

## STAFF REPORT

IN CONSIDERATION OF ORDINANCE NO. 10-1244, FOR THE PURPOSE OF MAKING A GREAT PLACE AND PROVIDING CAPACITY FOR HOUSING AND EMPLOYMENT TO THE YEAR 2030; AMENDING THE REGIONAL FRAMEWORK PLAN AND THE METRO CODE; AND DECLARING AN EMERGENCY

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### Introduction

#### **Purposes of the proposed legislation**

Proposed Ordinance No. 10-1244 and its exhibits are intended to fulfill five primary purposes that are described in more detail in this report (section numbers refer to sections of this report, not the ordinance).

Section 1: Recommendations for residential capacity (to narrow the household forecast range and identify the actions that will address at least half the capacity gap identified in the 2009 UGR);

Section 2: Recommendations for employment capacity (to narrow the employment forecast range and to state an intent to add large-lot industrial capacity in 2011);

Section 3: Recommended amendments to the Regional Framework Plan, which articulates Metro Council policies;

Section 4: Recommended amendments to the Metro Code, which is intended to implement the regional vision, and;

Section 5: Recommended amendments to maps, including the 2040 Growth Concept map, the Title 4 map (Industrial and Other Employment Areas), the Title 6 map (Centers, Corridors, Station Communities and Main Streets), and the Title 14 map (Urban Growth Boundary).

#### **Refinement of August 2010 Chief Operating Officer recommendation**

In August 2010, Metro's Chief Operating Officer (COO) made a preliminary recommendation to the Metro Council on the contents of Ordinance No. 10-1244. Additional technical details on the topics summarized in this memo can be found in the August 2010 Growth Management Assessment. Since that recommendation was released, there have been a number of discussions at MPAC, MTAC, the Metro Council, amongst stakeholders, and with the general public. The version of Ordinance 10-1244 that is included in this legislative packet reflects staff's synthesis of input received to date. Its main components and staff's reasoning are described in this staff report.

#### **MPAC recommendation**

On November 17, 2010, MPAC unanimously recommended that the Council adopt Ordinance 10-1244. MPAC comments on specific portions of the proposed ordinance are noted throughout this staff report.

### **Public comment period and public hearings**

On Aug. 10, 2010, Metro's COO released a set of recommendations in a report entitled, "Community Investment Strategy: Building a sustainable, prosperous and equitable region." A public comment period ran until Oct. 1, 2010.<sup>1</sup>

A wide range of views were submitted from across the region in response to the COO recommendations. During the comment period, Metro staff engaged in a coordinated outreach and engagement strategy that included more than 30 stakeholder meetings, website and e-mail information distribution, media releases, newsfeeds and Twitter feeds, seven open houses, a non-scientific online survey, and compilation of letter and e-mail correspondence relating to the Community Investment Strategy and urban growth boundary expansion options. In all, Metro received more than 600 survey entries, 55 e-mails, 16 letters and 10 other public comments.

In advance of the Metro Council's December 16, 2010 decision on Ordinance No. 10-1244, the Council will hold four public hearings:

November 29: Oregon City  
December 2: Hillsboro  
December 9: Metro Regional Center  
December 16: Metro Regional Center

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<sup>1</sup> A report on public comments received is available on Metro's website at:  
[http://library.oregonmetro.gov/files//11173\\_cis-ugb\\_comment\\_report\\_final.pdf](http://library.oregonmetro.gov/files//11173_cis-ugb_comment_report_final.pdf)

## Background on the regional capacity assessment

### Statutory requirements

Oregon land use law requires that, every five years, Metro assess the region's capacity to accommodate the numbers of people anticipated to live or work inside the Metro urban growth boundary (UGB) over the next 20 years. To make this determination, Metro forecasts population and employment growth over a 20-year timeframe; conducts an inventory of vacant, buildable land inside the UGB; assesses the capacity of the current UGB to accommodate population and employment growth either on vacant land or through redevelopment and infill; determines whether additional capacity is needed; and documents the results of these analyses in an urban growth report (UGR). The UGR is the basis for subsequent consideration of the actions to be taken to close any identified capacity gap.

### Metro Council intent to take an outcomes-based approach

In addition to addressing statutory obligations, on the advice of the Metro Policy Advisory Committee (MPAC), the Metro Council has indicated its desire to take an outcomes-based approach when it makes decisions. It is intended that the proposed legislation will help to foster the creation of a region where:

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

### 2009 forecast and urban growth report

In 2009, Metro completed range forecasts of population, household and employment growth through the year 2030.<sup>3</sup> The use of a range forecast acknowledges uncertainty and allows for growth management decisions to focus on desired outcomes rather than a specific number. These range forecasts are incorporated into the UGR's analysis. The forecasts are for the seven-county primary metropolitan statistical area, which includes Clackamas, Multnomah, Washington, Yamhill, Columbia, Clark, and Skamania counties. These forecasts and the macroeconomic model that produces them have been peer reviewed by economists and demographers.

The 20-year forecast indicates that, by the year 2030, there will be a total of 1,181,300 to 1,301,800 households and a total of 1,252,200 to 1,695,300 jobs in the larger seven-county area. There is a 90 percent probability that growth will occur in the ranges identified in the forecast.

In addition to the 20-year range forecasts, the UGR determines how much of the 7-county growth may occur inside the Metro UGB and includes an analysis of the share of the UGB's zoned capacity that is likely to be developed by the year 2030. The UGR's analysis assumed a continuation of policies and investment trends in place at the time of the analysis. No changes to existing zoning were assumed, although it is likely that up-zoning will take place in the future as communities develop and implement their aspirations. The UGR's assessment of the likelihood of development was based on historic data,

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<sup>2</sup> Note: these are the desired outcomes as adopted by the Metro Council in 2008. One effect of proposed Ordinance No. 10-1244 is to incorporate these desired outcomes into the Regional Framework Plan. MPAC has recommended that this desired outcome be modified to be more inclusive. Staff has proposed alternative language to satisfy MPAC concerns. Please see Exhibit A, section A for the proposed language.

<sup>3</sup> A range forecast was also completed for the year 2060 in order to inform the urban and rural reserves process.

scenario modeling, and the professional expertise of Metro staff, local city and county staff, economic consultants, and business representatives. UGR results are portrayed for four different categories: residential, general industrial employment, general non-industrial employment, and large-lot employment.

#### **Timeline for addressing regional capacity needs**

On December 10, 2009, the Metro council, on the advice of MPAC, adopted Resolution No. 09-4094, which accepted the 2009 UGR and 20-year forecast as a basis for making growth management decisions.<sup>4</sup> According to state law, the Metro Council must, by the end of 2010, address at least half of the residential capacity needs identified in the UGR. If any capacity needs are to be accommodated through efficiency measures<sup>5</sup> inside the existing UGB, they must be accounted for by the end of 2010. If, after accounting for efficiency measures, there are any remaining capacity needs, the Council must address them with UGB expansions by the end of 2011.

On October 29, 2010, the state Land Conservation and Development Commission (LCDC) reached an oral decision on urban and rural reserves. LCDC remanded two of the urban reserves and all of the rural reserves in Washington County. As a consequence, the Council has directed that any needed UGB expansions will be made in 2011, which would allow time to finalize urban and rural reserves.

The 2009 UGR assessed regional capacity needs using a range demand forecast. Oregon Department of Land Conservation and Development (DLCD) staff has indicated that the Metro Council may carry a range through the decision that it makes in December 2010, but that the forecast range needs to be narrowed in order to demonstrate that at least half of the residential gap has been addressed. In order to finalize its growth management decision, the Council must, by the end of 2011, choose the point in the range forecast for which it wishes to plan. Depending on the point chosen, UGB expansions may be needed.

Under state statute, Metro can wait until 2011 to address all employment capacity needs identified in the UGR. For employment capacity, there is no requirement that at least half of the need be addressed by the end of 2010.

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<sup>4</sup> As indicated in the text of Ordinance No. 10-1244, the Council would, by adopting the ordinance, formally adopt the forecast and UGR as the basis for its growth management decisions.

<sup>5</sup> Oregon Revised Statute 197.296 instructs Metro to expand the UGB and/or amend plans in ways that increase the likelihood of higher density development inside the existing UGB. "Efficiency measures" refer to the latter option.

## Section 1: recommendations for residential capacity

### Residential capacity gap identified in 2009 UGR

The 2009 UGR indicates that there will be demand for between 224,000 to 301,500 new dwelling units inside the Metro UGB from 2007 to 2030. While there is ample zoned capacity within the current UGB to accommodate the next 20 years of residential growth, the UGR's analysis indicates that, without additional infrastructure investments or other policy changes, a portion of the zoned capacity will not be market feasible. As a result, there is unmet demand for 27,400 to 79,300 dwelling units.<sup>6</sup>

### Residential efficiency measures

Because a residential capacity gap is identified in the 2009 UGR, Oregon Revised Statute 197.296 instructs Metro to expand the UGB and/or amend plans in ways that increase the likelihood of higher density development inside the existing UGB. These latter actions are referred to as "efficiency measures." Reasonable efforts to implement efficiency measures must be undertaken before expanding the UGB. The statute states that efficiency measures may include, but are not limited to:

- Increases in the permitted density on existing residential land
- Financial incentives for higher density housing
- Provisions permitting additional density beyond that generally allowed in the zoning district in exchange for amenities and features provided by the developer
- Removal or easing of approval standards or procedures
- Minimum density ranges
- Redevelopment and infill strategies
- Authorization of housing types not previously allowed by the plan or regulations
- Adoption of an average residential density standard
- Rezoning or re-designation of nonresidential land

The August 2010 Growth Management Assessment<sup>7</sup> includes staff's preliminary assessment of a variety of efficiency measures that have been adopted since the completion of the 2009 UGR. Staff's preliminary analysis indicates that efficiency measures contribute an additional 30,300 dwelling units of capacity beyond what was counted in the 2009 UGR<sup>8</sup>.

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<sup>6</sup> Refill is a share of total growth. The high end of the gap (79,300 units) reported here is different than what was identified in the 2009 UGR (104,900), which, for illustrative purposes, held constant the dwelling unit capacity generated through refill (rather than expressing it as a share of the high demand forecast). When the Council makes its growth management decision, they will identify the point in the forecast for which they are planning. Refill capacity will be calculated as a share of that number. As discussed more thoroughly in the August 2010 Growth Management Assessment, a 38 percent refill rate is a reasonable assumption with the policies and investments that have been adopted since the 2009 UGR.

<sup>7</sup> Available at Metro's website:

[http://library.oregonmetro.gov/files//2010\\_growth\\_management\\_assessment.pdf](http://library.oregonmetro.gov/files//2010_growth_management_assessment.pdf)

<sup>8</sup> The August 2010 Growth Management Assessment attributed 32,050 dwelling units of capacity to efficiency measures with 38% refill capacity tied to an assumption of medium growth (demand). Because capacity from redevelopment and infill (refill) is expressed as a share of total growth, staff cannot determine a final capacity number until the Council chooses the point in the forecast range for which to plan. The 30,300 units cited here is an

## **Recommendations for narrowing the residential forecast range**

### Background

Oregon statutes require that the Council, by the end of 2010, determine that it has addressed at least half of the residential capacity gap identified in the 2009 UGR. However, the Metro Council has indicated that it would like to maintain a range through its December 2010 decision. To accommodate the Council's request and to meet statutory obligations, staff proposes that the Council determine that the efficiency measures described in the August 2010 Growth Management Assessment have addressed at least half of the residential capacity gap identified in the 2009 UGR. To make that determination, the Council will need to narrow the forecast range for which it intends to plan.

In August 2010, Metro's Chief Operating Officer (COO) recommended planning for a point in the middle third of the forecast range. Since that recommendation was issued, the Council, MPAC, and others have had the opportunity to discuss the risks and opportunities of planning for different points in the range. Some of the topics considered include:

- Statistical likelihood of growth occurring at different points in the range
- Need for consistency between the urban and rural reserves decision and this growth management decision
- Need for consistency in expectations for residential and employment growth
- Implications for meeting carbon reduction goals
- Implications of changing demographics and housing preferences
- Adaptability if we aim too high or too low

### MPAC recommendation

On October 27, 2010, MPAC discussed the question of where the Council should plan in the residential range forecast.<sup>9</sup> MPAC recommends (13 in favor, 4 opposed) that the Council plan for at least the low end of the middle third of the forecast range. To provide more guidance to the Council, MPAC also discussed, through an informal show of hands, several portions of the range, with the following results:

- 3 committee members showed support, through a show of hands, for recommending that the Metro Council target the upper part of the middle third of the range.
- 6 committee members showed support, through a show of hands, for recommending that the Metro Council target below the middle third of the range.
- 4 committee members showed support, through a show of hands, for recommending that the Metro Council target the middle part of the middle third of the range.

### Staff recommendation

With MPAC's recommendation, statutory requirements, and Council preferences in mind, staff proposes that the Council cap the range that it is considering at the high end of the middle third of the forecast range. This would entail planning for a marginal increase of 224,000 to 271,400 dwelling units inside the Metro UGB from the year 2007 through the year 2030. This proposed range can be in section 16 of Ordinance 10-1244.

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adjusted figure that assumes 38% refill tied to low demand. See Table 1 for more details on how supply may change with different demand assumptions.

<sup>9</sup> Minutes from the October 27, 2010 MPAC meeting are available on Metro's website.

Capacity for 196,600 dwelling units was accounted for in the 2009 UGR. As noted, an additional 30,300 dwelling units of capacity attributable to efficiency measures have been identified. Table 1 summarizes the potential capacity gaps (or surpluses) at different points in the forecast range after having accounted for efficiency measures identified in the August 2010 Growth Management Assessment.<sup>10</sup> Additional detail on these gap calculations is available in Attachment 1 to this staff report. Under the scenarios depicted in Table 1, UGB expansions made in 2011 would need to provide from zero to 26,600 dwelling units of additional capacity, depending on the point in the demand forecast that is chosen. In all cases, the remaining potential gap is less than the 30,300 dwelling units of capacity already attributed to efficiency measures. Consequently, as required by statute, less than half the capacity gap identified in the UGR would remain for the Council to address in 2011.

