600 NE Grand Ave.
Portland, OR 97232-2736
503-797-1700
503-797-1804 TDD
503-797-1797 fax
www.oregonmetro.gov

Metro | *Agenda*

Meeting: Metro Technical Advisory Committee

Date: Wednesday, October 17, 2012

Time: 10 a.m. – 12 p.m.

Place: Metro Regional Center, council chamber

Time	Agenda Item	Action Requested	Presenter(s)	Materials
10:00 a.m.	**CALL TO ORDER / ANNOUNCEMENTS**	Information	John Williams, Chair	none
10:10 a.m.	**Regional Industrial Site Readiness** *Objective: Update MTAC on completion of study & discuss how the study could inform local & regional efforts to make more industrial sites development-ready to accommodate employers*	Information	Ted Reid Susie Lahsene, Port of Portland	In packet
10:55 a.m.	**Open Space & Economic Development** *Objective: Update MTAC on completion of study examining open space and development from developers' points of view & discuss how public/private partnerships can support housing and commercial markets*	Information	Janet Bebb Robin Craig, Greenworks	In packet
11:30 a.m.	**Population & Employment Forecast** *Objective: MTAC members understand 2035 Forecast Distribution (to be adopted by Metro Council) and key takeaways. Discuss how to assist local governments and other public entities with using information*	Information	Mike Hoglund Gerry Uba	In packet
12:00 p.m.	**ADJOURN**			

MTAC meets on the 1st & 3rd Wednesday of the month. **The next meeting is scheduled for November 7, 2012.**

For agenda and schedule information, call Alexandra Roberts Eldridge at 503-797-1839, email: Alexandra.Eldridge@oregonmetro.gov. To check on closure or cancellations during inclement weather, please call 503-797-1700#.

Project Executive Summary

REGIONAL INDUSTRIAL SITE READINESS PROJECT

AUGUST 2012

Project Sponsors

Business Oregon — Metro — NAIOP Oregon Chapter
Port of Portland — Portland Business Alliance

Project Management Team and Sponsors:
Business Oregon - Mike Williams
Metro - John Williams and Ted Reid
NAIOP Oregon Chapter - Kirk Olsen and Mike Wells
Port of Portland - Keith Leavitt, Lise Glancy, and Susie Lahsene
Portland Business Alliance - Bernie Bottomly

Consultant Team:
Group Mackenzie – Mark Clemons, Project Manager
Gabriela Frask, Brent Nielsen, Chris Clemow, Bob Thompson
Ash Creek Associates, Inc. – Chris Breemer
Johnson Reid – Chris Blakney

Agency Review:
Business Oregon – Karen Homolac
Oregon Department of State Lands – Kirk Jarvie
Oregon Department of Transportation – Kelly Scannell Brooks

Project Funders:
Commercial Real Estate Economic Coalition (CREEC)
Clackamas County
City of Gresham
City of Hillsboro
City of Portland
City of Sherwood
City of Wilsonville
Howard S. Wright
National Electrical Contractors Association – Oregon-Columbia Chapter
Oregon State Building & Construction Trades Council
Portland General Electric
Plumbing & Mechanical Contractors Association
Sheet Metal & Air Conditioning Contractors National Association
Three Oaks Development Company
Westside Economic Alliance

The Project is being funded in part through funds provided by the State of Oregon, acting by and through the Business Oregon (an Oregon state agency).

The site information contained in this report is based on publicly available data sources and is not intended to replace independent due diligence for transaction purposes. Prospective purchasers, tenants, and others shall perform and rely solely upon, their own independent due diligence with respect to the Property.

PROJECT EXECUTIVE SUMMARY

A. PROJECT PURPOSE

Traded-sector companies sell goods to buyers outside of the Metro region, bringing in additional wealth. Attracting and retaining traded-sector industrial companies is important for the Portland region's long-term economic prosperity. Establishing a supply of development-ready large industrial sites is a critical part of a strategy to attract and retain traded-sector jobs. Because the Portland region must compete with other metropolitan areas for these traded-sector jobs, it must be able to provide a reasonable inventory of available sites.

This report examines the current and near-term supply of large (25+ acres) industrial sites available to accommodate the expansion of existing employers and recruitment of potential new employers to the Portland metro region[1]. For purposes of this study, only vacant, industrially zoned, or planned lands within the Portland metropolitan Urban Growth Boundary (UGB) and selected Urban Reserves were analyzed.

The project was conceived partly in response to Metro's 2009 Urban Growth Report, which identified a shortage of large-lot industrial sites in the region and in recognition of the need to replenish large-lot industrial sites as they are developed. This project report was produced by Group Mackenzie in partnership with Business Oregon, Metro, NAIOP - Commercial Real Estate Development Association Oregon Chapter, Port of Portland and Portland Business Alliance, whose representatives served as the Project Management Team (PMT).

The project is divided into two parts. Phase 1 documented the regional inventory of large industrial sites and categorized them into three tiers based on their development readiness. Phase 2 analyzed 12 representative Phase 1 sites to provide more detail about their constraints and the potential economic benefits of development. The purpose of the project is to:

- Quantify the supply and readiness of large industrial sites in the Portland metro area.
- Determine the costs and benefits of developing a representative subset of these sites.
- Inform discussion on future tools and policies to maintain a market-ready inventory of industrial sites.

[1] The Regional Industrial Site Readiness Project examined vacant, industrially-zoned, or planned lands within the Portland metropolitan area's UGB and selected urban reserves that are suitable for large-lot industrial development by new firms moving to the region or the growth of existing firms that do not hold land for future expansion. Rural areas of Clackamas and Washington counties outside the UGB were not included in this analysis. The study identified and documented user-owned sites held for future use but excluded these from the detailed analysis because these sites were not available to the marketplace.

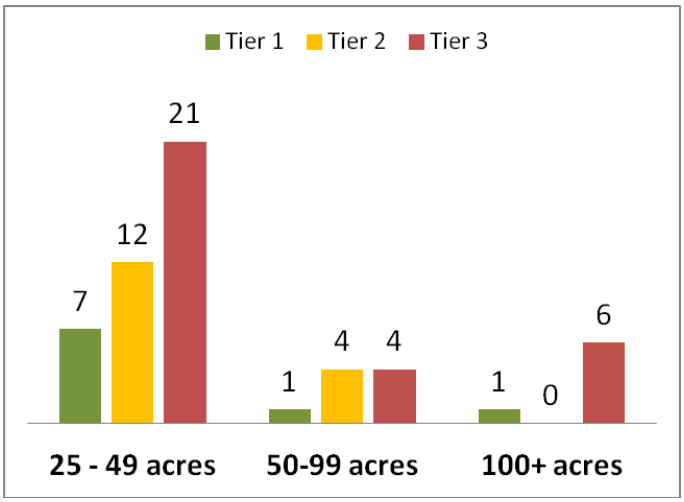
B. FINDINGS

1. Development Readiness

The analysis in this study shows that the region lacks a supply of industrial land that is readily available to attract and grow the types of catalytic employers that will help the region's ability to prosper. This is particularly an issue for sites of 50 acres or more.

Figure 1 represents the findings of the regional inventory as of October 2011. The study found:

Figure 1: Regional Site Distribution based on Tiers



Source: Group Mackenzie

9 Tier 1 sites
Available for facility construction within 180 days
There are few Tier 1 "market ready" sites available for traded-sector opportunities in the near term. Further, only five of these nine sites meet broad marketability requirements.

16 Tier 2 sites
Available for facility construction between seven and 30 months
There is a modest supply of mid-term sites requiring investment and policy actions to bring these sites to market. Four of these sites require assembly of smaller lots.

31 potential Tier 3 sites
Available for facility construction beyond 30 months
There are multiple challenges and significant investment and time required to bring these pipeline sites to market. Ten of these sites require lot assembly.

There is a limited supply of 50-plus and 100-plus acre sites in the Portland region. The study found:

Tier 1 sites: One 100-plus acre site
Tier 2 sites: No 100-plus acre sites
Tier 3 sites: Six potential 100-plus acre sites; three require lot assembly

Industrial sites in the region are in varying states of readiness, requiring regulatory approvals (permitting, mitigation), state/local actions (concept planning, annexation, rezoning), infrastructure (sewer, water, transportation), assembly of sites, and brownfield cleanup. This report provides a clearer understanding of the actions and investments required to make more of these sites development ready to ensure the region's competitiveness.

2. *Development Costs*

Evaluation of the 12 Phase 2 case study sites shows most sites have at least one major constraint which is significant enough to preclude market activity. A lack of off-site public utilities such as water, sanitary sewer, storm water, and transportation, are the most common, and in many of the case studies, the most severe constraint. Across all 12 Phase 2 sites, off-site costs comprise roughly 44 percent of all development costs. Transportation constraints are the largest contributing factor. The median cost for off-site infrastructure ranges between $0.16 per square foot to $0.85 per square foot. Transportation is the highest at $0.85 per square foot. Beyond dollars, the time to establish infrastructure approaches 24 to 30 months.

Direct public investment to address off-site issues can have a significant positive impact. For example, the East Evergreen site in Hillsboro has a market viability gap of $13.3 million, the most significant element of which is transportation infrastructure. An investment in this infrastructure would alleviate 78 percent of the market gap for this site.

The sites with critical infrastructure deficiencies are not likely to attract large firms if investment is left solely to the private market or delayed until a business willing to commit to a site is found.

On-site constraints, such as floodplain, slope, wetlands, and brownfields are not as broadly common, but where they do exist, are often costly and cause delays.

Table1: Tier 2 and Tier 3 Development Constraints

CONSTRAINT*	NUMBER OF SITES
Brownfield/Cleanup	8
Natural Resources	13
Infrastructure	19
Transportation	18
Land Assembly	14
State/Local Actions	20
Not Willing to Transact	18

**Sites may have multiple constraints*

Source: Group Mackenzie

Eight of the Phase 2 sites have a wetland bank in their watershed, which is the preferred mitigation method and reduces time to development. The other three sites that have wetland issues either would necessitate on-site mitigation, reducing net developable acreage, or as in the case of the Troutdale Reynolds Industrial Park (TRIP), require the purchase of additional land for off-site mitigation. Currently, wetland permitting and mitigation cannot occur without a specific user and site plan in hand.

When combined with the long lag times for permitting and mitigation, wetland mitigation is a key "opportunity constraint." Investment in resources, such as creation of wetland banks or a streamlined process, could move these sites further toward marketability at a relatively low cost.

Eight of the 12 sites in this study are agricultural greenfields that have had no previous industrial use. Because of this, brownfield remediation is the smallest dollar cost constraint across all Phase 2 sites. However, even where costs are quite small, environmental remediation is typically the first activity which must occur in the development process. The median brownfield remediation time for all sites (except TRIP) is six months. If the time required for brownfield remediation were eliminated for these sites it would mean a savings of $2,800 per acre in time costs could be achieved through early environmental remediation.

Brownfield remediation for previously used industrial sites can, on the other hand, be significant. On the TRIP site in Troutdale, environmental cleanup totals $3.6 million, excluding the costs already incurred by the previous owner on this Superfund site. This is $1.28 per square foot and exceeds 7.5 percent of total site readiness costs.

Simplifying and expediting permitting and other pre-development processes can have a significant financial impact on project feasibility. There is a time cost associated to the capital required to ameliorate on and off-site constraints[2]. The Phase 2 analysis found that nearly a quarter of all site development costs are related to time and risk. Activities that reduce uncertainty and delay will implicitly reduce time and risk costs and make a site more financially feasible.

[2] This study calculated a 7 percent annualized rate from the period dollars are spent in the development schedule to site development readiness.

Front end due diligence to identify issues and early investments in preparing sites for market readiness can have a significant impact on their viability by reducing time and risk to the developer or user. Due diligence that identifies a site's constraints and the time to address them, will highlight those that have low costs but long timeframes. These types of constraints provide a good place to focus initial efforts.

One of the most significant project findings is that lot aggregation is a major hurdle to site readiness. Six of the 12 Phase 2 sites require parcel aggregation as the sites are made up of multiple parcels and multiple owners. In one case, there are eight separate owners to aggregate, and in another, 17 owners. While it was not possible to estimate how long the aggregation process may take, it is important to understand that sites that have multiple ownerships have an additional constraint that adds risk and needs to be addressed.

Constraints need to be understood from the perspective of cost, time, and risk. For sites that are close to economic viability, tools that reduce risks and time to market are likely to be most efficient. Sites with more severe constraints will require more comprehensive strategies that include financial tools to bring them to the market.

3. Economic Benefits

Significant economic and fiscal benefits can be created through investments in market ready sites (Table 2). Providing a sense of scale, the 12 sites analyzed in Phase 2 have the capacity to create an estimated 12,500 direct jobs on-site with average annual wages of $97,000. When off-site impacts are considered, associated regional job growth could create $3.7 billion in annual payroll at just over $58,000 per job at full build-out of the twelve sites.

As a result of direct job creation, the 12 Phase 2 sites have the capacity to generate $764 million in payroll tax revenue over the first 20 years of site development, construction, and operation. When all impacts are considered, the state of Oregon could potentially gain roughly $2.3 billion in payroll tax revenue over the first 20 years if all 12 sites were developed.

Phase 2 sites have the combined potential to generate a cumulative $217 million in local property tax revenues over the first 20 years and $25 million annually thereafter.

Table 2: All 12 Case Study Sites Potential Economic Benefit

	TOTAL
Total Direct Jobs	12,500
Average Annual Wage Level	$97,000
Total Property Tax over 20 Years	$217 Million
Total State Payroll Tax over 20 Years (Direct Jobs Only)	$764 Million
Total State Payroll Tax over 20 Years (Direct and Indirect)	$2.3 Billion

Source: Johnson Reid

Based on the conceptual uses assumed for the Phase 2 sites, the fiscal benefits to state and local jurisdictions are quite large. These benefits, if realized, in most cases exceed what it would cost an entity to finance infrastructure improvements necessary to make sites development ready. To sum up, from the perspective of the public, infrastructure investment can have a significant positive return.

C. CONCLUSIONS

The analysis reached the following conclusions:

- A small inventory of large industrial sites available in Tier 1 and 2 could potentially result in lost expansion and recruitment opportunities.
- Market choice is more limited for larger 50-plus and 100-plus acre sites. Parcel aggregation is a key issue to supplying larger sites.
- Tier 2 and 3 sites will require new investment, policy actions, and time to become development ready.
- Funding for infrastructure of all kinds is a critical limiting factor to site readiness.
- The cost of off-site infrastructure is the primary challenge to site readiness, comprising nearly 40 percent of total development costs. Transportation costs are the largest contributor to off-site infrastructure costs.
- Direct public investment to address off-site infrastructure needs and costs can have a significant impact.
- On-site issues vary by site. For some sites addressing on-site issues, such as brownfield remediation, has a high cost or long timeframe. An understanding of each site's constraints and the time to address them, will define those that have low costs but long timeframes. These types of constraints provide a good place to focus initial efforts.
- Nearly a quarter of total development costs are related to time and risk. The longer it takes a developer or user to address constraints and the greater the uncertainty about permitting processes, the higher the project cost and the further away from financial feasibility the project is. Front-end work on investigating and preparing sites for market readiness can have a significant impact on their viability.
- Not all sites have owners who are motivated to sell at industrial land prices (or any price). Some owners anticipate a better price with changes in circumstances or zoning that may or may not be realistic. A willing property owner and motivated jurisdiction are critical to moving sites to market.
- Significant economic benefits (jobs, payroll, and property taxes) would result from traded sector investment in these industrial sites.
- The state's general fund is potentially a big winner from associated job and associated payroll tax revenue growth.

D. RECOMMENDATIONS

Site selection decision timelines are getting shorter in order to meet companies' needs to bring goods and services quickly to market. At the same time, there are limited financial tools available to address barriers to development of industrial sites with higher degrees of complexity. The private credit market is extremely tight and private developers generally are unable to finance projects with significant upfront capital investment, longer term paybacks, and regulatory uncertainty. Public sector resources and financing tools that could play a role in infrastructure and site development are also limited.

While discussion and evaluation of potential options for addressing market readiness of industrial sites needs to take place at the regional and state level, the Project Management Team has identified recommendations for further analysis:

- Establish a mechanism for regional leaders to identify potential industrial sites of regional significance and focus resources on bringing these sites to market readiness.
- Maintain and expand existing state infrastructure funding and technical assistance programs and explore opportunities to improve and target state support.
- Investigate the creation of new funding partnerships between state and local entities to support site readiness of large lot sites for traded sector development.
- Explore opportunities to streamline or make more predictable state and local regulatory and permitting requirements and timelines to reduce permitting risk and increase private sector investment.
- Explore regulatory and policy tools in the arena of wetlands mitigation and brownfields remediation to assist in moving sites to market readiness at the local, state, and regional level.
- Explore opportunities for regional and state funding for patient developer entities, either public or private, that can invest in due diligence and site preparation without requiring a market-driven return on investment.
- Analyze the investments needed to move the remaining 36 Tier 2 and Tier 3 sites to market-readiness to assist with regional economic and infrastructure development plans.
- Perform an annual inventory update of large lot industrial sites and encourage other regions around the state to adopt the inventory methodology.
- Analyze the absorption/demand/missed opportunities for large lot industrial sites and the economics of redevelopment for industrial purposes and traded-sector competitiveness.

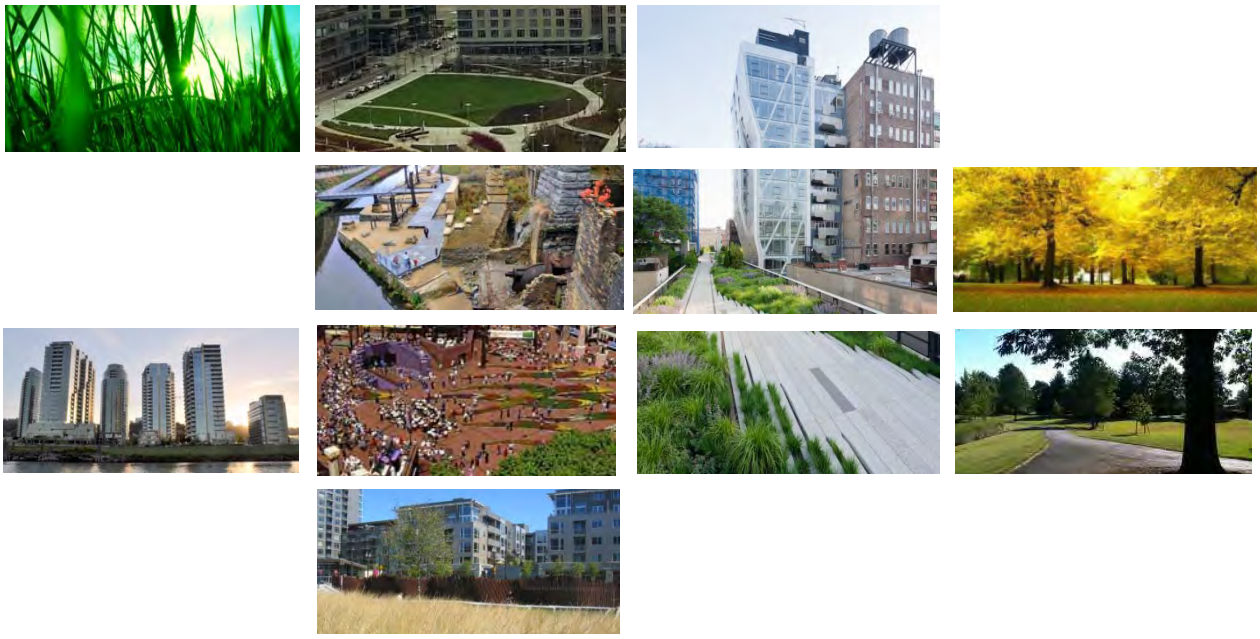
The recommendations listed here are meant to be the beginning of a dialogue on creating effective tools and policies for ensuring the region and state has a competitive supply of market-ready industrial sites.

In the summer of 2012, the Project Management Team plans on meeting with key regional, state, public and private leaders, culminating in fall 2012 with a meeting of an Oregon Business Plan subcommittee. The work will then be integrated into the Oregon Business Plan. Parallel efforts will be ongoing with legislators and other regional partners to facilitate action and bring about results.

E. PROJECT REPORTS

The Regional Industrial Site Readiness Project includes three volumes, in addition to the Executive Summary. Volume 1 is the complete Project analysis and findings. Volume 2 presents the site specific details and results of the Project. Volume 3 includes all of the technical appendices.

www.oregon**metro.gov**



EXECUTIVE SUMMARY

WHY PARKS ARE ESSENTIAL TO DEVELOPMENT PROJECTS: A DISCUSSION WITH FOUR DEVELOPERS

Metro | *Making a great place*

ABOUT METRO

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

A regional approach simply makes sense when it comes to providing services, operating venues and making decisions about how the region grows. Metro works with communities to support a resilient economy, keep nature close by and respond to a changing climate. Together we're making a great place, now and for generations to come.

Stay in touch with news, stories and things to do.

www.oregonmetro.gov/connect

CONTRIBUTORS

THANKS TO ALL OF THE DEVELOPERS WHO PARTICIPATED IN THIS DIALOGUE.

Matt Brown, Loci Development; Brett Horner, Portland Parks and Recreation; Chris Neamtzu, City of Wilsonville; Kerry Rappold, City of Wilsonville; Shawn Sullivan, Vallaster Corl; Dennis Wilde, Gerding Edlen; Jim Winkler, Winkler Development Corporation; Dave Wood, Newland Communities

Technical consulting team
GreenWorks, PC: Mike Faha, Principal; Robin Craig, Project Manager; Brett Milligan, Research; Azad Sadjadi, Graphics; Wes Soger, Graphics

Metro
Janet Bebb, principal regional planner; Hillary Wilton, real estate negotiator

Executive Summary

In the Portland region we cherish our parks, trails and natural areas, which we call the Intertwine. Park advocates, professionals and residents are frequently vocal about the benefits of parks including:

- natural beauty and being in nature
- greenways and trails are a top community amenity
- voters show a fairly consistent willingness to support parks at the ballot
- health, environmental, aesthetic and community benefits
- stormwater management and flood storage
- water quality, wildlife habitat and air quality.

However, in these tough economic times, we need to consider every public investment, including parks, in light of economic realities. **Can we anticipate with a reasonable amount of certainty where public investment in parks will produce a positive and needed market response?** Discussions with four local developers provide valuable insight into parks' role as an incentive for development. This critical thinking is important now as public dollars for infrastructure are declining.

In addition to this discussion focused on the importance of site and community conditions, there is a larger consideration. The importance of the cumulative effect of the Intertwine is critical. Companies are looking at community livability and quality of life as they choose where to locate. Our region has benefited tremendously from this, but competition is keen. The careful growth of the Intertwine is essential to support the marketability of our region. **The audience for this report includes developers, mayors, planners, advocates and business owners as we join together to make investments that pay off for our region.** View the entire document at www.oregonmetro.gov/naturalareas.

A Different Way of Thinking

Traditionally parks are developed to fill service gaps and natural areas are purchased to protect resources. There is a third logic suggested in this report: parks, trails and natural areas can be sited where development would benefit from their proximity. This logic has historical precedent and has become more relevant in light of the decline of the national and regional economy. Can we use open space strategically to help jump start development and the associated jobs?

The relationship of parks, trails and open space to economic development is complex. On one hand people value and seek investment in this aspect of their community. On the other, it's proven very difficult to quantify the value in specific numbers that would lead to public investment. Rather than

looking to formulas for quantification, this looks to local developers, research and case studies to understand how parks may influence or spur possible development.

Methodology

In the fall of 2011, interviews were conducted with several prominent local developers including:

- Dennis Wilde, Gerding Edlen
- Matt Brown, Loci Development
- Shawn Sullivan, Vallaster Corl
- Jim Winkler, Winkler Development Corporation
- Dave Wood, Newland Communities
- Chris Neamtzu and Kerry Rappold from the City of Wilsonville were interviewed about the Ville Bois development.

Jamison Square complete

The meetings were informal and the questions were consistent. The draft report was reviewed for accuracy by those interviewed.

Pearl District, Portland
Parks and housing under construction

National case studies: In addition to our local knowledge, how can national examples inform our thinking? We compiled information on four case studies including New York City, Atlanta, Minneapolis and Seattle. The case study projects have much larger project investment in open space and much greater return in terms of development value. They magnify the potential that local developers identify.

Research: Extensive economic research in Portland and across the nation has illustrated that open spaces, such as parks and trails, can have positive effects on adjacent property values and can lead to proportionately higher property tax revenues for local governments. There is also research on what factors are important to maximize property values. This research was summarized with diagrams and local examples.

Insights from Developers

There were several consistent points made by the developers.

- Proximity to parks and open space are clearly important, especially to the housing market.
- Retail and commercial markets are less influenced by open space.
- Proximity to parks increases the selling price and decreases the time needed to sell units.
- Open space is one of a several key components for livable communities including walkability, and public transportation. There is benefit to coordinating these elements.
- The main barrier to providing open space is financial. Public/private partnerships are often needed, especially in urban areas where acquisition for open space is significant.
- Construction of parks prior to marketing housing is essential. In a slow economy, the promise of an open space is not enough.

