

Metro | Agenda

Meeting: Metro Policy Advisory Committee (MPAC)
Date: Wednesday, October 14, 2009
Time: 5 to 7 p.m.
Place: Council Chambers

5 PM	1.	<u>CALL TO ORDER</u>	Tom Brian, Chair
5:02 PM	2.	<u>SELF INTRODUCTIONS & COMMUNICATIONS</u>	Tom Brian, Chair
5:05 PM	3.	<u>CITIZEN COMMUNICATIONS ON NON-AGENDA ITEMS</u>	
5:10 PM	4.	* • Consideration of the MPAC Minutes for September 23, 2009	Tom Brian, Chair
		* • MTAC Member Nomination	
5:15 PM	5.	<u>COUNCIL UPDATE</u>	
	6.	<u>INFORMATION / DISCUSSION ITEMS</u>	
5:20 PM	6.1	* Performance Measures: Direction on Issues for Further Discussion – <u>DISCUSSION/DIRECTION</u>	Doug Zenn, Facilitator Christina Deffebach
6:05PM	6.2	* Urban Growth Report: Direction on Issues for Further Discussion – <u>DISCUSSION/DIRECTION</u>	Doug Zenn, Facilitator Malu Wilkinson
6:50 PM	7.	<u>MPAC MEMBER COMMUNICATIONS</u>	
7 PM	8.	<u>ADJOURN</u>	Tom Brian, Chair

* Material available electronically.

Material provided at meeting.

All material will be available at the meeting.

For agenda and schedule information, call Kelsey Newell at 503-797-1916, e-mail: kelsey.newell@oregonmetro.gov.

To check on closure or cancellations during inclement weather please call 503-797-1700.



2009 MPAC Tentative Agendas

Tentative as of October 7, 2009

<p><u>Metro Council, JPACT, MPAC Open House & Public Hearing on MGP/RTP</u> Date: October 8, 2009 Time: Open house at 4 p.m.; public hearing at 5:15 p.m. Location: Happy Valley City Hall</p>	<p><u>Metro Council, JPACT, MPAC Open House & Public Hearing on MGP/RTP</u> Date: October 13, 2009 Time: Open house at 4 p.m.; public hearing at 5:15 p.m. Location: Clackamas County Public Service Building</p>
<p><u>MPAC Meeting</u> October 14, 2009, 5 to 7 p.m.</p> <ul style="list-style-type: none"> • Making the Greatest Place <ul style="list-style-type: none"> • Performance Measures - Direction on issues for further discussion • Urban Growth Report – Direction on issues for further discussion 	<p><u>Metro Council, JPACT, MPAC Open House & Public Hearing on MGP/RTP</u> Date: October 15, 2009 Time: Open house at 4 p.m.; public hearing at 5:15 p.m. Location: Metro Regional Center, Council Chambers</p> <p><i>End of 30-day public comment period for the Regional Transportation Plan</i></p>
<p><u>MPAC Retreat</u> October 23, 2009, 8 a.m. to 3 p.m. Location: Oregon Zoo, Skyline Rm.</p> <ul style="list-style-type: none"> • Making the Greatest Place <ul style="list-style-type: none"> • Urban and Rural Reserves – Direction on issues for further discussion • Regional Transportation Plan – Direction on issues for further discussion 	<p><u>MPAC Meeting</u> October 28, 2009, 5 to 7 p.m.</p> <ul style="list-style-type: none"> • Making the Greatest Place <ul style="list-style-type: none"> • Receive summary of public comments • Deadline for amendments to Resolution on Urban Growth Report • Deadline for amendments to Resolution on Regional Transportation Plan
<p><u>MPAC Meeting</u> November 18, 2009, 5 to 7 p.m. (Note: special meeting date – <i>may need to extend time</i>)</p> <ul style="list-style-type: none"> • Making the Greatest Place <ul style="list-style-type: none"> • Make recommendation to Metro Council on Resolution 09-xxxx approving 2035 RTP pending air quality conformity analysis and findings including any proposed amendments from MPAC or JPACT (action) • Make recommendation to Metro Council on Resolution 09-xxxx, accepting regional range forecast and urban growth report (action) • Deadline for amendment to Resolution on Intergovernmental Agreement for Urban and Rural Reserves 	<p><u>(Due to holidays, only one November and one December MPAC meeting is currently scheduled)</u></p>

<p><u>MPAC Meeting</u> December 9, 2009, 5 to 7 p.m.</p> <ul style="list-style-type: none"> • Making the Greatest Place <ul style="list-style-type: none"> • Make recommendation to the Metro Council on Resolution No. 09-xxxx authorizing an Intergovernmental Agreement with counties to designate Urban and Rural Reserves 	<p><u>(Due to holidays, only one November and one December MPAC meeting is currently scheduled)</u></p>
<p><u>January – March 2010 (1st quarter)</u></p> <ul style="list-style-type: none"> • Metro Council proposes Urban Growth Management Functional Plan (UGMFP) amendments that designate urban reserves • Local governments propose local efficiency measures that can be counted towards closing capacity gap • MPAC discusses Ordinance 10-xxxx, which 1) designates urban reserves to accommodate long-range population and employment growth, 2) amends the Regional Framework Plan to include urban and rural reserves policies, 3) amends UGMFP to implement regional policies on urban and rural reserves, and 4) adopts a map that shows the location of urban and rural reserves. • Investment Strategy 	<p><u>April – June 2010 (2nd quarter)</u></p> <ul style="list-style-type: none"> • MPAC discusses and recommends Ordinance 10-xxxx, which 1) designates urban reserves to accommodate long-range population and employment growth, 2) amends the Regional Framework Plan to include urban and rural reserves policies, 3) amends UGMFP to implement regional policies on urban and rural reserves, and 4) adopts a map that shows the location of urban and rural reserves. • Metro Council holds public hearings and adopts Ordinance 10-xxxx which 1) designates urban reserves to accommodate long-range population and employment growth, 2) amends the Regional Framework Plan to include urban and rural reserves policies, 3) amends UGMFP to implement regional policies on urban and rural reserves, and 4) adopts a map that shows the location of urban and rural reserves. <i>Adoption of this ordinance by the Metro Council constitutes a land use action appealable to LUBA</i> • Counties adopt land use ordinances and designate rural reserves • Local governments adopt local efficiency measures that can be counted towards closing capacity gap • MPAC and JPACT discuss and make recommendation to Metro Council on Ordinance 10-xxxx, adopting final 2035 Regional Transportation Plan, including Transportation Functional Plan amendments and Regional Framework Plan policies • Metro Council holds public hearings and adopts Ordinance 10-xxxx, adopting final 2035 Regional Transportation Plan including transportation functional plan amendments and Regional Framework Plan policies. <i>Adoption of this ordinance by the Metro Council constitutes a land use action appealable to LUBA</i> •

<p><u>July – September 2010 (3rd quarter)</u></p> <ul style="list-style-type: none"> • MPAC (and JPACT?) discusses Ordinance 10-xxxx, amending the Regional Framework Plan and the UGMFP to adopt strategies and actions to close the gap between the 20-year need and existing capacity 	<p><u>October – December 2010 (4th quarter)</u></p> <ul style="list-style-type: none"> • MPAC (and JPACT?) discusses and recommends to the Metro Council Ordinance 10-xxxx, amending the Regional Framework Plan and the UGMFP to adopt strategies and actions to close the gap between the 20-year need and existing capacity • Metro Council holds public hearings and adopts Ordinance 10-xxxx, amending the Regional Framework Plan and the UGMFP to adopt strategies and actions to close the gap between the 20-year need and existing capacity • If necessary, MPAC (and JPACT?) consider ordinance recommending to Metro Council Urban Growth Boundary capacity adjustments • If necessary, Metro Council considers ordinance for Urban Growth Boundary capacity adjustments. <i>Adoption of this ordinance by the Metro Council constitutes a land use action appealable to LUBA</i>
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METRO POLICY ADVISORY COMMITTEE
September 23, 2009
Metro Regional Center, Council Chambers

MEMBERS PRESENT

Tom Brian, Chair
Sam Adams
Pat Campbell
Jody Carson
Nathalie Darcy
Dennis Doyle
Amanda Fritz
Jack Hoffman
Carl Hosticka
Dick Jones
Richard Kidd
Robert Liberty
Rod Park
Wilda Parks
Rick VanBeveren
Mike Weatherby
Richard Whitman

AFFILIATION

Washington Co. Commission
City of Portland
City of Vancouver
City of West Linn, representing Clackamas Co. Other Cities
Washington Co. Citizen
City of Beaverton, representing Washington Co. 2nd Largest City
City of Portland
City of Lake Oswego, representing Clackamas Co. Largest City
Metro Council
Clackamas Co. Special Districts
City of Forest Grove, representing Washington Co. Other Cities
Metro Council
Metro Council
Clackamas Co. Citizen
TriMet Board of Directors
City of Fairview, representing Multnomah Co. Other Cities
Oregon Dept. of Land Conservation & Development

MEMBERS EXCUSED

Ken Allen
Shane Bemis, Vice Chair
Richard Burke
Charlotte Lehan, Second Vice Chair
Robert Kindel
Don McCarthy
Michelle Poyourow
Alice Norris
Judy Shiprack
Steve Stuart
Jerry Willey
Dilafruz Williams

AFFILIATION

Port of Portland
City of Gresham, representing Multnomah Co. 2nd Largest City
Washington Co. Special Districts
Clackamas Co. Commission
City of North Plains, City in Washington Co. outside UGB
Multnomah Co. Special Districts
Multnomah Co. Citizen
City of Oregon City, representing Clackamas Co. 2nd Largest City
Multnomah Co. Commission
Clark Co., Washington Commission
City of Hillsboro, representing Washington Co. Other Cities
Governing Body of School Districts

ALTERNATES PRESENT

Bob Austin
Shirley Craddick
Doug Neely
Matt Berkow
Aron Carleson

AFFILIATION

Clackamas Co. Commission
City of Gresham, representing Multnomah Co. 2nd Largest City
City of Oregon City, representing Clackamas Co. 2nd Largest City
Multnomah Co. Citizen
City of Hillsboro, representing Washington Co. Largest City

STAFF: Dan Cooper, Andy Cotugno, Kim Ellis, Kathryn Harrington, Milena Hermansky, Michael Jordan, Robin McArthur, Kelsey Newell, Ken Ray, Andy Shaw, Randy Tucker, Patty Unfred, Malu Wilkinson, John Williams.

1. CALL TO ORDER AND DECLARATION OF A QUORUM

Chair Tom Brian declared a quorum and called the meeting to order at 5:05 p.m.

2. SELF INTRODUCTIONS AND COMMUNICATIONS

Committee members and audience members introduced themselves.

3. CITIZEN COMMUNICATIONS ON NON-AGENDA ITEMS

There were none.

4. CONSENT AGENDA

Consideration of MPAC minutes for September 9, 2009

MOTION: Mayor Richard Kidd moved, and Mr. Dick Jones seconded, to approve the MPAC minutes from September 9, 2009.

ACTION TAKEN: With all in favor, the motion passed.

5. COUNCIL UPDATE

Councilor Robert Liberty of Metro announced to the committee that the Metro Council recently had a briefing on House Bill (HB) 2001, the transportation package passed by the 2009 Oregon legislature. HB 2001 requires Metro to develop a scenario for reducing greenhouse gasses through the integration of land use and transportation. Councilor Liberty recommended that committee members have their staff review that part of HB 2001.

