



Metro | Agenda

Meeting: Metro Council Work Session
Date: Tuesday, Mar. 18, 2014
Time: 2 p.m.
Place: Council Chamber

CALL TO ORDER AND ROLL CALL

- | | | |
|----------------|--|---|
| 2 PM | 1. ADMINISTRATIVE/ COUNCIL AGENDA FOR MAR. 20, 2014 / CHIEF OPERATING OFFICER COMMUNICATION | |
| 2:15 PM | 2. 2014 LEGISLATIVE REPORT – <u>INFORMATION/ DISCUSSION</u> | Randy Tucker, Metro |
| 2:45 PM | 3. BREAK | |
| 2:50 PM | 4. GROWTH MANAGEMENT DECISION: <ul style="list-style-type: none">• Regional Population and Employment Forecast• Residential Development Trends <u>INFORMATION/ DISCUSSION</u> | Ted Reid, Metro
Dr. Tom Potiowsky,
Portland State University |
| 4:20 PM | 6. COUNCIL COMMUNICATION | |

ADJOURN

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Agenda Item No. 2.0

2014 LEGISLATIVE REPORT

Metro Council Work Session
Tuesday, Mar. 18, 2014
Metro, Council Chamber

METRO COUNCIL

Work Session Worksheet

PRESENTATION DATE: March 18, 2014 **TIME:** 2:15 pm **LENGTH:** 30 minutes

PRESENTATION TITLE: 2014 Legislative Report

DEPARTMENT: Government Affairs and Policy Development

PRESENTER(S): Randy Tucker, x1512, randy.tucker@oregonmetro.gov

WORK SESSION PURPOSE & DESIRED OUTCOMES

- **Purpose:** The purpose of this work session is to review the results of the 2014 Oregon legislative session, with a focus on House Bill 4078.
- **Outcome:** The Metro Council will have a fuller understanding of the provisions of the context and content of HB 4078, as well as its policy and political implications for Metro's work program and for the 2015 Oregon legislative session. The Council may wish to provide preliminary policy direction to staff related to Metro's 2015 legislative agenda.

TOPIC BACKGROUND & FRAMING THE WORK SESSION DISCUSSION

HB 4078: Leading up to the 2014 legislative session, the Metro Council had an extensive conversation occasioned by the introduction of legislation that would have declared final the Council's 2011 decision expanding the urban growth boundary (UGB), thereby curtailing or preempting legal appeals to that decision. The Council developed legislative principles and a policy position that articulated the preferred role of the Legislature with respect to local land use decisions while acknowledging the need to make the growth management process more efficient.

The legislation in question, which eventually became HB 4078, moved forward in three distinct phases.

- In the first phase, a letter from the Metro Council shaped the conversation; it seemed that the Council's proposed language creating deadlines for action by the Land Conservation and Development Commission (LCDC) and the Oregon Court of Appeals had sufficient support to replace the original bill.
- However, it soon became clear that a small group of legislators and stakeholders intended to dramatically amend the bill not only to reinstate its original purpose of designating the UGB, but also to redraw the map of urban and rural reserves that had been agreed to between Metro and the counties of the region. This second phase featured a major legislative battle in which local governments vigorously opposed amending the bill in this way.
- In the midst of this battle, the Oregon Court of Appeals issued its sweeping ruling that reversed and remanded major elements of the region's urban and rural reserves agreements. This kicked off the feverish third phase of activity on HB 4078, where stakeholders on every side of the issue, including Metro, negotiated an agreement that was eventually codified by the Legislature.

The final version of HB 4078 contains elements that will require further attention by the Metro Council and others, both technically and politically. More detail will be provided in a separate memo, but considerations include:

- Errors that may need to be corrected in the details of changes made by HB 4078 in the UGB and reserves, especially with respect to the treatment of rights of way
- Stipulation in HB 4078 that the capacity of certain employment areas added to the UGB by the bill shall not be counted as available in Metro’s upcoming capacity analysis
- Expectations among certain parties that areas not addressed by either the Court’s ruling or HB 4078 will be on the table for further negotiation
- Comments made by certain legislators suggesting that this legislation and the situation gave rise to it demonstrate that the land use system is “broken” and in need of overhaul in 2015

OTHER LEGISLATION: Please see attached an annotated version of Exhibit A to Resolution 14-4500, in which the Metro Council adopted its legislative priorities for 2014. This annotated version includes a summary of outcomes on the issues the Council considered before the session as well as a few issues that arose during the session. Of primary interest, but not news to anyone at this point, is the fate of the Columbia River Crossing. Other issues of interest include the passage of HB 4029 (the Damascus withdrawal bill) and the continuing discussion of Gain Share, though legislation on that subject did not advance.

QUESTIONS FOR COUNCIL CONSIDERATION

- What are the implications of HB 4078 for the Council’s work program over the near term?
- What are the Council’s early thoughts about the results of the 2014 session and their implications for 2015?

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?
 - Exhibit A from Resolution 14-4500, annotated with session outcomes
 - Memo summarizing reserves ruling and HB 4078 and discussing implications going forward (to follow)

METRO COUNCIL LEGISLATIVE PRIORITIES
2014 Legislative Session (updated with session outcomes)



- **I-5 Replacement bridge over the Columbia River:** Support adoption of an equitable state finance package that reflects the importance of this project to the state while protecting the interests of the Portland region and addressing the project's impacts on the local community.

In the context of a possible Oregon-led approach to the project, continue to focus on the project's impact, broadly defined, on the region's transportation, development, livability, economic prosperity and environmental quality, while acknowledging that questions related to the financial risk to the state of such an approach are outside Metro's purview. (*HB 4113, which modified the legislation passed in 2013 to implement the Oregon-led approach, passed out of its policy committee and was sent to Ways and Means, where it died.*)

- **Urban growth management:** Ensure that the Legislature establishes the policy framework and process for local land use decisions and supports the authority of local governments, including Metro, to make specific decisions on local land use matters. Support legislative actions to provide LUBA, LCDC and the Oregon appellate courts with sufficient guidance and resources to ensure timely processing of land use appeals. (*HB 4078 passed. Having begun as a bill that would have simply validated Metro's 2011 UGB expansion – which Metro did not support – it next became the vehicle for an attempted rewrite of the urban and rural reserves map. After the Court of Appeals remanded the reserves decision, HB 4078 became the vehicle for carrying out a negotiated agreement that revised the reserves map, validated Metro's 2011 UGB expansion, brought additional areas into Metro's UGB, established a 180-day deadline for LCDC to issue final written orders after voting on a decision, and extended Metro's UGB evaluation cycle from five years to six.*)
- **Damascus planning:** Support legislation clarifying responsibility of all communities to comply with state comprehensive planning requirements. (*While legislation responding to this language was not introduced, HB 4029 did pass, creating a process for the owners of property on the city boundary of Damascus and within ½ mile of another city to withdraw from the city. Metro supported HB 4029 after it was amended to include the ½ mile limit.*)
- **Infrastructure investment:** Support legislation creating Infrastructure Innovation Oregon (I²O) and establishing criteria for evaluating large projects for innovative financing. (*HB 4111 passed, creating a Public Infrastructure Commission to identify Oregon's infrastructure needs and explore innovative financing options; requiring large projects with significant state funding to be screened for potential use of innovative procurement methods; and authorizing Oregon's participation in the West Coast Infrastructure Exchange.*)
- **Local Improvement Districts:** Ensure that legislation occasioned by a single atypical circumstance does not create undue barriers to the use of this important local funding tool. (*HB 4017 was introduced as a vehicle for possible changes to LIDs in response to a particular situation in Keizer. The bill, which was the subject of months of negotiation, could have created problems for local communities statewide. However, the Keizer situation was settled locally and the bill was allowed to die.*)

- **Gain Share:** Support legislation extending sunset of program and establishing a fair and equitable allocation of increased revenues associated with Strategic Investment Program projects. (*HB 1532 failed.*)
- **Allocation of RV fees:** Support change in the formula for allocation of recreational vehicle fees to increase percentage allocated to county parks, including Multnomah County parks owned and operated by Metro. (*SB 1514 passed.*)
- **Toxics:** Support legislation requiring disclosure and removal of toxic chemicals in children's products. (*HB 1569 failed.*)
- **Clean Fuels Program:** Support legislation lifting the sunset on Oregon's Clean Fuels Program. (*SB 1570 failed.*)
- **Industrial site readiness:** Support continued development of state financial tools to help make land inside the urban growth boundary available for industrial development and job creation through infrastructure investment, brownfield cleanup, land aggregation, and other means. (*No legislation was introduced.*)
- **Brownfields:** Support creation of policy and funding tools to facilitate brownfield redevelopment. (*HB 4063 passed. As introduced, it would have allowed the Common School Fund to make loans for brownfield cleanup. However, it was amended to simply establish a Task Force Loans to "identify opportunities for making loans from the Common School Fund for the purpose of financing projects that provide significant in-state economic benefits."*)

Other 2014 legislation of interest:

HB 4107 passed. It extends the Alternative Fuel Vehicle Revolving Fund loan program to certain private entities. Metro supported this bill, which builds on earlier legislation expanding the allowed use of other funds for emissions reduction.

HB 4015 passed. It directs certain state agencies to use regional priorities for community and economic development in consideration of project funding decisions made in connection with state grant, loan or incentive programs. It also statutorily establishes the Regional Solutions Program within the Office of the Governor.

HB 4048 failed. Spurred by the murder of a mental health worker in Columbia County, this bill in its original form would have eliminated local governments' immunity from liability for wrongful death under certain circumstances, and would have exposed Metro to considerable potential liability.

SB 1516 passed. It requires the Oregon Parks and Recreation Department and the Oregon Department of Forestry, along with other relevant state agencies, to develop a plan to construct the Salmonberry Trail between Banks and Tillamook.

Agenda Item No. 4.0

- GROWTH MANAGEMENT DECISION:**
- **REGIONAL POPULATION AND EMPLOYMENT FORECAST**
 - **RESIDENTIAL DEVELOPMENT TRENDS**

Metro Council Work Session
Tuesday, Mar. 18, 2014
Metro, Council Chamber

METRO COUNCIL

Work Session Worksheet

PRESENTATION DATE: March 18, 2014 **TIME:** 2:50 PM **LENGTH:** 1 hour, 30 minutes

PRESENTATION TITLE: 2015 growth management decision:

- Regional population and employment forecast
- Residential development trends

DEPARTMENT: Planning and Development

PRESENTER(S): Ted Reid, Metro, ext. 1768 ted.reid@oregonmetro.gov
Dr. Tom Potiowsky, PSU

WORK SESSION PURPOSE & DESIRED OUTCOMES

Purpose:

- Provide Council with information regarding the draft population and employment forecast and its expert review process.
- Provide Council with the opportunity to ask questions of staff and the chair of the forecast review panel (Dr. Tom Potiowsky).
- Provide Council with an update on historic residential development trends.

