffs to produce outcomes that citizens have expressed support for. To that end, in the summer of 2008, the Metro Council, following MPAC’s recommendation, adopted six desired outcomes that provide guidance for growth management decisions to support the 2040 Growth Concept:

1. People live and work in vibrant communities where they can choose to walk for pleasure and to meet their everyday needs.
2. Current and future residents benefit from the region’s sustained economic competitiveness and prosperity.
3. People have safe and reliable transportation choices that enhance their quality of life.
4. The region is a leader in minimizing contributions to global warming.
5. Current and future generations enjoy clean air, clean water and healthy ecosystems.
6. The benefits and burdens of growth and change are distributed equitably.

Why do things differently?

In the current economic climate, consumers are being cautious, companies are laying off employees, and businesses are keeping inventories lean. At the same time, baby boomers are nearing retirement age, distinctions between traditional land uses are blurring, and technological advancements for everything from telecommunications systems, inventory management, and on-line shopping are increasing. A sampling of existing and emerging trends informs this analysis of the capacity of the Metro region to meet employment needs and support a strong regional economy.

Financial market instability The current economic slowdown became undeniable when, after nearly 20 consecutive quarters of rising employment, the State of Oregon posted its first job losses in the second quarter of 2008. More recently (March 2009), Oregon's seasonally adjusted unemployment rate reached 12.1 percent, now second highest among 50 U.S. states.

Housing market While not directly an economic development factor, housing values and credit availability affect household wealth and resulting decisions ranging from consumer purchases to job choices. Perceptions of housing availability and pricing also can affect business location decisions and subsequent employment creation.

Fiscal environment The current fiscal environment is forcing governments to find more cost-effective ways to deliver services and, in many cases, to cut services. Declining employment and personal income will result in declining tax revenues, and state and local governments will need to cut services and infrastructure investment which will affect business and consumer location decisions.

Global positioning Key manufacturing sectors of the Pacific Northwest economy are increasingly dependent on international markets as exemplified by high tech, aerospace and machinery. This dependence presents risks as well as opportunities.

Going green Higher energy costs may encourage development of smaller and more dispersed distribution centers and increased driving costs may lead to people seeking a shorter commutes. The Portland Metro region may be well positioned for this trend. The region also has an opportunity to focus on the development of alternative energy sources such as wind and solar power.

Development costs Construction material costs are likely to influence future development patterns. In the short-term, construction materials are likely to become more affordable as commodity prices ease, but they may rise again as the global economy rebounds. This combination of factors places more pressure on finding cost-effective ways of delivering urban development while also supporting redevelopment and renovation of existing buildings.

Demographics Aging baby boomers, smaller household sizes, and flat levels of labor force participation have short-, medium-, and long-term implications to the labor market and levels of consumer spending, which will likely outlast the immediate financial situation.

New methods in this employment analysis

The last time Metro produced an analysis of employment demand and capacity was in 2002. The world has changed significantly since then with shifting global economic conditions, technological innovations, increased understanding of resource limitations, awareness of individual and collective actions on the global climate and creative approaches to workplace environments, to name just a few. To support a more sophisticated approach for analyzing employment demand and capacity, Metro contracted with a consultant team led by E.D. Hovee & Company, LLC.¹ The Hovee team reviewed global, national, and local trends, conducted focus groups with employers, analyzed recent job location data, updated and categorized the region's employment and industrial land inventory, and developed a new employment demand paradigm.

The consultant work informed the methodology in this preliminary employment urban growth report, as described in **Table 1**. The analysis also makes use of MetroScope, an integrated land use and transportation simulation model that operates on economic principles to predict where the region's employment and housing will locate in the future. The intent of this approach is to allow policy makers to focus on outcomes and the types of places that support a strong regional economy.

¹ *The E.D. Hovee team included FCS Group, Bonnie Gee Yosick, LLC, and Davis, Hibbitts & Midgball.*

Table 1 New methods in 2009 employment urban growth report

Demand ranges	Rationale
5- and 20-year range forecast	<ul style="list-style-type: none"> • Acknowledges risk and uncertainty • Consistent with five-year periodic review schedule • Applicable to city and county Goal 9 requirements • Recognition that five- and 20-year markets are different, in the short-term markets are likely to be similar to today, but in the longer-term changes and innovations are more likely
Variable redevelopment rates	<ul style="list-style-type: none"> • Recognition that redevelopment rates are not the same across the region, higher in some market subareas than others
Capacity ranges	Rationale
5- and 20-year range capacity forecast	<ul style="list-style-type: none"> • Recognition of uncertainty in supply and that policies and investments can influence capacity
Analysis by 2040 design types	<ul style="list-style-type: none"> • Region’s strategy is to support development consistent with 2040 growth concept focused on centers, corridors and employment/industrial areas • Recognition that 2040 design types have special market affinities that policies and investments can impact • Acknowledges that centers, corridors and other design types are not alike and attract different types of development
Floor-to-area ratios (FARs) (measurement of building intensity)	<ul style="list-style-type: none"> • FAR densities vary across the region, market subarea and design types • FAR densities vary over time, as the market matures • Proxy for variations in achievable rents between market subareas
Building space as unit of capacity measurement	<ul style="list-style-type: none"> • Allows discussion regarding the form of future workforce space needs, rather than a primary focus on needs for added land acreages
Market subareas	<ul style="list-style-type: none"> • Recognition that labor markets are not the same across the region • Rents and FAR intensity differ by market subarea • Allows decision makers to consider more effective policies and investments tailored to local markets • Acknowledges that different industries may be attracted to different locations across the region

RANGE 20-YEAR EMPLOYMENT FORECAST

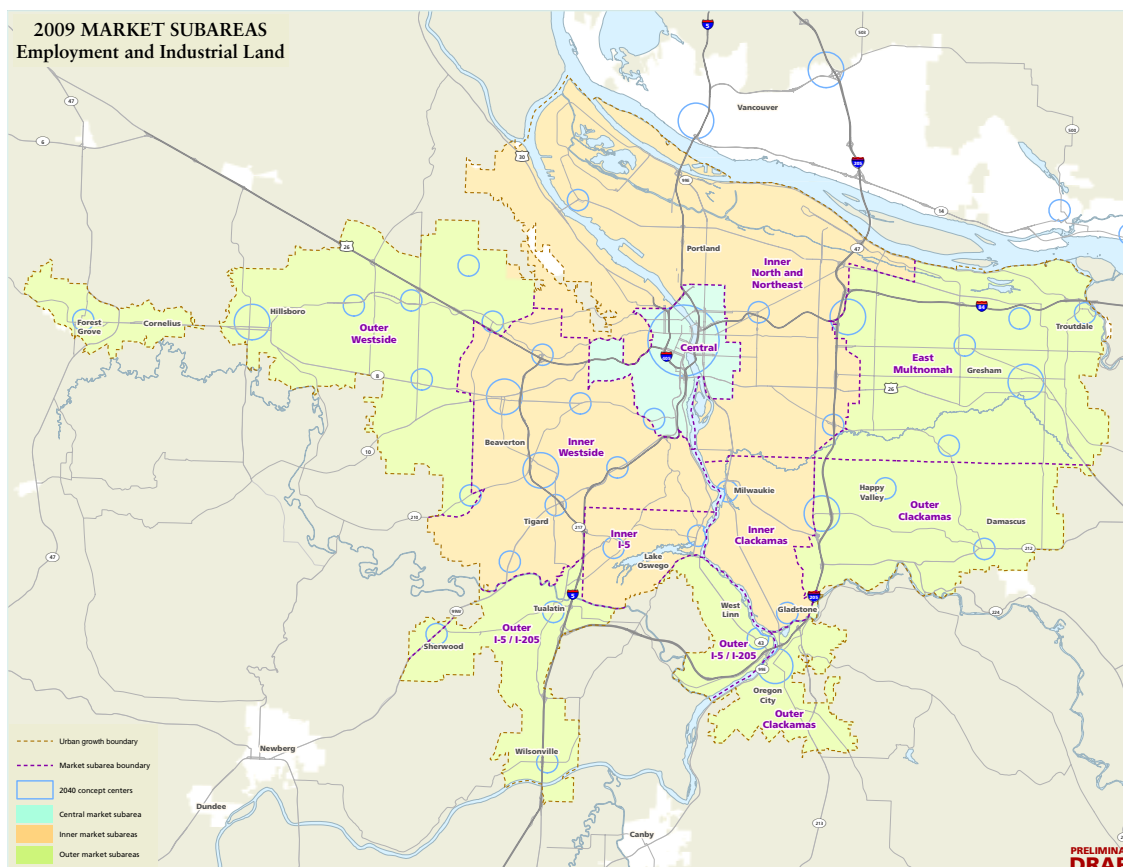
A primary factor that influences future employment need is population growth. The findings of Metro's current 5- and 20-year employment forecasts are summarized in this preliminary urban growth report. In recognition of the uncertainty surrounding future conditions, the forecast is expressed as a range.

