

September 15, 2009

Overview and
recommendations



MAKING THE GREATEST PLACE

Strategies for a sustainable and prosperous region

A report from
Metro's Chief Operating Officer

September 15, 2009

 Metro | *People places. Open spaces.*



Dear Friend,

After four years of study, analysis, number crunching and hard work with our local government partners – and people like you from around the region – I am pleased to provide you with a comprehensive set of proposed strategies for creating a sustainable and prosperous region.

This document contains a brief overview, with a summary of recommendations located on pages 14 and 15. For more detailed information, including supporting documents and appendices, visit www.oregonmetro.gov/greatestplace.

I want to stress that these are *recommendations* from Metro's staff – not decisions. They are intended to spark conversation and promote dialogue to inform future decisions by the Metro Council and other elected officials around the region.

One of the primary reasons our region is successful is because Metro does not make decisions or plan in a vacuum. Instead, we work with our local partners and the region's residents to achieve the outcomes we value as a community. Those outcomes include preserving our urban growth boundary to protect farmland, forestland and outdoor recreation opportunities while ensuring we have enough land to accommodate new residents and businesses for at least the next 20 years; making the most of our existing roads, sidewalks, sewers, parks, schools, and other public investments; and, perhaps most importantly, doing everything we can to ensure there are enough good jobs for the people who are here now and those who will come.

As Metro's chief operating officer, I present these recommendations to you and invite you to voice your opinion. Each of us bears responsibility for helping make our region the greatest place it can be.

The Metro Council and all the elected policymakers from our region look forward to hearing from you.

Sincerely,

A handwritten signature in black ink that reads "Michael Jordan". The signature is fluid and cursive, with a long, sweeping underline.

Michael Jordan
Metro Chief Operating Officer

a high quality of life

80

Eighty percent of residents of the Portland metropolitan region mention the environment when asked what they enjoy most about the quality of life in the region.

83

Eighty-three percent of residents believe that land use regulations are an essential tool to protect the region's quality of life.

83

Eighty-three percent of residents agree that maintaining the region's quality of life will bring jobs to the region.



INVESTING IN OUR FUTURE

These are difficult times in our nation and our state. Unemployment is high, trust in traditional institutions is low, and an unprecedented array of challenges loom over our future.

Yet even in the face of extraordinary economic difficulties, the people of the greater Portland metropolitan region remain optimistic. We value the exceptional quality of life that is supported both by our unmatched natural setting and by the creativity and civic spirit that have enabled us to build lively communities throughout our region. We understand that in the long run, our livability provides a competitive advantage that allows us to attract and keep a talented work force and cutting-edge employers.

We also understand that while the place we call home is the envy of people across the nation, we face both local and global changes that will require us to do better.

The people of the region expect leadership that respects our common values and builds upon the legacy we have inherited. We deserve government that is careful with our money, responsive to our needs and sensitive to the challenges we face.

The city and county governments of the region reflect the aspirations of the people they serve. They want to cultivate great communities that can thrive in a changing world. Their relationship with their residents is direct and immediate, and when times are tough they get squeezed between budget cuts and increased demand for services. They expect their regional government to be a partner in serving their communities.

It is in this spirit of innovation, partnership and service that I offer my recommendations for the next phase of our efforts to make this region the greatest place it can be.

These recommendations have many elements, but they revolve around a single imperative: we must invest in our communities to secure the future the people of the region desire. This means we must invest existing dollars strategically; focus our investments for maximum impact; elevate our level of overall investment; and deploy our public resources in a way that supports private investment. Only if we do all of these things can we ensure a strong economy, a healthy environment and communities that serve the needs of all.

We must invest in our communities to secure the future the people of the region desire.

Investing in public priorities

Specifically, I recommend that we invest in ways that:

Focus our growth in city and town centers and main streets within the current urban growth boundary to the greatest extent possible – to preserve farms, forests and natural areas outside the boundary while protecting single-family neighborhoods within our existing communities.

Repair and maintain our existing public works and community assets – roads, water and sewer lines, schools, parks and public places – to get the most out of what we already have, bring increased vitality to our communities and create a solid foundation for meeting the needs of the future.

Protect and create good jobs for the people who live here now, and those who will come.



**thriving,
compact
communities**

15,000

There are 15,000 acres of vacant, buildable land within the urban growth boundary, a combined area roughly 35 times the size of downtown Portland.

95

In the last ten years, almost 95 percent of all new residential development occurred inside the original 1979 urban growth boundary.

33

In a nationwide study, compact communities were shown to reduce average driving by as much as 33 percent.

WHERE WE'VE BEEN AND WHAT WE'VE LEARNED

Fortunately, we are not starting from scratch. For years, the Portland region has been widely celebrated for its dedication to planning for the future. Our successes are well-known and defy national trends:



By accommodating rapid growth while limiting expansion of the urban growth boundary, we have reaped many benefits. Unlike most communities nationwide, we are consuming land at a rate less than our rate of population growth. Our efficient use of urban land protects valuable farms, forests and natural areas, makes our communities more vibrant, reduces the region's carbon footprint, and saves both public and private dollars.



By increasing travel choices, we have made it possible for people to meet their needs while driving less. Our transit use and biking are increasing much faster than our population, and compact growth has helped to shorten trips and make our communities more walkable. As a result, while the average American drives more miles every year, the average amount each of us drives has been declining for more than a decade. Because we are able to drive less, more than \$1 billion a year remains in our pockets, most of which returns to our regional economy.



We have acted to protect our region's natural heritage. By purchasing thousands of acres of natural areas with voter-approved funds, we are protecting and restoring wildlife habitat and water quality and enhancing access to nature for current and future residents. Now a broad coalition of public, private and nonprofit partners is working to link the region's parks, trails and natural areas into a seamless system that makes the experience of the outdoors more accessible to all.



We have cleaned up our air and stabilized our greenhouse gas emissions. Portland's air quality violations have declined from 180 days a year in the 1960s to zero today. While greenhouse gas emissions nationwide have increased by 17 percent since 1990, in Portland and surrounding Multnomah County they have declined by 0.7 percent.

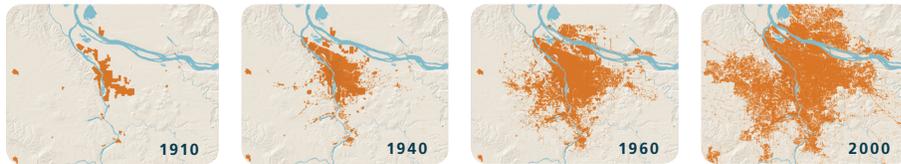
The bottom line is that we've created a place where people want to live. Longtime residents fiercely defend the livability of their communities, and our excellent quality of life continues to attract new residents, including members of the highly sought-after cohort of educated young adults – even during the current economic downturn.

But patting ourselves on the back will only take us so far. Yes, our long-range plan, the 2040 Growth Concept (see box, page 6), enjoys local support and national admiration and our planning expertise gives us a leg up on many other urban regions. But a decade and a half after the adoption of our long-range plan, we have yet to fully achieve our regional vision. We have reached a point where planning alone will not suffice.

Put bluntly, the tools of the past are not enough to address the increasingly complex challenges of the future.

For example:

Our population is growing and changing. Within 25 years, we can expect to be joined by one million new neighbors – a much faster rate of growth than was forecast when the region developed its long-range plan. We are becoming more diverse, we are growing older, our household size is shrinking and there is a growing gulf between haves and have-nots.