**Table 1: Dwelling unit gap or surplus at different points in the range forecast after accounting for efficiency measures (Metro UGB 2007 - 2030)**

<b>Point in demand forecast range</b>	<b>Remaining gap or surplus (dwelling units)</b>
Low	2,900
Low end of middle 1/3 <sup>rd</sup>	(15,400)
Middle	(21,000)
High end of middle 1/3 <sup>rd</sup>	(26,600)

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<sup>10</sup> Because refill is a share of demand, using different points in the demand forecast will produce different capacity numbers. For this reason, determining the remaining gap at a particular point in the forecast range is not as straight forward as simply adding 30,300 dwelling units to the capacity identified in the 2009 UGR and deducting a demand number. Additional detail on these calculations is available in Attachment 1.

## Section 2: recommendations for employment capacity

### Employment range forecast

#### Background

The 2009 UGR indicates that there will be a total of 1.0 to 1.3 million total jobs inside the metro region UGB by the year 2030.

#### MPAC recommendation

On November 17, 2010, MPAC discussed the contents of Ordinance No. 10-1244. Metro staff proposed that the point chosen in the employment forecast range should be consistent with the point chosen in the residential range forecast.<sup>11</sup> MPAC had no comments on the employment range forecast.

#### Staff recommendation

Though there is no statutory obligation compelling the Council to do so, staff recommends that the Metro Council narrow this range to provide consistency with the recommendation on the residential range. As with the residential range, staff proposes capping the employment forecast range at the high end of the middle third of the forecast range. This would entail planning for between 1,083,200 and 1,211,600 total jobs inside the UGB by the year 2030.<sup>12</sup> When the Council ultimately picks a point in the residential and employment range forecasts, staff strongly recommends that the two points be consistent with one another.

#### Potential implications for non-industrial employment capacity

A portion of the UGR assesses the current UGB's capacity to accommodate non-industrial (e.g. office, retail, institutional) job growth on vacant land or through refill. The UGR finds that at the low end of the forecast range there is no need for additional non-industrial employment capacity inside the UGB. At the high end of the forecast range there is a need for 1,168 acres of additional capacity. At the high end of the middle third of the range, there is a need for 30 acres of additional capacity for non-industrial employment.<sup>13</sup>

#### Implications for general industrial employment capacity

A section of the UGR assesses the current UGB's capacity to accommodate industrial job growth on vacant land or through redevelopment and infill (refill). The assessment of demand for large, vacant lots is handled separately and recommendations can be found below. The UGR finds that, at or below the high end of the employment range forecast, there is adequate capacity inside the current UGB to accommodate the next 20 years of general industrial job growth. Consequently, within the narrowed employment forecast range proposed by staff, there is also no need for additional capacity for general industrial employment.

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<sup>11</sup> As noted in this report, on October 27, 2010, MPAC voted in favor of recommending that the Council plan for at the least the low end of the middle third of the residential range forecast.

<sup>12</sup> Section 16 of Ordinance No. 10-1244 refers to this proposed range.

<sup>13</sup> Many of the residential efficiency measures identified in the August 2010 Growth Management Assessment are also likely to increase non-industrial employment capacity inside the existing UGB. This is because many non-industrial jobs are in population-serving fields such as education, health care, and retail and these employers need to be close to population centers. Consequently, actions that encourage more residential growth in centers and corridors will likely have the same effect on non-industrial employment. Staff has not, however, performed a quantitative assessment of those effects.

## **Large lot industrial employment capacity**

### Background

The “large lot” portion of the UGR’s analysis was completed in recognition of the fact that some firms in traded-sector industries require large, vacant lots.<sup>14</sup> The UGR defines a large lot as a single tax lot with at least 25 vacant, buildable acres. The UGR’s forecast-based assessment determined that, over the 20-year period, there is demand for 200 to 800 acres of additional capacity for large-lot employment uses. This range depends on the amount of employment growth realized as well as whether assembly of adjacent lots of 25 acres or more was assumed.

### MPAC recommendation

For several reasons listed below, at its November 18, 2009 meeting, the Metro Policy Advisory Committee (MPAC) recommended that the UGR identify a wider range of potential large lot demand:

- Large traded-sector firms are crucial to the region’s economy since they sell goods and services outside the region, thereby bringing wealth to the region.
- Large traded-sector firms create spinoff employment.
- Large lot demand will be the result of the decisions of individual firms, so it is inherently difficult to forecast.
- The use of an employment forecast may be an inadequate means of estimating large lot demand for freight, rail, and marine terminal uses, which are space-intensive uses with relatively few employees, which play a crucial economic role.

The final 2009 UGR reflects MPAC’s recommendation that the Metro Council consider demand for 200 to 1,500 acres of additional capacity for large-lot industrial uses.

Since the completion of the 2009 UGR, no cities or counties in the region have adopted strategies that will make additional large-lot capacity available. In August 2010, Metro’s COO recommended that the Council address this need by expanding the UGB by 310 acres north of Hillsboro. MPAC endorsed this recommendation on October 13, 2010 with a vote of 9 in favor and 8 opposed. Committee discussion included:

- Reasons why the Metro COO has recommended incorporating 310 acres when the need for 200-1500 has been identified;
- The fact that Metro will have to demonstrate a need for more large-lot parcels in the region when justifying UGB expansion to the State;
- Whether it is more prudent to be conservative in expanding the UGB for large-lot industrial land, due to the continuing recession and other factors;
- Whether incorporating more land than the recommended 310 acres makes the region more economically competitive;
- Whether parcels can be consolidated to create large-lot sites within the UGB;
- The importance of thinking regionally when making this policy decision and not only considering individual jurisdictions;
- How we can learn from past experiences with UGB expansion and subsequent use of large-lot sites; and

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<sup>14</sup> Existing sites with significant acres of vacant land may give the initial impression that large-lot need is overestimated. However, firms seeking large sites often construct their facilities in phases. Recent examples of this phased approach can be found in the Metro region, including facility expansions completed or planned by large industrial firms such as Genentech, SolarWorld and Intel. This legitimate business practice factors into the UGR’s calculations of need for large lots.

- The decision of how many acres to incorporate into the UGB for large-lot industrial purposes is intertwined with the concept of a replenishment mechanism for parcels that get used up.

At the October 27, 2010 MPAC meeting, Mayor Lou Ogden of Tualatin requested that the Council also consider a UGB expansion, which would add 177 acres outside of Tualatin for large-lot industrial uses. MPAC did not make a recommendation on this request, but will discuss it in 2011.

Staff recommendation

Because urban and rural reserves in Washington County have been remanded by LCDC, the Council has directed that UGB expansions will be postponed until 2011. Staff recommends that, in 2011, the Council address regional needs for large lots for industrial uses by expanding the UGB to include at least the 310-acre area north of Hillsboro (assuming that urban and rural reserves are adopted and acknowledged).

### **Section 3: recommended amendments to the regional framework plan**

#### Background

The Regional Framework Plan, originally adopted in 1997, is a statement of the Metro Council's policies concerning land use, transportation, and other planning matters that relate to implementing the 2040 Growth Concept. While the Regional Framework Plan has helped guide efforts to implement the 2040 Growth Concept, it has become clear that these implementing plans need to be updated to better support community and regional goals. Based on Council and advisory committee discussion and experience during the past few years, staff proposes a number of updates to the policies in the Land Use chapter of the Framework Plan to more clearly articulate Metro Council policy positions. The changes are summarized below.

#### MPAC recommendation

MPAC discussed the Regional Framework Plan on September 8 and 22, 2010, including several proposed amendments. MPAC indicated preliminary support for staff's proposed changes to the Regional Framework Plan. The Council discussed MPAC's comments on the Regional Framework Plan at a work session in October and provided staff with direction. MPAC had a final discussion of proposed changes to the Regional Framework Plan on November 17, 2010. MPAC's recommendations are summarized below for each topic.

#### Staff recommendation

The proposed Regional Framework Plan is included as Exhibit A to the ordinance. Following is a summary of the proposed language, organized by topic.

### **Use the defined six desired outcomes for a successful region to guide growth management decisions (Exhibit A, section A)**

#### Background

In June 2008, the Metro Council, with the endorsement of MPAC, adopted Resolution No. 08-3940 which defined six desired outcomes for a successful region. The six desired outcomes are intended to guide decisions.

#### MPAC recommendation

MPAC recommended that the first desired outcome be changed to be more inclusive of those unable to walk and to reflect other non-motorized forms of transportation. MPAC also discussed adding "equitably" to the second outcome but did not make a recommendation.

#### Staff recommendation

Staff proposes incorporating the six desired outcomes into the Framework Plan to give them more official status as Metro Council policy. These would replace the fundamentals currently in the Framework Plan. Staff also proposes amending the wording of the first desired outcome in order to address concerns expressed by MPAC. The proposed six desired outcomes are:

- People live, work and play in vibrant communities where their everyday needs are easily accessible.
- Current and future residents benefit from the region's sustained economic competitiveness and prosperity.
- People have safe and reliable transportation choices that enhance their quality of life.
- The region is a leader in minimizing contributions to global warming.

- Current and future generations enjoy clean air, clean water and healthy ecosystems.
- The benefits and burdens of growth and change are distributed equitably.

### **Measure performance to guide growth management decisions (Exhibit A, policy 1.2.5)**

#### Background

The Metro Council has expressed its desire to take an outcomes-based approach to growth management. Reporting the region's historic and forecasted performance is an important element of implementing that type of decision-making model.

#### MPAC recommendation

MPAC did not comment on this recommendation.

#### Staff recommendation

Staff proposes that the Framework Plan should express the intent to provide performance information to help guide growth management decisions.

### **Prioritize public investments in Centers, Corridors, Station Communities, Main Streets, Employment and Industrial Areas (Exhibit A, policy 1.2)**

#### Background

The region intends to focus population and employment growth in centers, corridors, station communities, main streets and employment areas, but has not yet expressly stated its intent to strategically invest scarce public dollars in these specific 2040 design types.

#### MPAC recommendation

MPAC discussed an amendment to Policy section 1.2.2 through 1.2.5 that would add “developing residential areas” and “other industrial areas” as priorities for investments as part of the investment strategy for Centers, Corridors, Station Communities, and Main Streets. MPAC did not support this amendment because it would dilute the effectiveness of investing in those four design types.

#### Staff recommendation

Staff proposes that the Council should make explicit its policy intent to prioritize investments in centers, corridors, station communities, main streets, and employment areas.

### **Encourage elimination of barriers to compact, mixed-use, pedestrian-friendly and transit supportive development in centers, corridors, station communities, and main streets (Exhibit A, policy 1.1)**

#### Background

Since the adoption of the 2040 Growth Concept, some of the barriers to compact development have become more apparent (such as some parking requirements).

#### MPAC recommendation

MPAC did not comment on this recommendation.

### Staff recommendation

Staff proposes that the Framework Plan should be amended to expressly state that it is the policy of the Metro Council to encourage the elimination of such barriers in targeted 2040 design types. Staff also proposes that the Framework Plan should underline the importance of creating the conditions for infill and redevelopment to occur in targeted 2040 design types.

### **Address housing affordability through a combination of actions, including investments in transportation facilities and transit services that make transportation more affordable, which in turn makes more household income available for housing and other needs (Exhibit A, policy 1.3)**

#### Background

Second to housing costs, many households spend a substantial portion of their income on transportation expenses.

#### MPAC Recommendation

MPAC discussed changes to this policy, including adding an investment in affordable housing as a strategy to reduce household transportation costs leaving more household income for other expenses. MPAC did not come to a consensus on a policy change.

MPAC also discussed Policy 1.3.1 (provide housing choices). Although staff had previously not recommended any changes to this policy, MPAC recommended that this policy be changed to focus on households with incomes at or below 80 percent of median family income. The language MPAC recommended is as follows:

*“1.3.1 That housing choices in the region include single family, multi-family, ownership and rental housing; and housing offered by the private, public and nonprofit sectors for households with incomes at or below 80, 50, and 30 percent of median family income.”*

#### Staff recommendation

Metro staff proposes that it be the policy of the Metro Council to take a holistic approach to ensuring an affordable cost-of-living that acknowledges both housing and transportation costs. This would be an addition to existing housing affordability policies. In response to MPAC suggestions and a discussion with the Metro Council, staff is recommending a slightly modified version of policy 1.3.1:

*“1.3.1 Provide housing choices in the region, including single family, multi-family, ownership and rental housing, and housing offered by the private, public and nonprofit sectors, paying special attention to those households with fewest housing choices.”*

### **Provide affordable housing in UGB expansion areas (Exhibit A, policy 1.3.10)**

#### Background

Planning for new urban areas offers a unique opportunity to ensure that development forwards community and regional goals. A commonly-held goal is that households of a variety of incomes have choices of where to live.

#### MPAC recommendation

MPAC did not comment on this recommendation.

### Staff recommendation

Metro staff proposes that it should be the policy of the Metro Council to ensure that affordable housing is addressed in planning for new urban areas.

### **Provide urban areas with access to parks, trails and natural areas (Exhibit A, policy 1.1.6)**

#### Background

Currently, the Land Use chapter of the Framework Plan addresses access to parks, trails and natural areas in several sections. Staff believes that the Framework Plan should take a stronger position on an integrated system.

#### MPAC recommendation

MPAC did not comment on this recommendation.

### Staff recommendation

Staff proposes that an integrated system of parks, trails and natural areas is essential for fostering vibrant communities and that it should be a clearly stated Metro Council policy to provide urban areas with access to these amenities. The proposed change would add a section to the Land Use chapter that would specifically address this policy.

### **Strengthen employment in the region's traded-sector industries (Exhibit A, policies 1.4.3 to 1.4.7)**

#### Background

Attracting and retaining traded-sector industrial firms is important to the region's economic prosperity. Traded-sector industrial firms sell products to consumers elsewhere in the country and world, bringing wealth into the Metro region.

#### MPAC recommendation

MPAC and its 2010 employment subcommittee proposed that the Metro Council adopt a policy to maintain a supply of large sites for traded-sector industrial uses inside the UGB. MPAC discussed two amendments to Policy 1.4.6 (maintain supply of large industrial sites). MPAC suggested amending the proposed language for Policy 1.4.6 to read:

*"1.4.6 Consistent with policies promoting a compact urban form, ensure that the region maintains a sufficient and geographically diverse supply of tracts 50 acres and larger to meet marketplace demand of traded sector industry clusters and that the region protects those sites from conversion to non-industrial uses and conversion into smaller lot sizes."*

MPAC also discussed adding to policy 1.4.6 the following clause:

*"transit availability shall be a critical factor in determining which sites are included"*

MPAC ultimately opposed including this clause because transit is unlikely to serve the area when a site is undeveloped and demand for transit does not yet exist.