Outcome:

Council members understand:

- Draft forecast results and how they will be utilized
- How well past Metro forecasts have held up
- How recent economic conditions inform the forecast
- The forecast peer review process
- Some of the factors that could lead to higher or lower growth in the range forecast
- Recent residential development trends
- Some of the policy considerations that the Council and MPAC will discuss over the coming two years

TOPIC BACKGROUND & FRAMING THE WORK SESSION DISCUSSION

Project context

Metro, local jurisdictions and the private sector work on a continuous basis to maintain and improve the region's quality of life and to prepare for population and employment growth. Many policy and investment decisions are used to achieve those ends. The regional growth management decision is one of those tools and provides a venue for the region to assess its performance. Metro is mandated to assess the capacity of the region's urban growth boundary (UGB) every five years¹ 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 the work session, staff will update the Council on two of the UGR's work elements, the regional population and employment forecast and an assessment of historic residential development trends.

¹ Pending changes to state law will change this requirement to every six years for subsequent review cycles.

Regional population and employment forecast

A major component of the UGR is a population and employment forecast for the year 2035. The forecast will be fully documented in the draft UGR that will be released in July 2014. The forecast is for the seven-county area that includes Metro's jurisdiction. Following the Council's direction, the forecast will be expressed as a probabilistic range. The final UGR that the Council will consider in December 2014 will retain that range forecast. The Council will not be asked to choose a point in the range forecast until its subsequent growth management decision in December 2015.

Because of the importance of the forecast, staff convened a forecast advisory panel consisting of economists and demographers to provide expert review. The panel provided Metro staff with advice on the forecast's assumptions, results, and methods for creating the range. The panel also discussed scenarios that could lead to lower or higher growth within the range forecast. The panel had its final meeting in late February. Based on their advice, staff has adjusted the draft forecast assumptions and results.

Panel members included:

Dr. Tom Potiowsky, Chair	Northwest Economic Research Center, PSU
Dr. Jennifer Allen	Institute for Sustainable Solutions, PSU
Dr. Andrew Dyke	ECONorthwest
Jerry Johnson	Johnson Economics
Dr. Jason Jurjevich	Population Research Center, PSU
Dave Lenar	NW Natural
Dr. Randall Pozdena	ECONorthwest
Steve Storm	NW Natural

Residential development trends

As part of its growth management responsibilities, Metro is required to assess historic residential development trends. The results of this assessment will be incorporated into the draft UGR that will be released in July 2014. Staff will share some of those preliminary results with Council at the work session. The Council, MPAC and others will have extensive opportunities to discuss the implications of this work in coming months and into 2015 as you consider a growth management decision.

QUESTIONS FOR COUNCIL CONSIDERATION

- What are the risks and opportunities of planning for higher or lower population and employment growth rates?
- Given the residential development trends that we are observing, how might local jurisdictions and the region encourage development in areas that were added to the UGB and address community concerns about change and development in existing urban areas?
- Are there policy questions on which the Council would like MPAC's advice?

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?
 - Presentation at work session

Materials following this page were distributed at the meeting.

Metro | Agenda

Meeting: Metro Council
Date: Thursday, March 20, 2014
Time: 2 p.m.
Place: Metro, Council Chamber

CALL TO ORDER AND ROLL CALL

1. INTRODUCTIONS

2. CITIZEN COMMUNICATION

3. OREGON ZOO BOND PROGRAM UPDATE

Heidi Rahn, Oregon Zoo
Grant Spickelmier, Oregon Zoo

4. ZOO BOND CITIZENS' OVERSIGHT COMMITTEE ANNUAL REPORT

Heidi Rahn, Oregon Zoo

5. CONSIDERATION OF THE COUNCIL MINUTES FOR MAR. 13, 2014

6. RESOLUTIONS

6.1 **Resolution No. 14-4508**, For the Purpose of Adopting the District Revitalization Work Plan to Spur Investment in Downtowns and Main Street Districts.

Lisa Miles, Metro

6.2 **Resolution No. 14-4509**, For the Purpose of Authorizing Metro to Apply for a Land and Water Conservation Fund Grant From the Oregon Parks and Recreation Department for Development at Oxbow Regional Park and Recognizing The Authority of the Sustainability Director to Sign the Application.

Mark Davison, Metro

7. ORDINANCES – FIRST READ

7.1 **Ordinance No. 14-1326**, Amending the FY 2013-14 Budget and Appropriations Schedule and the FY 2013-14 Through 2017-18 Capital Improvement Plan.

Kathy Rutkowski, Metro

8. ORDINANCES – SECOND READ

8.1 **Ordinance No. 14-1324**, For the Purpose of Adopting Solid Waste Charges and User Fees for FY 2014-15.

Brian Kennedy, Metro

8.1.1 Public Hearing on Ordinance No. 14-1324.

9. CHIEF OPERATING OFFICER COMMUNICATION

10. COUNCILOR COMMUNICATION

ADJOURN

Television schedule for March 20, 2014 Metro Council meeting

<p>Clackamas, Multnomah and Washington counties, and Vancouver, WA Channel 30 – Community Access Network <i>Web site:</i> www.tvctv.org <i>Ph:</i> 503-629-8534 <i>Date:</i> Thursday, Mar. 20</p>	<p>Portland Channel 30 – Portland Community Media <i>Web site:</i> www.pcmtv.org <i>Ph:</i> 503-288-1515 <i>Date:</i> Sunday, Mar. 23, 7:30 p.m. <i>Date:</i> Monday, Mar. 24, 9 a.m.</p>
<p>Gresham Channel 30 - MCTV <i>Web site:</i> www.metroeast.org <i>Ph:</i> 503-491-7636 <i>Date:</i> Monday, Mar. 24, 2 p.m.</p>	<p>Washington County and West Linn Channel 30– TVC TV <i>Web site:</i> www.tvctv.org <i>Ph:</i> 503-629-8534 <i>Date:</i> Saturday, Mar. 22, 11 p.m. <i>Date:</i> Sunday, Mar. 23, 11 p.m. <i>Date:</i> Tuesday, Mar. 25, 6 a.m. <i>Date:</i> Wednesday, Mar. 26, 4 p.m.</p>
<p>Oregon City and Gladstone Channel 28 – Willamette Falls Television <i>Web site:</i> http://www.wftvmedia.org/ <i>Ph:</i> 503-650-0275 Call or visit web site for program times.</p>	

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Date: 14 March 2014
To: Metro Council
From: Randy Tucker, legislative affairs manager
Re: House Bill 4078



Councilors:

This memo consists of two sections.

- I. Summary of House Bill 4078
- II. Issues for discussion going forward

I. Summary of House Bill 4078

Briefly, here is a summary of the provisions of [HB 4078](#), as passed by the Legislature:

- Includes the legislative findings from the original bill related to Metro's growth management process (Section 1)
- Makes significant changes to the urban and rural reserves map adopted by Washington County and Metro but reversed and remanded by the Oregon Court of Appeals (Sections 3)
- Makes final the Metro Council's 2011 decision adding 2,015 acres to the urban growth boundary, including the conditions of approval adopted by the Council (Section 4)
- Adds additional land to the UGB near Hillsboro, Cornelius and Forest Grove (Sections 3(2)(a) and (f) and Section 4(1) to (3))
 - Approximate net total changes in land designations (baseline: after 2011 UGB expansion):
 - UGB: +1,178
 - Rural reserves: +2,784
 - Undesignated: -768
 - Urban reserves: -3,194 (1,178 "consumed" by being added to UGB; 2,016 net converted to rural or undesignated)
- Declares that the land added to the UGB in north Hillsboro is "employment land of state significance" and must be planned and zoned for employment use (Section 3(5)(a))
- Declares that the employment capacity of the land added to the UGB by the bill in north Hillsboro, and of any of the other land added to the UGB by the bill that is planned and zoned for employment use, shall not be counted in Metro's first

legislative review of the UGB after the effective date of the bill (Section 3(5)(b) and Section 3(6))

- Declares that undesignated land that is currently zoned for farm and/or forest use may not be brought into the UGB until 75% of Washington County's urban reserves have been brought into the UGB and planned and zoned for urban use (Section 3(4))
- Authorizes LCDC to approve the reserves designations in Multnomah and Clackamas Counties that were remanded by the Court of Appeals if evidence in the record supports those designations, even if the Counties' findings were deficient (Section 9)
- Establishes a 180-day deadline for LCDC to issue a final written order after the Commission votes whether to approve a Metro UGB or reserves decision (Section 6 and 10)
- Extends Metro's UGB evaluation cycle from five years to six years, effective after the current cycle (Sections 5 and 12)
- Includes provisions on urban service agreements to address an issue between the City of Hillsboro and Tualatin Valley Fire and Rescue (Metro did not participate in or monitor discussions related to these provisions) (Sections 8 and 11)

II. Issues for discussion going forward

The compressed timeline under which HB 4078 was negotiated, drafted and passed has resulted in an imperfect statute that leaves several questions unanswered and raises other new questions, both technical and political. The following list of items is incomplete, but can frame initial discussion about how to respond to the legislation.

- Map errors: The hasty drafting of HB 4078 did not leave much time to identify and correct technical errors in the description of particular areas. Some apparent errors, especially with respect to the treatment of rights of way (roads, streams, etc.), were identified, but not corrected, during the session, while more than one significant error has been discovered since the bill's passage. A process for correcting these errors has not been identified. It is not clear whether this would require a technical corrections bill in 2015 or whether other options exist.
- Employment capacity: Land in north Hillsboro that was added to the UGB by HB 4078 was declared to be "employment land of state significance." Its addition to the UGB in the absence of demonstrated need creates a distortion that is compounded by the stipulation that the capacity of that land, and any other land added to the UGB by the bill that is planned and zoned for employment use, shall not be counted as available in Metro's upcoming review of the UGB. While this provision was obviously added to address concerns about fairness, it raises the possibility that the capacity analysis could assert a land need even if such a need does not exist in reality, or a larger need than actually exists.

- Responding to remand: The Court of Appeals remanded certain aspects of the reserves decisions in Multnomah County and Clackamas County to LCDC. Among other things, the Court ruled that LCDC does not have the authority to approve a county's decision if the county's findings are inadequate, even if evidence in the record clearly supports that decision. Section 9 of HB 4078 provides that authority to LCDC. While Multnomah County supported the inclusion of Section 9 in the bill, Clackamas County expressed concerns. Richard Whitman, the Governor's natural resource policy director, issued a statement indicating that he would ask LCDC and DLCD to "confer closely" with Clackamas County and Metro with respect to the elements of the remand that affect Clackamas County.
- Oregon's land use program: When HB 4078 came to the floor of the House and Senate, certain legislators took the opportunity to make floor speeches arguing that the need for legislation to resolve the reserves issue demonstrates that Oregon's land use system is "broken" and calling for action in 2015 to overhaul the system. Most of those comments came from legislators who have never supported the land use program in the first place, and all of them came from legislators who represent areas of the state outside the Portland metropolitan region. Those areas operate under a different set of rules for both UGB expansions and the designation of urban reserves.

Of particular note: legislation providing a streamlined pathway for communities outside of Metro to expand their UGBs was adopted during the 2013 legislative session and has not yet been fully implemented. It is not clear how many legislators realize this. Moreover, as I explained to the Senate Environment and Natural Resources Committee, the establishment of urban reserves in our region (albeit through legislation rather than the more desirable route of local decision making) makes it much less likely that future Metro UGB decisions will be caught up in the kind of delays that characterized the most recent cycle.

Whether there will be a major effort to change the land use system in 2015 will depend on many factors, including the outcome of the 2014 elections.