"*Parks and trails help the development strategy. We consider parks and open space as a part of our business philosophy…We believe that bringing more nature into urban environments is essential to improving quality of life for people in the community. 'Access to nature' is a necessary component of twenty minute neighborhoods in order to be a livable community*." – Dennis Wilde

"*The biggest difficulty is getting the finances to work. At some point you are taking square footage of buildable footprint out of the development equation to make the pro forma work. You are essentially sacrificing land for the sake of the park piece. The park amenity also has to be built and deliver the benefit. The later it comes in the process, the harder it is to deliver (the value).*"– Matt Brown

"*The importance is proximity based, the closer you can get to a park, the higher the value of the land and the development opportunity…There is also the flip side of parks. They can be places for bad things to happen and it depends on demographics…A large public park is one block of urban open space nicely designed in the urban areas. Blocks and blocks of soccer and baseball fields are not economic drivers*."
– Jim Winkler

"*There is definitely a positive relationship. Parks get a gold star, people love parks. Providing linkages with trails goes along with that…Initially trails were not a selling point, but now trails and connections are an important component of the development…In numerous market studies, people prefer natural open space in their backyards*." – Dave Wood

Case Studies

The High Line: New York, New York
6.73 acres, total cost: $152 million
Private donations: $44 million
Projected development value: $2 billion

The High Line is a public park built on a defunct railway that runs 30 feet above Manhattan between 10th and 11th Avenues, from 34th Street to Gansevoort Street in the meatpacking district. The High Line offers a retreat from street life, a pastoral space floating 30 feet in the air with Hudson River views. It is owned by the City of New York, and maintained and operated by Friends of the High Line. Over 50 new residential, commercial, and cultural development projects have been planned or constructed as a part of the new economic vitality in the area. On top of the 8,000 construction jobs those projects required, the redevelopment has added about 12,000 jobs in the area," stated Mayor Michael R. Bloomberg.9 Amanda Burden, the city's planning director, indicates that High Line has boosted adjacent property values, saying that "in one building that abuts the lower section of the High Line, the price of apartments had doubled since the park opened, to about $2,000 a square foot." [10]

The Mill District: Minneapolis, Minnesota
Cost for parks: $54 million
Public funding for district: $239 million
Projected development value: $1.382 billion

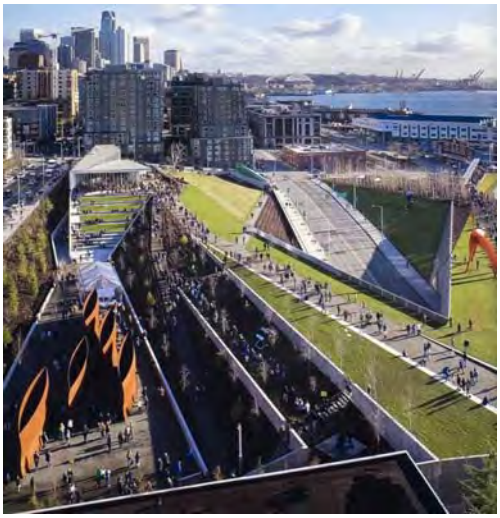
By 2010, the Mill District had developed both banks of the Mississippi River as publicly owned open space. Mill Ruins Park is the centerpiece of the revitalization of Minneapolis' historic West Side Milling District. The development has created almost 140 acres of new riverfront parkland from 1977-2002. About 4,650 new housing units have been completed and over a thousand more have been planned. Overall, the Mill District is an economic powerhouse generating jobs, taxes and economic activity with 400 jobs created with 4.2 million square feet of new office, commercial and industrial space. The continued public support and desirability of the area has increased real estate taxes (estimated market value) from $25 million in 1994 to $232 million in 2005.

The BeltLine: Atlanta, Georgia
Total project cost: $2.8 billion
Cost for parks: $755-910 million
Federal funding: $24 million
Projected development value: $20 billion

The BeltLine gives Atlanta an opportunity to create a citywide system of parks and transit that loops the urban core of the inner city. The BeltLine plan calls for the creation of a series of parks throughout the city, creating what the working plan, The BeltLine Emerald Necklace, calls, the thirteen "BeltLine Jewels."[13] These park jewels would be connected by the trail and transit components of the plan.

As a part of this plan, 30,000 new jobs are expected to be created in the area in the next 20-25 years. This job increase is 50 percent greater than what would be created without the BeltLine. In addition, during the development of the BeltLine, 48,000 construction jobs will be created. The Atlanta BeltLine is expected to generate more than $20 billion of new economic development throughout the 25 years of the Tax Allocation District.

Seattle Sculpture Park and Seattle Art Museum: Seattle, Washington
8.5 acres, total project cost: 85 million
Federal funding: 5 million
King County: 1.7 million
State funding: 8.1 million



For many years, this former brownfield was a blighted piece of property at the heart of Seattle's waterfront. The 8.5-acre property, where the Olympic Sculpture Park now stands, was once a contaminated fuel storage and transfer site for Unocal Oil.

Before Unocal could sell the property, it had to clean up 120,000 tons of contaminated soil and more than 28 million gallons of contaminated water. The Seattle Art Museum (SAM), which bought the property and operates the park, restored the waterfront as an important habitat for salmon as well as reconnected the city to its waterfront heritage.

The park itself has become an economic catalyst for the surrounding Belltown neighborhood, spurring construction of dense residential complexes, with new stores and restaurants replacing parking lots and vacant land.

RESEARCH

Research indicates that the market value of properties located in proximity to a park, trails or open space are frequently higher than comparable properties located elsewhere.[1] A pair of studies conducted in 2000 and 2001 analyzed the same set of more than 16,400 home sales in Portland, Oregon using two different study methods. The first study found that the 193 public parks analyzed had a significant positive impact on nearby property values. The existence of a park within 1,500 feet of a home increased its sale price between $845.00 and $2,262.00 in 2000.[2]

A study of the effect of greenbelts on property values in three different areas of Boulder, Colorado showed that there was a $4.20 decrease in the price of residential property for every one foot moved away from the greenbelt. This suggested that if other variables were held constant, the average value of properties adjacent to the greenbelt was 32 percent higher than those located 3,200 walking feet away.[3] In the study; they demonstrated that the proximate effect is substantial up to 500-600 feet (typically three blocks). In the case of community sized parks over 30 acres, the effect may be measurable out to 1500 feet, but 75 percent of the premium value generally occurs within the 500-600 foot zone. These studies suggested that a positive impact of 20 percent on property values abutting or fronting a passive park area is a reasonable point of departure for estimating the magnitude of the impact of parks on property values.[21]

Larger park sizes in suburban areas have been shown to create greater overall development value. The relationship between a home's sale price and its proximity to different types of open spaces in the city of Portland, within Multnomah County was studied between 1990 and 1992. Homes located within 1,500 feet of a natural area park, where more than 50 percent of the park is preserved in native and/or natural vegetation, are found to experience an average of the largest increase in sale price.[4]

Central Park in New York City

As anticipated by Frederick Law Olmsted, the property value immediately adjacent to the park was justification for building the park. Currently the value of the properties closest to the park is 20 percent higher than that one block further.

Selected Guiding Principles

Can we predict where investment in parks, trails and natural areas will have a positive market response? Interviews with developers, case studies and research suggest some overarching principles that may increase the predictability (see the full report for more guidance).

Parks have different effects on different types of development.

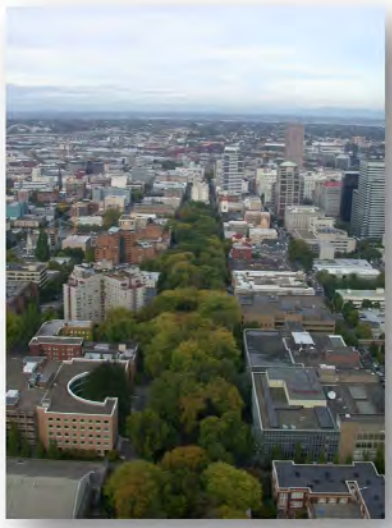
- Complete communities and mixed use developments - parks are key to mixed use developments.
- Housing development - the strongest possible relationship is between parks and housing.
- Commercial development - parks are less important for commercial development. However, where a setting or sense of address is needed, parks may become part of the success.
- Retail - parks have the least effect on retail success. In general, retail needs concentrations of people, with the exception of restaurant development. Also, parks can help housing that in turn supports nearby retail.

1878 Park blocks, Portland Or.

Large investment in signature projects can have high development value.

The case studies examined had these common elements:

- An underutilized or abandoned area close to urban centers repurposes old infrastructure for parks.
- Public visibility is high often with a trail connection or other destination linkages that increases use.
- Significant effort is made toward a large vision with a high level of investment typically combining local and federal funding with private donations.
- The project has an extremely high level of design excellence, using nationally or internationally renowned design teams.



2002 Park blocks, Portland, OR.

Passive parks only

Developers interviewed agreed that parks, trails and open space with passive recreation areas are conducive to development and overall place-making and active parks with intensive uses are not.

Linear parks maximize property value increases

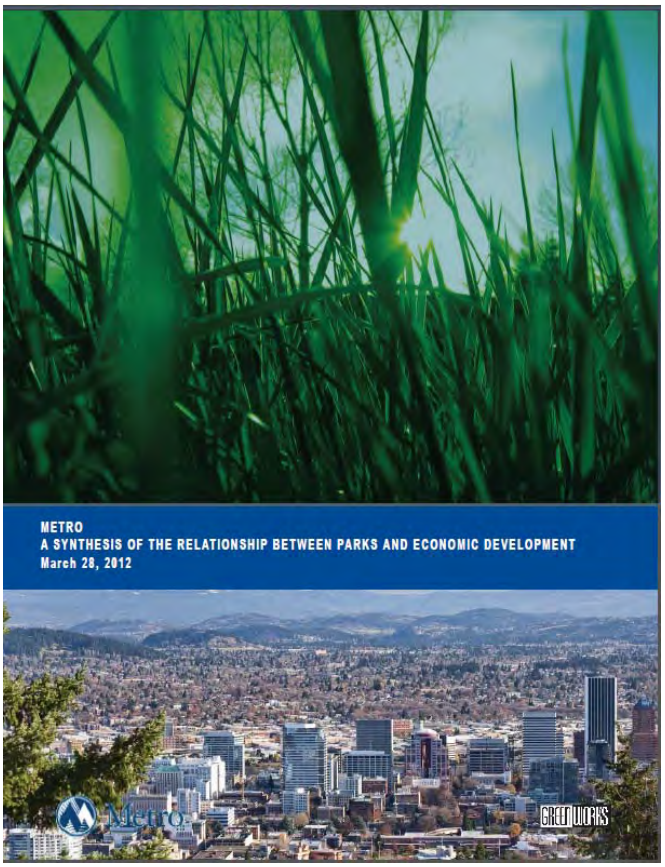
Research indicates that linear parks provide a greater amount of actual park frontage and maximize development potential in urban or suburban grids. This boosts the net total of lots that have actual park frontage.

CONCLUSION

This research concludes that parks, trails and natural areas can be significant in getting a positive market response in a slow economy, especially under certain circumstances. The third path, or strategic use of open space, is not our usual manner of business. Park providers are often focused on system plans and targeted service gaps. Planners tend to concentrate on transit and streetscape improvements. Moving past these disciplinary barriers will allow open space to be considered strategically.

The largest barrier to the strategic use of open space is funding. Consistent funding sources for open space development are lacking at the federal, state and local levels. The national case studies illustrate the potential power of joint public and private investments. Locally, these partnerships have been key to many of Portland's urban parks including Jamison Square, Tanner Springs and Director Park. Building these partnerships require shared vision, innovative thinking and a mutual understanding of development and open space parameters.

Going forward, it is possible to look regionally and locally for strategic opportunities to use open space in service of development markets. These discussions need to take place with a dedicated focus on open space potential and, perhaps more effective, with a place at the table when development is under discussion. This includes transit and land use planning.



Read the full report at www.oregonmetro.gov/naturalareas.

More work is needed to identify the circumstances where parks, trails and natural areas will be important investments.

RESEARCH FOOTNOTES

1. Crompton, John L. “The Impact Of Parks And Open Spaces On Property Values.” Department of Recreation, Park and Tourism Sciences, Texas A&M University. Volume 63, No. 1, page 32, Winter 2007.

2. TBolitzer, B. and Netusil, N. “The Effect of Open Space on Property Values in Portland, Oregon.” Journal of Environmental Management: 59 (3), pages 185 - 193, July 2000.

3. Correll, Mark R., Lillydahl, J., Jane H. and Singell, Larry D. “The Effect of Green Belts on Residential Property Values: Some Findings on the Political Economy of Open Space”. Land Economics 54(2), pages 207-217,
1978.

4. Lutezenhiser, M. and Netusil, N. “The Effect of Open Space on a Home’s Sale Price.” Contemporary Economic Policy, 19 (3):291-298, July 2001.

600 NE Grand Ave.
Portland, OR 97232-2736
www.oregonmetro.gov

Metro | *Memo*

Date: Wednesday, October 11, 2012

To: MTAC

From: Mike Hoglund, Research Center Director
Gerry Uba, Planning and Development Department
Dennis Yee, Research Center

Subject: Regional 2035 Forecast Distribution Coordination (Population and Employment Forecast at Local Level)

At your October 17, 2012 meeting, we will present the regional 2035 forecast distribution to the transportation analysis zone (TAZ) and local jurisdiction level. Metro staff updated MTAC on January 4, 2012, after completion of the first phase of this project. The first phase involved confirming regional land capacity [also called buildable land inventory (BLI) or supply capacity] through the analysis of local zoning information and redevelopment thresholds before using the BLI results in the TAZ growth distribution. The capacity review relied heavily on local government information and review and comment.

The second phase of the project was completed last month. This phase involved using Metro's land use (i.e., MetroScope) and transportation models to match regional demand (the seven-county forecast) with regional capacity at the TAZ geography. After extensive review and input from local governments, the final draft of the growth forecast distribution was presented to the Regional Planning Directors on September 19, 2012. The planning directors were receptive of the information. The growth distribution represents a joint coordinated forecast effort between Metro and local governments. The growth distribution an assessment of where households and employees will live and work in the future based on economic factors, expected trends and land development policy assumptions.

The forecast distribution is essential for local and regional planning. Local governments scheduled by the Oregon Department of Land Conservation and Development (DLCD) to update their comprehensive plans (through periodic review) are required to base their updates on a coordinated forecast. Counties are responsible for coordinating the forecast for areas outside of Metro area and will use the coordinated forecast as the basis for this distribution, as well. The distribution supports local transportation system plan (TSP) updates and various local planning activities.

At the regional level, Metro will use this distribution to inform the next Regional Transportation Plan (RTP) update. The distribution also supports transportation corridor planning. The distribution can support school districts in enrollment forecasting and facility planning, as well as support special districts in the region, such as water, sewer and fire districts, in updating their facility plans and emergency preparedness plans. TriMet could benefit from using the distribution in forecasting future ridership, mapping travel patterns, and plan for frequency of MAX and bus service and future routes.

The Oregon Department of Land Conservation and Development requested and Metro staff proposed to the Metro Council to adopt the distribution by ordinance, so that it can be acknowledged by DLCD as part of Metro's planning documents to support planning coordination. An ordinance and staff report has been drafted and scheduled for first reading later at the Metro Council meeting on October 18, 2012. Staff will present the 2035 forecast distribution to:

- MTAC on October 17th
- MPAC on October 24th
- TPAC on October 26th
- JPACT on November 8, 2012.

The Metro Council is scheduled to conduct second reading and public hearing, and vote on the ordinance on November 29, 2012.

After adoption of the 2035 forecast distribution, Metro staff will start more in-depth analysis of the data to determine the implications of the distributions to existing regional policies and investment decisions. In addition, the analysis of the forecast distribution and result of the proposed research (funding TBD) will be available for when the Metro Council kicks off the next growth management decision process.

Materials following this page were distributed at the meeting.

Portland Metro
Regional Industrial Site Readiness

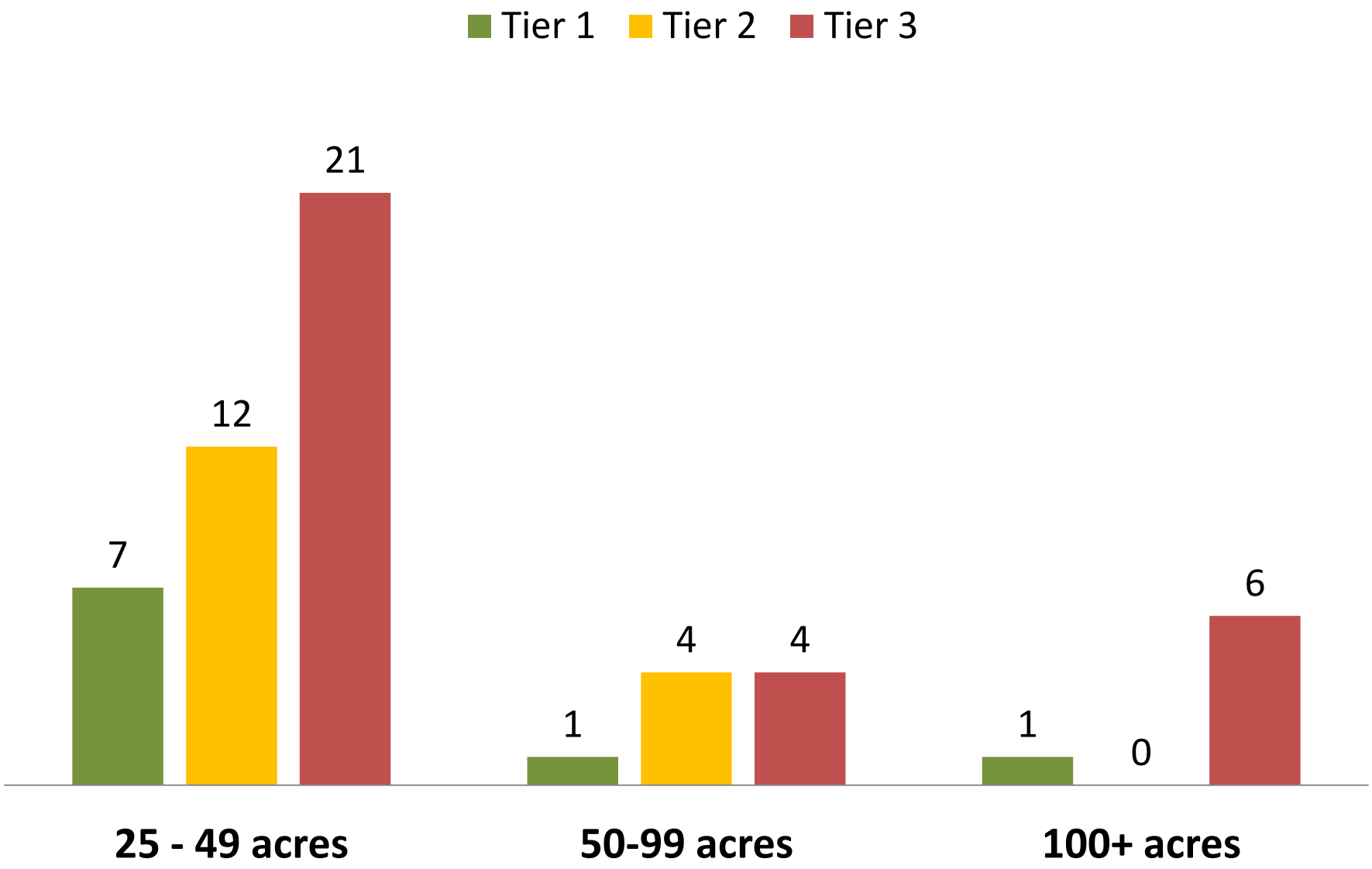
Metro Technical Advisory Committee

October 17, 2012

Recap of Phase 1

- 56 potential large sites, but few are development ready within six months (9 sites)
- Larger development-ready sites are especially scarce
- Multiple site constraints need to be addressed to make efficient use of sites in UGB

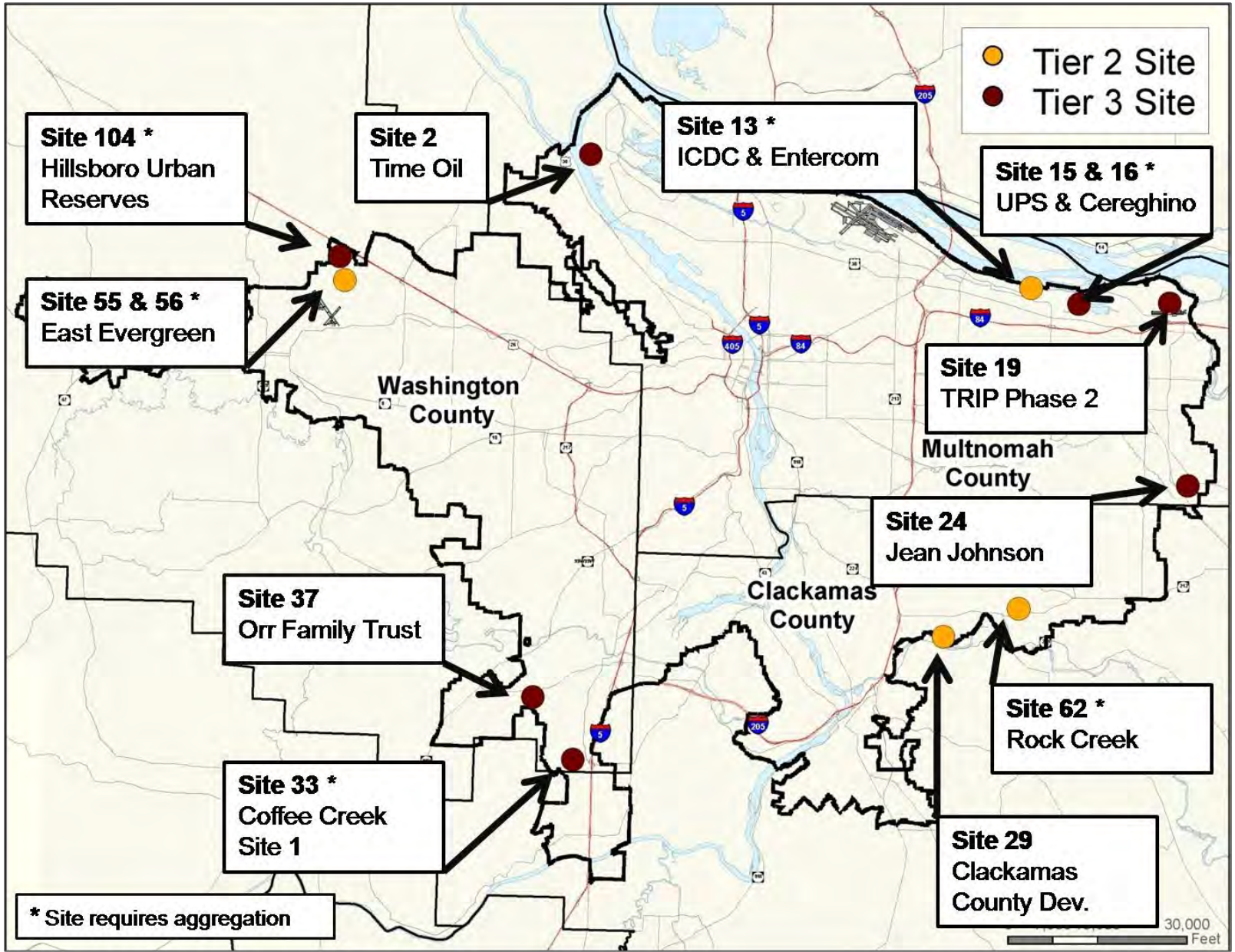
Distribution of Sites by Acreage



Tier 2 and 3 Potential Development Constraints

	TOTAL
BROWNFIELD / CLEANUP	8
NATURAL RESOURCES	13
INFRASTRUCTURE	19
TRANSPORTATION	18
LAND ASSEMBLY	14
STATE/LOCAL ACTIONS	20
NOT WILLING TO TRANSACT	18

Phase 2 Sites

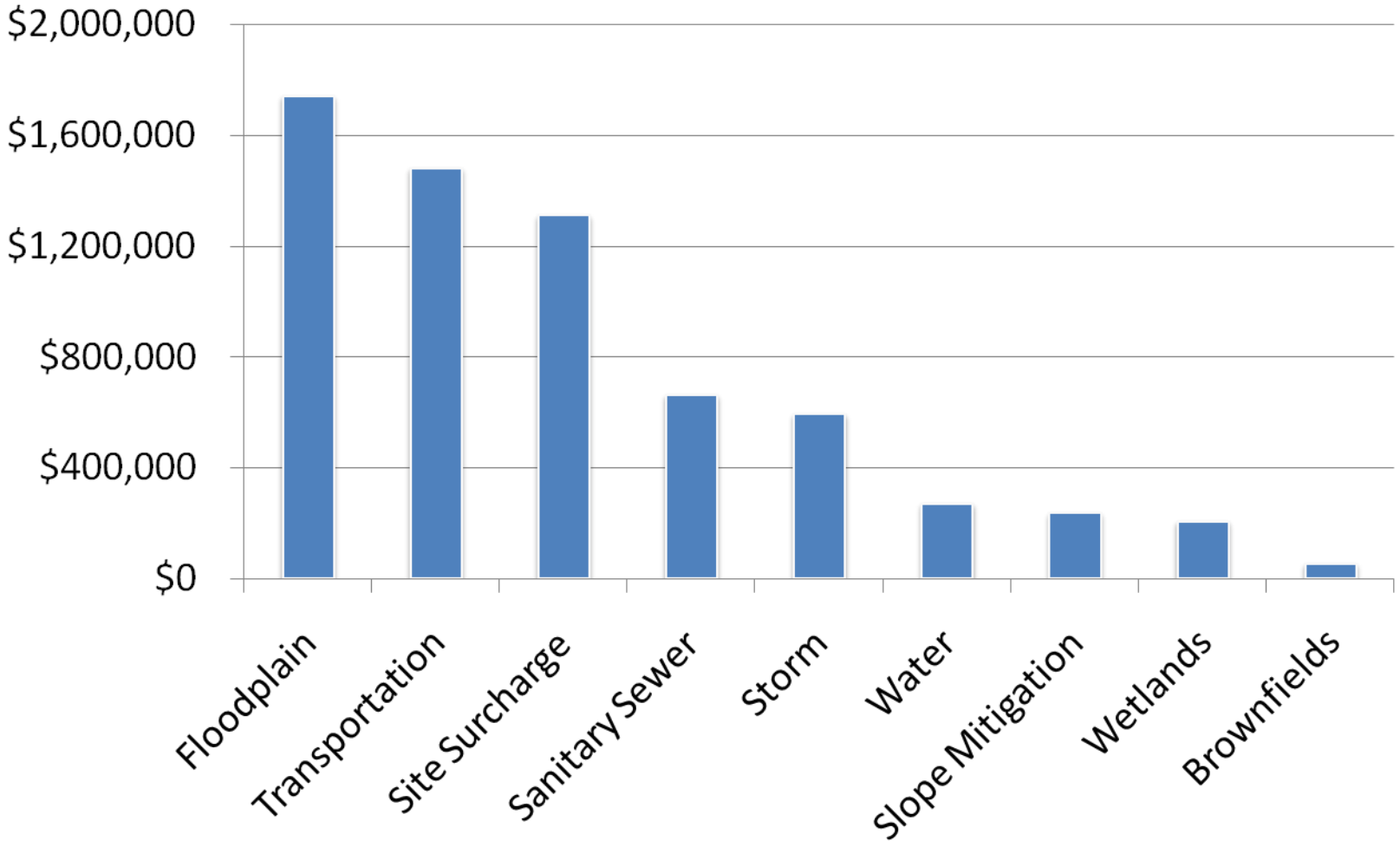


Site Constraints (Phase 2 sites)

- Off-site public utilities represent primary barrier.
- Transportation constraints are the largest contributing factor.
- Site aggregation also key.
- Time to establish infrastructure approaches 24 to 30 months.
- Lack of knowledge about cost and value.

