



Please note: The 2019-2021
MTIP/RFFA Policy Next Steps
presentation has been moved to
the August 5th work session.

Meeting: Metro Council Work Session

REVISED 7/18/2014

Date: Tuesday, July 22, 2014

Time: 2 p.m.

Place: Council Chamber

CALL TO ORDER AND ROLL CALL

- | | | |
|---------------------|--|---|
| 2 PM | 1. ADMINISTRATIVE/ COUNCIL AGENDA FOR JULY 24, 2014/ CHIEF OPERATING OFFICER COMMUNICATION | |
| 2:10 PM
(60 Min) | 2. 2015 GROWTH MANAGEMENT DECISION: DRAFT 2014 URBAN GROWTH REPORT – <u>INFORMATION/DISCUSSION</u> | Ted Reid, Metro
John Williams, Metro |
| 3:10 PM
(20 MIN) | 3. WILLAMETTE FALLS PARTNERS' GOALS MEMORANDUM OF UNDERSTANDING – <u>INFORMATION/ DISCUSSION</u> | Noah Siegel, Metro |
| 3:30 PM | 4. COUNCIL COMMUNICATION | |

ADJOURN

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Agenda Item No. 2.0

**2015 GROWTH MANAGEMENT DECISION:
DRAFT 2014 URBAN GROWTH REPORT**

Metro Council Work Session
Tuesday, July 22, 2014
Metro, Council Chamber

METRO COUNCIL

Work Session Worksheet

PRESENTATION DATE: July 22, 2014

LENGTH: One hour

PRESENTATION TITLE: 2015 Growth Management Decision: Draft 2014 Urban Growth Report

DEPARTMENT: Planning and Development

PRESENTER(S): Ted Reid, ted.reid@oregonmetro.gov, 503-797-1768
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WORK SESSION PURPOSE & DESIRED OUTCOMES

- Purpose: provide Council with:
 - An overview of the timeline leading to its growth management decision
 - The process that led to the development of the draft 2014 Urban Growth Report (UGR)
 - An overview of the contents of the draft 2014 UGR
- Outcome: Councilors understand the process that will lead to its growth management decision and are aware of the information that staff has included in the draft UGR.

TOPIC BACKGROUND & FRAMING THE WORK SESSION DISCUSSION

Metro plays a key role in guiding the development of the Portland metropolitan region by striking a balance between the preservation of the farms and forest that surround the Portland region, revitalizing existing downtowns, main streets and employment areas, and ensuring there's land available for new development on the edge of the region when it is needed. Many regional and local 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. The UGR provides the Council and others with an opportunity to review challenges and opportunities associated with implementing regional and local plans. A core element of the UGR is to assess whether the urban growth boundary (UGB) has enough space for housing and job growth.

Staff has presented aspects of the UGR to the Council over the last several months. Topics discussed at Council work sessions include the population and employment forecast, the buildable land inventory, and the residential preference study. Similar discussions have occurred at the Metro Technical Advisory Committee (MTAC) and the Metro Policy Advisory Committee (MPAC). All of the work described in the draft UGR has been undertaken with advice from public and private sector partners. The draft 2014 UGR is the result of the most transparent technical engagement that Metro has ever undertaken for a UGR.

Taking into account the advice that Metro staff received over the last year-and-a-half of technical and stakeholder engagement, the draft 2014 UGR concludes that, at this time, there is no need to expand the UGB for jobs or housing, if the region sees the kind of growth that is expected over the next 20 years. However, the draft UGR uses a range forecast to acknowledge that there is some uncertainty in planning for population and employment growth over the next two decades. At the high end of the forecast range, there is a need for additional growth capacity for jobs and housing. There is a ninety percent chance that actual growth will occur within the range defined in the UGR forecast.

The draft 2014 UGR also points to the ongoing need for strategic public investments that ensure that quality of life is maintained as the region becomes home to more people and jobs. Metro has been actively engaged in the question of regional investment priorities with the release of the 2008 Regional Infrastructure Analysis and a discussion with regional leaders through the Community Investment Initiative. From these efforts, Metro established the Regional Infrastructure Supporting our Economy (RISE) team to deliver regionally significant projects and new infrastructure investment to enhance the local economy.

Over the next several months, the Council and MPAC will discuss at work sessions aspects of the draft UGR in greater detail. In December 2014, staff will ask that the Council consider a resolution accepting the 2014 UGR as the basis for its subsequent growth management decision. The core question that the Council will be asked is whether the 2014 UGR provides the Council with a reasonable basis for the growth management decision it will make in 2015. MPAC will have a formal role in making a recommendation to the Council.

QUESTIONS FOR COUNCIL CONSIDERATION

Does Council have any questions about the draft 2014 UGR for staff or MPAC?

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?
 - 2014 Draft UGR
 - Growth management decision timeline
 - PowerPoint presentation on the draft UGR

July / 2014

2014 URBAN GROWTH REPORT

Draft

*Investing
in our
communities
2015 – 2035*



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Tom Hughes

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Draft

2014 URBAN GROWTH REPORT

Investing in our communities
2015 – 2035

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APPENDIX 1B	Frequently asked questions about population and employment forecasting
APPENDIX 1C	Summary of regional forecast advisory panel discussions and conclusions
APPENDIX 1D	A brief description of Metro's population forecast model
APPENDIX 2	Buildable land inventory methodology
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APPENDIX 11	MetroScope scenario specifications
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Introduction

As the Portland metropolitan region grows, our shared values guide policy and investment choices to accommodate growth and change, while ensuring our unique quality of life is maintained for generations to come.

Metro, local jurisdictions and many other partners work together to guide development in the region. This means striking a balance between preservation of the farms and forests that surround the Portland region, supporting the revitalization of existing downtowns, main streets and employment areas, and ensuring there's land available for new development on the edge of the region when needed.

Oregon law requires that every five years, the Metro Council evaluate the capacity of the region's urban growth boundary to accommodate a 20-year forecast of housing needs and employment growth. The results of that evaluation are provided in the urban growth report.

While complying with the requirements of state law, the urban growth report serves as more than just an accounting of available acres inside the urban growth boundary. It plays a vital role in the implementation of the region's 50-year plan that calls for the efficient use of land, redevelopment before expansion, and the preservation of the region's resources for future generations.

ACHIEVING DESIRED OUTCOMES

To guide its decision-making, the Metro Council, on the advice of the Metro Policy Advisory Committee (MPAC), adopted six desired outcomes, characteristics of a successful region:

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

WORKING TOGETHER

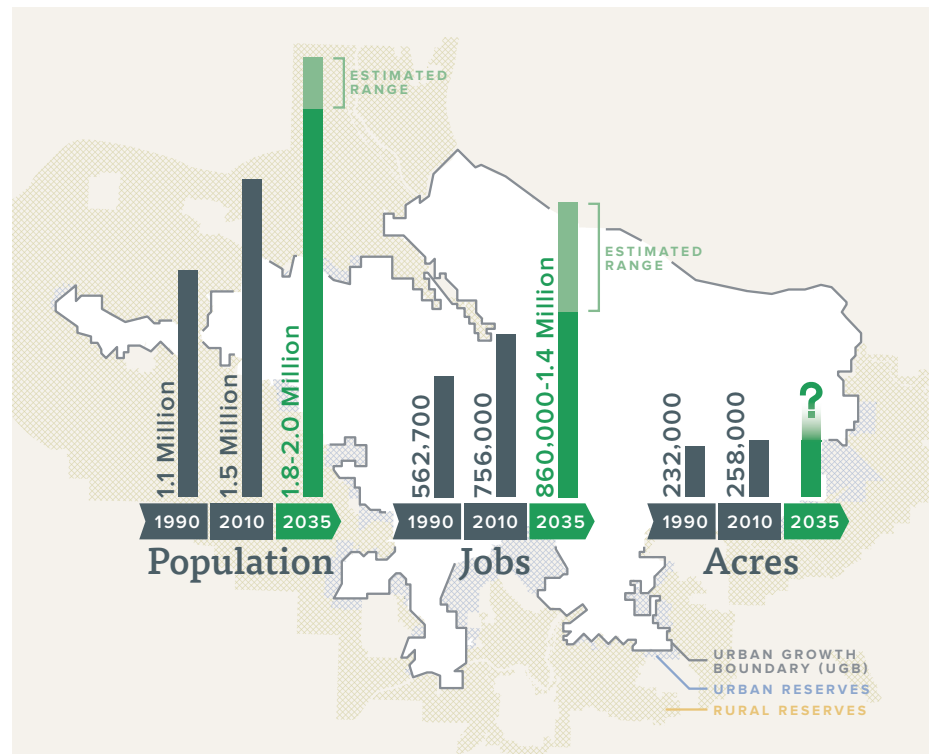
The population and employment range forecasts in the urban growth report help inform Metro, local jurisdictions, and other public and private sector partners as they consider new policies, investments, and actions to maintain the region's quality of life and promote prosperity.

The urban growth report, once accepted in its final form by the Metro Council in December 2014, will serve as the basis for the council's urban growth management decision, which will be made by the end of 2015.

But the work does not end with the council's decision. Implementation will require coordination of local, regional and state policy and investment actions. In its role as convener for regional decision-making, Metro is committed to building and maintaining partnerships and alignments among the different levels of government and between the public and private sectors.

Past growth-future forecast

Population and job growth within the Metro urban growth boundary 1990-2035



SUCCESSSES AND CHALLENGES

The region's longstanding commitment to protecting farms and forests, investing in existing communities, and supporting businesses that export goods and services is paying off in economic growth. From 2001 to 2012, the Portland region ranked third among all U.S. metropolitan areas for productivity growth, outpacing the Research Triangle in North Carolina, the Silicon Valley in California, and several energy producing regions in Texas.ⁱ Likewise, the region's walkable downtowns, natural landscapes, and renowned restaurants, breweries, and vineyards are well known around the world. In 2013, visitors to Clackamas, Multnomah and Washington counties spent \$4.3 billion dollars, supporting 30,100 jobs in the region.ⁱⁱ These successes are no accident – they demonstrate that prosperity, livability and intentional urban growth management are compatible.

However, Metro and its partners also have challenges to face when it comes to planning for additional population and employment growth. These include making sure that workforce housing is available in locations with access to opportunities, providing more family-friendly housing choices close to downtowns and main streets, delivering high quality transportation options that help people get where they need to go, ensuring freight mobility, and protecting and enhancing the environment.



Outcomes-based approach to growth management

A core purpose of the urban growth report is to determine whether the current urban growth boundary (UGB) has enough space for future housing and employment growth. Considerable care and technical engagement have gone into the assessment of recent development trends, growth capacity, and the population and employment forecasts provided in this report. However, this kind of analysis is necessarily part art and part science. State laws direct the region to determine what share of growth can “reasonably” be accommodated inside the existing UGB before expanding it but ultimately, how the region defines “reasonable” will be a reflection of regional and community values.

HOW WE ACCOMMODATE GROWTH

URBAN AND RURAL RESERVES Areas outside the current UGB designated by Metro and the three counties through a collaborative process. Urban reserves are the best places for future growth if urban growth expansions are needed over the next 50 years. Rural reserves are lands that won't be urbanized for the next 50 years.

INFILL Development on a tax lot where the original structure has been left intact and the lot is considered developed.

REDEVELOPMENT Development on a tax lot where the original structure has been demolished and there is a net increase in housing units.

VACANT LAND Land inside the UGB that's not developed.

RESIDENTIAL BUILDABLE LAND INVENTORY

If the region's historic annual housing production records (high and low from 1960 to 2012) are any indication, how long might the residential buildable land inventory last?