2015 growth management decision



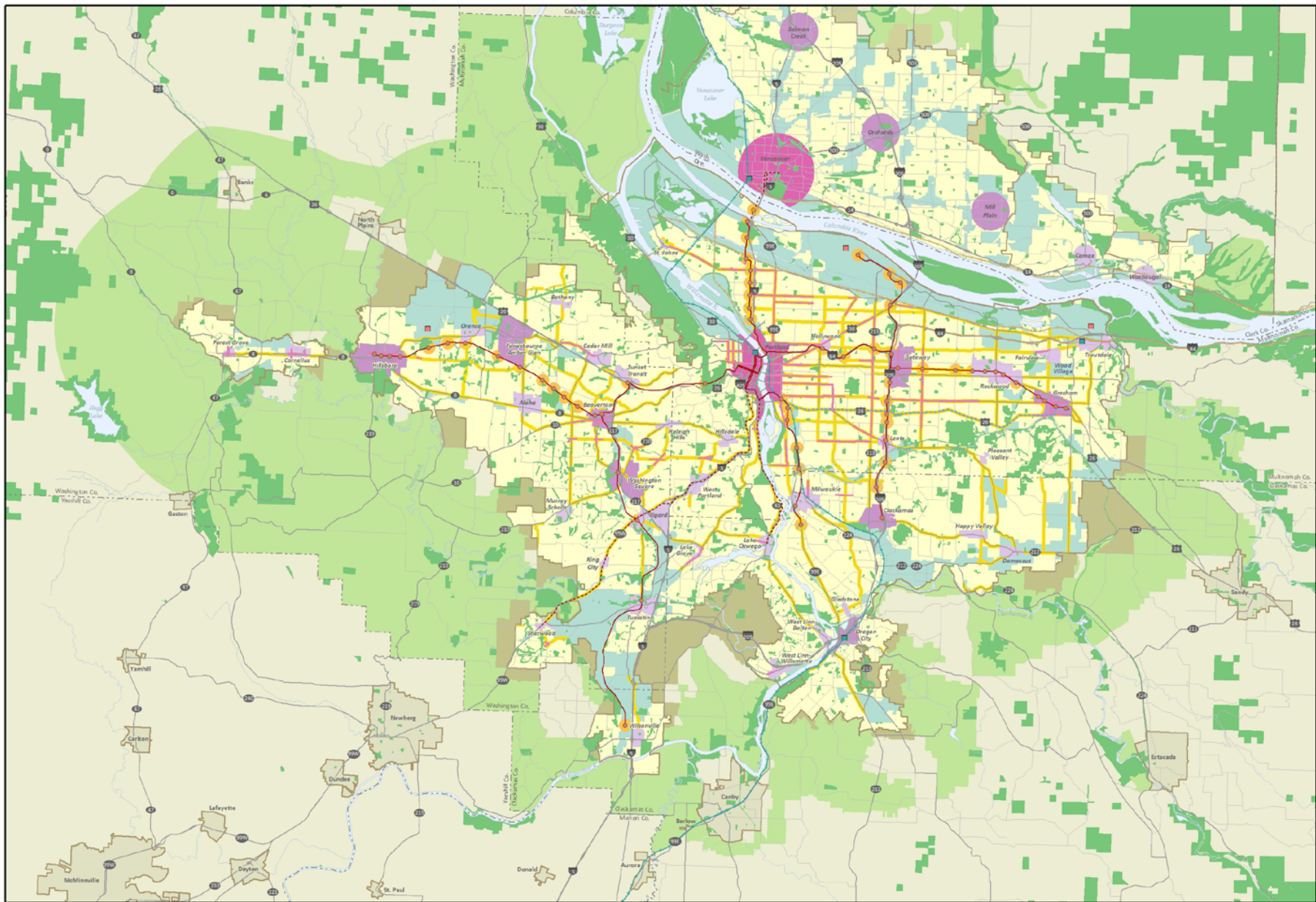
Residential development trends



Metro Council work session
3/18/14



Metro | *Making a great place*



2040 Growth Concept Map

January 2014

0 1 2 4 miles

The information on this map was derived from digital databases on METRO's GIS. Care was taken in the creation of this map. METRO cannot accept any responsibility for errors, omissions or outdated data. There are no warranties, expressed or implied, including the accuracy of the data or fitness for a particular purpose, accompanying this product. METRO's participation in any project is not a guarantee of any project's success.

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 process. This concept is intended to provide long-term growth management of the region.

The map highlights elements of parallel planning

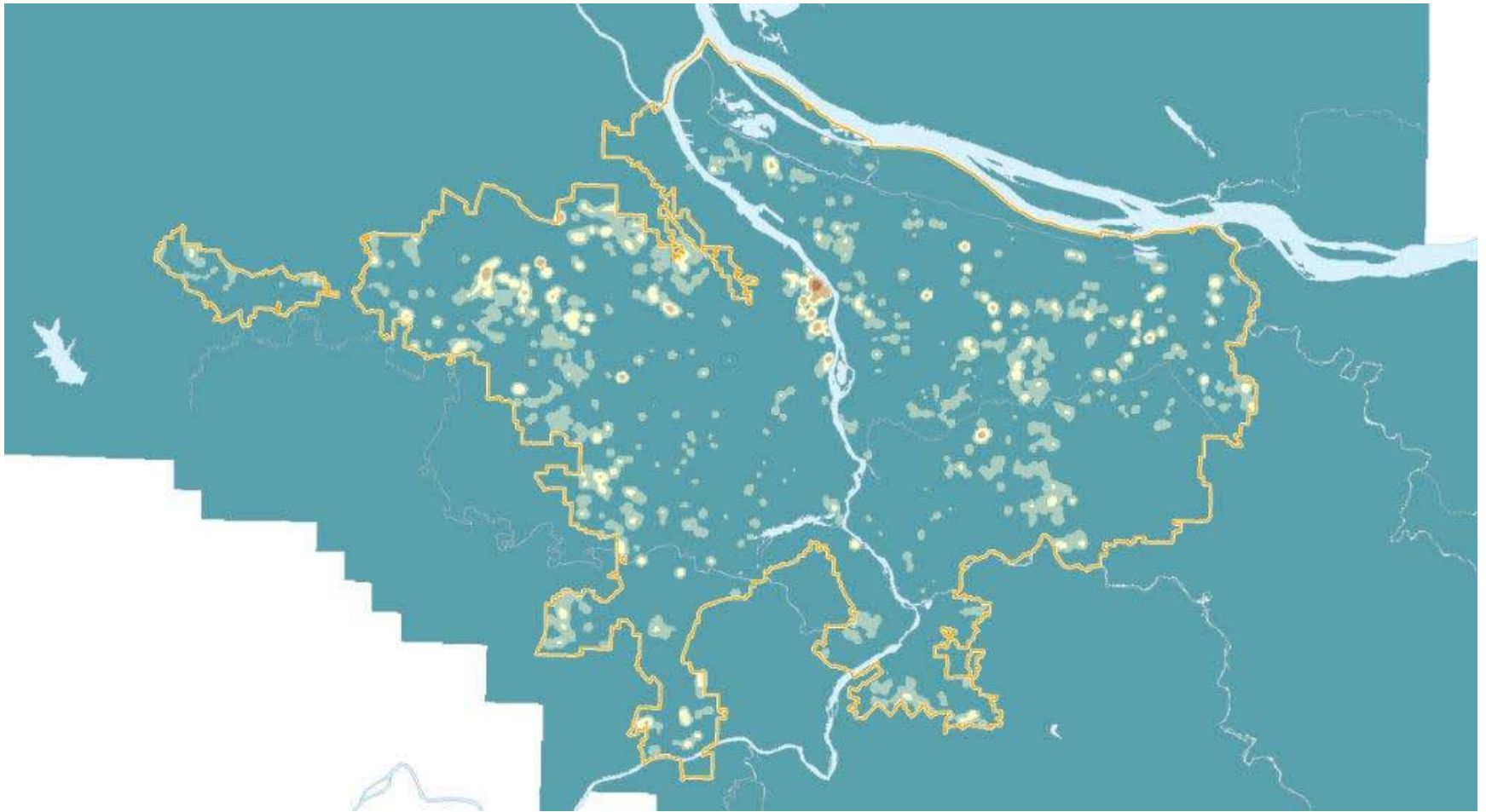
efforts including the 2035 Regional Transportation Plan that outlines investments in multiple modes of transportation, and a commitment to local policies and investments that will help the region better accommodate growth within its centers, corridors and employment areas.

For more information on these initiatives, visit <http://www.oregonmetro.gov/2040>

- Central city
- Regional center
- Town center
- Station communities
- Main streets
- Corridors
- Employment land
- Parks and natural areas
- Neighborhood
- Rural reserve
- Urban reserve
- Urban growth boundaries
- Existing high capacity transit
- Planned high capacity transit
- Proposed high capacity transit tier 1
- Mainline freight
- High speed rail
- County boundaries
- Neighboring cities
- Airports
- Intercity rail terminal



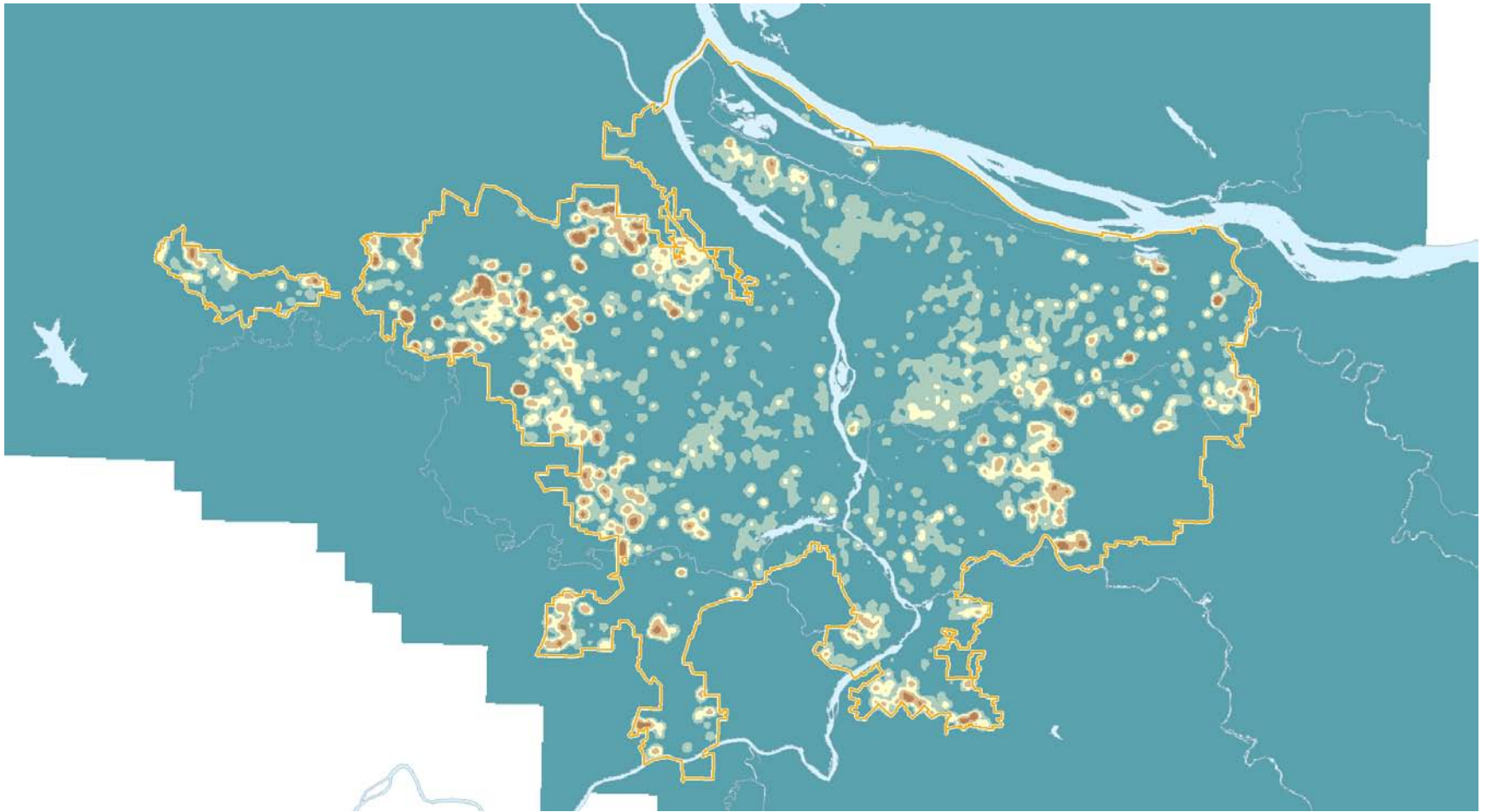
New residential units permitted from 1998 to 2012 in UGB (94% in original 1979 UGB)