### Staff recommendation

The Council discussed MPAC's suggestions at a work session. Based on Council direction, staff proposes several policy statements that seek to strengthen employment in traded-sector industries. These proposals include establishing programs to clean up brownfields and consolidate smaller parcels, creating an

inventory of large tracts of land that may be suitable for traded-sector industrial uses, and protecting large sites from conversion to non-industrial uses.

## **Section 4: recommended amendments to the Metro Code**

### Background

The Urban Growth Management Functional Plan (UGMFP) is part of Metro Code (Chapter 3.07) and implements the policies contained in the Regional Framework Plan. City and county comprehensive plans and implementing ordinances must be consistent with the Functional Plan and have two years from any amendments to the Code to conform. MPAC reviewed proposed changes in October and November 2010. Changes to the Functional Plan included in Ordinance No. 10-1244 are summarized below.

Each of the titles of the UGMFP that is proposed for amendment is included as a separate exhibit to the ordinance. The contents of the proposed titles and MPAC's recommendations are summarized below.

### **Title 1: Housing Capacity (Exhibit B)**

#### Background

Currently, Title 1 specifies minimum zoned capacity for jobs and housing for each city and unincorporated area with the UGB. Metro staff has heard a number of concerns from local government staff about the existing Title 1 Requirements for Housing and Employment Accommodation – that it was time-consuming and staff intensive to produce an annual report on changes to housing and employment capacity as well as a biennial report on actual density of new residential density per net developed acre, that it was impossible to calculate an accurate employment number, that there was no consistency in how each local government calculated their zoned capacity, and that Table 1 was out-of-date because it did not include additions to the urban growth boundary or zone changes.

#### MPAC recommendation

On November 10, MPAC recommended approval of the revised Title 1 to the Metro Council, with several recommended changes:

- MPAC recommends clarifying that small property-specific zoning changes are not subject to the “no-net-loss” provision to reduce the regulatory burden of this requirement. Staff has added subsection 3.07.120(E) to address this recommendation.
- MPAC recommends clarifying that the “no-net-loss” policy focuses on changes to minimum zoned density rather than other actions such as revisions to design standards. Staff has revised the wording of section 3.07.120(C) in response.
- MPAC recommends re-instating the provision allowing transfers of capacity between jurisdictions, which is in the existing Title 1 but was proposed for deletion by staff due to lack of use. Staff has re-instated this language as section 3.07.120(F).
- MPAC recommends giving credit to jurisdictions for their recent actions to increase zoned capacity, allowing for future downzonings in those jurisdictions based on that work. MPAC noted that establishing a new minimum zoned capacity could be seen as “penalizing” jurisdictions that had recently upzoned and were considering downzones. Staff has not proposed any changes to Title 1 on this topic because of uncertainty about how to pick a point in time, whether the backdating would only include upzonings (some jurisdictions have recently completed downzonings), and related implementation concerns.
- MPAC recommends allowing more flexibility in both the timing and sequencing of allowing downzones in exchange for upzones. In the proposed Title 1, upzoning must occur before downzoning and jurisdictions have two years to downzone following upzones. MPAC recommends allowing more than two years and allowing downzones to occur first, to give more flexibility to local jurisdictions. Staff understands MPAC's desire for flexibility and agrees that

the vast majority of local government actions will not cause concern under this section. However, staff believes that two years is an adequate period and is concerned that allowing downzoning first could occasionally create difficult enforcement situations. It's also not clear what Metro's recourse would be if a jurisdiction reduces zoning, builds at that reduced density and then takes no action to replace that lost capacity.

#### Staff recommendation

Staff proposes that the Council revise Title 1 while continuing to implement the Regional Framework Plan policies of a compact urban form, efficient use of land, and a "fair-share" approach to meeting regional housing needs. The proposed Title 1 Housing Capacity moves to a "no-net-loss" approach for housing based on a project amendment basis, eliminates Table 1 and the need to calculate capacity city-wide, and eliminates the requirements for calculating and tracking job capacity.

### **Title 4: Industrial and Other Employment Areas (Exhibit C)**

#### Background

Title 4 seeks to protect a regional supply of sites for industrial uses. In recent years, several industrial-designated sites have been developed for non-industrial uses.

#### MPAC recommendation

On October 13, 2010 MPAC recommended that the Council amend Title 4 to prohibit new schools, places of assembly, recreational facilities and parks (with exceptions for habitat protection) in Regionally Significant Industrial Areas.

During fall, 2010, MPAC requested that Metro staff develop a proposal for a system that would maintain an inventory of large sites for industrial uses. MPAC also indicated that the site inventory should be organized in tiers to identify any obstacles to development readiness of sites inside the UGB. Metro staff has convened a small group of MTAC members to sort out the details of the proposal. Having met twice, it appears that, while there is considerable interest in the concept, additional time and expertise are needed to refine the proposal. The Metro Council also recently discussed the concept and indicated a desire to spend the time to get it right. Consequently, staff does not propose changes to Title 4 that would implement this concept at this time. Instead, staff proposes changes to the Framework Plan that would state the Council's policies on the topic (see above discussion of Framework Plan). Staff also proposes additional work on the concept and its details in 2011.

Several MPAC members indicated that they regarded industrial land protections, the proposed UGB expansion, and the inventory maintenance concept as a package. Dedicating additional time to refining the concept would allow for integration of the concept with the more comprehensive overhaul of the Title 4 map that was proposed by the MPAC employment subcommittee (following the recommendations of the Greater Metropolitan Employment Lands Study). It would also allow the Metro Council to consider those proposals concurrently with a UGB expansion for large-lot industrial capacity, which is now delayed in light of LCDC's decision on urban and rural reserves.

### Staff recommendation

Staff proposes that Title 4 be amended to prohibit new schools, places of assembly, recreational facilities and parks (with exceptions for habitat protection) in Regionally Significant Industrial Areas. As described under MPAC's recommendations, staff does not, at this time, recommend that the Council adopt the previously-contemplated system for maintaining a supply of large sites for industrial uses. A summary of proposed changes to the Title 4 map (Industrial and Other Employment Areas) is included later in this report. In response to MPAC recommendations, staff also proposes a new Title 14 (see Exhibit L), which includes an expedited process for adding large industrial sites to the UGB.

## **Title 6: Centers, Corridors, Station Communities and Main Streets (Exhibit E)**

### Background

The existing version of Title 6 requires local governments to develop a strategy to enhance all centers by December 2007 and to submit progress reports to Metro every two years. Only one local government developed a strategy for one of its centers. This approach has not been effective in encouraging center development and development in centers has not achieved the results originally anticipated.

An MTAC subcommittee spent considerable time earlier this year discussing possible revisions to Title 6. The subcommittee included staff from local governments, Department of Land Conservation and Development, Oregon Department of Transportation (ODOT) and TriMet. Metro staff worked extensively with ODOT to find mutually acceptable language concerning the 30% trip reduction credit and new auto dependent uses in centers, corridors, station communities, and main streets (3.07.630(B)(2)).

### MPAC recommendation

MPAC discussed the amount of work that a local government might have to undertake to be eligible for the incentives listed in Title 6 and agreed that the incentive approach was appropriate. Some members of MPAC also expressed some concern that limiting the definition of regional investment to new High Capacity Transit lines may be too narrow. MPAC recommended that the Metro Council adopt the proposed Title 6.

### Staff recommendation

Staff recommends changing Title 6 to an incentive approach to encourage cities and counties to develop centers and recommends expanding Title 6 to include corridors and main streets. The changes to Title 6 are intended to:

- Add corridors to Title 6 because of their potential for redevelopment and infill. Title 6 would link strategies for centers and corridors to a community investment strategy.
- Align local and regional investments to support local aspirations in centers, corridors, station communities, and main streets and make progress toward achieving the region's six desired outcomes
- Reflect a desire to focus development in all centers (central city, regional and town centers, and station communities) as well as along corridors and main streets
- Better link land use and transportation to support mixed-use, pedestrian-friendly, and transit-supportive development
- Provide incentives to local governments that adopt a plan of actions and investments to enhance their center, corridor, station community, or main street. These incentives include:

- Eligibility for a regional investment,<sup>15</sup>
- Ability to use a higher volume-to-capacity standard under the Oregon Highway Plan when considering amendments to comprehensive plans or land use regulations, and
- Eligibility for an automatic 30 percent trip reduction credit under the Transportation Planning Rule when analyzing traffic impacts of new development in plan amendments for a center, corridor, station community, or main street
- Address the problems that transportation impacts have on achieving mixed-use, pedestrian-friendly, and transit-supportive development

## **Title 8: Compliance Procedures (Exhibit G)**

### Background

Title 8 sets up a process for determining whether a city or county complies with requirements of the Urban Growth Management Functional Plan. Experience has demonstrated that the compliance process and annual compliance reporting place burdens on local governments who have limited staff resources and Metro. The Metro Council has indicated its desire to emphasize a more collaborative, outcomes-based approach to implementing the 2040 Growth Concept.

### MPAC recommendation

MPAC suggested that “citizen” should be changed to “person” in section 3.07.860 and that JPACT and MPAC receive the annual compliance report. MPAC generally supported the changes to Title 8 but expressed concern about how citizen involvement in the compliance process would be affected by the recommended changes.

### Staff recommendation

Staff proposes two primary changes for Title 8 to streamline the process. First, the current version of Title 8 requires the Metro Council to hold a public hearing to consider requests from local governments for extensions of compliance deadlines or exceptions from compliance. The Council may grant an extension or exception based on certain criteria (3.07.850 and 3.07.860). This process can be time-consuming for the Council and the local government involved. To streamline the process, proposed changes to Title 8 make these functions administrative but still allow an appeal to the Metro Council. The criteria for determining whether an extension or exception is granted would remain the same.

Second, Title 8 currently allows a local government to seek review by MPAC of noncompliance (3.07.830). This section is proposed to be removed. The Metro Council would be the final authority for determining noncompliance and it can seek MPAC advice without this provision. The Metro Council could request MPAC advice when an action raises policy issues.

## **Title 9: Performance Measures (Exhibit H)**

### Background

The Urban Growth Management Functional Plan contains requirements that are binding on cities and counties. Title 9 does not fit that category and is more appropriate as a regional policy statement.

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<sup>15</sup> Regional investments are currently limited to new high-capacity transit lines. In the future, the Council, in consultation with MPAC and JPACT, could add other major investments to this definition.

MPAC recommendation

MPAC did not comment on this title.

Staff recommendation

Staff proposes that the Council repeal Title 9 and include a performance measurement in the Regional Framework Plan (see Exhibit A, policy 1.2.5).

**Title 10: Functional Plan Definitions (Exhibit I)**

Background

Title 10 defines terms found in the Urban Growth Management Functional Plan.

MPAC recommendation

MPAC did not comment on this title.

Staff recommendation

Staff recommends that the Council update existing definitions to conform to the UGMFP revisions contemplated in Ordinance No. 10-1244.

**Title 11: Planning for New Urban Areas (Exhibit J)**

Background

An MPAC subcommittee chaired by Metro Councilor Liberty has met on several occasions to propose changes to Title 11. The committee was charged with making recommendations to MPAC and the Metro Council about adding specificity to the housing planning requirements for both concept planning of urban reserves and comprehensive planning for UGB expansion areas. Revisions discussed by the committee would emphasize affordable housing in the planning for urban reserve areas both before and they are added to the UGB. The revisions would also provide greater detail for planning by requiring attention to affordable types of housing and to strategies and incentive programs to facilitate the development of affordable housing once urban reserves are added to the UGB.

MPAC recommendation

MPAC discussed this topic in detail on November 17. All but one MPAC member supported three guiding principles proposed by the committee:

1. Plans should describe the variety of different housing types that are intended for the area;
2. Plans should describe how they would address housing needs in the prospective UGB expansion area, in the prospective governing city, and the region; and
3. Plans should identify the types of housing that are likely to be built in the 20-year planning period and describe additional strategies to encourage the development of needed housing types that would otherwise not be built.

Similarly, all but one MPAC member supported the general proposition that the planning process should require local governments to consider and describe which income groups would be expected to live in the areas when added to the UGB and describe strategies that would be used to make those housing opportunities possible.

MPAC and the subcommittee did not come to consensus on how best to implement these principles, and did not recommend language to the Council.

Staff recommendation

Councilor Liberty has proposed working with staff and subcommittee members in coming days to develop alternate language, hopefully in time for Council public hearings and decision-making. The current version of the capacity ordinance includes the proposed language for reference, but should not be interpreted as an MPAC recommendation, MPAC subcommittee recommendation, or staff recommendation.

**Metro Code Chapter 3.01: Urban Growth Boundary and Urban Reserves Procedures (Exhibit K)**

Background

Metro Code chapter 3.01 contains UGB and reserves procedures and criteria. Though part of the Metro Code, this chapter is not part of the Urban Growth Management Functional Plan.

MPAC recommendation

MPAC did not comment.

Staff recommendation

Metro staff proposes repealing Code Chapter 3.01 and moving the Urban Growth Boundary and reserves procedures and criteria Urban Growth Management Functional Plan (new Title 14) to join other growth management tools and strategies.

**Title 14: Urban Growth Boundary (Exhibit L)**

Background

Exhibit K would repeal Metro Code Chapter 3.01, but some portions of that Code chapter must be moved.

MPAC recommendation

MPAC did not comment on this title.

Staff recommendation

Staff proposes that the Council move the Urban Growth Boundary and reserves procedures and criteria currently found in Metro Code Chapter 3.01 to the Urban Growth Management Functional Plan (new Title 14) to join other growth management tools and strategies. In addition, Title 14 would include an expedited process for adding large industrial sites to the UGB.

**Metro Code Chapter 3.09: Local Government Boundary Changes (Exhibit N)**

Background

The Oregon Legislature recently made amendments to the law concerning local boundary changes. Those legislative changes necessitate amendments to the Metro Code for conformity.

MPAC recommendation

MPAC did not comment on this proposed change.

Staff recommendation

Staff proposes revisions to Metro Code Chapter 3.09 (Local Government Boundary Changes). The revisions conform Metro's criteria and procedures for city and service district boundary changes with changes to the law recently made by the Oregon Legislature. The revisions would also require petitioners to incorporate a new city to demonstrate that the city will have the fiscal capability to provide adequate urban services.

