600 NE Grand Ave.
Portland, OR 97232-2736

Metro | *Agenda*

Meeting: Metro Technical Advisory Committee
Date: Wednesday, August 20, 2014
Time: 10 a.m. to noon
Place: Council Chamber

Time	Agenda Item	Action Requested	Presenter(s)	Materials
10:00 a.m.	**CALL TO ORDER** **Updates from the Chair**	Information	John Williams, Chair	
10:10	**Citizen Comments to MTAC Agenda Items**	Information	All	
10:20	**Growth Management Decision:** Discuss technical elements of the residential component of the draft Urban Growth Report *Objective: To inform and update MTAC about the draft Urban Growth Report*	Information & Discussion	Ted Reid, Metro	Packet
Noon	**Adjourn**			

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2014 MTAC Tentative Agendas
Updated 8/15/14

September 3 MTAC meeting • 2015 Growth Management Decision: Residential Preference Survey • Climate Smart Communities: discuss evaluation results and public review of draft preferred approach	**September 17 MTAC meeting**
October 1 MTAC meeting	**October 15 MTAC meeting** • 2015 Growth Management Decision: 2014 Urban Growth Report (recommendations to MPAC) • Climate Smart Communities: MTAC discussion on draft approach and implementation recommendations
November 5 MTAC meeting • 2015 Growth Management Decision: 2014 Urban Growth Report (recommendations to MPAC)	**November 19 MTAC meeting** • Climate Smart Communities: MTAC makes recommendation to MPAC on adoption of the preferred approach
December 3 MTAC meeting	**December 17 MTAC meeting**

Parking Lot

- August 18 TPAC/MTAC workshop – Climate Smart Communities Scenarios Project: Review draft approach evaluation results, estimated costs and draft implementation recommendations; 2 – 5 p.m., Council Chamber)

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Metro | *Memo*

Date: August 15, 2014

To: MPAC

From: Ted Reid, project manager for 2015 urban growth management decision

Re: 2015 growth management decision: policy considerations

Background

The 2014 Urban Growth Report (UGR) will be a basis for the urban growth management decision that the Metro Council intends to make before the end of 2015. Under state law, the Metro Council needs to adopt a final UGR by the end of 2014. MPAC plays a role by making a formal recommendation to the Metro Council on the UGR as well as the growth management decision.

In late July 2014, Metro staff released a draft UGR for discussion by the Council, MPAC, and others. The draft UGR is the result of a year-and-a-half of technical engagement with public and private sector experts on the region's population and employment growth forecast and its buildable land inventory. At MPAC's July 23, 2014 meeting, Metro staff provided an overview of the draft UGR. MPAC will continue its discussion of the draft UGR this fall, leading to a formal recommendation to the Metro Council on November 12, and currently has discussions scheduled for the following dates:

September 10:	Results of the residential preference survey; input on questions to discuss at October and November meetings
October 8:	Draft UGR assessment of housing needs (begin formulating recommendation to Council; identify any remaining technical questions for MTAC)
October 22:	Draft UGR assessment of employment capacity needs (begin formulating recommendation to Council; presentation on updated regional industrial site readiness report; identify any remaining technical questions for MTAC)
November 12:	Formal recommendation to Council on whether the draft UGR provides a reasonable basis for a subsequent urban growth management decision

MPAC discussion priorities

The draft UGR highlights a number of policy considerations proposed for MPAC and Council discussion. They are listed here in no particular order of importance. Please see the draft UGR for additional context around these policy considerations. Additional notes are provided on other policy considerations that

have been brought up by MPAC members. Staff is looking for guidance from MPAC on its priorities for its discussions this fall:

- Of the policy considerations listed below, which are most important for MPAC to discuss in advance of providing the Metro Council with a recommendation on the UGR? Are there some considerations that can be discussed at a later date?
- Aside from the policy considerations listed below, are there additional policy considerations that MPAC would like to discuss this fall, leading up to its recommendation to the Metro Council on the 2014 UGR?

Policy considerations for discussion

Overarching policy consideration for fall 2014

Does the draft UGR provide a reasonable basis for the Metro Council to make a growth management decision (the growth management decision will happen after consideration of the UGR and before the end of 2015)?

Land readiness or land supply?

The often frustrating experience of real estate brokers and developers looking for developable land that is for sale today is different than what Metro must, under the law, consider in completing its 20-year growth capacity assessment. Is the primary challenge faced by developers land supply or land readiness? Related to this question, MPAC members expressed an interest in discussing:

- Brownfields challenges
- Governance and finance expectations for any future urban growth boundary expansions
- Whether voter-approved annexations are an ongoing challenge
- The update of the Regional Industrial Site Readiness project (scheduled for presentation at the October 22 MPAC meeting)

Changes in our communities

With population growth expected to continue, change is inevitable. What policies and investments are needed to ensure that change is for the better?

Opportunities for workforce housing

What policies, investments, innovative housing designs and construction techniques could provide additional workforce housing in locations with good transportation options? Who has a role? What is the role of land supply vs. land readiness?

A bigger picture

Regional and local policies and investments 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?

Managing uncertainty

Even though we have a good track record with our forecasts, we know some of our assumptions about the next 20 years will be wrong. What are the risks and opportunities of planning for higher or lower growth in the forecast range?

What about Damascus?

The draft UGR calls out the challenges in urbanizing Damascus and predicting its future with technical analysis. How much growth capacity should be counted in Damascus? What's a reasonable basis for making that estimate? Does the region have other options for making up for Damascus' capacity if less is counted?