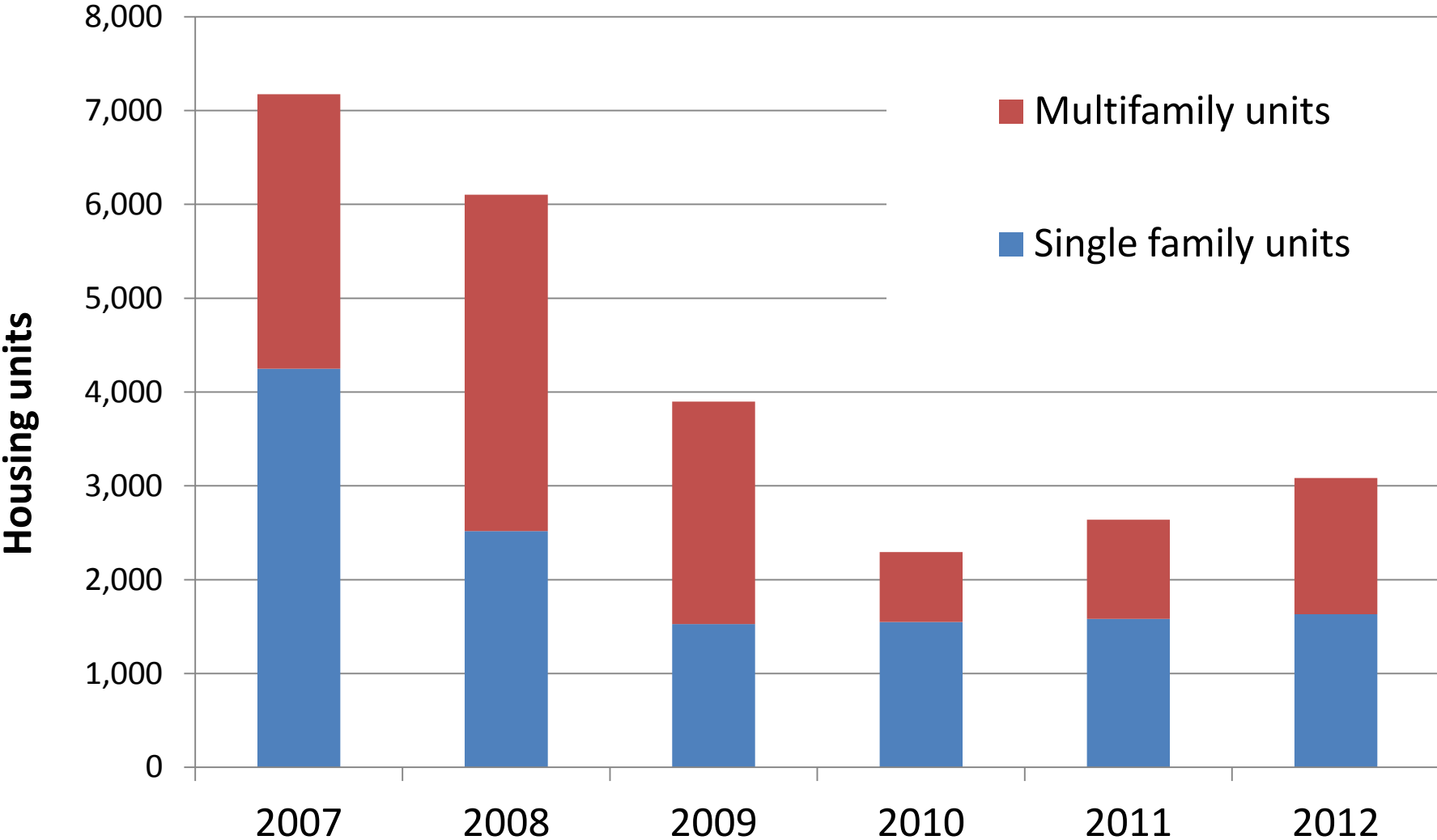
New residential permits in UGB 1998-2012

2040 Design Type	Percent of permits (not units)
Inside Centers	6%
Inside and within 1/4 mile of Centers	17%
Inside and within 1/4 mile of Main Street	11%
Inside and within 1/2 mile of Main Street	19%
Inside and within 1/4 mile of Corridor	41%
Inside and within 1/2 mile of Corridor	62%
Inside and within 1/4 mile of center/main st/corridor	47%
Inside and within 1/2 mile of center/main st/corridor	67%

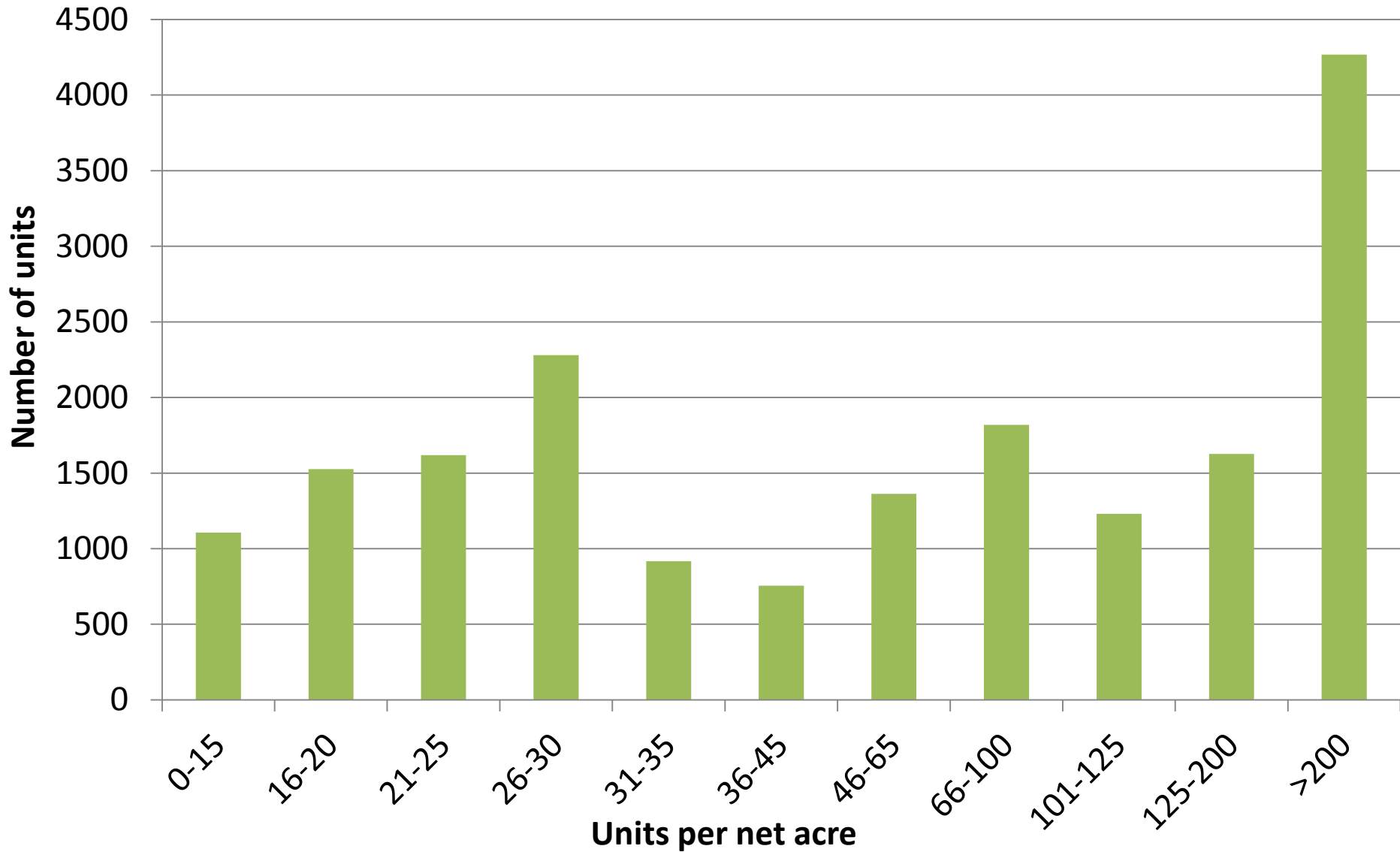
New single-family units permitted from 1998 to 2012 in UGB



Net new residential development in UGB 2007-2012



Net new multifamily units by density (Metro UGB 2007-2012)