SINGLE FAMILY 10 to 52 years

MULTIFAMILY 28 to 354 years

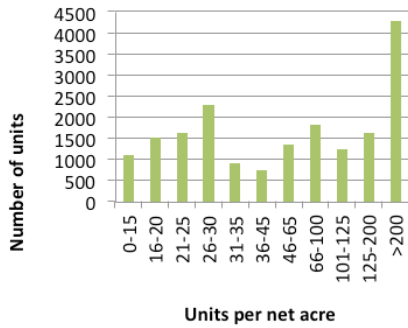


FIGURE 1 Net new multifamily units by density inside UGB (built 2007-2012)

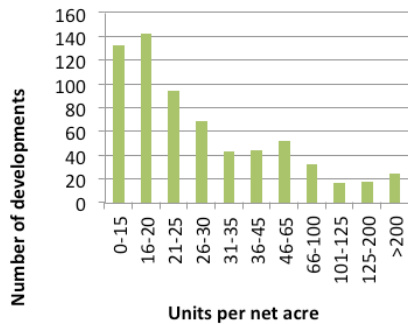
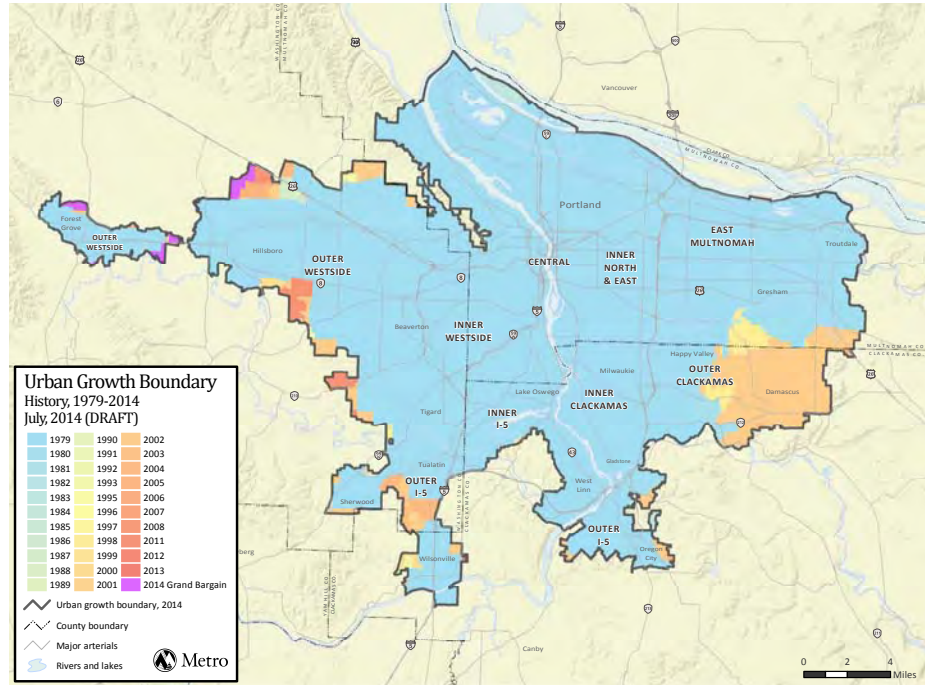


FIGURE 2 Net new multifamily developments by density inside UGB (built 2007-2012)



MAP 1 Metro UGB expansions over time (1979 - 2014)

How has the region been growing?

The Portland region's original urban growth boundary was adopted in 1979. As depicted in Map 1, the UGB has been expanded by about 31,400 acres. During the same time period, the population inside the UGB has increased by over half a million people. This represents a 61 percent increase in population inside an urban growth boundary that has expanded by 14 percent.

RESIDENTIAL DEVELOPMENT TRENDS

From 1998 to 2012, 94 percent of the new residential units were built inside the original 1979 boundary. During these 14 years, post-1979 UGB expansion areas produced about 6,500 housing units compared to the approximately 105,000 units produced in the original 1979 UGB. With a couple of notable exceptions, UGB expansion areas have been slow to develop because of challenges with governance, planning, voter-approved annexation, infrastructure financing, service provision, and land assembly. Development of Wilsonville's Villebois and Hillsboro's Witch Hazel communities demonstrates that new urban areas can be successful with the right combination of factors such as governance, infrastructure finance, willing property owners, and market demand. There are also challenges in our existing urban areas. Infill and redevelopment have been focused in a few communities while many downtowns and main streets have been slow to develop.

The 2040 Growth Concept, the Portland region's 50-year plan for growth, calls for focusing growth in existing urban centers and transportation corridors, and making targeted additions to the urban growth boundary when needed. To achieve this regional vision, redevelopment and infill are necessary. During the six years from 2007 through 2012, which included the Great Recession, the region saw levels of redevelopment and infill that exceeded past rates. During

this time period, 58 percent of the net new residential units built inside the UGB were through redevelopment (46 percent) or infill (12 percent) and 42 percent were on vacant land. There are a variety of views on whether the recession explains this uptick in redevelopment and infill or whether this is an indication of people wanting to live in existing urban areas with easy access to services and amenities. What is clear is that development challenges exist in both urban areas and past expansion areas. In some cases, however, market demand in existing urban areas appears to have overcome those challenges.

During this same six years, new residential development was evenly split between multifamily and single-family units with a total of 12,398 single-family and 12,133 multifamily residences built. The average density of new single-family development was 7.6 units per acre (5,766 square foot average lot size) and multifamily development was 41.8 units per acre. The highest density multifamily developments also tended to be the largest, so while there were many smaller developments, the statistics are dominated by the large high-density developments. This pattern is clear in Figures 1 and 2 (p. 8), which depict the number of units and developments built per net acre, indicating levels of density.

EMPLOYMENT TRENDS

As in most regions, many people in the Portland region lost their jobs in the Great Recession. With the ensuing recovery, total employment in the region was essentially unchanged when comparing 2006 and 2012. However, the recession did lead to some major changes across industries. Private education recorded the highest growth rate at 25.4 percent from 2006 to 2012, while health and social assistance employers saw the largest net gain in employment with the addition of just over 14,000 jobs during the same period. Construction saw the largest decline, with a loss of around 9,600 jobs, or 20.2 percent of total jobs, in the industry as of 2006. The loss of construction jobs reflects the housing crash that brought residential construction nearly to a halt for several years. Appendix 8 describes the region’s employment trends in greater detail.

Aggregating to the sector level, industrial and retail employment declined from 2006 to 2012 while service and government employment increased (Table 1).

Sector	2006 Employment	2012 Employment	Net Change	Percent Change	Avg. Annual Growth Rate
Industrial	244,951	218,311	-26,640	-10.9%	-1.9%
Retail	86,921	84,475	-2,446	-2.8%	-0.5%
Service	396,470	419,516	23,046	5.8%	0.9%
Government	103,736	108,582	4,846	4.7%	0.8%

Table 1 Employment in the three-county area by aggregated sector 2006-2012 (Clackamas, Multnomah, Washington) | Source Quarterly Census of Employment and Wages

Policy considerations

HEALTHY DEBATE AND INFORMED DECISION-MAKING

Though this report strives for completeness, balance, and accuracy, there is always room for debate. At the end of 2014, the Metro Council will be asked to decide if the report provides a reasonable basis for moving forward and making a growth management decision in 2015. Throughout this document, policy questions and topics that have been raised by Metro Council and involved stakeholders are called out for further discussion by policymakers and members of the community.

LAND READINESS OR LAND SUPPLY?

For better or worse, our state land use planning system asks Metro to focus on counting acres of land to determine the region’s 20-year growth capacity. Over the years, it’s become clear that land supply alone isn’t the cause or the solution for all of the region’s challenges. Working together, we must make the most of the land we already have inside the urban growth boundary to ensure that those lands are available to maintain, improve, and create the kinds of communities that we all want – today and for generations to come.

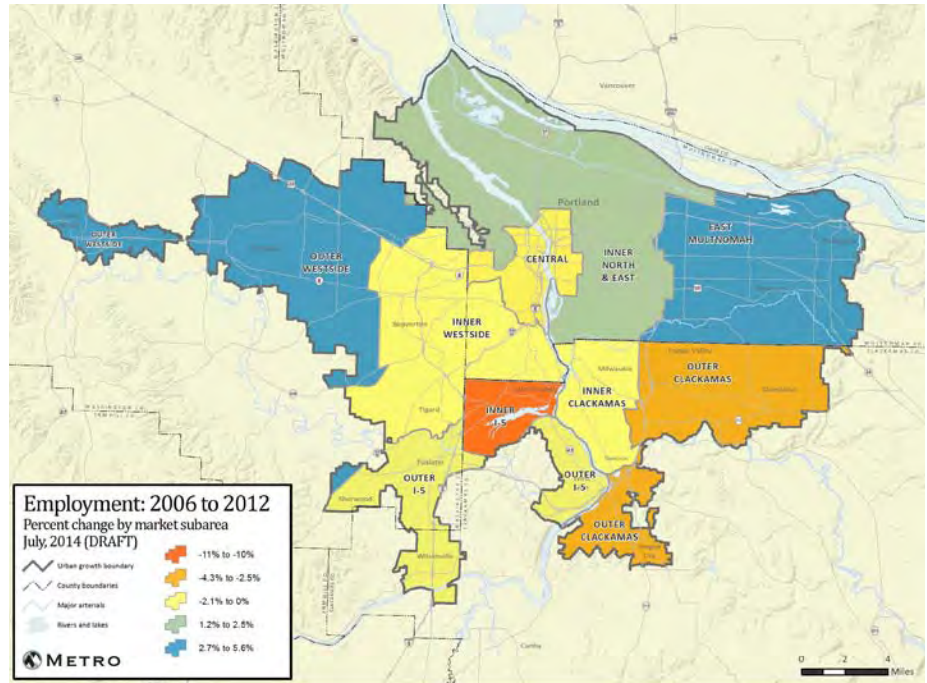
Working together, we can:

- ensure that communities have governance structures in place that can respond to growth and change
- provide the types of infrastructure and services that signal to the development community a site or area is primed for investment
- make the strategic investments needed to clean up and reuse neglected lands.

Policy considerations

CHANGES IN OUR COMMUNITIES

People around the region are concerned about new development in their communities. The concern exists not just in existing urban areas experiencing a new wave of development, but also in areas added to the urban growth boundary. With population growth expected to continue, change is inevitable. What policies and investments are needed to ensure that change is for the better?



Map 2 Employment gains and losses in Metro UGB 2006 - 2012

From 2006 to 2012, there was also a change in where jobs were located in the three-county area (Map 2). While about 25 percent of all jobs could still be found in the central part of the region, the subarea experienced a loss of about 2,300 jobs, or 1.2 percent. The inner I-5 area saw a decline in employment of roughly 2,200 jobs, or 11.0 percent of 2006 employment. This area was home to many firms involved in real estate and finance, industries that were hard hit by the housing collapse and recession. Many businesses in the area, like mortgage and title companies, contracted or closed during this time period. For example, the Kruse Way area in Lake Oswego had an office vacancy rate of 22.4 percent in 2012. In the southeastern part of the region, the outer Clackamas and outer I-5 subareas together lost about 3,400 jobs or 3.2 percent. In contrast, the outer Westside experienced the greatest increase in employment, gaining about 5,800 jobs, an increase of 5.6 percent. The East Multnomah subarea also gained jobs, increasing employment by 1,800 or 2.7 percent.