Development Readiness: Median Costs per Site

(Phase 2 sites only)

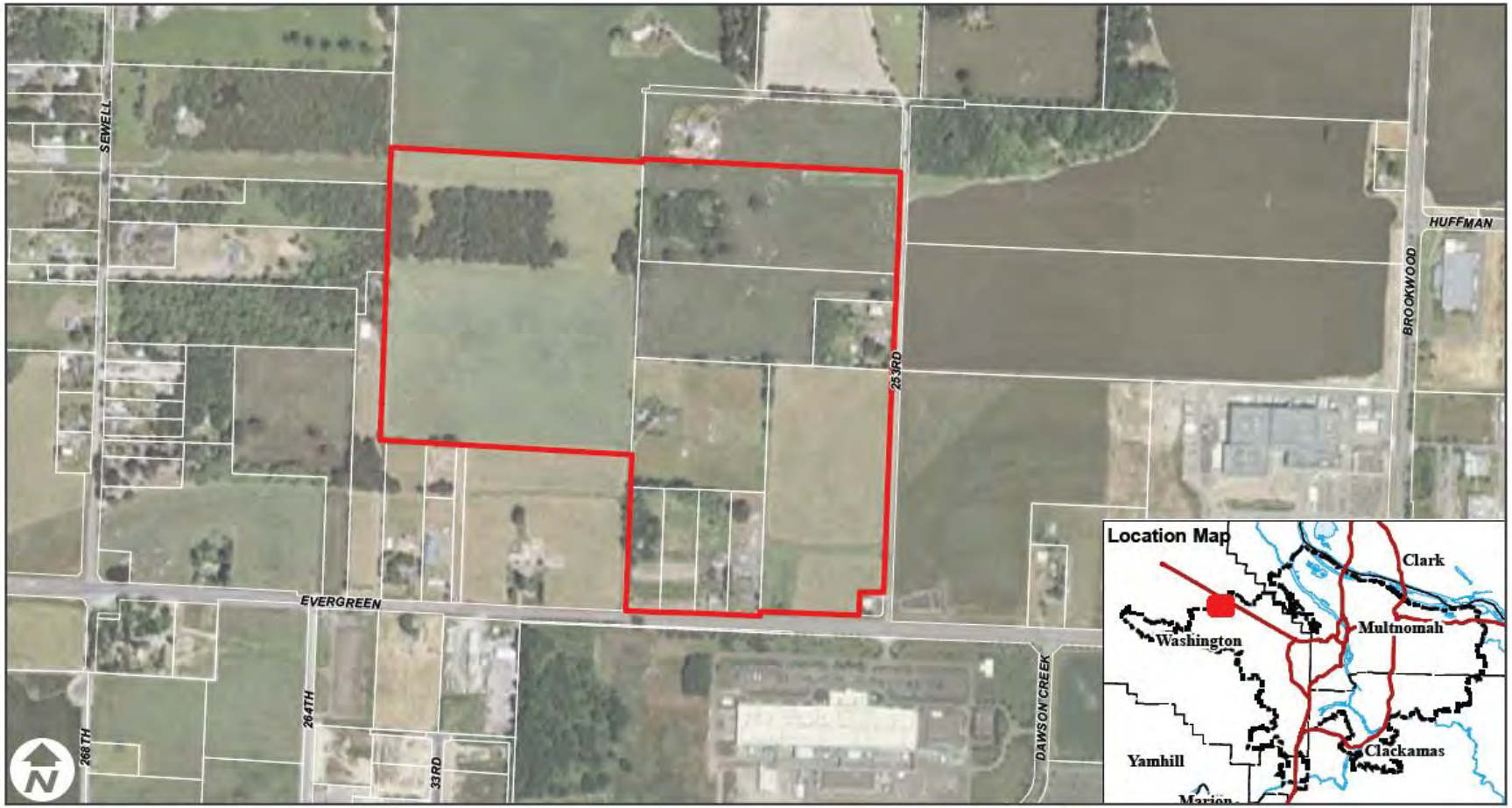


Market Gap - $120 million

"The sites with critical infrastructure deficiencies are not likely to attract large firms if investment is left solely to the private market or delayed until a business willing to commit to a site is found."

- Regional Industrial Site Readiness Report, 2012

East Evergreen Site - Hillsboro



East Evergreen Site Attributes

- Market Suitability:
  - Regionally to nationally-scaled clean-tech
  - High-tech manufacturing or campus industrial
- 117 net developable acres within UGB
- Enterprise zone, SIP
- Adjacent to other thriving industrial sites

East Evergreen Site Development Challenges

- Wetlands
- Offsite infrastructure (water, sewer, stormwater, transportation)
- 33 months needed for site preparation
- $42 M costs for site preparation
- $13 M market viability gap

East Evergreen Site
Illustrative development concept

Development Concept Plan

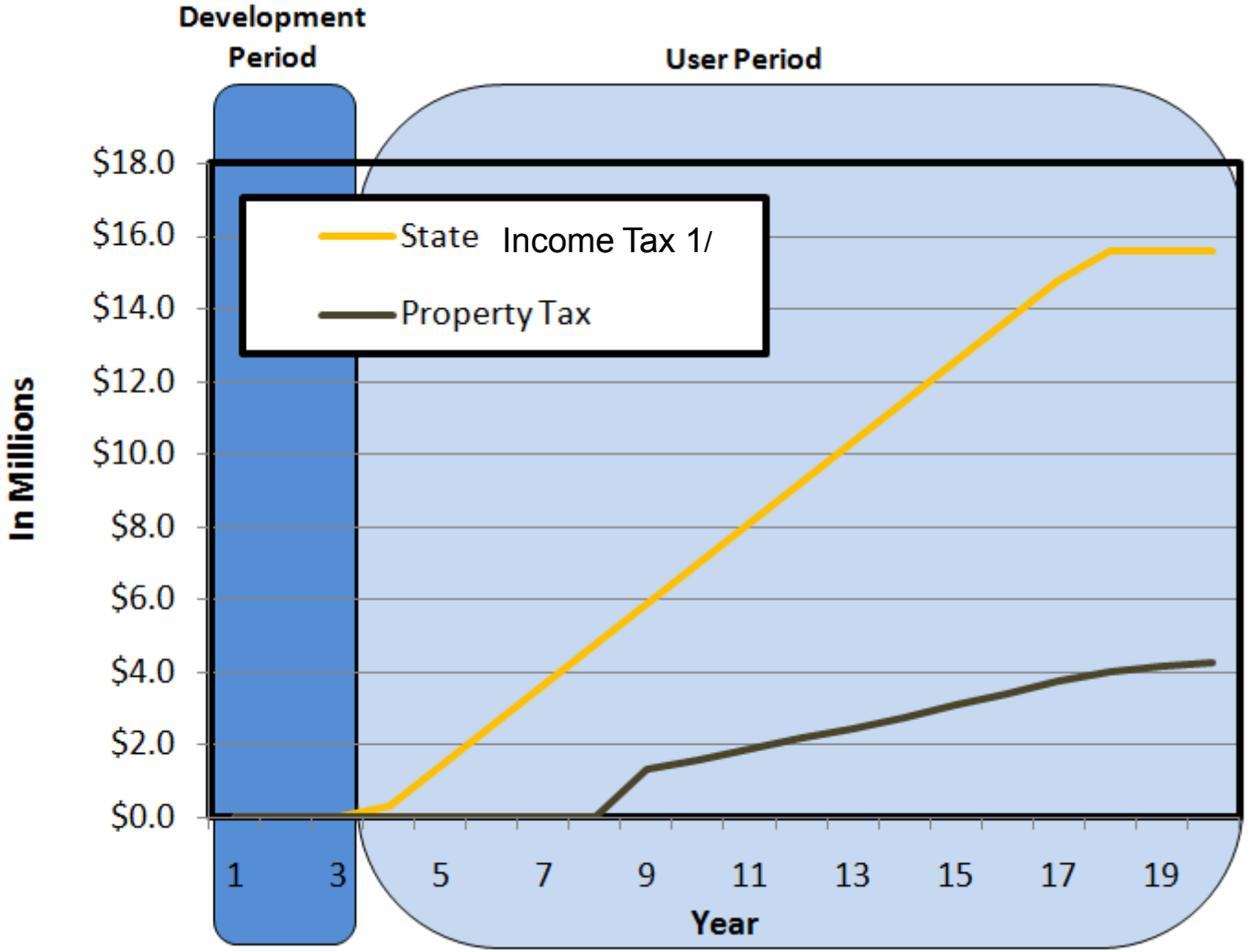
Total Building Size	Projected Electrical Demand	Project Electrical Grade	Total Building Cost	Facility Construction Cost	Facility Construction Cost	Total
1,692,000 Sq. Ft	20 Mega Watts	3	$144,760,000	Avg. sf = $86	Hard Costs = $144,760,000 Soft Costs = $ 28,952,000	$173,712,000

Site Use	Description of Development Concept Site Use
Globally scaled clean technology campus	Multi-building single user technology manufacturing campus; combines office with clean room manufacturing uses; similar uses such as Solar World.

Development Concept Costs

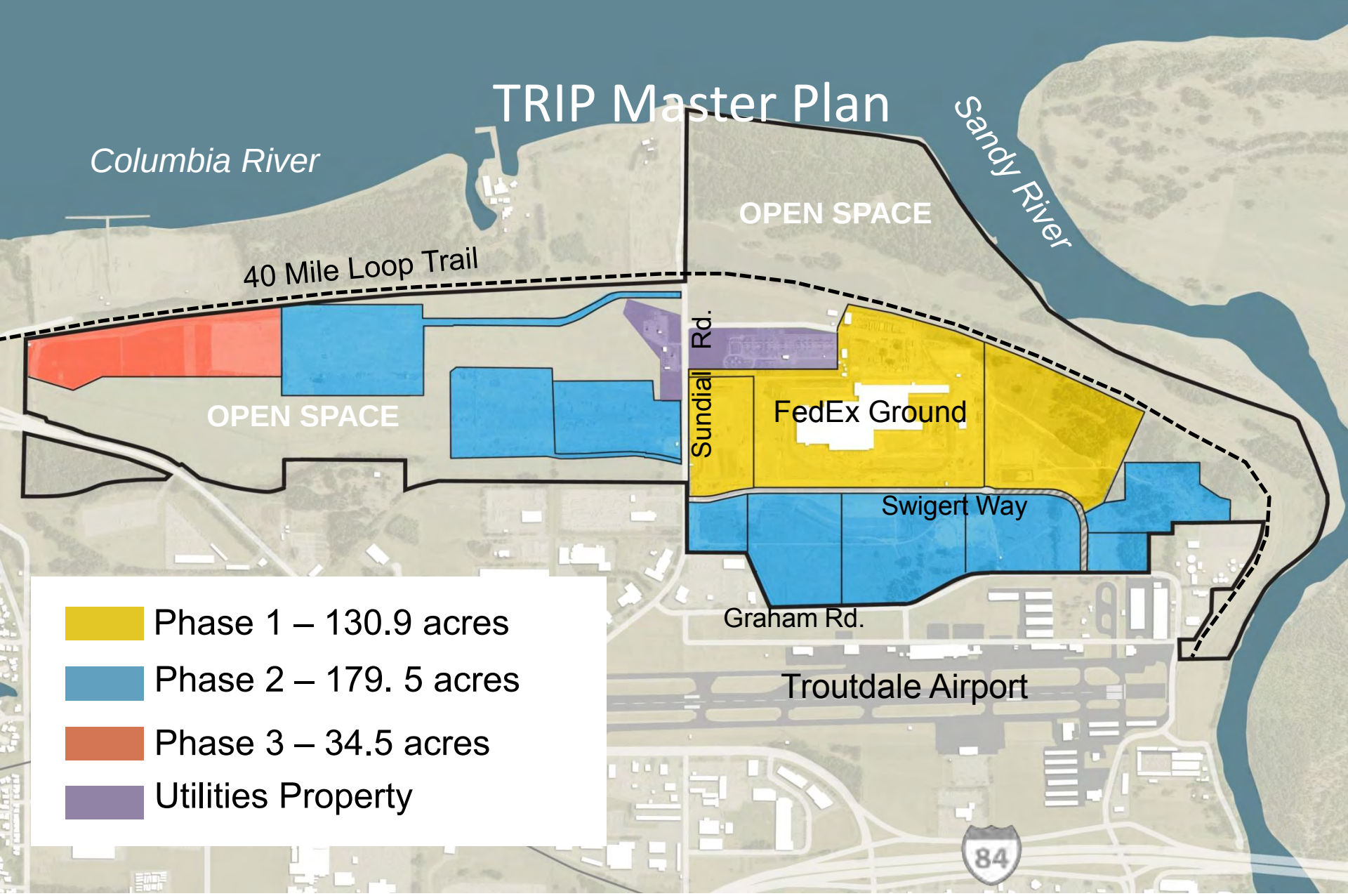
Off-Site Costs and Construction Terms	
Water: Start Period (months back): Term:	$1,032,000 18 15
Sewer: Start Period (months back): Term:	$2,986,800 18 15
Stormwater: Start Period (months Back): Term:	$919,500 18 15
Transportation: Start Period (months back): Term:	$7,070,000 18 18
Off-Site Total Costs	$12,008,300
On-Site Costs and Mitigation Terms	
Wetland Mitigation: Start Period (months back): Term:	$875,000 24 12
Slope Mitigation: Start Period (months back): Term:	$130,000 24 9
Building Pad Surcharge: Start Period (months Back): Term:	$0
Floodplain Cut/Fill Mitigation: Start Period (months back): Term:	$0
Environmental Cleanup: Start Period (months back): Term:	$82,500 33 6
On-Site Total Costs	$1,087,500
Total Costs	**$13,095,800**

East Evergreen Site
Potential Economic Benefit



1/ Direct Impacts Only

Troutdale Reynolds Industrial Park


TRIP Master Plan
Columbia River
Sandy River
OPEN SPACE
40 Mile Loop Trail
OPEN SPACE
Sundial Rd.
FedEx Ground
Swigert Way
Graham Rd.
Troutdale Airport
84
Phase 1 – 130.9 acres
Phase 2 – 179. 5 acres
Phase 3 – 34.5 acres
Utilities Property

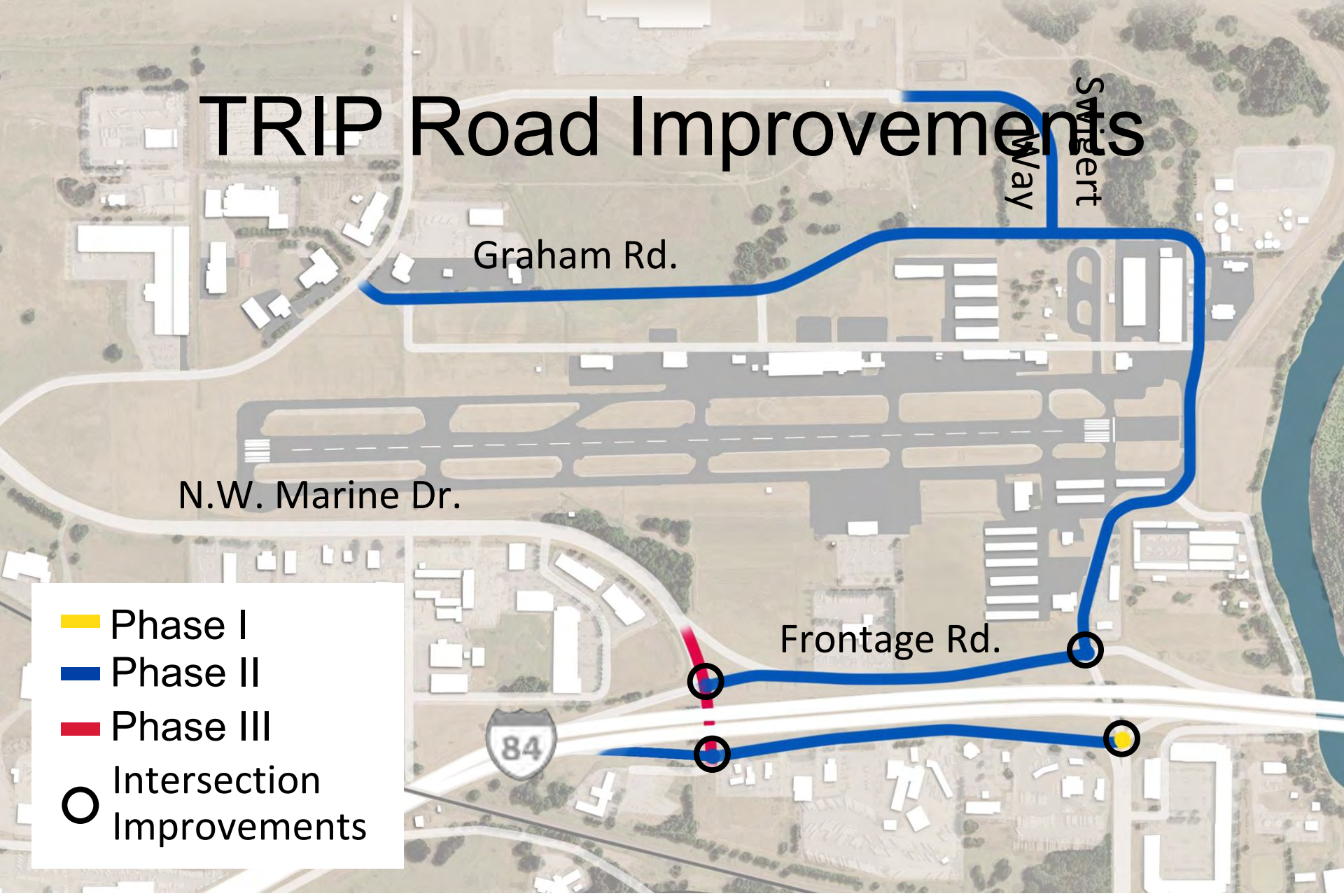
TRIP
Site Attributes

- 3 phase master plan development by Port
- Phase 2 site prep underway; future Phase 3
- 80 net developable acres in the UGB
  - Opens another 60+ acres for development
- Market suitability:
  - Regionally and nationally scaled clean tech
  - General manufacturing
  - Distribution and logistics
- Enterprise zone and SIP incentive

TRIP
Development Challenges

- On-site environmental
- Wetlands
- Off-site infrastructure (transportation,water, sewer, stormwater)
- 75 months needed for site preparation
- $20 M costs for site preparation
- $37 M market viability gap

TRIP Road Improvements



TRIP Site
Illustrative Development Concept

TRIP Development Concept Plan

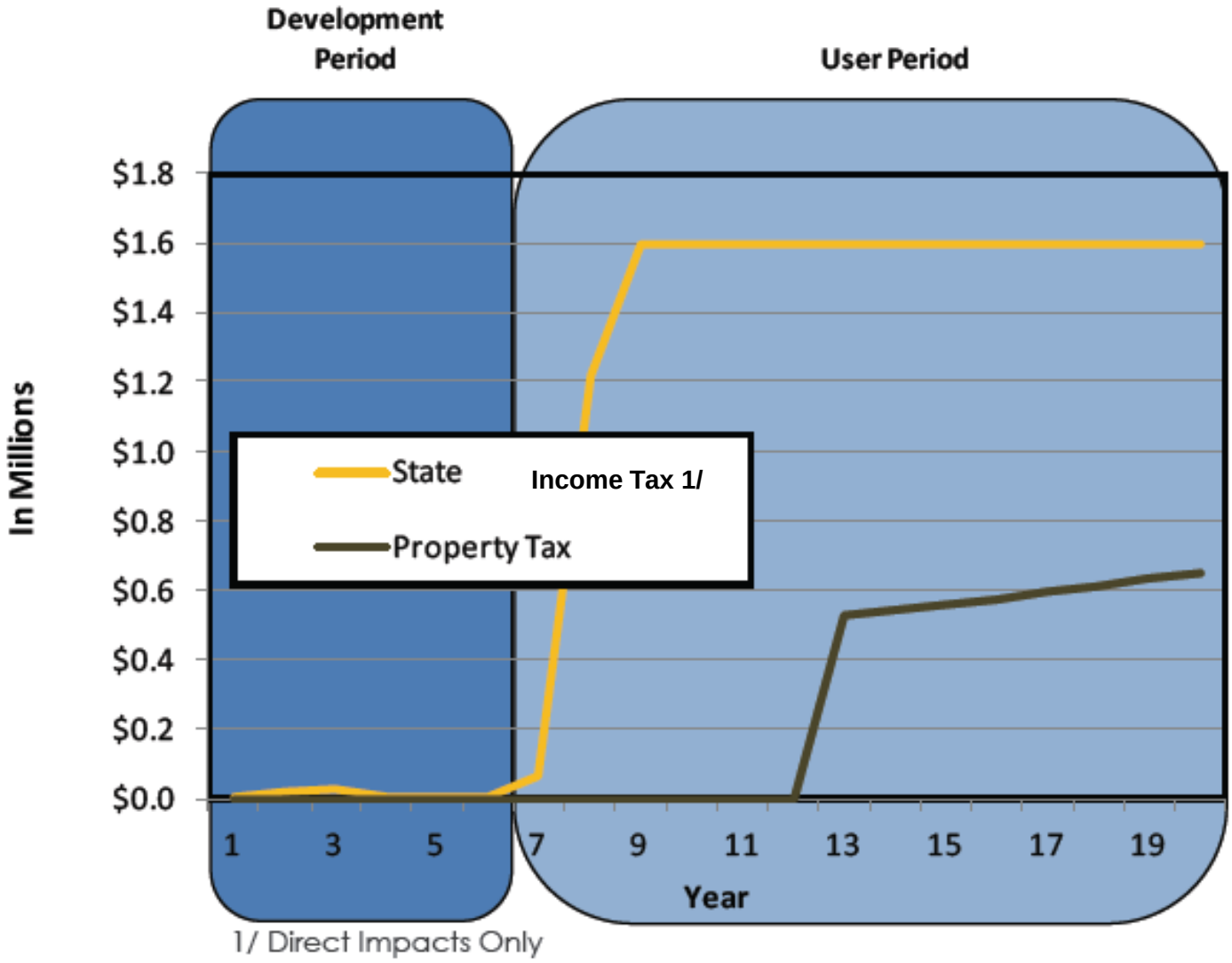
Total Building Size	Projected Electrical Demand	Project Electrical Grade	Total Building Cost	Facility Construction Cost	Facility Construction Cost	Total
1,020,000 Sq. Ft	5 Mega Watts	1	$25,500,000	Avg. sf = $25	Hard Costs = $25,500,000 Soft Costs = $ 5,100,000	$30,600,000

Site Use	Description of Development Concept Site Use
Regional distribution center	Single user distribution center; similar uses such as Subaru or FedEx

Development Concept Costs

Off-Site Costs and Construction Terms	
Water: Start Period (months back): Term:	$14,000 63 6
Sewer: Start Period (months back): Term:	$187,500 63 18
Stormwater: Start Period (months Back): Term:	$255,000 63 18
Transportation: Start Period (months back): Term:	$4,825,000 63 24
Off-Site Total Costs	$5,281,500
On-Site Costs and Mitigation Terms	
Wetland Mitigation: Start Period (months back): Term:	$5,494,750 45 18
Slope Mitigation: Start Period (months back): Term:	$4,750,000 45 33
Building Pad Surcharge: Start Period (months Back): Term:	$1,486,000 59 59
Floodplain Cut/Fill Mitigation: Start Period (months back): Term:	$0
Environmental Cleanup: Start Period (months back): Term:	$3,025,000 51 6
On-Site Total Costs	$14,956,750
Total Costs	$20,237,250

TRIP Site
Potential Economic Benefit



Potential Benefits 12 Study Sites

- Total Direct Jobs 12,500.
- Average Annual Wage Level $97,000.
- Total Property Tax over 20 years $217 million.
- Total State Payroll Tax over 20 years (direct jobs only) $764 million.
- Total State Payroll Tax over 20 years (direct and indirect) $2.3 billion.