We are failing to maintain our existing public facilities, and can't afford the investments we need to protect our livability as we grow. Meanwhile, the costs of providing, maintaining, and replacing pipes, pavement, parks and other public facilities and services are skyrocketing, even as traditional sources of funding – including federal dollars that have financed much of the region's infrastructure – are drying up.



public assets and investments

27

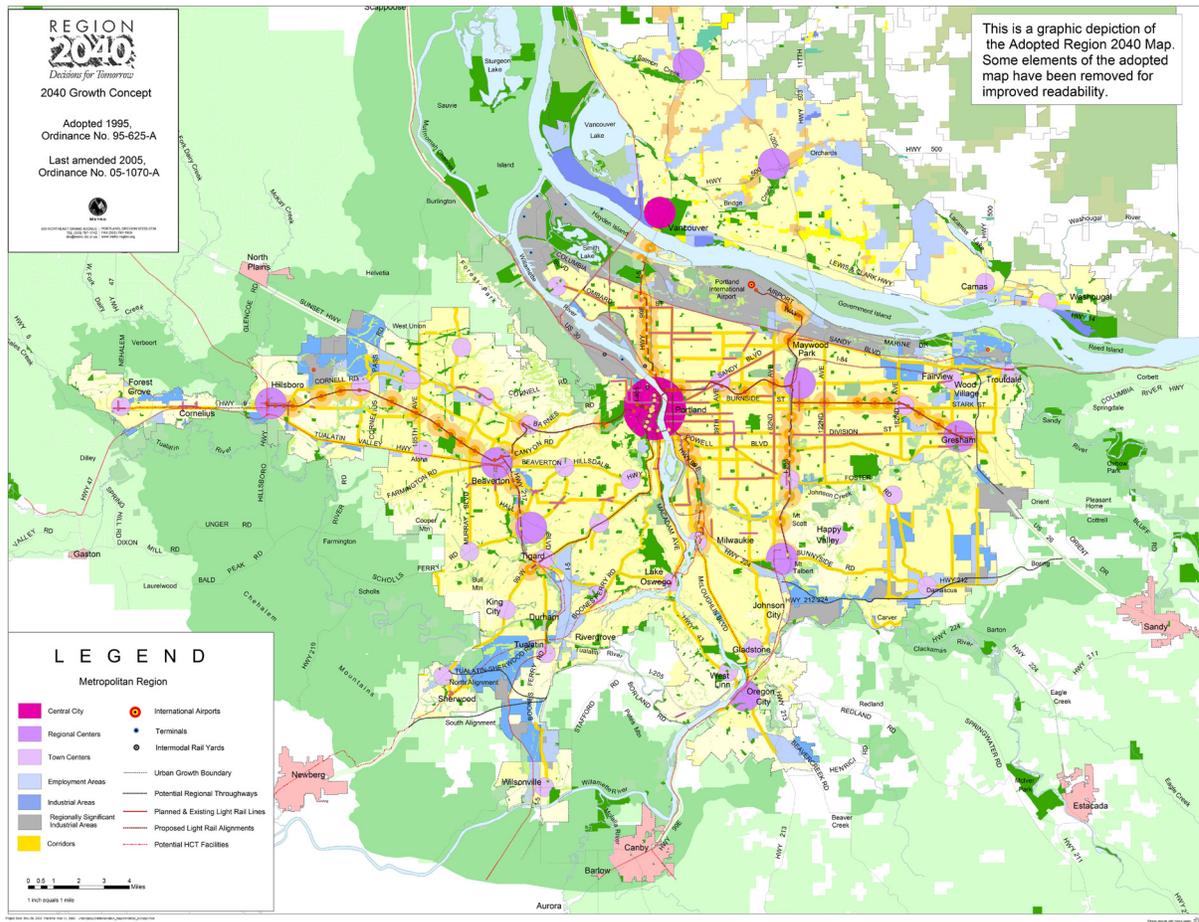
Since 1965, government spending on transportation, sewers and water systems has declined from 39 cents to 25 cents for every dollar spent on private residential construction.

10 billion

Our region will need approximately \$10 billion during the next few decades just to repair and rebuild our existing infrastructure. To meet the demands of anticipated growth in jobs and housing in the region through 2035, we will need as much as \$31 billion in additional funding.

8th place

Oregon ranks last in total auto taxes collected compared with other Western states (Arizona, California, Idaho, Montana, Nevada, Washington and Utah).



greenspaces

8,100

Acres purchased by Metro through bond funds approved by voters in 1995. Thousands more acres will be purchased by Metro through a second bond measure approved by voters in 2006.

8,000

Based on population projections, the region will likely need 5,000 acres of urban parks and 8,000 additional acres of open space by 2035.

The 2040 Growth Concept – In 1995, the Metro Council adopted the 2040 Growth Concept, a long-range plan designed with the participation of thousands of Oregonians. This innovative blueprint for the future acknowledges population growth as a fact of life, but expresses the region’s intent to incorporate growth within existing urban areas as much as possible and expand the urban growth boundary only when necessary. Implicit in the plan is the understanding that compact development is more sustainable, more livable and more fiscally responsible than low-density sprawl, and will reduce the region’s carbon footprint.



Our fragmented governance structures and antiquated public finance systems frustrate our ability to deliver on our regional development goals. Many areas of the region are served by a hodgepodge of local governments and service providers whose jurisdictions are often artifacts of history that do not coincide with current community boundaries, infrastructure capacity or demand. This situation raises questions of equity and hampers coordination of regional development.



Our economy is globalizing, greening and changing in other ways we cannot anticipate. Our region’s status as both a hub for domestic commerce and a gateway for international trade provides tremendous benefits but also makes us highly vulnerable to global economic changes. We are also rapidly becoming an international epicenter of the movement toward a sustainable economy. While these and other factors confound our ability to predict the character of future employment, it is clear that the future will not look like the past.

Energy instability and climate change require us to rethink everything – from where we live to where we get our food to how we get around. Even though our region is a national leader in stabilizing carbon emissions, our current efforts fall far short of what is needed to meet carbon reduction targets established in state law.

In the face of these and other challenges, we will need to be smarter, work harder and dig deeper to achieve the aspirations of our communities and truly realize our regional vision. Now is the time to adopt new approaches that will enable us to maintain and improve our communities, protect our urban growth boundary and our natural environment, and support a strong economy that benefits all of the people of our growing region.

getting from here to there

70

More than 70 percent of the region’s residents live within 1/4 mile of public transit.

34

Transportation activities are the second largest source of greenhouse gases in the state, accounting for approximately 34 percent of the state’s carbon dioxide emissions.

100 million

Commuters here spend 100 million fewer hours per year getting to work compared with the 33 other largest metro areas in the nation. People here are twice as likely to use transit and seven times as likely to bike than other large metro areas, leaving more room on the road for moving goods and freight.

\$1.1 billion

The region’s shorter commute translates into \$1.1 billion in savings on transportation costs, most of which is reinvested in the local economy.

jobs and the economy

1.0 to 1.3

The region must plan for between 1.0 and 1.3 million total jobs by 2030.

71

71 percent of the Portland region’s largest employers originated here.

10,000

There are nearly 10,000 acres of vacant employment land inside the UGB and thousands more acres of dilapidated, contaminated and underutilized employment sites.



Meeting the challenge: MAKING THE GREATEST PLACE

For all of these reasons, the region has been working for four years to develop a new, integrated approach to guiding the growth and development of our communities.

This new approach builds on the strong foundation of the 2040 Growth Concept, which calls for focusing development in city and town centers, along transportation corridors and near employment areas. But while that plan reflects a regional agreement about what we want the future to look like, the new approach – known as “Making the Greatest Place” – represents a concerted effort to decide how we are going to get there. It responds to new challenges with new tools and marks a renewed commitment to making this region the greatest place to live, work, learn and play.



In September 2005, the region’s leaders received a wake-up call: a forecast that more than one million more people would live here within 25 years. This dose of reality stimulated a burst of activity region-wide that will culminate during the coming year in a series of major decisions that will change the way we tackle the challenges – and seize the opportunities – that come with growth.

Since 2005, the region has:

Embraced a comprehensive new definition of the attributes that comprise successful communities (see box).

Completed the “Shape of the Region” study, which evaluated the importance of land outside the urban growth boundary for agriculture, forestry and the protection of natural landscape features, and identified the common attributes of great communities

Collaborated to obtain legislative authority to jointly establish urban and rural reserves directing where the region will and will not grow over the next 40 to 50 years

Required major construction projects to support planning for the development of areas included in the urban growth boundary

Analyzed the region’s long-term need to increase public investments in infrastructure

Undertaken a new, outcome-oriented approach to transportation planning

Endorsed a long-term plan to expand the region’s high-capacity transit system

Initiated a conversation about the local aspirations of communities throughout the region

Begun to integrate the imperative to reduce carbon pollution into our land use and transportation plans

Developed and refined a series of “scenarios” to illustrate the implications of various land use and investment choices

Produced 20- and 50- year population and employment range forecasts that illustrate the need to make decisions in the face of uncertainty

Generated an analysis of the capacity of the current urban growth boundary to accommodate growth while anticipating potential changes in both policy and market behavior

Attributes of great communities: The region’s desired outcomes

The “Making the Greatest Place” initiative represents a renewed effort to attain objectives the region has long sought to achieve. However, policy documents of the past often focused on strategies (e.g., “compact urban form”) rather than on the actual outcomes that are important to people’s lives.