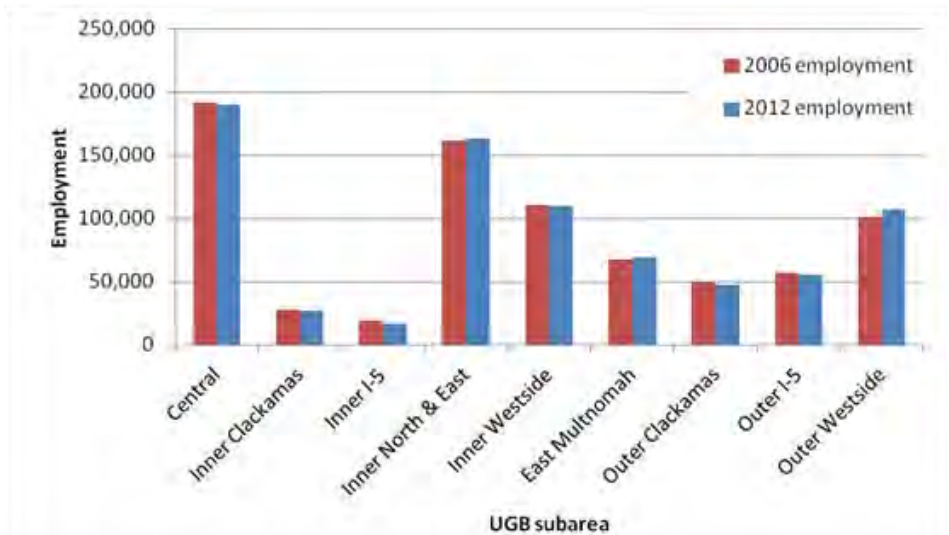


Figure 3 Total employment by subarea for 2006 and 2012



Case study

VILLEBOIS, WILSONVILLE

The Villebois community is one of only a few urban growth boundary expansion areas that has been developed. The roughly 500-acre area was brought into the UGB in 2000. With plans for about 2,600 households, the area quickly rebounded from the recession and is now about half built. Residents benefit from a variety of amenities such as parks, plazas, and community centers.



Case study

HASSALO ON 8TH, LLOYD DISTRICT, PORTLAND

Adjacent to MAX and streetcar stops, construction is now underway on a site that was previously a parking lot. Once built, the development will provide over 600 rental apartments, plazas, office and retail space, more than 1,000 underground car parking places, and space to park more than 1,000 bikes – all in a central location.

Policy considerations

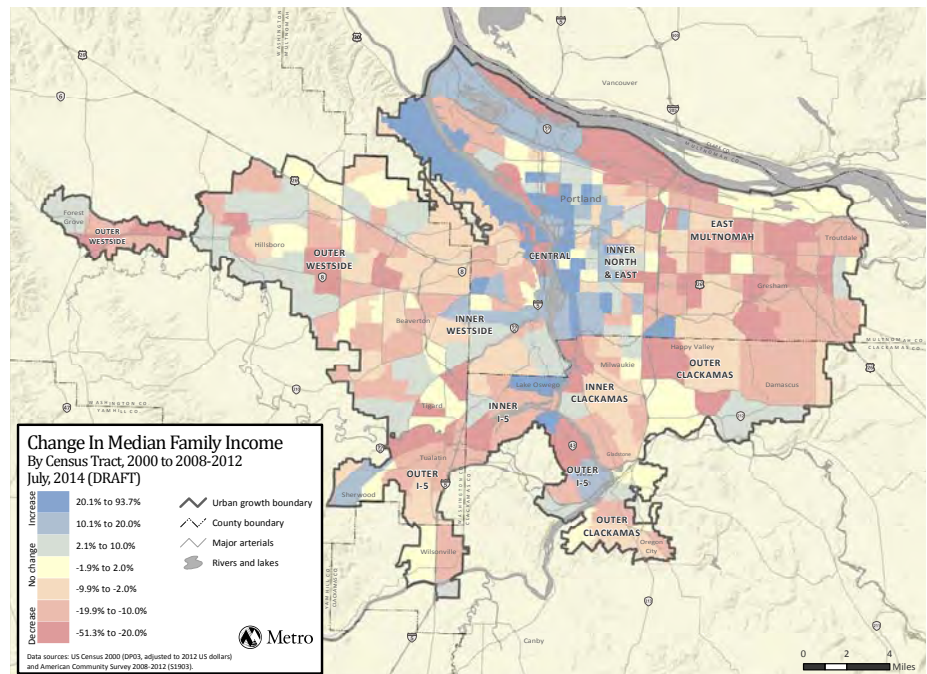
OPPORTUNITIES FOR WORKFORCE HOUSING

Market-rate workforce housing is typically provided by existing housing stock, not new construction. Yet, existing housing in locations with good access to jobs is often too expensive for the region's workforce. What policies, investments, innovative housing designs and construction techniques could provide additional workforce housing in locations with good transportation options? Who has a role?

UNINTENDED CONSEQUENCES OF REDEVELOPMENT

Our region has made a commitment to ensuring its decisions improve quality of life for all. Yet, like many metropolitan areas, we've struggled to make good on that intent. Investments made to encourage redevelopment and revitalization have too often disproportionately impacted those of modest means. The consequence has been that people with lower incomes have often been displaced from their long-time communities when redevelopment in the city center drives up land values and prices follow.

Map 3 shows the change in median family income around the region over the last decade. There is a clear trend of incomes increasing in close-in Northwest, Northeast, and Southeast Portland, Lake Oswego, and West Linn, while incomes have stagnated or decreased elsewhere. Outlying areas like outer east Portland, Gresham, Cornelius, and Aloha stand out as having decreasing incomes. In many cases, increases in incomes in central locations and decreases elsewhere indicate displacement of people from their communities as housing prices increase.



Map 3 Change in median family income 2000-2012

GROWTH WITHOUT SERVICES AND FACILITIES

Over the last couple of decades, the trend of depopulation of the urban core and the movement of the middle class to the suburbs has reversed in many regions in the U.S. The Portland metropolitan region is no exception. While there have been positive outcomes, this has also led to displacement and concentrations of poverty in places that lack adequate services and facilities like sidewalks and transit. Additional information about access to opportunity around the region can be found in Appendix 10. Information about housing and transportation cost burdens can be found in Appendix 12.

COMMUTING TRENDS: THE JOBS-HOUSING BALANCE

For years, leaders have talked about a jobs-housing balance – ensuring there are homes close to employment areas. But evidence and common sense tell us that people’s lives don’t neatly line up with the available housing inventory. Some people work at or close to home, some commute from one end of the region to the other, and some live halfway between where they work and their spouse works. In other words, putting homes next to major employers doesn’t necessarily cut down on commuting.

However, services and amenities near residential areas can make our lives outside of jobs and commutes easier and help create strong local economies. When people can go out to eat, do their shopping, visit the bank or see a doctor close to where they live, they spend less time going somewhere and more time with friends and family, actively enjoying their communities and the region.

Map 4 illustrates the region’s commute patterns. Using Washington County as an example (2011 data):ⁱⁱⁱ

- about 120,000 people who live in Washington County also work there
- about 118,000 people who live outside Washington County work in Washington County
- about 104,000 people who live in Washington County work outside Washington County.



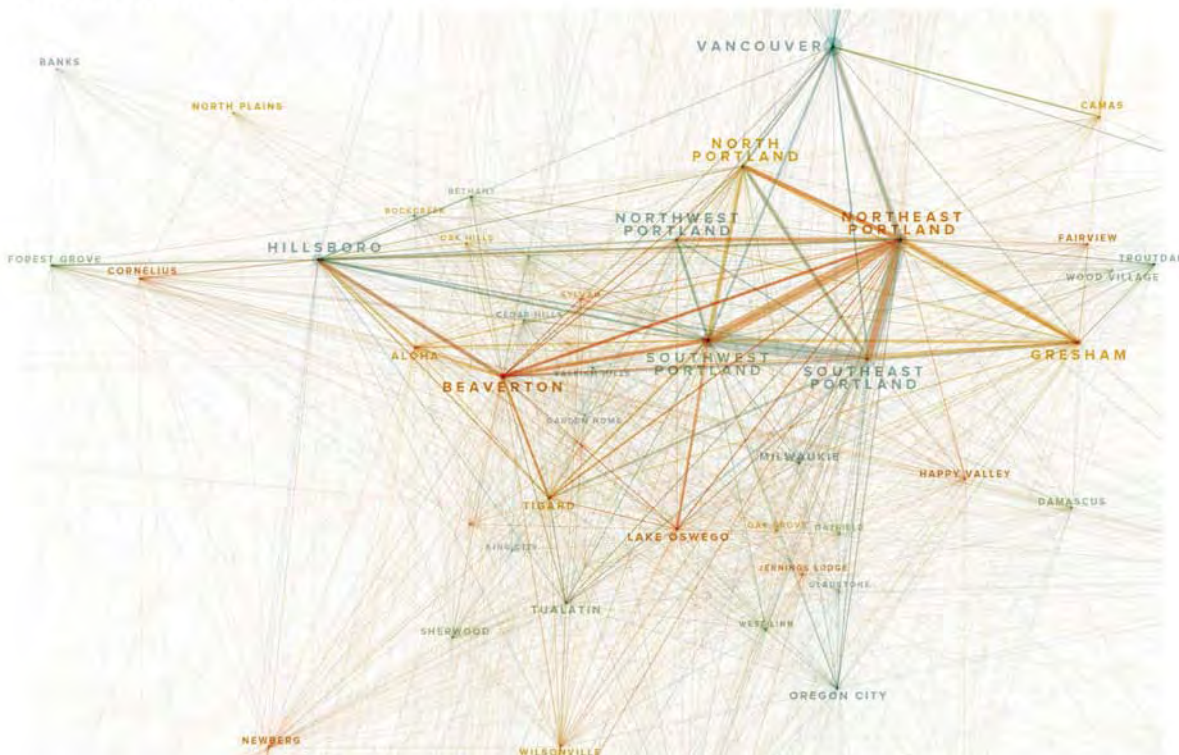
Policy considerations

A BIGGER PICTURE

Regional and local policies and investments also interact with actions taken in neighboring cities, Clark County and Salem. What are the best policies for using land efficiently and reducing time spent in traffic?

TRAVEL COMMUTE PATTERNS

2011 commute patterns from cities/places in the Portland metropolitan region
 Lines connect a person’s place of residence to place of employment
 Line thickness represents number of people



DATA SOURCE: LONGITUDINAL EMPLOYER-HOUSEHOLD DYNAMICS, U.S. CENSUS BUREAU

MANAGING UNCERTAINTY

■ What are the risks and opportunities of planning for higher or lower growth in the forecast range?

■ Recognizing that the two forecasts are linked, are there different risks when planning for employment or housing growth?

■ Are there different risks when planning for land use, transportation, or for other infrastructure systems?

■ Who bears the public and private costs and benefits associated with different growth management options?

How many more people and jobs should we expect in the future?

A core question this report addresses is how many more people and jobs should the region plan for between now and the year 2035. In creating the 2035 forecast, Metro convened a peer review group consisting of economists and demographers from Portland State University, ECONorthwest, Johnson Economics, and NW Natural. The forecast assumptions and results in this report reflect the recommendations of this peer review panel. A summary of the peer review can be found in Appendix 1C.

However, even with a peer review of the forecast, some forecast assumptions will turn out to be incorrect. For that reason, the population and employment forecasts in this report are expressed as ranges, allowing the region's policymakers the opportunity to err on the side of flexibility and resilience in choosing a path forward. As with a weather forecast, this population and employment range forecast is expressed in terms of probability. The baseline forecast (mid-point in the forecast range) is Metro staff's best estimate of what future growth may be. The range is bounded by a low end and a high end. There is a ninety percent chance that actual growth will occur somewhere in this range, but the probability of ending up at the high or low ends of the range is less.

Appendix 1B describes the accuracy of past forecasts. These typically have been reliable, particularly when it comes to population growth. For example, Metro's 1985 to 2005 forecast proved to be off by less than one percent per year for both population and employment over the 20-year time frame.

POPULATION AND JOB GROWTH IN THE SEVEN-COUNTY PORTLAND/VANCOUVER METROPOLITAN AREA

To “show our work” and to understand our region in its economic context, this analysis starts with a forecast for the larger seven-county Portland/Vancouver/Hillsboro metropolitan area.² Full documentation of the metropolitan area forecast is available in Appendix 1A. It is estimated that there will be about 470,000 to 725,000 more people in the seven-county area by the year 2035. Mid-point in the forecast range, or best estimate, is for 600,000 more people. This amount of growth would be consistent with how the region has grown in the past; the seven-county area grew by about 600,000 people between 1985 and 2005 and by about 700,000 from 1990 to 2010. Adding 600,000 people would be comparable to adding the current population of the city of Portland to the seven-county area.