Study Conclusions

- Few large sites available in Tier 1 and Tier 2 raise the potential of lost opportunity
- Market choice is more limited for larger 50+ and 100+ acre sites
  - Larger sites are more complex and take more patience to acquire and develop
  - Parcel aggregation is a key issue to supplying larger sites

Study Conclusions

- Significant financial and time to market hurdles for Tier 2 and Tier 3 sites
  - Infrastructure funding a key need, with transportation being the largest line item
- Significant economic benefits from investment
  - Jobs, payroll and property taxes
- State's general fund potentially a big winner from associated job growth

Policy Implications

- Improvements to regulatory processes that reduce uncertainty for firms seeking sites
- Support for and expansion of existing business development programs
- Creation of new capital tools
- Completion of due diligence work on sites

Full Report

http://www.oregonmetro.gov/index.cfm/go/by.web/id=41627

Or

http://www.valueofjobs.com

INDUSTRIAL SITE READINESS
Concepts for 2013 Legislation

The need:

- Large industrial employers are often seeking sites on quick timelines tied to their manufacturing cycles and are unwilling to commit to sites with significant constraints or uncertainties. The availability of large market-ready industrial sites is thus a key asset for areas hoping to expand or attract traded-sector jobs.
- Yet many regions of the state lack an adequate supply of such sites. Even when sites are zoned, planned and designated for future industrial jobs, significant investments may be required to make them market ready. These investments may include due diligence and capital investments for transportation, sewer, water, brownfield cleanup, wetland mitigation and site aggregation.
- Many property owners and jurisdictions are unable to afford these investments, or are unwilling to incur significant up-front costs without some level of risk-sharing.
- A recent study on industrial land site readiness in the Portland metropolitan region underscores these points. The study was commissioned by NAIOP (the Commercial Real Estate Association), the Portland Business Alliance, the Port of Portland, Metro and Business Oregon.
- The Oregon Economic Development Association and other economic development districts echo these concerns for other regions across the state.

The opportunity:

- Potential economic benefits from successful traded-sector development (direct and indirect jobs, income and property tax revenues) are significant.
- Growth in income tax revenues would make the state's general fund the largest beneficiary from an increase in traded-sector industrial jobs. In many cases, the state's potential benefit exceeds the cost of addressing the constraints that are preventing a site from being ready for employers to use.

The solution:

State assistance to reduce the cost and risk to property owners and local jurisdictions of making large-lot industrial sites market-ready.

Concepts for 2013 legislation:

- **Due diligence grants:** Make available a limited pool of grants for eligible projects to conduct necessary investigations to better understand constraints on large industrial sites and reduce risk and uncertainty about site preparation costs needed to attract private capital. A portion of the grant funds may also be used to assist regions in conducting an inventory and readiness assessment of large industrial sites in their area.

(over)

- **Direct site preparation assistance:** Provide forgivable loans and/or low or no interest loans to local governments and property owners to underwrite a portion of the costs of site preparation, subject to specified eligibility criteria (e.g., site investment plan, "but for" evaluation, new traded-sector jobs to Oregon, wage premium). Loans would be partially forgiven based on realized state income tax gains from successful traded-sector investment in the site.

Return on Investment, 10 Case Study Sites

Market viability gap* for case study sites (20-year cost at 5% annual interest)	$192 M
State's 50% share of market viability gap†	$96 M
Return on investment	
• Net increase in state income tax revenue over 20 years (direct jobs only)†	$622 M
• Net increase in state income tax revenue over 20 years (direct and indirect jobs)†	$2.1 B
• Net increase in property tax over 20 years†	$90 M
• Direct jobs	11,000
• Average annual wage	$100,000+

(Source: Regional Industrial Site Readiness Report, August 2012. The report examined 12 case study sites, but two of the sites did not have a market viability gap.)

* * The market viability gap is the difference between the future market value of the site and the total investment needed to make the site market ready, including site acquisition costs, on- and off-site infrastructure and mitigation costs, soft costs, risk and time costs.

† These net investment and tax generation numbers assume the state and local jurisdictions will each be responsible for 50% of the market viability gap.

For more information:

www.valueofjobs.com/land_study_2012/ls_land_readiness.html
www.oregonmetro.gov/sitereadiness

Contact:

Bernie Bottomly, Portland Business Alliance, 503/552-6746, bbottomly@portlandalliance.com
Randy Tucker, Metro, 503/481-9455, randy.tucker@oregonmetro.gov
Annette Price, Port of Portland, 503/415-6060, annette.price@portofportland.com

REGIONAL INDUSTRIAL SITE READINESS
OPTIONS FOR NEXT STEPS

The Regional Industrial Site Readiness project found that many large industrial sites in the region are not development-ready, potentially causing the region to miss business growth and recruitment opportunities and the jobs and payroll they represent. The Project Management Team identified five major areas of potential next steps that could be helpful in the region and statewide. The options listed here are meant to be the beginning of a dialogue.

1. Improvements to regulatory processes that reduce uncertainty for firms seeking sites

Existing permitting processes exist for good reasons, but sometimes add uncertainty and extend development timelines to the extent that firms may choose sites in other regions, states, or countries. Options could include: alignment of federal, state, regional and local permitting processes; allowing wetland permitting and mitigation prior to identifying a site user; prioritization of technical assistance and funding; and dedicating staff with industrial development expertise within state permitting agencies.

2. Support for and expansion of existing business development programs

Existing programs like the Immediate Opportunity Fund (IOF), the Special Public Works Fund (SPWF), and Business Oregon's Industrial Site Certification and Decision Ready Program deserve ongoing support. Programs like IOF and SPWF could be expanded to allow communities to use them to prepare sites for a range of uses before an end user has been identified. Expansion of brownfield technical assistance and remediation efforts also merits support.

3. Creation of new capital tools

New or refined tools are needed to address the upfront costs of capital investments for transportation, sewer, water, brownfield cleanup, wetlands mitigation and site aggregation. Because of the income tax benefits that accrue to the State when large firms locate here, the State could play a role in providing upfront capital for industrial land site preparation. Incentives for maintaining and assembling large acre sites and addressing wetlands (wetland banks, technical assistance) could also be considered.

4. Completion of due diligence work on sites

Due diligence work such as scoping environmental cleanup, understanding the scale of wetlands, and producing preliminary cost estimates for mitigation helps to remove uncertainty surrounding sites. A relatively small investment in due diligence work could catalyze accelerated site preparation.

5. Completion of follow up studies

Annual updates to the metro area inventory and due diligence on sites within the Urban Growth Boundary could significantly benefit the region's economic development efforts. Statewide application of this methodology could benefit other regions.

REGIONAL INDUSTRIAL LANDS SITE READINESS STUDY
POLICY IMPLICATIONS

The Industrial Lands Inventory Project found that the region lacks a robust supply of readily developable large-lot high wage traded sector industrial lands and may be missing business growth and recruitment opportunities – and the jobs and payroll they represent – as a result. The project also found, through a sampling of potential large industrial sites, that there are significant challenges facing public and private entities in bringing potential sites to development-ready status. Those challenges range from the cost of transportation infrastructure to the time and uncertainty of the permitting process to the complexity of ownership aggregation. At the same time, the analysis showed that there is tremendous job creation potential and hundreds of millions in state and local tax revenue to be gained by the successful development of these sites.

Site selection decision timelines are getting shorter in order to meet companies' needs to bring goods and services quickly to market. There are limited financial tools and patient development capital available to address sites with higher degrees of complexity. The private credit market is extremely tight and private developers generally are unable to finance projects with significant upfront capital investment, longer term paybacks and regulatory uncertainty. Public sector resources and financing tools that could play a role in infrastructure and site development are also limited.

Successfully addressing the region's traded sector industrial lands requirements will require both private and public sector ownership and development initiatives. Regional strategies need to provide better tools and more coordination for both the public and private sector developers.

Similar challenges to ensuring an adequate supply of readily developable land for traded sector industries exists throughout the state. Additional tools and strategies, particularly those that envision expanded partnerships with the state, would benefit not just the metro area but economic development efforts statewide.

Given our review of the barriers found in the study and the positive financial impact of successful development, the Project Management Team identified five major areas of potential public policy initiatives:

- Changes to the regulatory process/framework that shorten timelines and reduce uncertainty will encourage more private-sector investment and reduce time to market for industrial sites.

- A number of existing programs provide significant benefit in preparing industrial sites for development. Those programs should be retained and, if possible, expanded to allow communities to use them to prepare sites for a range of uses before an end user has been

identified and, in doing so, increase the opportunities to successfully recruit new or expanding firms. Broadened eligibility for programs for prioritized sites may also be worth exploring.

- New or refined tools are needed to address the cost of capital investments for transportation, sewer, water, brownfield cleanup, wetlands mitigation and site aggregation.

- Early investments in due diligence associated with site readiness are key to reducing risk and timelines for moving sites to market. Some sites could attract private capital if the cost and timeframes for bringing them to market were known.

- Additional research on the availability of industrial land and annual updates to the metro area inventory could significantly benefit the region and state's economic development efforts.

The Project Management Team forwards the following recommendations to address these three public policy arenas for further analysis by the appropriate state, regional and local public officials and entities.

1. Changes to regulatory framework:

1.1. Ensure better regulatory alignment between federal, state and local permitting processes. For example, the Oregon Department of State Lands and Department of Environmental Quality wetland permit review processes could be better coordinated to speed permitting. Coordinate with federal agencies (U.S. Corps of Engineers and National Oceanic and Atmospheric Administration) on review wherever possible.

1.2. Adopt new approaches to wetland permitting and mitigation prior to development. Currently, many wetlands cannot be permitted and mitigated without a defined use. However, it is difficult to recruit a user if the site poses significant permitting uncertainties and risk due to the presence (real or suspected) of wetlands. Mechanisms should be explored that allow developers and agencies to provide certainty around wetlands mitigation before a specific user is identified. As an example, the regional general permit work currently being done in Linn/Benton Counties can serve as a model for other areas of the state.

1.3. Establish a mechanism for regional and local leaders to identify market ready critical industrial sites of regional significance. State prioritization of technical assistance and funding should be consistent with this regional prioritization.

1.4. Streamline and prioritize the local business development permitting process for large lot traded sector sites. Local permitting processes are key elements of the development timeline. Uncertainty regarding local permitting adds significant risk to development plans, increasing costs. Some local jurisdictions are actively engaged in reviews and innovations to improve their timelines for permit approvals. These actions should be supported, rewarded and provide opportunities for sharing of best practices. The Community Investment Initiative is exploring model programs that would assess the efficiency of local permitting and reward more efficient processes.

1.5. Dedicate staff with industrial development expertise within state permitting agencies to review and facilitate site readiness. This could be through a focused effort by the Regional Solution Centers.

2. Support for and expansion of existing business development programs:

2.1. Continue funding for the state's Immediate Opportunity Fund (IOF) through the Oregon Department of Transportation and Special Public Works Fund (SPWF) through the Business Oregon's Infrastructure Finance Authority.

2.2. Change SPWF statutes or establish a separate funding program to allow public funding to benefit privately owned property sponsored by local jurisdictions to address off-site infrastructure site readiness deficiencies. Explore public-private partnerships that would allow private sector access to these programs while maintaining public sector involvement.

2.3. Continue support and funding for Business Oregon's Industrial Site Certification and Decision Ready Program. The continuation of this program is essential for identifying and mitigating issues that delay site development. Comprehensive site due diligence financing should be considered with payback upon property sale. This will provide the information necessary to identify key constraints that can be addressed to make the site development ready and reduce uncertainty and risk.

2.4. Continue and expand state and regional support for brownfield technical assistance and remediation efforts. Explore the feasibility of adopting recommendations from the Metro and Portland brownfield studies.

3. Creation of new capital tools:

3.1. Evaluate the potential for greater state participation in site preparation costs through a lottery grants, bonding or tax increment finance-type mechanism based on the significant additional general fund tax revenue derived from successful developments. Options for state participation in such a program could take one or more of the following forms:

3.1.1. Full state participation in partnership with local or regional entities wherein the state shares the same level of development risk as those entities.

3.1.2. State loan forgiveness of 50% of local capital investments based on actual state personal income taxes derived from development after it has occurred so the state takes no risk.

3.2. Explore the potential for state and regional capitalization of one or more patient developers with a lower sensitivity to time and risk, such as a port district or regional capital investment entity as envisioned in the Community Investment Initiative and Oregon Growth Fund. Such entities can play a key role in aggregating, holding and moving industrial sites to market readiness. Creating a financial structure that would allow a private developer to utilize public programs that would reduce their risk is an option that would take advantage of private investment capital. This option could also be a way to attract sovereign foreign investment capital.

3.3. Explore new options and incentives for maintaining and assembling large acre sites at the state and regional level (e.g., industrial tax deferrals, optioning and land trusts/banks). Evaluate best

management practices and recommendations from Metro's parcelization study to encourage the assembly of larger sites.

3.4. Establish state and regional wetland banks. Available wetland banks reduce the time and acreage needed to mitigate on-site wetlands. Property owners, developers, or users are able to acquire the appropriate wetland permits, write a check to the wetland mitigation bank and simply fill the on-site wetlands, which saves time and potentially increases the net developable acres for on-site development. Metro may be able to play a role in wetland banking.

3.5. Elevate wetlands to the level of brownfields in terms of funding, policy support and technical assistance. Wetlands are a more widespread difficulty and deserve a funding source much like existing brownfield funding. A wetland revolving loan program should be investigated. The budget and staffing for the program should be available statewide and should reside outside the regulatory agency.

3.6. Create a regional dirt exchange program (bank) for site fill and grading purposes. The need to add and remove clean fill dirt in an expeditious manner has been identified as a crucial issue for many industrial sites.

4. Support funding for due diligence:

4.1. Funding for due diligence work such as scoping environmental cleanup, understanding the scale of wetlands and preliminary cost estimates for mitigation and other permitting challenges could give private investors and owners more confidence to make investments that move sites forward. A relatively small investment in due diligence work could catalyze accelerated site preparation.

5. Explore follow-up studies:

The project management team has identified a number of areas where expanded research could provide additional benefit to the region and the state. These include:

5.1. Annual update of the regional inventory and completion of due diligence on all sites in inventory: The inventory from Phase 1 is a snapshot from fall 2011. An annual update of the Phase 1 inventory is needed. Completion of due diligence of the remaining 36 Tier 2 and Tier 3 sites in the Portland metro UGB would help the region prioritize investments and move sites to development.

5.2. Demand for industrial land: Questions that need to be addressed include: what is the demand for industrial sites from a national perspective; what supply by acreage is needed to be competitive; and what is the business- decision-making timeframe for industrial development? The recent Phase 1 inventory and Phase 2 analysis was focused on land supply.

5.3. Large lot absorption and missed opportunities: Better understanding of the history of large lot absorption is also needed as well as a better understanding of the missed opportunities in the state over the past 10 years. The latter poses data challenges, as much of this is anecdotal. However, a survey of national site selectors can help refine understanding of the Portland

region's challenges. This effort should actively engage the private brokerage and development community.

5.4. Further study related to redevelopment sites: Agreement on methodology to better understand the economics of redeveloping sites for industrial purposes is needed.

5.5. Statewide application of methodology: The methodology developed for the Industrial Lands Inventory Project should be scaled for broader use. Both the Phase 1 and Phase 2 analysis of the study could be applied statewide. Other regions and properties could benefit from the methodology; other regional geographies could be examined (rail and highway corridors), and reports could be tailored to the needs of specific industries (e.g., logistics centers, clean tech, food processing, bio tech, data centers, etc.).

The suggestions listed here are meant to be the beginning of a dialogue on creating effective tools and policies for ensuring the region and state has a supply of market ready industrial sites.

Parks can be Key to Economic Development

Ocotober 17, 2012

Janet Bebb, Metro
Robin Craig, GreenWorks PC

Meeting Multiple Objectives

All public investment today needs to serve mulitple benefits.

Meeting Multiple Objectives Example: Barbur Concept Plan

Interviews with 4 Developers

Under what circumstances does open space sell your product?

When does open space not matter to your work?

When can open space be detrimental?

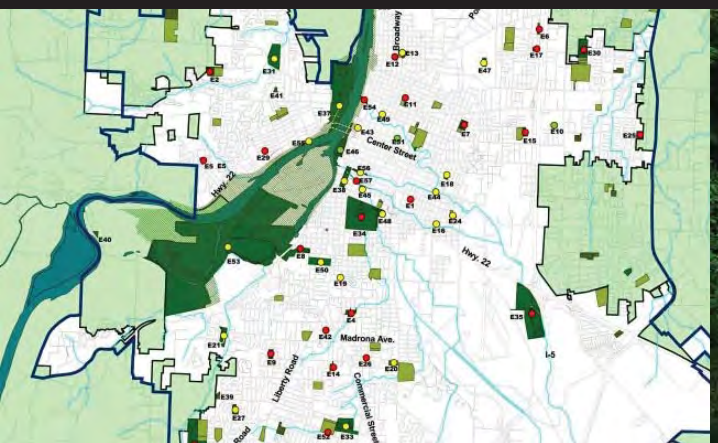
- Matt Brown, Loci Development
- Dennis Wilde, Gerdling Edlen
- Jim Winkler, Winkler Development Corporation
- Dave Wood, Newland Communities

Strategic Use of Parks

1. Park system master plans - “Traditional Path” - Fills in service gaps

2. Protect natural resources where they occur

3. Strategically use parks, trails, and natural areas to incent a market response



Strategic Use of Parks

- Positioning parks to be part of the solution
- Participate with development program
- Understand developer's perspectives
- Be creative with partnerships

Pearl District - Jamison Park in foreground with an unbuilt Tanner Springs Park plot and vacant plot for the Fields Park just beyond the construction crane. Portland, Oregon (2002)

Guiding Principle #1

Parks have different effects on different types of development.

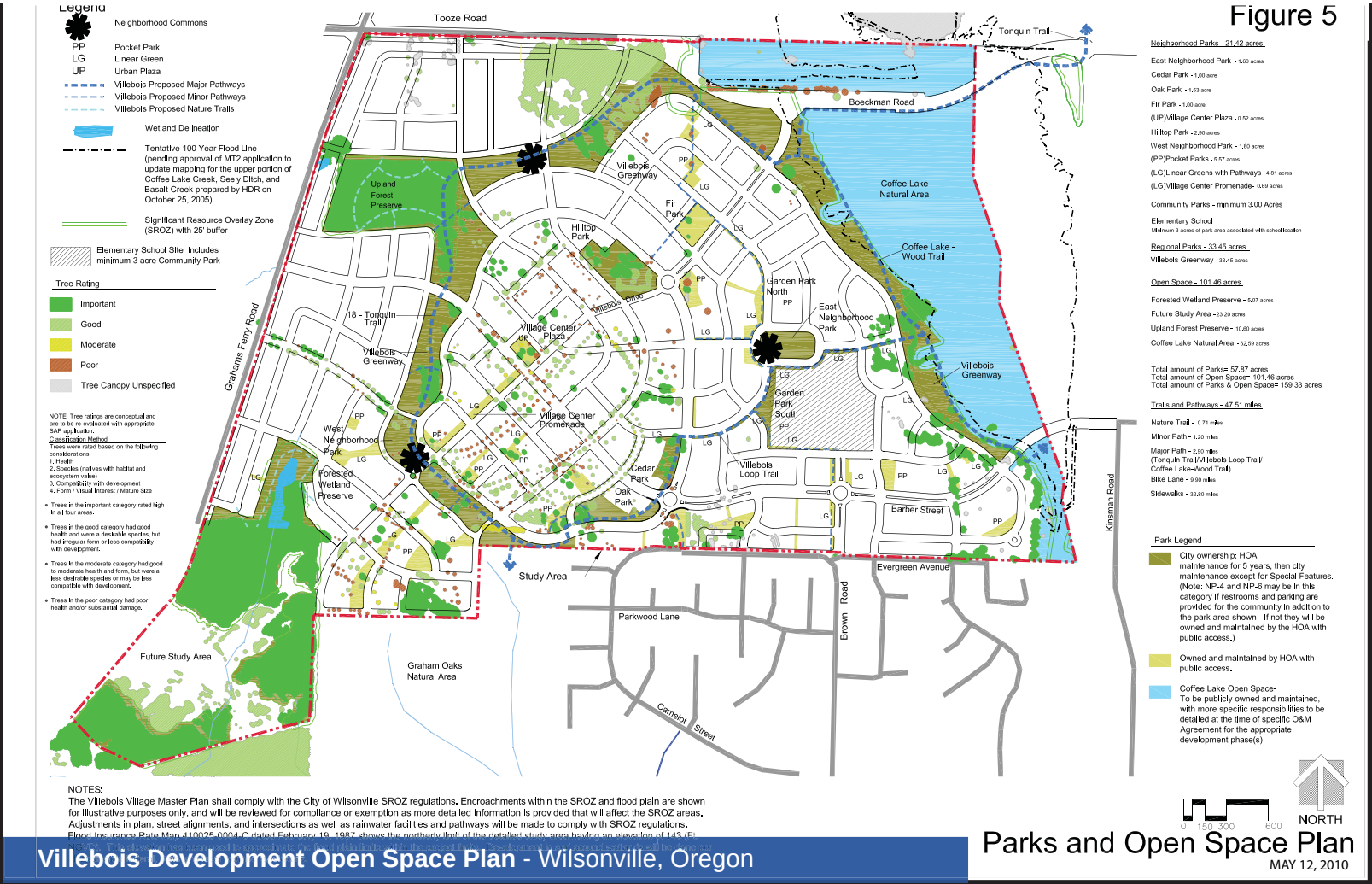
Director's Park during construction - Portland, OR

Director's Park - Portland, OR

- Mixed Use and Complete Communities
- Housing Development - Urban and Suburban
- Commercial and Retail Development

Guiding Principle #2

Parks are integral to creating complete communities.



Villebois Development Open Space Plan - Wilsonville, Oregon

- Urban and Suburban
- Open space and transit are both equally key

"A SURVEY BY THE NATIONAL ASSOCIATION OF REALTORS REVEALED THAT 57% OF VOTERS WOULD CHOOSE A HOME CLOSE TO A PARK OVER ONE WITHOUT AND 50% WOULD BE WILLING TO PAY 10% MORE."

Guiding Principle #3

There are circumstances where parks are irrelevent.

Adidas World Headquarters - Portland, Oregon

Mississippi Avenue Streetscape - Portland, Oregon

Developers told us: *"IN SOME INSTANCES, A PARK SETTING IS NOT NECESSARY TO FOSTER ECONOMIC DEVELOPMENT."*

- Active Streets and Retail
- Secret shoes

Guiding Principle #4

Provide certainty

Developers told us:

"PARKS NEED TO BE BUILT EARLY AND BE IN PLACE PRIOR TO MARKETING DEVELOPMENT."

A future promise is not convincing in a slow market.

Elizabeth Caruthers Park - South Waterfront, Portland, Oregon

Guiding Principle #5

Passive Parks are key; active recreation is not.

Developers told us:

" HOUSING RESPONDS WELL TO PASSIVE RECREATION AND NATURAL AREAS."

