



Metro | Agenda

REVISED, 5/3

Meeting: Metro Council Work Session
Date: Tuesday, May 7, 2013
Time: 2 p.m.
Place: Council Chamber

CALL TO ORDER AND ROLL CALL

**2 PM 1. ADMINISTRATIVE/ COUNCIL AGENDA FOR
 MAY 9, 2013/ CHIEF OPERATING OFFICER
 COMMUNICATION**

**2:15 PM 2. 2014 URBAN GROWTH REPORT AND 2015 GROWTH
 MANAGEMENT DECISION – INFORMATION / DISCUSSION**

**Ted Reid
John Williams**

3:45 PM 3. BREAK

3:50 PM 4. COUNCIL LIAISON UPDATES – DISCUSSION

4:20 PM 5. COUNCIL BRIEFINGS/COMMUNICATION

ADJOURN

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Agenda Item No. 2.0

**2014 URBAN GROWTH REPORT
AND 2015 GROWTH MANAGEMENT
DECISION**

Metro Council Work Session
Tuesday, May 7, 2013
Metro, Council Chamber

METRO COUNCIL

Work Session Worksheet

PRESENTATION DATE: May 7, 2013	TIME: 2:15	LENGTH: 45 minutes
PRESENTATION TITLE: 2014 Urban Growth Report and 2015 growth management decision		
DEPARTMENT: Planning and Development		
PRESENTER(S):	Ted Reid 503-797-1768 John Williams 503-797-1635	ted.reid@oregonmetro.gov john.williams@oregonmetro.gov

WORK SESSION PURPOSE & DESIRED OUTCOMES

- Purpose: Review revised proposed work program and staff responses to questions posed by Council members at the March 19 work session.
- Outcome: Council direction on whether staff should proceed with the work program as proposed.

TOPIC BACKGROUND & FRAMING THE WORK SESSION DISCUSSION

Growth management decisions provide a venue for the region to engage in a discussion of how to achieve desired regional and community outcomes. Metro is mandated to assess the capacity of the region's urban growth boundary (UGB) every five years to determine whether it is adequate to accommodate the next 20 years of residential and employment growth. Metro last completed this analysis in the 2009 Urban Growth Report (UGR), which was the basis for the growth management decision made by the Metro Council in 2011. According to state law, the next UGR must be accepted by the Council by December 2014. The 2014 UGR will be the basis for the Council consideration of subsequent growth management options in 2015 (or 2016).

At its March 19 work session, the Council discussed a proposed draft work program. Topics brought up by Councilors included:

- Framing the decision in terms of the region's desired outcomes
- The timing of when the Council chooses a point in the population and employment range forecast
- What is included in the work program

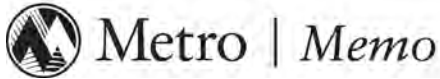
Based on the March 19 discussion, a revised program proposal is included in the Council's meeting packet. Also included is a memo with staff responses to a number of questions posed by Council members at the March 19 work session. The Council may direct staff to proceed with the work as described or may request further clarification or modification to the proposed work program.

QUESTIONS FOR COUNCIL CONSIDERATION

Should staff proceed with the work as proposed?

PACKET MATERIALS

- Would legislation be required for Council action ☐ Yes ☒ No
- If yes, is draft legislation attached? ☐ Yes ☐ No
- What other materials are you presenting today?
 - memo to council
 - proposed work program



Date: April 11, 2013
To: Council President Hughes and Metro Councilors
From: Ted Reid, Senior Regional Planner
Re: 2014 Urban Growth Report and 2015 growth management decision

At its March 19 work session, the Council had an initial discussion of a proposed work program for the 2014 Urban Growth Report (UGR) and 2015 growth management decision. Based on Council input, staff has adjusted the proposed project timeline as it pertains to when the Council would choose a point in the range forecast. A revised project proposal is in the Council's meeting packet. Councilors also asked that staff respond the questions below.

1. What will the draft UGR contain?

At this early stage, staff has not yet developed an outline for the UGR. Generally, the draft UGR will likely contain:

- a. A seven-county population and employment range forecast.
- b. Documentation of the buildable land inventory for the current urban growth boundary (UGB).
- c. A residential analysis that compares supply and demand for dwelling units (including a more detailed Housing Needs Analysis as described in statutes). Capacity needs will be expressed as a range.
- d. An employment analysis that compares supply and demand for industrial and non-industrial acreage, and for large industrial sites. Capacity needs will be expressed as a range.
- e. Information on regional performance and development trends that addresses statutory requirements and informs an outcomes-based approach
- f. Summaries of previous studies on the implications of different UGB policy approaches and infrastructure deficiencies.
- g. Technical documentation
- h. Research on residential preferences

The UGR will not assess different urban reserve areas as possible UGB expansion candidates. That analysis will occur after the completion of the UGR if the UGR identifies capacity needs.

2. Why does the Council have to pick a point in the range forecast?

State law requires Metro to identify the region's 20-year land supply needs based on a forecast. The Oregon Department of Land Conservation and Development, which administers the state's land use system, advised Metro that it may use a range forecast during the process leading to the Council's growth management decision, but that the Council must ultimately choose a point

forecast as the basis for its decision. Staff will need to use that point forecast to complete the required analysis of capacity needs before submitting it to the state for review. Staff has developed a proposal for a project timeline that meets legal requirements and also strives to accommodate the Council's desire to have the best information possible before choosing a forecast point.

3. How will the UGR account for the aspirations of local jurisdictions?

Much of the ongoing work that Metro's Planning and Development Department does is focused on assisting local jurisdictions in identifying and achieving their aspirations. For instance, the Climate Smart Communities, SW Corridor Plan, and East Metro Connections projects have all conducted extensive engagement with local jurisdictions to identify and implement their aspirations. Staff members also serve as liaisons to each jurisdiction in the region, offering technical assistance as needed, such as through the Community Planning and Development Grant program or by participating on advisory committees. Concept planning for urban reserve areas is another means by which local jurisdictions may describe their community aspirations and make the Council aware of their desire for consideration for UGB expansions.