6. INFORMATION/ DISCUSSION ITEMS

6.1 Summary of Making the Greatest Place (MGP) Chief Operation Officer (COO) Recommendation

Metro COO Michael Jordan updated the committee on the COO recommendation for MGP, which was released September 15, 2009, and summarized key points regarding the Regional Transportation Plan (RTP), Urban Growth Report (UGR) Performance Measures, Investments, and Urban and Rural Reserves (URR). Mr. Jordan then referred to a map of the region to provide a more detailed description of his recommendation for Urban and Rural Reserves.

Mr. Andy Cotugno of Metro briefed members on the tentative MPAC schedule. MPAC is scheduled to discuss feedback on issues related the UGR and RTP on October 14, 2009. An all-day retreat will occur October 23, 2009 to discuss feedback on issues related to Reserves and to further refine any outstanding issues related to the UGR and RTP. Meetings in November and December will be action-oriented, with a number of resolutions coming before the committee.

Mr. Cotugno also requested that members sign up for at least one formal hearing on MGP and the RTP during the 30-day public comment period, which ends October 15, 2009.

Doug Zenn then facilitated a discussion with the committee to identify issues for discussion at the next two MPAC meetings (See Attachment A).

- Mr. John Williams of Metro indicated to the committee where key documents regarding performance measurement can be found in the COO report. The resolution will adopt a framework for performance indicators; specific targets will be discussed over next year into 2010. See Attachment A for a list of issues identified by committee members for further discussion
- Mr. Andy Shaw of Metro highlighted where key documents on investment strategies may be found in the recommendation. He explained that the investments recommendation is different from other items in that there is no specific decision or recommendation that the committee is facing this fall. Rather, it's a program of work that Metro recommends members pursue over the next year. See Attachment A for a list of issues identified by committee members for further discussion
- Ms. Malu Wilkinson of Metro highlighted the location of key documents related to the UGR in the recommendation. She advised members that not all appendices are in the binder version of the document; additional materials can be found on the CD-ROM. She also discussed the gap between supply and demand as it relates to the UGR. See Attachment A for a list of issues identified by committee members for further discussion.
- Ms. Kim Ellis of Metro indicated to the committee where key documents related to the RTP can be found in the recommendation. A final RTP will be produced next spring and will come before the committee for adoption by ordinance in June 2010. Committee members are scheduled to accept by resolution the 2035 RTP at their November 19th meeting. See Attachment A for a list of issues identified by committee members for further discussion.
- Mr. John Williams informed the committee on where key documents related to URR can be found in the recommendation. The document contains a discussion of scale and includes a detailed map. See Attachment A for a list of issues identified by committee members for further discussion

Mr. Richard Whitman of the Oregon Department of Land Conservation & Development provided a presentation on the potential risks and consequences of designating too much or too

little land as urban and rural reserves and briefed members on Oregon Administrative Rules (OARs) that pertain to URR.

7. MPAC MEMBER COMMUNICATIONS

There were none.

8. ADJOURN

Chair Tom Brian adjourned the meeting at 7:12 p.m.

Respectfully submitted,



Recording Secretary

ATTACHMENTS TO THE PUBLIC RECORD FOR SEPTEMBER 23, 2009:

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

ITEM	DOCUMENT TYPE	DOC DATE	DOCUMENT DESCRIPTION	DOCUMENT No.
	Document	9/23/2009	Revised MPAC agenda for 9.23.09 meeting	092309j-01
	Document	9/9/2009	Updated MPAC minutes for 9.09.09 meeting	092309j-02
6.1	Map	9/23/2009	Urban and Rural Reserves Recommendation	092309j-03
	Chart	9/22/2009	<i>MGP Fall 2009 Advisory Committee Schedule</i>	092309j-04
6.1	Document	9/23/2009	<i>MGP – Issues for further discussion by MPAC</i>	092309j-05
6.1	PowerPoint	9/24/2009	<i>Urban and Rural Reserves: How much land? Risks and Consequences</i>	092309j-06

Making the Greatest Place – Issues for further discussion by MPAC

Performance Measures – October 14th MPAC meeting

- Agreement to indicators
- Agreement to process for setting targets for each indicator
- Intervals for assessing targets
- What happens when above or below the plan?
- Include enforcement in the discussion
- Discuss agricultural performance measures - the health of urban agriculture
- Are the performance measures measured a regional or less than the regional level? Discuss specific geographic areas for performance measures
- Need to define local government actions in response to progress or lack of progress on performance measures.
- Coordinate with performance measures begin developed by DLCD.
- Discuss the increase of commuters from outside the region.
- Should we have housing and employment targets for specific centers?
- Need a measure on whether we are pushing too much growth to neighbor cities.

Investment Strategy – January, 2010

- How are local investments embedded in the regional investment strategy
- Definition of the cost/benefit analysis and discuss how to measure the return on investments.
- Address the timeline for the investment strategy decision points – e.g. RTP, UGR, etc. between 2009 – 10.
- Discuss the role of investment on the size of the urban reserves needed.
- Financing: sources of revenue versus location of investments.
- Audit of finance performance. Compare performance against previous plans. How have we done?
- The “doability” of our revenue assumptions. Consequence of not implementing the RTP revenue sources.

Urban Growth Report – October 14th MPAC meeting

- Housing gap between demand and supply
- Employment gap between demand and supply
- Large Lot industrial gap between demand and supply
- Equity: Housing for whom? Affordable housing
- Discuss where the housing and employment capacity lies in Washington, Multnomah and Clackamas Counties (vacant land and refill)
- Discuss the affects of growth in satellite cities and its relation to the capacity gap
- What happened to large lot industrial tracts brought into the UGB in 2002/2004?
- Does Metro have the legal authority to limit UGB expansions to large lot industrial?

- Does metro have the legal authority to direct local government to assemble lots to meet large lot need?
- What policies and investments need to be implemented in the cities to increase capacity? When/timeframe?
- What happens if growth slows?

Regional Transportation Plan – October 23rd MPAC retreat

- Corridor Refinement Plan priorities
- RTP Performance Targets
- Alternative Mobility Standards for state facilities in the Metro region. The discussion should include how to ensure the Oregon Transportation Commission approves the region's request for alternative mobility standards to support local governments efforts to fully realize planned capacity in 2040 centers and corridors..

Urban and Rural Reserves – October 23rd MPAC retreat

- Scale of Urban and Rural Reserves
- Risks of "overdesignating" and "underdesignating" urban and rural reserves
- Discussion of undesignated areas
- Requirements for bringing Urban Reserves into the UGB.
- To what extent and under what conditions should natural areas that cannot develop be included in urban reserves?
- Can rural reserves distinguish between designations for agriculture versus natural resource?
- Discuss at what time the region would revisit/reconsider or update the urban reserves decision.
- How can urban and rural reserves be used as buffers between urban areas and large scale agriculture?
- Overlay the reserves map with the region's employment needs. How does this compare? Does it sufficiently meet region's needs, including specific types of lands.
- Urban reserves: Consider short-term versus long-term timeframes. Can we delineate which lands might be utilized first to provide more certainty?
- Distinction on rural reserves – agriculture for food versus agriculture for other agricultural needs
- Capacity estimates for urban reserves.
- Consequences of behavioral changes due to reserve designation and credibility of those potential behavioral changes. E.g. won't lease land to farmers in urban reserves; increases in land lease costs in urban reserves.
To what extent should land not under threat of urbanization be included in rural reserves?
Can we develop a regionally consistent approach to understanding what lands are under threat of urbanization?



Metro | Memo

Date: October 7, 2009

To: Metro Policy Advisory Committee

RMC

From: Robin McArthur AICP, Planning & Development Director

Re: *New MTAC Members for MPAC Consideration*

Per MPAC bylaws Article IV, Section C, applicable to the Metro Technical Advisory Committee, "each jurisdiction or organization named shall annually notify MPAC of their nomination. MPAC may approve or reject any nomination. Revision of the membership of MTAC may occur consistent with MPAC bylaw amendment procedures..."

New members have been nominated for MPAC consideration to MTAC:

1. Don Mazziotti, Community Development Director, to Seat No. 8 (2nd Largest City in Washington County; Beaverton Community Development). Steven Sparks would become the First Alternate and Barbara Fryer would become the Second Alternate; and
2. Ryan O'Brien, Homebuilders Association of Metropolitan Portland, to Seat No. 21 (Residential Contractor Association (HBA) as the First Alternate. Alan DeHarpport, former First Alternate, would become the primary member and Dave Nielsen would remain the Second Alternate.

Please consider this nominees to MTAC at your October 14 meeting. If you have any questions, do not hesitate to call me at 503-797-1714. Thank you.



To: MPAC

From: Chris Deffebach

Subject: Issues on Performance Measure Resolution

Date: October 6, 2009

As part of the Making the Greatest Place, MPAC has been asked to make a recommendation to Metro Council on a framework for measuring the performance of the region's "Making the Greatest Place" initiative and improving its performance over time. At their September 23rd MPAC meeting, MPAC outlined issues for consideration prior to making this recommendation. The schedule calls for clarifying direction from MPAC on these issues on October 14th and action on this resolution on October 28th. The action requested on October 28th is to reach agreement on the indicators and a process for setting targets for each indicator.

This memo presents the issues identified by MPAC, groups them by similar topic areas, presents information on options, presents a staff recommendation and leaves space for MPAC to indicate their direction. The groupings of issues are:

- Defining intervals for measuring performance.
- Giving direction on geographic scale.
- Adding an agricultural productivity measure.
- Adding measures for neighboring community growth and impacts.
- Setting specific targets for specific centers and areas
- Linking enforcement actions to performance and what type of actions these would be.
- DLCD coordination

Issues No. 1-5 below are items for MPAC discussion while issues. No 6 and 7 are answers to MPAC questions.

Items for discussion

1. **Intervals for assessing targets:** How frequently should the region assess progress in achieving the targets?

Options:

- Calculate progress every two years, five years or ten years

Pros/cons:

- Frequency of data updates varies by type of data – not all updated annually
- More efficient to tie data collection to other monitoring efforts, which vary in intervals
- Changes in land use patterns can take years to make measurable differences

Staff Recommendation:

- Commit to evaluating performance every two years, at least initially, and revise this interval if data is not available or meaningful in the be- it- resolve section of the resolution

MPAC direction:

2. **Geographic scale:** For what geographic scale will performance be measured? Will performance be measured at the regional scale or at a scale less than regional? In order to inform decision-makers, the measures of performance should relate to the geographic level affected by local and regional actions. The question of geographic scale involves determining which geography and which measures to report at that geography.

Options:

- Performance can be measured for the region as a whole, by jurisdiction, or jurisdictional district, county or by 2040 design type. (housing need analysis is example of jurisdictional districts)
- Performance can be measured at the scale of data availability --Some data are point data, some are zonal and others are collected at a corridor level.
- The table below illustrates possible geographies for different measures, as constrained by data.