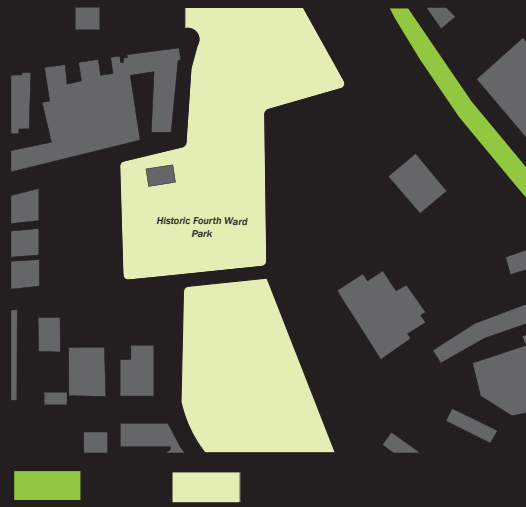
- Walking paths
- Unprogrammed open areas
- Special gardens
- Not active sports

Jamison Square - Pearl District, Portland, Oregon

CASE STUDIES: *BeltLine - Atlanta, Georgia*

Coordination with Transit

Historic Fourth Ward Park - BeltLine, Atlanta, Georgia



TOTAL PROJECT COST: $ 2.8 BILLION
TOTAL COST FOR PARKS: $755 - $910 MILLION
LAND ACQUISITION: $480 - $570 MILLION
PARK AND TRAIL CONSTRUCTION: $275 - $340 MILLION

PROJECTED DEVELOPMENT VALUE:

$20 billion

CASE STUDIES: *Highline - New York, New York*

Re-Imagining Existing Infrastructure

TOTAL COST: $152 MILLION (PHASES I & II)
PRIVATE DONATIONS: $44 MILLION BY FRIENDS OF THE HIGH LINE
SIZE: 6.73 ACRES

PROJECTED DEVELOPMENT VALUE:
$2 billion in private investment

Using Parks Strategically

Town Center

Corridors

Partnerships

Guiding Principle #7

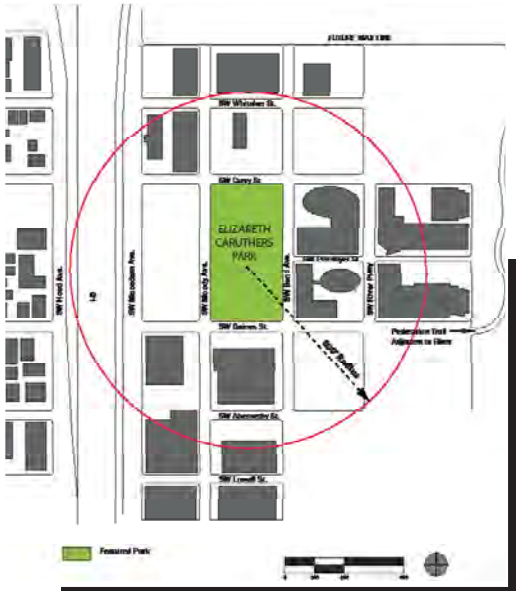
Proximate Principle

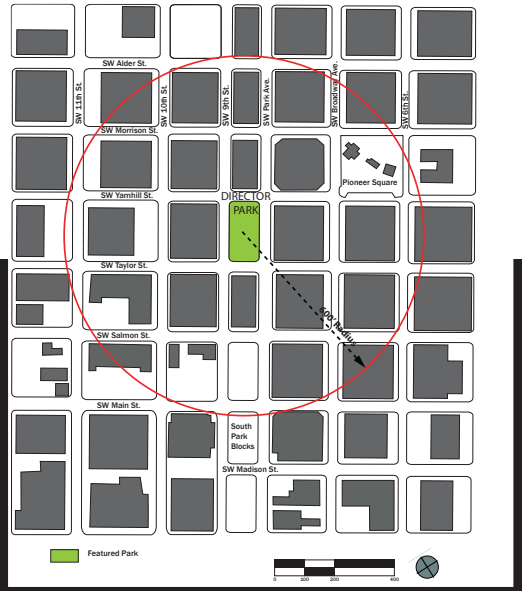
Parks, trails, and open space can have a positive effect on adjacent property values and can lead to proportionately higher tax revenues for local governments.

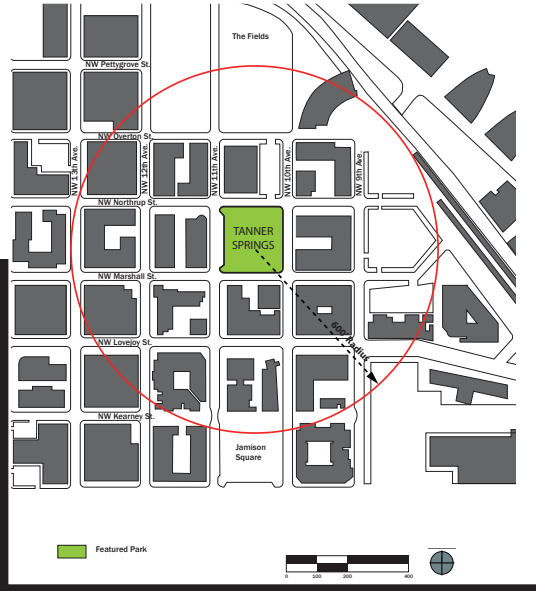
Fifth Avenue and Central Park - New York City, New York

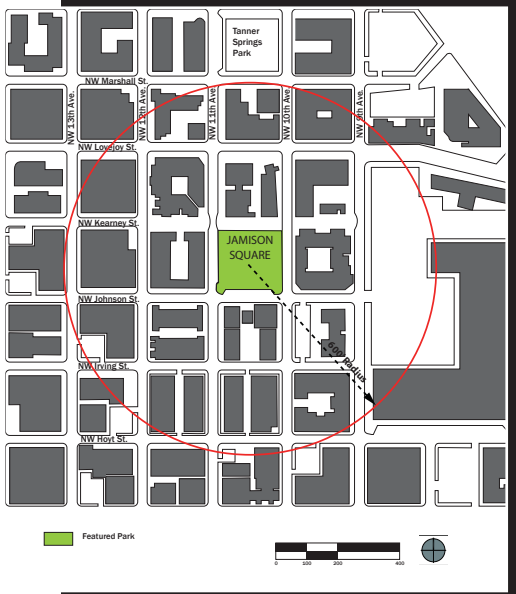
Guiding Principle #7

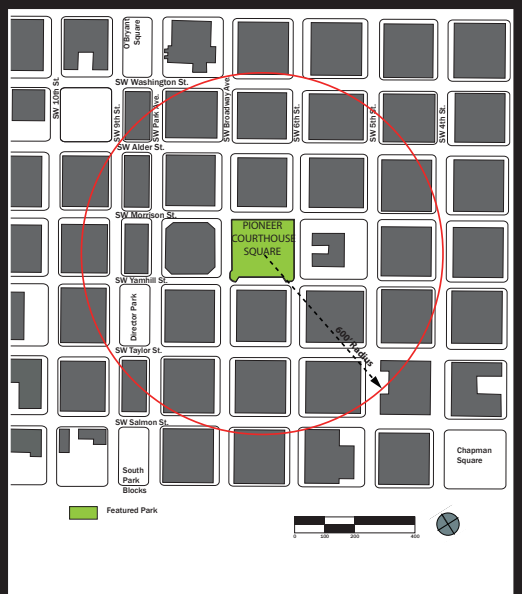
Proximate Principle











STUDIES NATIONWIDE ACROSS URBAN AND SUBURBAN CONTEXTS REVEAL THAT PROPERTIES IN PROXIMITY TO PARKS HAVE INCREASED PROPERTY VALUES RANGING FROM 2% TO 20%. THESE VALUES TYPICALLY HAVE AN INFLUENCE FOR UP TO 600 - 1200 FEET FROM THE PARK.

Guiding Principle #7

Proximate Principle

Graham Oaks Nature Park - Wilsonville, OR

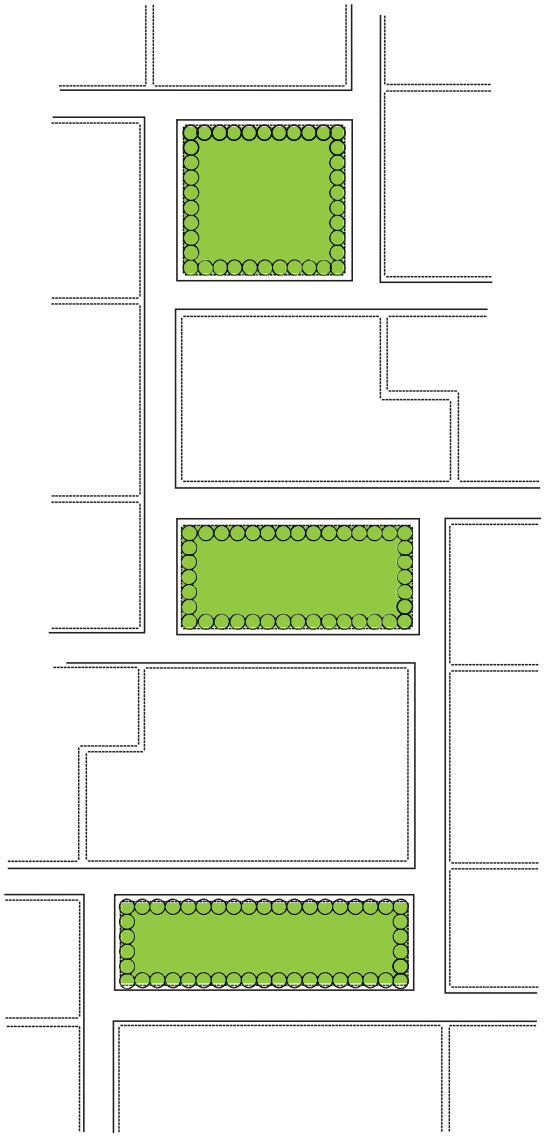
CITY OF WILSONVILLE STAFF TOLD US: “THE VILLEBOIS LOTS ADJACENT TO GRAHAM OAKS NATURE PARK WERE SOLD FIRST AND AT HIGHER PRICES.”

Guiding Principle #7

Linear Parks Principle

Parks can maximize potential frontage properties by creating linear parks.

ELONGATED PARKS ARE PREFERABLE TO SQUARE PARKS IF FUNCTION PERMITS. ELONGATED PARKS INCREASE PARK PERIMETER. A DOUBLE SQUARE PARK WITH THE SAME AREA AS A SQUARE PARK WILL HAVE A 6% LONGER PERIMETER. A TRIPLE SQUARE PARK HAS A 15% LONGER PERIMETER.



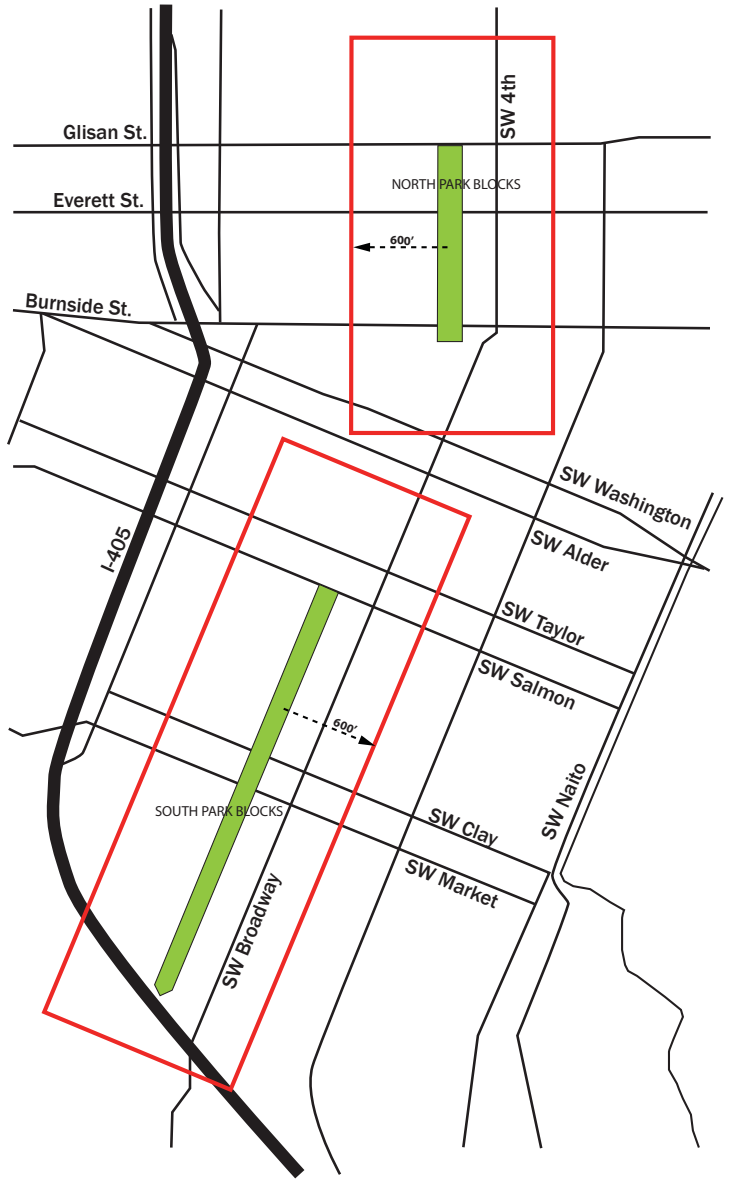
Linear Park Principle - Andrew Ross Miller " Valuing Open Space: Land Economics and Neighborhood Parks"

Guiding Principle #7

Linear Parks Principle

Urban examples include Portland's Park Blocks....

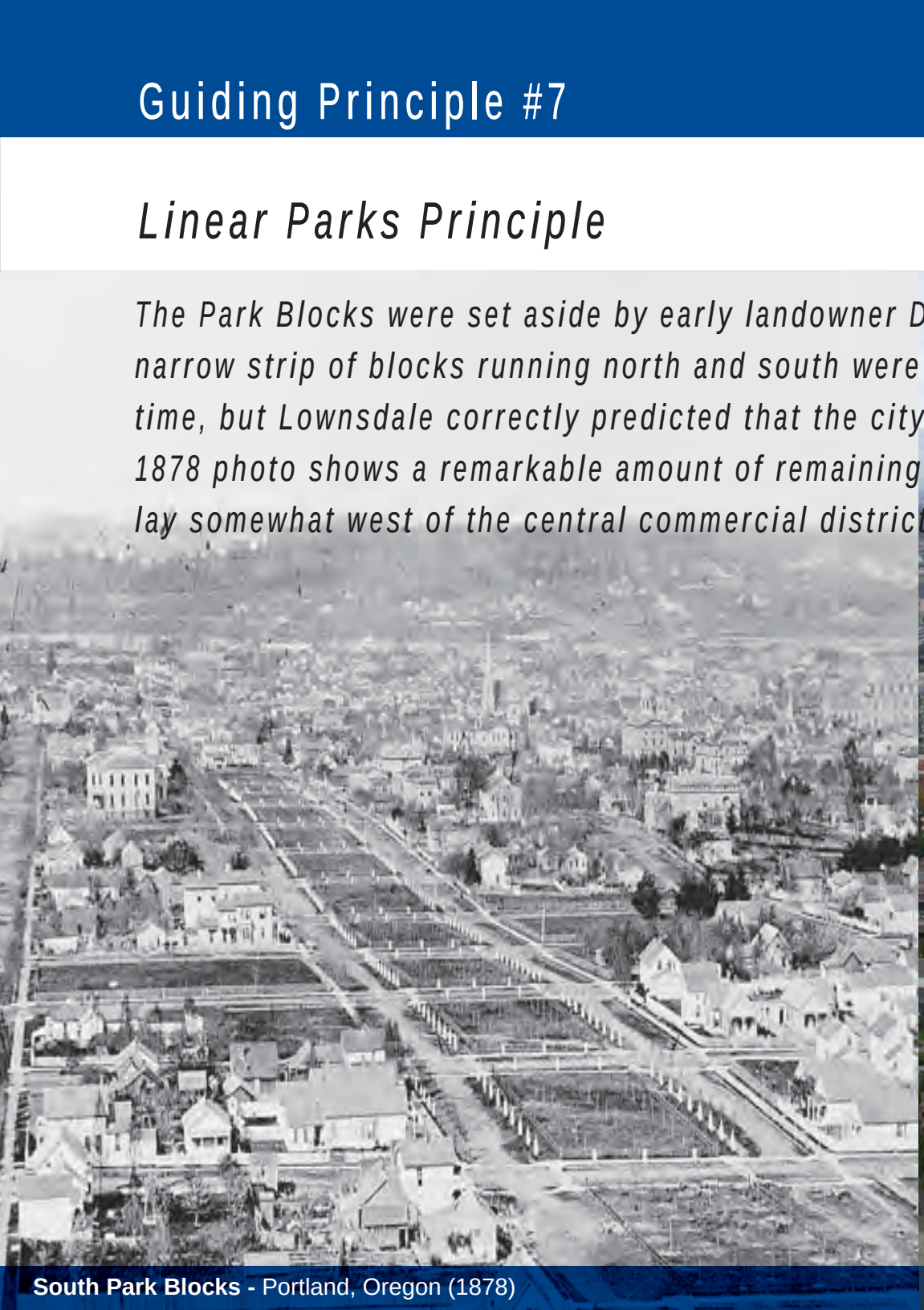
- Maximizes frontage properties



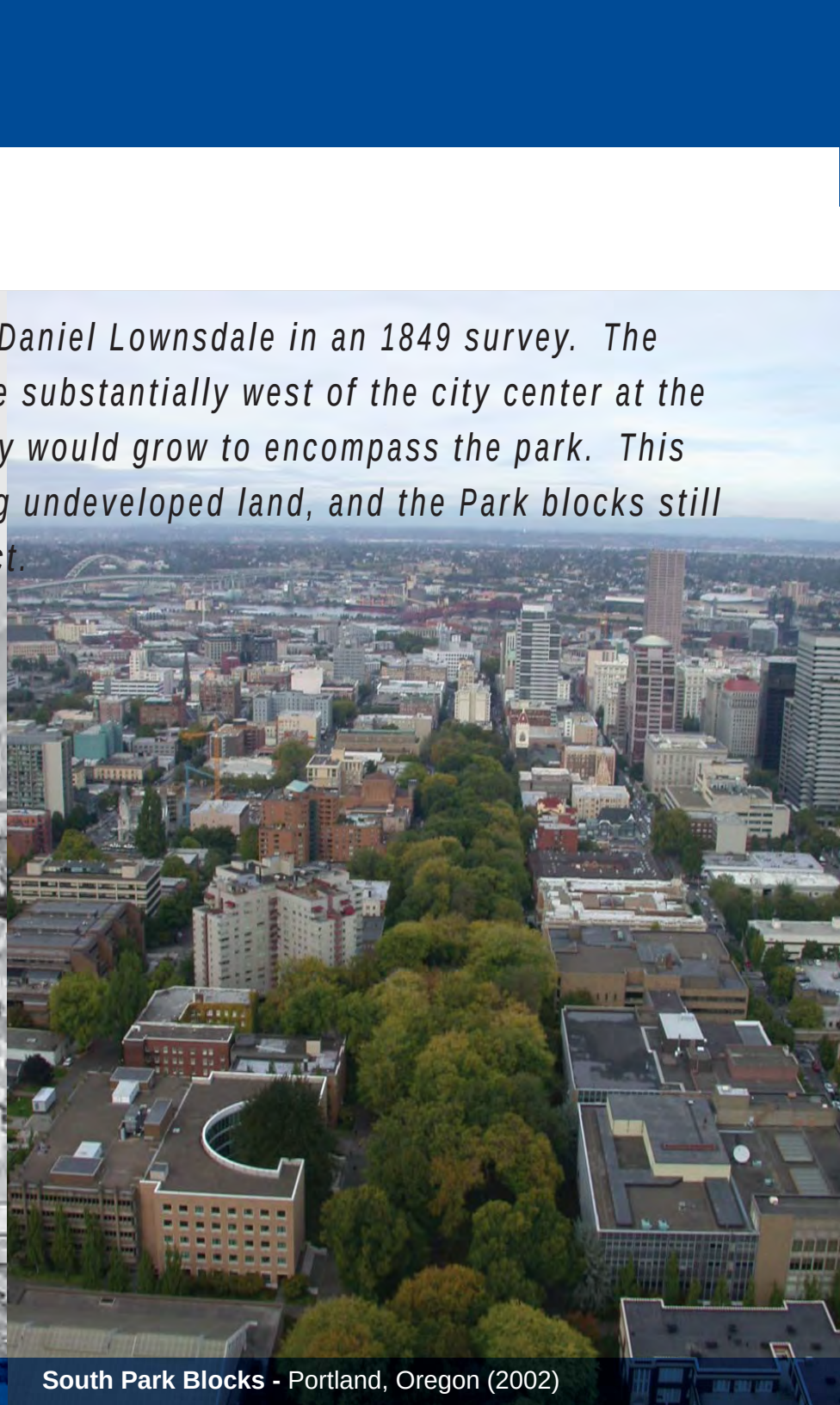
Guiding Principle #7

Linear Parks Principle

The Park Blocks were set aside by early landowner Daniel Lownsdale in an 1849 survey. The narrow strip of blocks running north and south were substantially west of the city center at the time, but Lownsdale correctly predicted that the city would grow to encompass the park. This 1878 photo shows a remarkable amount of remaining undeveloped land, and the Park blocks still lay somewhat west of the central commercial district.



South Park Blocks - Portland, Oregon (1878)

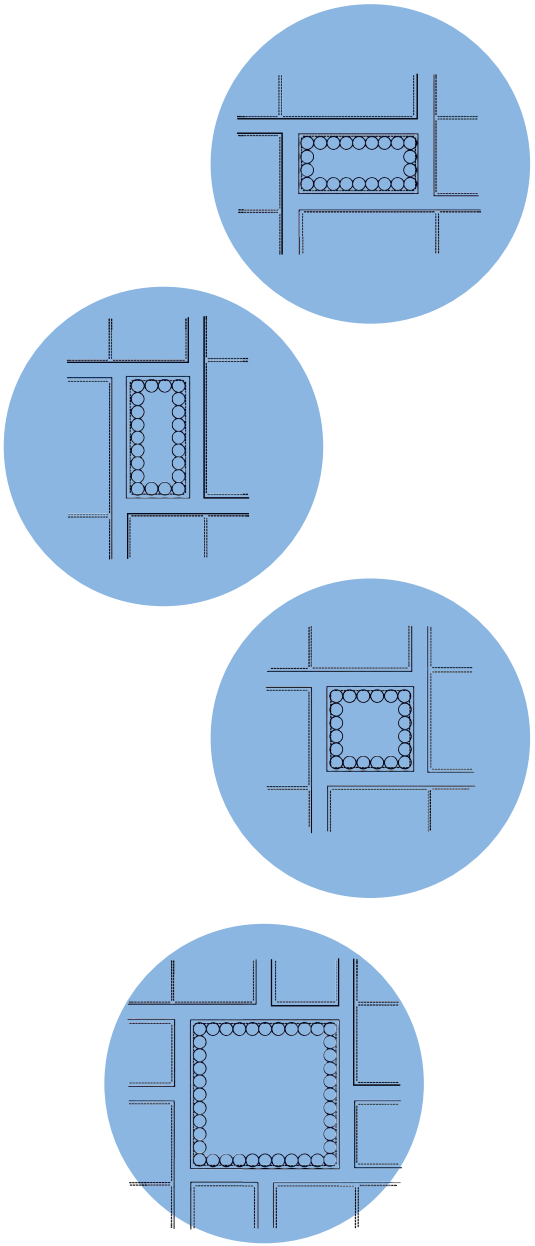


South Park Blocks - Portland, Oregon (2002)

Guiding Principle #8

Park Size Principle

One park of a set area only affects the immediate surrounding properties (sphere of influence) whereas three parks with the same area total as the one park can triple the sphere of influence.



Guiding Principle #8

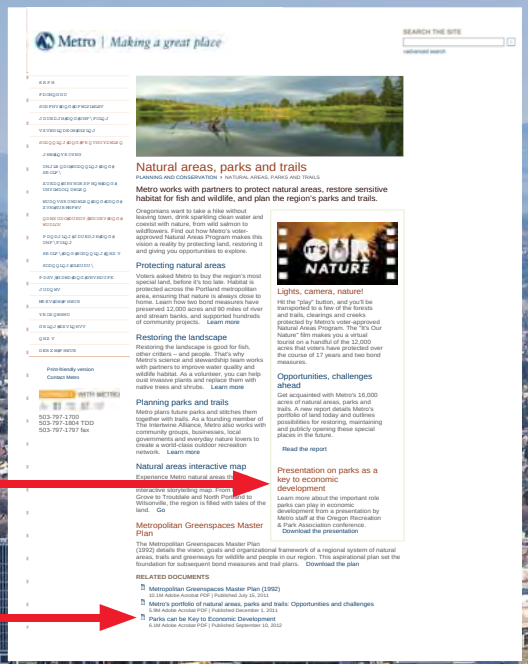
Park Size Principle

The Pearl District in Portland, has been undergoing significant urban renewal since the late 1990s, including the removal of a viaduct and construction of the Portland Streetcar. The "Park Blocks" concept was captured in the Peter Walker master plan to capitalize the frontage property potential on the parks.