In 2008, the region agreed on a set of desired outcomes that not only reflect what really matters to the citizens of the region, but also may be used to develop benchmarks against which we can measure our progress toward creating great communities. It is these outcomes that this recommendation is designed to achieve:

Vibrant communities – People live and work in vibrant communities where they can choose to walk for pleasure and to meet their everyday needs.

Economic prosperity – Current and future residents benefit from the region’s sustained economic competitiveness and prosperity.

Safe and reliable transportation – People have safe and reliable transportation choices that enhance their quality of life.

Leadership on climate change – The region is a leader in minimizing contributions to global warming.

Clean air and water – Current and future generations enjoy clean air, clean water, and healthy ecosystems.

Equity – The benefits and burdens of growth and change are distributed equitably.





Guiding principles

All of this work has contributed to the emergence of a common understanding of what we need to do to realize our shared vision. We have learned that “making the greatest place” will require many actions by many players. Now we begin the task of weaving together these different threads to strengthen the fabric of our existing and future communities.

In developing these recommendations, I have been guided by several key principles that have emerged from the conversations in which the region has been engaged for the last four years:

Focus on outcomes. Our actions should be specifically designed to achieve six desired outcomes that matter to the people of the region: vibrant communities, economic prosperity, safe and reliable transportation choices, clean air and water, reduced contributions to global warming, and fair distribution of the benefits and burdens of growth.

Move from “what” to “how.” Having agreed on what we are trying to achieve, we must accelerate the fundamental shift in emphasis from developing a vision of the future to making the vision we have already embraced a reality.

Minimize risk. Even with Metro’s tremendous forecasting capabilities, the future remains uncertain. We should act based on the best available information, but in ways that leave future generations the flexibility to make adjustments if our assumptions are wrong.



Don't chase numbers. We need to devote our energy to creating great communities. We can't allow ourselves to get bogged down in a numbers game where we squabble about how many dwelling units can fit on the head of a pin.

Work together. We have come this far because of our history of public involvement and collaborative governance. Future success will require us to forge new partnerships and will entail a range of highly interdependent decisions and actions by many players beyond Metro – chiefly city and county governments, but also other public agencies and the private sector.

- 1,450,000 residents living within the urban growth boundary
- 65,600 businesses
- 33,229 acres of public parks and natural areas
- 830 miles of rivers and streams
- 25 cities
- 3 counties
- 1 region



Some people want to live in the suburbs and feel strongly that their quality of life, their American dream, is a house and a yard and a fence. Others want to live in a vital city where they're a regular at the coffee shop down the street. It's not that one is better than the other, but it is a fact that within this region, you can choose either, and that's what we're trying to achieve – not that everyone chooses the same, but that people can find what they want.

— Ethan Seltzer, director, Toulon School of Urban Studies and Planning, Portland State University



RECOMMENDATIONS

Today, I am recommending the following three categories of actions:



Make the most of what we have. Our top priority must be to improve the quality of life for the people who live here now by investing in our existing communities. We should leverage previous investments, rebuild dilapidated buildings and decaying infrastructure, revitalize town and city centers and maintain community assets before taking care of people who are not here yet.



Protect our urban growth boundary. Second, by leveraging both strategic investment and innovative policies, we should accommodate most of our population growth in our existing communities rather than by adding large amounts of farm and forest land to the boundary at the edge of the region.

Walk our talk. Finally, to ensure that our actions and investments are responsive to the values and priorities of the region's residents, we must develop and adopt performance targets specifically based upon the region's desired outcomes, and use those targets to hold ourselves accountable for achieving those outcomes.

My specific recommendations, which are summarized on pages 14 and 15 and detailed in Section 2 of this report, represent the integration of several policy areas that, until now, have been considered in discrete processes, sometimes with conflicting results. During the last four years, the region has explored the linkages among various policy “streams” and the ways they inform each other. This recommendation represents the “confluence” of those various streams into a coordinated strategy.

It is important to remember that this document does not represent a *decision* by anyone; it is a set of *recommendations* that are intended to invite, and give focus to, the regional conversation that will ensue. And once these recommendations have been acted upon by the decision makers of the region, we will not be finished. Many questions will remain, but the choices we make today will determine the choices we are able to make in the future.



integrating habitats and greenspaces

64

Sixty-four percent of metro area residents live within 1/4 mile of a public park, greenspace or regional trail. Ninety-seven percent of Boston's children live within 1/4 mile of a park.

53

Approximately 53 percent of the region's park land and 60 percent of land within 50 feet of streams and wetlands are deforested.

10

About 10 percent of the region's floodplains are developed, substantially degrading ground and stream water quality.

Strategies for a sustainable and prosperous region

1

MAKE THE MOST OF WHAT WE HAVE

Invest to maintain and improve our existing communities.

By December, 2010, adopt an integrated regional investment strategy focused on revitalizing our downtowns, main streets and employment areas consistent with the 2040 Growth Concept.

Place the highest priority on maintaining the public investments we have already made, including our roads, sidewalks, water and sewer lines, and parks.

Reuse and revitalize dilapidated buildings, vacant and under-used lots, and decaying infrastructure in already developed areas, accommodating growth within the urban growth boundary and bringing increased economic activity to those areas.

Get more for the public's money by ensuring that regional investments are coordinated with each other, and with the goals and investments of local communities.

Leverage private investment through strategic coordination of public investments with the private sector.

Protect existing residential neighborhoods by focusing new residential and commercial development in downtowns and along main streets.

Consider the natural environment, personal and public costs, individual and regional equity, and health in all of our investment decisions.

Identify local and regional actions needed to pursue new sources of funding to maintain and improve existing communities, accommodate growth and create favorable conditions for job creation within the UGB.

Make transportation investments that increase safe, affordable and convenient travel options for everyone and help the region's businesses and industry remain competitive.

Get the most out of the transportation system we already have by:

- Repairing and maintaining our existing roads, bridges, public transit and bicycle and pedestrian facilities.
- Employing market incentives and pricing strategies to use our transportation system as efficiently as possible.
- Investing in smart technological solutions to reduce and manage congestion.

Attract and retain businesses and family-wage jobs through strategic investments in roads and transit as well as critical air, marine and freight rail facilities.

Increase transportation choices, protect air quality, and reduce congestion by accelerating development of transit, biking and walking facilities.

Maintain compact communities that allow for more cost-effective transportation investments and make it easier for residents to perform the tasks of their day-to-day lives.

PROTECT OUR URBAN GROWTH BOUNDARY

To the maximum extent possible, ensure that growth is accommodated within the existing boundary.

Manage the urban growth boundary to protect farm and forest land, support a strong economy, and maintain and create great communities.

Accommodate most growth through investment within the existing UGB.

Use land inside the boundary more efficiently to reduce residents' transportation costs, get the most from our public investments, and limit unnecessary urban expansion into farmland, forest land and natural areas.

Support job creation and economic opportunity and enhance development in existing communities by making strategic UGB expansions as needed to take advantage of real opportunities to attract key employers.

Protect the region's industrial land supply from conversion to non-industrial uses and improve and protect access to major industrial areas.

Require rigorous urban and financial planning prior to UGB expansion to address land use, infrastructure, and governance issues.

Protect farms, forests and natural areas outside the boundary.

Use urban and rural reserves to achieve the region's long-term goals.

Designate urban reserves based on successful implementation of Strategy 1 calling for strong investment within existing communities, where most growth will occur.

Establish urban reserves in areas that will:

- Strengthen and complement existing downtowns, main streets and employment areas.
- Protect the agricultural industry from the impacts of urban development.
- Support good jobs and a healthy economy by facilitating addition of industrial land to the urban growth boundary when needed.
- Use less land and less carbon and offer citizens more economical living choices.