Watershed	Region	Jurisdiction or jurisdictional districts	2040 Design Types	County
Clean water Healthy ecosystems	Clean air Climate change Energy efficiency Water efficiency	Wealth creation Infrastructure resilience Affordability Poverty Access to daily needs Access to nature	Compact urban form Active transportation	Traveler safety Congestion

Pros/cons:

- Smaller geographic scale can more easy to relate to the actions needed to affect performance
- Too small of a scale results in data inaccuracies
- As data methods and availability change over time, so does the appropriate geographic scale
- Staff recommendation:
 - Add to the be- it- resolves in the resolution to present the results at the geographic level that best informs decision-making given the data constraints.

3. **Agricultural performance** – How do we measure the success of our local and regional actions on supporting agriculture? A major objective of the State’s land use system, the 2040 Growth Concept and the Rural Reserve designations has been to a to preserve farmland and the agricultural industry.

Options:

- Measure revenue generated by the agricultural industry, acres of land in agricultural production, commodity volume produced, or agricultural diversity in the three metropolitan counties.

Pros/cons:

- Success in revenue or productivity of agricultural industry due to multiple factors in addition to those in the urban areas
- Oregon Dept of Agriculture keeps data on top agricultural producing counties -- Clackamas and Washington counties are in the top three.
- Measures of agricultural acres can be related to regional actions.

Staff recommendation:

- Add a measure: By 2035, retain XX% of land acres in Tri-County area with agricultural zoning.

MPAC direction:

- 4. Impact on neighboring communities.** Add a measure to reflect the potential impact of metro area policies and investments on growth in neighbor communities. Discuss the increase of commuters from outside the region and measure metro area's share of growth in the larger seven-county area to determine if the regional actions are pushing too much growth elsewhere.

Options:

- Add measure for change in share of housing and jobs in Yamhill, Columbia, Clark and Skamania Counties (the other four counties included in the growth forecast)
- Add a measure for increase in number of vehicle trips, with an origin or destination in and outside of the metropolitan area.

Pros/cons:

- Share of growth outside the Metro area is not necessarily good or bad unless there are bad consequences. Measure doesn't address consequences.
- The growth forecasts assume a share (or target) of growth for the metro area. The positive or negative impacts of achieving this share can vary by county and type of growth. For example, an increase of jobs in Clark County can reduce Columbia Crossing traffic.
- Measures can track changes in vehicle trips to/from areas outside the metro area but do not assess the impact on specific facilities.
- Vehicle trips not a true indicator of transportation impact and a better measure, vehicle miles traveled, cannot be measured outside the metro area with great accuracy
- Staff recommendation
 - Add a target for the share of employment and residential growth in the Metro area compared to the other four counties in the seven county area.

- Add target for vehicle trips with an origin or destination inside the Metro area and an originating or destination outside the Metro area in the seven county area as a share of the Metro area vehicle trips.

MPAC direction:

5. Targets for specific centers or areas. Should the measures include targets for housing and employment for specific centers?

Options:

- Set targets for a specific center or corridor
- Set targets for centers and corridors on average

Pros/cons

- Setting targets for specific centers or corridors can be linked with goals for specific investments
- Setting targets for centers and corridors on average allows for the region to link a strategy for meeting the region's capacity needs with an investment strategy in general

Staff recommendation

- Use the current measure for Compact Urban Form to set targets for centers and corridors on average and link to meeting the region's capacity needs.
- Consider developing targets for specific areas during the development of an investment strategy next year and not part of this resolution

MPAC direction:

Responses to MPAC Questions

6. **Enforcement and consequences of performance results.** MPAC asked about defining local government actions in response to progress or lack of progress on performance measures and the appropriate response or enforcement mechanism. The question is: What happens if our indicators tell us that our performance does not "measure up"?

There is a mechanism in state land use law that provides a performance measurement course of action. Under state law [the "needed housing" statute at ORS 197.301(1)], Metro must report performance, as indicated by adopted performance measures, to the Department of Land Conservation and Development (DLCD) every two years. That same law tells Metro that, if our performance measures/indicators show that our strategies or actions are not working, we must develop an action plan to "correct" our performance. We submit that action plan to DLCD, and repeat the two-year cycle of performance measurement.

If performance is required of cities and counties as a functional plan requirement - to protect industrial land from incompatible uses, for example - Metro's functional plans set forth several processes to resolve an issue of compliance with the requirement.

The action plan could pursue many options:

- Local governments could change the investment priorities if committed actions are not achieving results.
- Regional investment priorities could change if target not met
- The region could agree to change the targets if they are not being met

If MPAC is interested in setting new requirements for local jurisdictions, this can be considered as changes to the Urban Growth Management Functional Plan.

7. **DLCD coordination:** MPAC raised the issue of coordination with performance measures being developed by DLCD. Efficiency of data collection and analysis is important. Metro staff will coordinate the development of these measures with DLCD and include DLCD staff, along with other agencies and jurisdictions, in the data collection and analysis process. No changes needed at this time in this resolution.

BEFORE THE METRO COUNCIL

FOR THE PURPOSE OF APPROVING A
FRAMEWORK FOR MEASURING THE
PERFORMANCE OF THE REGION'S
"MAKING THE GREATEST PLACE"
INITIATIVE AND IMPROVING ITS
PERFORMANCE OVER TIME

) RESOLUTION NO. 09-XXXX
)
) INTRODUCED BY CHIEF OPERATING
OFFICER MICHAEL JORDAN WITH THE
) CONCURRENCE OF COUNCIL PRESIDENT
) DAVID BRAGDON
)

WHEREAS, Metro initiated the Making the Greatest Place effort to refine policy and develop a program of investments to implement the 2040 Growth Concept; and

WHEREAS, Metro's Urban Growth Management Functional Plan provides that Metro Council will adopt and revise performance measures periodically for use in evaluating and adjusting, as necessary, Metro's functional plans, the urban growth boundary and other regional plans; and

WHEREAS, Metro Council approved Resolution No. 08-3940 ("**For the Purpose of Affirming a Definition of a 'Successful Region' and Committing Metro to Work With Regional Partners to Identify Performance Indicators and Targets and to Develop a Decision-Making Process to Create Successful Communities.**") to express the intent of Metro and its regional partners to use a performance-based approach to implementation of the 2040 Growth Concept through the Making the Greatest Place effort; and

WHEREAS, Resolution No. 08-3940 affirmed a set of characteristics of a successful region and successful communities and committed Metro to work with regional partners to identify the performance indicators, targets and decision-making process necessary to measure the performance of regional efforts to achieve those characteristics; and

WHEREAS, monitoring of performance indicators can inform policy and investment decisions and help define appropriate targets that reflect desired outcomes, aspirations and feasibility; and

WHEREAS, Metro's actions, alone, have a limited effect on achieving the desired outcomes for the region and a combination of local and regional public and private actions is needed; and

WHEREAS, a performance framework with indicators that are relevant to public and private sector decisions and reflect a "triple bottom line" is more likely to be useful in the decision-making process;

WHEREAS, the proposed performance indicators, targets and decision-making process were reviewed by the Metro Policy Advisory Committee and the Joint Policy Advisory Committee on Transportation, both of which voted to endorse them; now, therefore

BE IT RESOLVED that the Metro Council:

1. Approves the performance framework and indicators, set forth in Exhibit A to this resolution, for use in measuring progress toward achieving the region's desired outcomes.

2. Commits to working with our regional partners to determine appropriate targets for the indicators in Exhibit A by December, 2010, as part of Performance Measure Framework and Indicators, Exhibit B to this resolution.

3. Commits to evaluating performance toward the targets every two years, at least initially, and revise this interval if data is not available and to presenting the results at the geographic level that best informs decision-making given the data constraints.

~~34.~~ Commits to working with local governments on strategies and actions to achieve the region's desired outcomes as measured by the performance indicators and targets.

ADOPTED by the Metro Council this 10th day of December, 2009.

David Bragdon, Council President

Approved as to form:

Daniel B. Cooper, Metro Attorney

Exhibit A

Regional Performance Indicators

Wealth Creation– By 2035, increase the percentage of employees with living-wage jobs in the Metro area by xx percent compared to 2010.

Compact urban form – By 2035, increase the share of residents and employees who live and work in centers and corridors by XX percent compared to 2010.

Traveler safety – By 2035, reduce crashes, injuries and fatalities by XX percent compared to 2005.

Congestion – By 2035, reduce the vehicle hours of delay per person by XX percent compared to 2005.

Infrastructure resilience – By 2035, reduce the share of the region’s infrastructure systems, including sewer, water, wastewater, utility, schools and other civic buildings that are in poor condition by XX percent compared to 2010.

Climate change – By 2035, reduce greenhouse gas emissions in the region by XX percent compared to 1990.

Active transportation – By 2035, increase walking, biking and transit trips by XX percent compared to 2005.

Energy efficiency – By 2035, reduce the amount of energy used per person by XX percent compared to 2010.

Water efficiency – By 2035, increase the share of the region’s wastewater and stormwater that is recycled or beneficially reused by XX percent compared to 2010.

Clean air – By 2035, reduce the share of region’s population that is exposed to at-risk levels of air pollution by XX percent compared to 2005.

Clean water – By 2035, increase the share of the region’s streams and rivers meet fishable¹ and swimmable standards by xx percent compared to 2010.

Healthy ecosystems – By 2035, increase the share of the region with tree and other vegetative cover by XX percent compared to 2010.

Affordability – By 2035, decrease the share of the region’s households that are cost-burdened by XX percent compared to 2010.

Poverty - By 2035, reduce the share of the region’s elementary school students that qualify for free and reduced lunch programs by XX percent compared to 2010.

Access to daily needs – By 2035, increase the share of region’s low-income, minority, senior and disabled populations that live within 30 minutes of essential destinations by bicycle and public transit by XX percent compared to 2005.

Access to nature – By 2035, increase the share of the region’s residents live within ½ -mile of a park, open space or regional trail by XX percent.

Agricultural productivity – By 2035, retain XX percent of land acres in the Tri-County area with agricultural zoning.

Neighboring communities – By 2035, reduce the share of vehicle trips with an origin or destination inside the Metro area and an origin or destination outside the Metro area in the seven county area as a share of the Metro area vehicle trips by XX percent; and Retain XX percent of the seven county growth in population and jobs within the Metro area.

¹ Rivers and streams that have historically been fish-bearing.



Date: 10/6/2009
To: MPAC members
From: Malu Wilkinson, UGR Project Manager
RE: MPAC discussion on the Urban Growth Report, the analysis of 20-year demand and capacity for jobs and housing within the urban growth boundary

This memo includes the issues identified by MPAC at the September 23, 2009 meeting related to the Urban Growth Report, which is the analysis of 20-year demand and capacity for jobs and housing within the urban growth boundary. Items 1-5 are targeted for MPAC discussion on October 14, 2009, the remaining items are included with responses to the questions raised.

ITEMS FOR DISCUSSION

1. *Given the range forecast and the assessment of capacity likely to develop inside the urban growth boundary, the UGR analysis concludes that there is a gap between the 20-year forecasted households that ranges from a deficit of 26,100 to 103,600 dwelling units. Is this a reasonable assertion?*

Background: The draft urban growth report considers the likelihood that development over the next 20 years will reach capacity (as currently zoned). Key factors include an assumption that only half of the current zoned capacity for multi-family and mixed-use residential and half of the residential capacity in areas brought into the UGB since 1997 will be built due to lack of investments and other infrastructure. The analysis assumes that 33% of residential demand will be met through infill and redevelopment – allowed under current local zoning. Based on recent experience, the analysis assumes that 61.8% of households forecasted for the 7-county area will locate within the Metro UGB over the next 20 years. The focus of 2010 will be to determine what mix of local and regional investments and urban growth boundary expansions close this gap and best support the six outcomes.