Our experience with the last growth management decision indicated that local policy changes that may affect regional growth capacity typically are several years in the making. Those local decisions are best thought of as ongoing implementation of local and regional visions rather than as a deliberate response to any capacity needs identified in the UGR.

4. Can the Metro Council choose to only expand the UGB if it does not create a financial burden on existing areas in the UGB?

Accommodating growth in any location, whether inside or outside the current UGB, is likely to have costs. Consequently, a complete answer to this question would require comparing the potential costs and benefits of accommodating growth in UGB candidate areas versus areas already inside the UGB. This type of comparison could be useful if there were a flexible source of infrastructure funding. Without that flexible source of funding, this analysis may not sufficiently inform the Council's growth management decision to justify the resources needed to conduct the analysis in a rigorous enough fashion to minimize inevitable disagreements about its methodologies, results, and implications.

However, when considering possible UGB expansion locations, Metro must compare the UGB candidate areas against each other, based on the factors laid out in Statewide Planning Goal 14 (Urbanization). Included in those factors are impacts on existing public facilities and services. Likewise, Metro's Title 11 (Planning for New Urban Areas) requires that concept plans for urban reserve areas must include preliminary cost estimates and proposed finance methods. These considerations may be weighed by the Council as it decides where in the range forecast to plan in order to best achieve the region's six desired outcomes.

5. How might Metro's work on opportunity mapping and the Coalition for a Livable Future's updated Regional Equity Atlas inform the growth management decision?

As part of taking an "outcomes-based approach," the UGR will report on regional performance on a variety of topics. Staff will seek to coordinate with the Metro Equity Strategy to incorporate information related to equity in the UGR. Opportunity maps could be one source of information, particularly for depicting current demographic conditions. That said, staff anticipates a learning curve in how to effectively use the maps to inform the Council's growth management decision and will look to the Metro Equity Strategy work for guidance.

6. Can the UGR provide analyses of how well current policies are working, why affordable housing is not being built, or the effectiveness of new policies that the Council may wish to consider?

While the UGR will report on regional performance related to the six desired outcomes and the 2040 Growth Concept, this proposed project does not include diagnostic assessments of existing policies or development of new policies. The proposed project has been scoped to accomplish core responsibilities related to growth management, leverage other efforts and remain aligned with available agency resources.

7. What are the implications of not expanding the UGB?

There are at least two ways of understanding this question:

a. What are the implications of a long-term (beyond this 5-year cycle) tight UGB policy?

Without changes to current law, every five years the Council will have the responsibility of ensuring that the UGB can accommodate the next 20 years of population growth. However, the UGR can summarize existing research on the topic and refer to the scenario work that will be conducted for the Climate Smart Communities project. By using a range forecast, the Council will be able to consider this information as it makes growth management decisions.

b. What are the implications of the Council not expanding the UGB in the upcoming growth management decision?

From a legal and process perspective, the Council may choose to not expand the UGB if, based on the UGR's analysis, the Council finds that there is no long-term land need. By using a range forecast, the Council will be able to exercise better policy judgment than an overly prescriptive technical analysis might dictate. However, none of the technical work to determine potential capacity needs has been completed at this point, so it is difficult to answer this question as it pertains to the Council's upcoming growth management decision.

8. What are the implications of a lack of funding for infrastructure?

The UGR can summarize existing research and draw from the scenario work that will be conducted for the Climate Smart Communities project.

9. Does this project include sufficient support from the Communications department?

As with other elements of the proposed work program, the level of Communications support has been scaled to support core growth management responsibilities and reflect budget realities.

10. How might the reset of the economy that has occurred as a result of the last recession affect growth?

Producing a new forecast every five years allows us to adjust as trends become clearer. As a part of the 2014 UGR, Metro's Chief Economist will produce a new seven-county range forecast of population and employment growth. This range forecast will be based on current economic forecast data from IHS Global Insight, a global economic analysis and forecasting company. As with past regional forecasts, the data will be adjusted to reflect regional conditions such as the region's historic strength in manufacturing. Staff also anticipates convening an expert panel to help inform the development of the regional forecast by addressing several topics that relate to changing economic conditions. Because staff will be producing a range forecast, the Council will have the ability to weigh different viewpoints on economic and population growth and the likely outcomes of various growth management responses.



2014 Urban Growth Report and 2015 Growth

Management Decision

Ted Reid, Project Manager

GOAL: Adoption of a growth management decision that advances the region's six desired outcomes and meets statutory requirements.

METRO ROLE:

Make a growth management decision that is informed by local and regional goals, technical analysis, and advisory committee and stakeholder input.

PROGRAM OBJECTIVES:

- Provide the Metro Council with a sound basis for making an informed growth management decision
- Emphasize the need for local and regional investments to achieve vibrant downtowns, main streets, and employment areas
- Increase regional coordination
- Meet state requirements related to growth capacity

WORK PROGRAM ELEMENTS:

This work program will be accomplished using a similar approach to that used in the 2009 Urban Growth Report (UGR).

1. UGR:
 - a. Coordinate with local jurisdictions to develop a buildable land inventory that includes vacant, partially vacant, and redevelopable lands inside the urban growth boundary (UGB).
 - b. Using the buildable land inventory, estimate the UGB's 20-year growth capacity.
 - c. Develop a population and employment range forecast (year 2035, 7-county area)
 - d. Complete an interim Housing Needs Analysis based on range forecast (determine housing need by type and density range)
 - e. Determine 20-year capacity gaps for urban growth boundary (residential, commercial, general industrial, large site industrial)
 - f. Incorporate information on development trends and regional performance from other efforts such as Climate Smart Communities, the Metro Equity Baseline, Opportunity Mapping, and the Regional Export Atlas
2. Capacity Ordinance:
 - a. Document efficiency measures adopted after completion of UGR
 - b. Complete UGB alternatives analysis and UGB expansion, if needed
 - c. Update Housing Needs Analysis to reflect point forecast chosen by Council