Visualizing density

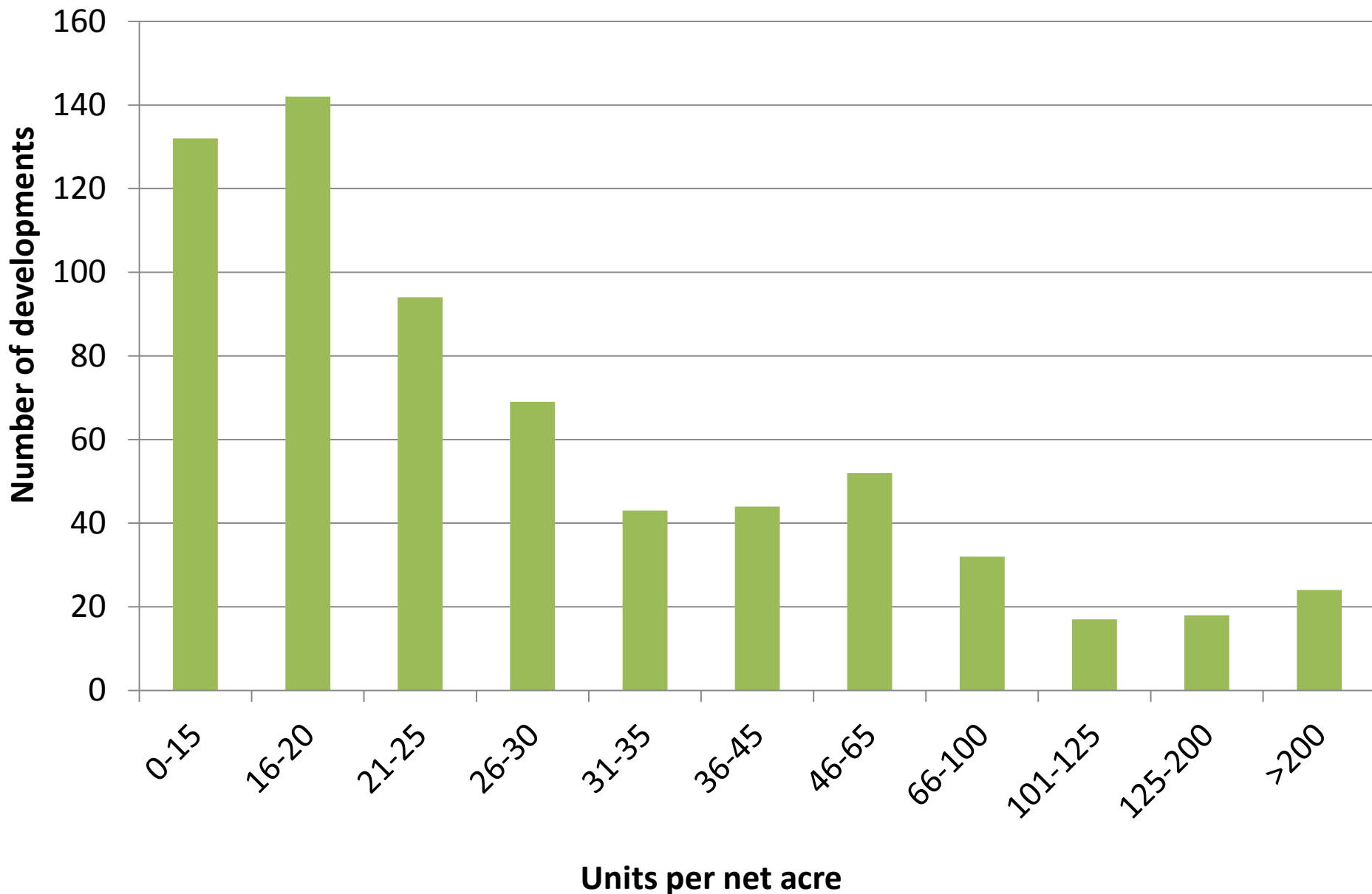


17 units/acre

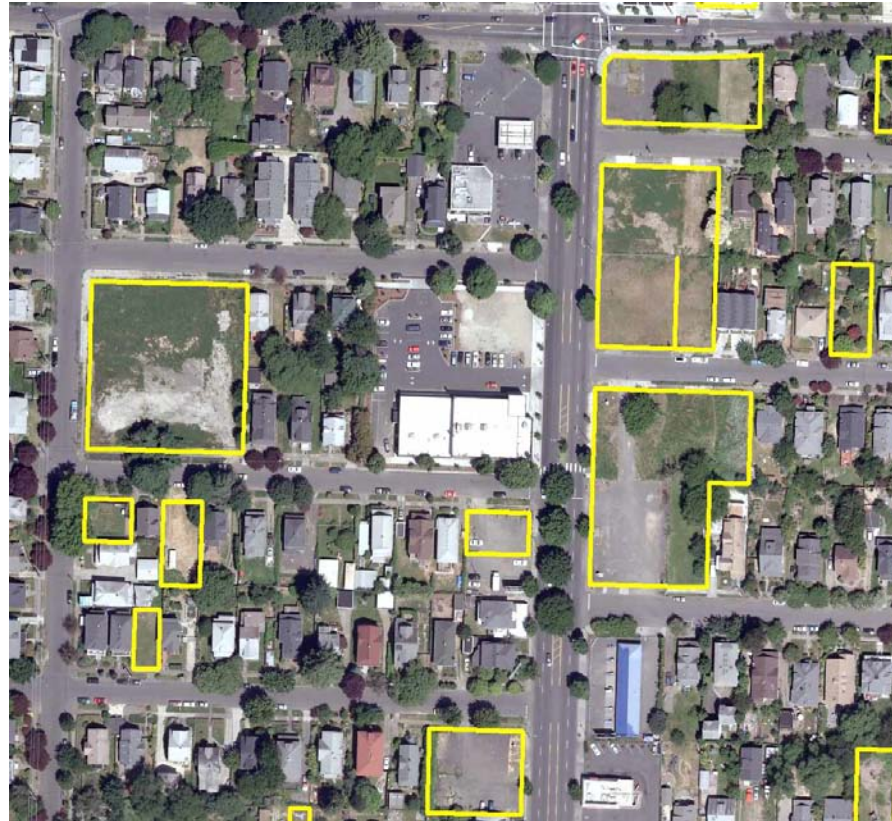


222 units/acre

Net new multifamily developments by density (Metro UGB 2007-2012)



Definition: *vacant land*

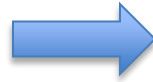


Definition: *infill*



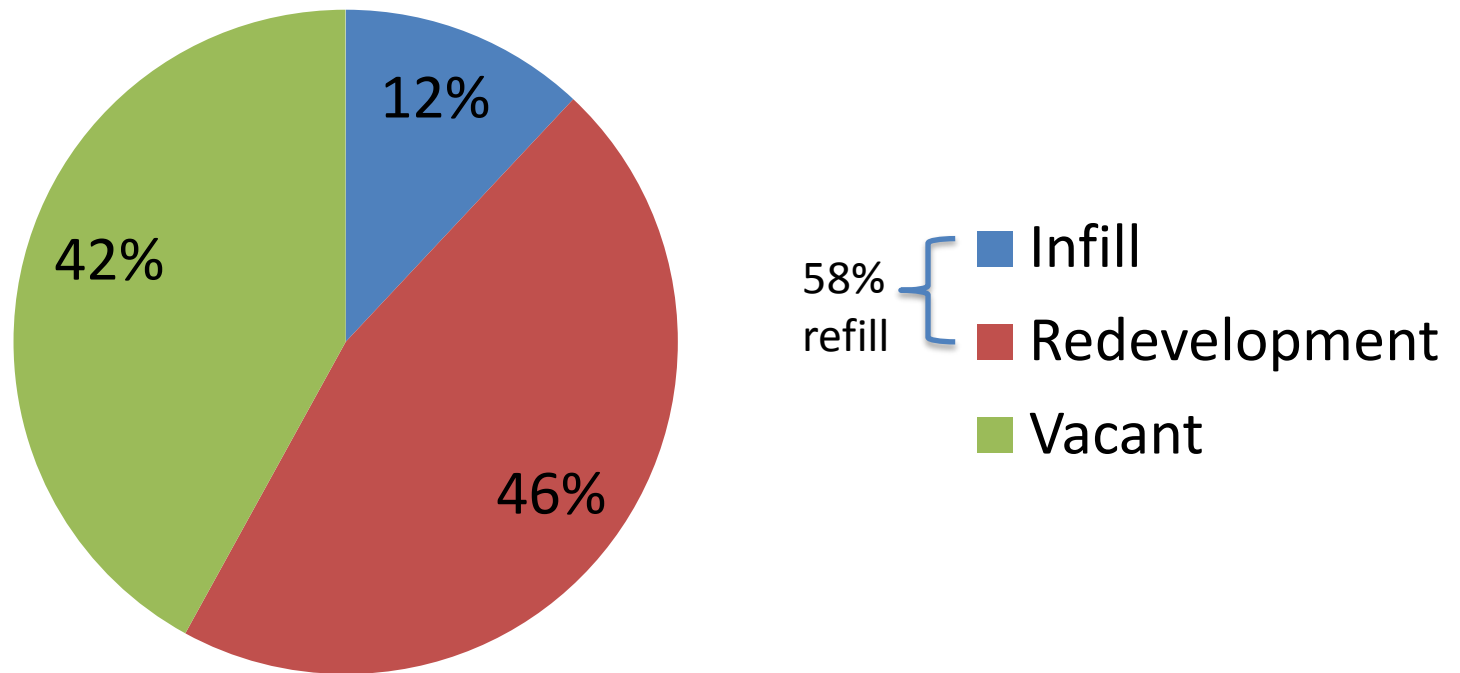
Development on a tax lot that would be considered developed, where the original structure has been left intact (not necessarily a “skinny house”).

Definition: *redevelopment*



Development on a tax lot that would be considered developed, where the original structure has been demolished and there is a net increase in housing units.

Net new residences (dwelling units) in UGB by land source (2007-2012)



Refill rate comparisons

Time period	Refill rate
1997-2001	30% (historic study)
2001-2006	33% (historic study)
2010 - 2030 Growth management decision	38% (asserted future rate)
2010 - 2035 Growth Distribution	65% (forecast)
2007-2012	58% (historic study)

Policy considerations for Metro and local jurisdictions

- Going forward, what are our most effective growth management options?
- How might we encourage housing in past UGB expansion areas?
- What type of residential development is reasonable to expect in UGB expansion areas?
- How might we address community concerns over change in existing urban areas?

2015 regional urban growth management decision:

Draft regional population and employment
forecast

Metro Council work session

March 18, 2014

Presentation and discussion topics

- Growth management decision timeline and context
- Recent economic conditions
- Peer review of forecast
- Accuracy of past regional forecasts
- Draft 2035 range forecast
- Scenarios that could lead to high or low growth

2015 Urban Growth Management Decision

Phase I: urban growth report

Take stock of development trends and long-term needs for housing and jobs.