Providing housing opportunities

- For a variety of reasons, developing housing in UGB expansion areas has proven challenging. What is a reasonable timeframe for seeing results in past and future expansion areas?
- Today, it is challenging to find housing in downtowns and main streets that is appealing to families with children (multiple bedrooms, storage areas, access to playgrounds, etc.). Are there ways to provide more family-friendly housing in downtowns and main streets?
- Over the years, little multifamily housing has been built in UGB expansion areas.[1] 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?

Investing in job creation

- Are there areas where the region should focus its investments to ensure that the lands inside the urban growth boundary generate job growth?
- MPAC members expressed an interest in creating family-wage jobs. What are the challenges that need to be addressed to accomplish that goal? Of those challenges, how important is land supply vs. land readiness?
- If the Council chooses to plan for high growth rates, it would mean that there are industrial capacity needs. Are there places in urban reserves where it makes sense to expand the UGB for industrial uses?

The Portland harbor

The harbor needs to be cleaned up to continue providing economic, environmental, and recreational benefits that cannot be replaced elsewhere in the region. What investments and policies can advance economic and environmental goals? To what extent do these questions need to be resolved for the Metro Council to make an informed growth management decision?

[1] 58 out of the 12,133 multi-family units built inside the UGB from 2006 through 2012 were in post-1979 UGB expansion areas.

Keeping shopping and services close by

If the Metro Council were to choose to plan for a high growth scenario, it would mean that there are residential and commercial capacity needs. Are there places in urban reserves where it makes sense to expand the UGB for a mix of uses?

Achieving desired outcomes

On MPAC's recommendation, the Metro Council's policy is to make decisions that advance the region's six desired outcomes (see draft UGR page 6). Which growth management options might do that?

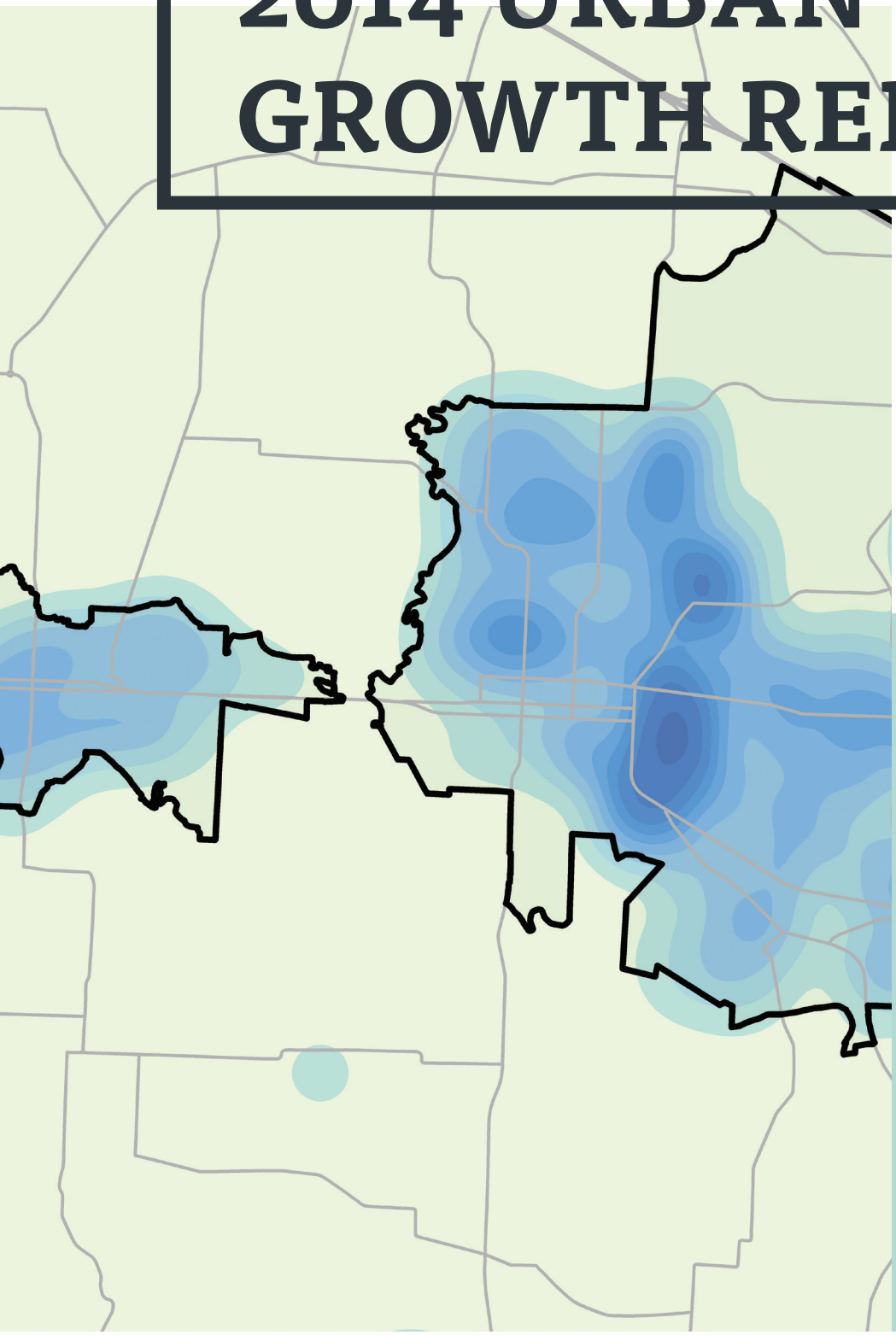
Regional vs. local perspective

MPAC members and others have pointed to the difference between regional vs. subregional needs for growth capacity. Though the draft UGR is the result of extensive peer review by local jurisdiction staff, its conclusions on growth capacity are, as required by state law, for the region as a whole. How can the growth management decision balance legal requirements to perform a regional analysis with local aspirations?