Recommendation: The residential analysis does allow sufficient flexibility for the Metro Council to fill the capacity gap through documenting new local or regional investments and/or policy decisions or by expanding the urban growth boundary, drawing strategically from urban reserves to support vibrant communities.

MPAC discussion:

2. Given the range forecast and the assessment of employment capacity likely to develop inside the urban growth boundary, the UGR analysis concludes that there is no gap for general industrial demand and a gap of approximately 1,000 acres at the high end of non-industrial demand. Is this a reasonable assertion?

Background: The employment analysis in the draft urban growth report uses local zoning and market factors to assess how well the land within the UGB can support forecasted jobs over the next 20 years. It also incorporates an analysis of future demand for large lots based on past preferences and includes a large lot inventory that was influenced substantially by local jurisdiction comments and data. A subcommittee of MPAC will meet over the next few months to discuss the best approaches for meeting large lot demand in the region. The focus of 2010 will be to determine what mix of local and regional investments and urban growth boundary expansions best support the six outcomes.

Recommendation: The employment analysis does allow sufficient flexibility for the Metro Council to fill the capacity gap through documenting new local or regional investments and/or policy decisions or by expanding the urban growth boundary, drawing strategically from urban reserves to support a strong regional economy.

MPAC discussion:

3. Given the range forecast and historical preferences for large lots by certain sectors and the current inventory of employment land in the region, the analysis identifies a gap of 200-800 acres for future large lot employment. Is this a reasonable assertion?

Background: For the purposes of the large lot analysis, only vacant buildable land is considered as supply. Without tax lot assembly, this analysis identifies surplus capacity of 25-to-50-acre lots, but a potential deficit of tax lots over 50 acres and lots over 100 acres (around 800 acres at the high end). An analysis of the potential for land assembly closes the gap by around 600 acres. A subcommittee of MPAC will meet over the next few months to discuss the best approaches for meeting large lot demand in the region. The focus of 2010 will be to determine what mix of local and regional investments and urban growth boundary expansions close this gap and best support the six outcomes.

Recommendation: The MPAC Employment Subcommittee is charged with identifying options to address the need for large lots to support the traded sector in the regional economy. The large lot element of the employment analysis does allow sufficient flexibility for the Metro Council to fill the capacity gap through documenting new local or regional investments and/or policy decisions or by expanding the urban growth boundary, drawing strategically from urban reserves to support a strong regional economy.

MPAC discussion:

4. Given the gap identified in the UGR, what policies and investments need to be implemented in the cities to increase capacity? When in 2010?

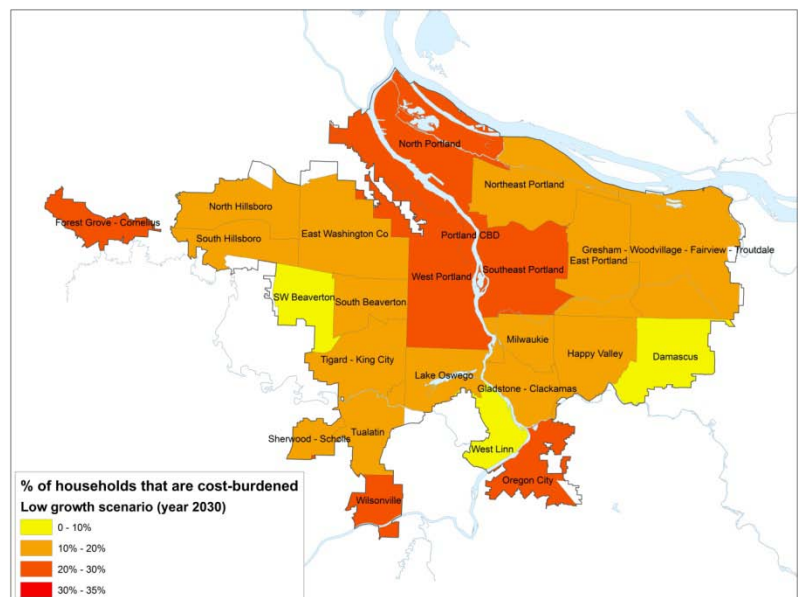
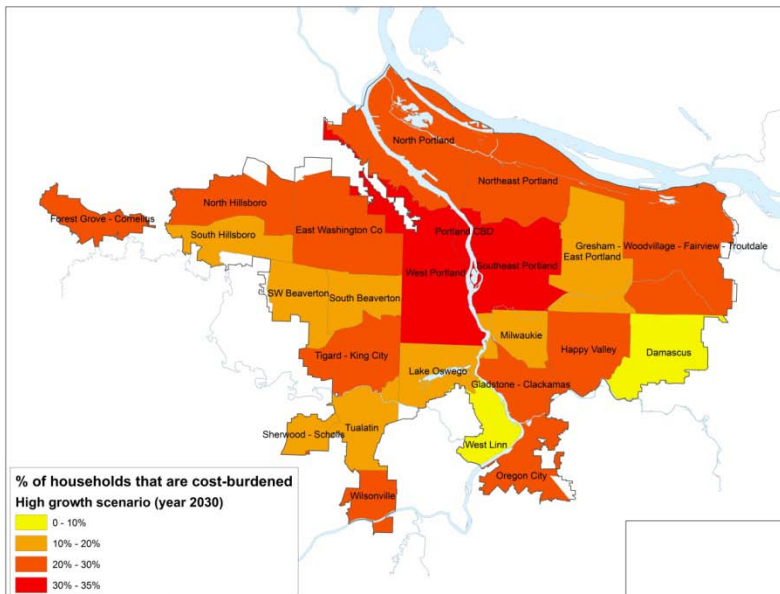
Background: The draft urban growth report identifies a significant portion of the zoned capacity in the region that is not likely to be developed over the next 20 years if current policies and investment trends are continued. Local and regional investments and actions can be put in place to maximize the use of the capacity that is currently within the Metro UGB. Examples include: High Capacity Transit Plan; CET extension; East Happy Valley plan adoption; Oregon City SDC incentives in regional center; East Hayden Island comprehensive plan; State RTP adoption; and Portland Plan. Local actions and regional actions must be documentable, and must be in place by December 2010 to be counted in this growth management decision.

Recommendation: Focus discussion in early 2010 on local and regional actions that increase the likelihood of development under current zoning and pending zone changes, therefore closing the gap identified in the UGR.

MPAC discussion:

5. Equity – housing for whom? What about affordable housing?

Background: The UGR includes an assessment of the impact of current policies and trends on future cost-burdened households. Cost-burdened households are defined as renters spending more than 50% of their income on housing and transportation combined. The analysis indicates that, without policy or investment intervention, the number of cost-burdened households is likely to double over the next 20 years.



Recommendation: As the region’s leaders make decisions in 2010, they should consider the impact of growth management decisions, transportation investments and other public investments on cost-burdened households.

MPAC discussion:

ANSWERS TO MPAC QUESTIONS

6. What happened to large lot industrial tracts brought into the UGB in 2002/2004?

Response: Staff is currently doing an analysis to determine how much of that land has been developed and for what purpose. The results will be provided to MPAC as soon as possible.

7. Does Metro have the legal authority to limit the use of land brought into the UGB for large lot industrial?

Response: Yes, if the identified need is for large lot industrial then Metro can put restrictions on land brought into the UGB for that purpose, similar to the Title 4 requirements that are currently in place. Title 4, as currently written, does allow for some non-industrial uses.

8. Does Metro have the legal authority to direct local governments to assemble lots to meet an identified large lot need?

Response: Metro's statute gives it the authority to require local government to develop land assembly programs and to place conditions on UGB expansion that require assembly of parcels.

9. Where is the housing and employment capacity in Washington, Multnomah and Clackamas counties?

Response: The urban growth report analysis of capacity begins with local zoning and the region's vacant buildable land. Data tables describing the amount of vacant employment and residential land by jurisdiction are available in the full report, which has been vetted by city and county staff and a number of consultants (employment, pgs. 73-77; residential, pgs. 118-125). Redevelopment and infill (refill) capacity varies by location, but is based on the underlying local zoning and an assessment of land to improvement value (for redevelopment). Further details may be found in the draft UGR: vacant employment acres by market subarea (pg. 73); effective refill rates for employment by market subarea (pg. 77); distribution of vacant residential capacity by jurisdiction (pg. 122); explanation of residential refill rate (pgs. 124-125). The performance section of the draft UGR includes maps that show the distribution of future jobs and households based on current policies and trends (pgs. 132, 134).

10. Impact of growth in satellite cities and relation to capacity gap?

Response: Based on historic patterns, the UGR assumes that 61.8% of the next 20 years of residential growth in the seven-county region will be within the Metro UGB. This would mean that there would be substantial growth in neighboring communities. If that doesn't occur, then additional pressure may

occur for growth within the Metro UGB. The UGR assumes 73-75% of jobs will be located in the Metro UGB over the next 20 years. The remaining job growth is forecasted to occur in neighboring cities.

11. *What happens if growth slows?*

Response: The regional forecast has been peer reviewed and is based on data from IHS Global Insight, a nationally respected economic research firm. The growth rate for the Metro region is slightly higher than the national average due to the desirability of this region for new people and employers. If growth does not occur as rapidly as forecasted, the region will have more time to invest in pipes, pavement and community assets to support vibrant communities and a strong economy. Documentation of infrastructure needs has clearly shown there are more needs than resources so the likelihood of overspending for growth that doesn't materialize is slim.

Materials following this page were distributed at the meeting.