- July 2014 – draft urban growth report (UGR)
- Fall 2014 – MPAC recommendation to Council on UGR
- December 2014 – Metro Council acceptance of final urban growth report

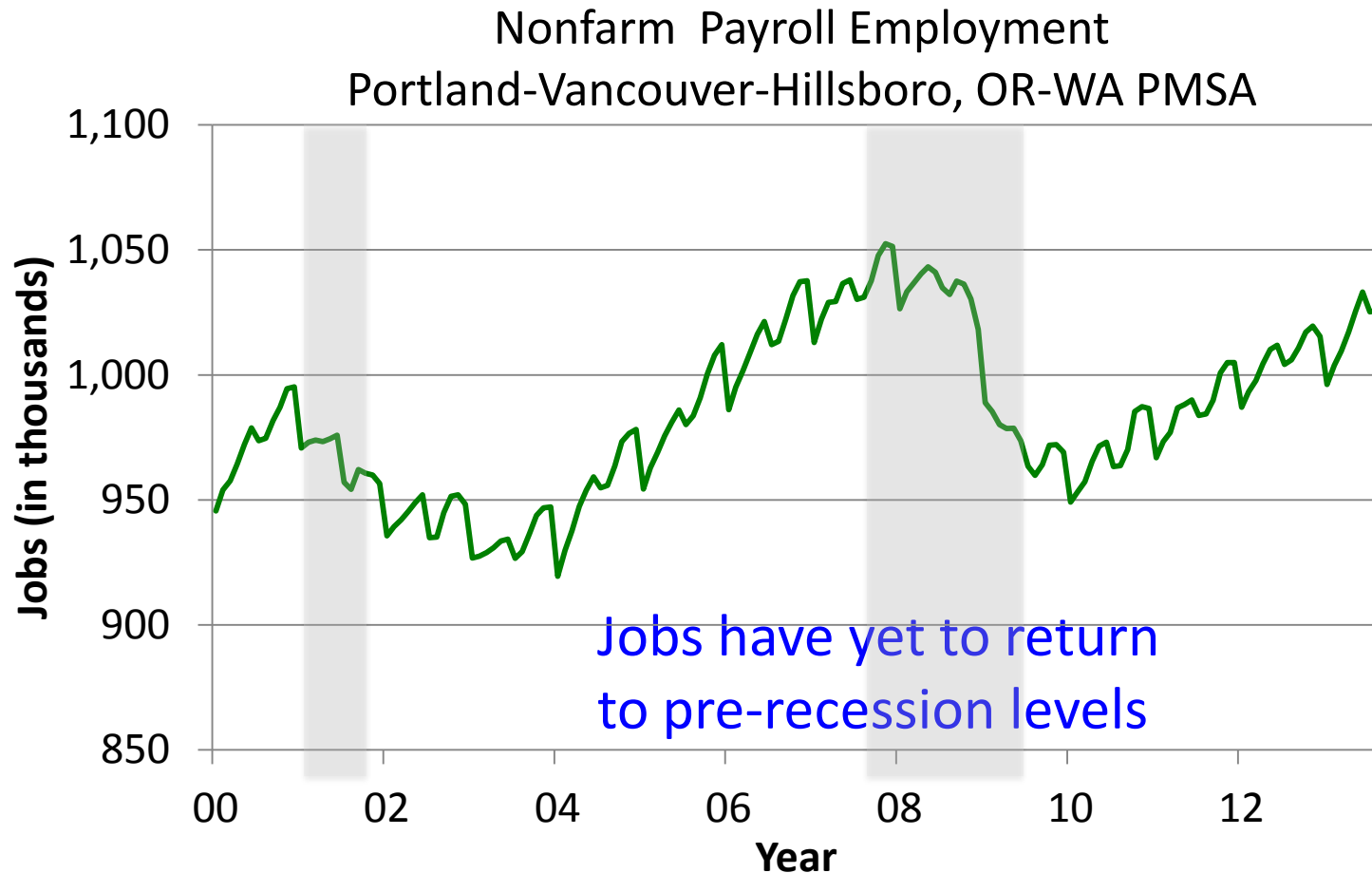
2015 Urban Growth Management Decision

Phase II: decision

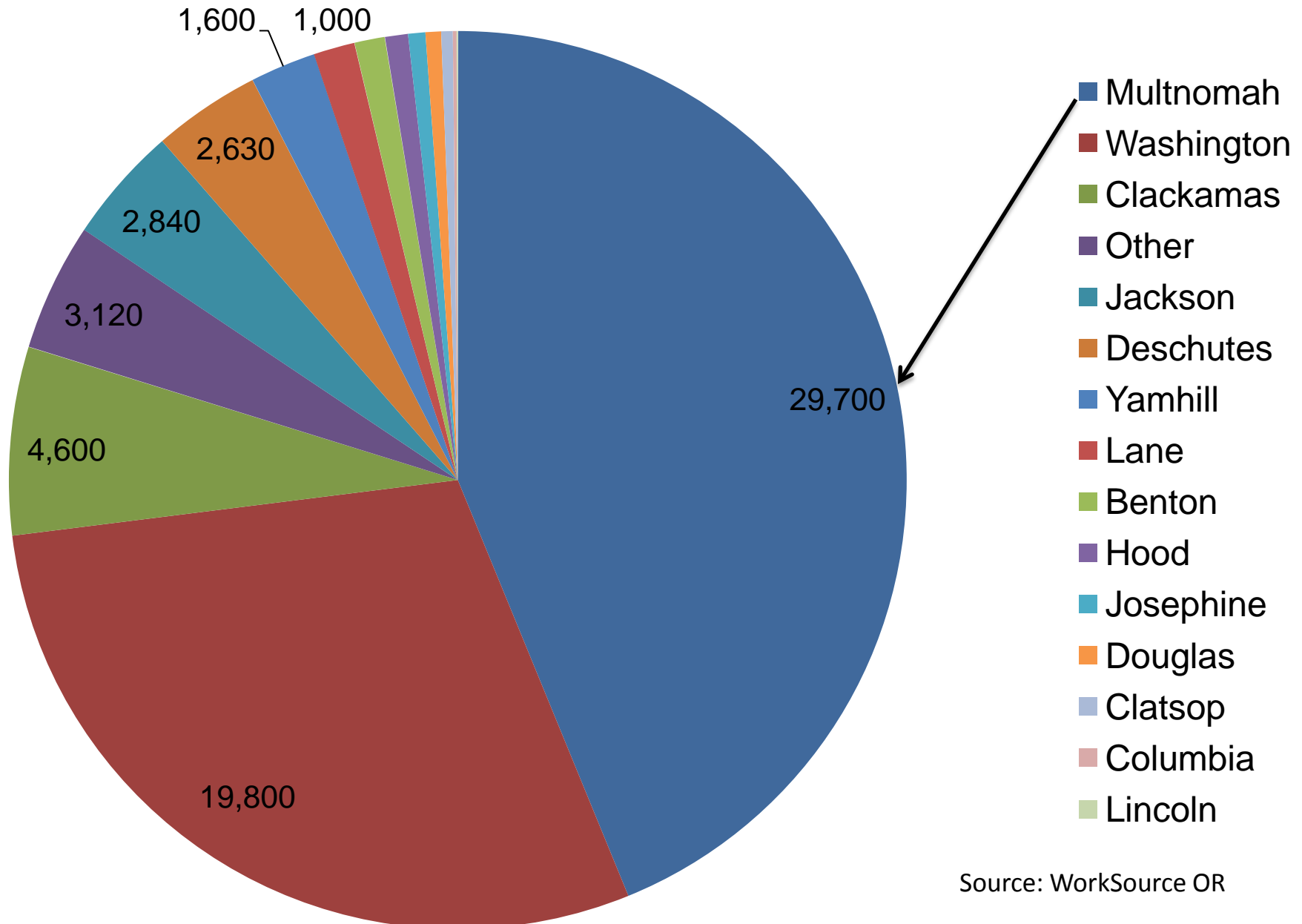
Decide on how much household and employment growth to plan on and take additional measures, if needed, to accommodate it.

- September 2015 – COO recommendation to Council
- Fall 2015 – MPAC recommendation to Council
- December 2015 – Metro Council growth management decision

Slow job growth will still be a drag on the region's economic outlook

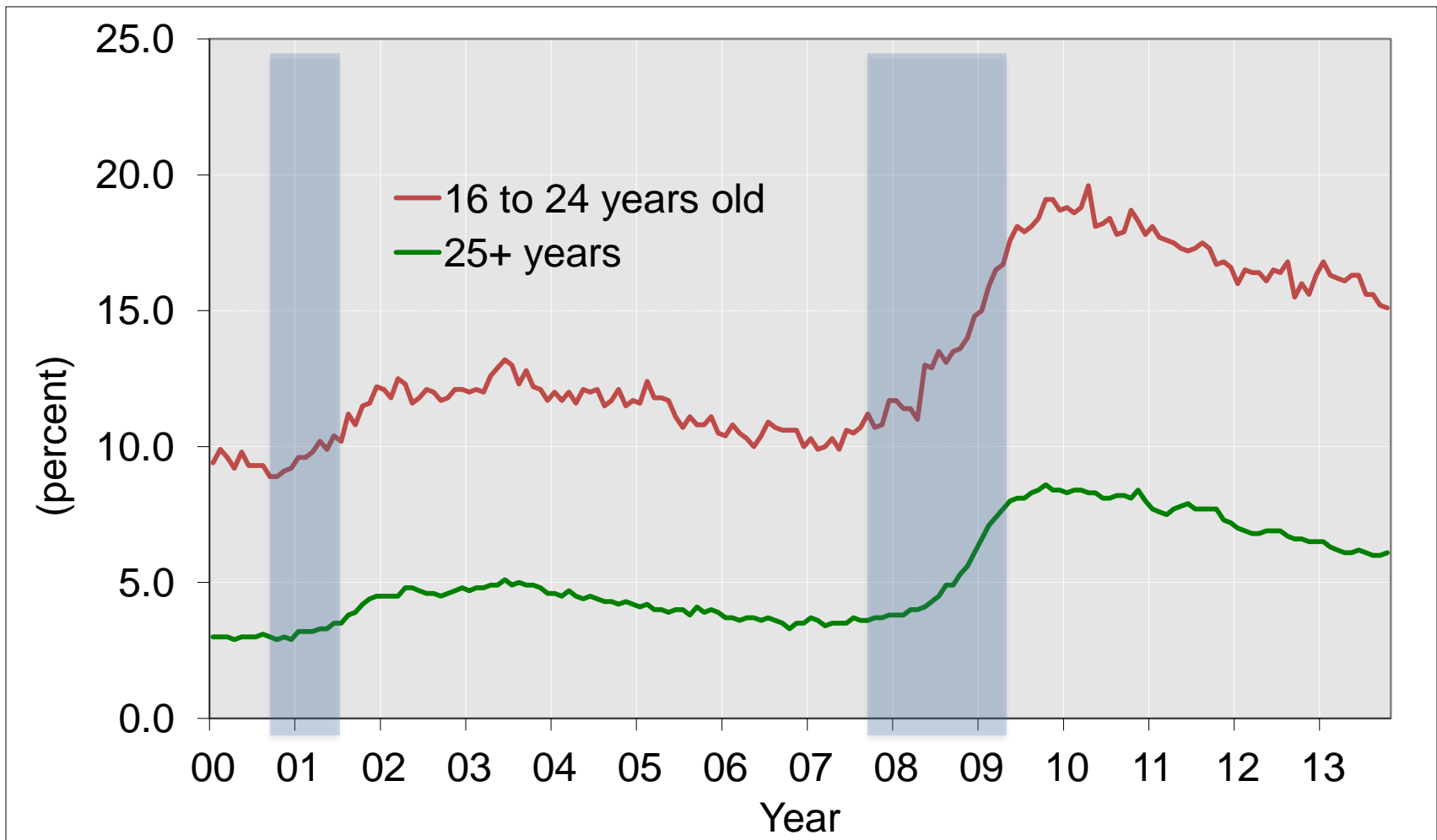


Oregon job growth by county (Aug 2013 / 2010)