July / 2014

2014 URBAN GROWTH REPORT

Draft



Investing in our communities
2015 – 2035

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2014 URBAN GROWTH REPORT

Investing in our communities
2015 – 2035

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APPENDICES

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

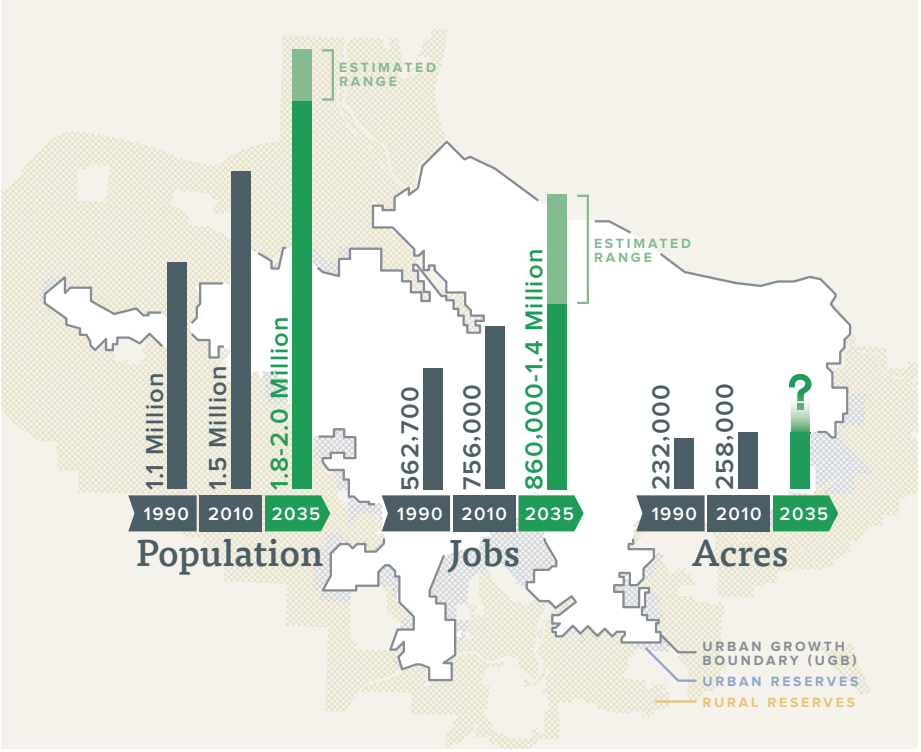
The population and employment range forecasts in the urban growth report help inform Metro, local jurisdictions, and other public and private sector partners as they consider new policies, investments, and actions to maintain the region's quality of life and promote prosperity.

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



SUCCESSES 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

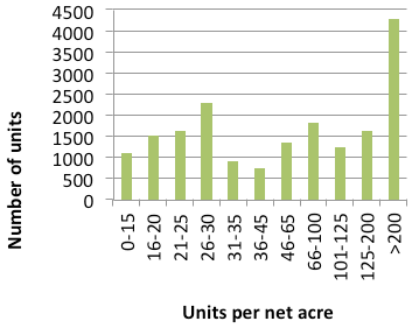


FIGURE 1 Net new multifamily units by density inside UGB *(built 2007-2012)*

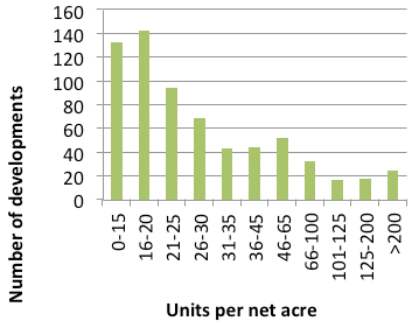
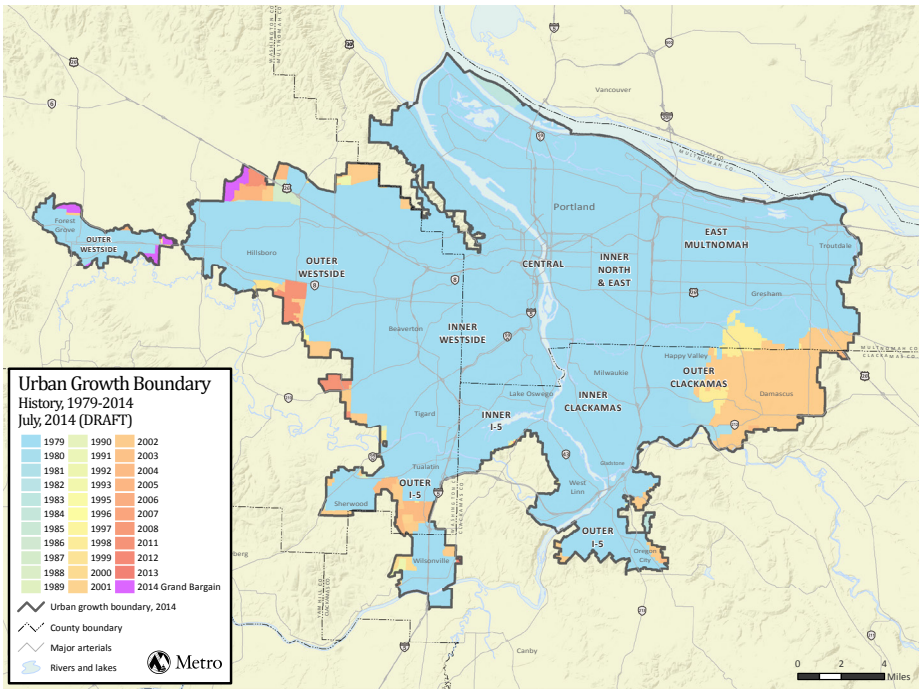


FIGURE 2 Net new multifamily developments by density inside UGB *(built 2007-2012)*



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.