RELATED PROJECTS/PROGRAMS:

- Climate Smart Communities Scenarios
- Regional Industrial Site Readiness project
- Regional Transportation Plan update



- Greater Portland, Inc.'s Comprehensive Economic Development Strategy and the Export Initiative
- Metro Equity Strategy
- Community Investment Initiative
- Community Planning and Development Grants
- Brownfields program
- Integrated mobility corridors (SW Corridor/East Metro Connections Plan)

EXTERNAL PARTNERS:

- Local jurisdictions and special districts
- State of Oregon Department of Land Conservation and Development
- ODOT
- Key stakeholders including business interests, housing developers and the conservation community
- Regional Industrial Site Readiness partnership

COUNCIL ROLE:

- Policy direction
- Outreach to partners
- Adoption of UGR and actions needed to address any capacity gaps identified in the UGR

KEY MILESTONES AND DECISIONS TIMELINE (WORK IN PROGRESS)

1. Metro Council direction on overall work program (with ongoing engagement as project work moves forward)	Spring 2013 – December 2013
2. Release of draft population and employment range forecast (with ongoing engagement)	Early 2014
3. Release of Chief Operating Officer recommended draft UGR (with ongoing engagement)	July 2014
4. Council acceptance of final UGR (with range of need identified)	December 2014
5. Chief Operating Officer recommendations on growth management decision: <ul style="list-style-type: none"> a. Point in range forecast for which to plan b. Capacity Ordinance – efficiency measures and UGB expansions if needed (concept plans must be completed by local jurisdictions by May 2015 for consideration) 	September 2015
6. Council growth management decision: <ul style="list-style-type: none"> a. Adopt point in range forecast b. Adopt efficiency measures and UGB expansions if needed c. Direct staff to develop legal findings (including updating Housing Needs Analysis to reflect point forecast) 	December 2015*
7. Submittal of growth management decision for state review	Early 2016

NOTE: -FORMAL ACTIONS ARE BOLDED AND HIGHLIGHTED IN GRAY

*FINAL UGB DECISION MAY BE MADE IN 2016 INSTEAD OF 2015, DEPENDING ON NEED IDENTIFIED IN UGR, FORECAST POINT CHOSEN BY COUNCIL, EFFECT OF EFFICIENCY MEASURES ADOPTED, AND STATUS OF CONCEPT PLANNING IN URBAN RESERVES.

EVENTS AND PRODUCTS TO ACTUALIZE KEY MILESTONES

Milestone 1 (Council direction on work program and ongoing engagement):

Spring 2013: Council review of proposed work program
May 2013 – Dec 2013: Ongoing engagement with MTAC, MPAC, stakeholders and the Metro Council as project work moves forward

Milestone 2 (Release draft population and employment range forecast):

Fall 2013: Convene expert panel to advise Metro staff on developing the regional range forecast.
Fall 2013: Ongoing engagement with MTAC, MPAC, stakeholders and the Metro Council on the forecast.
Jan 2014: Release draft range forecast (7-county, year 2035)

Milestone 3 (Release draft UGR):

Mar – Jul 2013: Complete residential redevelopment and infill (refill) study
Date TBD: Complete residential permit activity study (where and what type of development has been occurring?)
Jan – Jul 2013: Complete vacant land inventory
Feb – Jul 2013: Convene public/private technical working group to inform Metro staff work on buildable land inventory
Fall 2013: Characterize residential and employment land supply (suitability)
Fall 2013: Update inventory of large industrial sites (confirm vacant/developed status)
Fall 2013: Conduct survey on residential preferences
Spring 2014: Ongoing engagement with MTAC, MPAC, stakeholders and the Metro Council on the components of the draft UGR
Jul 2014: Chief Operating Officer recommends draft UGR to Council

Milestone 4 (Council acceptance of UGR):

Aug – Oct 2014: Ongoing engagement with MTAC, MPAC, stakeholders and the Metro Council on draft UGR
Nov 2014: Revisions to draft UGR as needed
Dec 2014: Council consideration of UGR as basis for 2015 growth management decision

Milestone 5 (COO recommendation on growth management decision):

Summer 2013: Local jurisdictions initiate concept planning work funded with Community Development and Planning Grants
Jan – May 2015: Efficiency measures analysis
May 2015: Local jurisdictions must complete concept plans for urban reserve areas in order to be considered for UGB expansion by Council
May – Aug 2015: Engagement with Council, stakeholders and advisory committees on point to choose in range forecast and growth management decision
May – Sept 2015: UGB alternatives analysis (if gap exists)
September 2015: Release of COO recommendation on point in range forecast and growth management decision

Milestone 6 (Council growth management decision):

Sept - Dec 2015: Engagement with Council, stakeholders and advisory committees on COO recommendation

Dec 2015: Council adoption of point forecast, efficiency measures, and UGB expansion if needed; direction to staff to develop findings, including a revised housing needs analysis to reflect the point forecast adopted by Council.

Milestone 7 (Submittal of growth management decision for state review):

Jan – Feb 2016: Update Housing Needs Analysis to reflect point forecast chosen by Metro Council; finalize findings; submit record to Oregon Department of Land Conservation and Development
TBD Oregon LCDC hearings

ESTIMATED RESOURCES NEEDED, TOTAL FY 2012-2013 through FY 2015-2016

Staff: 3 FTE in Land Use Planning, 3 FTE in Research Center, 1 FTE in Office of the Metro Attorney

Materials and Supplies: \$45,000 (preliminary estimate)

Materials following this page were distributed at the meeting.