Designate rural reserves to provide long-term protection for the agriculture and forest industries and for important natural landscape features.

Prepare for and support private investment in efficient development through greater use of existing zoning strategies and financial incentives.

Use existing financial incentives more aggressively and creatively to help local communities achieve their aspirations for their downtowns, main streets and employment areas.

Encourage innovative approaches to zoning to encourage development of downtowns and town centers, make transportation corridors ready for high capacity transit, and protect industrial land for industrial use.

WALK OUR TALK

Be accountable for our actions and responsible with the public's money.

Ensure that public investments are consistent with the public's values and priorities.

Develop and adopt performance targets specifically based on the region's desired outcomes.

Measure our performance against these targets.

Adapt our policies and investment strategies based on what we learn.

Hold ourselves accountable to achieving the region's desired outcomes.



FULFILLING THE PROMISE OF OUR REGION

For longer than we can remember, this special place has nourished the bodies and the souls of the people lucky enough to have found their way here. The abundance and splendor in our common backyard inspire not just awe, but action, as the land invites us to engage with it in myriad ways.

Our relationship with our surroundings remains at the heart of every resident's experience of life in this evolving region. Today, we enjoy not only the richness of our natural endowment, but also the dynamic communities we have built upon its foundation.

We have been entrusted with this wondrous place at a critical time. Residents of this region have always confronted challenges that tested their resourcefulness and commitment, and we are the beneficiaries of wise decisions made in the face of change by those who came before us. Now we bear the responsibility of carrying forward the legacy of courageous innovation that we have inherited.

However, the changes we face today are unprecedented in their magnitude and complexity. Paradoxically, clinging to our past – or even to things as they are – imperils our future; if we fail to act decisively in anticipation of the upheavals on the horizon, we will squander the opportunities that come with change, and risk losing the very nature of this region.

The decisions we make today will have profound consequences, not only for our descendents but for the land itself, as well as its waters, its wildlife and the very air we breathe. Luckily, the people of this region have the smarts, the guts and the dedication to chart a new and successful course.

Together, we can continue to fulfill the promise of this place.

Section 2 | Recommendations

STRATEGIES FOR A SUSTAINABLE AND PROSPEROUS REGION

A report from Metro's Chief Operating Officer

For the last four years, public officials from throughout the Portland metropolitan area have worked hard to lay the groundwork for major decisions about the future of the region. Together, Metro and its local partners have analyzed past performance and current trends, looked into the future, developed a range of policy alternatives, and sought advice from citizens. We established a set of six outcomes that matter to residents of the region, posed optional courses of action, and studied the contributions of these actions toward the desired outcomes.

We have come to understand that *Making the Greatest Place* will require many actions by many players, coordinated to take full advantage of everyone's efforts and to wring the most public value from the public's dollars. Now we have reached the point at which we must lay some proposals on the regional "table" to allow us to see the whole and how its parts might fit together.

As noted in the previous section, the set of strategies and actions proposed here brings together several strands of policy in order to maintain and improve our existing communities, protect the urban growth boundary and support prosperous economy. This recommendation is intended to set the stage for discussion among the people of the region about the choices we face.

SETTING THE STAGE FOR MAKING THE GREATEST PLACE

Knowing where we're going – the region's desired outcomes

The region has long agreed on its vision of the future, and the people who live here have remained remarkably consistent in their commitment to the values that underlie that vision, as expressed in the 2040 Growth Concept. In the summer of 2008, the region agreed that our planning efforts should start by defining in clear and simple terms the outcomes that residents tell us they want. To that end, the Metro Council and our regional partners in local government adopted the six desired outcomes described in Section 1 of this recommendation to guide our regional planning for the future. Briefly, those outcomes are:

- Vibrant and walkable communities
- Economic competitiveness and prosperity
- Safe and reliable transportation choices
- Leadership in addressing climate change
- Clean air, clean water and healthy ecosystems
- Equitable distribution of the benefits and burdens of growth

Growth forecast – How many people and jobs are we expecting?

With these outcomes in mind, we began the process of developing an integrated regional development strategy with a growth forecast. State law requires Metro to provide sufficient capacity to accommodate the growth in population and employment expected in the next 20 years. To do that, we need to know how many people and jobs to plan for.

The current growth forecast departs from past practice in two ways:

- Taking advantage of an opportunity provided by the Oregon Legislature, the Metro Council decided to look farther into the future – 50 years – to support the designation of “rural reserves” for long-term protection of farms, forests and natural areas, as well as “urban reserves” to identify long-term opportunities for urban expansion (see pages 25-28).
- Acknowledging the uncertainties inherent in long-term forecasting, the Council requested a range of possible growth scenarios rather than a single estimated number of people and of jobs (“point forecast”). The range forecast allows the region to focus less on “chasing numbers” and more on how best to achieve our desired outcomes and create jobs and great communities.

In May, 2008, Metro published the “2005-2060 REGIONAL POPULATION AND EMPLOYMENT FORECAST.” The forecast predicts likely ranges in the numbers of people and jobs in the region to the year 2030 (to fulfill the state’s 20-year capacity requirement), and also to the year 2060 (to inform the designation of urban and rural reserves).

Depending upon the many factors that will influence our growth, the forecast tells us to expect the seven-county region¹ to have between 2.9 and 3.2 million residents and between 1.3 and 1.7 million jobs by 2030. For the longer term, we should expect between 3.6 and 4.4 million in population and between 1.6 and 2.4 million jobs by 2060.²

This recommendation focuses on the middle third of this range as our most likely future. This smaller range will sharpen our options and help the region understand the issues we face.

	Low	Bottom third	Upper third	High
2030 population	1,877,700	1,947,000	1,989,600	2,060,700
2060 population	2,313,900	2,496,500	2,606,300	2,787,800
2030 households	789,700	818,100	835,600	864,700
2060 households	968,500	1,043,300	1,088,300	1,162,700
2030 jobs	1,083,200	1,142,600	1,211,600	1,273,500
2060 jobs	1,345,355	1,473,792	1,608,109	1,754,885

Forecast for Metro urban growth boundary

Metro’s forecasts begin with the federally-defined seven-county Portland-Beaverton-Vancouver Metropolitan Statistical Area. In order to estimate what share of this growth is expected to locate within the Metro urban growth boundary, a “capture rate” is applied based on historical and forecast growth trends.

¹The Portland-Beaverton-Vancouver Primary Metropolitan Statistical Area (PMSA) consists of Clackamas, Columbia, Multnomah, Washington and Yamhill counties in Oregon as well as Clark and Skamania counties in Washington.

²Historically, in-migration has accounted for two-thirds of the region’s population growth. In the year 2030 in-migration is expected to account for about half of population growth, with births making up the other half.

Capacity analysis – Where will they go?

Our next step was to determine whether our urban growth boundary has sufficient capacity to accommodate the ranges of population and employment projected in our forecast.

The draft *Urban Growth Report* (UGR) gives us a good idea where our existing policies and level of effort would take us during the next 20 years. The UGR finds that, at least “on paper” (in city and county plans and zoning ordinances), the region has the capacity to accommodate population and job growth within the projected ranges over that period.

However, the UGR also concludes that under current market conditions and the policies and financial structures that we have in place today, the region will not be able to actually realize that potential capacity and accommodate projected growth to the year 2030. We face a gap between the UGB’s theoretical capacity and the number of housing units and jobs we can reasonably project will actually be created by the private sector under current conditions.

More importantly, the UGR tells us we are falling short of our targets and aspirations for achieving some of the most fundamental objectives of the 2040 Growth Concept. Development in many of the areas we have targeted for more growth – our designated regional centers, town centers, station communities and main streets within the UGB – is lagging: while there has been some progress, there are not yet enough residents and workers to make these areas the centers of vibrant urban life envisioned in our plans and hoped for by our local partners.

State law says that if we cannot accommodate projected growth within the UGB, we need to add land to the boundary. But this does not solve our capacity problem. Areas added to the UGB since 1998 – Pleasant Valley, Damascus, North Bethany and others – are not urbanizing or attracting new homes and jobs because, among other reasons, we have not found a way to pay for the sewers, water systems, parks, streets and roads needed to make them work as urban places. We also have not yet found the right tools to provide full city governance to these new areas. The region would face the same costs and obstacles on any new land added to the UGB. Moreover, expanding the UGB involves other tradeoffs, including loss of productive farmland, diversion of limited public dollars from our existing communities, longer commutes, and increased carbon pollution.