How much and what type of employment growth are we planning for?

The employment forecast begins with the seven-county statistical area² and then must be narrowed to the area within the Metro urban growth boundary. In 2030, the total jobs for the 7-county area ranges from 1.3 million at the low end to 1.7 million at the high end.

The first step in the new demand paradigm is to recognize that there are market subareas within the Portland metropolitan region. These market subareas attract different components of the forecasted employment growth. The market subareas are shown in **Map 1**.

Map 1: 2009 market subareas, employment and industrial analysis

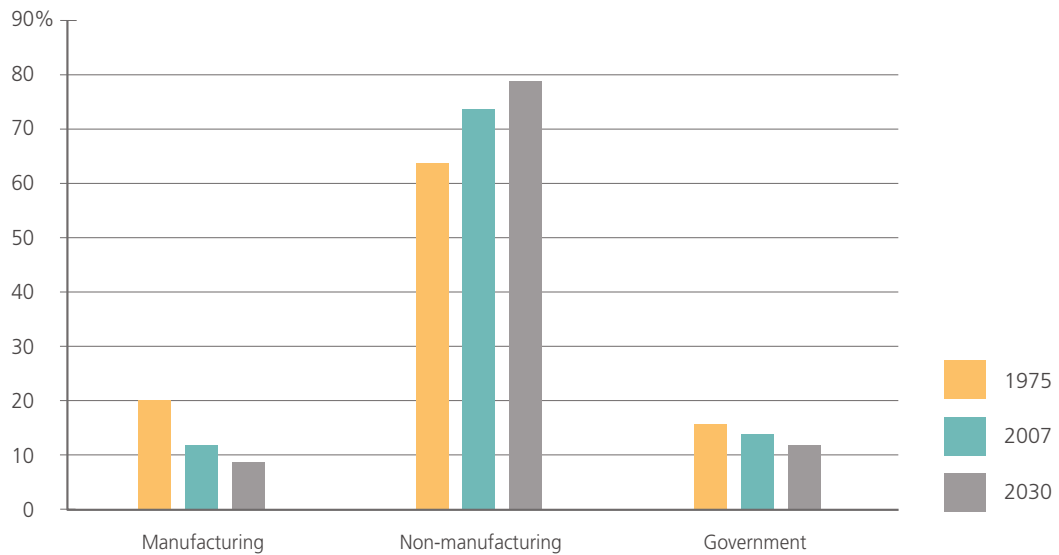


Forecast by sector: Employment growth rates are forecasted for a number of sectors, which are grouped here for simplicity. The growth rates vary by sector, rather than consistently across all employment. Sector level details are important for this preliminary urban growth report analysis since square footage requirements for industrial, commercial and institutional users vary widely. Population serving employment sectors, such as healthcare, education, and professional services, grow at a rate commensurate with population growth.

² The Portland-Beaverton-Vancouver OR-WA Primary Metropolitan Statistical Area (PMSA) now comprises a total of seven counties (Clackamas, Multnomah, Washington, Clark, Columbia, Skamania, and Yamhill), as defined by the federal Office of Management and Budget.

Manufacturing job growth is anticipated to be slower than job growth in the service and government sectors, consistent with expected U.S. macroeconomic trends. (See **Figure 1** employment distribution for three employment sectors in 1975, 2007, and 2030) Despite this shift in job concentrations, even in recent years, industrial land consumption has held steady at about 300-500 net acres per year. One reason for this is that technological changes allowing for more automation permit companies to use fewer employees in the same amount of space, a finding that was confirmed in the Portland metropolitan region by employer focus group participants. Industrial demand is presented separately in this analysis because site usage has historically been very different than other employment sectors, and industrial employment supports the traded sector that brings wealth into the region.