Making the Greatest Place Fall 2009 Advisory Committee Schedule
Draft 10/2/09 subject to change

	Week of September 14	Week of September 21	Week of September 28	Week of October 5	Week of October 12	Week of October 19	Week of October 26	Week of November 2	Week of November 9	Week of November 16	Week of November 30	Week of December 7	Week of December 14
MTAC	Briefing on COO recommendation			(10/7) MPAC adoption process; Discuss UGR, forecast		(10/21) Recommendation to MPAC on performance measures, & UGR, discuss RTP		(11/4)Recommendation to MPAC on UGR and RTP		(11/18) Comments to MPAC on reserves	TBD		
MPAC		Briefing on COO recommendation; UGR, RTP, Reserves including risks of designating too much or too little urban reserves			(10/14) Discuss UGR, forecast and performance measures	(10/23) Special Meeting: Reserves and RTP; UGR and performance measures as needed	(10/28) Recommendation to Council on Performance measures; Deadline for proposed amendments on RTP and UGR			(11/18) Recommendation to Metro Council on UGR and RTP; discuss Reserves IGAs; deadline for proposed amendments on Reserves		(12/9) Recommendation to Metro Council on Reserves IGAs	
TPAC		Briefing on COO recommendation; Discuss RTP issues					(10/30) RTP public comments; recommend performance measures			(11/20) Recommendation to JPACT on RTP Resolution			
JPACT		(invited to attend MPAC briefing)		(10/8) Briefing on COO recommendation; Discuss RTP policy issues				(11/2) Deadline for proposed JPACT amendments to RTP	(11/12) Discuss RTP issues and consider public comments			(12/10) Recommendation to Metro Council on RTP resolution	
Council	Briefing on COO recommendation					(10/21) Work Session, reserves	(10/26) Work session with Core 4 to discuss reserves	(11/2) Deadline for proposed Council amendments to RTP		(11/17) Work Session	(12/3) Action on Performance measure resolution Dec. 1: Deadline for Council amendments on UGR & Reserves	(12/10) Action on UGR and forecast resolution; action on reserve IGAs	(12/17) Action on RTP resolution
Open houses & hearings		Open Houses: Sept. 21 -Hillsboro; Sept. 22 N. Portland Open house/hearing: Sept. 24 Beaverton	Open House/ Hearing Oct. 1 - Gresham	Open House/ Hearing Oct. 8 - Happy Valley	Open House / Hearings: Oct. 13 - Oregon City, Oct. 15 - Metro								
Other (briefings & stakeholders)	Tigard City Council, OAN, Bi-State, CREEC, Mult. Co. Farm Bureau	N. Clack & Hillsboro Cham, LO CC, Clack. Co. EDC, CCA, S Metro Biz Alli RSC, C4, legislators	LCDC, Clack. Co. BCC, BTA, CLF, PBA	WCCC, EMCTC, NAIOP, Mult. Co. BCC, Boring CPO, Gresham Chamber, EMEA	CCBA, WEA	1000 Friends, Wash. Co. BCC, Wash. Co. Farm Bureau	WEA board, TriMet board						

Color Key:
Regional Transportation Plan (RTP) issues = Blue
Urban Growth Report (UGR)/Forecast issues = Green
Urban and Rural Reserve (Reserves) issues = Red
Performance measures = brown



Date: 10/7/2009
To: MPAC members
From: Malu Wilkinson, UGR Project Manager
RE: MPAC discussion on the Urban Growth Report, the analysis of 20-year demand and capacity for jobs and housing within the urban growth boundary

This memo includes the issues identified by MPAC at the September 23, 2009 meeting related to the Urban Growth Report, which is the analysis of 20-year demand and capacity for jobs and housing within the urban growth boundary. Items 1-5 are targeted for MPAC discussion on October 14, 2009, the remaining items are included with responses to the questions raised.

ITEMS FOR DISCUSSION

1. *Given the range forecast and the assessment of capacity likely to develop inside the urban growth boundary, the UGR analysis concludes that of the 20-year forecasted households, 12% at the low end and 46% at the high end of the range will not be accommodated within the UGB without policy or investment changes (i.e., there is a gap that ranges from a deficit of 26,100 to 103,600 dwelling units). Is this a reasonable assertion?*

Background: The draft urban growth report considers the likelihood that development over the next 20 years will reach capacity (as currently zoned). Key factors include an assumption that only half of the current zoned capacity for multi-family and mixed-use residential and half of the residential capacity in areas brought into the UGB since 1997 will be built due to lack of investments and other infrastructure. The analysis assumes that 33% (regional average) of residential demand will be met through infill and redevelopment – allowed under current local zoning. Based on recent experience, the analysis assumes that 61.8% of households forecasted for the 7-county area will locate within the Metro UGB over the next 20 years. The focus of 2010 will be to determine what mix of local and regional investments and urban growth boundary expansions close this gap and best support the six outcomes.

Staff recommendation: The residential analysis does allow sufficient flexibility for the Metro Council to fill the capacity gap through documenting new local or regional investments and/or policy decisions or by expanding the urban growth boundary, drawing strategically from urban reserves to support vibrant communities.

MPAC discussion:

2. *Given the range forecast and the assessment of employment capacity likely to develop inside the urban growth boundary, the UGR analysis concludes that there is no gap for general industrial demand and a gap of approximately 1,000 acres at the high end of non-industrial demand (about 17% of forecasted demand). Is this a reasonable assertion?*

Background: The employment analysis in the draft urban growth report uses local zoning and market factors to assess how well the land within the UGB can support forecasted jobs over the next 20 years. Vacant employment land was classified into tiers based on “development readiness”, half of the capacity on land in the lower tiers is assumed to be used in the 20-year timeframe. As in the residential analysis, half of the employment capacity in areas brought into the UGB since 1997 is assumed to be unused due to lack of investments and other infrastructure. The analysis assumes that 20% of industrial demand and 52% of non-industrial demand (regional averages) will be met through infill and redevelopment – allowed under current local zoning. Based on MetroScope scenarios that model the effects of current policies and trends, the analysis assumes that 73-75% of jobs forecasted for the 7-county area will locate within the Metro UGB over the next 20 years. The focus of 2010 will be to determine what mix of local and regional investments and urban growth boundary expansions best support the six outcomes.

Staff recommendation: The employment analysis does allow sufficient flexibility for the Metro Council to fill the capacity gap through documenting new local or regional investments and/or policy decisions or by expanding the urban growth boundary, drawing strategically from urban reserves to support a strong regional economy.

MPAC discussion:

3. *Given the range forecast and historical preferences for large lots by certain sectors and the current inventory of employment land in the region, the analysis identifies a gap of 200-800 acres for future large lot employment. Is this a reasonable assertion?*

Background: For the purposes of the large lot analysis, only vacant buildable land is considered as supply. Without tax lot assembly, this analysis identifies surplus capacity of 25-to-50-acre lots, but a potential deficit of tax lots over 50 acres and lots over 100 acres (around 800 acres at the high end). An analysis of the potential for land assembly closes the gap by around 600 acres. A subcommittee of MPAC will meet over the next few months to discuss the best approaches for meeting large lot demand in the region. The focus of 2010 will be to determine what mix of local and regional investments and urban growth boundary expansions close this gap and best support the six outcomes.

Staff recommendation: The MPAC Employment Subcommittee is charged with identifying options to address the need for large lots to support the traded sector in the regional economy. The large lot element of the employment analysis does allow sufficient flexibility for the Metro Council to fill the capacity gap through documenting new local or regional investments and/or policy decisions or by

expanding the urban growth boundary, drawing strategically from urban reserves to support a strong regional economy.

MPAC discussion:

4. Given the gap identified in the UGR, what policies and investments need to be implemented in the cities to increase capacity? When in 2010?

Background: The draft urban growth report identifies a significant portion of the zoned capacity in the region that is not likely to be developed over the next 20 years if current policies and investment trends are continued. Local and regional investments and actions can be put in place to maximize the use of the capacity that is currently within the Metro UGB. Examples include: High Capacity Transit Plan; CET extension; East Happy Valley plan adoption; Oregon City SDC incentives in regional center; East Hayden Island comprehensive plan; State RTP adoption; and Portland Plan. Local actions and regional actions must be documentable, and must be in place by December 2010 to be counted in this growth management decision.

Staff recommendation: Focus discussion in early 2010 on local and regional actions that increase the likelihood of development under current zoning and pending zone changes, therefore closing the gap identified in the UGR.

MPAC discussion:

5. Equity – housing for whom? What about housing affordability?

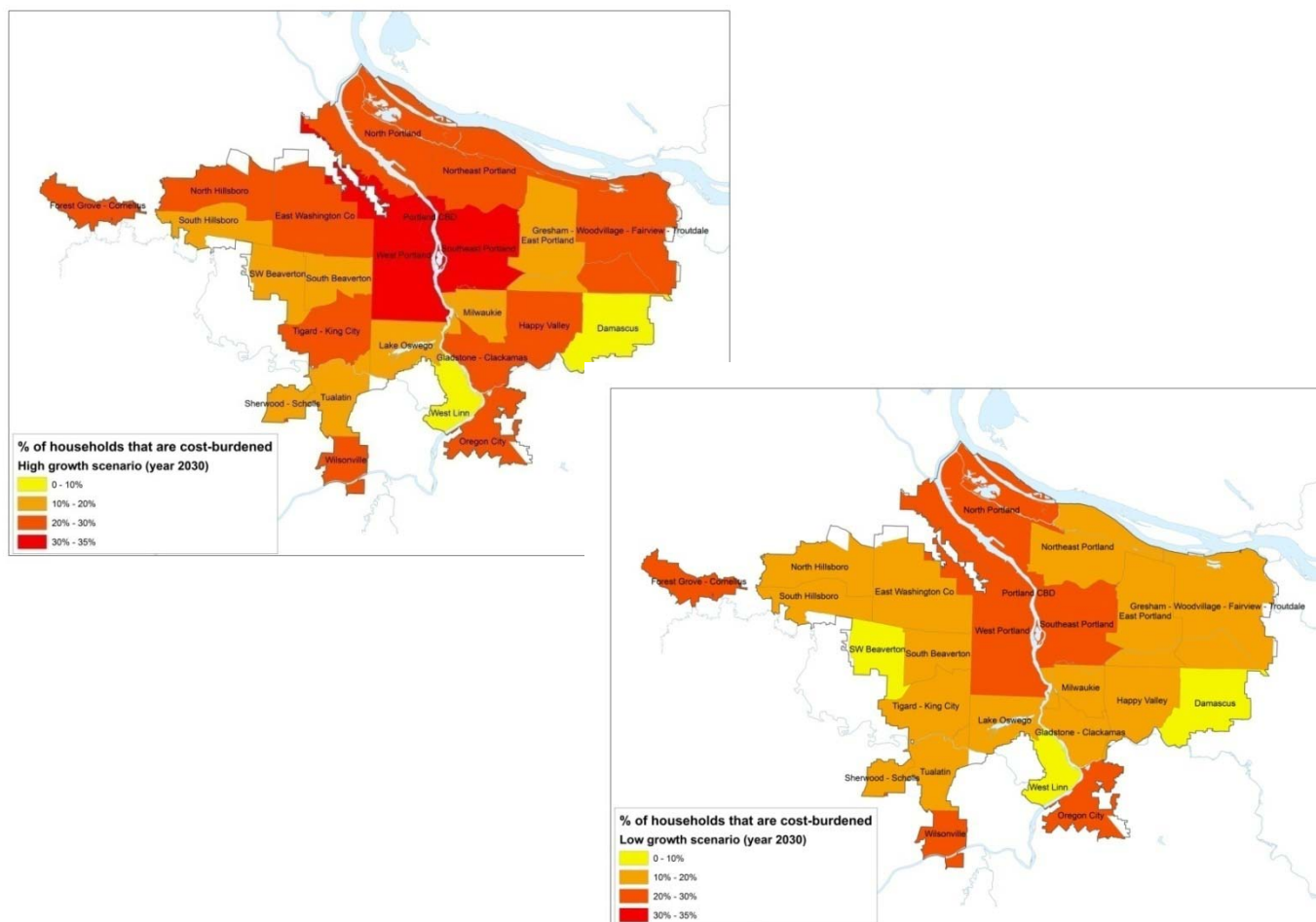
Background: The UGR includes an assessment of the impact of current policies and trends on future cost-burdened households. Cost-burdened households are defined as renters spending more than 50% of their income on housing and transportation combined. The analysis indicates that, without policy or investment intervention, the number of cost-burdened households is likely to double over the next 20 years.

It appears that the primary causes of increased housing prices are the very success of efforts to enliven centers and corridors (which inherently leads to increased demand), the continued underfunding of infrastructure (which effectively reduces housing supply), inadequate public investments to offset multi-family construction costs, and a shortage of choices for people who want smaller, less expensive residences. New ideas are needed to preserve our region's livability and affordability. A failure to maintain affordable housing choices in the central city, centers, and corridors may put additional growth

pressures on existing single-family neighborhoods and push more residents to less central locations where they could be more susceptible to increases in energy prices.