## Section 5: recommended map amendments

Staff recommends that the Metro Council make several map amendments as part of Ordinance No. 10-1244. Summaries of the proposed changes follow. The maps that would be affected by the proposed legislation include:

- 2040 Growth Concept map
- Title 4 Industrial and Other Employment Areas map
- Title 6 Central City, Regional Centers, Town Centers, and Station Communities map
- Title 14 Urban Growth Boundary map (new Functional Plan Title and map)

### **2040 growth concept map (Exhibit O)**

#### Background

Initially adopted in 1995, the 2040 Growth Concept presents a vision that guides development in the region. The 2040 Growth Concept Map illustrates this regional vision through the designation of centers, corridors, employment and industrial areas and other regional transportation, parks, trails and natural area features. Though local jurisdictions determine the boundaries of their centers and corridors, changes to the location or type of Center on the map require Metro Council action. In making their determination, Council must consider consistency between the changes and adopted center and corridor policies. The August 2010 Growth Management Assessment describes how the proposed changes are consistent with existing policies.

#### MPAC recommendation

MPAC discussed the COO recommendation to change these centers designations at their meeting on October 13, 2010 and voted to support the changes. During the discussion, MPAC members supported a motion to have a deeper policy discussion next year about the 2040 Growth Concept that would address questions such as:

- How many centers are too many?
- Does an area that is predominately shopping/retail function as a center
- How are we doing in achieving our vision for centers?

During MPAC's final discussion of Ordinance No. 10-1244, Tri-Met's representative requested two changes to staff's proposed map:

- Retain the distinction between inner and outer neighborhoods
- Depict fixed high-capacity transit along the southwest corridor

#### Staff recommendation

Metro staff recommends that the Metro Council approve the center designation changes illustrated in a revised 2040 Growth Concept Map (Exhibit O to the Capacity Ordinance). These requests are to:

- Relocate the existing Town Center in Happy Valley from King Road to Sunnyside and SE 172nd Avenue, about two miles to the east.
- Change the Main Street designation in downtown Cornelius to a Town Center designation.
- Expand the existing Tanasbourne Town Center to include the adjacent AmberGlen area and change the designation from a Town Center to Regional Center.

Staff suggests that the region should have high expectations for all centers, not just those that are proposed for new designations as part of Ordinance No. 10-1244.

The revised 2040 Growth Concept Map in Exhibit O also includes some changes to the depiction of the major highways and arterials, high capacity transit lines, parks, trails, and open space in order to reflect the new Regional Transportation Plan investments, changes to Vancouver and Clark County Plans and other updates. In addition to identifying the urban growth boundary location, the 2040 Map will depict urban and rural reserves once they are adopted and acknowledged by LCDC. These changes also follow the direction given by the Council at their November 4, 2010 work session, in which the Council expressed its desire for the map to depict center boundaries more realistically.

## **Recommended Title 4 map amendments (Exhibit D)**

### Background

The Regional Framework Plan calls for a strong regional economy. To improve the regional economy, Title 4 of the Urban Growth Management Functional Plan (“Industrial and Other Employment Areas”) seeks to provide and protect a supply of sites for employment by limiting the types and scale of non-industrial uses in Regionally Significant Industrial Areas (RSIAs), Industrial and Employment Areas. These areas are depicted on the Industrial and Other Employment Areas Map. Title 4 also seeks to provide the benefits of "clustering" to those industries that operate more productively and efficiently in proximity to one another than in dispersed locations. Title 4 further seeks to protect the capacity and efficiency of the region’s transportation system for the movement of goods and services and to encourage the location of other types of employment in Centers, Employment Areas, Corridors, Main Streets and Station Communities. Title 4 is implemented through city and county comprehensive plans and zoning.

### MPAC recommendation

In keeping with past practice regarding Title 4 map amendment requests, MPAC was not consulted on the proposed Title 4 map amendments that are found in Ordinance No. 10-1244.

### Staff recommendation

Staff proposes changes to Title 4 map designations in two locations – Washington Square Regional Center and the Beavercreek concept plan area – described below:

#### Washington Square Regional Center

The City of Tigard has submitted a request for an amendment to the Title 4 map. Metro staff recommends that the Council amend the Title 4 map as requested by the City of Tigard. The petition is assessed in detail in Attachment 2 following the criteria found in the Metro Code. The petitioner requests that the Council amend the Employment and Industrial Areas Map to authorize changing portion of the Washington Square Regional Center from “Industrial Area” to “Employment Area” so that the Title 4 Map will be consistent with the mixed use zoning that has been in place on the properties since 2002.

The proposed amendment would apply to 39-acre site consisting of 15 properties roughly bounded by Highway 217, North Dakota Street, and the Portland & Western Railroad/WES Commuter Rail tracks. Most of the site is zoned Mixed Use Commercial (MUC) with a 5.77 acre area zoned Mixed Use Employment-2 (MUE-2.) This mixed-use zoning was adopted to implement the Washington Square Regional Center Plan in 2002. The site is almost completely developed with retail and office park uses.

#### Beavercreek concept plan area

Metro staff proposes that the Council amend the Employment and Industrial Areas Map to authorize a mix of uses in the city of Oregon City’s Beavercreek concept Plan area. Staff reasoning for the proposal is described in detail in Attachment 3. The proposed amendment would apply to the 308 gross acres of land

(245 acres in 2002 and 63 acres in 2004) that the urban growth boundary (UGB) was expanded into (Ordinance No. 02-969B and Ordinance No. 04-1040B) and an additional 151 gross acres already in the UGB before these expansions. The expansion and additional areas are part of the Beaver Creek Concept Plan area completed and adopted by the City of Oregon City Council on September 17, 2008.

The applicable criteria for this proposed amendment to the Employment and Industrial Areas Map are contained in Metro Urban Growth Management Functional Plan, section 3.07.450 G, which states that: *“The Metro Council may amend the Employment and Industrial Areas Map by ordinance at any time to make corrections in order to better achieve the policies of the Regional Framework Plan.”* Metro staff proposes that the basis of the proposed change is two-fold: a) the community’s proposal for how the area should be developed in order to achieve the local and regional goals; and b) the findings of the 2009 Urban Growth Report, which determined that the UGB has a surplus of general industrial capacity and a deficit of residential capacity.

### **Recommended Title 6 map (Exhibit F)**

#### Background

In order for the incentive-based approach described in Title 6 to work properly, center, corridor, station community, and main street boundaries would need to be identified. Currently, several cities and counties have not officially adopted boundaries for these areas.

#### MPAC recommendation:

MPAC did not comment on this proposal.

#### Staff recommendation

To identify investment priorities and to provide local jurisdictions with a means to address Transportation Planning Rule requirements, staff proposes that the Metro Council adopt a Title 6 map, which would depict center boundaries and indicate instances where a city had officially adopted center boundaries. The proposed map also depicts centers without adopted boundaries as “conceptual centers.” Proposed revisions to Title 6 would make eligible for regional investments those cities that have adopted official boundaries for their centers, corridors, station communities and main streets. Regional investments include high capacity transit lines and could in the future include other major investments designated as such in the future by the Metro Council. Designation of other investments in the future would be subject to further discussion and recommendation by MPAC (and approval by JPACT, if a transportation investment). Adopted boundaries would also help to determine eligibility for alternative mobility standards and the 30 percent trip reduction credit described in proposed Title 6.

### **Recommendations on Title 14 map (Exhibit M)**

#### Background

Currently, urban growth boundary and urban reserves procedures are located in Metro Code Chapter 3.01. Staff proposes repealing Chapter 3.01 and moving its contents to a new Title 14 (Exhibit L) of the Urban Growth Management Functional Plan. This change will make it easier for local government staff and the public to find the requirements associated with the UGB and reserves. The proposed Title 14 refers to a Title 14 map, which depicts the current urban growth boundary. If the Council chooses to adopt the new Title 14, it is also necessary to adopt the map. The map would be amended in 2001 if the Council chooses to expand the UGB.

MPAC recommendation

MPAC did not comment on this proposal. MPAC will be consulted further in 2011 if UGB expansions are contemplated.

Staff recommendation

Staff proposes that the Council adopt a new Title 14 map to depict the UGB.

## **ATTACHMENTS**

- Attachment 1: Summary of residential supply and demand scenarios within the proposed narrowed forecast range
- Attachment 2: Staff report on a proposed Title 4 map amendment in the Washington Square Regional Center
- Attachment 3: Staff report on a proposed Title 4 map amendment in the Beaver Creek concept plan area

## **ANALYSIS/INFORMATION**

### **1. Known Opposition**

This ordinance covers a variety of topics, including Framework Plan, Functional Plan, map amendments, and growth management determinations. As such, it cannot be expected to inspire universal support. Several components of the proposed legislation have strong advocates and critics with valid concerns. Staff believes that the proposed legislation strikes a good balance that is in keeping with the region's agreed-upon vision.

### **2. Legal Antecedents**

- Statewide Planning Goals 2 (Land Use Planning), 9 (Economic Development), 10 (Housing) and 14 (Urbanization)
- Oregon Revised Statutes 197.296, 197.299, and 197.303 (Needed Housing in Urban Growth Areas)
- Oregon Administrative Rules, Division 24 (Urban Growth Boundaries)
- Metro Regional Framework Plan, Chapter 1 (Land Use)
- Metro Urban Growth Management Functional Plan

### **3. Anticipated Effects**

Adoption of the proposed legislation would:

- Satisfy Metro's statutory requirements related to growth management;
- Narrow the forecast range that the Council will consider as it completes its growth management decisions in 2011;
- Amend the Regional Framework Plan;
- Amend Titles 1, 4, 6, 8, 10, and 11 of the Urban Growth Management Functional Plan;
- Repeal Title 9 of the Urban Growth Management Functional Plan;
- Repeal Metro Code section 3.01;
- Add Title 14 to the Urban Growth Management Functional Plan;
- Add a Title 14 map;
- Amend Metro Code section 3.09;
- Amend the Titles 4 and 6 maps;
- Amend the 2040 Growth Concept Map, and;
- Make a great place.

### **4. Budget Impacts**

If the UGB is ultimately expanded in 2011, Metro would incur expenses associated with staff time working on concept planning for new urban areas. The level of expense would depend on which, if any, UGB expansion areas are chosen by the Council. The level of expense would also depend on whether any concept planning has already been completed for an area as well as any complications that may arise in the course of concept planning.

Metro would also incur expenses associated with the implementation of proposed changes to the Urban Growth Management Functional Plan. These expenses are expected to be primarily associated with staff time. In some cases, these expenses are not expected to be substantially different from the costs of implementing the current version of the Functional Plan. However, in other cases, the proposed changes would require additional staff time.

**RECOMMENDED ACTION**

Staff recommends that the Council adopt Ordinance No. 10-1244.

**Attachment 1:**

**Summary of residential supply and demand scenarios within the proposed narrowed forecast range**

Staff analysis indicates that that policies and investment plans currently in place (including efficiency measures) will result in a 38% refill (redevelopment and infill) rate. Since refill is expressed as a share of total demand, higher points in the demand forecast range will result in additional capacity. The table below summarizes the potential gap that the Metro Council would need to address if it chooses to plan for different points in the range forecast.

**Dwelling unit supply and demand scenarios at different points in the range forecast after accounting for efficiency measures (Metro UGB 2007 - 2030)**

		<b>Supply</b>			
		MID 1/3 <sup>rd</sup> HIGH	MEDIUM	MID 1/3 <sup>rd</sup> LOW	LOW
		244,800	241,400	238,000	226,900
<b>Demand (marginal increase)</b>					
MID 1/3 <sup>rd</sup> HIGH	271,400	(26,600)			
MEDIUM	262,400		(21,000)		
MID 1/3 <sup>rd</sup> LOW	253,400			(15,400)	
LOW	224,000				2,900

## Staff Report for the Washington Square Regional Center Title 4 Map Change

Prepared by Gerry Uba (503) 797-1737

### BACKGROUND INFORMATION

Petitioner: City of Tigard

Proposal: The petitioner requests that Metro amend the Employment and Industrial Areas Map to authorize changing portion of the Washington Square Regional Center from “Industrial Area” to “Employment Area” so that the Title 4 Map will be consistent with the mixed use zoning that has been in place on the properties since 2002. The proposed change is depicted in Attachment 2a.

The proposed amendment would apply to 39-acre site consisting of 15 properties roughly bounded by Highway 217, North Dakota Street, and the Portland & Western Railroad/WES Commuter Rail tracks. Most of the site is zoned Mixed Use Commercial (MUC) with a 5.77 acre area zoned Mixed Use Employment-2 (MUE-2.) This mixed use zoning was adopted to implement the Washington Square Regional Center Plan in 2002. The site is almost completely developed with retail and office park uses.

Location: The 39 acre site consists of 15 properties roughly bounded by Highway 217, North Dakota Street, and the Portland & Western Railroad/WES Commuter Rail tracks.

Application Review Criteria: Metro Code section 3.07.450.H

The petitioner’s application for the proposed Title 4 Map amendment is included as Attachment 2b of this staff report.

### APPLICATION REVIEW CRITERIA

The criteria for amendments to the Employment and Industrial Areas Map are contained in Metro Urban Growth Management Functional Plan, section 3.07.450 H. It states that the Metro Council may amend the Employment and Industrial Areas Map by ordinance if the Council concludes the proposed amendment meets certain criteria. Below are the criteria (**in bold**), petitioner responses to the criteria (*in italics*), and staff analysis.