Figure 1: Employment distribution 1975, 2007, 2030
7-county statistical area

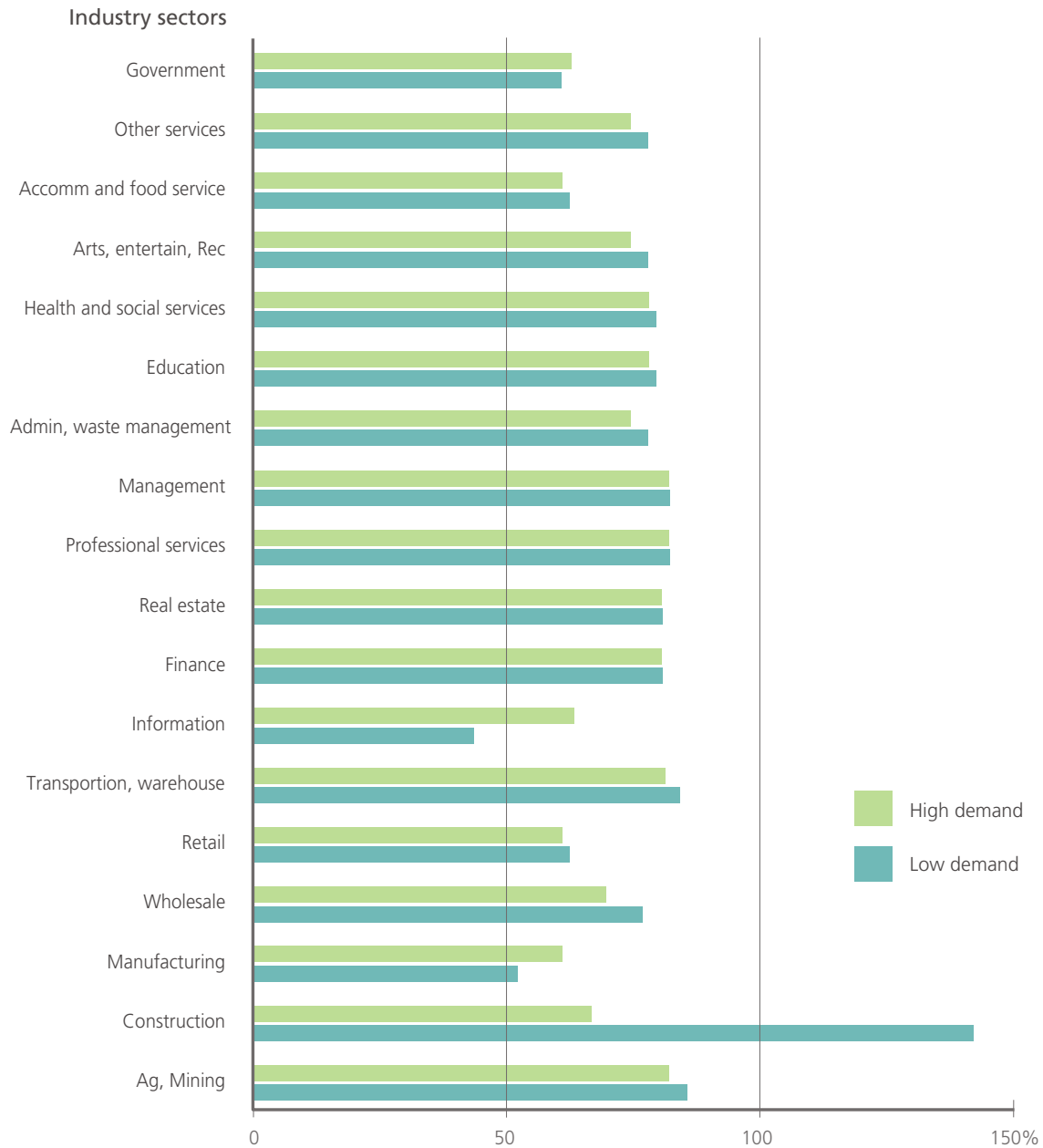


Capture rate An employment capture rate is applied to the 7-county range forecast in order to estimate what share of projected job growth is anticipated to locate within the Metro urban growth boundary between 2010 and 2030. This rate may be expected to change somewhat depending upon regional (and macroeconomic) economic growth assumptions, land supply assumptions, and regulatory assumptions. Capture rates tend to rise and fall relative to regional business cycles.

In analyzing the high growth economic scenario, the employment capture rate for 2010 to 2030 is projected to be 73 percent for the Metro urban growth boundary (relative to the 7-county PMSA job growth) and a 75 percent capture rate is projected in the low growth scenario. **Figure 2** shows capture rates by industry sector. Based on this methodology, the region must plan for between 975,000 and 1.2 million total jobs by 2030.

Figure 2: Projected industry sector UGB capture rates: 2010-2030

Source: MetroScope UGR scenarios



The construction sector exceeds 100 percent because of projected region-wide job losses in construction employment in the low growth scenario and retrenchment of remaining construction jobs into the Metro UGB.

Forecast by building type One of the innovations of this analysis is to consider employment demand and supply in terms of the buildings that accommodate jobs, rather than only on the land. This allows policy makers to discuss both the employment demand and the building form that shapes the way communities look and feel.

Forecasted jobs are assigned to six building types, based on recent trends and professional expertise. The six building types used for purposes of the design paradigm are: office, institution, flex, general industrial, warehouse and retail. Assumptions as to the building type in which jobs are located could change over time as the real estate market matures, land prices increase, and technologies shift. Once jobs have been assigned to building types, they are converted to building square foot demand using estimates of the amount of building square feet needed for an employee in each of the six building types.

Building square foot demand varies by market subarea, accounting for market realities in the location decisions made by the region’s employers.

Based on analysis of the trends just described, there will be a need to accommodate up to 82 million square feet of industrial space and between 99 million and 188 million square feet of non-industrial space within the UGB by 2030.

Figures 3 and 4 show the 20-year building square foot demand (net of redevelopment demand) by market subarea. At the low end of the population and employment forecast there is a projected reduction in demand for industrial jobs, commensurate with national trends showing a decline in manufacturing. Demand shifts from some locations, such as industrial employment in the central city, to locations in outer areas with lower land costs. This analysis carries forward recent job location trends; local and regional policy and investment actions could shift this demand to different locations. The demand by market subarea is aggregated to identify the regional demand range for industrial and non-industrial building square feet.

Figure 3: 2010-30 Industrial square foot demand

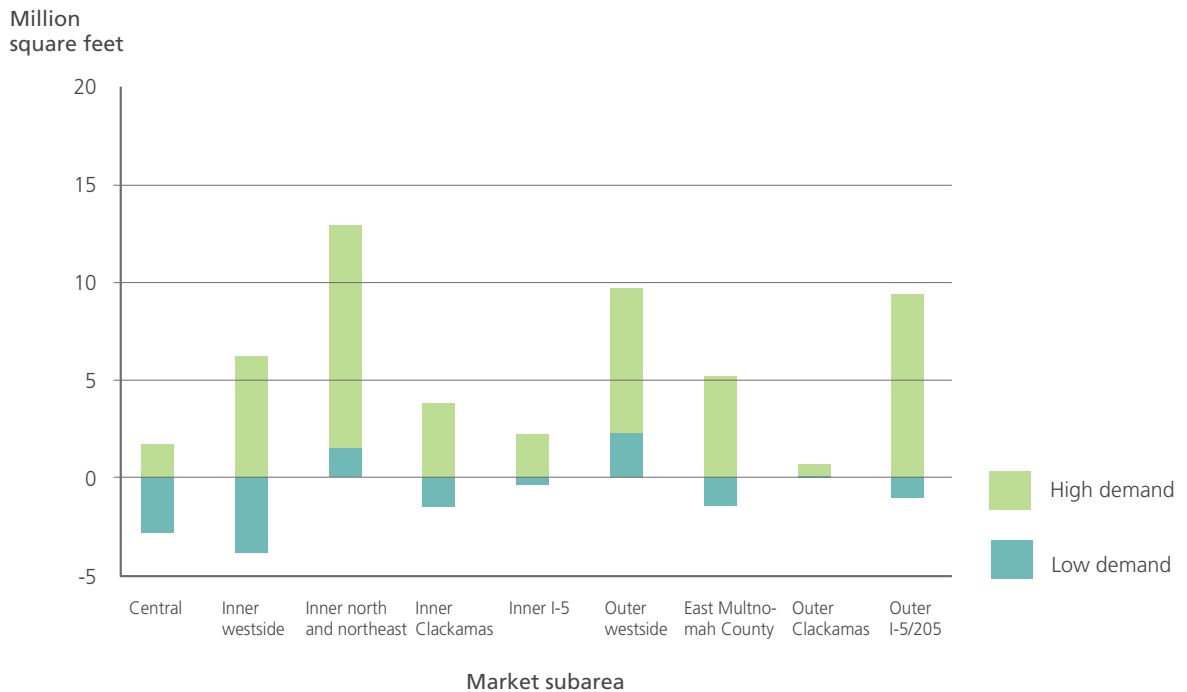
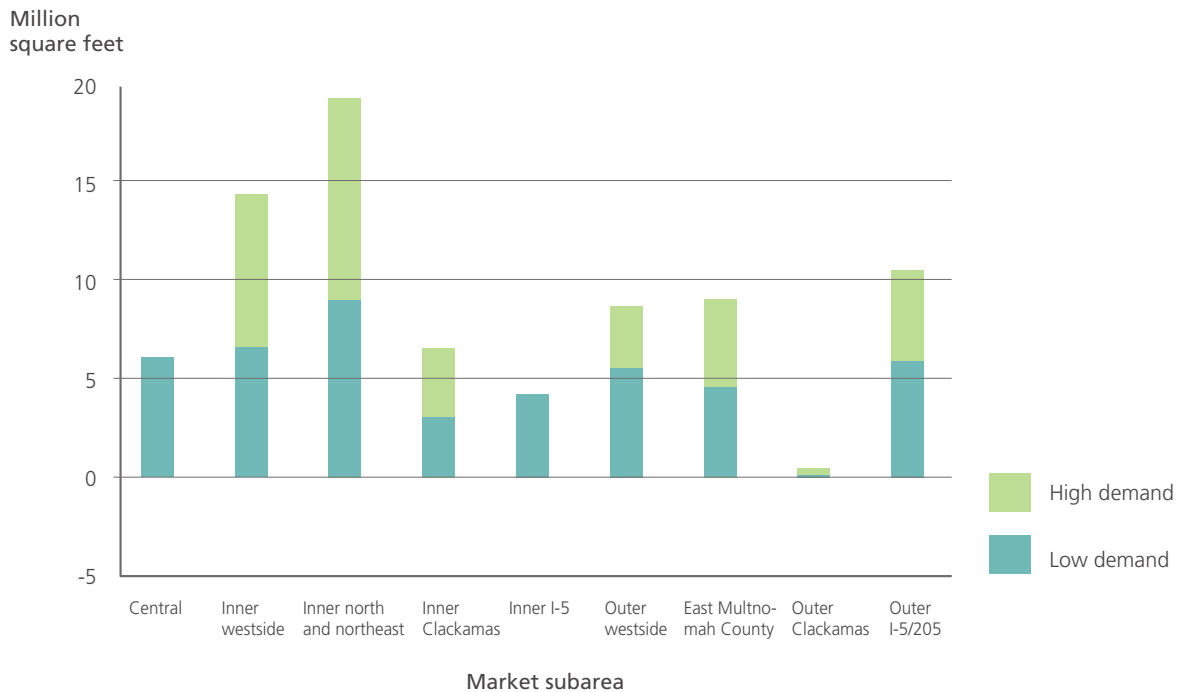


