

A G E N D A

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METRO

Agenda

MEETING: METRO COUNCIL REGULAR MEETING
DATE: April 29, 2004
DAY: Thursday
TIME: 5:00 PM
PLACE: Washington County Public Services Building
155 N. First Ave., Hillsboro

CALL TO ORDER AND ROLL CALL

1. INTRODUCTIONS

2. CITIZEN COMMUNICATIONS

3. CONSENT AGENDA

3.1 Consideration of Minutes for the April 22, 2004 Metro Council Regular Meetings.

3.2 **Resolution No. 04-3448**, For the Purpose of Granting an Easement to Miramonte Pointe For Non-Park use Through Property Owned By Metro and the North Clackamas Parks and Recreation District on Mt. Talbert.

4. ORDINANCES – FIRST READING

4.1 **Ordinance No. 04-1051**, For the Purpose of Transferring \$175,000 from Contingency to Capital Outlay in the Regional Parks Fund to Recognize a Capital Donation and Declaring an Emergency

5. ORDINANCES - SECOND READING

5.1 **Ordinance No. 04-1044A**, For the Purpose of Adopting the Annual Budget For Fiscal-Year 2004-05, Making Appropriations, and Levying Ad Valorem Taxes, and Declaring an Emergency. Newman

5.2 **Ordinance No. 04-1040**, For the Purpose of Amending the Metro Urban Growth Boundary, The Regional Framework Plan and the Metro Code to Increase the Capacity of the Boundary to Accommodate Growth in Industrial Employment. Park

5.3 **Ordinance No. 04-1041, For the Purpose of Amending Metro's Regional Framework Plan to Better Protect the Region's Farm and Forest Land Industries and Land Base; and Declaring an Emergency.** Hosticka

6. **RESOLUTIONS**

6.1 **Resolution No. 04-3446, For the Purpose of Approving the FY 2004-05 Budget and Transmitting the Approved Budget to the Tax Supervising And Conservation Commission.** Newman

7. **CHIEF OPERATING OFFICER COMMUNICATION**

8. **COUNCILOR COMMUNICATION**

ADJOURN

Television schedule for April 29, 2004 Metro Council meeting

Oregon City, Gladstone Channel 28 -- Willamette Falls Television www.wftvaccess.com -- (503) 650-0275 Call or visit website for program times.	Washington County Channel 30 -- TVTV www.yourivtv.org -- (503) 629-8534 Saturday, May 1 at 11 p.m. Sunday, May 2 at 11 p.m. Tuesday, May 4 at 6 a.m. Wednesday, May 5 at 4 p.m.
Portland Channel 30 (CityNet 30) -- Portland Community Media www.pcmv.org -- (503) 288-1515 Call or visit website for program times.	West Linn Channel 30 -- Willamette Falls Television www.wftvaccess.com -- (503) 650-0275 Call or visit website for program times.

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 Clerk of the Council, Chris Billington, 797-1542. Public Hearings are held on all ordinances second read and on resolutions upon request of the public. Documents for the record must be submitted to the Clerk of the Council to be considered included in the decision record. Documents can be submitted by email, fax or mail or in person to the Clerk of the Council. For assistance per the American Disabilities Act (ADA), dial TDD 797-1804 or 797-1540 (Council Office)

Agenda Item Number 3.1

Consideration of Minutes of the April 22, 2004 Regular Council meeting.

Metro Council Meeting
Thursday, April 29, 2004
Washington County Public Service Building Chamber

Agenda Item Number 3.2

Resolution No. 04-3448, For the Purpose of Granting an Easement to Miramonte Pointe for Non-Park Use Through Property Owned by Metro and the North Clackamas Parks and Recreation District on Mt. Talbert.

Consent Agenda

Metro Council Meeting
Thursday, April 29, 2004
Washington County Public Service Building Chamber

BEFORE THE METRO COUNCIL

FOR THE PURPOSE OF GRANTING AN EASEMENT TO MIRAMONT POINTE FOR NON-PARK USE THROUGH PROPERTY OWNED BY METRO AND THE NORTH CLACKAMAS PARKS AND RECREATION DISTRICT ON MT. TALBERT) RESOLUTION NO. 04-3448
)
)
) Introduced by Chief Operating Officer Michael
) J. Jordan, with the concurrence of Council
) President David Bragdon

WHEREAS, Metro owns a 75% share and North Clackamas Parks and Recreation District own a 25% share in a 67-acre parcel of open space property in Clackamas County on Mt. Talbert, located at 11650 SE Sunnyside Road (the "Mt. Talbert Property"); and

WHEREAS, Miramont Pointe, an assisted living and Alzheimer's care facility, was built on the neighboring property to the west; and

WHEREAS, Miramont Pointe requests that Metro and NCPRD grant an easement over the Mt. Talbert Property, providing for Miramont Pointe's construction and permanent maintenance of an access drive and landscaped entry on the Mt. Talbert Property at the intersection of SE 117th Avenue and Sunnyside Road; and

WHEREAS, Resolution No. 97-2539B "For the Purpose of Approving General Policies Related to the Review of Easements, Right-Of-Ways and Leases for Non-Park Uses Through Properties Managed by the Regional Parks and Greenspaces Department," adopted November 6, 1997, requires formal review of all easement requests by the Metro Council; and

WHEREAS, Miramont Pointe has agreed to compensate Metro and NCPRD for the easement requested, in cash and other consideration; and

WHEREAS the Metro Regional Parks Department has determined that this easement request has met the criteria in Resolution No. 97-2539B; can be accommodated with minimal impact to natural resources, recreational resources, recreational facilities, recreational opportunities and operation and management of the open spaces, and that it is consistent with the existing Master Plan; now therefore

BE IT RESOLVED, that the Metro Council authorizes the Chief Operating Officer to execute a grant of easement to Miramont Point for a driveway and landscaped entry off SE Sunnyside Road, as depicted in Exhibit A attached hereto, under legal terms and conditions approved by the Metro Attorney.