Outcomes-based approach to regional growth management



May 7, 2013 Metro Council work session

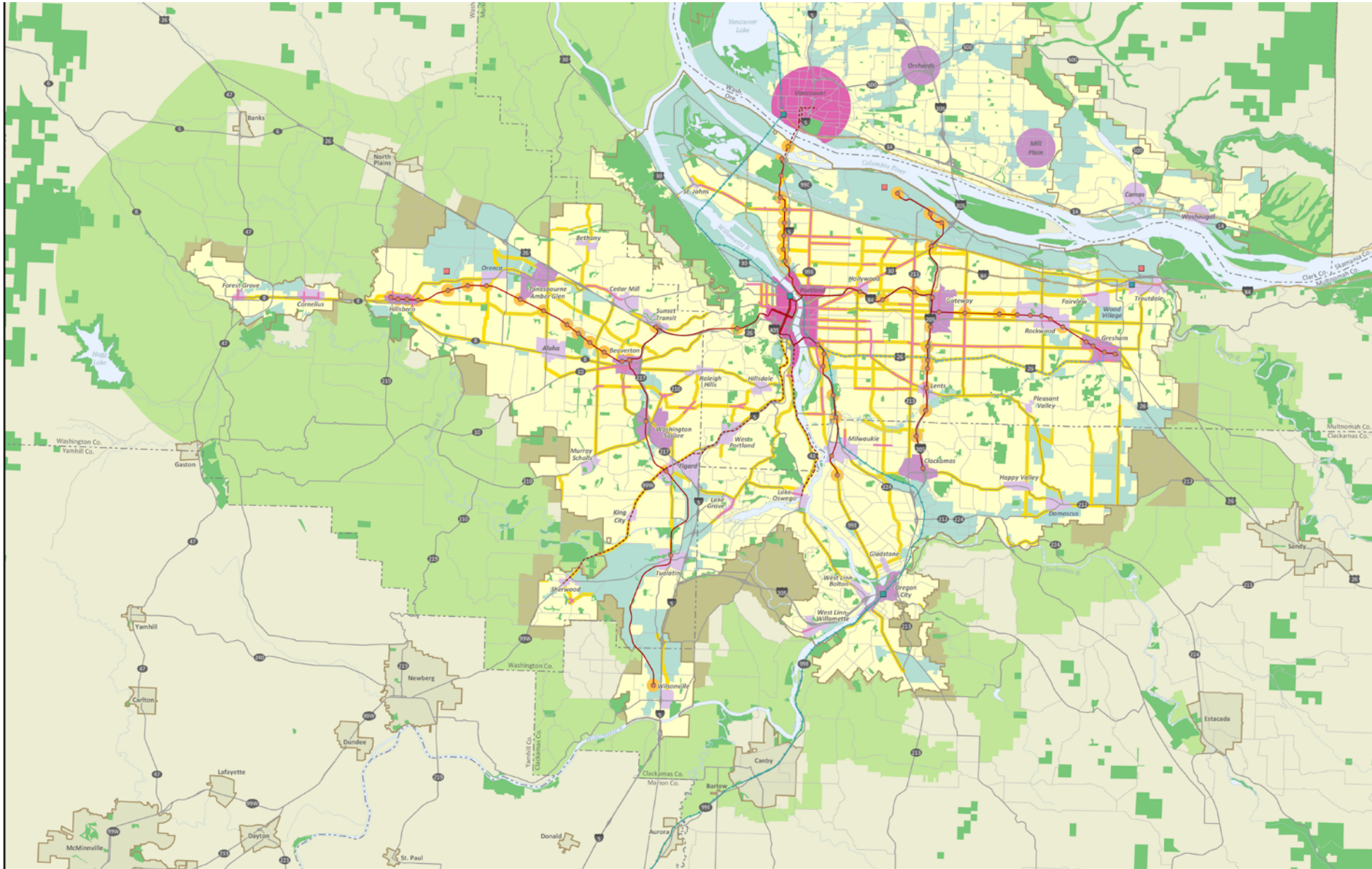
Agenda:

- Review topics brought up at 3/19/13 work session
- Background on Urban Growth Report (UGR) and growth management process
- Action requested: seeking go ahead from Council to proceed with work program

Themes at 3/19/13 Council work session

- Work should be framed in terms of desired outcomes.
- Council wants best available information before choosing a point in the range forecast.
- Interest in what is included in work program.

2040 Growth Concept



2040 Growth Concept Map

March 2012

UGR and reserve boundaries pending ICDAC acknowledgement

Overview: the Metro 2040 Growth Concept defines the form of regional growth and development for the Portland metropolitan region. The Growth Concept was adopted in December 1995 through the Region 2040 planning and public involvement

efforts including: the 2035 Regional Transportation Plan that outlines investments in multiple modes of transportation, and a commitment to local policies and investments that will help the region better accommodate growth within its centers, corridors

Central city
Regional center
Town center

Employment land
Parks and natural areas
Neighborhood

Existing high capacity transit
Planned high capacity transit
Proposed high capacity transit tier 1

Neighboring cities
Airports
Intercity rail terminal



Photo: The Oregonian

2000-2022 Urban Growth Report
Dwelling Unit Capacity Estimate & Need
2002-2022 Regional Forecast
of Residential Land Need
November 2002