Figure 4: 2010-30 Non-industrial square foot demand



What is the capacity range?

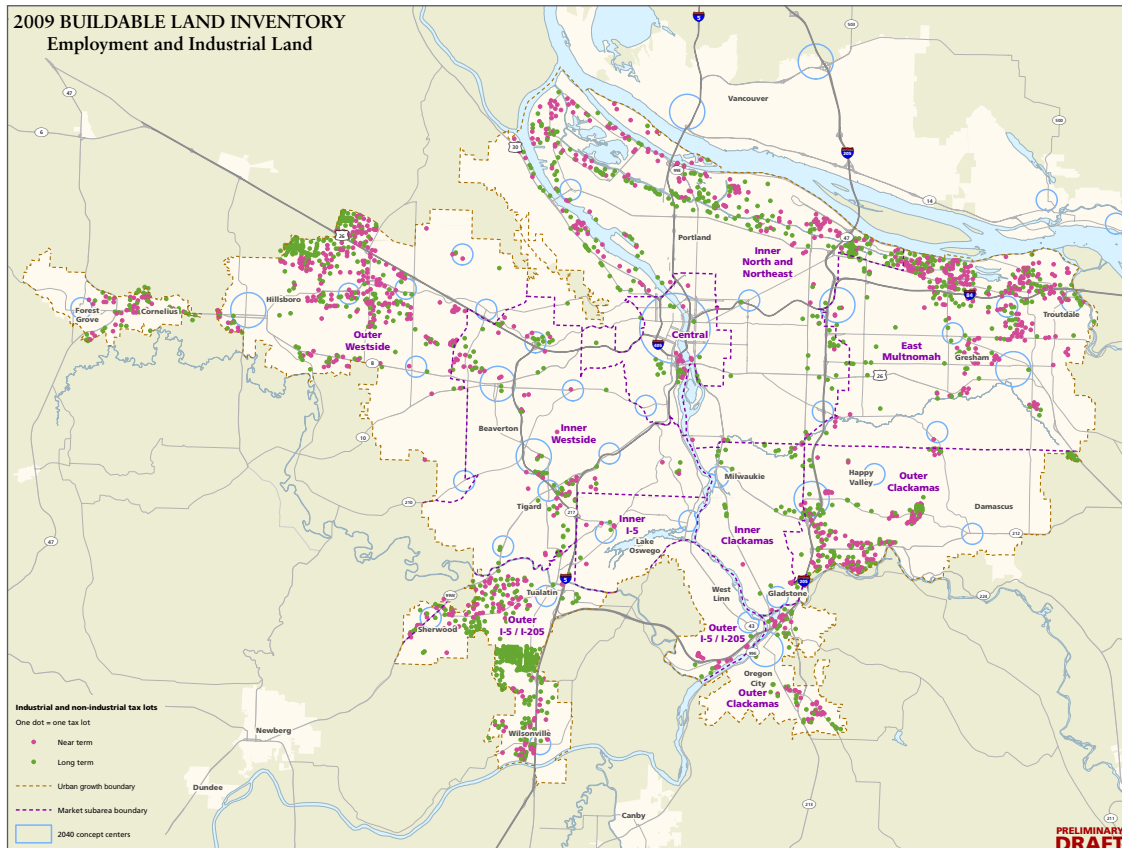
Determining the total employment capacity of the current urban growth boundary is not as simple as adding up the maximum-zoned capacity of all parcels. Unlike residential zoning, some of the land zoned for employment uses does not have legal limits to height and other restrictions. However, this does not mean that this analysis assumes infinite capacity in those locations, since the urban real estate market does not intensively use land where achievable rents will not cover the cost.

Capacity changes over time as real estate market conditions change. A primary purpose of this preliminary urban growth report is to begin a discussion of how the region might make more of its existing capacity market-feasible, both on vacant land and through redevelopment and infill (refill). This purpose is in keeping with Statewide Planning Goal 14’s guidance to determine that growth cannot be “reasonably” accommodated inside the existing urban growth boundary before expanding it.

Vacant land capacity A thorough understanding of the region’s vacant land supply zoned for employment uses is a crucial first step in analyzing the capacity of the region to meet future employment demand. Metro’s vacant buildable land inventory was supplemented by local review and analysis of development readiness by the E.D. Hovee consultant team. The region’s vacant employment and industrial land supply is categorized by generalized land use classification, parcel size, and market subareas. This approach allows an analysis of both the amount of land supply as well as its ability to accommodate both the short- and long-term employment demand in the region. **Map 2** shows the results of the buildable land inventory.³

³ Metro will continue to review and potentially update the inventory with the help of city and county staff until the draft urban growth report is released in September 2009.