Lagging development also impedes our efforts to provide transportation options to the region’s residents, including efforts to connect centers with high capacity transit; this requires more residents and workers plugging the farebox, and therefore higher densities in a given transportation corridor, to be cost-effective. Failing to provide travel choices leaves more people reliant on the most expensive – and most carbon-intensive – mode of surface transportation, the private automobile. Lack of alternatives to auto travel also fills our roads with cars that impede the movement of freight and reduces our economic competitiveness.

In short, our existing policies and levels of investment in our communities will not bring us the outcomes we desire.

CLOSING THE GAP RECOMMENDATIONS FOR MAKING THE GREATEST PLACE

But there is another message in the *Urban Growth Report*: we can close the gap between the current capacity of the UGB and our forecast growth by investing in our existing communities. That is, we can turn our potential capacity into real capacity by increasing the levels of our investments and taking complementary actions at the policy level. But we must invest at every level – city, county, regional, state, federal and private sector – and we must invest wisely to stimulate private investment.

This recommendation calls for strategic investments and policy actions by all level of government to use land inside the existing urban growth boundary as efficiently as possible to minimize expansion of the urban growth boundary, to make the most of our existing communities and to help make good jobs available to our citizens.

STRATEGY 1 | MAKE THE MOST OF WHAT WE HAVE

Invest to maintain and improve our existing communities

A strategy of investment is the essence of this recommendation. First and foremost, we must find new ways to invest in our future. Specifically:

By December, 2010, the region should adopt an integrated regional investment strategy focused on revitalizing our downtowns, main streets and employment areas consistent with the 2040 Growth Concept.

The region must maintain, replace, and in some cases expand, the public works – water, wastewater and storm water systems, and streets and roads – that are essential to support redevelopment in existing urban areas and new development in areas previously added to the UGB. We must also invest in the community assets essential to making our urban communities better places to live and work: parks, schools, natural areas and trails; town squares and gathering places; and bicycle facilities and sidewalks, for example.

By committing ourselves to maintain and improve these public works and community assets, we will attract complementary investments by the private sector to take advantage of the value added by public investments. By collaborating strategically with private investors and, when appropriate, entering into public-private partnerships, we can further ensure that we will invest the public's dollars in ways that provide the greatest overall benefit to our communities.

Moreover, the region should increase its investments in the reuse and revitalization of old buildings and vacant and underused lots in already developed areas. These investments will bring increased activity and private investment to those areas and support efforts to efficiently accommodate growth within the UGB.

Consideration of the natural environment, impacts on personal and public costs, individual and regional equity, and public health should be factored into all of our investment decisions.

The region should make transportation investments that increase safe, affordable and convenient travel options for everyone, help the region's businesses and traded sector industries remain competitive, and reinforce the region's desired outcomes.

The region has effectively used, and should continue to use, a range of approaches to achieve these outcomes. These approaches include repairing and maintaining our previous investments in transportation facilities and using both market-based and technological means of getting the most out of our existing system. We should also make strategic investments both in transportation facilities that improve freight mobility and in transit, biking and walking facilities to provide residents with more ways to get around.

Perhaps most critically as a stimulus for private investment, we must significantly expand the region's high-capacity transit system to give residents more options than the private auto to travel to work and other daily destinations, to free-up road capacity for movement of freight, to attract and support compact development and to reduce our carbon emissions.

There is not enough money to make all the investments we need. For decades, investments in public facilities have been declining in communities nationwide, and our region is no exception. Despite the current flow of federal "stimulus" dollars, the heyday of nearly limitless federal largesse is over, and state property tax restrictions have further depleted public coffers.

This recommendation, therefore, proposes that we focus public investments in those places around the region where the investments are most likely to help us achieve the outcomes we desire. Moreover, we must link the investments to our desired outcomes, and to one another, to maximize the value of each investment. Finally, we will need to identify the local and regional actions necessary to pursue new sources of funding if we are to maintain and improve our existing communities, accommodate growth efficiently and create favorable conditions for private investment and job creation.

Focus investments in centers, corridors and employment areas

First, we must concentrate investments within the 2040 Growth Concept's places of highest potential density and established infrastructure. These include centers across the region (areas designated as town centers, regional centers, central city and light rail station communities), important employment areas, and the principal highways and roads ("corridors") that connect centers with frequent bus service. Focusing investment in these places will yield the following benefits, each of which supports outcomes the region seeks to achieve:

Local aspirations – The region will invest in the very places cities and counties want to invest local funds to achieve their community aspirations. Regional investments will complement and enhance local investments, and vice versa.

Existing infrastructure – This focus will encourage growth in places where sewer, water, storm water facilities, parks and streets already exist, using these services more efficiently and bringing more ratepayers to share their costs.

Public transit – The region will be able to accommodate a larger share of forecast growth where we have already made major investments in public transit. Concentrating growth in centers and corridors will give more residents access to transit for commuting and other daily travels, thereby reducing their transportation costs and freeing up road capacity for freight movement. More transit rides means more fares paid and more cost-effective transit.

Walking and biking – Higher levels of housing and jobs in centers and corridors will also bring jobs and everyday needs – stores and professional and civic services, for example – within walking and biking distance of many more residents.

Energy and climate – Concentrating development in centers and corridors reduces and shortens our trips, thereby reducing energy consumption and the amount of carbon emissions produced by our travels.

Neighborhood stability – By absorbing most of the forecast growth in centers and corridors, we can protect our existing residential neighborhoods from the impact of this growth.

Regional equity – Because there are centers and corridors in every part of the region, this approach will distribute the benefits of community investments equitably across the region. For example, our Housing Needs Analysis shows a growing number of households in parts of the region spending more than they can afford on housing and transportation during the next 20 years. Investment in new high-capacity transit lines to centers and corridors with disproportionately large numbers of “cost-burdened” households can reduce transportation costs for those households and leave them more money to spend on housing and other essential needs.

Link investments

Second, we must link investments in the following ways:

- Link regional investments to local investments and actions to achieve both regional and local aspirations.
- Link investments to achieve multiple outcomes.
- Link investments to make each investment more effective.
- Link public investments to private investments.

The following examples from across the region teach us that linkages make investments greater than the sum of their parts. These successes are stimulating coordinated investments elsewhere.

Current and future successes

Portland's 1988 plan for the River District (north of downtown) called for 1,800 new dwelling units. Pursuant to the plan, the city and the region made a coordinated set of investments: replacement of the Lovejoy ramp from the Broadway Bridge; a streetcar line to downtown; upgrades to public works; a system of new parks connected to one another and eventually to a trail along the river; bike lanes and sidewalks; and other community assets.

As a result of these investments, private investment has increased dramatically, adding 7,600,000 square feet of new building space within three blocks of the streetcar line. By 2008, the district had added 8,000 dwelling units, several hundred of them “affordable” and rendered more so by access to transit, walking and biking facilities. When currently anticipated projects are completed, the district will have added a total of 10,000 dwelling units and 21,000 jobs. Outcomes: the city has built a vibrant, economically prosperous community, rated one of the most walkable in the country.

Tigard wants to revitalize its downtown – a designated town center under the 2040 Growth Concept, which calls for higher density housing and employment there. The city has adopted a vision plan that calls for 2,500 new housing units and 900,000 sq. ft. of new commercial floor space. The city has also established an urban renewal district and uses tax increment financing to upgrade public works. In partnership with Metro, Tigard is investing in parks and trails along Fanno Creek, using funds secured through the 2006 natural areas bond measure. As provided in the proposed High Capacity Transit System Plan, Metro will invest regional funds to extend light rail to Tigard's town center when conditions justify the investment. City investments make light rail more feasible financially, and the region's investment in light rail will encourage the new housing and job development the city desires.

Cornelius hopes to add jobs to offer more employment opportunities to its residents, who travel long distances to jobs in other cities, and to boost its tax revenues to pay for community assets that would add vitality to its center. The 2040 Growth Concept calls for greater employment and residential capacity along Cornelius' designated main street. The city has asked Metro to designate an area around its main street as a town center to stimulate greater investment. The proposed High Capacity Transit System Plan would provide regional funds to extend light rail from Hillsboro to Forest Grove, passing along Cornelius' main street, when conditions justify the investment. Redesignation of the city's main street as a town center under the 2040 Growth Concept would complement the city's strategy.