The forecast calls for 120,500 to 648,500 additional jobs in the seven-county Portland/Vancouver metropolitan area between 2015 and 2035. The forecast range for employment is wider than the forecast range for population since regional employment is more difficult to predict in a fast-moving global economy. Unexpected events like the Great Recession, technological advances, international relations, and monetary policy can lead to big changes. Mid-point in the forecast range, or best estimate, is for 384,500 additional jobs. This amount of growth would surpass the 240,000 additional jobs that were created in the seven-county metropolitan area during the 20-year period from 1990 to 2010, which included job losses from the recession.

² The seven-county Portland/Vancouver metropolitan area includes Clackamas, Clark, Columbia, Multnomah, Skamania, Washington, and Yamhill counties.

POPULATION AND JOB GROWTH IN THE METRO UGB

A market-based land and transportation computer model is used to determine how many of the new jobs and households in the seven-county area are likely to locate inside the Metro urban growth boundary. The model indicates that about 75 percent of new households and jobs may locate inside the UGB. The share of regional growth accommodated inside the boundary varies depending on what point in the forecast range is chosen. More detail can be found in Appendices 4 and 6. It is estimated that there will be about 300,000 to 485,000 additional people inside the Metro urban growth boundary between 2015 and 2035 (Figure 4). At mid-point in this range, the UGB will have about 400,000 additional people. This would be comparable to adding more than four times the current population of the city of Hillsboro to the UGB. The population forecast is converted into household growth for this analysis.

It is estimated that there will be about 85,000 to 440,000 additional jobs in the Metro UGB between 2015 and 2035 (Figure 5). At mid-point in this range, there would be about 260,000 additional jobs between 2015 and 2035. This job forecast is converted into demand for acres for this analysis.

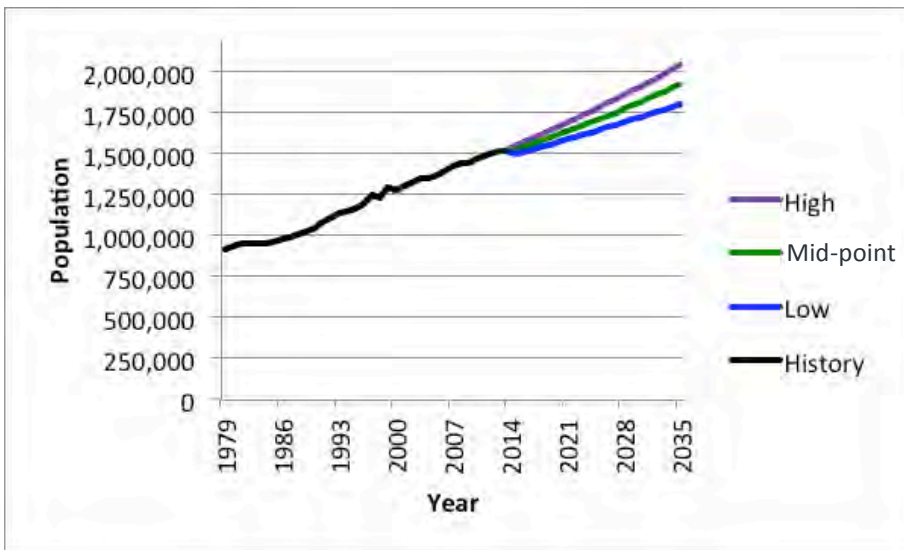


Figure 4 Population history and forecast for Metro UGB 1979 - 2035

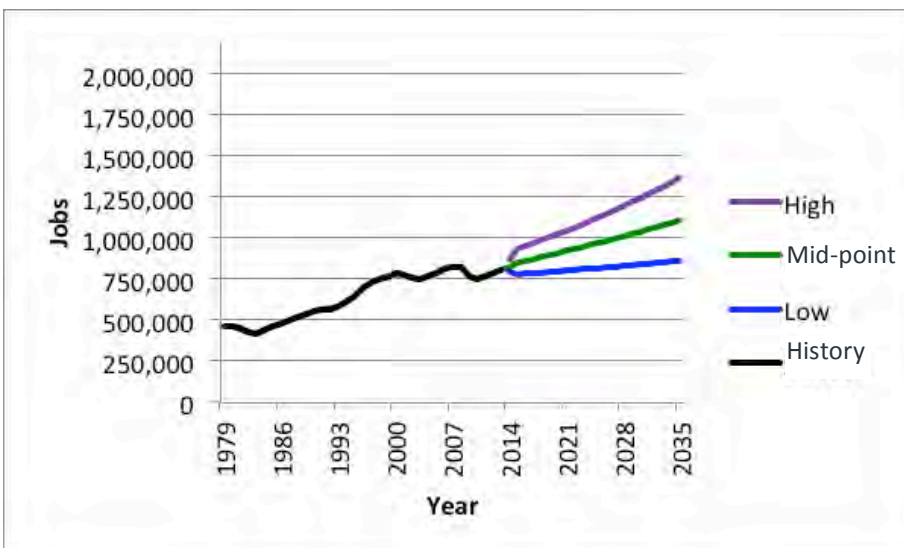


Figure 5 Employment history and forecast for Metro UGB, 1979-2035

DIDN'T THE STATE LEGISLATURE JUST EXPAND THE UGB?

Signed into state law in the spring of 2014, HB 4078 codifies the fundamental principles behind our region's decision about urban and rural reserves. The legislation provides greater protection for farms, forests and natural areas, offers predictability to our communities, home builders and manufacturers, and makes our land use system more efficient. The legislation also expanded the UGB in several locations in Washington County and described how Metro must account for those lands in this urban growth report.



How much room for growth is there inside the UGB?

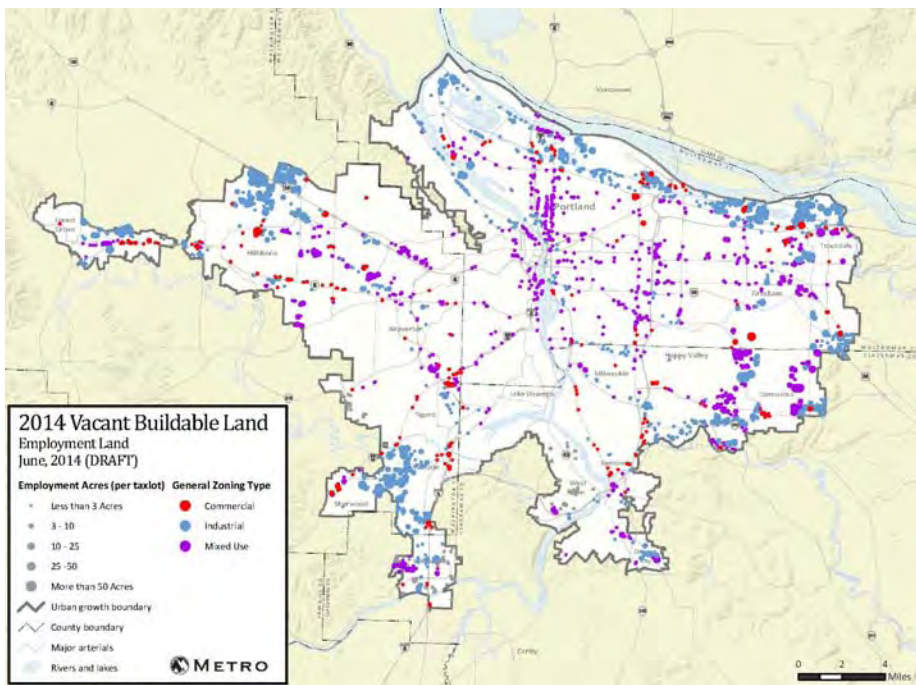
Cities and counties around the region plan for the future and prioritize investments that support their community's vision. In most cases, however, long-term plans for downtowns, main streets and employment areas are more ambitious than what is actually built or redeveloped. One task of this analysis is to help us understand how the market might respond to long-term community plans in the next 20 years.

To analyze the region's growth capacity, detailed aerial photos of all the land inside the urban growth boundary were taken. Factoring in current adopted plans and zoning designations, the photos were used to determine which parcels of land were developed and which were vacant. Methodologies for assessing the redevelopment potential and environmental constraints of the land were developed over the course of a year by Metro and a technical working group consisting of representatives from cities, counties, the state and the private sector (see pages 30-31 for a complete list of technical working group members).

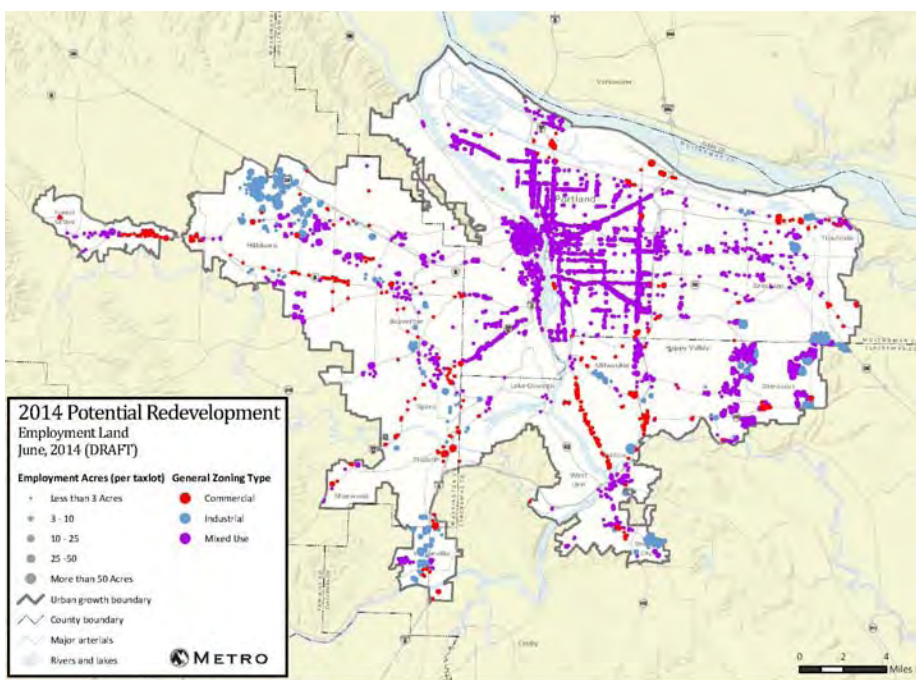
After settling on the methodology described in Appendix 2, Metro produced a preliminary buildable land inventory that local cities and counties had more than two months to review. The draft buildable land inventory described in Appendix 3 reflects refined local knowledge about factors such as environmental constraints including wetlands, steep slopes, and brownfield contamination. Maps 4 through 7 illustrate the buildable land inventory reviewed by local jurisdictions. They are available at a larger scale in Appendix 3. The buildable land inventory is considered a "first cut" at determining the region's growth capacity. For a variety of reasons described in the next section, not all of it may be developable in the 20-year time frame.

ESTIMATING RESIDENTIAL GROWTH CAPACITY

Current plans and zoning allow for a total of almost 1.3 million residences inside the urban growth boundary after accounting for environmental constraints and needs for future streets and sidewalks. About half of that potential capacity is in use today. This urban growth report does not count all of this capacity since doing so would assume that every developed property in the region will redevelop to its maximum density in the next twenty years. A rational developer will only build products that are expected to sell. Redevelopment requires market demand, which is a function of a number of factors, including expected population growth. This affects whether a property will be redeveloped and at what density.