**Criterion 1: Would not reduce the jobs capacity of the city or county below the number shown on Table 3.07-1 of Title 1 of the Urban Growth Management Functional Plan;**

Petitioner Response

*The proposed amendment to the Title 4 Employment and Industrial Areas Map is unlikely to reduce Tigard's jobs capacity below the number (17,801) shown on Table 3.07-1 of Title 1 of the Urban Growth Management Functional Plan. The Washington Square Regional Center Plan was intended to ensure a mix of housing, retail, and employment. The Plan estimated that new development would provide 7,443 new jobs for the portion of the Regional Center within Tigard and the unincorporated Metzger area.*

*Specifically, the Plan's Development and Redevelopment Opportunities Report allocated 1455 jobs to an area that roughly corresponds to Area 1. A mix of office, retail, and lodging jobs were specified. Industrial jobs were not included, likely because of their lower job per acre density.*

*Comprehensive Plan and Development Code amendments were adopted in 2002 to implement the Washington Square Regional Center Plan. The area in question was rezoned from Industrial Park (I-P) to Mixed Use Commercial (MUC) and Mixed Use Employment 2 (MUE-2). These zones, specifically created for the Center, allow a mix of denser employment and housing, as well as retail (subject to some restrictions.)*

*The job projections of the Washington Square Regional Plan were developed to help meet Tigard's target growth allocations and the job capacity of Table 3.07-1 of the Urban Growth Management Functional Plan. The City believes that the proposed amendment would not reduce job capacity, but would bring the Title 4 Map into accord with zoning that has already been implemented.*

Metro Staff Analysis

The 39-acre site is part of the Washington Square Regional Center that is envisioned to increase capacity for more jobs in the City of Tigard. Metro staff concurs with the petitioner's assessment that keeping the Title 4 Industrial Area designation for the area, with the required restrictions on retail and professional services could hamper development and job creation in the Regional Center as envisioned. The proposed change to the Title 4 map would not reduce the jobs capacity for the city below the number shown on Table 3.07-1 of Title 1 of the Urban Growth Management Functional Plan.

In conclusion, Metro staff believes that the proposed change to the Title 4 map would not have the effect of reducing the jobs capacity of the City of Tigard below the number shown on Table 3.07-1 of Title 1 of the Urban Growth Management Functional Plan. This criterion is met.

**Criterion 2: Would not allow uses that would reduce off-peak performance on Major Roadway Routes and Roadway Connectors shown on Metro's 2004 Regional Freight System Map below standards in the Regional Transportation Plan ("RTP"), or exceed volume-to capacity ratios on Table 7 of the 1999 Oregon Highway Plan ("OHP") for state highways, unless mitigating action is taken that will restore performance to RTP and OHP standards within two years after approval of uses;**

Tigard Staff Response

*The Metro 2004 Regional Freight System Map facilities that are located within or border Area 1 include Highway 217 (Main Roadway Route), Scholls Ferry Road (Roadway Connector), and the Portland & Western Railway (Branch Railroad Line and Spur Track.)*

*The 2004 Regional Transportation Plan presumably reflected the land uses and zoning of the Washington Square Regional Center that were in place as of 2002. The Washington Square Regional Center Plan included suggested transportation upgrades, some of which appear on the on the RTP's Financially Constrained System. The Plan also called for multi-modal transportation improvements, including the recently started Westside Express Service peak-hour commuter rail.*

*The proposed map amendment is necessary to resolve an inconsistency between the local zone adopted through the implementation of the Washington Square Regional Center Plan and the Title 4 map. This proposed map amendment will not change the uses that are allowed on the site, thus adoption of this map amendment will not allow new uses that would reduce off-peak performance on Major Roadway Routes and Roadway Connectors shown on Metro's 2004 Regional Freight System Map below standards in the Regional Transportation Plan ("RTP"), or exceed volume-to capacity ratios on Table 7 of the 1999 Oregon Highway Plan ("OHP") for state highways.*

Metro Staff Analysis

The petitioner explained that the land uses and zoning (Mixed Use Commercial and Mixed Use Employment) that was in place in 2002 when the Washington Square Regional Center Plan was adopted has not changed and that the city do not have any intention of changing the zoning as the current zoning is adequate for implementing the Washington Square Regional Center Plan. Metro staff concurs with the petitioner that since the proposed change in Title 4 designation will not allow new uses on the site, the approval of the change of the Industrial Area designation to Employment Area will not reduce off-peak performance on Major Roadway Routes and Roadway Connectors shown on Metro's 2004 Regional Freight System Map below standards in the Regional Transportation Plan, or exceed volume-to-capacity ratios on Table 7 of the 1999 State Highway Plan for state highways.

In conclusion, Metro staff believes that this criterion is met.

**Criterion 3: Would not diminish the intended function of the Central City or Regional or Town Centers as the principal locations of retail, cultural and civic services in their market areas;**

Tigard Staff Response

*The area in question is within the boundaries of the Washington Square Regional Center, one of three designated regional centers in Washington County and one of eight in the region in Metro's 2040 Growth Concept.*

*After completing the Washington Square Regional Center Plan, in 2002 the City rezoned the area from industrial zoning to Mixed Use Commercial (MUC) and Mixed Use Employment-2 (MUE-2). This zoning permits a wide range of uses and was designed to reinforce and encourage the Washington Square Regional Center’s development of concentrated retail, cultural, and civic services to serve its market area. Keeping the Title 4 Industrial Area designation for the area, with its restrictions on retail and professional service uses, could diminish the intended function of the Regional Center. For this reason the City believes that the Title 4 Map should be amended to change the area’s designation to Employment Area, which is more compatible with a Regional Center.*

Metro Staff Analysis

Washington Square Regional Center has a clear boundary and development in the area will be guided by the plan adopted in 2002, recently adopted economic development policy in the updated city’s Comprehensive Plan, and new development strategies the city and region may consider for the area in the future. The proposed change in the Title 4 designation for the area will assist the city to capture and retain the regional vision intended for the area, and encourage more retail, civic activities and services, and cultural services in the market area.

In conclusion, Metro staff believes that the proposed change to the Title 4 map would not have the effect of diminishing the intended function of the Washington Square Regional Center as the principal location of retail, cultural and civic services in this market area.

**Criterion 4: Would not reduce the integrity or viability of a traded sector cluster of industries;**

Tigard Staff Response

*The 2006 Regional Business Plan identified seven traded sector clusters: (1) high-tech, (2) metals, machinery, and transportation equipment, (3) forest products, (4) food processing, (5) creative services, (6) nursery products, and (7) sporting goods and apparel.*

*A review of the Tigard Business License data for Area 1 revealed that traded sector clusters are minimally represented in this area. The chart below summarized the types of businesses located in Area 1.*

<b>Type of Business</b>	<b># of businesses</b>
<i>Motor vehicle sales</i>	<i>2</i>
<i>Motor vehicle repair</i>	<i>1</i>
<i>Communications (cable provider)</i>	<i>1</i>
<i>Storage facility</i>	<i>1</i>
<i>Bakery (non retail)</i>	<i>1</i>
<i>Building Supplies</i>	<i>1</i>
<i>Other retail</i>	<i>3</i>
<i>Medical Technology Manufacturer</i>	<i>1</i>
<i>Electrical Goods Manufacturer</i>	<i>1</i>
<i>Church</i>	<i>1</i>
<i>State Government Offices</i>	<i>1</i>

## ATTACHMENT 2

*While the seven traded sector clusters are currently minimally represented in the area, the Mixed Use Employment-2 (MUE-2) and Mixed Use Commercial (MUC) zoning classifications would permit many of these kinds of businesses, subject to some restrictions. (See Appendix B for more information on zoning.)*

*The area south of North Dakota Street (Area 2 on Map A) is zoned Industrial Park (I-P). According to Tigard Business License data there appears to be at least one identified traded sector company located in Area 2. The City believes that the "Industrial Area" designation is appropriate for these properties, which are outside the Washington Square Regional Center boundaries.*

*Traded sector clusters appear to be minimally represented in the area in question. As stated previously the proposal is unlikely to affect the freight routes that serve traded sector clusters in the region. Staff believes the proposed amendment will not reduce the integrity or viability of a traded sector cluster of industries.*

### Metro Staff Analysis

Traded-sector industries are those in which member firms sell their goods or services into markets for which national or international competition exists. Firms in these sectors are important to the regional economy since they bring wealth into the region by exporting goods or services. The petitioner indicated that the traded sector cluster of industries is minimally represented in this area. The petitioner also indicated that its research shows that they appear to be at least one identified traded sector company in the area. Metro staff agrees with the petitioner that the current zoning presents an opportunity for increasing traded sector clusters in the area.

In conclusion, Metro staff believes that the proposed change in Title 4 area in the Washington Square Regional Center would not reduce the integrity or viability of a traded sector cluster of industries.

### **Criterion 5: Would not create or worsen a significant imbalance between jobs and housing in a regional market area.**

#### Tigard Staff Response

*The City of Tigard as a whole has a job/household ratio of 2.03 (about 2 jobs for every household) compared to a ratio of 1.22 for Washington County as a whole (2004 data.)*

*While this is a healthy jobs/household ratio, the City recognizes that many employees must commute into Tigard and many residents must commute to jobs outside of the City.*

*One intention of the Washington Square Regional Center Plan was to improve the balance between jobs and housing in the South Washington County market. The Plan estimated 7,443 new jobs and 1,871 residential units for the portion of the Regional Center within Tigard (and a section of the unincorporated Metzger area.) The mixed use zoning allows high density housing in proximity to the major regional retail center of Washington Square Mall, and office complexes at Lincoln Center and the Nimbus area. The MUC zone has a minimum density of 50 units/acre and no maximum density, and MUE-2 has a minimum density of 25 units/acre and a maximum of 50 units/acre. While only a limited number of housing units have been built to date in the Regional Center, the capacity for*

*housing exists. The zoning provides the Center the potential to develop into a place where people can “live, work, and play.”*

Metro Staff Analysis

The general location of the site in the Washington Square Regional Center and the current city zoning makes it one of the most suitable places in the region to transform suburban type of development into a vibrant community with jobs, housing, and urban amenities such as shopping, entertainment and services. Staff believes that the promising job-housing balance of the city will get better as the right partnerships and policies are created to improve the area’s transportation infrastructure, build mixed use development that includes housing, and create more jobs.

In conclusion, Metro staff believes that the proposed change to the Title 4 map would not create or worsen a significant imbalance between jobs and housing in the City of Tigard area sub-regional market.

**Criterion 6: If the subject property is designated Regionally Significant Industrial Area, would not remove from that designation land that is especially suitable for industrial use due to the availability of specialized services, such as redundant electrical power or industrial gases, or due to proximity to freight transport facilities, such as trans-shipment facilities.**

Tigard Staff Response

*This is not applicable; the subject properties are designated Industrial Area, not Regionally Significant Industrial Area.*

Metro Staff Analysis

No portion of the 39-acre site is designated as Regionally Significant Industrial Area.

In conclusion, this criterion does not apply to the proposed Title 4 Map amendment.

**ANALYSIS/INFORMATION**

**Known Opposition** [identify known opposition to the proposed legislation]

There is no known opposition.

**Legal Antecedents** [identify legislation related to the proposed legislation, including federal, state, or local law and Metro Code, using appropriate resolution or ordinance numbers, ballot measure numbers, etc.]

Statewide Planning Goals 2 (Land Use Planning) and 9 (Economic Development); Metro Code section 3.07.450 (Employment and Industrial Areas Map).

## ATTACHMENT 2

### **Anticipated Effects** [identify what is expected to occur if the legislation is adopted]

Proposed changes to the City of Tigard zoning map and comprehensive plan map would become effective, allowing additional commercial uses in the Washington Square Regional Center.

### **Budget Impacts** [identify the cost to implement the legislation]

There is no significant budget impact. Implementation would consist of updating the Employment and Industrial Areas Map.

### **RECOMMENDED ACTION**

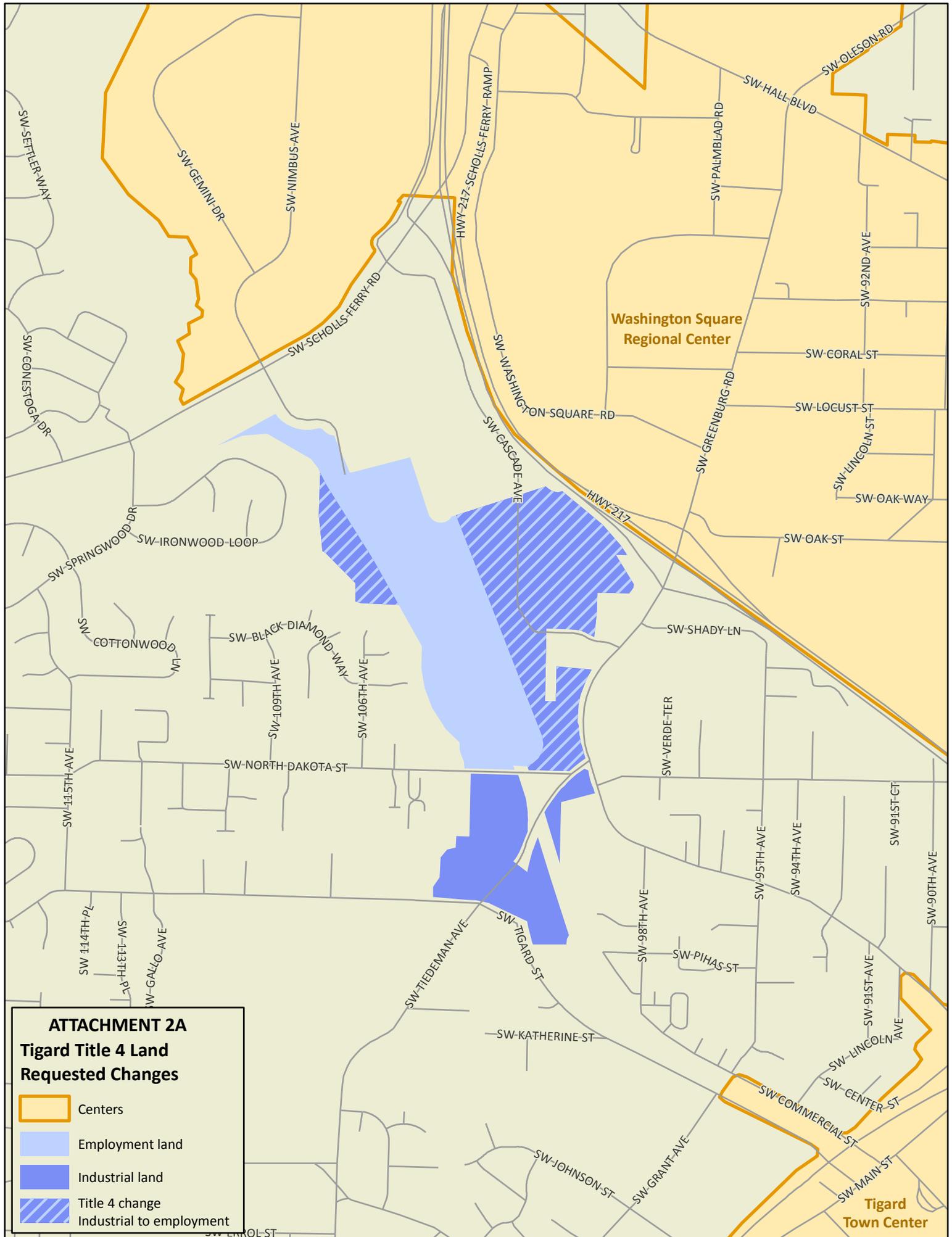
The petitioner requests the amendment of the Title 4 Employment and Industrial Areas Map. Metro Staff believes that the petitioner has provided sufficient evidence to demonstrate that the criteria are satisfied.