Map 2: 2009 buildable land inventory: employment and industrial land

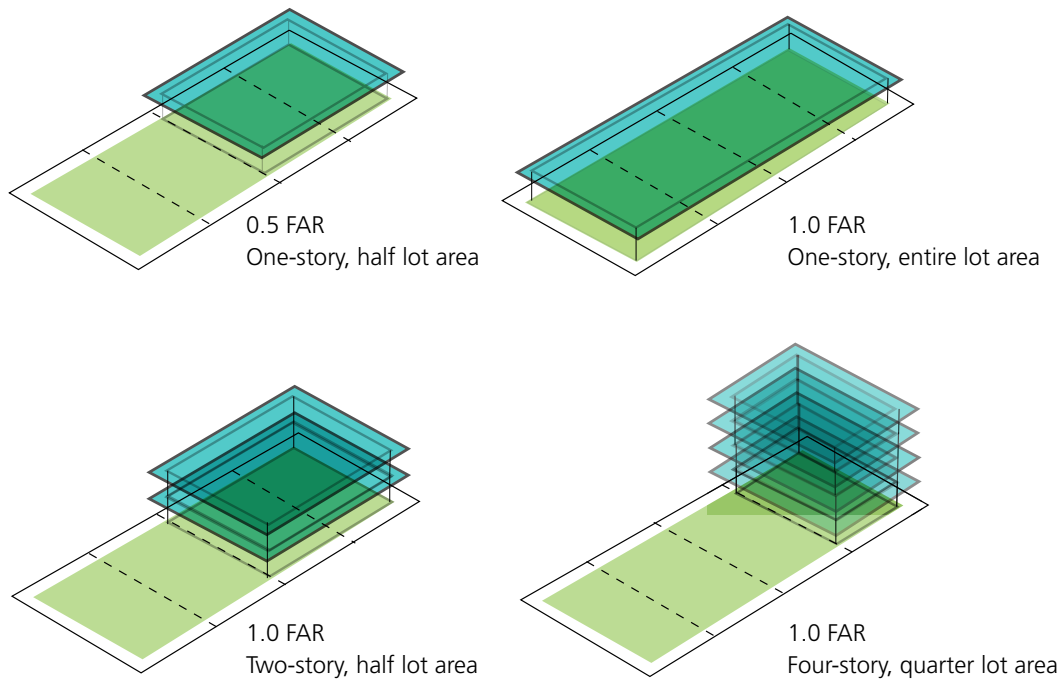


Refill capacity Like the Metro UGB employment capture rates, the refill rate may also rise and fall with fluctuations in regional business cycle activity. The refill rate is impacted by the pace of regional economic growth, macro-economic cycles (such as interest rates, home price valuations, inflation, credit availability to name a few), regional land supply assumptions, and regulatory factors. Refill rates are expected to vary during the 2010-30 forecast period by market subareas. The market subareas represent uniquely different labor markets. Refill rates also vary substantially between industrial uses and non-industrial uses. For this preliminary analysis, the aggregated refill rates are 24 percent for industrial and 45 percent for non-industrial.

Redevelopment and infill on employment and industrial land predominately occurs by:

- Industrial uses redeveloping into other industrial uses
- Vintage industrial uses redeveloping into non-industrial uses
- Non-industrial uses redeveloping into other non-industrial uses
- Vintage non-industrial redeveloping into industrial uses (theoretically possible, but data analysis has not found detectable amounts of this activity)

Figure 5 Illustration of floor area ratio (FAR)



Translating land supply to a capacity estimate To be consistent with the employment demand assessment, which translated the employment forecast to a building square footage demand, this analysis translates the vacant land supply into building square feet. While it is difficult to translate local zoning into the number of jobs that might be provided on a parcel, it is easier to assess the building type and form likely to be built based on the zoning. Floor area ratios (FARs) allow a translation between local zoning and capacity expressed through building square feet. FAR is the ratio of a building’s floor area to the total parcel area. FARs are not consistent across the region.

Higher intensity of development (or FAR) can occur as land becomes more valuable, requiring more efficient use of space including multi-level development, lower parking ratios with greater use of transit, and more structured parking. Higher intensity of employment is also expected to the extent that an increasing share of regional employment takes place with service and office-related functions compared with traditional manufacturing or distribution space. Any transition in intensity of employment is expected to occur over time and to the extent supported by global and regional market trends. This capacity analysis recognizes variations by market subarea, 2040 design type, and zoning, as well as varying the expected achievable FAR over time.

The region’s employment and industrial capacity is calculated by multiplying acres by FAR value for each market subarea, accounting for building mix and differences in FAR in the short- and long-term. The building square foot capacity on buildable land by market subarea is shown in **Figures 6 and 7** for industrial and non-industrial land. The charts do not show redevelopment and infill (“refill”) capacity by market subarea, which comprises a significant portion of the supply in the central and inner market subareas.

Figure 6: Industrial capacity on vacant land in building square feet, by market subarea

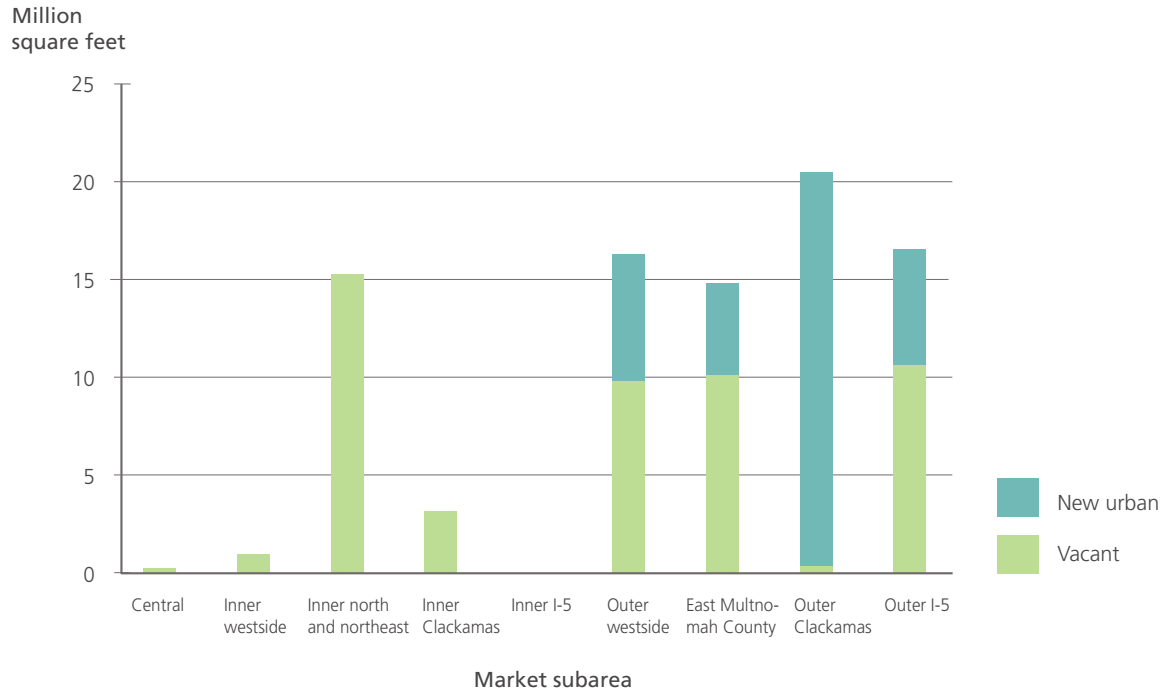
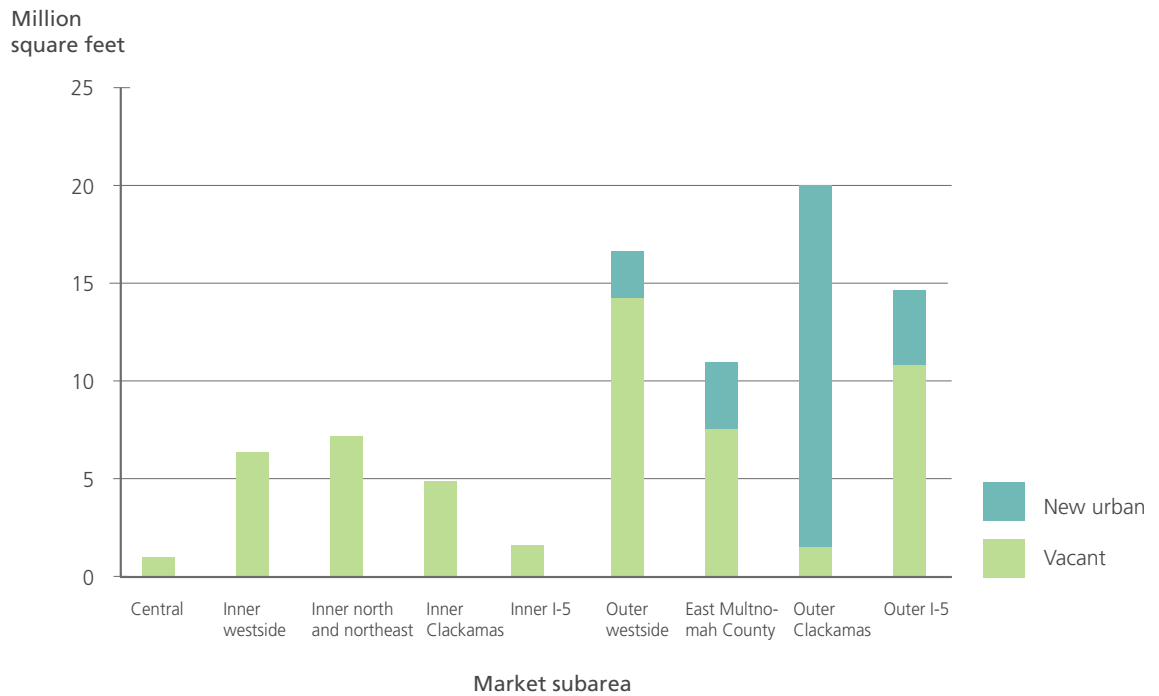