Source: WorkSource OR

New grads looking for work have an *official* unemployment rate above 15%



Source: BLS

Demography will play an increasing role in shaping future growth

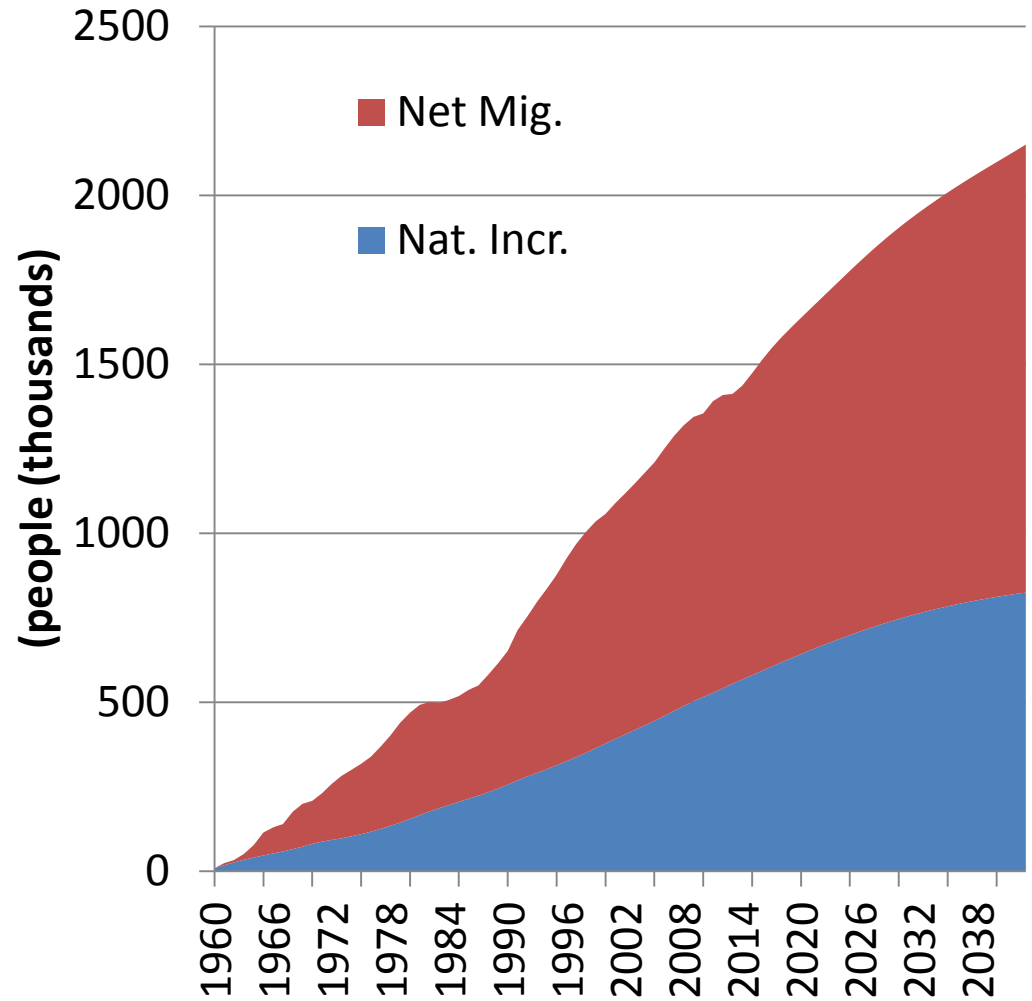
- Demographic tailwinds:
 - Net in-migration (propensity to import young talent)
 - Generally larger population base (proportionally fewer, but numerically larger number of working age adults)
- Demographic headwinds:
 - Aging population
 - Below replacement rate fertility (delayed child birthing)

Where workforce growth has happened 2007-2012 (resident population ages 18-64)

Jurisdiction	Share of population	Absolute change	Percent change
City of Portland	70%	43,057	11%
Washington Co.	64%	12,991	4%
Clark Co.	62%	4,928	2%
Clackamas Co.	62%	-6,557	-3%

Cumulative net in-migration

Historically, the Portland MSA has been able to attract young talented employees and entrepreneurs who can help grow the economy.



Metro Regional Forecast Advisory Panel

Advisory board members have professional backgrounds in economics, demographics or a closely related field. The panel will be chaired by Dr. Tom Potiowsky. Members include:

Dr. Tom Potiowsky, Chair (Director, Northwest Economic Research Center, PSU)

Dr. Jennifer Allen (Director, Institute for Sustainable Solutions, PSU)

Jerry Johnson, (Principal, Johnson Economics)

Dr. Jason Jurjevich (Assistant Director of the Population Research Center, PSU)

Dave Lenar (Business Operations Analyst, NW Natural)

Dr. Randall Pozdena (Managing Director, Senior Economist, ECONorthwest)

Steve Storm (Program Manager of Economic Research and Financial Analysis, NW Natural)

Dennis Yee (Chief Economist, Metro)

Metro Regional Forecast Advisory Panel

The Metro Regional Forecast Advisory Panel met two times over a three month period to review the methodology and outputs of Metro's forecast. Each of these meetings had specific objectives.

Objectives of the first meeting on December 13, 2013:

- “Panel members have a shared understanding of their group charge”
- “Metro staff have the benefit of the panel's advice on the input assumptions that should be incorporated into the upcoming regional population, employment, and household forecast”

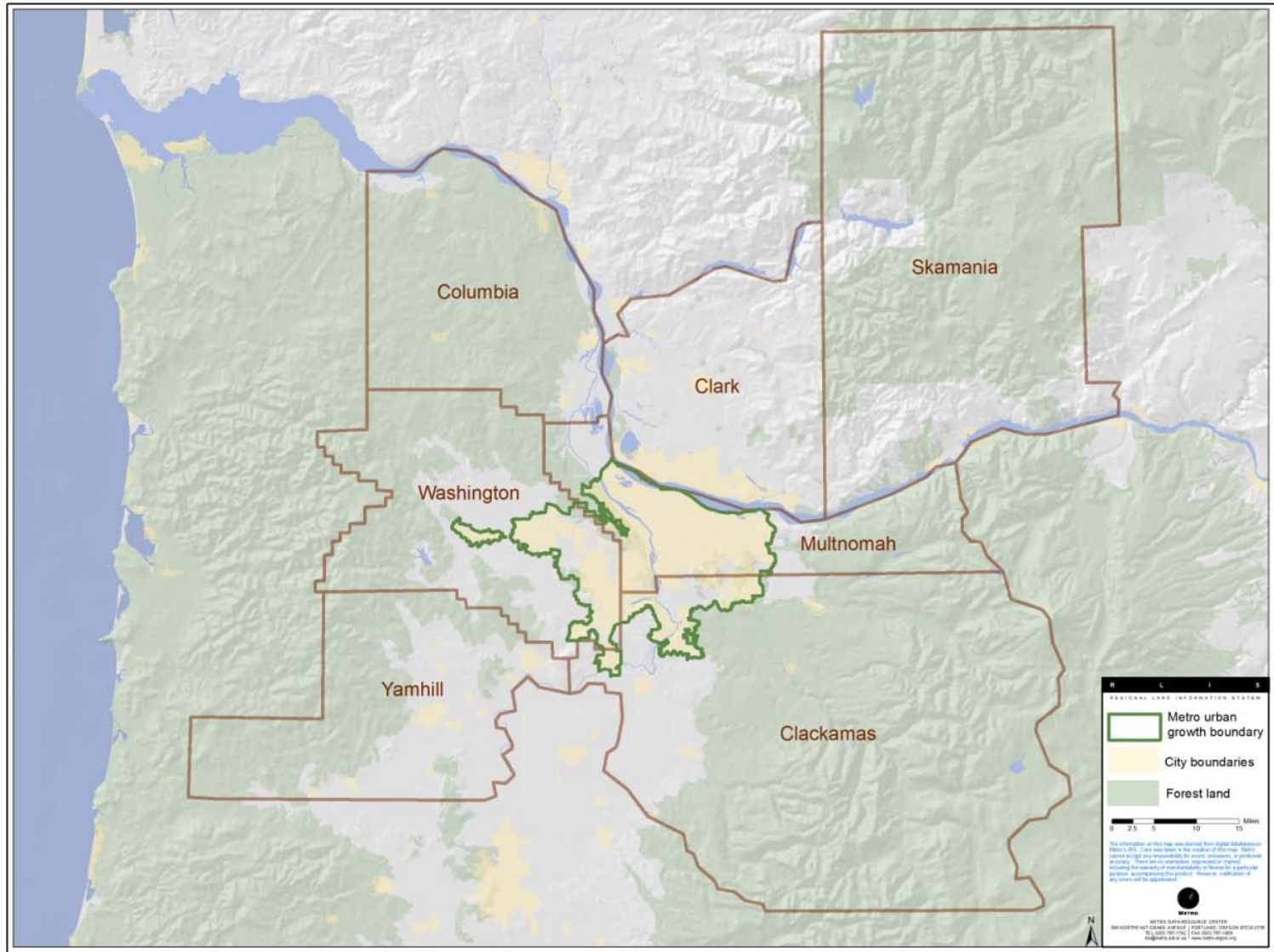
Objectives of the second meeting on February 19, 2014:

- “Review the preliminary results of the regional population, employment, and household forecast”
- “Review the proposed probabilistic approach to establishing the range forecast”
- “Describe possible scenarios that could lead to high or low growth within the range forecast”

Accuracy of past regional forecasts

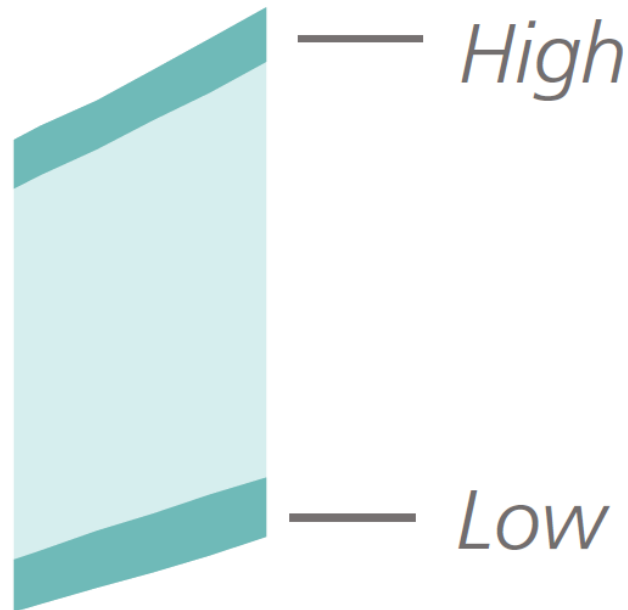
Forecast published	Population	Employment
1985 (through 2005)	-6.6% underestimate	-3.3% underestimate
2000 (through 2010)	3.2% overestimate	22.1% overestimate (effect of Great Recession)
2010	Too early to tell	Too early to tell