Many cities and counties in the region have developed action plans to bring life to their downtowns and other centers. Complementary regional and local investments and actions can shepherd these aspirations to reality. Metro has assembled an inventory of the aspirations of cities and counties for their centers, as well as investments that can help achieve these aspirations (see “Investing in Great Places Matrix” in Section 3 of this recommendation). These collective aspirations, and the investments and policy actions needed to realize them, are ambitious and will require sustained leadership and collaboration to implement.

The region should make use of the full range of existing regional and local investment tools and strategies, including the following:

Tax increment financing (TIF) in urban renewal districts has revitalized many lagging urban areas by raising funds to pay for upgrades to public works and community assets that, in turn, attract private investment that generates new tax revenues to pay for the upgrades. Nine cities and Clackamas County use TIF in urban renewal districts.

Local improvement districts have helped local governments pay for public works and community assets by assessing fees on properties in the districts that benefit from the services.

Economic and business improvement districts have stimulated private investment in industry and businesses in the region’s employment areas.

System development charges (SDCs) currently cover a portion of the costs of providing a limited list of public facilities to new development: transportation, water supply, sewer, storm water management, and parks. Revisiting local government capital improvement plans in light of the stated aspirations of local communities could result in SDCs that more accurately reflect the full anticipated costs of accommodating growth.

High-capacity public transit lines have drawn very significant private investment to the corridors along the lines. The region has endorsed an ambitious program of expanding the region’s high capacity transit system to connect regional centers and other centers along principal corridors in the High Capacity Transit System Plan. The plan’s “System Expansion Policy” sets targets for cities, counties, Metro and TriMet that signal financial and community readiness for new lines.

Transit-oriented development investments by the region have demonstrated that mixed-use, higher density development can succeed in places the private sector has been reluctant to invest. In Gresham, Portland, Milwaukie and other places, transit-oriented development supported by the region’s flexible transportation funds is helping to revitalize communities and leading the way for private investment.

Transportation network improvements are under-appreciated investments that close gaps in street, bicycle and pedestrian (sidewalks and trail) networks. Adding these missing links increases mobility and accessibility in our centers and corridors throughout the region, while improvements to the network of freight routes are essential to regional prosperity, especially traded-sector industries that rely on the movement of freight. These connections help the region achieve its desired outcomes for transportation choice, vibrant communities, healthy ecosystems, and reducing carbon emissions.

Natural areas land acquisitions are preserving thousands of acres of critical habitat and other special places across the region. Investments in protecting natural areas provide refuge and recreation to current and future residents of our urban region, enhancing our sense of place; there is a direct link among these investments and increased property values. These areas also support the healthy function of rivers and streams, filter our water, provide connectivity for wildlife, improve our air quality, and sequester carbon.

Parks and Nature in Neighborhoods grants restore and enhance these local and regional assets. These grants support the nature close to home that makes our centers and corridors more livable and connects them to the rest of the region.

Metro and its local government partners should develop an action plan for making the regional and local investments needed to implement Strategy 1, and for linking the investments with the tools described in Strategy 2.

New funding

The region currently lacks the resources to repair and maintain our existing public facilities, let alone build the new sewers, water systems, roads, parks and schools our communities will need to accommodate population and employment growth. The governments of the region must commit to seeking new sources of funding for needed investments in public works and community assets, including local and regional dollars to match federal funds for transportation improvements. This action plan will become the basis for realizing our aspirations and enabling us to protect our urban growth boundary by accommodating growth in our existing communities.

An integrated regional investment strategy would include two major elements:

Transportation investment Implement the transportation investment strategy identified in the Regional Transportation Plan (RTP).

The RTP identifies existing revenues as well as aspirational revenue targets to fund a prioritized list of planned transportation projects. Local and regional follow-up actions are required to enact new revenue sources. The region's transportation leaders should create a "road map" identifying the local and regional action steps to generate the levels of revenue envisioned in the RTP.

Other community investments Develop a regional action plan to make focused investments in the region's downtowns, main streets and employment areas.

To maintain our existing infrastructure and community assets, and to meet the region's collective aspirations for population and employment growth, regional leaders should develop a strategy for closing the finance gap between our aspirations for development and our current means. This strategy should:

- Refine the investment needs identified in the "Regional Infrastructure Analysis" and "Investing in Great Places Matrix" to begin serving as a "project list" for targeting regional and local resources.
- Identify and recommend local and regional revenue actions to increase the resources available to make the public investments required to implement Strategy 1.

STRATEGY 2 | PROTECT OUR URBAN GROWTH BOUNDARY

To the maximum extent possible, ensure that growth is accommodated within the existing UGB.

Residents of this special place understand the relationship between our management of urban growth and the quality of life we enjoy. Metro and its local government partners should employ available policy tools to use land within our existing urban growth boundary more efficiently and avoid adding land to the boundary whenever possible to achieve the outcomes desired by the people of the region. Specifically:

We should manage the urban growth boundary to protect farm and forest land, support a strong economy, and maintain and create great communities.

A complement to the strategy of investment in centers, corridors and employment areas is a policy of maintaining a “tight” urban growth boundary. Expanding the UGB means extension of expensive streets and roads, as well as public water, wastewater and storm water systems, to new areas. Extension of services to new UGB expansion areas diverts limited public dollars from our existing centers and corridors, working against our investment strategy. A tight UGB supports the creation of great communities by sending a signal to the private sector that investments in our downtowns and main streets are investments that will hold their value.

To be clear, this recommendation does not represent a firm resolution against any expansion of the UGB. The *Urban Growth Report* tells us we have a capacity gap; state law tells us we must close the gap. Certainly, we should close as much of the gap as possible by increasing our investments from all levels of government in centers, corridors and employment areas. But if we cannot fully accommodate projected growth through our strategy of investment and the other tools recommended here, we will have to expand the UGB. If we must expand the UGB, we should add land only from our designated urban reserves, and only land that can help us achieve our desired outcomes for our centers, corridors, and employment areas.

The greatest uncertainty facing the region is predicting our industrial capacity needs during the next 20 years. A look back demonstrates how rapidly needs for industrial capacity have changed, how difficult those needs are to predict, and how vulnerable the region is to national and international trends, such as global warming and economic globalization.

In the face of this uncertainty and mindful of our firm desire for a prosperous regional economy, a committee of regional leaders is forming to identify approaches that will allow us to take advantage of real opportunities to attract traded-sector, family-wage jobs in a way that is consistent with the region’s overall vision. Options under consideration include:

- Pursuing land assembly and brownfield redevelopment in existing industrial areas;
- Targeting infrastructure investments to make land inside the UGB shovel-ready, and identifying approaches to protect the public’s investment;
- Bringing large parcels into the boundary under conditions that severely restrict conversion to non-industrial use; and
- Designating key parcels as urban reserves and creating a fast-track process to bring them into the boundary when needed.

We must recognize there is a risk associated with maintaining a tight urban growth boundary (little or no expansion). If we hold the UGB and fail to use land inside the boundary more efficiently, some of the households that would otherwise be expected to locate within our region will instead spill over to our neighbors: Vancouver, Sandy, Canby, Newberg, North Plains, Banks, and Scappoose. This spillover could be costly: it may use up more farmland if our neighbors do not use land as efficiently as we do; it may outstrip public services in those cities; and it would likely create many new trips between our neighbor cities and the Portland area, which would require expensive new highway capacity and increase carbon emissions. Just as holding the boundary tight is a complement to the investment strategy, so the investment strategy and the zoning tools and financial incentives discussed below are essential complements to the UGB strategy. These tools will help us use more of the zoned capacity we have inside the UGB to make room for people who would like to live in our communities.

We should use urban and rural reserves to achieve the region’s long-term goals.