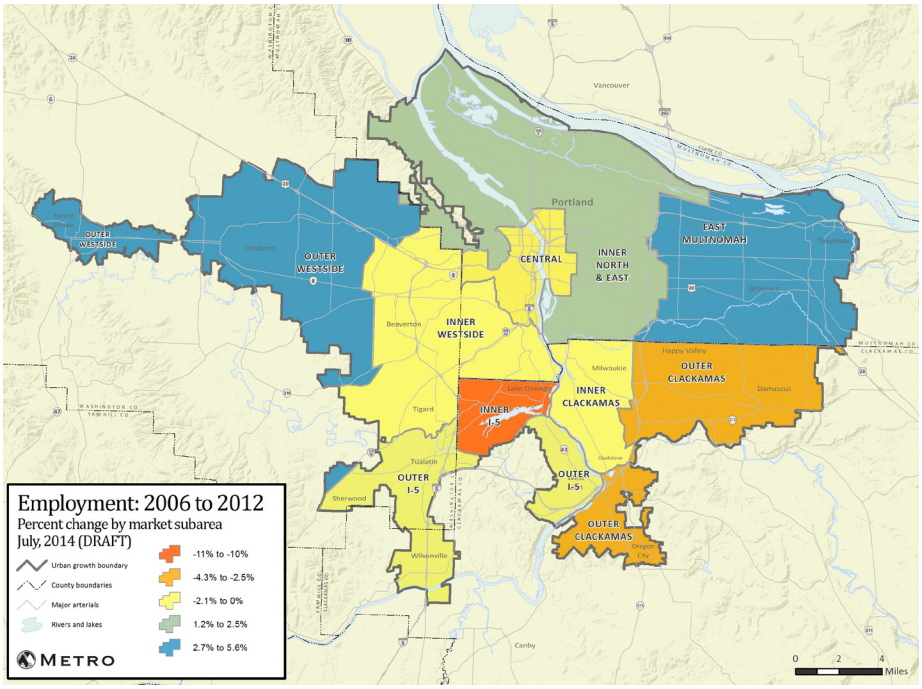
Working together, we can:

- 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.

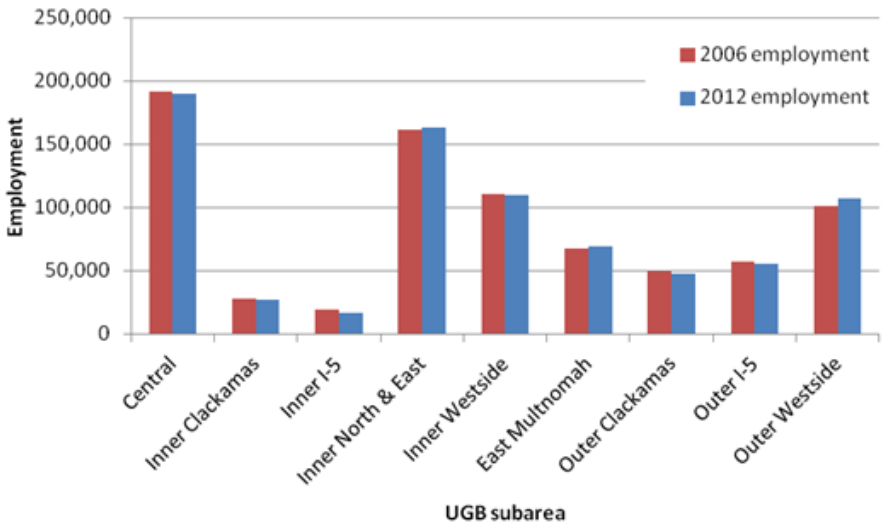


Figure 3 Total employment by subarea for 2006 and 2012

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

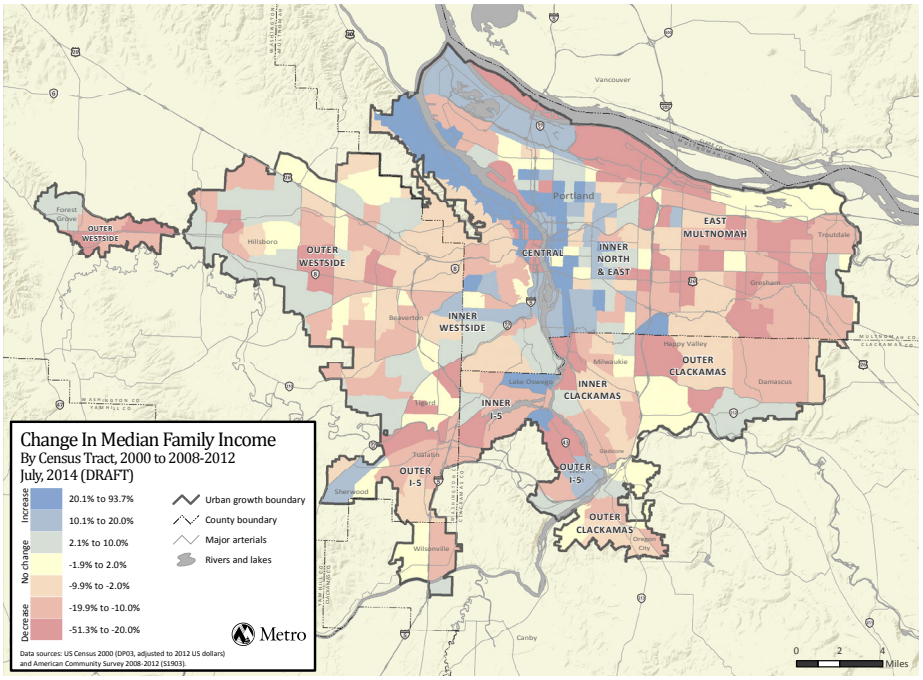
OPPORTUNITIES FOR WORKFORCE HOUSING

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.