Line No.		SUPPLY	DEMAND
Residential Demand Estimates (in Households)			
1a/	4-County Population Forecast (July 2000 to Dec. 2022) - 22 1/2 years		744,200
1b/	4-County Household Forecast (July 2000 to Dec. 2022) - 22 1/2 years		312,100
2/	Capture 68% of 4-County Forecast in Metro UGB		212,200
3/	plus: 4% vacancy rate		8,500
4/	Household Demand in the Metro UGB:		220,700
July 2000 Vacant Land Inventory (all zones):			
5/	Gross Vacant Land	Metro UGB	
		44,000	
6a/	less: Title 3 (Water Quality Protection)	7,600	
6b/			
7/	Gross Vacant Buildable Acres (GVBA) - rounding	36,400	
8/	less: Fed., State, Municipal exempt land (actual count)	1,700	
9/	less: Acres of Platted Single Family Lots (actual count)	2,000	A
10/	less: Acres for Places of Worship and Social Org. (per capita basis)	700	C
11/	less: Major Easements (Natural Gas, Electric & Petroleum) (actual count)	700	R
12/	less: Acres for New Streets (0%, 10%, 18.5%)	4,900	E
13/	less: Acres for New Schools (per capita student basis: H=45, M=55, E=70)	900	S
14/	less: Acres for New Parks (based on SDC fees)	1,100	
15/	Net Vacant Buildable Acres (NVBA)	24,400	
NVBA by Type:			
		Metro UGB	
16/	Net Vacant Buildable Acres - Employment see Employment Land Need Analysis		
17/	Net Vacant Buildable Acres - Residential	14,900	
	Net Vacant Buildable Acres (NVBA)	14,900	
Dwelling Unit Capacity at Current Local Zoning (as of Jan. 2001)			
18/		Metro UGB	
		108,700	
19/	add: Res. Development in vac. Mixed Use Areas (MUC)	10,400	U
20/	less: Units Lost to Underbuild @ 20%	(23,800)	N
21/	add: Units from Residential Refill @ 26.3%	58,000	I
22/	add: Minimum Development Capacity on Title 3 land (actual count)	500	T
23/	add: Units from Platted Single Family Lots (actual count)	14,000	S
24/	add: Land Adjustments (land capacity for these items not included in line 18/)		
24a/	Pleasant Valley Master Plan	5,000	
24b/	Villebois Village	2,300	
24c/	Marylhurst Convent town center development	700	
24d/	Washington Square regional center plan update	1,500	
25/	Subtotal: Dwelling Unit Capacity	177,300	
26/	Net Need in Residential Dwelling Units (DEFICIT):		(43,400)
27/	add: Added policy actions inside UGB (refill: +2.7% centers)	6,000	
28/	Adjusted Dwelling Unit Capacity	183,300	
29/	Net Need for Residential Households (DEFICIT):		(37,400)

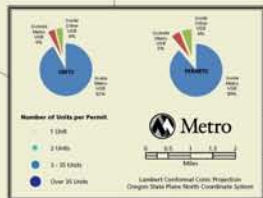
Past Metro urban growth boundary hearing







New residential construction (1998 -2008)



Pressing challenges

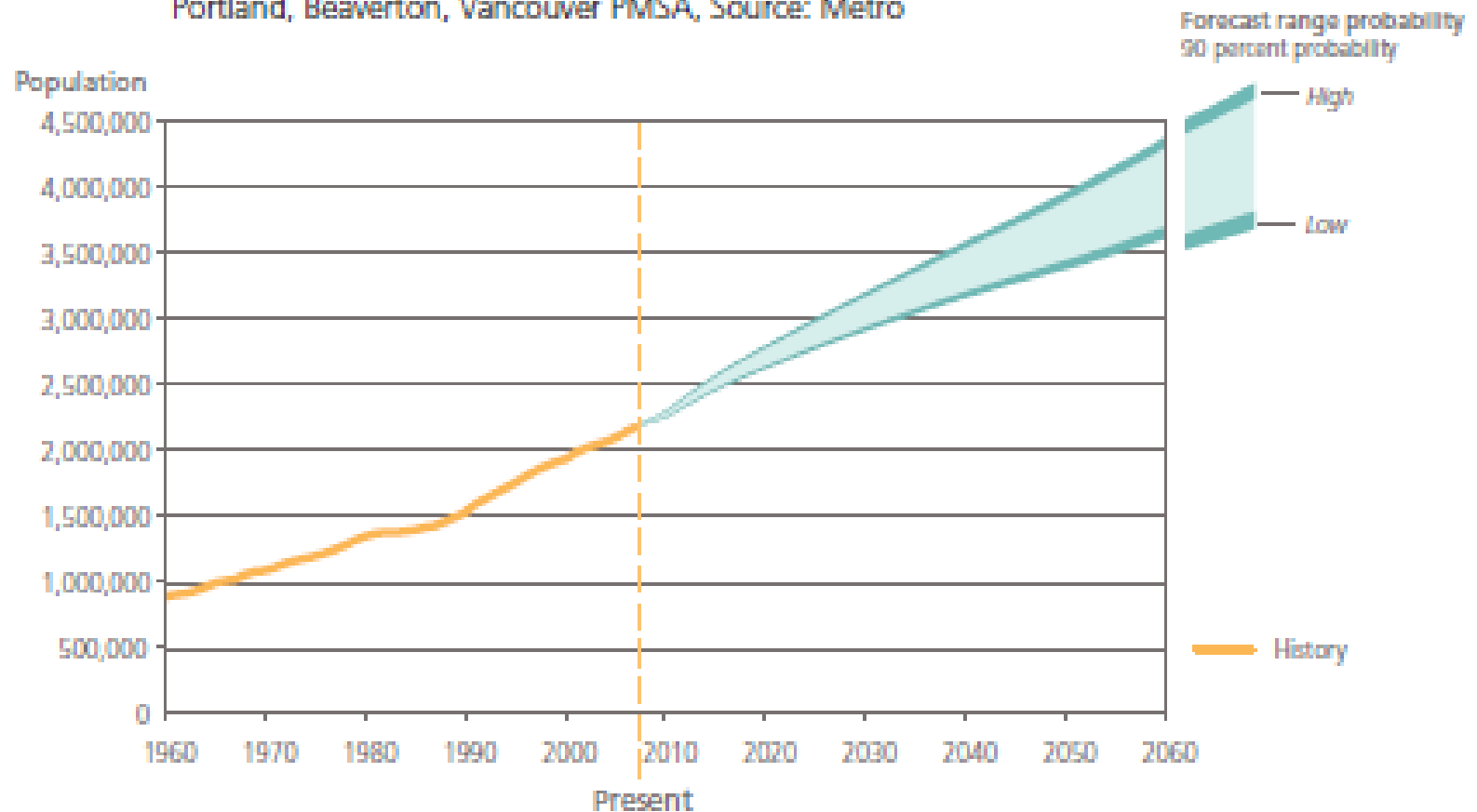


- Population growth
- Changing demographics
- Traffic congestion
- Climate change
- An economy in flux
- Rising energy costs
- Funding shortfalls