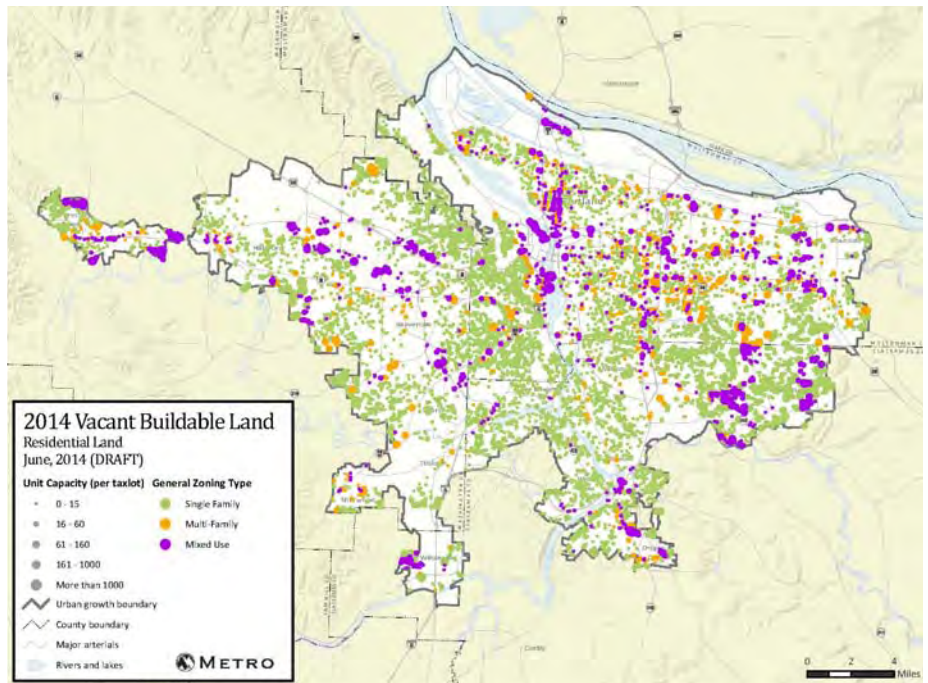
Map 4 Employment vacant buildable tax lots (reviewed by local jurisdictions)



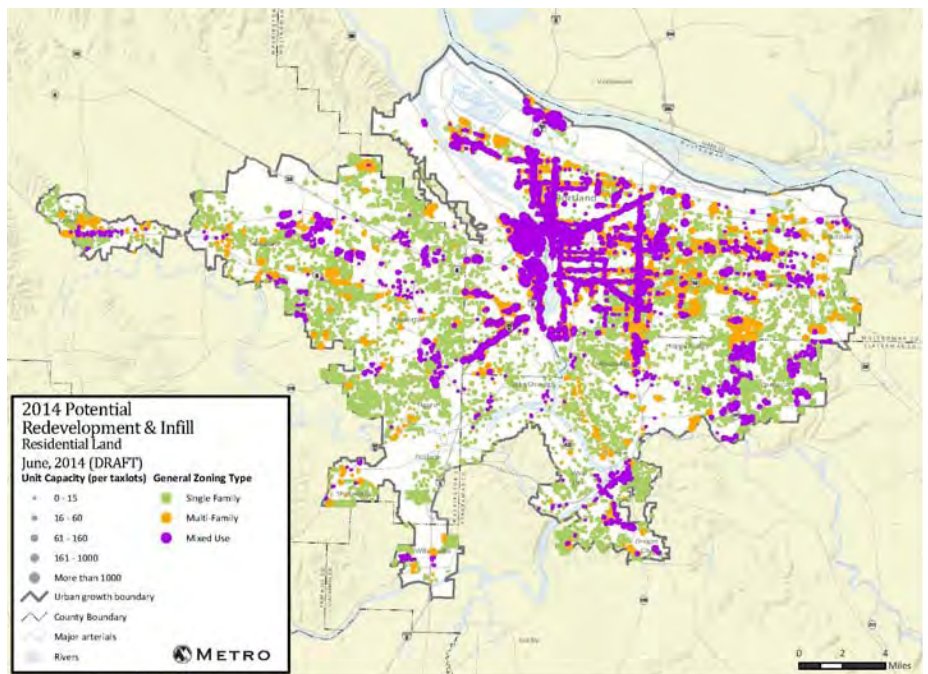
Map 5 Employment infill and redevelopment candidate tax lots (reviewed by local jurisdictions)

Acknowledging this complexity, Metro staff convened representatives from cities, counties, the state and the private sector to establish consensus for estimating how much of the region's buildable land inventory might be absorbed by the year 2035 (see pages 30-31 for a complete list of technical working group members). Redevelopment and infill are most common in locations where there is significant demand for housing, so the growth capacity from redevelopment and infill rises with assumptions for population growth. For this reason, the region's residential growth capacity is expressed as a range. The amount of growth capacity that the region has depends, in part, on the point in the household forecast range for which the Metro Council chooses to plan. Appendix 4 describes the approach for identifying the 20-year capacity range for housing.

Map 6 Residential vacant buildable tax lots (reviewed by local jurisdictions)



Map 7 Residential redevelopment candidate tax lots (reviewed by local jurisdictions)



HOW DO DEVELOPERS EVALUATE REDEVELOPMENT POTENTIAL?

The construction of new infill (original structure intact) and redevelopment (original structure demolished) projects is increasing in some places, fueled by a renewed interest in and market demand for housing and jobs close to the urban core. In order to realize a return on an investment, given the higher costs of urban redevelopment, investors will evaluate the redevelopment potential of the site by considering the following:

- Where is the site located? Is it an up and coming area?
 - What is the value of the existing building or structure on the site? What is the value of the land? At what point does the building become worth less than the land it sits on?
 - What is the developer allowed to build under the local zoning code?
 - What are the construction costs and fees for the new building?
 - How much will the developer be able to sell or rent space for in the new building?
-



Policy considerations

HOW SHOULD POLICYMAKERS EVALUATE DEVELOPMENT POTENTIAL?

Since the adoption of the 2040 Growth Concept, there has often been skepticism about the viability of redevelopment as a source of growth capacity. Our region's history shows that developing urban growth boundary expansion areas is difficult as well. Aside from developing a concept plan, what other factors support the likelihood that an urban reserve will be developed if brought into the UGB?



Case study

4TH MAIN, HILLSBORO

With a shared vision for an active, historic main street area, Metro, the City of Hillsboro and the Federal Transit Administration worked together to attract private sector redevelopment of a city block adjacent to the Hillsboro Central MAX station. 4th Main offers 71 market-rate apartments, underground parking, and active retail along main street. The existing 1950s era vacant bank building on site is being updated for restaurant and retail use. When 4th Main opened in May 2014, over half the units were leased.



ESTIMATING EMPLOYMENT GROWTH CAPACITY

To determine the UGB's employment growth capacity, analysis began with the creation of a buildable land inventory. As with the residential analysis, employment capacity depends on demand since different types of jobs have different space needs. For instance, an office job will have very different location and space needs than a warehouse job. Metro staff convened a group of public and private sector experts to help update these employment demand factors. Appendix 6 describes the approach for identifying the 20-year capacity range. (See pages 30-31 for a complete list of technical working group members).

Different jobs have different space needs





Is there a regional need for additional growth capacity?

Under state law, Metro's analysis must assess regional, not local or subregional, growth capacity needs. While some local jurisdictions may desire additional land for growth, this analysis is required to keep those needs in the regional context, knowing that other locations in the region may have greater growth capacity.

This analysis uses a probabilistic range forecast. The baseline forecast (middle of the range) has the highest probability. Though there is a 90 percent chance that growth will occur within the range, it is less probable at the low and high ends of the range.

DOES THE REGION NEED MORE LAND FOR HOUSING GROWTH?

Regional growth management policy alone cannot ensure adequate housing choices. Other elements that influence what kind of housing gets built include tax policy, lending practices, local plans and decisions, public investments, market demand, and developer responses. All of these factors impact housing production.

Appendix 4 describes in detail the residential demand analysis and includes estimates of potential demand by housing type (single-family and multifamily), tenure (own and rent), average density, as well as detail about demand from different household income brackets. For accounting purposes, the detailed analysis uses rigid supply and demand categories – for instance, single-family and multifamily. In reality, demand for these two housing types is somewhat fluid, particularly as average household sizes continue to decrease. By 2035, about 60 percent of new households are expected to include just one or two people.

WHAT THE NUMBERS SHOW

Population and employment forecasts in the urban growth report are expressed as ranges based on probability. Mid-point in the forecast range is Metro's best estimate of what future growth may be. It is less probable that growth will occur at the high or low ends of the range forecast.

This analysis looks at long-term capacity needs for:

- single-family and multifamily housing
- general industrial employment uses
- large industrial sites
- commercial employment uses.

If policymakers choose to plan for the high end of the growth forecast range, there is a need for additional capacity for jobs and housing. But, at mid-point in the range and below, there is no need for additional growth capacity.

Policy considerations

WHAT ABOUT DAMASCUS?

With its ongoing community and political challenges, how much of Damascus' growth capacity should be counted during the 2015 to 2035 time frame is more of a policy question than a technical question. For this analysis, Metro staff followed the advice of its technical advisory group and used a market-based model to determine that about half of Damascus' estimated buildable land inventory capacity could be counted in the "market-adjusted" residential supply. For modeling purposes, it was assumed that development challenges will persist in Damascus for another decade, delaying its availability to the market. If Damascus' capacity is not available, it may become somewhat more difficult to provide new single-family housing inside the existing urban growth boundary. Does the region have other options for making up for Damascus' capacity if it is not counted?

Policymakers have the challenge of balancing the type of housing and neighborhoods people prefer with funding realities, governance and annexation challenges. They also must consider regional and community goals such as preserving the character of existing neighborhoods, reducing carbon emissions, preserving farms and forests, and creating vibrant downtowns and main streets. To inform that discussion, Metro and a group of public and private sector partners conducted a study on residential preferences across the region and will make results available to policymakers in the early fall of 2014.

The capacity estimation method recommended by Metro's public and private sector advisory group recognizes that infill and redevelopment depend on demand. Consequently, the capacity from those two sources increases with greater household demand (i.e., a higher growth forecast results in a greater housing capacity).

Table 2 and Table 3 summarize the more detailed analysis of residential needs provided in Appendix 4.

Single-family dwelling units

	Buildable land inventory	Market-adjusted supply	Demand	Surplus/need
Low growth forecast	118,700	76,600	70,600	+6,000
Middle (baseline) growth forecast		90,700	89,000	+1,700
High growth forecast		97,700	103,800	-6,100

Table 2 Metro UGB single-family residential needs 2015 to 2035 expressed in dwelling units

Multifamily dwelling units

	Buildable land inventory	Market-adjusted supply	Demand	Surplus/need
Low growth forecast	274,000	119,100	82,700	+36,400
Middle (baseline) growth forecast		130,800	108,400	+22,400
High growth forecast		165,800	132,200	+33,600

Table 3 Metro UGB multifamily residential needs 2015 to 2035 expressed in dwelling units

If policymakers choose to plan for the high end of the growth forecast range, there is a need for additional capacity for jobs and housing. But, at mid-point in the forecast range and below, there is no need for additional growth capacity. No scenarios points to a regional need for additional multifamily housing capacity. However, if policymakers decide to plan for high growth and expand the UGB for residential purposes, there may be valid policy reasons for considering some amount of multifamily housing and commercial uses in the local planning process for the area.

Policy considerations

PROVIDING HOUSING OPPORTUNITIES

As policymakers consider their options for responding to housing needs, there are considerations to keep in mind.