Figure 7: Non-industrial capacity on vacant land in building square feet, by market subarea



Comparing market subarea demand and supply This analysis shows that the region's capacity on vacant land is not always located where demand is projected to be. It highlights the importance of redevelopment and infill to support the region's economy as well as creating vibrant communities.

For industrial, the outer I-5/205, outer westside, inner north and northeast, and east Multnomah County market subareas show sufficient capacity to meet forecasted demand. The vacant capacity in outer Clackamas is almost entirely in new urban areas, requiring infrastructure and other investments to become developable (one reason that projected demand is low). Inner I-5, inner westside, and the central city do not have sufficient vacant capacity to meet projected demand, and must rely on redevelopment and infill.

Non-industrial demand and supply by market subarea shows sufficient capacity to meet demand in outer I-5/205, east Multnomah county, outer westside and outer Clackamas. Demand is projected to be much higher than vacant capacity in the inner north and northeast, inner westside, and the central city. Local and regional policies and investments can help to address the disparity between capacity and demand.

What is the potential gap between employment demand and capacity and what are some policy choices?

The current employment demand forecast and the analysis of employment capacity within the UGB do not indicate a need to add land to the boundary for industrial purposes at the regional level to meet statutory requirements to maintain a 20-year land supply. However, the analysis does show a need for additional capacity through investments, policy changes, or expansions to meet the high end of the demand range for non-industrial employment. Further analysis of certain categories of employment land uses (such as large lot employer/industrial uses) and the ability to address economic development opportunities to support the regional economy may be needed.

Figures 8 and 9 depict the five- and 20-year building square foot demand range (from the 20-year forecast) for industrial and non-industrial development along with the capacity range. The demand range is illustrated with two lines that show the upper and lower end of the building square foot demand forecast. Two primary types of capacity are shown. The capacity depicted in solid colors can be relied upon with a continuation of current policy and investment trends. The capacity shown in dotted colors is deemed to be zoned capacity that requires additional policy or investment actions to render it market feasible by the year 2030. As with the residential UGR, this chart is all based on current zoning; no "upzoning" is assumed.

Expected employment and industrial capacity based on current policies

The first type of capacity shown in **Figures 8 and 9** is zoned capacity inside the current urban growth boundary that is market feasible (in the short- and long-term) with no change in policy or investment trends. Land that is classified as development-ready is included in this category in both the short-term (five-year) and long-term (20-year). Most of the small lot vacant land is included in this category for the long-term, with a small portion assumed to be available in the short term. Refill rates (the amount of redevelopment and infill), which are different for industrial and non-industrial development, are based on historic rates and MetroScope scenario analysis (24 percent for industrial and 45 percent for non-industrial). Finally, half of the new urban areas (land brought into the urban growth boundary since 1997) are deemed to be market feasible by the year 2030.

Potential employment and industrial capacity based on future policy choices

The second type of capacity that is depicted in Figures 8 and 9 is zoned capacity inside the urban growth boundary that is likely to require changes to policies and investments to make it market feasible by the year 2030. Policy and investment actions (such as targeted infrastructure investments) can increase FARs, increase the refill rate, and increase the market feasibility of vacant land. The potential result of these actions (based on MetroScope scenario analysis) taken at the local or regional level is shown in the dotted colors in the figures.

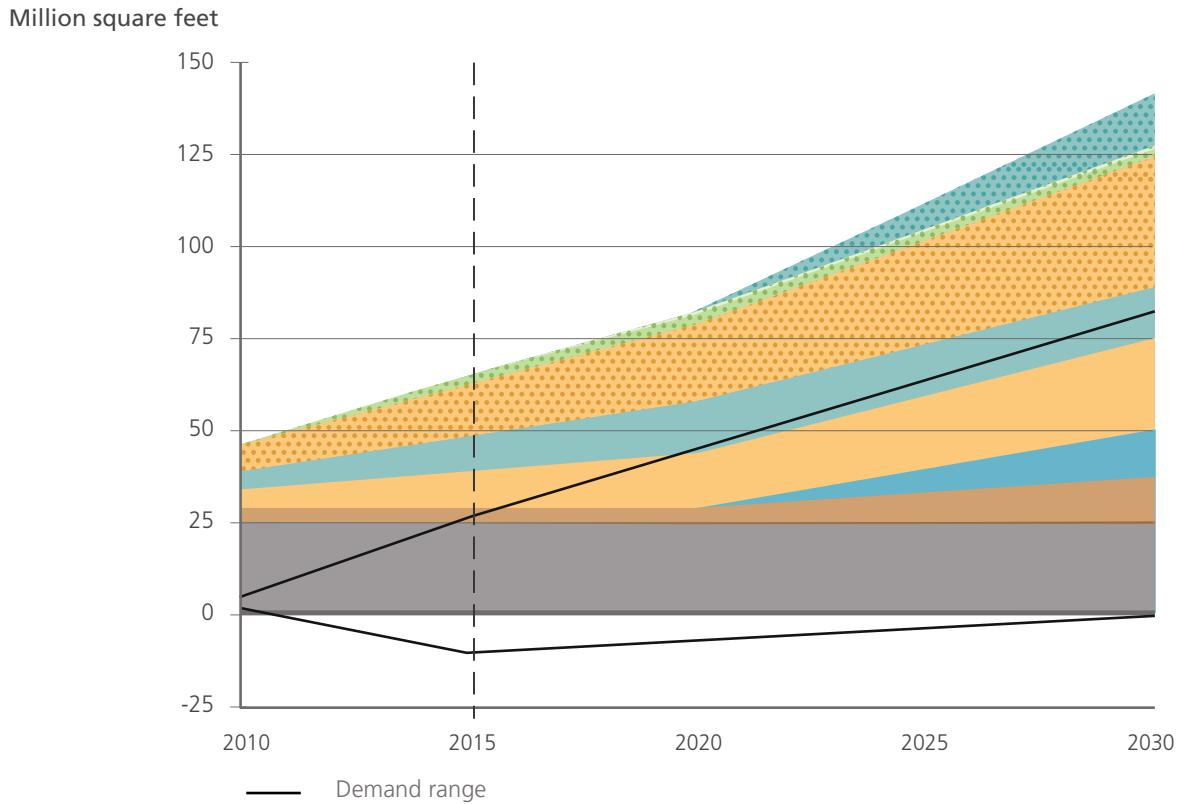
Table 2 describes the key assumptions that establish the range of capacity for industrial and non-industrial employment land.