Urban reserves

In 2007 Metro and the local governments of the region concluded that the best way to ensure that land we add to the UGB over time produces great communities is to plan ahead for a longer time horizon than the 20-year UGB planning period. A broad coalition of partners from government, business, agriculture and the environmental community worked together to pass legislation allowing the region to establish urban and rural reserves directing where the region will and will not grow during the next 40 to 50 years. Since then, members of that coalition, led by Metro and Clackamas, Multnomah and Washington Counties, have been working to identify the best areas in which to establish these reserves. We are on track to designate them in 2010 as part of our *Making the Greatest Place* initiative.

Designation of urban reserves constitutes a key strategy in achieving the region’s desired outcomes. Because land in urban reserves receives the first priority under state law for addition to the UGB, we will be able to select land from urban reserves when needed, with greater certainty that the expansion will survive a legal challenge. This increased predictability sends clearer signals to investors from all sectors, private and public, about where the region will expand. In addition, it means the region will be better prepared to add land to the UGB quickly if the opportunity should arise to recruit a targeted new industry that cannot be accommodated inside the existing UGB.

The four governments who have authority under state law to jointly designate urban and rural reserves (Metro and the three counties) have completed their assessments of the suitability of land outside the UGB for urban reserves and are currently working to prioritize among suitable land to prepare for designation of reserves in 2010. When the time comes to designate urban reserves, it is expected that the partners will use the same caution we would exercise when adding land to the UGB.

Forecast for Metro urban growth boundary

	Low	Bottom third	Upper third	High
2060 population	2,313,900	2,496,500	2,606,300	2,787,800
2060 households	968,500	1,043,300	1,088,300	1,162,700
2060 jobs	1,345,355	1,473,792	1,608,109	1,754,885

The following recommendations are made with great respect for the work that has already been done by the many public officials and other parties who have been working for over a year to designate reserves, and with the expectation that many, if not most, of these comments are generally consistent with the direction of that process:

- Acknowledging the uncertainties we face predicting the long-term future, the reserves partner governments should designate an amount of urban reserves sufficient to accommodate growth in the middle third of the population and employment forecast ranges.
- Our long-term success in focusing growth in our centers and corridors inside the UGB will reduce the amount of urban reserves we need and use over time.
- We ought to anticipate that communities of the future will develop in patterns that use less land and emit less carbon than communities of the past. Communities that are ultimately built in reserves added to the UGB should provide a more complete array of services near where people live and make it easier for people to choose walking, transit and biking for everyday travel.
- The location of designated urban reserves should complement and reinforce our strategy to focus investment in existing centers, corridors and employment areas.
- We should ensure that the designated urban reserves contain land suitable for industrial use adjacent to or near the existing UGB.
- Our designation of urban reserves should minimize loss of our best farmland, our source of food and many other products that make agriculture one of our steadiest and most important industries.
- When designating urban reserves, we should leave space – including rural reserves when appropriate – between them and our neighbor cities so those cities can retain their identities and achieve their own aspirations.

If the reserves partner governments make the assumptions and apply the recommendations above, the region will be able to accommodate our longer-term residential and employment growth with urban reserves in the range of 15,700 to 29,100 acres. Selecting from the areas described in the Reserve Area Assessments and Recommendations contained in Exhibit 3E-A of this report should enable the designated reserves to fall within that range. These areas include the lands deemed most suitable for future urbanization as great communities by advisory committees in the three counties.

Selection from among lands in these areas will ensure a long-term supply of land for future industries and jobs without undermining the critical farm and forest industries outside the UGB. Selection from these lands will also reinforce our strategies to create great communities inside the UGB.

Finally, Metro and the counties should require that “concept plans” be completed before we add urban reserve land to the UGB. These plans should firmly guide critical decisions about eventual urbanization of this land so it yields the communities that achieve the region’s long-term goals. Concept plans should include:

- The location of centers, employment areas, major transportation routes, and public facilities, and how these elements will link to communities and roads, sewers, water systems, trails, parks and open spaces already inside the UGB.
- Formal agreements among responsible local governments that determine which cities will govern the land and who will provide urban services once it is brought inside the boundary.
- A plan to finance public works (e.g., sewer, water, and roads) and essential services (e.g., schools, parks, sidewalks and trails).

Completing this planning before adding land to the UGB, rather than after, will ensure that future expansion areas can quickly and efficiently develop into great communities that achieve the region’s desired outcomes.

Rural reserves

Rural reserves are the companion to urban reserves. Designation of urban reserves signals where the region will expand the UGB when necessary. Designation of rural reserves identifies areas where the region will not expand.

The reserves partners have been working for many months to identify the agricultural lands, forests and natural landscape features that should not be added to the UGB at any time during the next 40 to 50 years. Rural reserves will provide the same certainty and security to farmers and foresters that urban reserves provide for investors in urban development: working farms and forests can invest in their operations with confidence that the metropolitan region will not add their farms or woodlots to the UGB for decades. This security for the farm and forest industries – the oldest industries in the region and major employers in our urban communities (in processing, for example) – will help the region achieve the economic competitiveness and prosperity that constitutes one of our key desired outcomes. When the time comes to designate rural reserves, the region should exercise the same caution we would use when designating urban reserves:

- The reserves partner governments should designate the region’s most important and threatened farmland as rural reserves to help maintain the critical land base needed to support the agricultural industry, from growers to processors to distributors.
- Because of growing concern for a local supply of safe and healthy food, the reserves partner governments should keep in mind for designation of rural reserves those areas near the UGB with farms that market fresh local food to urban dwellers through the growing network of farmers’ markets, co-ops, restaurants and grocery stores.
- The reserves partner governments should designate as rural reserves those important natural landscape features that help define our place, are worthy of protection in their own right, and provide “hard edges” to limit long-term urban expansion.
- The reserves partner governments should use rural reserves to protect our sense of place by ensuring some rural separation remains between our metropolitan region and our neighboring cities.
- The same uncertainties that should cause us to limit the amount of urban reserves we designate should also cause us to leave some land near the urban reserves undesignated as rural reserves.

Designation of rural reserves is evidence of a strong regional commitment to protect these lands from urbanization over the long term. The four partner governments should make good on this commitment to working farm and forest families by pursuing additional actions to keep the farms and woodlots in the reserves available for food and fiber production. For example, voluntary “transferable development credits” programs would reduce the number of new non-resource dwellings in these areas by paying farm and forest landowners for their development rights and selling the rights to developers in centers and corridors within the urban growth boundary.

We should prepare for and support private investment in efficient development through greater use of existing zoning strategies, financial incentives, and other tools.

Zoning tools

The “seeds” of investment will grow best if they germinate on fertile ground. There is much fertile ground in the region as the result of thoughtful planning and zoning by cities and counties to put the 2040 Growth Concept into place. But not all centers, corridors and employment areas are ready for investment. To help make these places ready, the region should work in partnership with cities and counties to link regional investments with local “readiness” actions, including the following:

- Change zoning regulations in centers and corridors to allow use of substandard lots, a broader mix of uses, less parking and higher densities.
- Re-examine current zoning limitations on those corridors identified for future high capacity transit investments in the High Capacity Transit System Plan and make changes to achieve levels of housing and employment capacity needed to support and justify the projects.
- Change zoning regulations in industrial areas to protect these prosperity assets from encroachment by non-industrial uses.

Local governments are already making changes to their zoning codes to achieve higher levels of urban activity in their centers and corridors and to put more of residents’ daily needs within walking distance of their homes. These actions will bring more residents and workers to regional and town centers to share the costs of operating and maintaining services and community assets, such as transit and parks. More residents and workers will also support the restaurants, bakeries, coffee shops and other businesses that make our centers lively and prosperous. This recommendation urges cities and counties to take the additional actions that will stimulate the private sector to invest in ways that realize the potential capacity of our centers to accommodate future job and population growth.