- If policymakers decide that a urban growth boundary expansion is needed to provide room for housing, where should that expansion occur? Metro is aware of two cities in the region that are currently interested in UGB expansions for housing – Sherwood and Wilsonville. Both cities had residential land added to the UGB in 2002 that they have not yet annexed. Sherwood requires voter-approved annexation and voters have twice rejected annexing the area. What is a reasonable time frame for seeing results in past and future UGB expansion areas?
 - Given that the region has ample growth capacity for multifamily housing but a more finite supply of single-family growth capacity, should policymakers consider ways to encourage “family-friendly” housing in multifamily and mixed-use zones? To what extent might that address single-family housing needs in this analysis? Are there ways to ensure that housing in downtowns and along main streets remains within reach of families with moderate or low incomes?
 - State land use laws and regional policy call for efficient use of any land added to the UGB. However, over the years very little multifamily housing has been built in UGB expansion areas. What is the right mix of housing types in areas added to the UGB in the future and how are they best served?
 - How might policymakers balance residential preferences with other concerns such as infrastructure provision, transportation impacts, affordability, and environmental protection?
-

IMPACT OF MILLENNIALS ON HOUSING

Millennials, those born since 1980, are the biggest age cohort the U.S. has ever had (bigger than the Baby Boomer cohort) and will have a significant influence on the types of housing that are desired in the future. Today, 36 percent of the nation’s 18 to 31-year olds are living with their parents.¹ This has variously been attributed to student loan debt, high unemployment or fear of losing a job, and stricter mortgage lending standards. Builders have responded by reducing their housing production and focusing on apartment construction. What will these trends mean for home ownership, housing type, and location choices in the longer term?





Policy considerations

INVESTING IN JOB CREATION

Metro has been actively engaged in the question of regional investment priorities since the release of the 2008 Regional Infrastructure Analysis and consequential discussion with regional community and business leaders through the Community Investment Initiative. From these efforts, Metro established the Regional Infrastructure Supporting our Economy (RISE) team to deliver regionally significant projects and new infrastructure investment to enhance the local and regional economy. Are there areas where RISE should focus its attention to ensure the region can generate job growth?

DOES THE REGION NEED MORE LAND FOR INDUSTRIAL JOB GROWTH?

Industrial employment includes a wide range of jobs like high tech manufacturers, truck drivers, and metal workers. Since it is common to find commercial jobs (offices, stores, restaurant, etc.) in industrial zones, this analysis shifts a portion of the overall industrial redevelopment supply into the commercial category.

Table 4 summarizes regional needs for general industrial employment growth, expressed in acres. Additional detail about this analysis can be found in Appendix 6. The need for large industrial sites (sites with over 25 buildable acres) is described separately. At mid-point in the forecast range, there is no regional need for additional land for general industrial employment uses. At the high end of the forecast range, there is a deficit. However, there are limited areas in urban reserves that may eventually be suitable for industrial uses.

General industrial employment (acres)

	Buildable land inventory	Market-adjusted supply	Demand	Surplus/need
Low growth forecast	7,100	5,800	1,200	+4,600
Middle (baseline) growth forecast		5,000	3,800	+1,200
High growth forecast		5,000	6,500	-1,500

Table 4 Metro UGB general industrial acreage needs 2015 to 2035

Note: reflecting real market dynamics where commercial uses locate in industrial zones, the market adjustment shifts some of the region's industrial redevelopment supply into the commercial land supply. The amount varies by demand forecast.

Case study
TROUTDALE REYNOLDS INDUSTRIAL PARK

Located between the Columbia and Sandy rivers and bordered by the Troutdale Airport and Marine Drive, this 700-acre superfund site is being redeveloped with a mix of industrial uses, natural areas and utility and trail



access. The Port of Portland is working closely with local, regional and state jurisdictions to redevelop this former aluminum plant brownfield site and return it to productive industrial use with a traded-sector job focus. The Port has invested over \$37 million in the acquisition and redevelopment of the site. Today, a portion of the site is home to FedEx Ground's regional distribution center. Another \$48 million in investment is needed to make the remainder of the site ready to market to industrial employers. At full build-out, this industrial development is projected to result in 3,500 direct jobs, \$410 million in personal income and \$41 million in state and local taxes annually (all jobs).

HOW SHOULD THE REGION PRIORITIZE INVESTMENTS IN LARGE INDUSTRIAL SITE READINESS?

The region's economic development strategy focuses on several sectors with anchor firms that sometimes use large industrial sites (over 25 buildable acres). These firms are important because they often pay higher-than-average wages, export goods outside the region (bringing wealth back), produce spin off firms, and induce other economic activity in the region. However, forecasting the recruitment of new firms or growth of existing firms that use large industrial sites is challenging since these events involve the unique decisions of individual firms. To produce an analysis that is as objective as possible, the estimate of future demand for large industrial sites is based on the employment forecast. That assessment and its caveats are described in Appendix 7.

The analysis finds that there may be demand for eight to 34 large industrial sites between 2015 and 2035. There are currently 50 large vacant industrial sites inside the UGB that are not being held for future expansion by existing firms.³ This does not include sites added to the UGB in 2014 under HB 4078. To exhaust this supply of sites by 2035, the region would need to attract five major industrial firms every two years. In addition to this inventory of 50 sites, there are 24 sites inside the UGB that are being held by existing firms for future expansion (growth of existing firms is implicit in the demand forecast). Given this total supply of 74 large industrial sites and the fact that there are only two areas in urban reserves (near Boring and Tualatin) that may be suitable for eventual industrial use, policymakers can consider whether to focus on land supply or site readiness.

There are a limited number of areas in urban reserves that may be suitable for eventual industrial use. Therefore, this demand analysis may be more useful for informing the level of effort that the region may wish to apply to making its existing large industrial sites development-ready. Existing sites typically require actions such as infrastructure provision, wetland mitigation, site assembly, brownfield cleanup, annexation by cities, and planning to make sites development-ready. Many of these same development-readiness challenges exist in the two urban reserve areas that may eventually be suitable for industrial use. Metro and several public and private sector partners continue to work to understand the actions and investments that are needed to make more of the region's large industrial sites development-ready.



Policy considerations

THE PORTLAND HARBOR

The harbor is a unique environmental, recreational and economic asset that cannot be replaced elsewhere in the Portland region. For more than a century, the harbor has played a critical role in the history of trade and manufacturing in our region. Today, the harbor needs to be cleaned up to continue providing benefits. What is the appropriate balance between environmental and economic goals? What investments and policies can advance those goals?

³ This inventory is preliminary as of June 16, 2014, and will be confirmed by Metro and its partners before Metro Council consideration of the final UGR. This work is being conducted by Mackenzie for an update of the 2012 Regional Industrial Site Readiness project. However, the inventory is not expected to change enough to result in a different conclusion regarding there being no regional need for additional UGB expansion.

Policy considerations

KEEPING SHOPPING AND SERVICES CLOSE BY

It makes sense to locate commercial uses close to where people live. If the Metro Council chooses to plan for a high growth scenario, are there places where it makes sense to expand the UGB for a mix of residential and commercial uses?



DOES THE REGION NEED MORE LAND FOR COMMERCIAL JOB GROWTH?

The commercial employment category includes a diverse mix of jobs such as teachers, restaurant workers, lawyers, doctors and nurses, retail sales people, and government workers. Generally, these are population-serving jobs that are located close to where people live. Table 5 summarizes regional needs for commercial employment growth, expressed in acres. Additional detail about this analysis can be found in Appendix 6. At mid-point in the forecast range, there is no regional need for additional land for commercial employment uses. At the high end of the forecast range, there is a deficit. However, it may not be desirable to locate commercial uses on the urban edge unless those uses are integrated with residential development.

Commercial employment (acres)

	Buildable land inventory	Market-adjusted supply	Demand	Surplus/need
Low growth forecast	4,300	4,200	1,400	+2,800
Middle (baseline) growth forecast		4,500	3,600	+900
High growth forecast		5,100	5,700	-600

Table 5 Metro UGB commercial acreage needs 2015 to 2035

Note: reflecting real market dynamics where commercial uses locate in industrial zones, the market adjustment shifts some of the region's industrial redevelopment supply into the commercial land supply. The amount varies by demand forecast.

Conclusion

The 2014 urban growth report is more than an accounting of available acres and forecast projections. It provides information about development trends, highlights challenges and opportunities, and encourages policymakers to discuss how we can work together as a region to help communities achieve their visions. This region has seen tremendous change and progress over the last 20 years and we know change will continue. Our shared challenge is to guide development in a responsible and cost-effective manner so that we preserve and enhance the quality of life and ensure that the benefits and costs of growth and change are distributed equitably across the region.

LOCAL LEADERSHIP

Examples of strong partnerships abound already. At the local level, cities and counties are working closely with the private sector to bring new vibrancy to downtowns, more jobs to employment areas, and to provide existing and new neighborhoods with safe and convenient transportation options. Residential and employment areas as varied as Beaverton's Creekside District, Portland's South Waterfront, Hillsboro's AmberGlen, Wilsonville's Villebois, the Gresham Vista Business Park and many others, both large and small, are pointing the way to our region's future.

METRO'S ROLE

At the regional level, Metro supports community work with a variety of financial and staff resources. The Community Planning and Development Grant program has funded over \$14 million in local project work to support development readiness. The RISE (Regional Infrastructure Supporting our Economy) program is designed to deliver regionally significant projects and spur infrastructure investment. The Transit-Oriented Development Program provides developers with financial incentives that enhance the economic feasibility of higher density, mixed-used projects served by transit. Corridor projects such as the Southwest Corridor and East Metro Connections Plan are bringing together Metro, local jurisdictions, educational institutions, residents, businesses and others to develop comprehensive land use and transportation plans for individual areas that will support local community and economic development goals.

INVESTING IN OUR COMMUNITIES

These are just a few examples of the kind of work that's happening all across the region. While the Metro Council's growth management decision must address the question of whether to adjust the region's urban growth boundary, the more difficult questions center on how to find the resources needed to develop existing land within our communities and new land in urban growth boundary expansion areas in a way that meets community and regional goals. Many of these questions and policy considerations are highlighted throughout this urban growth report to support policy discussions in the 2015 growth management decision and beyond.

Next steps

JULY THROUGH DECEMBER 2014 The urban growth report helps inform policy discussions for the Metro Policy Advisory Committee (MPAC) and Metro Council.

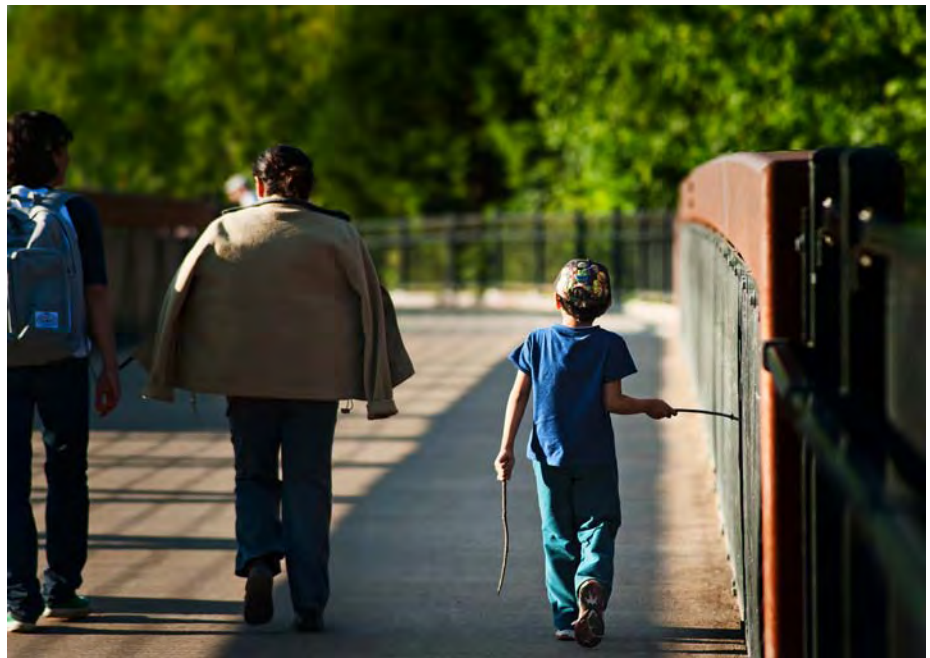
DECEMBER 2014 The Metro Council will consider a final urban growth report that will serve as the basis for its growth management decision in 2015. The Metro Policy Advisory Committee will be asked to advise the council on whether the urban growth report provides a reasonable basis for its subsequent growth management decision.