Acknowledging uncertainty with range forecast

Figure 1: 2007 – 2060 Population forecast

Portland, Beaverton, Vancouver PMSA, Source: Metro



Six desired outcomes:

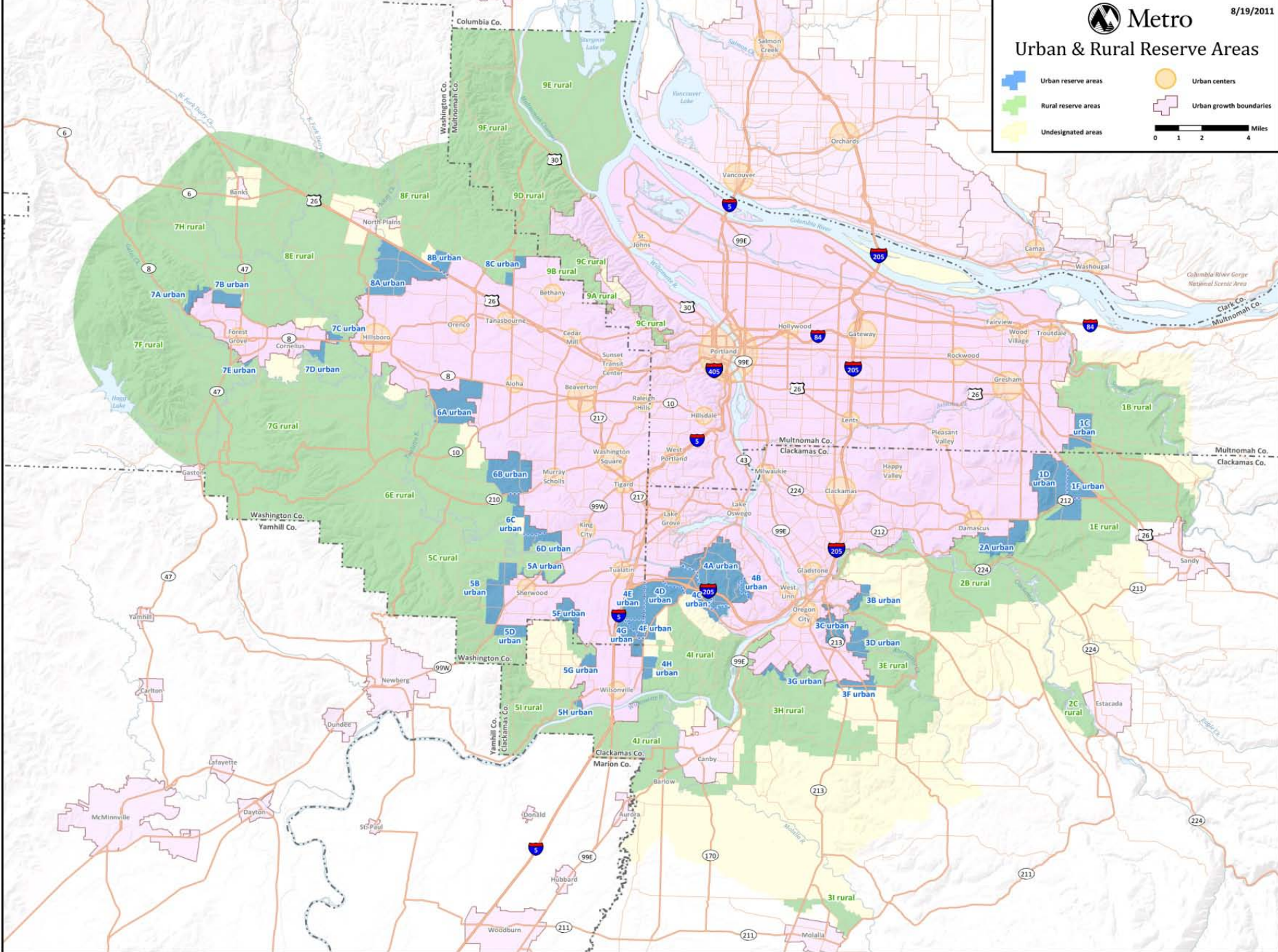
- **Vibrant communities** - People live, work and play in vibrant communities where their everyday needs are easily accessible.
- **Economic prosperity** - Current and future residents benefit from the region's sustained economic competitiveness and prosperity.
- **Transportation choices** - People have safe and reliable transportation choices that enhance their quality of life.
- **Climate leadership** - The region is a leader in minimizing contributions to global warming.
- **Clean air and water** - Current and future generations enjoy clean air, clean water and healthy ecosystems.
- **Equity** - The benefits and burdens of growth and change are distributed equitably.

Plans and market dynamics



- Plans are often, by nature, ahead of the market, sometimes by decades
- Local and regional policies and investments can influence utilization of zoned capacity

Urban & Rural Reserve Areas



Urban Growth Report

- Reports on regional performance related to six desired outcomes
- Sets stage for discussion of how growth management decision might improve regional and local outcomes