Staff recommends, therefore, that the Metro Council approve this ordinance.

### **ATTACHMENTS**

**Attachment 2a** (map of the proposed Title 4 map amendment)

**Attachment 2b** (city's application)



**ATTACHMENT 2A**  
**Tigard Title 4 Land**  
**Requested Changes**

- Centers
- Employment land
- Industrial land
- Title 4 change  
Industrial to employment

City of Tigard, Oregon • 13125 SW Hall Blvd. • Tigard, OR 97223



February 20, 2009

Christina Deffebach, Manager, Long Range Planning  
Metro  
600 NE Grand Avenue  
Portland, OR 97232

Dear Ms. Deffebach,

This letter is in regard to the City of Tigard's compliance with Title 4 (Industrial and Other Employment Areas) of Metro's Urban Growth Management Functional Plan. The City has taken a number of steps to comply with Title 4, including adopting two Economic Development policies in its updated Comprehensive Plan stating its intention to implement the Title 4 map designations. However, there is an outstanding issue that the City would like resolved prior to incorporating the Title 4 map and associated restrictions into its Development Code.

We are requesting an Amendment to the Title 4 Employment and Industrial Areas Map under Metro Urban Growth Management Functional Plan section 3.07.450 H. The City is requesting that the designation for a 39-acre area of the Washington Square Regional Center ("Area 1" on Map A) be changed from "Industrial Area" to "Employment Area." City staff believes that this proposed amendment will remove an existing inconsistency that will make the Title 4 Map more accurate. Applying the Industrial Area restrictions to this area would not be in accordance with the envisioned character detailed in the Washington Square Regional Center Plan and implemented in the zoning which has been in place for the past six years.

Please see the attached memo, dated February 18, 2009, for the City's detailed response to the criteria of 3.07.450 H.

Thank you for your attention to this matter. If you have any other questions please call me at 503-718-2443.

Sincerely,

A handwritten signature in black ink that reads "Ron Bunch". The signature is written in a cursive, flowing style.

Ron Bunch  
Community Development Director



# MEMORANDUM

---

TO: Ron Bunch, Community Development Director

FROM: Sean Farrelly, Associate Planner

RE: Proposed Amendment to the Title 4 Employment and Industrial Areas Map

DATE: February 18, 2009

**Background:**

The City of Tigard is requesting an amendment to the Employment and Industrial Areas Map in Title 4 (“Industrial and Other Employment Areas”) of Metro’s Urban Growth Management Functional Plan. The City is requesting that the designation for a 39-acre area of the Washington Square Regional Center (“Area 1” on Map A) be changed from “Industrial Area” to “Employment Area.” Making this change would make the Title 4 Map consistent with the mixed use zoning that has been in place on the properties since 2002.

The 39-acre area in question consists of 15 properties roughly bounded by Highway 217, North Dakota Street, and the Portland & Western Railroad/WES Commuter Rail tracks. The area is almost completely developed with retail and office park uses. One 1.34 acre property and another small portion of a developed property are on the Tigard Buildable Lands Inventory. The 5.77 acre property that lies to the west of the other properties is vacant, however it does not appear on the Tigard Buildable Lands Inventory, because of its wetland status.

Most of the area is zoned Mixed Use Commercial (MUC) with a 5.77 acre area zoned Mixed Use Employment-2 (MUE-2.) This mixed use zoning was adopted to implement the Washington Square Regional Center Plan in 2002.

The zone description of the Mixed Use Commercial (MUC) District in the Tigard Development Code is:

*The MUC zoning district includes land around the Washington Square Mall and land immediately west of Highway 217. Primary uses permitted include office buildings, retail, and service uses. Also permitted are mixed-use developments and housing at densities of 50 units per*

*acre. Larger buildings are encouraged in this area with parking under, behind or to the sides of buildings.*

The MUC zone, permits some General Retail uses. Sales Oriented and Personal Services are permitted outright, other retail uses are limited to under 60,000 gross leasable area per building.

The zone description of the Mixed Employment Districts in Tigard Development Code is:

*The MUE-1 and 2 zoning district is designed to apply to areas where employment uses such as office, research and development and light manufacturing are concentrated. Commercial and retail support uses are allowed but are limited, and residential uses are permitted which are compatible with employment character of the area. Lincoln Center is an example of an area designated MUE-1, the high density mixed use employment district. The Nimbus area is an example of an area designated MUE-2 requiring more moderate densities.*

The MUE-2 zone restricts retail uses to under 60,000 gross leasable area per building. Light Industrial, Research and Development, Warehouse/Freight Movement, and Wholesale Sales are permitted as long as all activities associated with these uses, except employee and customer parking, are contained within buildings.

#### **Proposed Title 4 Map Amendment**

Section 3.07.430.A of the Urban Growth Management Functional Plan states that for properties designated as Industrial Areas, jurisdictions take measures-

*“to limit new buildings for retail commercial uses—such as stores and restaurants—and retail and professional services that cater to daily customers—such as financial, insurance, real estate, legal, medical and dental offices—in order to ensure that they serve primarily the needs of workers in the area. One such measure shall be that new buildings for stores, branches, agencies or other outlets for these retail uses and services shall not occupy more than 5,000 square feet of sales or service area in a single outlet, or multiple outlets that occupy more than 20,000 square feet of sales or service area in a single building or in multiple buildings that are part of the same development project...”*

The City believes that applying such restrictions to this section of the Washington Square Regional Center would not be in accordance with the area’s envisioned character, which is detailed in the Washington Square Regional Center Plan (Attachment A) and not in keeping with the present zoning (adopted in 2002.) “Employment Area” is a more appropriate designation.

Once the Map is amended by designating the properties “Employment Area”, the City will be able to make the Comprehensive Plan and Development Code amendments necessary to adopt the Employment and Industrial Areas Map and its requirements. Tigard’s recently updated Comprehensive Plan contains an Economic Development Policy which signals its intent to do this. Economic Development Policy 9.1.7 states “The City shall limit the development of retail and service land

uses in Metro-designated industrial areas to preserve the potential of these lands for industrial jobs.”

**Amendment Review Criteria:**

The criteria for an amendment to the Employment and Industrial Areas Map are found in Metro Urban Growth Management Functional Plan section 3.07.450 H. It states that the Metro Council may amend the Employment and Industrial Areas Map by ordinance if the Council concludes the proposed amendment meets certain criteria.

The following is the criteria (in *italics*) from Metro Code 3.07.450.H followed by Tigard staff response.

- 1. Would not reduce the jobs capacity of the city or county below the number shown on Table 3.07-1 of Title 1 of the Urban Growth Management Functional Plan;*

**Tigard Staff Response**

The proposed amendment to the Title 4 Employment and Industrial Areas Map is unlikely to reduce Tigard’s jobs capacity below the number (17,801) shown on Table 3.07-1 of Title 1 of the Urban Growth Management Functional Plan. The Washington Square Regional Center Plan was intended to ensure a mix of housing, retail, and employment. The Plan estimated that new development would provide 7,443 new jobs for the portion of the Regional Center within Tigard and the unincorporated Metzger area.

Specifically, the Plan’s Development and Redevelopment Opportunities Report allocated 1455 jobs to an area that roughly corresponds to Area 1. A mix of office, retail, and lodging jobs were specified. Industrial jobs were not included, likely because of their lower job per acre density.

Comprehensive Plan and Development Code amendments were adopted in 2002 to implement the Washington Square Regional Center Plan. The area in question was rezoned from Industrial Park (I-P) to Mixed Use Commercial (MUC) and Mixed Use Employment 2 (MUE-2). These zones, specifically created for the Center, allow a mix of denser employment and housing, as well as retail (subject to some restrictions.)

The job projections of the Washington Square Regional Plan were developed to help meet Tigard’s target growth allocations and the job capacity of Table 3.07-1 of the Urban Growth Management Functional Plan. The City believes that the proposed amendment would not reduce job capacity, but would bring the Title 4 Map into accord with zoning that has already been implemented.

*2. Would not allow uses that would reduce off-peak performance on Major Roadway Routes and Roadway Connectors shown on Metro's 2004 Regional Freight System Map below standards in the Regional Transportation Plan ("RTP"), or exceed volume-to capacity ratios on Table 7 of the 1999 Oregon Highway Plan ("OHP") for state highways, unless mitigating action is taken that will restore performance to RTP and OHP standards within two years after approval of uses;*

**Tigard Staff Response**

The Metro 2004 Regional Freight System Map facilities that are located within or border Area 1 include Highway 217 (Main Roadway Route), Scholls Ferry Road (Roadway Connector), and the Portland & Western Railway (Branch Railroad Line and Spur Track.)

The 2004 Regional Transportation Plan presumably reflected the land uses and zoning of the Washington Square Regional Center that were in place as of 2002. The Washington Square Regional Center Plan included suggested transportation upgrades, some of which appear on the on the RTP's Financially Constrained System. The Plan also called for multi-modal transportation improvements, including the recently started Westside Express Service peak-hour commuter rail.

The proposed map amendment is necessary to resolve an inconsistency between the local zone adopted through the implementation of the Washington Square Regional Center Plan and the Title 4 map. This proposed map amendment will not change the uses that are allowed on the site, thus adoption of this map amendment will not allow new uses that would reduce off-peak performance on Major Roadway Routes and Roadway Connectors shown on Metro's 2004 Regional Freight System Map below standards in the Regional Transportation Plan ("RTP"), or exceed volume-to capacity ratios on Table 7 of the 1999 Oregon Highway Plan ("OHP") for state highways.

*3. Would not diminish the intended function of the Central City or Regional or Town Centers as the principal locations of retail, cultural and civic services in their market areas;*

**Tigard Staff Response**

The area in question is within the boundaries of the Washington Square Regional Center, one of three designated regional centers in Washington County and one of eight in the region in Metro's 2040 Growth Concept.

After completing the Washington Square Regional Center Plan, in 2002 the City rezoned the area from industrial zoning to Mixed Use Commercial (MUC) and Mixed Use Employment-2 (MUE-2). This zoning permits a wide range of uses and was designed to reinforce and encourage the Washington Square Regional Center's development of concentrated retail, cultural, and civic services to serve its market area. Keeping the Title 4 Industrial Area designation for the area, with its restrictions on retail and professional service uses, could diminish the intended function of the

Regional Center. For this reason the City believes that the Title 4 Map should be amended to change the area’s designation to Employment Area, which is more compatible with a Regional Center.

*4. Would not reduce the integrity or viability of a traded sector cluster of industries;*

**Tigard Staff Response**

The 2006 Regional Business Plan identified seven traded sector clusters: (1) high-tech, (2) metals, machinery, and transportation equipment, (3) forest products, (4) food processing, (5) creative services, (6) nursery products, and (7) sporting goods and apparel.

A review of the Tigard Business License data for Area 1 revealed that traded sector clusters are minimally represented in this area. The chart below summarized the types of businesses located in Area 1.

<b>Type of Business</b>	<b># of businesses</b>
Motor vehicle sales	2
Motor vehicle repair	1
Communications (cable provider)	1
Storage facility	1
Bakery (non retail)	1
Building Supplies	1
Other retail	3
Medical Technology Manufacturer	1
Electrical Goods Manufacturer	1
Church	1
State Government Offices	1

While the seven traded sector clusters are currently minimally represented in the area, the Mixed Use Employment-2 (MUE-2) and Mixed Use Commercial (MUC) zoning classifications would permit many of these kinds of businesses, subject to some restrictions (See Appendix B for more information on zoning.)

The area south of North Dakota Street (Area 2 on Map A) is zoned Industrial Park (I-P). According to Tigard Business License data there appears to be at least one identified traded sector company located in Area 2. The City believes that the “Industrial Area” designation is appropriate for these properties, which are outside the Washington Square Regional Center boundaries.

Traded sector clusters appear to be minimally represented in the area in question. As stated previously the proposal is unlikely to affect the freight routes that serve traded

sector clusters in the region. Staff believes the proposed amendment will not reduce the integrity or viability of a traded sector cluster of industries.

*5. Would not create or worsen a significant imbalance between jobs and housing in a regional market area.*

**Tigard Staff Response**

The City of Tigard as a whole has a job/household ratio of 2.03 (about 2 jobs for every household) compared to a ratio of 1.22 for Washington County as a whole (2004 data.)

While this is a healthy jobs/household ratio, the City recognizes that many employees must commute into Tigard and many residents must commute to jobs outside of the City.

One intention of the Washington Square Regional Center Plan was to improve the balance between jobs and housing in the South Washington County market. The Plan estimated 7,443 new jobs and 1,871 residential units for the portion of the Regional Center within Tigard (and a section of the unincorporated Metzger area.) The mixed use zoning allows high density housing in proximity to the major regional retail center of Washington Square Mall, and office complexes at Lincoln Center and the Nimbus area. The MUC zone has a minimum density of 50 units/acre and no maximum density, and MUE-2 has a minimum density of 25 units/acre and a maximum of 50 units/acre. While only a limited number of housing units have been built to date in the Regional Center, the capacity for housing exists. The zoning provides the Center the potential to develop into a place where people can “live, work, and play.”