JULY 2014 – MAY 2015 Local and regional governments will continue to implement policies and investments to create and enhance great communities while accommodating anticipated growth.

MAY 2015 Local jurisdictions interested in urban growth boundary expansions in urban reserves must complete concept plans for consideration by MPAC and the Metro Council.

SEPTEMBER 2015 Metro's chief operating officer makes a recommendation for the Metro Council's growth management decision that becomes the basis for MPAC and council discussion during fall 2015. The recommendation will take into account the final urban growth report, assessments of urban reserve areas, actions that have been taken at the regional or local level – such as measures that lead to more efficient land use and adopted concept plans for urban reserves – and other new information that may influence our understanding of future growth in the region.

BY THE END OF 2015 If any additional 20-year capacity need remains, the Metro Council will consider UGB expansions into designated urban reserves. The Metro Policy Advisory Committee will be asked to advise the council on the growth management decision.



References

i U.S. Bureau of Economic Analysis, Per Capita Real GDP by Metro Area, accessed online 4/29/14

ii Dean Runyan and Associates, 2013 Preliminary Travel Impacts for Portland Metro, accessed online 4/30/14 at <http://www.travelportland.com/about-us/visitor-statistics-research/>

iii U.S. Census Bureau, OnTheMap Application and LEHD Origin-Destination Employment Statistics (Beginning of Quarter Employment, 2nd Quarter of 2002-2011)

iv Pew Research Center, A Rising Share of Young Adults Live in Their Parent's Home, August 1, 2013, accessed online 5/20/14 at <http://www.pewsocialtrends.org/files/2013/07/SDT-millennials-living-with-parents-07-2013.pdf>

ACKNOWLEDGMENTS

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THE FOLLOWING PEOPLE GRACIOUSLY LENT THEIR EXPERTISE TO INFORM THIS REPORT

2014 Urban Growth Report: buildable land inventory technical working group

The following people advised Metro staff on the methods used for identifying the region's buildable land inventory. Additional review of the preliminary inventory was provided by numerous city and county staff.

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2014 Urban Growth Report: residential supply range technical working group

This group advised Metro staff on how much of the residential buildable land inventory's redevelopment supply may be developable in the 20-year time horizon.

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Jerry Johnson, Johnson Economics
Eric Hovee, E.D. Hovee and Associates

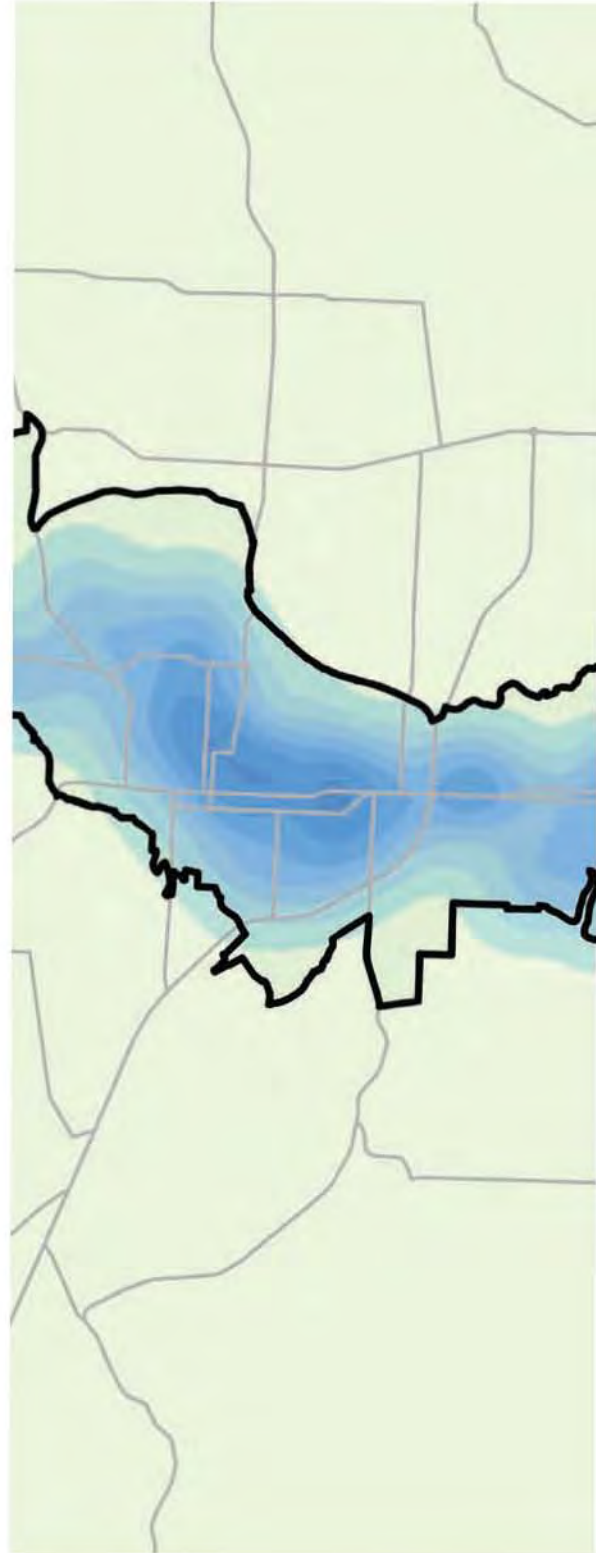
2014 Urban Growth Report: employment land technical working group

This group advised Metro staff on how various employment sectors use building space (square feet per employee and floor-area ratios).

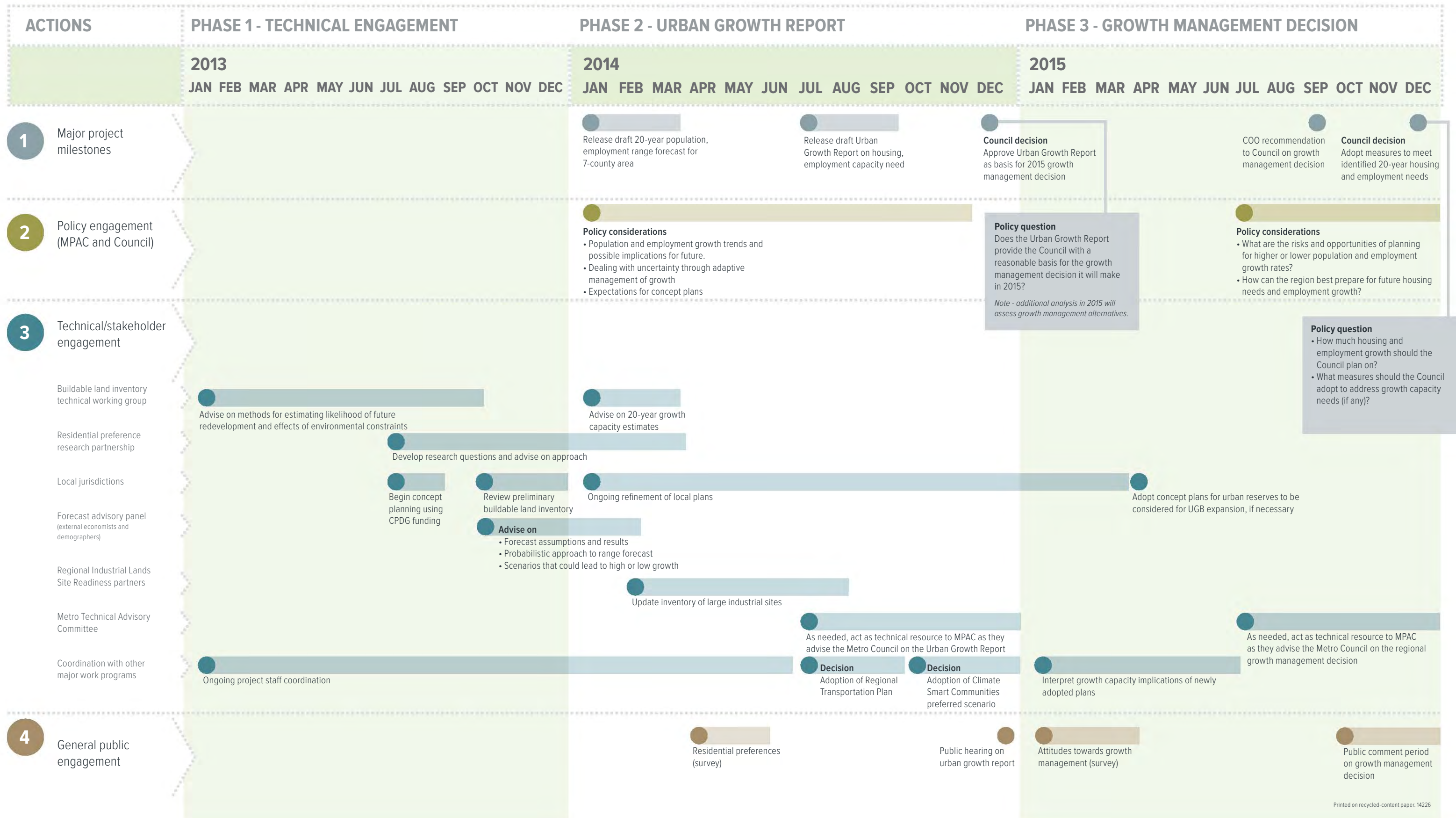
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Steve Storm, NW Natural



Urban growth management decision TIMELINE 2013–2015



[Click here for all appendices.](#)

Appendix 1a

Population and employment forecast for the Portland-Vancouver-Hillsboro metropolitan statistical area (2015 - 2035)

Introduction

Under ORS 195.025, Metro is the governing body responsible for coordinating all planning activities affecting land uses in the urban portions of Clackamas, Multnomah and Washington Counties, which are contained within the metropolitan service district boundary. The purpose for this coordinating responsibility is to assure an integrated comprehensive plan for the entire urbanized area. The coordinating body – Metro – is required by ORS 195.036 to establish and maintain a population forecast (and employment forecast) for the entire area within in its boundary for use in maintaining and updating comprehensive plans, and shall coordinate the regional forecast with the local governments in its boundary. ORS 197.299 directs Metro to complete an assessment of urban growth boundary sufficiency that includes a complete inventory, determination and analysis of need every 5 years. The regional forecast becomes an essential piece of determining need for housing and employment in the analysis of buildable land supply sufficiency.

What's been updated in the 2014 regional forecast?

- IHS Global Insight U.S. macroeconomic (November 2013) provides the economic backdrop for the regional forecast past year 2040.
- 2012 National Population Projections for future birth rates, death rates and immigration provide the basis for adjusting regional population trends going forward.
- Economic equations in the regional econometric model have been re-estimated and the overall model re-calibrated to reflect the latest historical data available for employment (U.S. Bureau of Labor Statistics (BLS)), income and wages (Bureau of Economic analysis (BEA)), input-output coefficients (BEA), and population (Census, Oregon and Washington).

What trends can be seen in the 2014 regional forecast?

- Historically weak U.S. economic recovery dampening the outlook for U.S. gross domestic product (GDP)
- Resulting in less economic stimulus for the region in future years (*current baseline employment outlook is close to the "lower middle-third" of the range forecast that was adopted by the Metro Council in 2010*)
- Downshift in U.S. population projection – fertility and immigration adjusted lower
- Resulting in lower natural population increase in the region
- Net in-migration is expected to be on par with historical trends (*just not as robust as the forecast from 5-years ago*)

Agenda Item No. 3.0

Please note: The 2019-2021
MTIP/RFFA Policy Next Steps
presentation has been moved to
the August 5th work session.