Local and regional policy and investment choices will influence housing choice and affordability in the Portland metropolitan region. As regional leaders make these choices, actions and investments to consider include:

- Linking transportation investments with investments in affordable housing to decrease the overall cost of living.
- Explore policies that could be tailored to encourage the market to provide more housing choices such as accessory dwellings, cottage housing, and high quality manufactured housing.
- Develop incentives for affordable housing in areas that provide transportation choices.



Staff recommendation: As the region's leaders make decisions in 2010, they should consider the impact of growth management decisions, transportation investments and other public investments on cost-burdened households.

MPAC discussion:

ANSWERS TO MPAC QUESTIONS

6. What happened to large lot industrial tracts brought into the UGB in 2002/2004?

Response: Staff is currently doing an analysis to determine how much of that land has been developed and for what purpose. The results will be provided to MPAC as soon as possible.

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Response: The urban growth report analysis of capacity begins with local zoning and the region's vacant buildable land. Data tables describing the amount of vacant employment and residential land by jurisdiction are available in the full report, which has been vetted by city and county staff and a number of consultants (employment, pgs. 73-77; residential, pgs. 118-125). Redevelopment and infill (refill) capacity varies by location, but is based on the underlying local zoning and an assessment of land to improvement value (for redevelopment). Further details may be found in the draft UGR: vacant employment acres by market subarea (pg. 73); effective refill rates for employment by market subarea (pg. 77); distribution of vacant residential capacity by jurisdiction (pg. 122); explanation of residential refill rate (pgs. 124-125). The performance section of the draft UGR includes maps that show the distribution of future jobs and households based on current policies and trends (pgs. 132, 134). Appendix 7 to the UGR includes summaries of forecasted housing mix and affordability by subarea.

10. Impact of growth in neighboring cities and relation to capacity gap?

Response: Based on historic patterns, the UGR assumes that 61.8% of the next 20 years of residential growth in the seven-county region will be within the Metro UGB. This would mean that there would be substantial growth in neighboring communities. If that doesn't occur, then additional pressure may

occur for growth within the Metro UGB. The UGR assumes 73-75% of jobs will be located in the Metro UGB over the next 20 years. The remaining job growth is forecasted to occur in neighboring cities.

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BEFORE THE METRO COUNCIL

FOR THE PURPOSE OF ACCEPTING THE)	RESOLUTION NO. 09-XXXX
POPULATION AND EMPLOYMENT)	
FORECASTS AND THE URBAN GROWTH)	Introduced by Chief Operating Officer
REPORT AS SUPPORT FOR DETERMINATION		Michael Jordan with the Concurrence of
OF CAPACITY OF THE URBAN GROWTH		Council President David Bragdon
BOUNDARY		

WHEREAS, state law requires Metro to determine the capacity of the urban growth boundary (UGB) to accommodate the next 20 years' worth of population and employment growth by the end of December, 2009; and

WHEREAS, Metro published range forecasts of population and employment growth to the years 2030 and 2060 on March 19, 2009; and

WHEREAS, Metro published a preliminary analysis of the capacity of the existing UGB to accommodate the range of new dwelling units relating to the range of forecast population growth on March 31, 2009; and

WHEREAS, Metro published a preliminary analysis of the capacity of the existing UGB to accommodate the range of new employment relating to the range of forecast employment growth on May 6, 2009; and

WHEREAS, Metro sought and received comments on the preliminary analyses of housing and employment capacity from its Metro Policy Advisory Committee (MPAC) and its Joint Policy Advisory Committee on Transportation (JPACT), local governments in the region, public, private and non-profit organizations and citizens;

WHEREAS, Metro considered the comments and published revised draft analyses of the capacity of the existing UGB to accommodate growth to year 2030 on September 15, 2009; and

WHEREAS, Metro sought and received comments on the revised draft analyses from MPAC and JPACT; local governments in the region; and public, private and non-profit organizations and citizens; and

WHEREAS, the Metro Council held open houses and public hearings on the revised draft analyses on September 21, 22 and 24 and October 1, 8 and 15, 2009; and

WHEREAS, Metro considered comments received and made revisions to the final draft analyses of the capacity of the existing UGB to accommodate the range of new dwelling units and employment relating to the range of forecast population and employment growth; now, therefore,

BE IT RESOLVED that the Metro Council

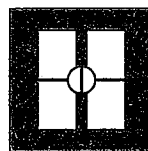
1. The Council accepts the “20 and 50 year Regional population and employment forecasts” dated December __, 2009, attached and incorporated into this resolution as Exhibit A, as a basis for analysis of need for capacity in the UGB to accommodate growth to the year 2030 and for actions the Council will take to add capacity by ordinance in 2010, pursuant to ORS 197.296(6) and statewide planning Goal 14.
2. The Council accepts the “Urban Growth Report 2009-2030”, dated December __, 2009, attached and incorporated into this resolution as Exhibit B, as a basis for analysis of need for capacity in the UGB to accommodate growth to the year 2030 and for actions the Council will take to add housing and employment capacity by ordinance in 2010, pursuant to ORS 197.296(6) and statewide planning Goal 14.
3. Acceptance of Exhibits A and B by the Council meets Metro’s responsibility under state law to analyze the capacity of the UGB to accommodate growth to the year 2030 as a preliminary step toward providing sufficient capacity to accommodate that growth. The Council will make a final land use decision to respond to this capacity analysis in 2010.
4. The Council directs the Chief Operating Officer to submit Exhibits A and B, together with such actions the Council adopts by ordinance to add any needed capacity pursuant to ORS 197.296(6) and statewide planning Goal 14, to the Land Conservation and Development Commission as part of periodic review pursuant to ORS 197.626, following adoption of the capacity ordinance in 2010.

ADOPTED by the Metro Council this 17th day of December, 2009

David Bragdon, Council President

Approved as to form:

Daniel B. Cooper, Metro Attorney



October 9, 2009

Regional Reserves Core 4 Committee
Washington County Board of Commissioners
Regional Reserves Steering Committee
Mr. Michael Jordan, Metro Chief Operating Officer
600 NE Grand Avenue
Portland, OR 97232

Hon. Councilors, Commissioners and Committee Members:

Each of the undersigned Cities in West Washington County has its own distinct land needs and views on the overall merits of the Urban Reserves recommendations of the Chief Operating Officer (COO) set forth in the *Strategies for a Sustainable and Prosperous Region*. However, we share one common view. The recommendations do not provide and distribute enough industrial Urban Reserves to accommodate the 40-50 year land needs of the mature high tech, the emerging silicon solar manufacturing and incubating bio-pharma industry clusters already rooted in West Washington County.

We believe the Region should take the analyses provided in recently completed Economic Opportunities Analyses (EOAs) for our cities into account when making a final decision about the location and extent of industrial Urban Reserves. We also point out that the amount of land requested for these reserves by the Westside cities is roughly half the total land need for industrial uses identified in our respective EOAs. **Therefore, we respectfully urge the Reserves Steering and Core 4 Committees to recommend adjusting the COO industrial reserves recommendation to accommodate the locations and acreage amounts summarized below:**

EOA-based Industrial Cluster Land Needs	Banks	Cornelius	Forest Grove	Hillsboro	North Plains
2060 Industry Cluster Absorption	218 Ac.	737 Ac.	679 Ac.	3,433 Ac.	516 Ac.

Key Issues:

Documents describing the technical reasons that underpin this request are also attached for your reference. In sum, they identify the following issues with several findings and conclusions in the draft Employment Urban Growth Report (UGR):

- Regional industrial manufacturing growth forecast in the UGR does not include any job growth in the silicon solar manufacturing cluster because that sector was erroneously attributed to the power generation/transmission (i.e., utility) sector. This fails to recognize the significant solar manufacturing job growth projected by the State Department of Energy and others contained in the Urban Reserve record. (See, September 29, 2009 Johnson Reid Memorandum.) Moreover, the UGR does not forecast future land needs in the Region for any industry cluster, including high tech, silicon solar manufacturing and bio-pharma – a very problematic omission because of its potentially detrimental long-term State, Regional and local economic base consequences.

- The “one-size-fits-all” UGR approach to industrial land supply and demand does not respond to the distinct large-lot *suitability and location* requirements of different industry sectors in the region. These requirements determine *a priori* whether large-lot employers in any industrial cluster will choose to locate in the Region in the first place. Thus, we believe the UGR large lot analysis substantially understates the true current UGB large-lot capacity and the corresponding long-term land needs of large employers.

Risk of Getting it Wrong

At MPAC, the Reserves Committee (9/23) meeting and at other venues, the COO noted how crucial it will be for the Region and State to carefully consider the risks and consequences of “oversupplying” or “undersupplying” the Region’s short- and long-term housing and jobs land needs. We couldn’t agree more, especially when it comes to the future land needs of the three major industry clusters in West Washington County. These clusters are mainstays and “economic drivers” for the State, Regional and local economies, contributing mightily to the economic “quality of life” of so many households in this County and throughout the Portland Region.


As noted above and in the attachments, we think the UGR substantially underestimates the short- and long-term land needs of the three industry clusters in West Washington County. The economic consequences at the State, Regional and local levels of severely underestimating the amount of land needed for our industry clusters would be devastating, and probably irrevocable in terms of preventing existing industry from continued expansion in the Metro area, lost new business recruitment opportunities and future market competitiveness of the Region. It would simply take Oregon out of the national and international competition for such businesses altogether.

Accommodating the 20- and 40 to 50-year land needs of the three industry clusters as outlined in the above table would go a long way toward avoiding the dire risk that, we believe, is posed by strict reliance on the draft Employment UGR findings and growth policy proposals.

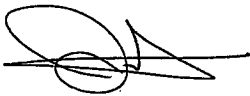
Respectfully submitted:



Mayor Richard Kidd
City of Forest Grove



Mayor Bill Bash
City of Cornelius



Mayor Jerry Willey
City of Hillsboro



Mayor David Hatcher
City of North Plain



Mayor John Kinsky
City of Banks

Attachments:

- Staff Memorandum to Westside Planning Directors and City Managers (October 8, 2009)
- Johnson-Reid UGR Findings & Hillsboro Implications memo (September 29, 2009)

CITY OF HILLSBORO



8 October 2009

STAFF MEMORANDUM

TO: Planning Directors/City Managers: Cities of Banks, Cornelius, Forest Grove and North Plains

FROM: Alwin Turiel, AICP, Long Range Planning Supervisor

RE: *Chief Operating Officers Report – Traded Sector Industrial Land Need Comments*

City staff have reviewed Metro's Chief Operating Officer's report, *Strategies for a Sustainable and Prosperous Region*. The Draft Urban Growth Report (UGR) makes a strong case for an aggressive growth management strategy aimed at full realization of the Region's 2040 vision.

It is clear Metro staff is charting a course that will take our Region to new levels. While we look forward to being part of the Region's efforts to implement the 2040 vision, we have concerns regarding the employment lands need analysis and recommendations for urban reserves contained in the UGR. Specifically, our concerns include:

- The analysis of the traded sectors, including the assumptions made, policy choices relied upon and reliance on suitability analysis that does not consider specific industry needs. In particular, we are concerned with the lack of discussion about site specific needs of the traded sector industry anchors and clusters.
- The risk analysis alluded to in the report regarding future industrial sites throughout the Region.
- The conclusion that there is enough zoned capacity for at least the next 20 years for employment uses within the existing urban growth boundary.