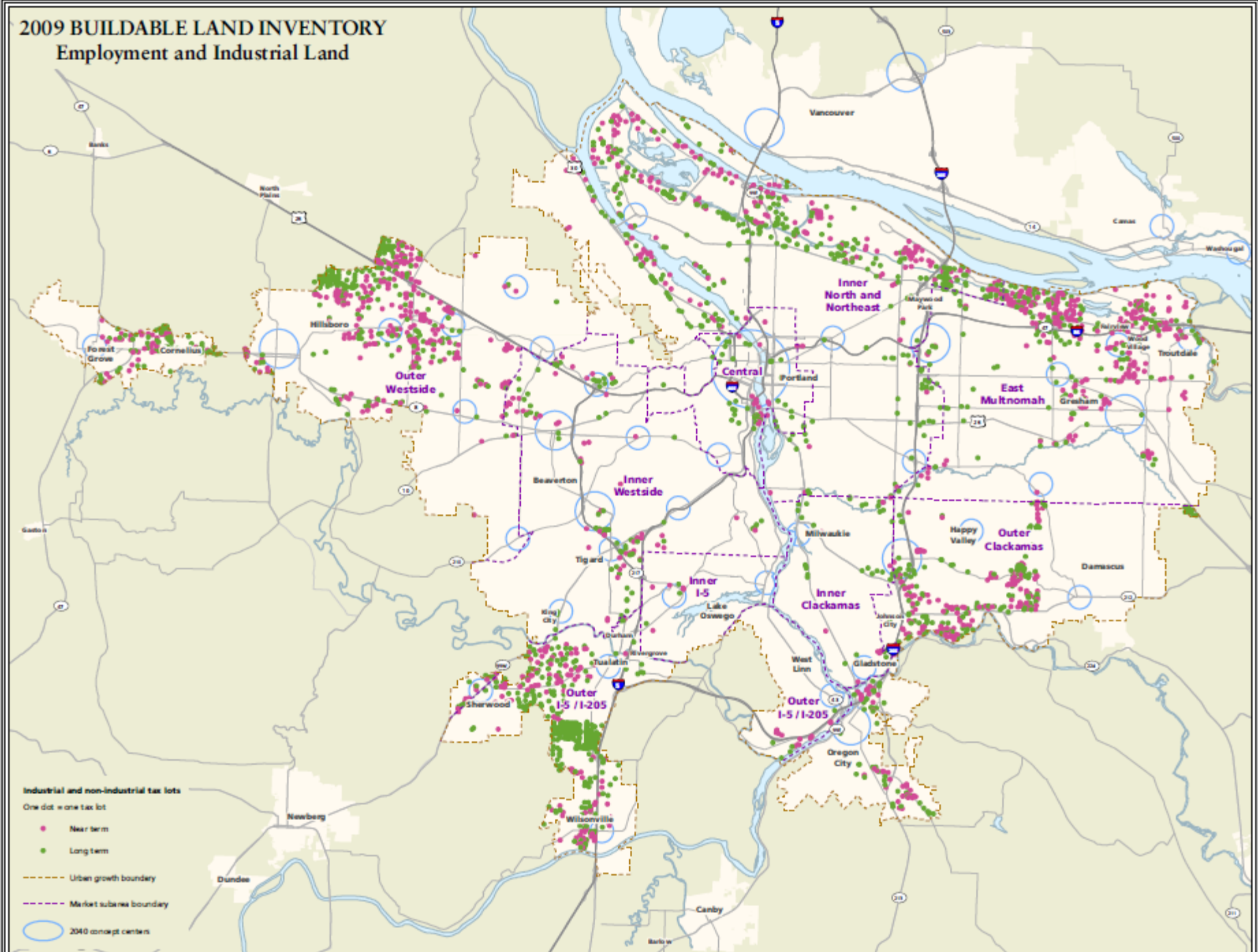
Urban Growth Report:

Employment analysis

- Non-industrial (e.g., retail or office)
- General industrial (e.g., manufacturing or warehousing on smaller industrial sites)
- Large-lot industrial (sites over 25 acres)

2009 BUILDABLE LAND INVENTORY

Employment and Industrial Land



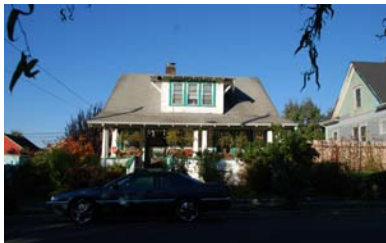
Employment capacity: Redevelopment and infill