Pearl District Neighborhood - Diagram illustrates the "parkshed' capture of neighboring properties

In Closing

www.oregonmetro.gov/naturalareas



Metro 2010 – 2035 Growth distribution

Presentation to MTAC

Mike Hoglund
October 17, 2012

Background

- Helping us build the future we want
- Supporting good jobs and safe, healthy communities
- Based on existing work, informed by local information
- Required by Oregon law

How the process works

- 20-year population and employment forecasts prepared and capacity of UGB analyzed (Urban Growth Report - 2009)
- Metro Council takes action to increase capacity of UGB to meet 20-year needs (2010 and 2011)
- Forecasts distributed at local level to help communities plan for desired futures and meet regional goals (2012)
- Analytical tools updated and forecasts applied to programs, projects, policy discussions (2013)

What the information entails

- Numbers of single-family and multi-family housing units
- Distribution of different types of employment

How this supports ongoing efforts

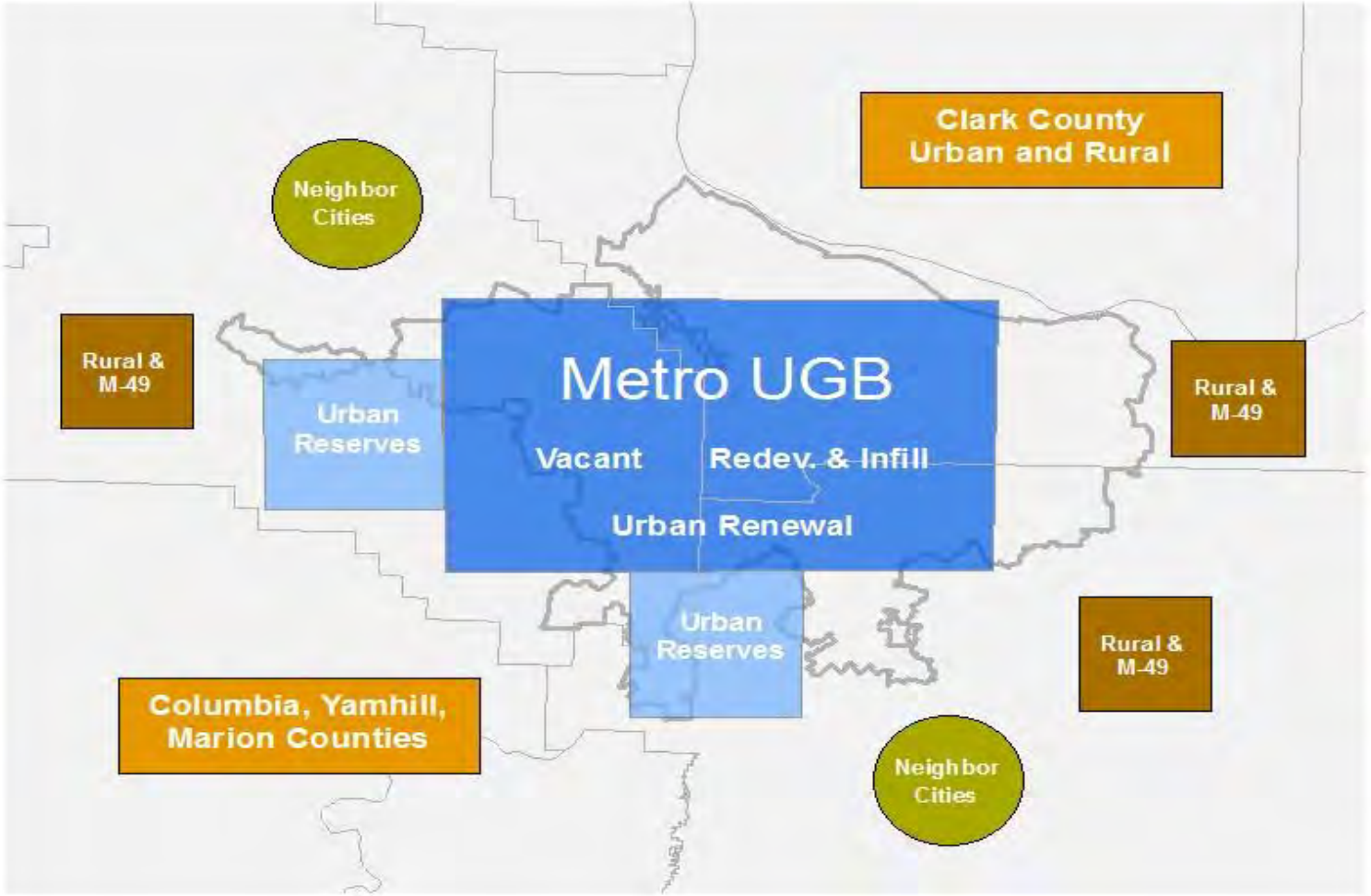
- Local governments:
  - Comprehensive plan updates
  - Transportation system plan updates
  - Plan for extension and upgrade of pipes, roads, other essential public structures
  - Coordination planning in areas outside UGB
- Special districts and schools facility planning and enrollment forecasting

How this supports ongoing efforts

- Climate Smart Communities
  - Informs Envision Tomorrow analysis work with local communities
- Corridor planning
  - Informs investments in transportation facilities and land use plans
- Regional Transportation Plan update (2014)
  - Helps refine and sharpen investment priorities
- The next Urban Growth Report (2014)
  - Sets the stage for the next 20-year forecast

Supply assumptions

Estimated land supply /capacity estimates (buildable land inventory)



Growth distribution: elements

Demand allocation: how does it work?

Policy option inputs

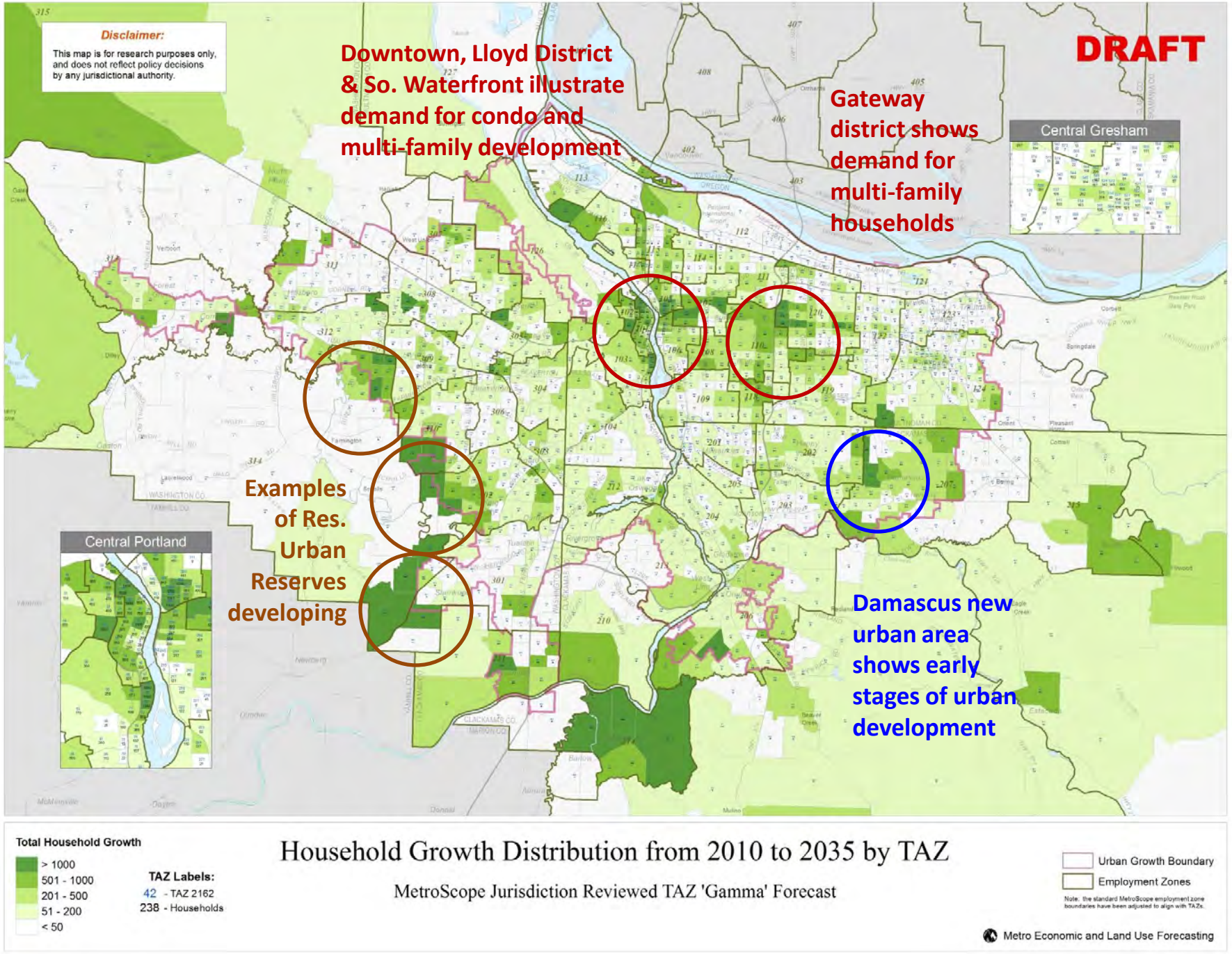
Transport investment –Land use regulation – Regional growth rates

Calculations

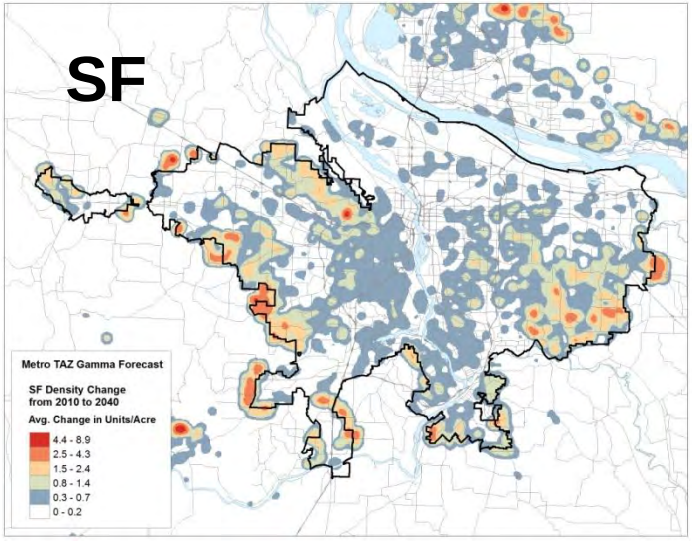
Travel, mode choice, supply of SF/ MF dwelling units, employment supply, travel times, real estate prices, household location by type, etc.

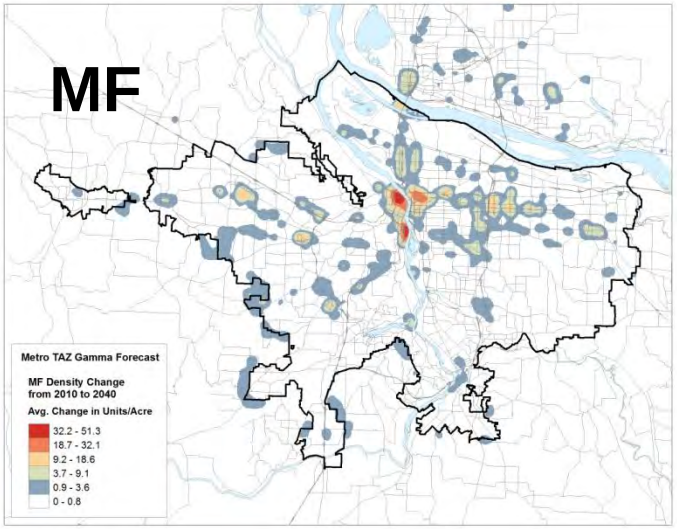
Evaluation indicators

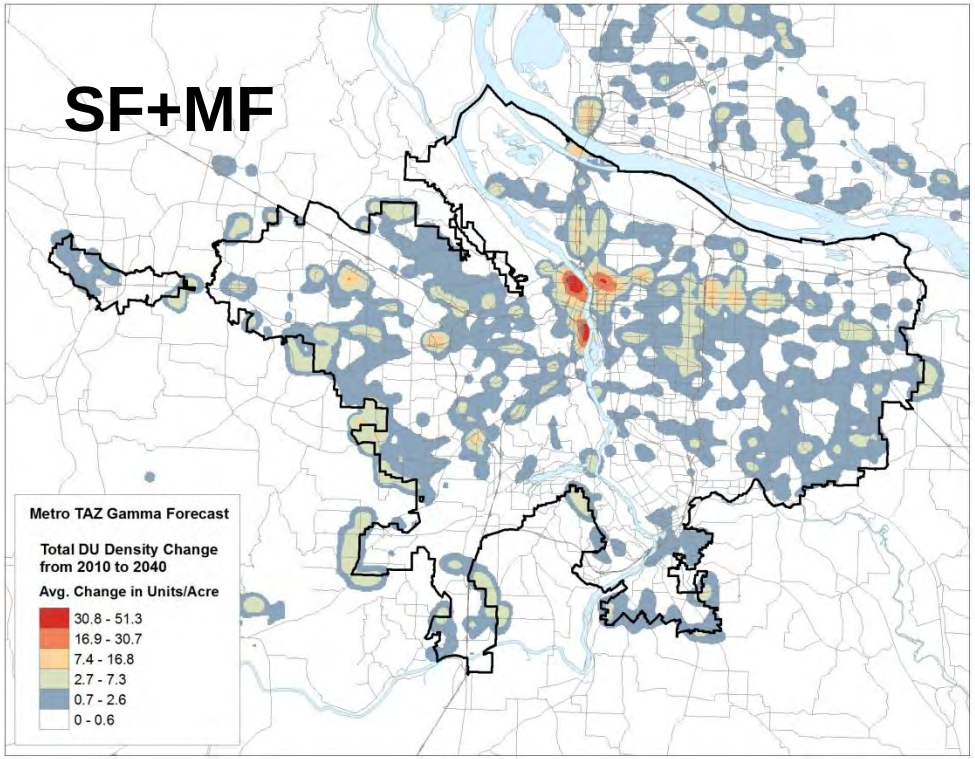
VMT, mode shares, congestion, housing costs by income, transportation costs by income, infrastructure costs, GHG emissions, **land consumption,** etc.


Disclaimer:
This map is for research purposes only, and does not reflect policy decisions by any jurisdictional authority.
DRAFT
Downtown, Lloyd District & So. Waterfront illustrate demand for condo and multi-family development
Gateway district shows demand for multi-family households
Central Gresham
Examples of Res. Urban Reserves developing
Central Portland
Damascus new urban area shows early stages of urban development
Total Household Growth
> 1000
501 - 1000
201 - 500
51 - 200
< 50
TAZ Labels:
42 - TAZ 2162
238 - Households
Household Growth Distribution from 2010 to 2035 by TAZ
MetroScope Jurisdiction Reviewed TAZ 'Gamma' Forecast
Urban Growth Boundary
Employment Zones
Note: the standard MetroScope employment zone boundaries have been adjusted to align with TAZs.
Metro Economic and Land Use Forecasting

Growth distribution: households



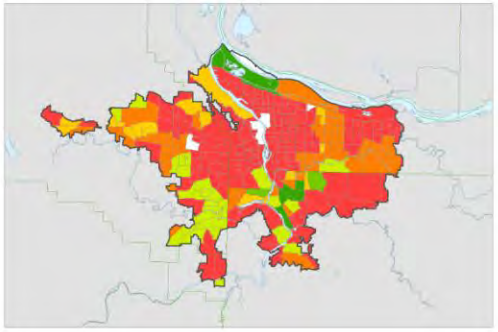




How we see it:

- New single family capacity is used at the edge
- Existing single-family is retained
- Significant multi-family occurs in centers and corridors.

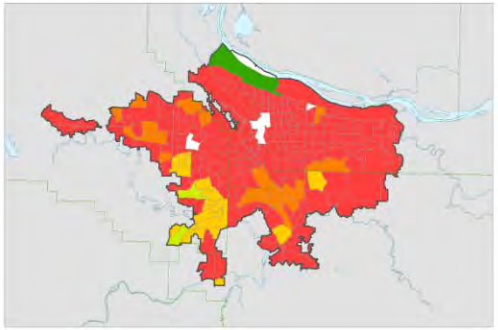
Percentage of Single Family Capacity Used



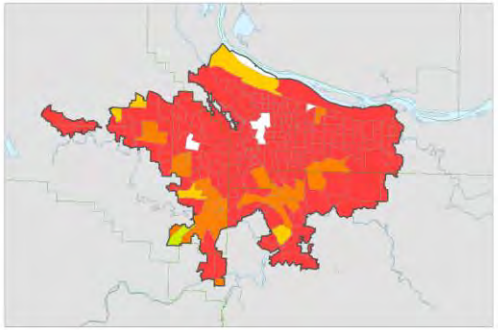
... by 2025

% SF Capacity Used

- 99% - 100%
- 91% - 98%
- 76% - 90%
- 51% - 75%
- 26% - 50%
- 1% - 25%

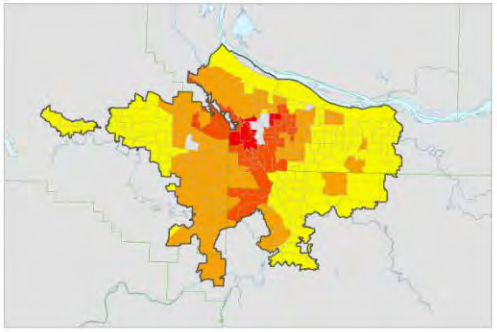


... by 2030



... by 2035

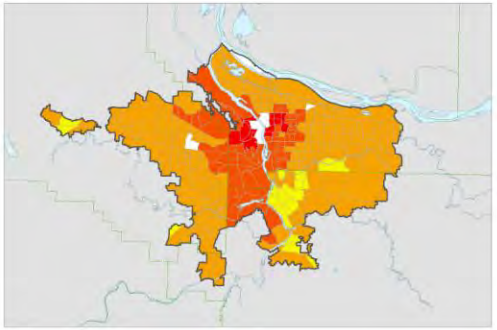
Single Family Location Prices



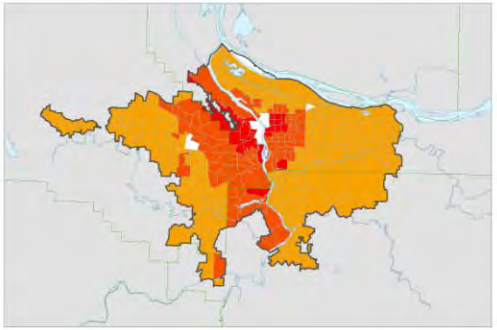
... by 2025

OSF Location Price

- < 1.5
- 1.5 - 2.0
- 2.0 - 3.0
- > 3.0



... by 2030



... by 2035

Disclaimer:

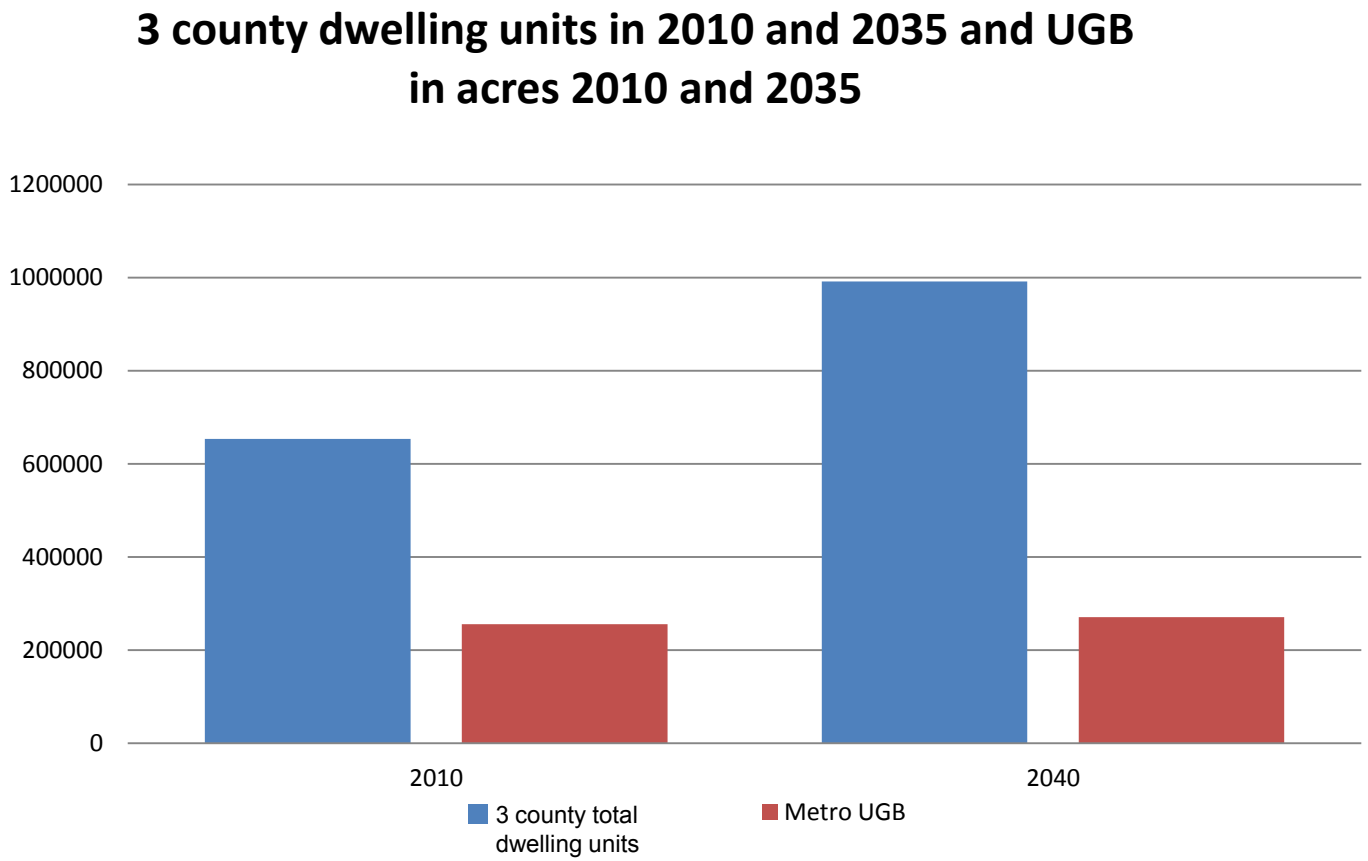
This map is for research purposes only, and does not reflect policy decisions by any jurisdictional authority.

MetroScope 'Gamma' Forecast (Scenario #1218)

Note: data are displayed by MetroScope residential zones.
White areas indicate zones with no single family capacity.