Table 2: Assumptions that establish the range of capacity

INDUSTRIAL		NON-INDUSTRIAL	
Low supply	High supply	Low supply	High supply
<ul style="list-style-type: none"> • Infrastructure limits development in new urban areas • Refill at 24% • FAR reflects current development 	<ul style="list-style-type: none"> • No infrastructure limits • Refill at 50% (potential) • FAR increased by 10% 	<ul style="list-style-type: none"> • Infrastructure limits development in new urban areas • Refill at 45% • FAR reflects current development 	<ul style="list-style-type: none"> • No infrastructure limits • Refill at 90% (potential) • FAR increased by 10%
88.6 million building square feet	140.9 million building square feet	118.6 million building square feet	223.2 million building square feet

Figure 8: Industrial building square foot demand forecast and sources of capacity

Source: Metro, E.D. Hovee & Company, LLC, FCS Group



Expected industrial employment capacity

- New urban areas
- Refill, estimated (24%)
- Lacks infrastructure and urban services, outside centers and corridors
- Investment required, outside centers and corridors
- Investment required, inside centers and corridors
- Development ready, outside centers and corridors

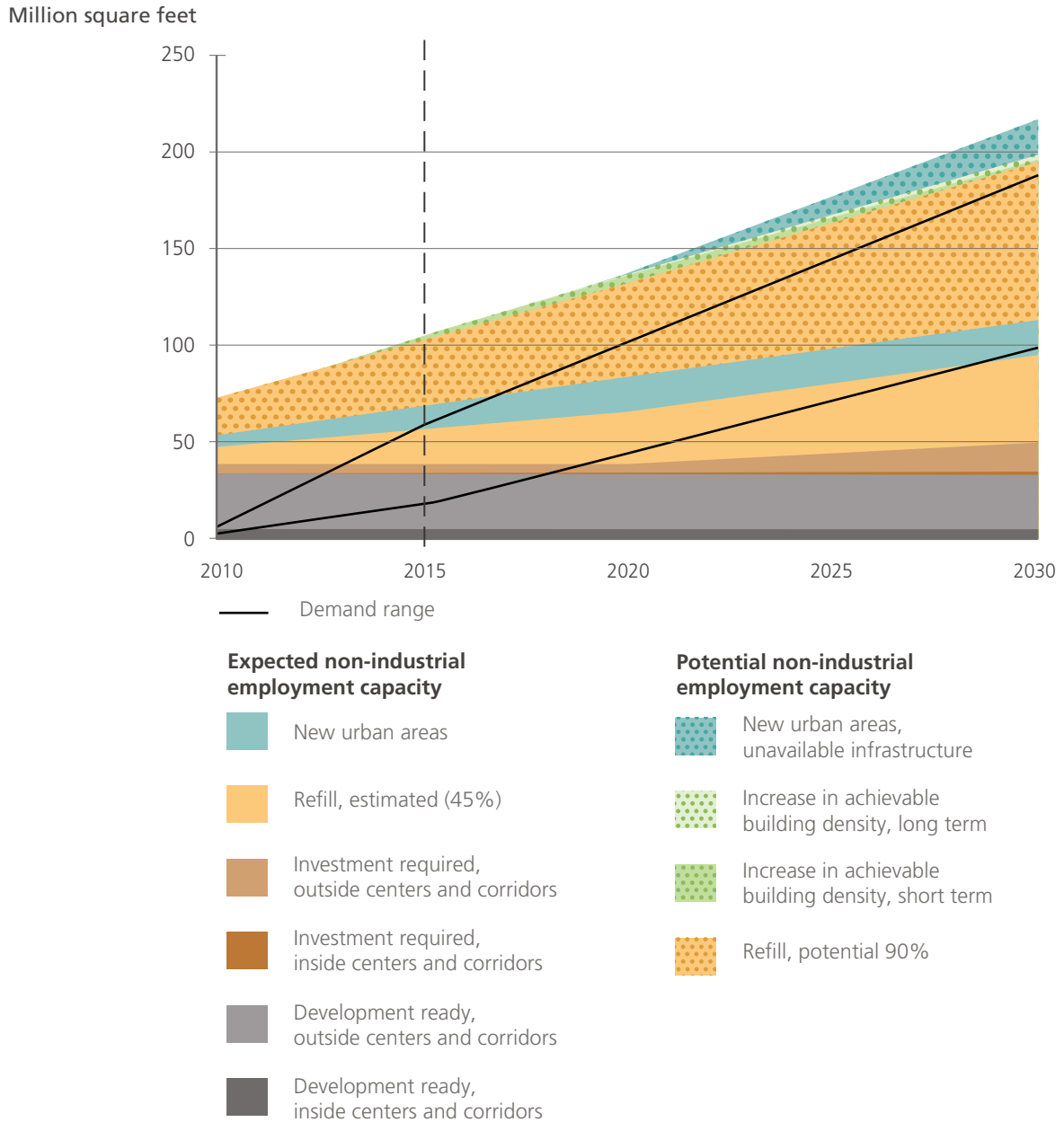
Potential industrial employment capacity

- New urban areas, unavailable infrastructure
- Increase in achievable building density, long term
- Increase in achievable building density, short term
- Refill, potential (50%)

NOTE: This analysis does not specifically address unique needs such as large lot industrial/employment demand.

Figure 9: Non-industrial building square foot demand forecast and sources of capacity

Source: Metro, E.D. Hovee & Company, LLC, FCS Group



Potential employment and industrial capacity based on future policy choices

The second type of capacity that is depicted in Figures 8 and 9 is zoned capacity inside the urban growth boundary that is likely to require changes to policies and investments to make it market feasible by the year 2030. Policy and investment actions (such as targeted infrastructure investments) can increase FARs, increase the refill rate, and increase the market feasibility of vacant land. The potential result of these actions (based on MetroScope scenario analysis) taken at the local or regional level is shown in the dotted colors in the figures.