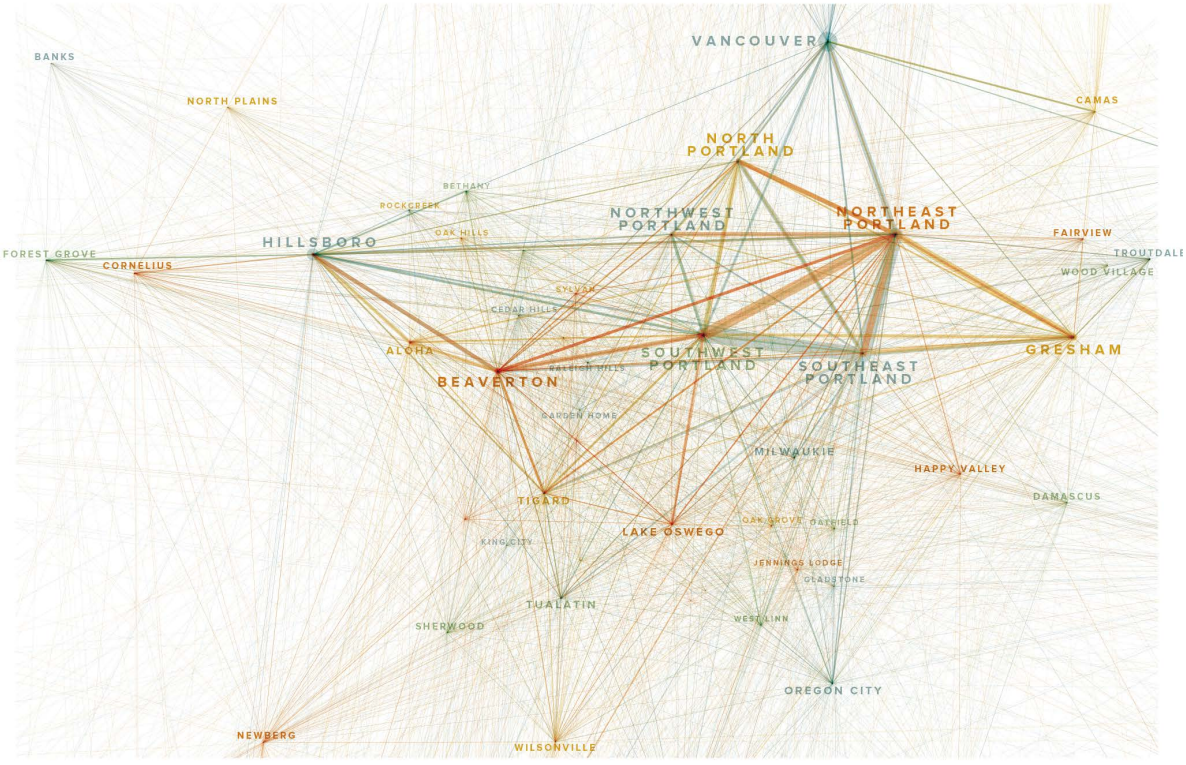
However, services and amenities near residential areas can make our lives outside of jobs and commutes easier and help create strong local economies. When people can go out to eat, do their shopping, visit the bank or see a doctor close to where they live, they spend less time going somewhere and more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

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

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?

Policy considerations

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.