DRAFT

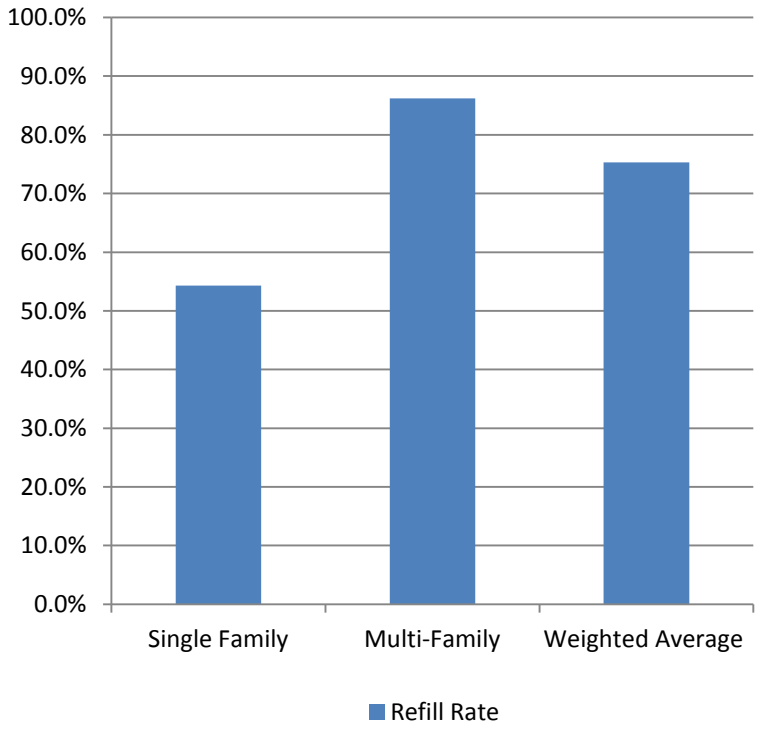
Growth distribution and land consumption



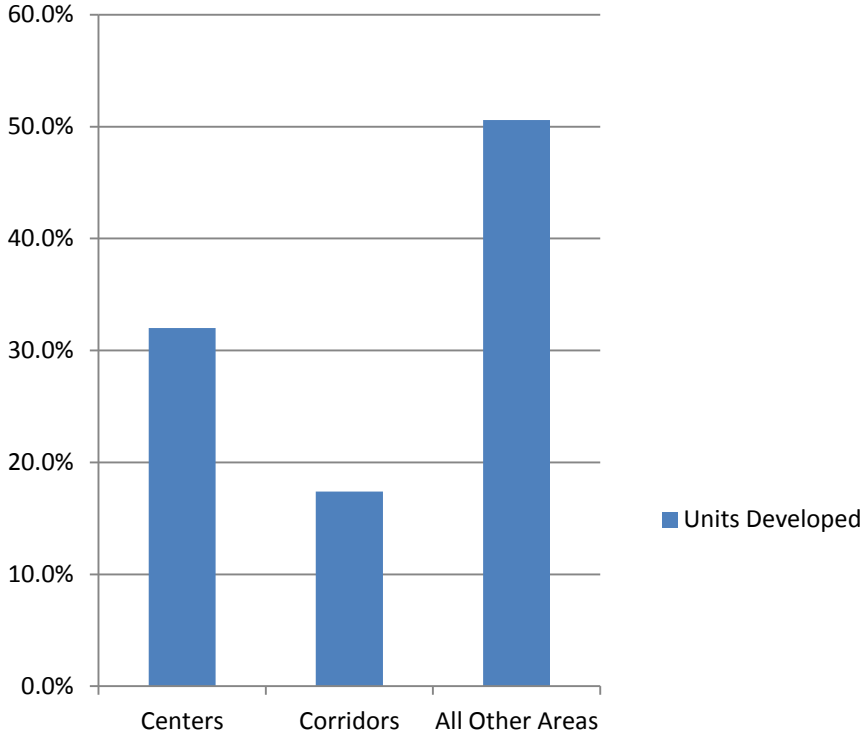
= 40% more households in 10% more area

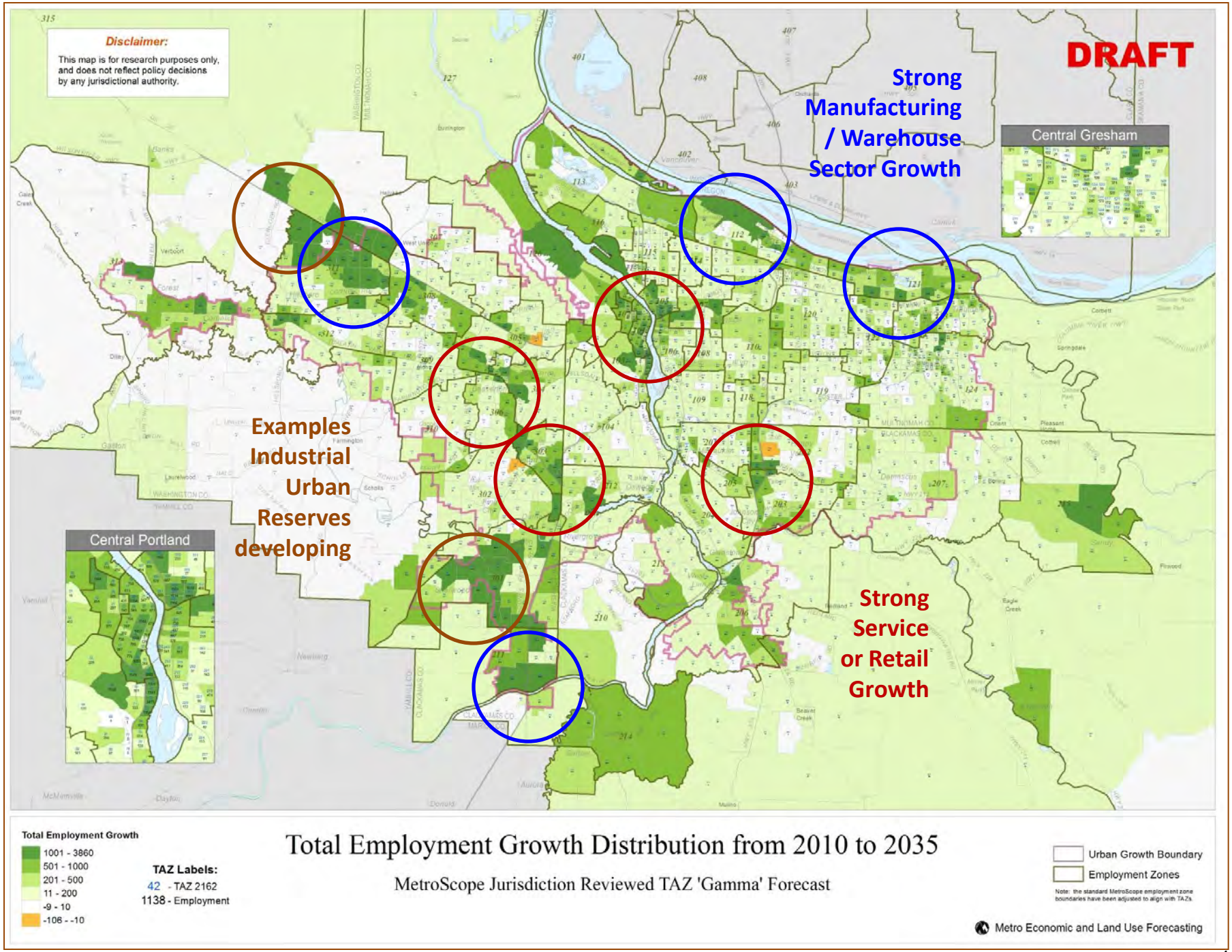
What about refill, centers and corridors?

3/4 of housing growth occurs through redevelopment & infill (i.e. refill rate)



50% of units developed are in centers and corridors




Disclaimer:
This map is for research purposes only, and does not reflect policy decisions by any jurisdictional authority.
DRAFT
Strong Manufacturing / Warehouse Sector Growth
Central Gresham
Examples Industrial Urban Reserves developing
Central Portland
Strong Service or Retail Growth
Total Employment Growth
1001 - 3860
501 - 1000
201 - 500
11 - 200
-9 - 10
-106 - -10
TAZ Labels:
42 - TAZ 2162
1138 - Employment
Total Employment Growth Distribution from 2010 to 2035
MetroScope Jurisdiction Reviewed TAZ 'Gamma' Forecast
Urban Growth Boundary
Employment Zones
Note: the standard MetroScope employment zone boundaries have been adjusted to align with TAZs.
Metro Economic and Land Use Forecasting

Key technical takeaways

Forecast reflects 2040 program objectives

- 32% growth in centers and 17% growth in corridors
- Strong redevelopment and infill (75% refill rate)
- Future residential density rises to 12.3 units per acre
- Growth splits of 60% multi-family and 40% single-family (2010-2035)

Key technical takeaways

Monitoring needs:

- Single-family housing prices 2030 to 2035.
- Capture rate for single-family housing within UGB
- Commute patterns: distribution “tails” for long distance commuters begin to rise

40% increase in UGB population and 10% land absorption (2010-2035)

Proposed research

Proposed improvements to the forecast distribution process:

- Residential choice study enhanced with market segmentation
- Redevelopment supply assumption refinement

Conclusions

Results: The 2010 to 2035 Growth Distribution closely matches the 2040 Plan.

Process: The Growth Distribution process fully reflects local jurisdiction review and capacity for land use/comprehensive plan, redevelopment and infill capacity.

Next: This Growth Distribution identifies opportunities, challenges and research needs to better monitor growth over time and to enhance Metro's UGR & future Growth Distributions.

Where we go from here

- Metro Technical Advisory Committee: Wednesday, Oct. 17
- First reading of ordinance: Thursday, Oct. 18
- Metro Policy Advisory Committee: Wednesday, Oct. 24 (tentative)
- Transportation Policy Alternatives Committee: Friday, Oct. 26
- Joint Policy Advisory Committee on Transportation: Thursday, Nov. 8
- Metro Council vote: Thursday, Nov. 29

Questions

Mike Hoglund
Research Center Director
503-797-1743
mike.hoglund@oregonmetro.gov

Gerry Uba
Principal Regional Planner
503-797-1737
gerry.uba@oregonmetro.gov

BEFORE THE METRO COUNCIL

FOR THE PURPOSE OF ADOPTING THE DISTRIBUTION OF THE POPULATION AND EMPLOYMENT GROWTH TO YEAR 2035 TO TRAFFIC ANALYSIS ZONES IN THE REGION CONSISTENT WITH THE FORECAST ADOPTED BY ORDINANCE NO. 11-1264B IN FULFILLMENT OF METRO'S POPULATION COORDINATION RESPONSIBILITY UNDER ORS 195.036	)	Ordinance No. 12-1292 Introduced by Councilor Kathryn Harrington

WHEREAS, ORS 195.025 designates Metro as the local government responsible for coordination of planning activities within the Metro district; and

WHEREAS, ORS 195.036 requires the designated local government responsible for coordination of planning activities in a region to establish and maintain a population forecast for the area within its boundary and to coordinate the forecast with the other local governments within the boundary; and

WHEREAS, the Metro Council adopted a population and employment forecast for the region by Ordinance No. 11-1264B ("For the Purpose of Expanding the Urban Growth Boundary to Provide Capacity for Housing and Employment to the year 2030 and Amending the Metro Code to Conform") on October 20, 2011; and

WHEREAS, the distribution to specific zones within the region of forecasted population and employment adopted by this ordinance reflects prior policy decisions made by the Metro Council to: (1) use land inside the UGB more efficiently in Ordinance No. 10-1244B, and (2) add land to the UGB in Ordinance No. 11-1264B; and

WHEREAS, Metro began the process of distribution of the forecasted population and employment in October 2010, by coordinating the distribution with the 25 cities and three counties portions of which lie within the Metro district; in the course of 24 months, Metro held 15 coordination meetings with local governments, by county; more than 25 meetings with individual cities and counties; and four meetings with the city of Vancouver and Clark County to share the results of preliminary distributions and to seek comments and suggestions to improve the accuracy of the distributions; and

WHEREAS, Metro staff made presentations to its advisory committees (MPAC, MTAC, TPAC and JPACT) regarding the distribution and coordination with local governments; and

WHEREAS, Metro incorporated many of the comments and suggestions to refine the distribution and published a final distribution on _____, 2012; now, therefore,

THE METRO COUNCIL ORDAINS AS FOLLOWS:

1. The distribution made to traffic analysis zones, described in Exhibits A and B to this Ordinance and in the Staff Report dated October 2, 2012, of the regional population and employment forecast adopted by the Council in Ordinance No. 11-1264B, is accepted and adopted as fulfillment of Metro's responsibilities regarding coordination of population forecasts under ORS 195.025 and 195.036 and is endorsed for use by the 25 cities and three counties as their own population and employment forecasts for their planning activities.

2. The Chief Operating Officer shall make the distribution of population and employment available to each city and county in the district.

ADOPTED by the Metro Council this ____ day of November, 2012.

_____
Tom Hughes, Council President

Approved as to form:

_____
Alison Kean Campbell, Metro Attorney

EXHIBIT A (Ordinance No. 12-1292)
2035 Reviewed Household Forecast Distribution by Jurisdiction
MetroScope Gamma TAZ Forecast

Final Draft 9/19/2012

Notes: Jurisdiction geographies are approximate, and based on TAZs. Urban Reserves are considered to be outside the UGB.

	2010 Reviewed HH			2035 Reviewed HH			2010-2035 Change		
Inside UGB:	SF	MF	Total	SF	MF	Total	SF	MF	Total
Beaverton	18,128	21,953	40,081	20,038	30,479	50,517	1,910	8,526	10,436
Cornelius	2,467	1,051	3,518	3,428	2,085	5,513	961	1,034	1,995
Damascus	3,322	205	3,527	11,700	217	11,916	8,378	12	8,389
Durham	350	8	358	410	26	436	60	18	78
Fairview	1,677	1,954	3,631	1,927	2,076	4,003	250	122	372
Forest Grove	4,775	2,717	7,492	6,999	3,380	10,379	2,224	663	2,887
Gladstone	2,831	1,356	4,187	3,097	1,779	4,876	266	423	689
Gresham	19,781	18,243	38,024	25,394	25,656	51,051	5,613	7,413	13,027
Happy Valley	4,162	273	4,435	9,898	512	10,410	5,736	239	5,975
Hillsboro	18,575	14,251	32,826	21,762	23,211	44,973	3,187	8,960	12,147
King City	572	383	955	590	379	969	18	-4	14
Lake Oswego	10,887	5,180	16,067	12,307	6,984	19,291	1,420	1,804	3,224
Milwaukie	5,934	2,307	8,241	7,166	2,574	9,740	1,232	267	1,499
Oregon City	8,463	3,511	11,974	12,186	4,861	17,047	3,723	1,350	5,073
Portland	143,801	104,915	248,716	165,636	204,068	369,704	21,835	99,153	120,988
Sherwood	4,971	1,505	6,476	5,553	1,716	7,269	582	211	793
Tigard	12,035	6,632	18,667	15,120	10,877	25,997	3,085	4,245	7,330
Troutdale	3,981	1,806	5,787	4,506	2,126	6,632	525	320	845
Tualatin	5,391	4,847	10,238	5,980	5,190	11,170	589	343	932
West Linn	7,670	2,582	10,252	9,237	2,751	11,988	1,567	169	1,736
Wilsonville	3,471	4,509	7,980	5,625	5,883	11,508	2,154	1,374	3,528
Wood Village	458	1,081	1,539	488	1,121	1,609	30	40	70
Uninc. Clackamas Co.	21,497	13,559	35,056	28,816	16,650	45,466	7,319	3,091	10,410
Uninc. Multnomah Co.	1,715	314	2,029	3,260	847	4,107	1,545	533	2,078
Uninc. Washington Co.	50,176	21,204	71,380	71,698	28,778	100,476	21,522	7,574	29,096
Inside UGB Total	357,090	236,346	593,436	452,823	384,225	837,048	95,733	147,879	243,612
Outside UGB:									
Clackamas County	40,749	4,202	44,951	60,792	5,600	66,392	20,043	1,398	21,441
Multnomah County	3,776	97	3,873	4,243	122	4,365	467	25	492
Washington County	11,259	101	11,360	27,369	5,401	32,770	16,110	5,300	21,410
Clark County	114,638	114,638	158,110	164,207	64,185	228,392	49,569	20,713	70,282
Outside UGB Total	170,422	119,038	218,294	256,610	75,309	331,919	86,188	27,437	113,625
Four-County Total	527,512	284,218	811,730	709,433	459,534	1,168,967	181,921	175,316	357,237

EXHIBIT B (Ordinance No. 12-1292)

2035 Reviewed Employment Forecast Distribution by Jurisdiction

MetroScope Gamma TAZ Forecast

Final Draft 9/19/2012

Notes: Jurisdiction geographies are approximate, and based on TAZs. Urban Reserves are considered to be outside the UGB.

	2010 Employment Geocode				2035 Jurisdiction Review				2010 - 2035 Change			
Inside UGB:	Retail	Service	Other	Total	Retail	Service	Other	Total	Retail	Service	Other	Total
Beaverton	11,041	19,261	21,539	51,841	14,254	33,282	27,822	75,358	3,213	14,021	6,283	23,517
Cornelius	693	711	1,680	3,084	1,611	1,880	4,440	7,931	918	1,169	2,760	4,847
Damascus	260	357	908	1,525	902	1,613	1,894	4,409	642	1,256	986	2,884
Durham	1	213	318	532	1	307	458	766	0	94	140	234
Fairview	236	497	1,878	2,611	558	3,293	3,724	7,575	322	2,796	1,846	4,964
Forest Grove	882	2,018	2,617	5,517	1,747	3,455	5,343	10,545	865	1,437	2,726	5,028
Gladstone	702	546	883	2,131	903	1,040	1,092	3,035	201	494	209	904
Gresham	7,353	8,871	16,408	32,632	12,334	20,154	26,079	58,567	4,981	11,283	9,671	25,935
Happy Valley	241	256	621	1,118	789	1,842	1,616	4,247	548	1,586	995	3,129
Hillsboro	9,584	14,449	34,227	58,260	12,152	25,518	55,733	93,403	2,568	11,069	21,506	35,143
King City	137	269	64	470	173	511	137	821	36	242	73	351
Lake Oswego	2,553	7,024	8,670	18,247	2,323	11,584	8,879	22,786	-230	4,560	209	4,539
Milwaukie	1,403	3,527	6,658	11,588	1,944	5,751	7,712	15,407	541	2,224	1,054	3,819
Oregon City	3,081	3,727	7,580	14,388	5,418	6,990	10,077	22,485	2,337	3,263	2,497	8,097
Portland	65,150	139,116	170,076	374,342	76,134	218,147	214,199	508,482	10,984	79,031	44,123	134,140
Sherwood	1,103	1,206	1,907	4,216	1,643	2,604	5,005	9,252	540	1,398	3,098	5,036
Tigard	9,072	11,901	16,196	37,169	10,764	23,818	19,650	54,232	1,692	11,917	3,454	17,063
Troutdale	1,272	493	2,361	4,126	2,039	2,357	5,615	10,011	767	1,864	3,254	5,885
Tualatin	4,372	6,140	12,460	22,972	5,066	8,868	21,305	35,239	694	2,728	8,845	12,267
West Linn	966	1,593	1,693	4,252	1,517	2,683	2,331	6,531	551	1,090	638	2,279
Wilsonville	2,480	4,839	9,754	17,073	3,536	9,733	14,150	27,419	1,056	4,894	4,396	10,346
Wood Village	1,261	242	531	2,034	1,783	1,158	1,489	4,430	522	916	958	2,396
Uninc. Clackamas Co.	11,506	13,302	20,344	45,152	15,519	26,628	25,775	67,922	4,013	13,326	5,431	22,770
Uninc. Multnomah Co.	109	377	396	882	749	1,658	2,367	4,774	640	1,281	1,971	3,892
Uninc. Washington Co.	5,929	13,844	17,097	36,870	8,659	23,012	31,142	62,813	2,730	9,168	14,045	25,943
Inside UGB Total	141,387	254,779	356,866	753,032	182,518	437,886	498,034	1,118,440	41,131	183,107	141,168	365,408
Outside UGB:												
Clackamas County	4,803	5,218	15,348	25,369	8,182	11,295	22,359	41,836	3,379	6,077	7,011	16,467
Multnomah County	361	479	1,513	2,353	384	876	1,945	3,205	23	397	432	852
Washington County	854	1,640	5,881	8,375	2,363	6,659	18,084	27,106	1,509	5,019	12,203	18,731
Clark County	25,375	42,061	59,831	127,267	40,864	80,963	100,193	222,020	15,489	38,902	40,362	94,753
Outside UGB Total	31,393	49,398	82,573	163,364	51,793	99,793	142,581	294,167	20,400	50,395	60,008	130,803
Four-County Total	172,780	304,177	439,439	916,396	234,311	537,679	640,615	1,412,607	61,531	233,502	201,176	496,211

STAFF REPORT (Revised)

IN CONSIDERATION OF ORDINANCE NO. 12-1292, FOR THE PURPOSE OF ADOPTING THE DISTRIBUTION OF THE POPULATION AND EMPLOYMENT GROWTH TO YEAR 2035 TO TRAFFIC ANALYSIS ZONES IN THE REGION CONSISTENT WITH THE FORECAST ADOPTED BY ORDINANCE NO. 11-1264B IN FULFILLMENT OF METRO'S POPULATION COORDINATION RESPONSIBILITY UNDER ORS 195.036

Date: October 9, 2012 Prepared by: Gerry Uba, x1737

BACKGROUND

Oregon land use law (ORS 195.036; 195.025) requires Metro to coordinate its regional population forecasts with local governments inside the urban growth boundary for use in updating their comprehensive plans, land use regulations and other related policies. In 2009, Metro created a population and employment growth forecast for the seven-county region[1] for the next 50 years. One of the ways Metro coordinates the population and employment forecast is to conduct a localized distribution of the 2009 forecast after an urban growth boundary decision cycle is completed.

Metro has been preparing localized-level analyses every five years for over 20 years. The current distribution is the most advanced analysis yet. The experience gained from previous distributions has helped Metro and local governments to improve the methodology and the information that is produced. To accommodate various local and regional planning needs, the localized growth forecast distribution was produced for the years 2025, 2035 and 2040. Local government staff expressed interest in the 2035 distributions as more relevant for their 20-year growth planning.

The distribution information is essential for local and regional planning, such as updating local comprehensive plans (through periodic review), local transportation system plans, and the Regional Transportation Plan. The information is also used for corridor planning and special districts planning. Many cities in the region currently undergoing periodic review are coordinating their forecast with Metro as they are updating their comprehensive plans. Although there is no legal requirement for school districts and special districts to coordinate their forecast with Metro, the distribution information will be useful to school districts for enrolment forecasting and facility planning, and to special districts in the region, such as water, sewer and fire districts, in updating their facility plans and emergency preparedness plans. The information is also helpful to TriMet in forecasting future ridership and mapping travel patterns, enabling the agency to better plan for frequency of MAX and bus service and future routes.

Methodology of the growth forecast distribution

The growth forecast distribution is based on policy and investment decisions and assumptions that local elected leaders and the Metro Council have already adopted, including the seven-county forecast,

---

[1] Clark, Clackamas, Columbia, Multnomah, Skamania, Washington, and Yamhill counties

existing zoning, adopted plans, the most recently adopted Regional Transportation Plan, and urban and rural reserves. The regional coordination of the forecast distribution is a two stage process.

The first stage of the coordination process involves Metro and local government staff working together to refine the buildable land inventory (BLI) methodology to ensure the accuracy of zoning and growth capacity assumptions. Attachment 1 contains names of local jurisdiction staff involved in the population and employment coordination. The methodology takes into account land that cannot be built on due to environmental constraints and right of way, as well as capacity from vacant buildable lands, new urban areas[2], prospective urban growth boundary expansions into designated urban reserves, redevelopment and infill. As a result of this exercise, the region now has an updated 30-year capacity estimate that reflects the input and review from local government staff. This coordinated buildable land inventory reflects the increasing importance of redevelopment as a key part of the land supply in this region.

The geography used for this analysis is the Traffic Analysis Zone (TAZ). To provide more detail than the previous growth distribution, the number of TAZs used was increased from 2,013 to 2,162. The TAZ is the geographic unit that serves as the building block of Metro's primary forecasting tools (the travel demand model and MetroScope). By dividing the region into 2,162 TAZs, the accuracy of the travel demand model as well as all other aspects of transportation planning are improved. The TAZ-level data also assist land use planners in updating comprehensive plans and zoning, and conducting other types of land use analysis, including neighborhood level analysis.

In the second stage of the distribution coordination process, land use and transportation models are used to match demand (the seven-county forecast) with supply (the BLI). After extensive review of Metro's initial distributions with local governments' staff, the final product is the 2025, 2035 and 2040 distributions of forecast households and jobs to TAZs, cities and unincorporated areas in the region.

Further analyses of the distribution data reveal future trends that regional and local planners should bring to the attention of their decision makers.

Regional Planning Directors Involvement

The coordination of population and employment forecast was kicked off with a meeting of the Regional Planning Directors in October 2010, endorsing roles and responsibilities of local governments and Metro. The directors met again in July 2011 to review, discuss and reach agreement on the outcome of the first stage of the process – the BLI methodology, urban reserve urbanization assumptions, redevelopment assumptions, and the capacity of residential and employment land. The last meeting of directors was in September 2012 to review and comment specifically on the 2035 distribution of households and employment. Attachments 2 and 3 contain the 2035 forecast distribution by local jurisdiction.

Metro advisory committee involvement

The outcome of the first stage of the process (BLI methodology, urban reserve urbanization assumptions, redevelopment assumptions, and capacity of residential and employment land) was presented to the Metro Technical Advisory Committee (MTAC), and Transportation Policy Alternatives Committee (TPAC) in January 2012, and to the Metro Policy Advisory Committee (MPAC) in February 2012 for discussion and comment. The 2035 distribution of households and employment was presented

[2] Areas added to the urban growth boundary that does not yet have urban zoning.

to TPAC in September 2012, and to MTAC, MPAC and the Joint Policy Advisory Committee on Transportation in October 2012.

Additional outreach
Staff updated the Oregon Land Conservation and Development Commission in June 2011 on how Metro is coordinating its regional forecast with the forecasts of local governments in the region, including other ways Metro coordinates with local governments -- urban growth report, capacity ordinance, and growth management decisions.

ANALYSIS/INFORMATION

1. **Known Opposition**

   Washington County and the City of Beaverton provided written comments emphasizing the need for a better understanding of residential housing demand and preferences and redevelopment. In response, Metro staff has identified additional research possibilities. Depending on funding availability, this research could inform the next Urban Growth Report and forecast distribution.

2. **Legal Antecedents**

   The distribution of the growth forecast satisfies Metro's coordination obligations under ORS 195.025 and 195.036. As requested by DLCD, staff is proposing that the Metro Council adopt the forecast distribution by an ordinance that will be acknowledged by DLCD as part of Metro's planning documents in order to support future planning decisions by local governments that rely upon the population forecasts. State law requires cities and counties to adopt coordinated forecasts as part of their comprehensive plans.

3. **Anticipated Effects**

   Adoption of the distribution of population and employment forecast at a localized-level will encourage local governments to use distribution information to conform their land use and transportation plans to recent regional policies adopted by the Metro Council. The TAZ-level distributions would also inform the next Regional Transportation Plan. Delay of the adoption would delay some local government activities that would be accomplished with the forecast distribution information.

4. **Budget Impacts**

   The FY 2010/2011 and FY 2011/2012 budgets included resources for staff in the Research Center and the Planning and Development Department to work on this project. In the current FY 2012/2013 budget there are sufficient funds to package and post the forecast distribution in electronic platforms that will make the data accessible to local governments and school and special districts in the region.