*6. If the subject property is designated Regionally Significant Industrial Area, would not remove from that designation land that is especially suitable for industrial use due to the availability of specialized services, such as redundant electrical power or industrial gases, or due to proximity to freight transport facilities, such as trans-shipment facilities.*

**Tigard Staff Response**

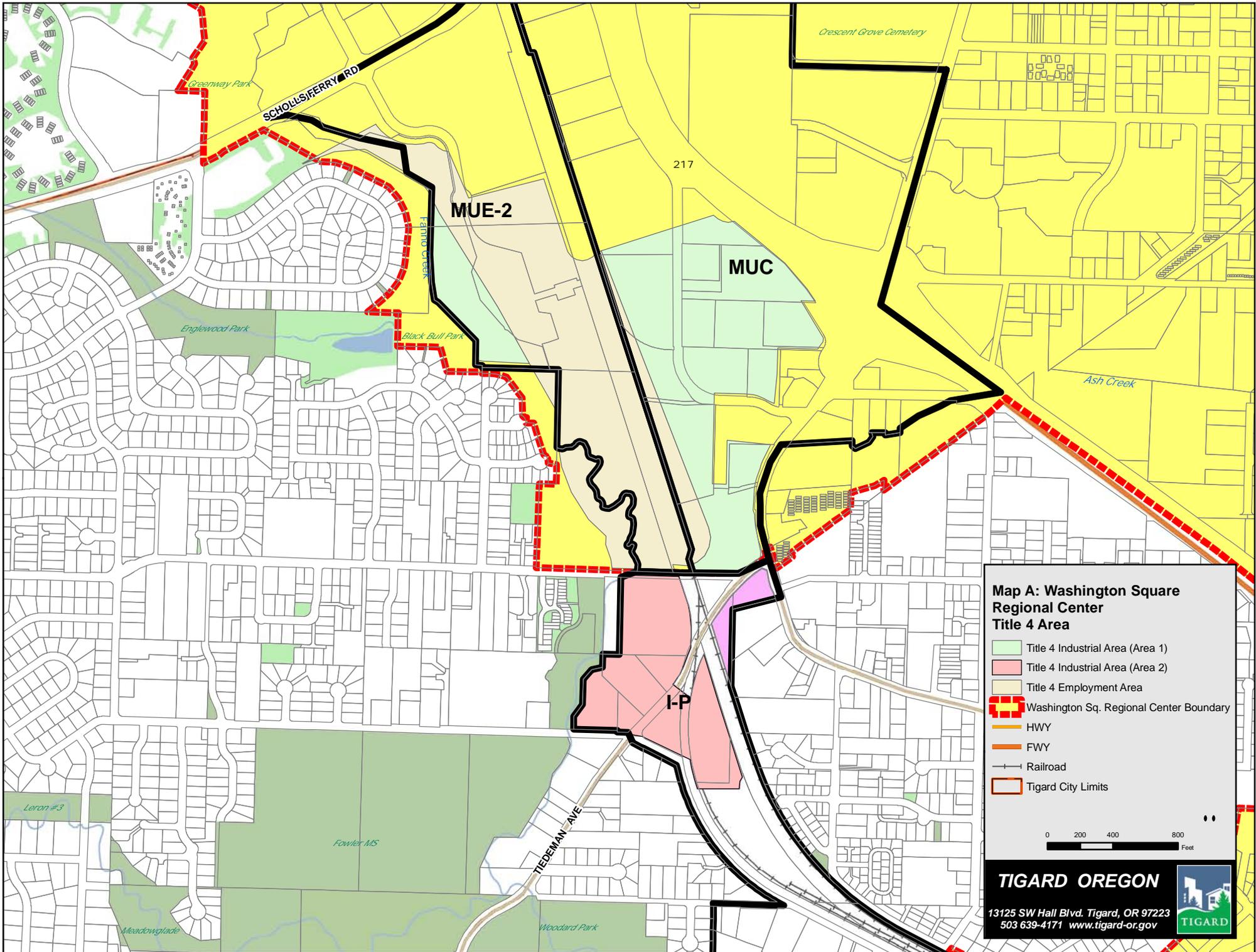
This is not applicable; the subject properties are designated Industrial Area, not Regionally Significant Industrial Area.

**Conclusion:**

City staff believes that this proposed amendment will remove an existing inconsistency that will make the Title 4 Map more accurate. Applying the Industrial Area restrictions to this area would not be in accordance with the envisioned character detailed in the Washington Square Regional Center Plan and implemented in the zoning which has been in place for the past six years.

Attachment 2b

Employment Area is a more appropriate designation for the 39-acre area in question (Area 1). The area directly borders a 21.4 acre designated Employment Area (Area 3 on Map A.) The designation as part of a Regional Center, its current zoning, and the existing development in Area 1 is more in line with an Employment Area than an Industrial Area.



## Attachment 3

### Staff Report for the Beavercreek concept plan area Title 4 Map change

**Prepared by:** Gerry Uba (503) 797-1737

#### BACKGROUND INFORMATION

**Petitioner:** Metro

**Proposal:** Metro intends to amend the Employment and Industrial Areas Map to authorize a mix of uses in the city of Oregon City's Beavercreek concept Plan area.

The proposed amendment would apply to the 308 gross acres of land (245 acres in 2002 and 63 acres in 2004) that the urban growth boundary (UGB) was expanded into (Ordinance No. 02-969B and Ordinance No. 04-1040B) and an additional 151 gross acres already in the UGB before these expansions. The expansion and additional areas are part of the Beavercreek Concept Plan area completed and adopted by the City of Oregon City Council on September 17, 2008.

**Location:** The 459 gross acres site consists of 57 tax lots or properties (based on Metro's 2010 Regional Land Information System).

#### Application Review Criteria

The criteria for amendments to the Employment and Industrial Areas Map is contained in Metro Urban Growth Management Functional Plan, section 3.07.450 G. It states that:

**"The Metro Council may amend the Employment and Industrial Areas Map by ordinance at any time to make corrections in order to better achieve the policies of the Regional Framework Plan."**

#### Metro Staff Analysis

As a background, Metro's 2002-2022 Urban Growth Report: Employment Land Need Analysis identified a demand for 4,285 net acres of industrial land, and Metro Council's December 2002 regional capacity decision included roughly half of the industrial land need (818 net acres of industrial land and 1,499 net acres of Regionally Significant Industrial Land). Thus, within the 2002 UGB expansion there was 1,968 net acres of industrial land need. In 2004, adjustments were made on the commercial refill rate, Cities of Wilsonville and Oregon City industrial zones, and City of Gresham's Springwater industrial land, and the result was the reduction of industrial land need to 1,180 net acres. The Metro Council expanded the UGB in 2004 by adding 1,047 gross acres of land to satisfy the need for industrial land over the next 20 years. The Council completed the fulfillment of employment capacity by adding 876 gross acres of industrial land by Ordinance No. 05-1070A in 2005.

Metro's broad expectation for urbanization of these areas was set in Title 11 of the Urban Growth Management Functional Plan. The purpose of this title is to ensure that areas brought into the UGB are urbanized efficiently and become or contribute to mixed-use, walkable, transit-friendly communities, and to provide interim protection of the new areas until the city and county likely to provide governance or urban service for the area amends their land use regulations to allow urbanization become applicable to the areas. Title 11 requires city and county, in conjunction with Metro and appropriate service districts,

### **Attachment 3**

to develop and adopt a concept plan for the area. The concept planning process created an opportunity for the city to provide governance or urban service for the area and comply with the requirements of Metro's Title 11.

#### Beavercreek Concept Plan

Oregon City initiated the Beavercreek Concept Plan process in spring of 2006 to ensure that the 308 gross acres brought into the UGB (245 acres in 2002 and 63 acres in 2004) provide needed employment capacity, are urbanized efficiently in a way that reasonably provides public facilities and services, offers transportation and housing choices, supports economic development and protects natural resources. The total land area included in the concept plan area was 459 gross acres. Attachment 3a shows the Title 4 map of the area before the Beavercreek Concept Plan process was started.

The Concept Plan was developed by a Citizen Advisory Committee and Technical Advisory Committee that met between June 2006 and July 2007. Metro participated in the concept planning process, including membership on the Technical Advisory Committee. In addition, the city conducted study area tours, market focus group, sustainability focus group, public open houses, and community design workshop.

The concept plan provided explanation of the existing condition of the area, including the detailed natural resources, infrastructure, transportation system, buildable land, demographics, market, employment and industrial land analysis that formed the factual basis for determining trends in the area and developing future land use policies and strategies for the area. In addition, the concept plan provided land for the need identified with the various rigorous analyses conducted for the area, including the need to provide for mix of uses that will contribute to family-wage jobs and general economic welfare of the city and improve the region's economic conditions. The city's planning commission report stated that the final product "is a reflection of the needs, desires, attitudes and conditions of the community and represents the vision, direction and improvements that are necessary to accommodate the changing demographics and economics of the community."

Metro staff reviewed the proposed Beavercreek Concept Plan comprehensive plan amendment and Metro compliance findings, and sent comment to Mayor Alice Norris on March 19, 2008 (Attachment 3b), after concluding that the proposal, if adopted by the city council, would comply with the requirements of Title 11 of the Urban Growth Management Functional Plan. On September 17, 2008, the Oregon City Council adopted the Beavercreek Concept Plan as an ancillary document to the city's Comprehensive Plan with the provision that the ancillary document would become effective until February 1, 2009 or upon adoption of zoning regulations implementing the plan amendments, whichever comes first. Attachment 3c shows the Title 4 map of the area after the Beavercreek Concept Plan was adopted.

#### Changes to Employment and Industrial land inside the Beavercreek Concept Plan Area

Proposed changes to the employment and industrial area inside the Beavercreek Concept Plan area is regulated by Title 4 of the Urban Growth Management Functional Plan, under section 3.07.450 G, which states that the Council may amend the Employment and Industrial Areas Map "...at any time to make corrections in order to better achieve the policies of the Regional Framework Plan."

The basis of the proposed change is two-fold: a) the community's proposal for how the area should be developed in order to achieve the local and regional goals; and b) the findings of the 2009 Urban Growth Report (Employment).

## **Attachment 3**

During the Beavercreek concept planning process, the city addressed economic opportunities and activities vital for the city and the region, and worked with consultant EcoNorthwest to inventory and analyze local and regional market conditions within and adjacent to the area. The inventory included profile of industrial, commercial and office land supply and local employment, and the potential for industrial and commercial development within the area. The consultant analysis concluded “that under the right conditions it is not unreasonable to expect 150 net acres of industrial and business park development to build out on the site over a 20-year period. Thus, the Beavercreek Concept Plan provided 53% (156 net acres) of total net acreage of the area (292 net acres) for employment and industrial land. Attachment 3d shows the proposed changes to the Title 4 map, indicating that 151 gross acres of industrial land is still available in the concept plan area. The 151 gross acres will supply approximately 121 net acres which was Metro’s expectation, as stated in a letter that Metro Council President sent to the Board of Directors for the Hamlet of Beavercreek and the City on May 14, 2007 (Attachment 3e).

Reflecting changes in employment needs and demands between the 2002 UGR (Employment) and the 2009 UGR (Employment, Metro’s 2009 assessment found there is adequate capacity inside the current UGB to accommodate the next 20 years of general employment and general industrial job growth even at the high end of the employment forecast range. This proposed change to the Title 4 Employment and Industrial Areas map will conform the map to the updated information about employment needs in the 2009 UGR (Employment). The change will also respond to the identification of a need for residential capacity in the 2009 UGR (Residential) by increasing the residential capacity of the Beavercreek planning area by 36 dwelling units above the level expected at the time the Metro Council added the areas to the UGB.

### **ANALYSIS/INFORMATION**

#### **Known Opposition**

There is no known opposition. However, it is important to state here that a city resident, Elizabeth Grazer-Lindsey, challenged the consistency of the Beavercreek Concept Plan with Metro’s regional planning goals for the area that the Metro Council included in the UGB in 2002 and 2004, and appealed to the Oregon Land Use Board of Appeals.

#### **Legal Antecedents**

Statewide Planning Goal 2 (Land Use Planning); Metro Code section 3.07.450 (Employment and Industrial Areas Map).

#### **Anticipated Effects**

Proposed changes to the Title 4 map area in the City of Oregon City will make it possible for the area to be urbanized efficiently and contribute the livability in the city, county and the region, consistent with local

## **Attachment 3**

aspirations. The change will also increase residential capacity by shifting some unneeded employment capacity to needed residential capacity, as determined by the 2009 UGR.

### **Budget Impacts**

There is no significant budget impact. Implementation would consist of updating the Employment and Industrial Areas Map.

### **RECOMMENDED ACTION**

Metro Staff believes that the changes to the Title 4 map area will not have any impact on the supply of industrial land. Staff recommends, therefore, that the Metro Council approve this ordinance.

### **ATTACHMENTS**

**Attachment 3a** (map of the area before the Beavercreek Concept Plan was started)

**Attachment 3b** (Metro staff (Ray Valone) letter to Mayor Alice Norris and City Commissioners)

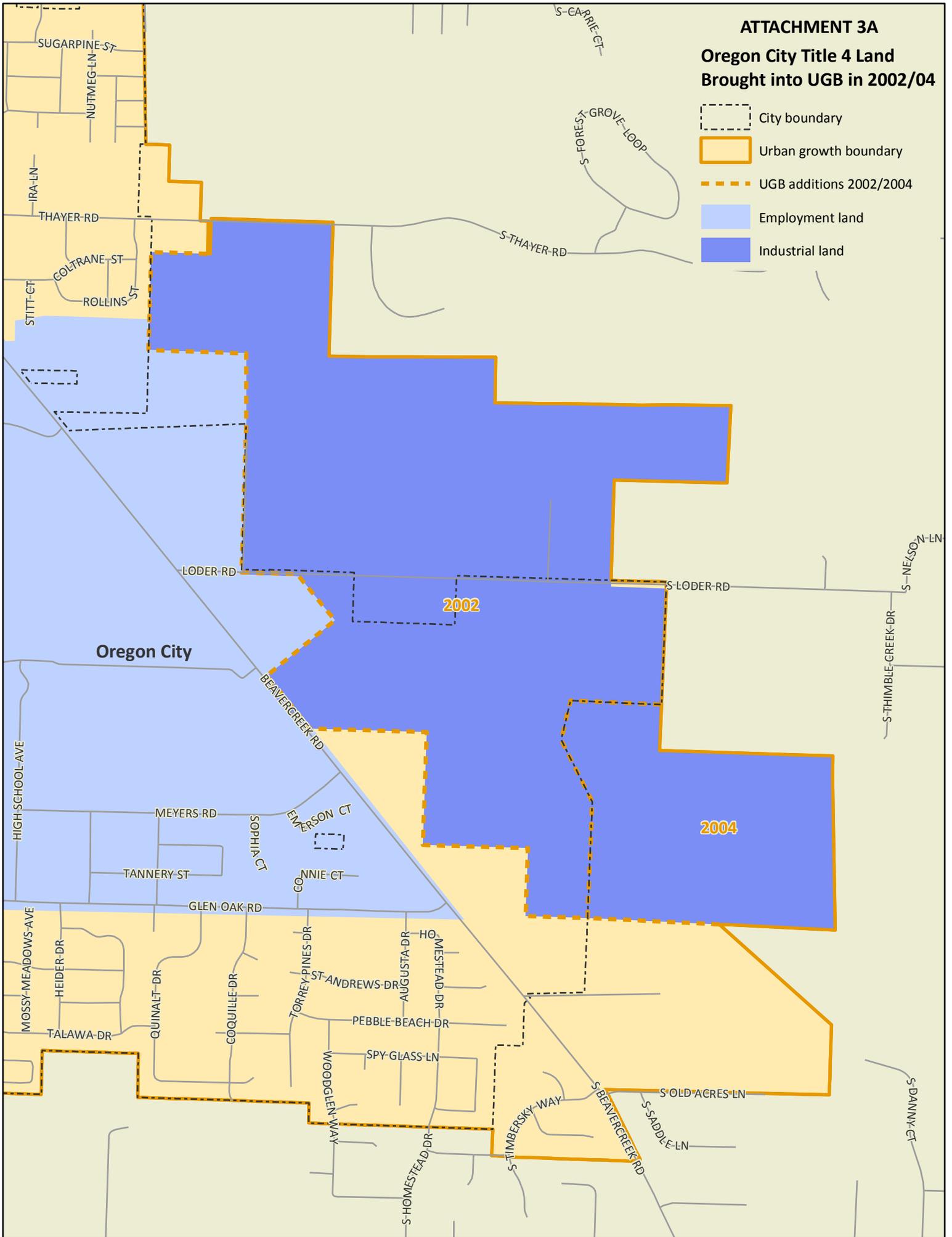
**Attachment 3c** (map of the Beavercreek Concept Plan area)