Analysis of Traded Sector

We were somewhat confused by the report's recommendations for treatment of future industrial land needs. Large lot needs appear to be both portrayed as part of total land need and as a specific, special need that may need special accommodation in the years to come. Based on the input Metro has received regarding the specific needs of industry clusters and large lot employers, the emphasis should be on the specific, special needs of large lot users.

For example, the size, shape and location of a site are important factors in a company's determination of its suitability for their intended uses. We may have land available in the inventory, but it may not meet the needs of companies looking for land that meets the demands of their business model and their

valuations of site attributes and tradeoffs against other factors, such as transportation costs and access to labor. Large lots are generally not “fungible” between industry types. For example, solar technology has specific workforce, water and energy supply needs. Therefore, the best locations in the Region for the solar industry are in western Washington County and Gresham. In contrast, metals fabricators find the best locations near other related businesses in their supply chains located around the Portland harbor.

The UGR should take into account the identified site-specific needs of industries when considering demand and supply of parcels region-wide. Those needs include:

- *Geology and physical characteristics:* Low-slope and seismic stability are crucial for many types of industries, as well as avoidance of engineering and the financial risk of infill/brownfields.
- *Ownership patterns:* Appropriately sized lots that are available and developable are crucial for anchor industries in particular. In order to meet future needs large lots should be in single ownership or require minimal assembly. The supply must also be sufficient to allow for competitive land pricing.
- *Utility needs:* High-capacity and redundant power and high-quality water are two of many crucial needs of different cluster employers. Absence of these will, in many instances, negate the possibility of an employer siting on a parcel, no matter how well-suited it is in other qualities.
- *Transportation infrastructure:* Adequate transportation for freight and people movement is a critical component when industries are considering relocation or expansion.
- *Cluster location:* Larger cluster employers, by definition of a cluster, will seek to physically be located to benefit from proximity of firm customer/vendor networks, labor force networks, and other synergistic connections, vendor/service location.
- *Workforce location:* Creative cluster employers (apparel, software, etc.) will likely prefer being closer to creative population centers in Portland -- just as high-tech manufacturers will prefer to be closer to the scientifically-trained workforce.
- *Permitting/Municipal Experience:* Reasonable development costs and certainty are key factors in industry location decisions. For clusters with more high-tech aspects, and therefore very dynamic facility growth plans, it is crucial for sites to be located in jurisdictions with experience in providing flexible, on-time project review and permitting processes. Delays and changes can cost millions of dollars for high-tech employers.

Also problematic is the reliance solely on land suitability for reserves determinations. While this is an important first step, it is not the last step for “right-sizing” urban reserves. The next step must be to determine the amount of land needed for future residential and employment lands. The table below illustrates the Economic Opportunities Analysis employment land demand findings for the five Westside cities. A similar analysis should be conducted for other Region subareas.

Assumption of the 20-40 year need

We believe the dissonance between the EOAs produced for the five western cities and Metro’s employment demand analysis must be resolved. Local EOAs are not merely aspirational but, rather, reflect rational demand forecasts prepared in accordance with accepted methodologies under

Statewide Planning Goal 9. According to the cities' EOAs, healthy expansion of the three key industry clusters (hi-tech, green energy and bio-pharma) will require enough market choice in an established supply of suitable large lots (i.e., over 50 acres in size) to support location of additional anchor industries in western Washington County (see table below). In contrast, Metro's report defines large sites as those in excess of 25 acres and estimates the need *in the entire Region* for 29 to 43 sites over the next 20 years.

According to several experts who have commented on the UGR, lands identified as suitable for industrial use are not sufficient to meet the estimated demand for the next 20 to 40 years, as determined by the State Goal 9 economic opportunities analysis (EOA) approach. The conclusion of the Hillsboro EOA is that *Hillsboro alone will need between 20 and 65 sites that are 25 acres or larger, which translates to between 800 and 2,980 acres of land*. The Metro Employment Urban Growth Report states that the analysis does not attempt to determine whether or not there is sufficient large lot capacity inside the current UGB to accommodate the need for large parcels. This question must be addressed in order to arrive at a rational conclusion about how much land will be needed for both the next 20 years, as well as to "right size" urban reserves for future industrial uses.

Risk of Getting it Wrong

Fundamentally, we disagree with the risk analysis alluded to in the report as it relates to the need for future industrial sites throughout the Region. If we accept the UGR, the Region will not provide sufficient land that experts have identified as necessary to accommodate the needs of industry, including: (1) large lots for anchor sites; and (2) a variety of lot sizes for traded sector cluster needs. Given the importance of industry clusters to the regional and state economy, do we, as a region, want to take the risk of underestimating the amount of land needed for industry clusters?

The importance of industry clusters and their impact on the regional and state economy cannot be underestimated. For example:

- Approximately 66% of all employment in the State's hi-tech sector is located in Washington County.
- The 2007 average semi-conductor wage in Washington County was \$88,222. The industry has been a strong contributor to production of *family wage jobs* in the Region.
- In contrast, the 2007 average Washington County wage for all jobs was \$50,036.
- The city EOAs estimate a multiplier effect of approximately 2 jobs throughout the region for every industrial job created.

We agree with comments previously made by the Port of Portland regarding the risks associated with not providing enough land for the market to operate properly when existing and new industrial employers are seeking sites for expansion. Though it is difficult to accurately estimate the potential opportunity costs of different UGR policy choices, it seems clear that job growth will only materialize if the location, type and quality of buildings and land are available, as specifically required by various industry sectors. In other words, growth capacity starts with a thorough understanding of the nature of land supply within the UGB, as determined by key industries and the jurisdictions planning for economic development, as required by Statewide Planning Goal 9.

The FCS Group "preliminary Vacant Land Supply Findings" indicates there are virtually no sites within the existing UGB that could accommodate a user similar to Intel or SolarWorld. Primary reliance on land

assembly is not a realistic assumption for large anchor industries interested in expanding or locating within our Region. As the region has urbanized, land assembly has become increasingly challenging and costly for many employers.

Sadly, we will never know the exact number of missed opportunities that could result from lack of suitable industrial sites. If firms or their site selection consultants cannot find sites of suitable size and characteristics, they will not even contact an economic development agency in the Region. This leads us to believe there are substantial risks associated with not providing enough land for the market to properly operate.

Conclusion

The UGR should be refined to address the specific needs of traded sector industry clusters. Additional analysis must be included regarding site-specific needs of industries. For the reserves decisions, at a minimum, the Region should leave areas beyond the COO's recommendation determined to be suitable for industrial uses as undesignated to allow for corrections in the event regional industrial growth is greater than predicted in the UGR ultimately adopted.

WESTERN WASHINGTON COUNTY SUBAREA FUTURE CLUSTER JOBS DEMAND: 2008-2060

CITY	2030 TOTAL ACRES EMPLOYMENT LAND DEMAND	2030 EMPLOYMENT CLUSTERS ABSORPTION*	2060 TOTAL ACRES EMPLOYMENT LAND DEMAND	2060 EMPLOYMENT CLUSTERS ABSORPTION*
BANKS	164	29	697	218
CORNELIUS	253	74	782	354
FOREST GROVE	546	54	1,760	326
NORTH PLAINS	235	13	1,589	516
HILLSBORO	5,098	1,648	13,443	3,433
5-CITY TOTAL	6,043	1,744	17,489	4,493
PRELIMINARY CONCEPT PLANS				
	CITY/UGB JOBS CAPACITY	URBAN RESERVES JOBS LAND (2060)	ALL EMPLOYMENT ACRES	UNMET NEED: JOBS LAND
TOTAL ACRES	2,025	6,942	8,967	8,522 – 49%

**Source: Johnson-Reid EOAs, 2009; Medium Demand Estimates*



MEMORANDUM

DATE: September 29, 2009

TO: Patrick Ribellia, Esq., Planning Director, CITY OF HILLSBORO
Richard Meyer, Director of Development & Operations, CITY OF CORNELIUS
Jon Hollan, Community Development Director, CITY OF FOREST GROVE
Don Otterman, City Manager, City of NORTH PLAINS
Jim Hough, City Manager, City of BANKS

FROM: Bill Reid, Principal
JOHNSON REID, LLC

SUBJECT: Urban Growth Report Findings & Western Washington County Cluster Implications

JOHNSON REID has reviewed the September 15, 2009 Draft Urban Growth Report (“UGR”). With the Oregon Land Conservation & Development Commission (“LCDRC”) visiting Hillsboro to study urban land use issues, we specifically reviewed the UGR to understand any continued discrepancies between it and Hillsboro and the West Washington County Economic Opportunities Analyses (“EOAs”) and resulting land need estimates. The West County Partners are particularly concerned about industry cluster opportunity cost should land be under-provided over the planning periods discussed. The focus of this memorandum, then, is a review of the UGR with specific focus on following UGR appendices which provide detailed analytical findings pertinent to west County’s economic future:

- Appendix 3: Industry Cluster Forecast; and
- Appendix 4: Large employer/large lot analysis

Cluster Analysis Inconsistencies Between the UGR and West County EOAs

In the Draft UGR, Metro has added a formal industry cluster analysis apparently based on its broader trend economic forecasts. Figure 1 provides a contrast between the EOA industry cluster Medium and High Growth scenarios and the Metro Cluster analysis (Appendix 3) High Growth Scenario.

Based on the comparison and review of the Appendix 3 Industry Cluster Forecast, JOHNSON REID has strong concerns about the adequacy of the current analysis in indicating employment growth in the key, emerging Solar industry cluster.

- On Page A3-1, Metro attributes SolarWorld – photovoltaic (“PV”) solar panel manufacturer – to the electric power generation, transmission, and distribution sector. This is a potentially serious problem in Metro’s analysis that is worth revisiting, as SolarWorld manufactures silicon-based photo cell panels and is not actually in the business of power generation and transmission, i.e. a utility.
- SolarWorld and other PV panel manufacturers, as documented in the west County jurisdictions’ EOA studies, are actually in the same industry classification as silicon-based microprocessor production like Intel and others prevalent in Washington County (NAICS 334).
- According to Metro’s documented methodology, that would put SolarWorld and other future manufacturers in the “Advanced manufacturing” cluster as categorized by the Portland Development Commission.

Figure 1 on the following page provides a comparison of west Washington County key cluster growth through 2035 with analogous cluster growth estimate by Metro in Appendix 3.



By 2030, Metro anticipates the Advanced manufacturing cluster (definition analogous to the Existing High-Tech cluster in the Hillsboro area) to add roughly 8,900 jobs metro area-wide under its High growth scenario. In contrast, the west County EOAs estimates that existing High-Tech in west County can be expected to add between 6,100 and 24,700 jobs by 2035. Although we view Metro's estimate conservative, their number can be viewed as consistent with the slower cluster growth estimate for west County as the cluster and what remains of available land are greatly located in the vicinity of Hillsboro.