RECOMMENDED ACTION

Staff recommends that the Metro Council accept and adopt the distribution of the 2009 population and employment forecast as fulfillment of Metro's responsibilities on population coordination with local governments in the region

ATTACHMENTS

1. Forecast Distribution Process Local Government and Agency Staff
2. 2035 Reviewed Household Forecast Distribution by Jurisdiction
3. 2035 Reviewed Employment Forecast Distribution by Jurisdiction
4. Regional 2035 Forecast Distribution: Executive Summary
5. Technical Documentation of the Project (i.e., The Technical Report)
6. Local Governments' Comments on the 2025 and 2035 Forecast Distributions and Metro Response

Attachment 1

2035 FORECAST DISTRIBUTION PROCESS LOCAL GOVERNMENT AND AGENCY STAFF

Cities	Staff
City of Beaverton	Laura Kelly, Robert McCracken, Jeff Salvon, Steven Sparks, Doug Taylor
City of Cornelius	Dick Reynolds
City of Damascus	Steve Gaschler, John Morgan, Erika Palmer, Bob Short
City of Durham	
City of Fairview	Lindsey Nesbitt
City of Forest Grove	Jon Holan, Dan Riordan
City of Gladstone	Larry Conrad
City of Gresham	Erin Aigner, Jonathan Harker, Brian Martin, Ann Pytynia
City of Happy Valley	Jason Tuck, Michael Walter
City of Hillsboro	Colin Cooper, Doug Miller, Don Odermott, Pat Ribellia, Alwin Turiel
City of Johnson City	
City of King City	Keith Liden
City of Lake Oswego	Denny Egner, Erica Rooney, Sarah Selden
City of Maywood Park	
City of Milwaukie	Li Alligood, Kenny Asher, Katie Mangle
City of Oregon City	Tony Konkol, Christina Roberts-Gardner, Laura Terway
City of Portland	Tom Armstrong
City of Rivergrove	
City of Sherwood	Julia Hajduk, Michelle Miller
City of Tigard	Darren Wyss
City of Troutdale	Rich Faith, Elizabeth McCallum
City of Tualatin	Colin Cortes, Cindy Hahn, Aquilla Hurd-Ravich, Alice Rouyer
City of West Linn	Sara Javronok, Chris Kerr, John Sonnen
City of Wilsonville	Chris Neamtzu, Stephan Lashbrook, Daniel Pauly, Dan Stark
City of Wood Village	Bill Peterson
Counties	**Staff**
Clackamas County	Sarah Abbott, Larry Conrad, Martha Fritzie, Shari Gilevich, Clay Glasgow, Cindy Hagen, Scott Hoelscher, Diedre Landon, Mike McAllister, Simone Rede, Michael D. Walden
Multnomah County	Chuck Beasley
Washington County	Andy Back, Steve D. Kelley
Agencies	**Staff**
Oregon Employment Dept.	Lynn Wallis
Dept. of Land Conservation & Development	Anne Debbaut, Jennifer Donnelly, Darren Nichols, Lynn Wallis
Oregon Dept. of Transportation	Mai Chi, Kirsten Pennington, Lidwien Rahman, Lainie Smith
Port of Portland	John Boren, Tom Bouillion
Metro	Roger Alfred, Sonny Conder, Jim Cser, Chris Deffebach, Mike Hoglund, Robin McArthur, Cindy Pederson, Ted Reid, Maribeth Todd, Gerry Uba, John Williams, Dennis Yee
Neighboring Cities	
Canby	Bryan Brown, Matilda Deas
Sandy	Tracy Brown

ATTACHMENT 2 (Staff Report to Ordinance No. 12-1292)
2035 Reviewed Household Forecast Distribution by Jurisdiction
MetroScope Gamma TAZ Forecast

Final Draft 9/19/2012

Notes: Jurisdiction geographies are approximate, and based on TAZs. Urban Reserves are considered to be outside the UGB.

	2010 Reviewed HH			2035 Reviewed HH			2010-2035 Change		
Inside UGB:	**SF**	**MF**	**Total**	**SF**	**MF**	**Total**	**SF**	**MF**	**Total**
Beaverton	18,128	21,953	40,081	20,038	30,479	50,517	1,910	8,526	10,436
Cornelius	2,467	1,051	3,518	3,428	2,085	5,513	961	1,034	1,995
Damascus	3,322	205	3,527	11,700	217	11,916	8,378	12	8,389
Durham	350	8	358	410	26	436	60	18	78
Fairview	1,677	1,954	3,631	1,927	2,076	4,003	250	122	372
Forest Grove	4,775	2,717	7,492	6,999	3,380	10,379	2,224	663	2,887
Gladstone	2,831	1,356	4,187	3,097	1,779	4,876	266	423	689
Gresham	19,781	18,243	38,024	25,394	25,656	51,051	5,613	7,413	13,027
Happy Valley	4,162	273	4,435	9,898	512	10,410	5,736	239	5,975
Hillsboro	18,575	14,251	32,826	21,762	23,211	44,973	3,187	8,960	12,147
King City	572	383	955	590	379	969	18	-4	14
Lake Oswego	10,887	5,180	16,067	12,307	6,984	19,291	1,420	1,804	3,224
Milwaukie	5,934	2,307	8,241	7,166	2,574	9,740	1,232	267	1,499
Oregon City	8,463	3,511	11,974	12,186	4,861	17,047	3,723	1,350	5,073
Portland	143,801	104,915	248,716	165,636	204,068	369,704	21,835	99,153	120,988
Sherwood	4,971	1,505	6,476	5,553	1,716	7,269	582	211	793
Tigard	12,035	6,632	18,667	15,120	10,877	25,997	3,085	4,245	7,330
Troutdale	3,981	1,806	5,787	4,506	2,126	6,632	525	320	845
Tualatin	5,391	4,847	10,238	5,980	5,190	11,170	589	343	932
West Linn	7,670	2,582	10,252	9,237	2,751	11,988	1,567	169	1,736
Wilsonville	3,471	4,509	7,980	5,625	5,883	11,508	2,154	1,374	3,528
Wood Village	458	1,081	1,539	488	1,121	1,609	30	40	70
Uninc. Clackamas Co.	21,497	13,559	35,056	28,816	16,650	45,466	7,319	3,091	10,410
Uninc. Multnomah Co.	1,715	314	2,029	3,260	847	4,107	1,545	533	2,078
Uninc. Washington Co.	50,176	21,204	71,380	71,698	28,778	100,476	21,522	7,574	29,096
Inside UGB Total	357,090	236,346	593,436	452,823	384,225	837,048	95,733	147,879	243,612
Outside UGB:									
Clackamas County	40,749	4,202	44,951	60,792	5,600	66,392	20,043	1,398	21,441
Multnomah County	3,776	97	3,873	4,243	122	4,365	467	25	492
Washington County	11,259	101	11,360	27,369	5,401	32,770	16,110	5,300	21,410
Clark County	114,638	114,638	158,110	164,207	64,185	228,392	49,569	20,713	70,282
Outside UGB Total	170,422	119,038	218,294	256,610	75,309	331,919	86,188	27,437	113,625
Four-County Total	527,512	284,218	811,730	709,433	459,534	1,168,967	181,921	175,316	357,237

ATTACHMENT 3 (Staff Report for Ordinance No. 12-1292)

2035 Reviewed Employment Forecast Distribution by Jurisdiction

MetroScope Gamma TAZ Forecast

Final Draft 9/19/2012

Notes: Jurisdiction geographies are approximate, and based on TAZs. Urban Reserves are considered to be outside the UGB

	2010 Employment Geocode				2035 Jurisdiction Review				2010 - 2035 Change			
Inside UGB:	Retail	Service	Other	Total	Retail	Service	Other	Total	Retail	Service	Other	Total
Beaverton	11,041	19,261	21,539	51,841	14,254	33,282	27,822	75,358	3,213	14,021	6,283	23,517
Cornelius	693	711	1,680	3,084	1,611	1,880	4,440	7,931	918	1,169	2,760	4,847
Damascus	260	357	908	1,525	902	1,613	1,894	4,409	642	1,256	986	2,884
Durham	1	213	318	532	1	307	458	766	0	94	140	234
Fairview	236	497	1,878	2,611	558	3,293	3,724	7,575	322	2,796	1,846	4,964
Forest Grove	882	2,018	2,617	5,517	1,747	3,455	5,343	10,545	865	1,437	2,726	5,028
Gladstone	702	546	883	2,131	903	1,040	1,092	3,035	201	494	209	904
Gresham	7,353	8,871	16,408	32,632	12,334	20,154	26,079	58,567	4,981	11,283	9,671	25,935
Happy Valley	241	256	621	1,118	789	1,842	1,616	4,247	548	1,586	995	3,129
Hillsboro	9,584	14,449	34,227	58,260	12,152	25,518	55,733	93,403	2,568	11,069	21,506	35,143
King City	137	269	64	470	173	511	137	821	36	242	73	351
Lake Oswego	2,553	7,024	8,670	18,247	2,323	11,584	8,879	22,786	-230	4,560	209	4,539
Milwaukie	1,403	3,527	6,658	11,588	1,944	5,751	7,712	15,407	541	2,224	1,054	3,819
Oregon City	3,081	3,727	7,580	14,388	5,418	6,990	10,077	22,485	2,337	3,263	2,497	8,097
Portland	65,150	139,116	170,076	374,342	76,134	218,147	214,199	508,482	10,984	79,031	44,123	134,140
Sherwood	1,103	1,206	1,907	4,216	1,643	2,604	5,005	9,252	540	1,398	3,098	5,036
Tigard	9,072	11,901	16,196	37,169	10,764	23,818	19,650	54,232	1,692	11,917	3,454	17,063
Troutdale	1,272	493	2,361	4,126	2,039	2,357	5,615	10,011	767	1,864	3,254	5,885
Tualatin	4,372	6,140	12,460	22,972	5,066	8,868	21,305	35,239	694	2,728	8,845	12,267
West Linn	966	1,593	1,693	4,252	1,517	2,683	2,331	6,531	551	1,090	638	2,279
Wilsonville	2,480	4,839	9,754	17,073	3,536	9,733	14,150	27,419	1,056	4,894	4,396	10,346
Wood Village	1,261	242	531	2,034	1,783	1,158	1,489	4,430	522	916	958	2,396
Uninc. Clackamas Co.	11,506	13,302	20,344	45,152	15,519	26,628	25,775	67,922	4,013	13,326	5,431	22,770
Uninc. Multnomah Co.	109	377	396	882	749	1,658	2,367	4,774	640	1,281	1,971	3,892
Uninc. Washington Co.	5,929	13,844	17,097	36,870	8,659	23,012	31,142	62,813	2,730	9,168	14,045	25,943
Inside UGB Total	141,387	254,779	356,866	753,032	182,518	437,886	498,034	1,118,440	41,131	183,107	141,168	365,408
Outside UGB:												
Clackamas County	4,803	5,218	15,348	25,369	8,182	11,295	22,359	41,836	3,379	6,077	7,011	16,467
Multnomah County	361	479	1,513	2,353	384	876	1,945	3,205	23	397	432	852
Washington County	854	1,640	5,881	8,375	2,363	6,659	18,084	27,106	1,509	5,019	12,203	18,731
Clark County	25,375	42,061	59,831	127,267	40,864	80,963	100,193	222,020	15,489	38,902	40,362	94,753
Outside UGB Total	31,393	49,398	82,573	163,364	51,793	99,793	142,581	294,167	20,400	50,395	60,008	130,803
Four-County Total	172,780	304,177	439,439	916,396	234,311	537,679	640,615	1,412,607	61,531	233,502	201,176	496,211

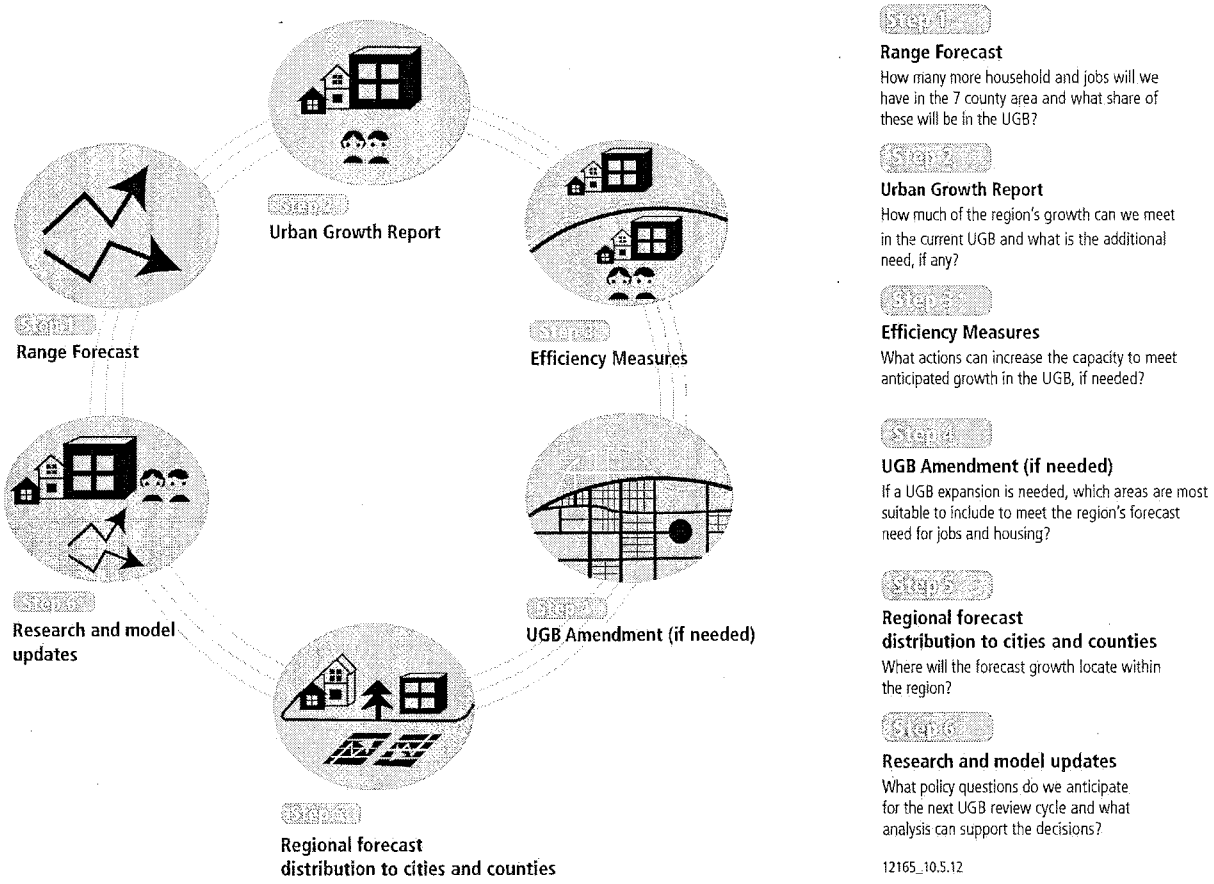
REGIONAL 2035 FORECAST DISTRIBUTION: EXECUTIVE SUMMARY

Purpose of this report

This Regional Growth Distribution report explains how Metro and local governments collaborated to forecast where population and employment forecast will be accommodated over the in 2035 based on current policies in zoning and adopted transportation plans, environmental regulations and development incentives. Planning for expected growth in population and jobs enable the region and local communities to make decisions that support good jobs, safe neighborhoods, protect farmland, and invest in public structures and services that enhance our quality of life.

Metro is required by Oregon law to forecast the population and employment growth that is expected for this region over the next 20 years. In 2009 Metro initiated its growth management decision process depicted in Figure 1. The first task in the process was the 2009 forecast of a range of 1.2 to 1.3 million households and 1.3 to 1.7 million jobs in the seven-county region (Clackamas, Clark, Columbia, Multnomah, Skamania, Yamhill, Washington) by 2030. Within the seven county total, Metro forecast the proportion expected to live and work within the Metro urban growth boundary (UGB).

Figure 1: Growth Management and Population and Employment Coordination Process

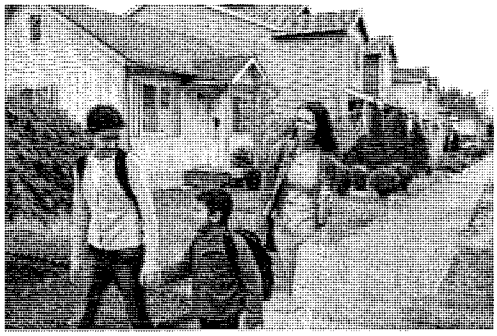


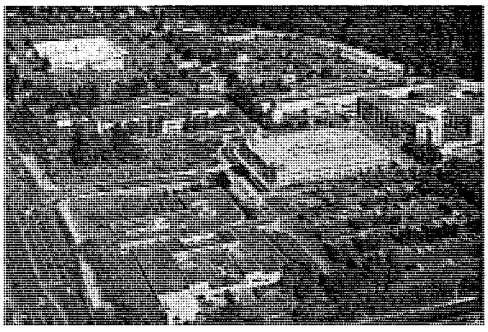
In 2010, the Metro Council adopted the capacity analysis which accounted for Regional Transportation Plan (RTP) investments and other actions that are likely to shape development patterns, and determined that some UGB expansion would likely be necessary. In 2011, the Metro Council made the urban growth boundary (UGB) decision based on investment policies and a point on the forecast range it picked.

The next step after the UGB decision, required by law, is the distribution of the forecast at smaller geographies to guide local and regional planning efforts as explained in this report. Oregon law (ORS 195.025; 195.036) requires Metro to coordinate a population forecast with local governments for planning purposes inside the UGB. Local governments that are scheduled to review and update their land use plans are expected by the Oregon Department of Land Conservation and Development to rely on the population and employment distribution information for their analysis. In addition to the state law, the Federal Clean Air Act requires Metro to use its forecast distributed at smaller geographies called traffic analysis zones (TAZ)[1] as the basis for its federally-required air quality conformity determination. This federal law requires Metro to show that the region will continue to meet the federal and state air quality regulations if the projects included in the RTP are built.

Metro has collaborated with local governments in the past to distribute the region's population and employment forecasts at the TAZ level. The last distribution, coordinated with local governments, was completed in 2006. The TAZ and city and county level distributions reflect adopted policies.

Metro Council adopted the household and employment forecast distributions by jurisdiction in November 2012 (Ordinance No. 12-1292) after the distributions were reviewed by Metro advisory committees – Metro Policy Advisory Committee, Joint Policy Advisory Committee on Transportation, Metro Technical Advisory Committee, Transportation Policy Alternatives Committee.





[1] The TAZ is the standard unit containing data representing the building blocks of Metro's key forecasting tools

How growth distribution information is used

Local governments and Metro rely on the population and employment forecast distribution to help build the future they want in the region and ensure that as jobs and population grow, they will be able to make wise investments that support economic development, safe neighborhoods and strong and vibrant communities, and minimize the burdens of growth.

The growth distribution information is useful for various entities:
Cities and Counties rely on the information to support their:

- Comprehensive plan update processes and address requirements for their periodic review of their land use plans
- Coordination of planning in areas outside Metro's jurisdictional boundary but within county boundaries.
- Planning of where to extend and upgrade pipes, roads and other essential public structures
- Identify needs necessary to update Transportation System Plan for consistency with the Regional Transportation Functional Plan and State Transportation Rule.

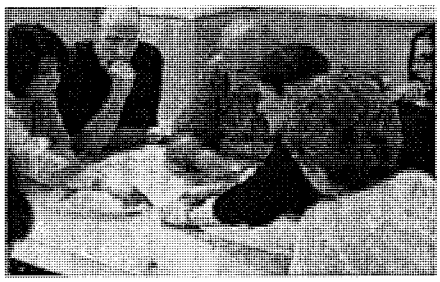
Schools and Special Districts can use the population and employment distribution for:

- Facility and financial planning
- Financial planning for facilities
- Parks planning
- Water and sewer system planning
- Sewer system planning
- Public school enrollment forecasting

Metro relies on the information to support:

- Updates to the Regional Transportation Plan
- Analysis of planning scenarios for the Climate Smart Communities Scenarios Project
- Transportation investments through the analysis of potential benefits of proposed projects within a half-mile radius of those projects

- Corridor planning such as the East Metro Connections Plan (EMCP) and Southwest Corridor Plan.



How Metro and local governments coordinated on growth distribution

There are two key steps in the actual forecast distribution coordinated by Metro and local governments:

- Estimating regional land supply -- existing housing and employment capacity, including undeveloped land that is available for development, based on existing zoning)
- Distributing the regional household and employment growth forecast to the available land supply

Land supply: Current approach of calculating residential land supply across the region is the buildable land inventory (BLI). The calculation method varies from one local government to another. Metro and local planners coordinated to refine the regional BLI method. The BLI method relies on local zoning to estimate the capacity of residential and employment land (how many residential units and acres of employment land can be accommodated in any area). However, not all zoned capacity will get used everywhere. The capacity estimation takes into account environmental constraints, rights of way, and future UGB expansion into urban reserves.

Additional capacity is realized from the decisions and policies made by some cities to encourage redevelopment in certain areas through incentive programs, such as urban renewal, tax abatement, streetscape and infrastructure improvements, and other policies. The additional capacity is added on top of the capacity that is based on residential and employment land zoning.

Distribution of the forecast: At this step in the process, the goal is to match the demand (forecast population and employment) with the supply (capacity of residential and employment land). The demand of forecast population was based on household size, income brackets, and age of households. Factors used to match the demand with the supply include built space by zone, location of household and employment, tenure choice (own or rent), type of building, estimate of development density, prices and cost of land, travel activity levels by mode and road segment, travel times between TAZs by time of day, and cost perceived by travelers in getting from any TAZ t another.

Summary of results

[Following is a Place Holder]

Figure 2 show the growth in households, displayed in housing units, captured inside the Metro UGB and the number of housing units captured by communities outside the Metro UGB. The forecast distribution indicates 4% decrease in the total number of single-family units captured by local governments inside the UGB (from 68% in 2010 to 64% in 2035), and slight (1%) increase in the number of multi-family units captured by local governments inside the UGB (from 83% in 2010 to 84% in 2035).

The analysis of the forecast distribution data also depicts changes in the mix of single family and multi-family units in the jurisdiction inside the UGB. For example, the City of Portland the current mix of more single-family (58%) than multi-family (48%) in 2010 will change to more multi-family (55%) than single-family (45%) in 2035. The data show similar reversal of mix in the Cities of Beaverton and Hillsboro. In the City of Gresham, the mix of more single-family (52%) and multi-family (48%) in 2010 will be even in 2035 (50% single-family and 50% multi-family). The current (2010) mix of more multi-family than single-family units in the Cities of Fairview, Wilsonville and Wood Village will not change in 2035. The current (2010) mix of more single-family than multi-family units in the remaining cities and unincorporated areas will not change in 2035.

Figure 2: Housing Units (for Household) Forecast

Area	2010		2035		2010-2035 change	
	Single-Family	Multi-Family	Single-Family	Multi-Family	Single-Family	Multi-Family
Inside Metro UGB	357,090 (68%)	236,346 (83%)	452,823 (64%)	384,225 (84%)	95,733 (53%)	147,879 (84%)
Outside Metro UGB	170,422 (32%)	47,872 (17%)	256,610 (36%)	75,309 (16%)	86,188 (47%)	27,437 (16%)
Seven county PMSA	527,512 (100%)	284,218 (100%)	709,433 (100%)	459,534 (100%)	181,921 (100%)	175,316 (100%)

Figure 3 show the growth in jobs captured inside the Metro UGB and the number captured by communities outside the Metro UGB. The forecast distribution indicates a decrease in the total number of jobs units captured by local governments inside the UGB (from 82% in 2010 to 79% in 2035).

Figure 3: Employment Forecast

Area	2010	2035	2010-2035 change
Inside Metro UGB	753,032 (82%)	1,118,440 (79%)	365,408 (74%)
Outside Metro UGB	163,364 (18%)	294,167 (21%)	130,803 (26%)
Seven county PMSA	916,396 (100%)	1,412,607 (100%)	496,211 (100%)

Further analysis if the forecast distribution data reveal success in the 2040 Growth Concept objectives. For example, 37% growth in centers, 17% growth in corridors, strong redevelopment, and rise in residential density to 12.3 unit/acre. There are drawbacks depicted by the forecast distribution. For example, lower income households get squeezed on affordability, and steep rise in single family residential prices beyond 2035.

Future improvement of land supply estimation approach

Comments from local governments during the estimation of regional land supply acknowledged improvements in the residential capacity methodology so as to match households and land supply correctly in the long-term. The comments emphasized areas where the methodology could be further improved, such as residential location choice, including quality-of-life factors that influences a person's preference for single- or multi-family housing, and generational shift. The comments also emphasized the need to consider the difference between housing preference and living preference. In response, Metro has identified future research on:

- Residential choice study enhanced with market segmentation
- Redevelopment supply assumption refinement

It is anticipated that the research would further refine the residential capacity assumptions and methodology, provide valuable insight into how people weigh transportation and housing costs when deciding where to live, and illustrate differentiation of the full range of housing needs in the region. Implementation of the research is dependent on funding availability.

Sharing the information

[TO BE ADDED: FTP and Web addresses where interested persons can find the growth distribution information]

Final version will be available by second read scheduled for November 29th

DRAFT

Attachment 5 (Staff Report to Ordinance no. 12-1292)

Technical Documentation

Regional Growth Distribution

Population and Employment

2010-40 TAZ Growth Distribution "gamma scenario"

Metro

Research Center and Planning and Development Department

October 2012

DRAFT

Final version will be available by second read scheduled for November 29th

Attachment 6 (Staff Report to Ordinance No 12-1292)

Regional Forecast Distribution

2025 MID-TERM AND 2035 LONG-TERM DISTRIBUTIONS

Local Governments' Comments and Metro Response

Comments and responses – Feb. 9 to May 14, 2012
Comments and responses – August 1 to August 31, 2012