Table 2 describes the key assumptions that establish the range of capacity for industrial and non-industrial employment land.

POLICY CHOICES

As the region's leaders review this analysis of forecasted employment demand and the current boundary's capacity to meet that demand, there are a number of questions to keep in mind:

Supporting the region's place in a shifting global economy

1. The world is changing rapidly – what are our region's unique strengths in a global economy and how do we capitalize on those strengths in ways that are consistent with the region's vision? Should the region be positioned as a leader in the green economy to address greenhouse gas emissions and reduce dependence on imported sources of energy?
2. How important is land supply in the mix of elements that make up a strong regional economy (along with educated workforce, quality jobs, and other factors)?
3. Global economic conditions change quickly. Is twenty years an appropriate time horizon for planning how to accommodate job growth? How might we be prepared to act upon new opportunities in a timely fashion? How can we design a rapid response system to support a strong regional economy both in the near term and sustainably over the next 40-50 years?

Maintaining capacity for land-extensive industry

4. Given the impossibility of predicting with confidence the need for large-scale manufacturing capacity over the 20-year planning period and the difficulties experienced trying to preserve large private parcels for industrial use in the face of pressures from landowners who do not want to “bank” their land for 10-15 years of waiting for a large company and from cities and counties that want flexibility to respond to more immediate opportunities, are there better ways than used in the past to address the call for large parcels?
5. Is employment land interchangeable or are there specialized needs for certain locations or industries? (For example, is a car manufacturer more likely to locate on Swan Island or in the Columbia Corridor while high tech companies may tend to cluster together?)
6. What strategies can be put in place to ensure that industrial land is used for job generating industrial purposes in order to protect public investments made to support industrial uses (such as transportation investments and planning efforts) and enhance regional competitiveness?

Investing and infrastructure

7. What strategies and investments would support more non-industrial employment in the region's centers and corridors?
8. What is the right balance of strategies and investments to support redevelopment of existing employment areas and development on greenfield industrial sites when there are limited local and regional resources?
9. How should the region prioritize public investments, such as transportation, infrastructure, and technical resources? What does a city or county need to have in place to take advantage of regional investments?

Balancing local and regional perspectives and managing risk

10. How do we balance local desires or aversions with a regional perspective? (For example, what if all jurisdictions plan on being home to solar industries, but no jurisdictions plan on being home to warehousing and distribution)?
11. What are the risks of planning for the high or low end of the employment forecast? Are there different risks when planning for employment (versus housing)?
12. What are the risks of assuming that future employment trends will be the same or different, compared with today? Can the region minimize these risks by targeting high growth industries or business clusters? Or should there be less attention to identifying potential winners and losers, with more emphasis on assuring competitive capacity to serve the increasingly diverse needs of as yet unknown employers who will grow the jobs of the next 20-50 years?
13. In addition to the creation of employment capacity, are there reasons (based on the six desired outcomes) to expand the UGB?
14. How might our region's policies and investments interact with actions taken in the broader economic region, from Longview to Salem?

Employment capacity is a product of zoning, public investments, market dynamics and regional growth management policy. It is up to all of the cities and counties in the region to work with Metro to make a determination of where growth should occur and to take policy and investment actions as needed to direct growth in a way that supports local aspirations and the regional vision. How growth is accommodated will play a large part in determining whether or not the region achieves its desired outcomes and creates great communities.

A strong regional economy into the future will depend on a variety of decisions that are not related to land use. Greenlight Greater Portland, a regional group organized to market the Portland – Vancouver region to attract businesses, focuses on the people and places that make up the region.

“What people find here is vitality and livability: great neighborhoods, schools and efficient means of getting around; a creative work environment; a backyard of mountains, rivers and forests. This isn't lost on business leaders, well aware that where there's urban vitality there's talent. The region's skilled workforce is drawing companies to Portland-Vancouver, where they're adding new expertise and innovation to a diverse economic base.”

Source: 2008 Greater Portland Prosperity Index

Local and regional policy choices can foster communities that are attractive to the people that make up the regional economy. Some of those choices are described below.

Zoning In most cases, the maximum zoned capacity in centers, corridors, employment and industrial areas is adequate to meet demand. The challenge is to attract the market to more closely approach zoned capacity. Removing barriers to more efficient use of land in industrial areas is a strategy that can be pursued (such as innovative approaches to landscaping requirements such as green walls and green roofs, etc.).

Investments in centers and corridors Past experience and recent scenario modeling indicate that investments in centers and corridors are effective means of attracting growth to these areas. Employment in these locations creates great places by generating daytime activity. Residential development, as a companion to employment uses, supports retail and entertainment and creates nighttime activity. Investments can take the form of:

- Urban renewal
- Urban design improvements (such as street trees, sidewalks, traffic calming design improvements)
- Land assembly
- Investments in structured parking
- Incentives that reduce the costs of construction (such as System Development Charge credits, vertical housing tax abatement, or the other tools explored in Metro’s Community Investment Toolkit: Financial Incentives (2007))
- Design and technical assistance, including incentives for prototype developments illustrating profitable concepts in a mixed use, sustainable setting

Investments in brownfields A portion of the region’s land supply is currently environmentally contaminated. Public investment in cleaning up brownfield sites is good from an environmental perspective, supports redevelopment and reuse of land in existing urban locations that are typically well-served by infrastructure, and allows new private investment to occur without the risk of uncertain costs.

Targeted infrastructure investments Infrastructure investments determine where population growth will occur. Transportation investments are a key component. Participants in recent employer focus groups emphasized the importance of transit to support employment and industrial areas. These strategies will also be necessary for reducing greenhouse gas emissions.

TIMELINE

This preliminary employment urban growth report is being released well before decisions must be made in order to allow substantial discussion among policymakers and local planning professionals. Refinements to the data and assumptions as well as local and regional actions that affect employment capacity that are put in place in 2009 will be considered for inclusion in the final urban growth report to be accepted by Metro Council by the end of the year.

Technical review Metro staff will meet with city and county staff and members of the business community in May and June to review the methodologies and outstanding issues identified in the preliminary analysis. Groups include the Employment Coordination and Advisory Committee, business associations, and the Metro Technical Advisory Committee.

Spring-Summer 2009 Regional leaders will engage in a more specific discussion of the long-term aspirations of local communities and the capacity assumptions in the preliminary analyses, culminating in a draft urban growth report to be issued in September 2009.

December 2009 Metro Council will accept a 2030 population and employment range forecast and complete a final urban growth report that describes any capacity gap to be addressed in 2010.

December 2010 Local and regional governments will continue to implement policies and investments to create and enhance great communities while accommodating anticipated growth. Metro Council will submit plans to accommodate at least 50 percent of any 20-year capacity need (through local and regional actions inside the boundary or through expansions) to the Oregon Land Conservation and Development Commission.



Metro | *People places. Open spaces.*

Clean air and clean water do not stop at city limits or county lines. Neither does the need for jobs, a thriving economy and good transportation choices for people and businesses in our region. Voters have asked Metro to help with the challenges that cross those lines and affect the 25 cities and three counties in the Portland metropolitan area.

A regional approach simply makes sense when it comes to protecting open space, caring for parks, planning for the best use of land, managing garbage disposal and increasing recycling. Metro oversees world-class facilities such as the Oregon Zoo, which contributes to conservation and education, and the Oregon Convention Center, which benefits the region's economy.

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Kathryn Harrington, District 4

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