FIGURE 1: WEST COUNTY CLUSTER GROWTH COMPARISON, EOA & METRO UGR

Hillsboro Cluster	Hillsboro EOA <u>New Jobs to 2035</u>		Metro UGR 2030 New Jobs
	Medium Growth	High Growth	Metro UGB (High)
Solar			
Primary Manufacturing	5,477	8,849	See Existing High-Tech
Induced Manufacturing	2,028	3,265	
Induced Other Activity	<u>2,713</u>	<u>4,360</u>	
<i>Subtotal</i>	<i>10,218</i>	<i>16,474</i>	
Bio-Tech			
Primary Manufacture	262	876	
Induced Manufacture	96	321	
Induced Other Activity	<u>128</u>	<u>428</u>	
<i>Subtotal</i>	<i>486</i>	<i>1,625</i>	~3,800
Existing High-Tech			
Primary; Manufacture	1,754	7,044	
Induced Manufacture	752	3,019	
Induced Other Activity	<u>3,633</u>	<u>14,592</u>	
<i>Subtotal</i>	<i>6,139</i>	<i>24,655</i>	~8,900

SOURCE: City of Hillsboro EOA & Metro Draft 2009-2030 Urban Growth Report

Based on review, we would recommend discussions with Metro to revisit the apparent absence of Solar manufacturing from its cluster analysis in coordination with West Washington County jurisdictions. By Metro's own description, Solar should be included in their Advanced materials job forecast (NAICS 334), but presently it is not.

Interviews with solar firms, industry experts, Business Oregon, and examination of numerous national green/clean energy industry studies – along with a formal forecast methodology we developed with the assistance of the Oregon Department of Energy – all conducted by JOHNSON REID indicate that west County should see anywhere from a total of 10,200 to 16,474 Solar cluster jobs. Those would include the Solar firms themselves (Primary), supply and parts manufacturing vendors (Induced Manufacturing), and all other service, wholesaling, etc. commerce that would be generated as well and locate in west County (Induced Other Activity).

Recommendations by Metro regarding land need and UGB sufficiency currently appear to under-appreciate the growth potential of Solar manufacturing in western Washington County and Portland metro region-wide. SolarWorld is already building North America's largest solar panel manufacturing facility. And as the west County EOA analyses indicate, the Solar energy cluster can exceed 54,000 jobs metro area wide based on



Oregon Department of Energy solar megawatt capacity expectations. There is, then, an opportunity for west Washington County jurisdictions to share information with Metro to refine understanding of the Solar PV industry.

However, until the Solar PV manufacturing industry and emerging cluster is better accounted in Metro's analysis, there is a significant lost economic opportunity for west Washington County, as well as for regional and State efforts to attract and grow clean energy industry in terms of land demand and provision for that emerging cluster.

Large Lot Demand Inconsistencies Between the UGR and the West County EOAs

In the Draft UGR, Metro has conducted additional analysis of large parcel/lot demand resulting from 20-year economic growth. Despite these refinements, and until the Solar manufacturing cluster is discussed further, we caution that there is underestimation of large parcel demand in the current, Draft UGR. Additional consideration by Metro of the issue will likely resolve discrepancies in west County and Metro analyses.

Despite that, however, we would urge west County jurisdictions to further coordinate with Metro regarding some additional refinements that will benefit land need modeling. In general, current Metro large lot methodology does the following:

- Translates industry job growth forecasts into a distribution of firms by size.
- Translates firms by size into likely land use categories by size.
- Translates firms by land category into a distribution of single/aggregated parcel demand.
- Metro then matches demand for large parcels based on firm sizes to the metro *region-wide* supply of parcels sized 20 acres or greater.

Although the analysis is a welcome addition to the UGR, JOHNSON REID recommends that additional consideration be provided from the perspective of industry/cluster need characteristics rather than a ledger-type comparison of firms by size and parcels by size, all else equal. Although ultimately parcel need is the topic in question for employers, different industry clusters have very different and varied location, infrastructure and workforce needs that in many cases are more important than purely parcel size itself. Following is a review of primary issues that merit additional consideration when considering demand and supply of parcels region-wide.

- Geology and physical characteristics: Low-slope and seismic stability are crucial for many types of industries, as well as avoidance of engineering and financial risk of infill/brownfields.
- Utility needs: High-capacity and redundant power and high-quality water are two of many crucial needs of different cluster employers. Absence of these will in many instances negate the possibility of an employer siting at a parcel, no matter how well-suited it is in other qualities.
- Workforce location: Creative cluster employers (Apparel, Software, etc.) will likely prefer being closer to creative population centers in Portland for instance, just as high-tech manufacturers will prefer to be closer to scientifically-trained workforce.
- Cluster location: Larger cluster employers, by definition of a cluster, will seek to physically be located to benefit from proximity of firm customer/vendor networks, labor force networks, and other synergistic connections., vendor/service location.
- Permitting/Municipal Experience: For clusters with more high-tech aspects, and therefore very dynamic facility growth plans, it is crucial for sites to be located in jurisdictions with experience to provide flexible, on-time project review and permitting process. Delays and changes can cost millions of dollars for high-tech employers.



All of these factors are well documented and specific to each cluster in different State and regional studies, including the West County EOAs. We would encourage west County jurisdictions to partner with Metro to better account industry land needs by cluster rather than the current, more ledger-style UGR approach.

For many employers, each of the above site qualities – in addition to parcel size alone – amount to a “must have” for location and growth. Without most of the above qualities ensured, firms will not consider a site no matter how perfectly sized it is. In other words, a more elaborate discussion of large parcel need by cluster industries is merited in the UGR. Without such analysis, many parcels currently considered adequate based largely on size are likely not suitable at all. This reinforces comments made in UGR focus groups to the effect of firms increasingly having to look outside of the metro area for sites over 20 acres – a reflection of industry/firm needs, not purely site size.

General Inconsistencies Between the UGR and West County EOAs

Finally, it is important to note how fundamentally the UGR and the west County EOA analyses differ in overall approach. The UGR is an assessment of long-term land use patterns and needs based on regionally-identified and adopted land use policies preferences, existing and future policy tools and investments to facilitate land use efficiency aspirations, and resulting urbanized land need based on land use policy preferences. Like the west County EOAs, UGR land need estimates are based on employment growth forecasts. Unlike the EOAs, employment growth as forecast by Metro is highly based on national trend and regional trend since 2002. This has the following broad implications:

- 2002 to 2006 marked lack-luster growth in the region’s high-tech sector compared to well-documented industry growth in the 1990s. In other words, the Hillsboro area specifically is capable of growing far faster than purely trend forecast would indicate, particularly informed by 2002-2008 or 2008. This is already being evidenced by the fact that SolarWorld’s facility is the largest of its kind in North America.
- The Metro forecast is highly informed by the Global Insight’s proprietary national economic forecast. Accordingly, the resulting Portland metro area forecast for key manufacturing sectors are informed by national manufacturing trends, which for more than two decades have generally been declining. However, as is obvious in Washington County, high-tech manufacturing industry employment if planned and nurtured can both grow dramatically and highly contrary to national industry trends over the long-haul.
- The Metro UGR never considered lands north of the existing West Washington County UGB as candidate expansion areas for employment growth, modeling, and employment land capacity study (Appendix 2: Documentation of Metroscope Scenario Assumptions). This is important, as the EOAs documented from numerous industry and cluster interviews that the Hillsboro vicinity and Gresham areas are the only two specific submarkets in the Portland metro area that are suitable for existing and critical water and electricity infrastructure, workforce, and access for the vast majority of high-tech manufacturing growth prospects, particularly solar and likely biotech for at least the 20-year planning horizon. Therefore, the attribution of high-tech manufacturing industry growth to locate outside of these two specific geographies should be reconsidered.

The bottom line to these general differences is the following: Western Washington County jurisdictions examined economic opportunities from the “bottom up,” i.e. detailed examination of industry growth and need potential unique to the existing and emerging high-tech firms among others. By comparison, the Metro UGR relies on national and regional trend economic analysis, an econometric model shaped by policy preferences, and mathematically-derived growth capture factors further shaped by candidate urban expansion areas, or a “top down” approach. The UGR process did include outreach to industries with focus groups, but the emphasis of those meetings was more on built environment trends for different uses. This contrasts with industry cluster growth potential, unique industry needs, economic development recruitment



priorities, and other issues that the west County EOA process did cover. There is accordingly an opportunity for information gathered during the west County EOA process to assist Metro with its approach to key regional industries.

Metro | Agenda

Meeting: Metro Policy Advisory Committee (MPAC) Retreat
Date: Friday, October 23, 2009
Time: 8 a.m. to 3 p.m.
Place: Oregon Zoo, Skyline Room

7:45 AM	REGISTRATION/SIGN-IN	
8:00 AM	WELCOME/INTRODUCTIONS	Tom Brian, Chair
8:15 AM	* REGIONAL TRANSPORTATION PLAN	Facilitator Kim Ellis
9:30 AM	BREAK	
9:45 AM	* URBAN AND RURAL RESERVES	Facilitator John Williams
11:45 AM	WORKING LUNCH	
3:00 PM	THANK YOU & ADJOURN	Tom Brian, Chair

* Material available electronically.
** Material will be e-mailed prior to the meeting.
Material provided at meeting.
All material will be available at the meeting.

For agenda and schedule information, call Kelsey Newell at 503-797-1916, e-mail: kelsey.newell@oregonmetro.gov.

To check on closure or cancellations during inclement weather please call 503-797-1700.

OCTOBER 26 AND 27

MYRON ORFIELD

Regional equity: Making sure all neighborhoods thrive

The benefits and burdens of regional growth and change should be distributed equitably. That is one of Metro’s goals for our region’s future. But how do we realize it? How can we make sure families and individuals of all incomes, races and ethnicities have access to decent homes in thriving neighborhoods with good schools and access to jobs? Can we avoid the geographic isolation of minorities and families of modest means that afflicts other metropolitan regions?

About Myron Orfield

Myron Orfield is a former state legislator, the director of the Institute on Race and Poverty at the University of Minnesota and a nationally recognized expert in the field of metropolitan equity issues. Myron Orfield has documented the devastating impact of massive economic disparities between communities and of isolating people geographically according to race, religion and class. These disparities undermine the regional economy and the moral basis of the metropolitan area.



7:30 to 9 a.m. Monday, Oct. 26

Beaverton Community Center
12350 SW 5th St # 100, Beaverton

Panelists include: Metro Councilor Carl Hosticka, Beaverton Mayor Dennis Doyle, Washington County Commissioner Dick Schouten.

7:30 to 9 a.m. Tuesday, Oct. 27

Monarch Hotel, Columbia Room
12566 SE 93rd Ave., Clackamas

Panelists include: Clackamas County Commissioner Ann Lininger, Metro Councilor Carlotta Collette, Gresham City Councilor Shirley Craddick.

7 to 8:30 p.m. Tuesday, Oct. 27

Portland State University, Smith Ballroom
1825 SW Broadway, Portland,

Introduction by Wim Wiewel, President, Portland State University
Panelists include: Multnomah County Chair Ted Wheeler, Jill Fuglister, Coalition for a Livable Future, Barbara Rommel, Superintendent of David Douglas School District, Dr. Promise King, Director of Oregon League of Minority Voters.

Free and open to the public

Reservations are not required. For more information, call 503-797-1916 or visit www.oregonmetro.gov.

Sponsored by Metro, Portland State University, Clackamas, Multnomah and Washington Counties, Coalition for a Livable Future, 1,000 Friends of Oregon, and the City of Lake Oswego.



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