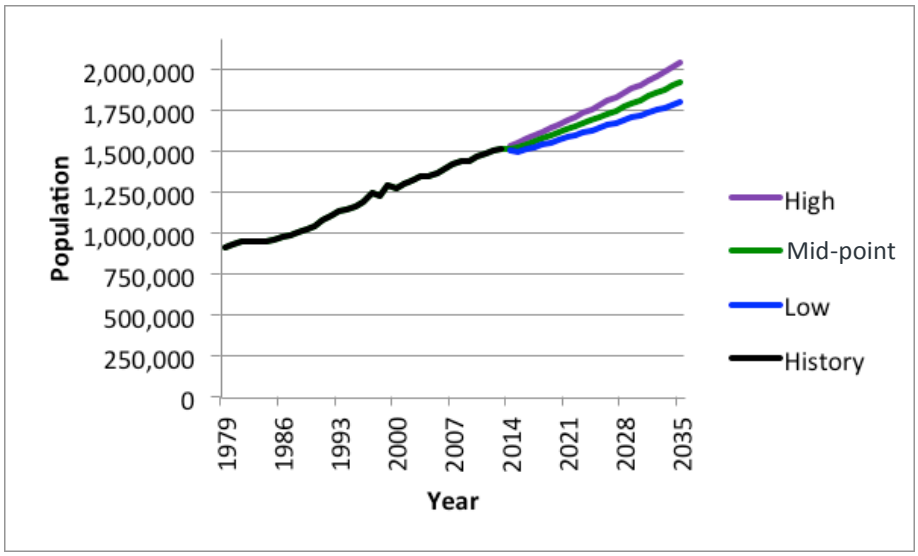


Figure 4 Population history and forecast for Metro UGB *1979 - 2035*

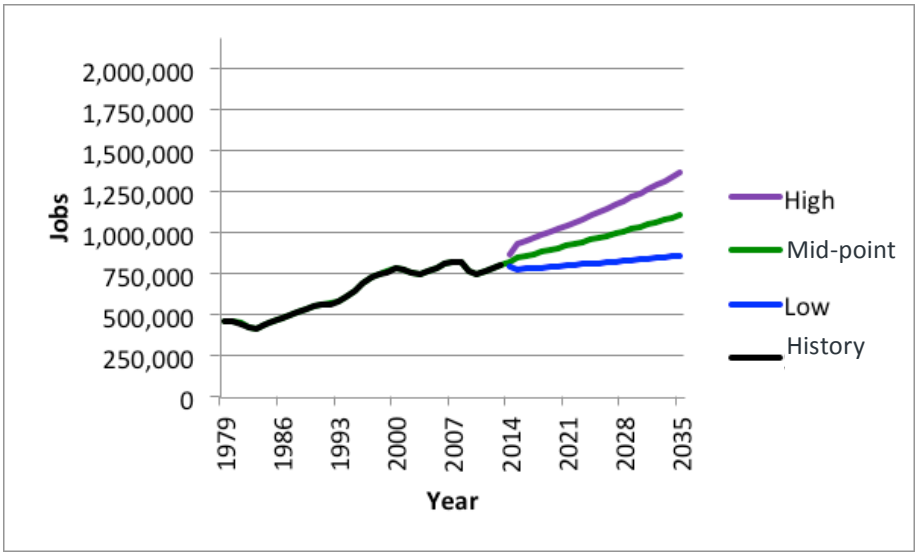


Figure 5 Employment history and forecast for Metro UGB, *1979-2035*

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?

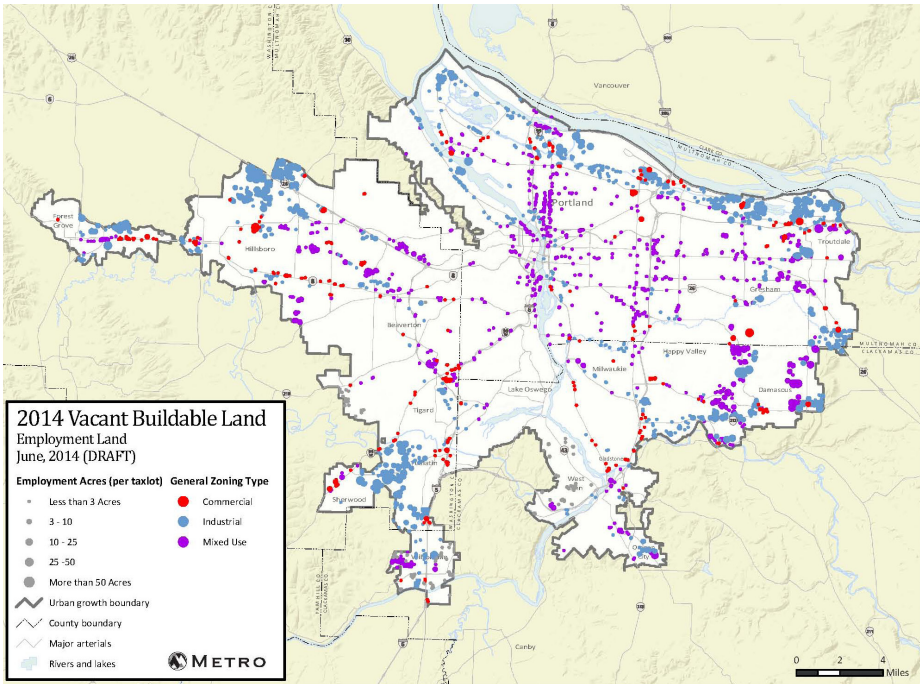
Cities and counties around the region plan for the future and prioritize investments that support their community's vision. In most cases, however, long-term plans for downtowns, main streets and employment areas are more ambitious than what is actually built or redeveloped. One task of this analysis 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).

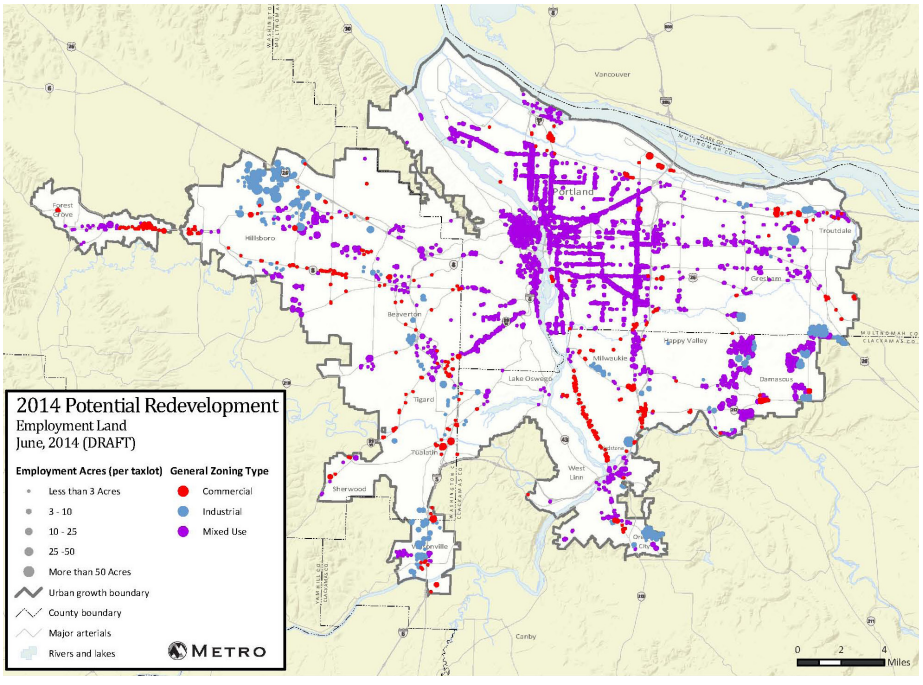
After settling on the methodology described in Appendix 2, Metro produced a preliminary buildable land inventory that local cities and counties had more than two months to review. The draft buildable land inventory described in Appendix 3 reflects refined local knowledge about factors such as environmental 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.