Different market areas, uses, and building types



Urban Growth Report: Housing needs analysis

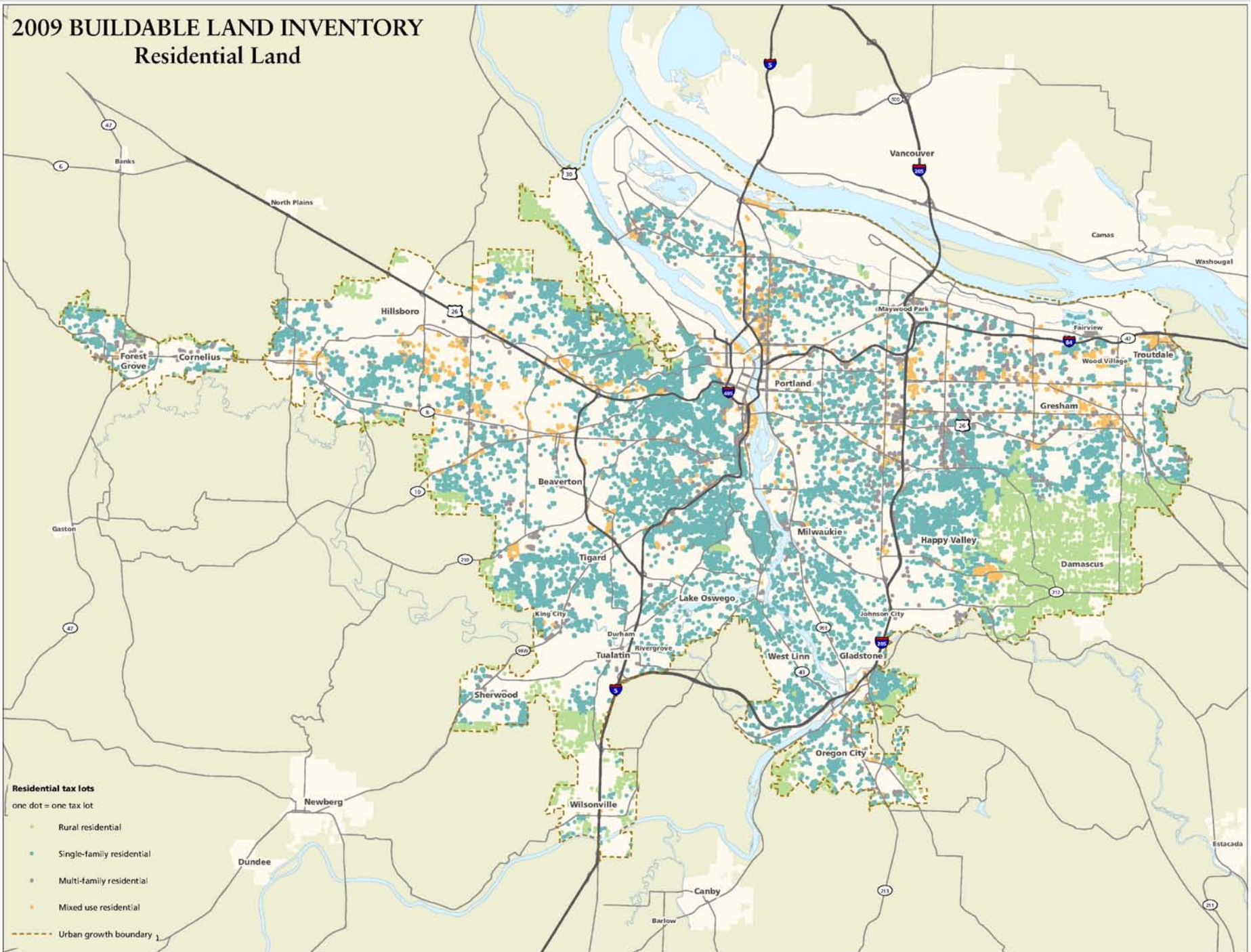


Required by:

- Statewide Planning Goal 10 (Housing)
- Oregon Revised Statutes 197.296

2009 BUILDABLE LAND INVENTORY

Residential Land



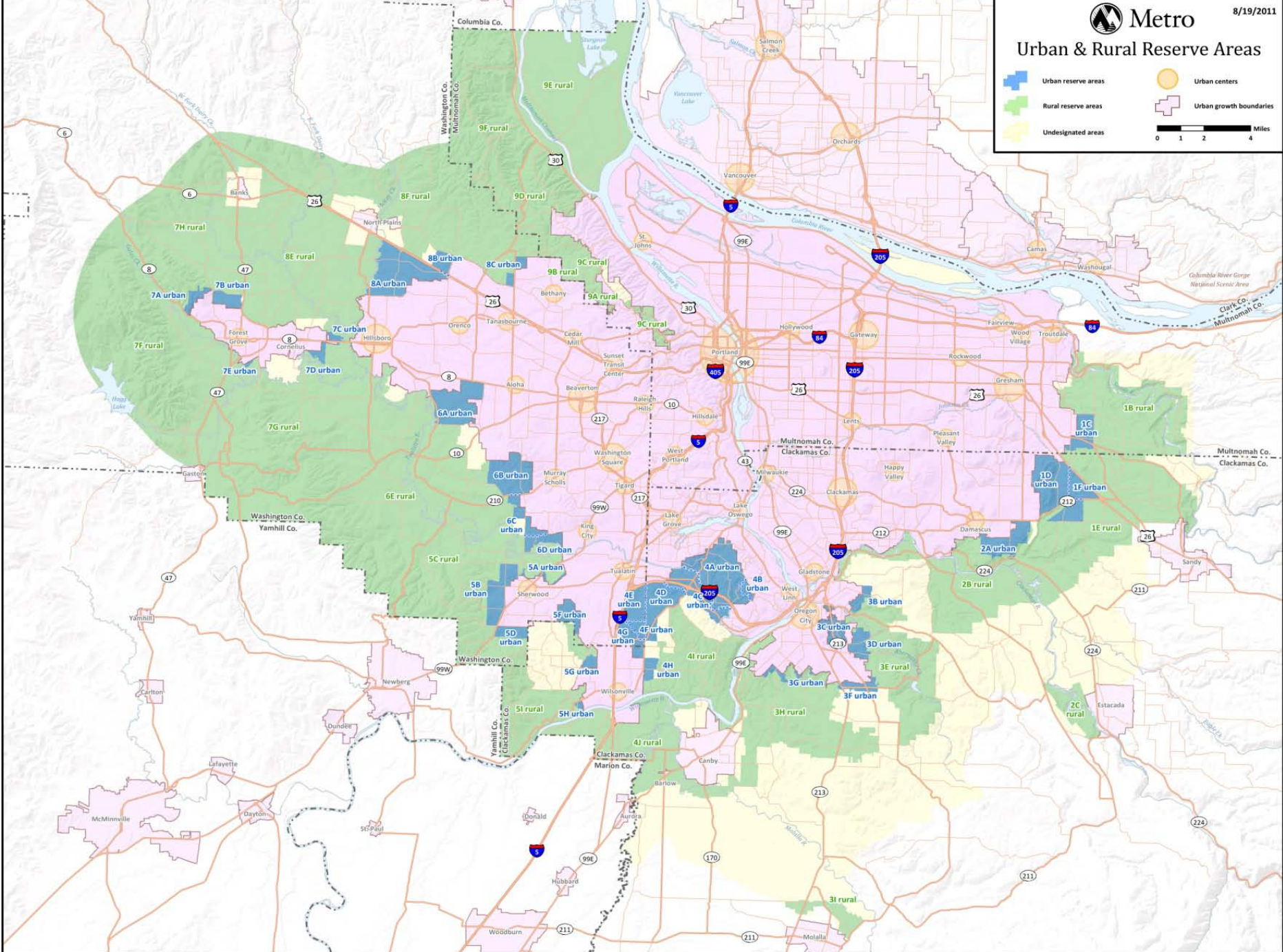
Examples of efficiency measures in last growth management decision

- Regional
 - Adoption of the 2035 Regional Transportation Plan
 - New Regional Center (AmberGlen/Tanasbourne)
 - New Town Center (Cornelius)
- Local
 - Urban renewal
 - Up-zoning



Urban & Rural Reserve Areas

- Urban reserve areas
 - Rural reserve areas
 - Undesignated areas
 - Urban centers
 - Urban growth boundaries
- 0 1 2 4 Miles



Council discussion:

- Work should be framed in terms of desired outcomes.
- Council wants best available information before choosing a point in the range forecast.
- Interest in what is included in work program.