**Attachment 3d** (map of the area after the Beavercreek Concept Plan was completed)

**Attachment 3e** (Metro Council President (David Bragdon) letter to the Board of Directors for the Hamlet of Beavercreek and the City)

**ATTACHMENT 3A**  
**Oregon City Title 4 Land**  
**Brought into UGB in 2002/04**

-  City boundary
-  Urban growth boundary
-  UGB additions 2002/2004
-  Employment land
-  Industrial land



ATTACHMENT 3B



METRO

March 19, 2008

Mayor Alice Norris and City Commissioners  
City of Oregon City  
320 Warner-Milne Road  
Oregon City, OR 97045

RE: File L 07-02, Beaver Creek Road Concept Plan

Dear Mayor Norris and Commissioners:

Thank you for the opportunity to review and comment on the proposed Beaver Creek Road Concept Plan comprehensive plan amendment that will begin the process leading to urbanization of the expansion area brought into the UGB in 2002 and 2004. Please enter this letter into the hearing record.

After review of the final recommended concept plan and Metro compliance findings, as detailed by Tony Konkol in his March 8, 2008, memo to the Commission, Metro staff concludes that the proposal, if adopted, would comply with the intent of Metro Ordinance No. 02-969B, Ordinance No. 04-1040B and the Urban Growth Management Functional Plan. As you know, the two Metro ordinances brought the Beaver Creek Road site into the UGB in December 2002 and June 2004, respectively. Title 11 of the Functional Plan requires the City to consider and adopt certain provisions to guide urbanization of new urban areas.

The adoption of the recommended concept plan by the City at this time sets the context for urbanizing the Beaver Creek Road site. The plan and accompanying language seem consistent with Metro policies and regulations. Metro reserves the right, however, to review the future implementation measures, as they come before the Commission, before determining compliance with the two ordinances and Title 11.

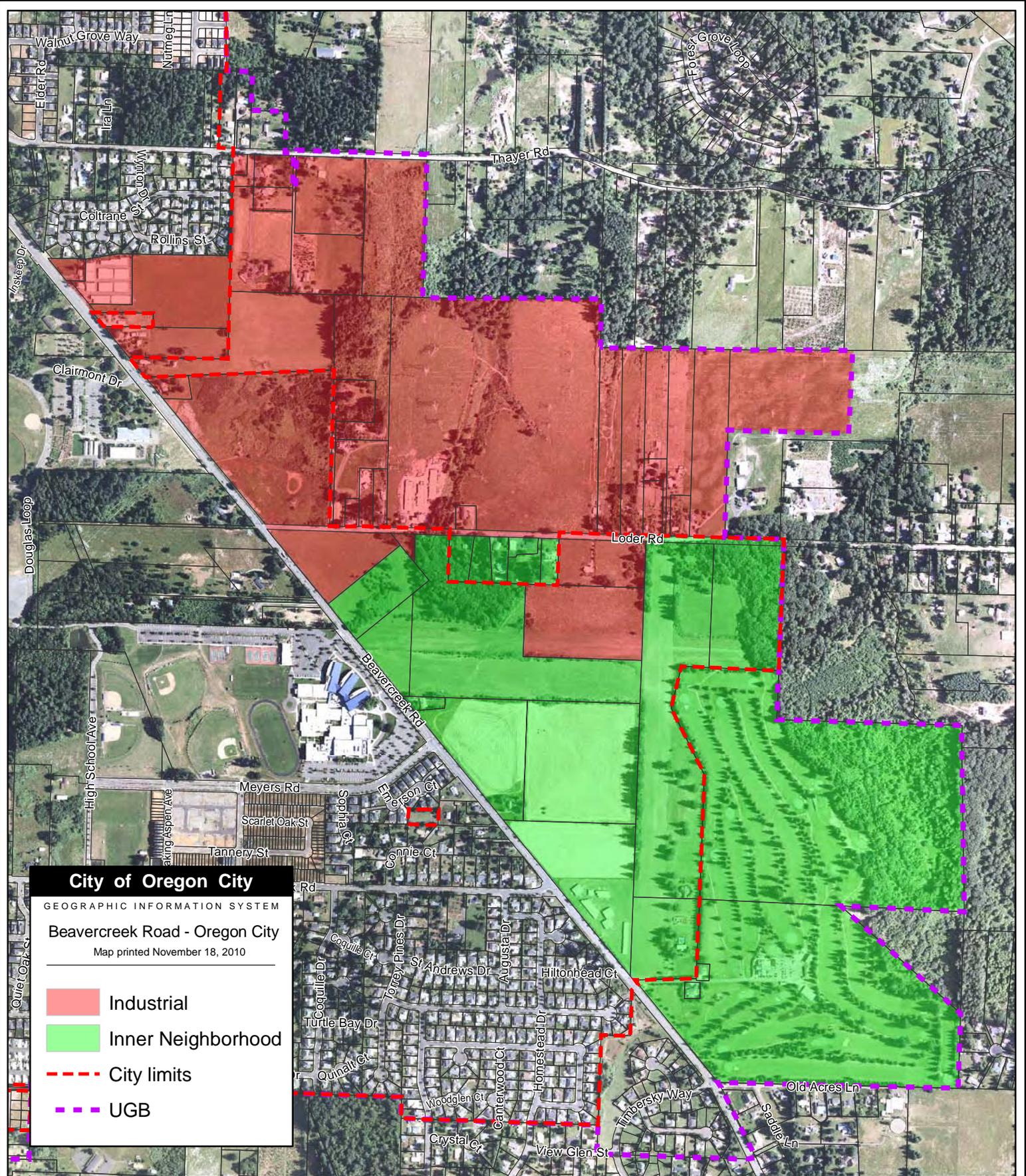
As a participant on the Beaver Creek Road Technical Advisory Committee and attendee of the public open houses during the development of the concept plan, I commend City staff and the consultant team for conducting a thorough process in working with the Citizen Advisory Committee and other stakeholders. While the 2002 and 2004 UGB area was originally designated for job use to support the City's needs, Metro realizes that modifications during local government planning are part of the refinement process. We also appreciate the flexibility shown by all parties in achieving a compromise plan that includes housing and retail services along with a substantial job base.

Sincerely,

A handwritten signature in black ink, appearing to read "Ray Valone".

Ray Valone  
Principal Planner

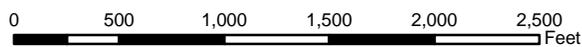
cc: Dan Drentlaw  
Tony Konkol  
Darren Nichols, DLCD  
David Bragdon, Metro Council President  
Carlotta Collette, Metro Council District #2  
Michael Jordan, Metro COO



**City of Oregon City**  
 GEOGRAPHIC INFORMATION SYSTEM  
**Beaver Creek Road - Oregon City**  
 Map printed November 18, 2010

- Industrial
- Inner Neighborhood
- City limits
- UGB

The City of Oregon City makes no representations, express or implied, as to the accuracy, completeness and timeliness of the information displayed. This map is not suitable for legal, engineering, or surveying purposes. Notification of any errors is appreciated.



**ATTACHMENT 3C**

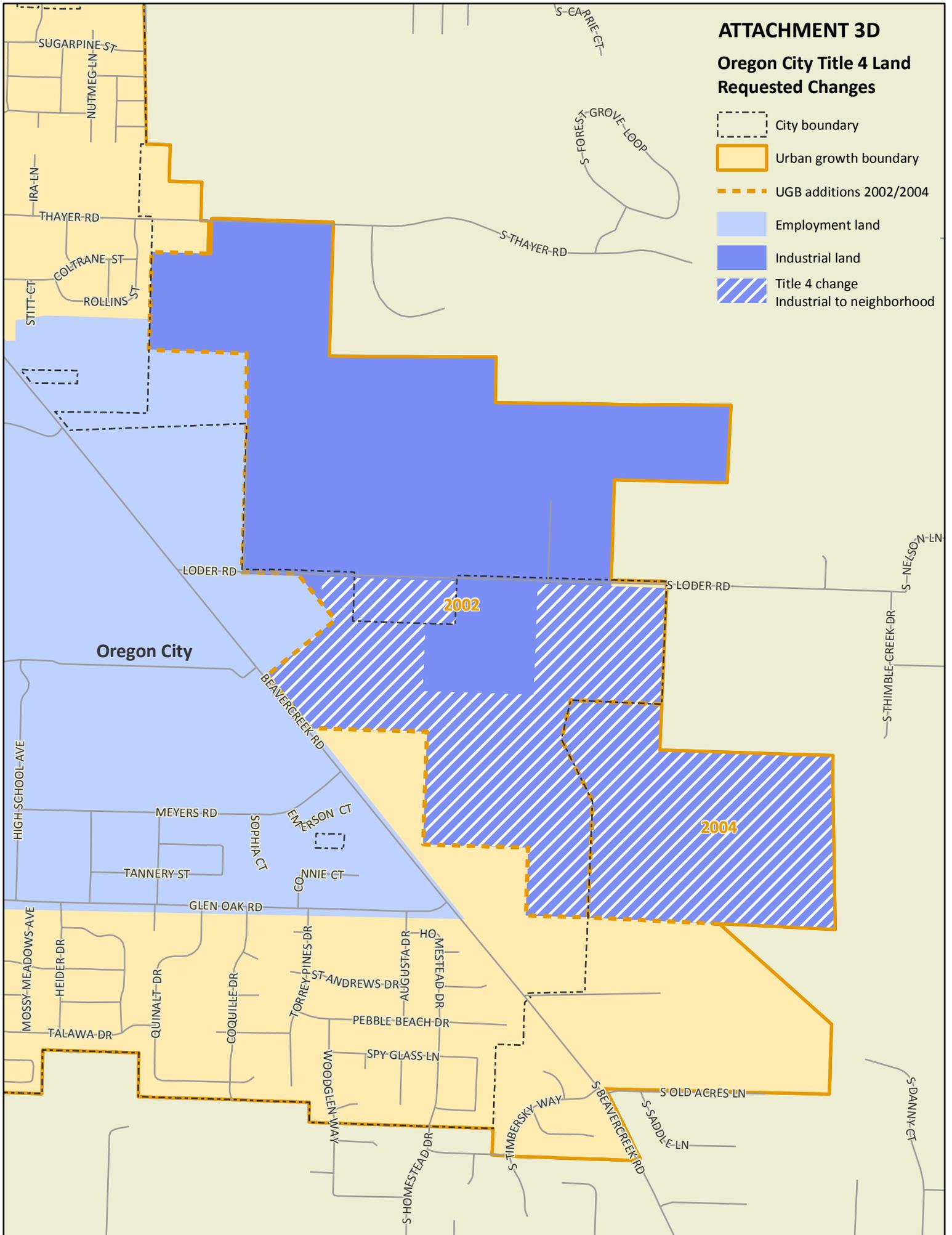
City of Oregon City  
 P.O. Box 3040  
 625 Center St  
 Oregon City, OR 97045  
 503-657-0891 phone  
 503-657-6629 fax  
 www.orcity.org



# ATTACHMENT 3D

## Oregon City Title 4 Land Requested Changes

-  City boundary
-  Urban growth boundary
-  UGB additions 2002/2004
-  Employment land
-  Industrial land
-  Title 4 change Industrial to neighborhood





METRO

600 NORTHEAST GRAND AVENUE | PORTLAND, OREGON 97232 2736  
TEL 503 797 1889 | FAX 503 797 1793

COUNCIL PRESIDENT DAVID BRAGDON

May 14, 2007

Bill Merchant  
Chair, Board of Directors for the Hamlet of Beaver Creek

Elizabeth Graser-Lindsey  
Speaker and Corresponding Secretary, Board of Directors for the Hamlet of Beaver Creek  
The Hamlet of Beaver Creek  
PO BOX 587  
Beaver Creek, OR 97004

Dear Mr. Merchant and Ms. Graser-Linsey:

Thank you for your recent letter outlining your concerns about the planning and future development of the 300 acres of property along Beaver Creek Road that were included in the 2002 and 2004 urban growth boundary expansions. The Metro Council had targeted 120 net acres of industrial job land for the 300 acres. It is my understanding that the latest proposed plan meets this requirement.

I have forwarded a courtesy copy of your letter to the City of Oregon City, and it is my understanding that Dan Drentlaw, Director of Community Development has also responded to your letter.

Metro staff Ray Valone serves as Metro's representative on the technical advisory committee for this project and can be reached at 503-797-1808 or valoner@metro.dst.or.us if you have further questions regarding the Metro Council's industrial land targets and the concept and comprehensive planning process.

Sincerely,

David L. Bragdon  
Metro Council President

Cc: Mayor Alice Norris, City of Oregon City  
Dan Drentlaw, Director of Community Development, City of Oregon City  
Michael Jordan, Chief Operating Officer, Metro  
Ray Valone, Principal Planner, Metro