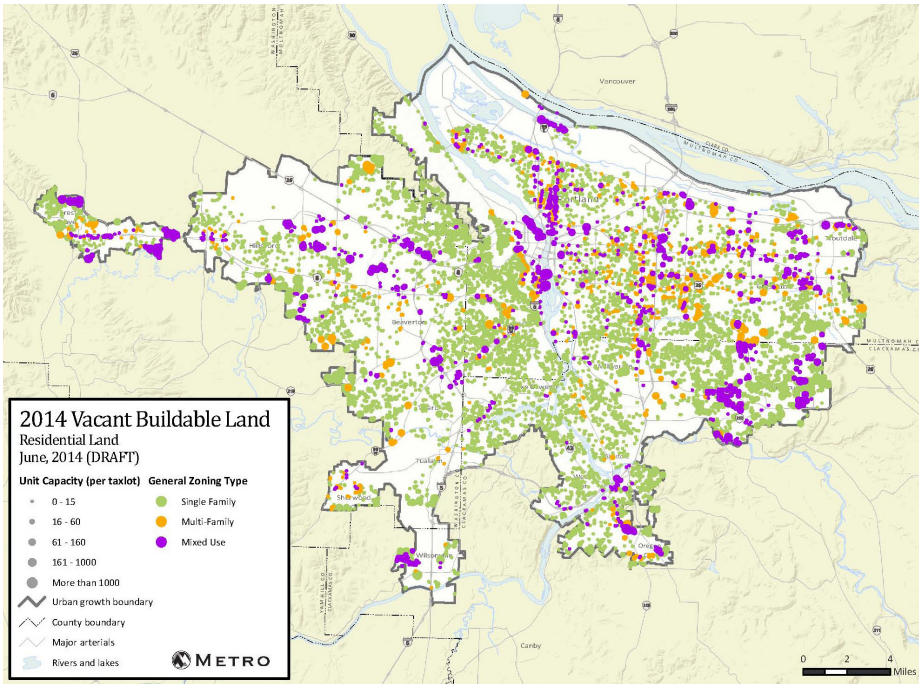
Map 4 Employment vacant buildable tax lots *(reviewed by local jurisdictions)*



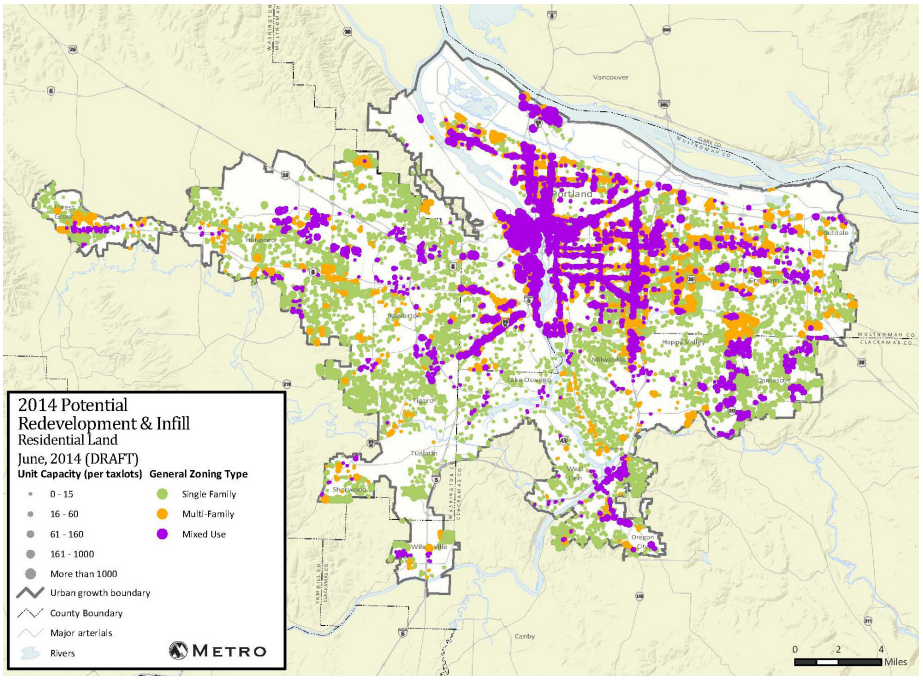
Map 5 Employment infill and redevelopment candidate tax lots *(reviewed by local jurisdictions)*

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?

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.

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?

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.[i] 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

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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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Anne Debbaut, DLCD
Jennifer Donnelly, DLCD
Tom Hogue, DLCD
Gordon Howard, DLCD
Jerry Johnson, Johnson Economics
Eric Hovee, E.D. Hovee and Associates

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.

Erin Wardell, Washington County
Jeannine Rustad, Hillsboro
Emily Tritsch, Hillsboro
Gordon Howard, DLCD
Anne Debbaut, DLCD
Jennifer Donnelly, DLCD
Tom Armstrong, Portland
Justin Wood, Home Builders Association
Jerry Johnson, Johnson Economics
Eric Hovee, E.D. Hovee and Associates