Financial tools

Financial incentives encourage private investment in downtowns, main streets and employment areas. Cities across the region use these tools to stimulate housing and employment in key locations, but they are not being used to their fullest potential. Accordingly, local governments across the region should increase the use of these existing tools to prepare for and support investment in efficient development. Examples show the variety of incentive programs available to local governments:

- Gresham and Milwaukie have used the state’s Vertical Housing Tax Credit in their downtowns to incentivize private investment in high-density, mixed-use projects by reducing developers’ up-front costs through temporary tax relief. Wood Village is applying to the state to establish such a program.
- Portland and Gresham have employed the multiple unit housing tax exemption to encourage private investment in transit-supportive, multi-family housing in their light rail station communities.
- Clackamas County, Beaverton, Sherwood, Milwaukie and Portland are a few of the local jurisdictions who have taken advantage of the U.S. Environmental Protection Agency’s Brownfields Assessment and Cleanup funds to clean up “orphan” sites and get them back on the market for private employment and housing projects. Metro uses brownfields funds to assess potential contamination at sites across the region and provide information and other resources to assist local cleanup of the sites.
- System development charges (SDCs) are a principal source of funding for water, sewer and storm water systems, streets and roads, and parks. Oregon City and Gresham have adopted Impact-Based SDCs that vary the charges to more equitably reflect the lower costs associated with development in their downtowns as compared to less urbanized areas and to provide an incentive to develop there.
- Property Tax Abatement programs can entice industries to targeted employment areas. Forest Grove uses tax abatement (three and five-year exemptions) to attract new industries to its Enterprise Zone.
- Main Street programs make funds available for “sprucing up” main streets – adding street trees and benches, pedestrian improvements and new building facades, for example – to attract people and businesses.
- Excise Tax Planning Grants, new in 2009, will help local governments develop action plans for revitalization of their centers.

These financial incentives can stimulate the private market to use land in centers, corridors and employment areas more efficiently, particularly if the incentives are used in concert with investments and other tools. Today, these programs are underutilized. Cities and counties across the region should make more aggressive use of these tools to achieve their aspirations for their centers, corridors, and employment areas while helping the region to close its “capacity gap” and to protect farm and forest land from development.

Efficiency tools

There are many other actions Metro and other local governments can take to encourage efficient use of land and transportation systems. The region should make widespread use of the following tools and strategies:

Land assembly, used by Hillsboro in its remarkably successful strategy to attract high-tech development (a former large proposed residential development today is the site of Intel’s Ronler Acres facilities), can provide larger properties that are more attractive to the industries that need large sites.

Transportation system and demand management conserves the capacity of our existing transportation system and yields benefits analogous to energy conservation: by getting more performance out of the same investments, it is often less expensive than creating new capacity by, for example, building a new freeway interchange.

- Gresham installed an “adaptive traffic signal timing system” that reduced travel time by ten percent and saved 74,000 gallons of fuel in a year.
- Portland used an “individualized marketing program” to inform residents along the new MAX Yellow Line about alternatives to drive-alone trips. Auto trips have declined nine percent and transit ridership has increased 24 percent among residents who participated in the program.

Programs such as these increase system efficiency, reduce demand, conserve energy, and reduce carbon emissions. This recommendation proposes a comprehensive program of system and demand management – from incident response to congestion pricing – in the Transportation System Management and Operations Action Plan, part of the Regional Transportation Plan.

Parking management has proven successful in reducing congestion in portions of centers with dense concentrations of retail, professional and civic services. Communities should employ a range of parking management techniques – shared parking, lower minimum and maximum parking standards, structured parking and metered parking – in the Regional Transportation Functional Plan and the investment strategy.

Service agreements can reduce the time and cost of providing urban services to developing areas. For example, the cities of Happy Valley and Damascus signed an agreement to determine which city would annex unincorporated territory between them to avoid time-consuming and expensive case-by-case disputes. To achieve similar benefits, areas designated urban reserves should be covered by service agreements as a pre-requisite to their addition to the UGB. This recommendation also proposes amendments to Metro’s boundary change code to ensure that new cities are capable of providing a level of urban services that enables them to be great communities.

These tools, particularly if integrated into an overall strategy of investments and incentives, can facilitate, encourage and support development in centers, corridors and employment areas that will help the region achieve multiple desired outcomes.

STRATEGY 3: WALK OUR TALK

Be accountable for our actions and responsible with the public’s money

Both our experience and extensive modeling give us confidence that investing in the downtowns and main streets of our existing communities, maintaining a relatively tight UGB, and using the various policy and financial tools described above will help us achieve the outcomes we desire and close the capacity gap identified in the *Urban Growth Report*. But empirical evidence will be needed to tell us whether the strategies are succeeding and to inform future decisions as the region moves forward.

For that reason, it is critical that we establish a system to measure our progress toward achieving our desired outcomes and respond to the results.

Accordingly, the region should:

Develop and adopt a set of performance targets specifically based on the region’s desired outcomes. For example, one of the region’s desired outcomes is leadership in minimizing contributions to global warming. A performance indicator associated with this outcome is reduction of carbon emissions. The logical target might be the reduction levels adopted by the Oregon Legislature in 2007.

Measure performance on a periodic basis and report the results to the region. Evaluation against the performance indicators agreed to by regional partners could be conducted by an objective third party.

Adapt our policies and investment strategies based on what we learn.

Be accountable to each other and the people of the region for achieving the outcomes we have agreed to pursue.

Ensure that public investments are consistent with the public’s values and priorities.

PUTTING THE STRATEGIES IN PLACE

DECISION	WHEN	WHO
<p>Regional Transportation Plan – accepts policies, projects and funding strategy as the long-range blueprint for the region’s transportation system</p> <ul style="list-style-type: none"> • Revise the 2004 Regional Transportation Plan (RTP) • Adopt new and revised components: the Transportation System Management and Operations Plan, the Regional Freight Plan, and the High Capacity Transit System Plan • Adopt new transportation policies • Adopt a list of transportation projects the region expects to undertake during the planning period • Revise the Regional Transportation Functional Plan to prescribe how cities and counties help implement the new RTP 	December 2009	Joint Policy Advisory Committee on Transportation and Metro Policy Advisory Committee make recommendations to Metro Council; Metro Council votes
<p>Urban Growth Report – estimated capacity of the metro region to accommodate population and job growth over the next 20 years</p>	December 2009	Metro Policy Advisory Committee makes recommendation to Metro Council; Metro Council votes
<p>20-year capacity ordinance – describes how the region will accommodate the next 20 years of population and employment growth</p>	December 2010	Metro Policy Advisory Committee makes recommendations to Metro Council; Metro Council decision
<p>Urban reserves – land outside the urban growth boundary identified for potential future urban development</p>	December 2009	Metro Council and three counties identify potential urban reserves through intergovernmental agreements
<p>Rural reserves – land outside the urban growth boundary identified for continued use as farmland or natural area</p>	December 2009	Clackamas, Multnomah and Washington counties identify potential rural reserves through intergovernmental agreements with Metro
<p>Urban reserves designated</p>	Spring 2010	Metro Council designates urban reserves by amending framework and functional plans
<p>Rural reserves designated</p>	Spring 2010	Clackamas, Multnomah and Washington counties designate rural reserves by amending comprehensive land use plans
<p>Regional Transportation Plan – final adoption, which initiates local plan updates</p>	Summer 2010	Joint Policy Advisory Committee on Transportation and Metro Policy Advisory Committee make recommendations to Metro Council; Metro Council votes

NEXT STEPS

This recommendation kicks off the decision-making phase of *Making the Greatest Place*. It is intended to stimulate public discussion of possible courses of action to improve our communities.

Concerted action by Metro and the other local governments of the region can put us on track to build great communities, limit expansion of the UGB, support a strong economy, and achieve important outcomes on behalf of the people of the region. Action by cities and counties to encourage higher levels of development in their centers, corridors and employment areas can help local communities to achieve their own aspirations to become more livable, lively and prosperous, and can also help the region to accommodate growth efficiently.

This recommendation, then, is a call to action. Action comes next.

For Metro's part, the Council will "accept" the *2005-2060 Regional Population and Employment Forecast*, the *Urban Growth Report* and performance indicators to evaluate possible courses of action by resolution in December of this year. Immediately thereafter, Metro will work with its partner local governments and many others to improve each of the draft elements of the three ordinances. Then the Council will take its actions to adopt the ordinances in 2010.

To download the complete report, find out about open houses and public hearings, or to provide comments, visit www.oregonmetro.gov/greatestplace



Metro | *People places. Open spaces.*

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

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

Metro representatives

Metro Council President – David Bragdon

Metro Councilors

Rod Park, District 1

Carlotta Collette, District 2

Carl Hosticka, District 3

Kathryn Harrington, District 4

Rex Burkholder, District 5

Robert Liberty, District 6

Auditor – Suzanne Flynn

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