**2019-2021 METROPOLITAN
TRANSPORTATION IMPROVEMENT
PROGRAM / REGIONAL FLEXIBLE
FUNDS ALLOCATION POLICY NEXT
STEPS**

Metro Council Work Session
Tuesday, July 22, 2014
Metro, Council Chamber

METRO COUNCIL

Work Session Worksheet

PRESENTATION DATE: July 22, 2014

LENGTH: 45 min

PRESENTATION TITLE: 2019-2021 Metropolitan Transportation Improvement Program/Regional Flexible Funds Allocation Policy Next Steps

DEPARTMENT: Planning and Development

PRESENTER(S): Ted Leybold, x. 1759, ted.leybold@oregonmetro.gov
Dan Kaempff, x. 7559, daniel.kaempff@oregonmetro.gov

WORK SESSION PURPOSE & DESIRED OUTCOMES

- Purpose: Inform Metro Council of feedback gathered from individual interviews with Councilors regarding 2019-2021 MTIP/RFFA policy development
- Outcome: Discuss findings and emerging themes of interviews with Council, seek their input with regards to next steps and development of 2019-2021 MTIP/RFFA process

TOPIC BACKGROUND & FRAMING THE WORK SESSION DISCUSSION

At the April 8, 2014 Metro Council work session, Metro staff presented findings from a survey of RFFA participants and interested parties upon the completion of the project selection process to gather input on how well the existing process had worked, and to raise the larger question of whether or not it still served the region well. Findings from this survey were presented to TPAC and JPACT earlier this year. Both groups provided direction that RFFA policy should be re-examined in light of recent and anticipated changes in local, regional, state and federal policies.

Metro Council agreed with the recommendation from TPAC and JPACT, and indicated that they would like to have a more in-depth conversation regarding the policy and priorities that guide how the region prioritizes transportation expenditures. To begin this process, it was agreed that Metro staff should meet with Councilors on an individual or small group basis to gather their thoughts and ideas on this subject.

Metro staff will complete these interviews by July 8 and will subsequently prepare a staff report which will summarize the findings of these interviews. The agenda item will serve as a review and discussion of those findings, and provide an opportunity for Council to give direction to staff for further policy development work.

QUESTIONS FOR COUNCIL CONSIDERATION

1. Does Council have any questions on this report?
2. Does Council have input on the process for developing the 2019-2021 MTIP/RFFA process?

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? PowerPoint (to be provided) None

Agenda Item No. 3.0

**WILLAMETTE FALLS PARTNERS' GOALS
MEMORANDUM OF UNDERSTANDING**

Metro Council Meeting
Tuesday, July 22, 2014
Metro, Council Chamber

METRO COUNCIL

Work Session Worksheet

PRESENTATION DATE: 7/22/14

LENGTH: 30 MINS

PRESENTATION TITLE: Willamette Falls Partners' Goals MOU

DEPARTMENT: COO

PRESENTER(S): Noah Siegel – x1525; noah.siegel@oregonmetro.gov

WORK SESSION PURPOSE & DESIRED OUTCOMES

Provide clear, brief statements for the purpose of the work session and what policy direction you hope to receive from the conversation. Each bullet should not exceed three sentences.

Purpose:

- To advise that we are conducting discussions with partners leading to a Memorandum of Understanding that will guide Metro in easement negotiations for acquisition of the Willamette Falls Riverwalk and identify other specific roles of the partners

Outcome:

- Council understanding of current positions among partners heading into MOU discussions
- Confirmation of staff approach for Metro's role in the Willamette Falls Riverwalk project, including easement negotiations and fundraising strategy

TOPIC BACKGROUND & FRAMING THE WORK SESSION DISCUSSION

A private entity has acquired the Blue Heron site from the Trustee since Council last met formally on the issue. Since then, the public sector partners have met (both elected officials and staff) for initial discussions of a shared MOU to advance the Riverwalk strategy. All parties, including the private owner, recognize this as the first and most critical step to advancing the overall strategy for the site.

The State of Oregon has committed \$5 million in lottery backed bonds to the project, but this is contingent on the partners presenting a viable project that includes property ownership and other funding. This MOU is intended to support these efforts.

QUESTIONS FOR COUNCIL CONSIDERATION

List questions for Council's consideration that will help/guide the Council in providing policy direction.

- Confirmation: is Metro staff on the right track in developing the Riverwalk project proposal for the state, including easement negotiations and fundraising?

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? **NONE**

Materials following this page were distributed at the meeting.

Metro | Agenda

Meeting: Metro Council
Date: Thursday, July 24, 2014
Time: 2 p.m.
Place: Metro Council Chamber

CALL TO ORDER AND ROLL CALL

1. **INTRODUCTIONS**
2. **CITIZEN COMMUNICATION**
3. **CONSIDERATION OF COUNCIL MEETING MINUTES FOR JULY 17, 2014**
4. **RESOLUTIONS**
 - 4.1 **Resolution No. 14-4544**, Amending the FY 2014-15 Budget and Appropriations Schedule to Provide for a Change in Operations. **Kathy Rutkowski, Metro**
5. **ORDINANCES – FIRST READ**
 - 5.1 **Ordinance No. 14-1336**, For the Purpose of Amending Maps in Titles 4 and 14 of the Urban Growth Management Functional Plan to Conform with Changes Enacted by the Oregon Legislature in House Bill 4078.
6. **ORDINANCES – SECOND READ**
 - 6.1 **Ordinance No. 14-1331**, For the Purpose of Amending Metro Code Title V to Add Metro Code Chapter 5.00, Solid Waste Definitions, and to Repeal Sections 5.01.010, 5.02.015, 5.04.005, 5.05.010, 5.09.020, and 5.10.010; and Modify Certain Definitions in Section 7.01.010. **Roy Brower, Metro**
 - 6.1.1 **Public Hearing on Ordinance No. 14-1331**
 - 6.2 **Ordinance No. 14-1332**, For the purpose of Amending Metro Code Title V, Solid Waste, to Revise Chapter 5.01 and to Repeal Chapter 5.03. **Roy Brower, Metro**
 - 6.2.1 **Public Hearing on Ordinance No. 14-1332**
 - 6.3 **Ordinance No. 14-1333**, For the Purpose of Amending Metro Code Chapter 5.05 to Delete Lakeside Reclamation from the List of Metro Designated Facilities. **Roy Brower, Metro**
 - 6.3.1 **Public Hearing on Ordinance No. 14-1333**
 - 6.4 **Ordinance No. 14-1334**, For the Purpose of Amending Metro Code Chapter 5.05 to Delete Cedar Grove Composting, Inc. from the List of Metro Designated Facilities. **Roy Brower, Metro**
 - 6.4.1 **Public Hearing on Ordinance No. 14-1334**
 - 6.5 **Ordinance No. 14-1335**, For the Purpose of Amending Metro Code Chapter 5.05 to Delete Weyerhaeuser Regional Landfill from the List of Metro Designated Facilities Effective January 1, 2015. **Roy Brower, Metro**

- 6.5.1 **Public Hearing on Ordinance No. 14-1335**
 - 6.6 **Ordinance No. 14-1337**, For the Purpose of Amending Metro Code Title V, Solid Waste, to Revise Chapter 5.05. **Roy Brower, Metro**
 - 6.6.1 **Public Hearing on Ordinance No. 14-1337**
 - 6.7 **Ordinance No. 14-1338**, For the Purpose of Amending Metro Code Title V, Solid Waste, to Revise Chapter 5.02. **Roy Brower, Metro**
 - 6.7.1 **Public Hearing on Ordinance No. 14-1338**
 - 6.8 **Ordinance 14-1342**, For the Purpose of Amending Metro Code Section 2.19.130 to Change the Name of the Solid Waste Advisory Committee. **Matt Korot, Metro**
 - 6.8.1 **Public Hearing on Ordinance No. 14-1342**
 - 7. **CHIEF OPERATING OFFICER COMMUNICATION** **Martha Bennett, Metro**
 - 8. **COUNCILOR COMMUNICATION**
- ADJOURN**

Television schedule for July 24, 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, July 24</p>	<p>Portland Channel 30 – Portland Community Media <i>Web site:</i> www.pcmvtv.org <i>Ph:</i> 503-288-1515 <i>Date:</i> Sunday, July 27, 7:30 p.m. <i>Date:</i> Monday, July 28, 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, July 28, 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, July 26, 11 p.m. <i>Date:</i> Sunday, July 27, 11 p.m. <i>Date:</i> Tuesday, July 29, 6 a.m. <i>Date:</i> Wednesday, July 30, 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>	

PLEASE NOTE: Show times are tentative and in some cases the entire meeting may not be shown due to length. Call or check your community access station web site to confirm program times. Agenda items may not be considered in the exact order. For questions about the agenda, call the Metro Council Office at 503-797-1540. Public hearings are held on all ordinances second read. Documents for the record must be submitted to the Regional Engagement and Legislative Coordinator to be included in the meeting record. Documents can be submitted by e-mail, fax or mail or in person to the Regional Engagement and Legislative Coordinator. For additional information about testifying before the Metro Council please go to the Metro web site www.oregonmetro.gov and click on public comment opportunities.

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Council Work session July 22, 2014

Willamette Falls Legacy Project

Components of proposed Riverwalk MOU between Metro, Oregon City, Clackamas County and State of Oregon

Throughout the Riverwalk project, the Parties are committed to working to achieve the following goals or outcomes:

1. Public Ownership of the Riverwalk Easement
 - Metro and Oregon City are willing to serve as owners of the Riverwalk
2. Location of the Riverwalk
 - The Riverwalk should generally adhere to the edge of the Willamette River with some flexibility as specific design challenges arise
 - The Riverwalk must include riverbank restoration to be eligible for natural areas bond money through Metro, among other things
3. Conform with Federal Requirements
 - It will be important to maintain eligibility for federal funds and to adhere to important federal requirements, such as disability access
4. Private Contribution
 - Through the creation of the Riverwalk, the public sector will be introducing value to the Blue Heron site. This benefits private ownership of the site and thus:
 - The Riverwalk Easement should be at little or no cost to the public
 - The owners of the site should have a stake in maintenance and operations of the Riverwalk project
 - Private owners should not benefit unduly from public investment in the Riverwalk without making a comparable investment in the development of the larger site
5. Public Finance plan
 - Provision of the \$5 million in lottery bonds from the State is contingent upon Metro, the County, and/or the City demonstrating their ability to support the Riverwalk project by raising the remaining funds necessary for the project from any number of sources, which may include city, county and regional governments, federal agencies, grants, donations and private investment.
 - The parties are committed to controlling costs to get the best value for public funds
 - The investment of public funds in the Riverwalk will be used for public benefit and not to subsidize private development
6. Maintenance
 - The Parties recognize that a funding strategy must include a plan for ongoing maintenance of the Riverwalk for the future, including upkeep and security

- The Parties believe that the following are among the appropriate sources of revenue for ongoing operations:
 - private businesses adjacent to the Riverwalk that benefit from its value
 - proceeds from the patrons/visitors who will use Riverwalk (not entrance fees)
 - government contribution

7. Amenities & Programming

- The Riverwalk should offer “World Class” public access to create a character-defining place
- Maximize hours of public access
- Programmed to catalyze economic development

8. Design Elements

- Include significant historic and cultural interpretation
- Provide opportunities and facilities for recreation
 - Fishing, boating, kayaking, etc.
 - Parking and restrooms
- Integration with and catalytic to private development
- Connection to historic downtown

ROLES. Some lead roles also being identified.

9. Oregon City

- Develop long-term future operations and maintenance plan for the Riverwalk

10. Metro

- Negotiate to obtain an easement for the Riverwalk from the owner (the “Riverwalk Easement”)
- Pursue a fundraising strategy for the remaining estimated costs of the project
- Pursue an additional easement agreement from Portland General Electric to provide additional public access to the Falls (the “PGE Easement”)
- Lay the groundwork to help launch a “friends” group to provide non-profit support for the Riverwalk project

11. County

- Use existing County contract with lobbyist to pursue federal support of the Riverwalk
- Help to obtain the PGE Easement

12. State of Oregon

- As requested by the Parties, in accordance with SB 5506, State Parks will take the lead on designing process for tribal involvement in the Riverwalk project and its interpretation