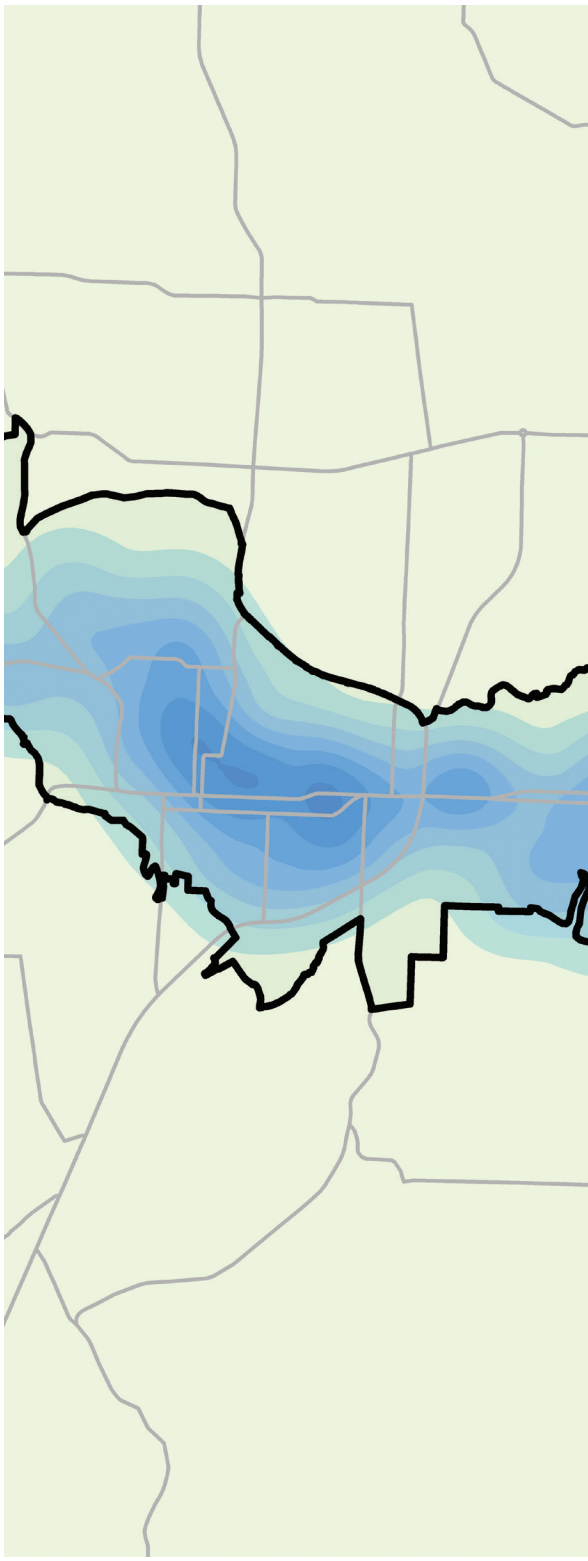
2014 Urban Growth Report: employment land technical working group

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

Bob LeFeber, Commercial Realty Advisors
Mark Childs, Capacity Commercial
Steve Kountz, Portland
Tyler Bump, Portland
Brian Owendoff, Capacity Commercial
Mike Tharp, Norris, Beggs, and Simpson

2014 Urban Growth Report: regional forecast advisory panel

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



Urban growth management decision
TIMELINE 2013–2015

Metro

ACTIONS

PHASE 1 - TECHNICAL ENGAGEMENT

PHASE 2 - URBAN GROWTH REPORT

PHASE 3 - GROWTH MANAGEMENT DECISION

2013
JAN FEB MAR APR MAY JUN JUL AUG SEP OCT NOV DEC

2014
JAN FEB MAR APR MAY JUN JUL AUG SEP OCT NOV DEC

2015
JAN FEB MAR APR MAY JUN JUL AUG SEP OCT NOV DEC

1 Major project milestones

- Release draft 20-year population, employment range forecast for 7-county area
- Release draft Urban Growth Report on housing, employment capacity need
- **Council decision** Approve Urban Growth Report as basis for 2015 growth management decision
- COO recommendation to Council on growth management decision
- **Council decision** Adopt measures to meet identified 20-year housing and employment needs

2 Policy engagement (MPAC and Council)

Policy considerations
- Population and employment growth trends and possible implications for future.
- Dealing with uncertainty through adaptive management of growth
- Expectations for concept plans

Policy question
Does the Urban Growth Report provide the Council with a reasonable basis for the growth management decision it will make in 2015?

Note - additional analysis in 2015 will assess growth management alternatives.

Policy considerations
- What are the risks and opportunities of planning for higher or lower population and employment growth rates?
- How can the region best prepare for future housing needs and employment growth?

Policy question
- How much housing and employment growth should the Council plan on?
- What measures should the Council adopt to address growth capacity needs (if any)?

3 Technical/stakeholder engagement

Buildable land inventory technical working group
- Advise on methods for estimating likelihood of future redevelopment and effects of environmental constraints
- Advise on 20-year growth capacity estimates

Residential preference research partnership
- Develop research questions and advise on approach

Local jurisdictions
- Begin concept planning using CPDG funding
- Review preliminary buildable land inventory
- Ongoing refinement of local plans
- Adopt concept plans for urban reserves to be considered for UGB expansion, if necessary

Forecast advisory panel (external economists and demographers)
- **Advise on**
  - Forecast assumptions and results
  - Probabilistic approach to range forecast
  - Scenarios that could lead to high or low growth

Regional Industrial Lands Site Readiness partners
- Update inventory of large industrial sites

Metro Technical Advisory Committee
- As needed, act as technical resource to MPAC as they advise the Metro Council on the Urban Growth Report
- As needed, act as technical resource to MPAC as they advise the Metro Council on the regional growth management decision

Coordination with other major work programs
- Ongoing project staff coordination
- **Decision** Adoption of Regional Transportation Plan
- **Decision** Adoption of Climate Smart Communities preferred scenario
- Interpret growth capacity implications of newly adopted plans

4 General public engagement

- Residential preferences (survey)
- Public hearing on urban growth report
- Attitudes towards growth management (survey)
- Public comment period on growth management decision

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