7-county forecast geography



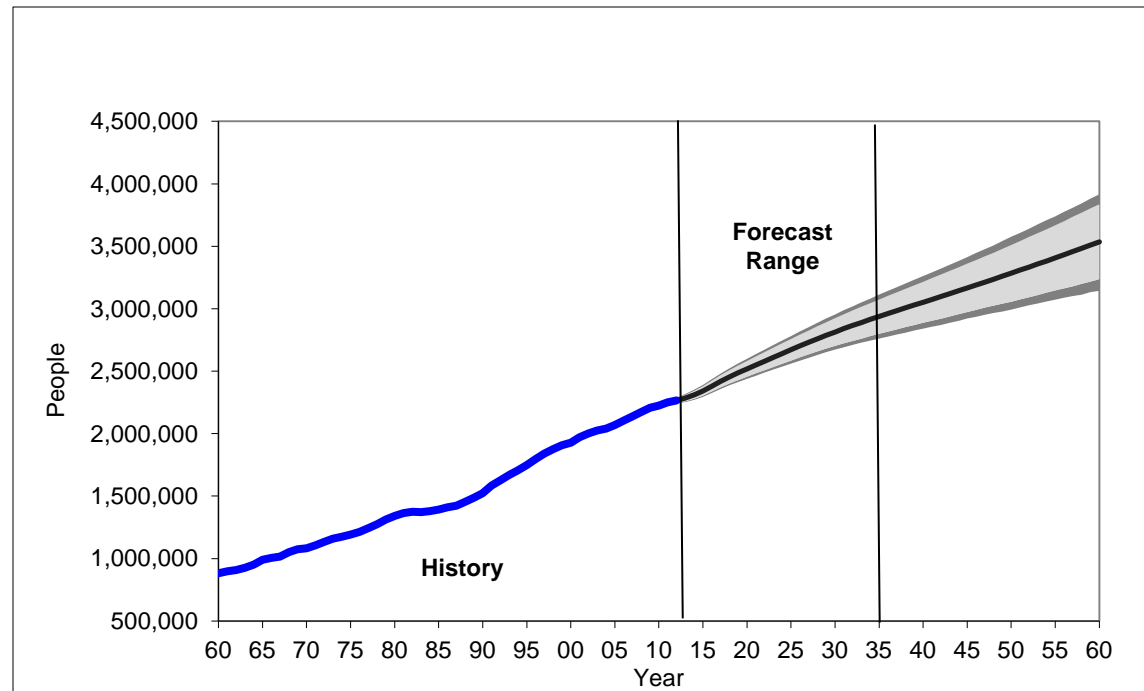
What the range means

Forecast range probability
90 percent probability



Draft population range forecast (7-county PMSA)

Not all of this growth will be in the Metro urban growth boundary



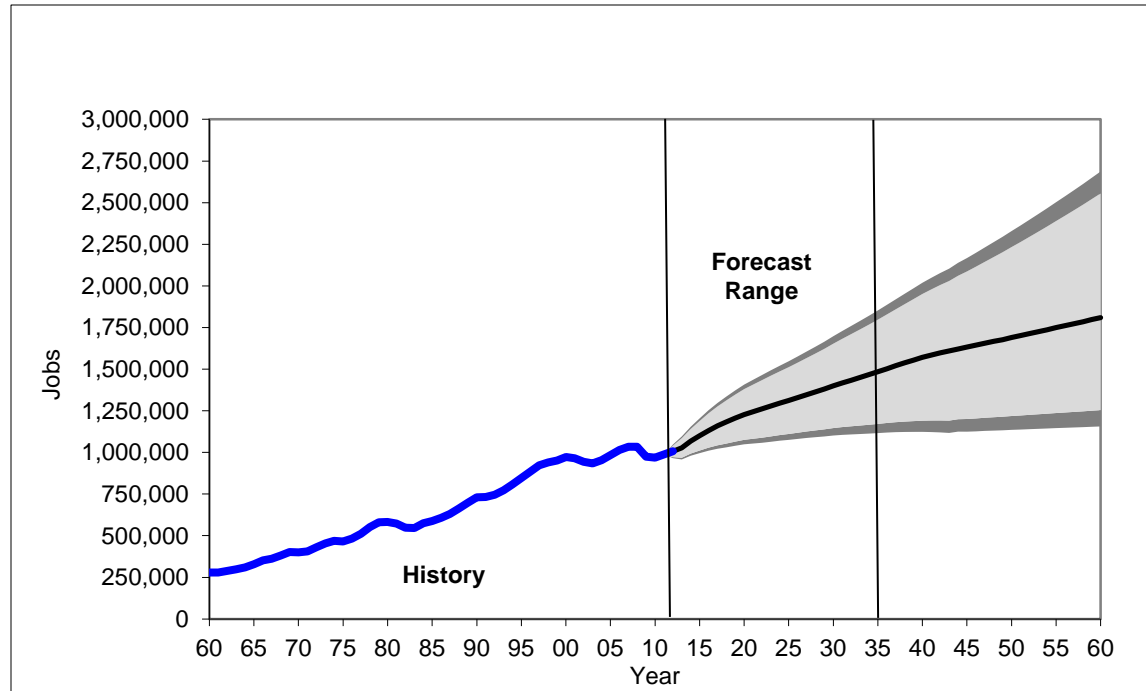
- About 470,000 to 725,000 new residents between 2015 and 2035.
- Baseline forecast would be equivalent to adding current population of Portland to 7-county area.

Comparison with other population forecast sources

Annual percentage rate (2010 to 2040)	Geography	Forecast source
1.1% baseline (range .9% to 1.4%)	Metro region (7 counties)	Metro 2014 preliminary forecast
1.1%	Metro region (7 counties)	OR Office of Economic Analysis (2013) Washington Office of Financial Analysis (2012)
1.1%	Metro region (7 counties)	IHS Global Insight (Sept 2013)
1.0%	Oregon State	OR Office of Economic Analysis (2013)
1.2%	Oregon State	U.S. Census (2005)
0.8%	Oregon State	IHS Global Insight (Oct 2013)
0.7%	U.S.	U.S. Census (2012)
0.7%	U.S.	IHS Global Insight (Nov 2013)
0.6%	U.S.	World Bank (2013)

Draft employment range forecast (7-county PMSA)

Not all of this growth will be in the Metro urban growth boundary



About 121,000 to 650,000 new jobs between 2015 and 2035

Overarching policy consideration

What are the risks and opportunities of planning for higher or lower population and employment growth rates?



Metro | Memo

Date: March 18, 2014
To: Metro Council, COO Martha Bennett
From: Councilor Kathryn Harrington
Subject: Funding for Hispanic engagement

Our region prospers when all community members have opportunities to shape and influence investments in their neighborhoods and cities. This leads to community pride and also improves project outcomes.

In much of my district, the Hispanic population is quickly growing. In fact, Cornelius is now a minority-majority city, with just over 50% of the population identifying as Hispanic; in Forest Grove the percentage of Hispanic residents is 23%; Hillsboro has 22%; and in Banks, that number is 7%. We all recognize that it is critical to increase outreach to underserved and underrepresented communities.

As you are aware, cities which use federal resources for transportation projects must meet Title VI requirements aimed at increasing minority participation. While cities are meeting basic requirements, many do not have the resources to implement effective, culturally relevant outreach to minority communities.

Further, Metro has been on its own journey to better engage minority communities. Metro's Diversity Action Plan calls for inclusive public involvement and the Public Engagement Guide approved by Council last fall identifies culturally and language specific best practices to guide successful engagement. Vamonos and our Spanish language recycling outreach are two examples of recent success built through cooperation with minority-serving community organizations (see attached). In an effort to build on growing and maintaining these relationships, I will be introducing a resolution to provide additional financial resources for **Hispanic engagement for two major and worthy projects.**

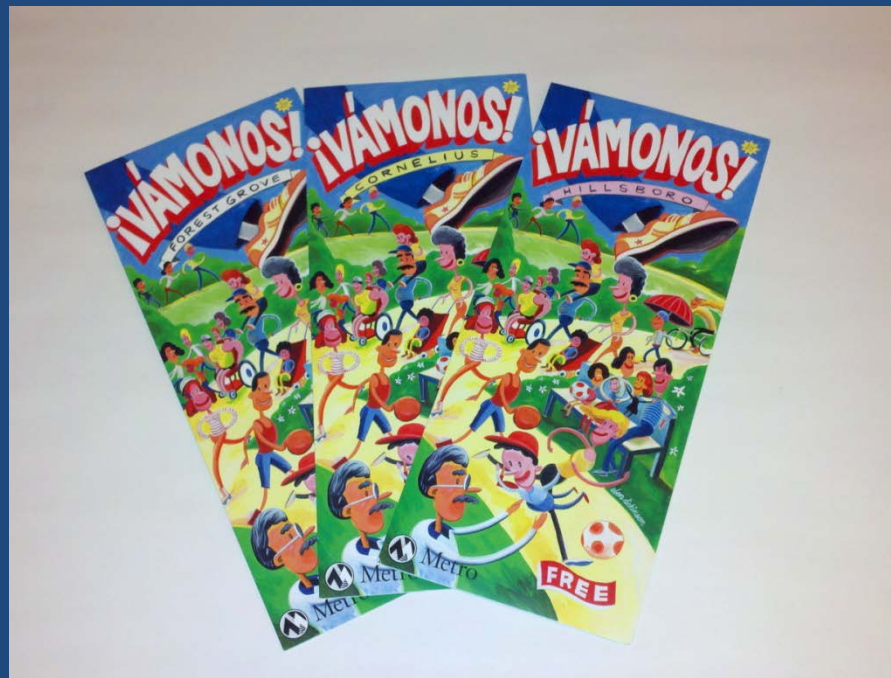
1. The master planning process has begun in earnest on the **Council Creek Regional Trail (CCRT)**. CCRT connects the cities of Hillsboro, Cornelius, Forest Grove, and Banks through its planning and future implementation. CCRT will close the gap in an 80-mile loop that includes Crown Zellerbach Trail, Rock Creek Trail, and a future 127-mile trail to the Oregon coast.

Forest Grove is the project lead on the master planning process and is using federal MTIP dollars awarded through Metro. I have been personally working with Forest Grove and two community organizations, Adelante Mujeres and Centro Cultural, to brainstorm meaningful Hispanic engagement on this project beyond what Forest Grove is able to afford through its MTIP appropriation. For \$5,000, these organizations will coordinate to provide the following:

- Written project overview in Spanish, both electronic and hard copy
- Distribution of materials via Adelante Mujeres network, Centro Cultural network, and City of Forest Grove network/avenues

- Open houses for 1) trail alignment proposals and input gathering in May or June of 2014 and 2) reviewing the draft master plan in April 2015
 - Project materials in Spanish
 - Spanish translators
 - Gather feedback and summarize in English
 - Farmers Market Booth – one to two instances – summer 2014 and summer 2015
 - Materials
 - Posters and maps
 - Survey in English and Spanish
 - Personnel to staff booth
 - Gather and summarize feedback in English
2. Metro is seeking public understanding and input on the **Climate Smart Communities** project from now through a public comment period in September. To effectively engage Spanish speaking community members on this important issue, staff recommends that Metro hold one open house or community event in Spanish. The event could also provide information on the other Metro services and activities of interest to community members and demonstrate Metro's new web site language hub portal. This meeting would require written information in Spanish; Spanish-speaking presenters at the meeting; translation of the community's input from Spanish to English; and the typical costs related to holding such meetings in the district. The estimated cost of this project is \$3,500; translation and support services could potentially be contracted through Adelante Mujeres and/or Centro Cultural.

Metro has a long and proud history of being a resource and a partner with local jurisdictions. CCRT is the singular regionally significant project in the western area of our region and a unique opportunity to engage in a culturally relevant way with the residents who live there. Climate Smart Communities needs the voices of all community members to help develop the region's long range plans for reducing greenhouse gas emissions and implementing community visions. **I recommend providing \$8,500 toward these two endeavors from the Council Opportunity Fund (which currently contains \$250,000) and look forward to your feedback by March 25th.**



Mantén la tradición... de arreglar antes de tirar.

Haz tu parte.

Reduce | Reusa | Recicla | *Repara*

 Metro 503-234-3000