ADOPTED by the Metro Council this _____ day of _____, 2004.

David Bragdon, Council President

Approved as to Form:

Daniel B. Cooper, Metro Attorney

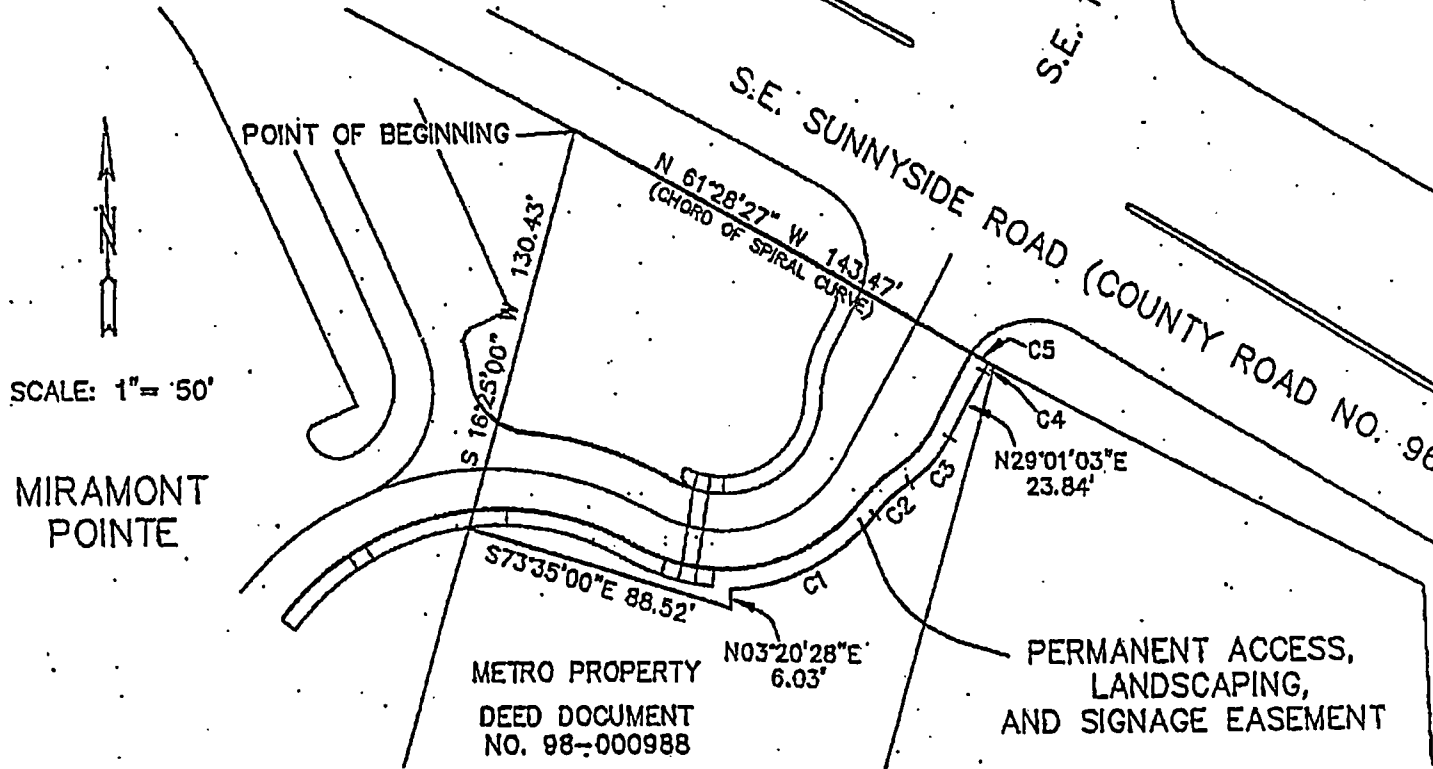
CURVE DATA TABLE

CURVE	RADIUS	DELTA	LENGTH	BEARING	CHORD
C1	63.50'	48°46'12"	54.05'	N 63°04'51" E	52.43'
C2	50.50'	17°29'58"	15.42'	N 47°28'44" E	15.36'
C3	41.50'	27°10'40"	19.69'	N 42°38'23" E	19.50'
C4	19.75'	8°44'24"	3.01'	N 33°23'15" E	3.01'
C5	3229.05'	00°08'19"	7.80'	N 61°13'18" W	7.80'


EXHIBIT A-1

S.E. 117TH AVE

S.E. SUNNYSIDE ROAD (COUNTY ROAD NO. 96)



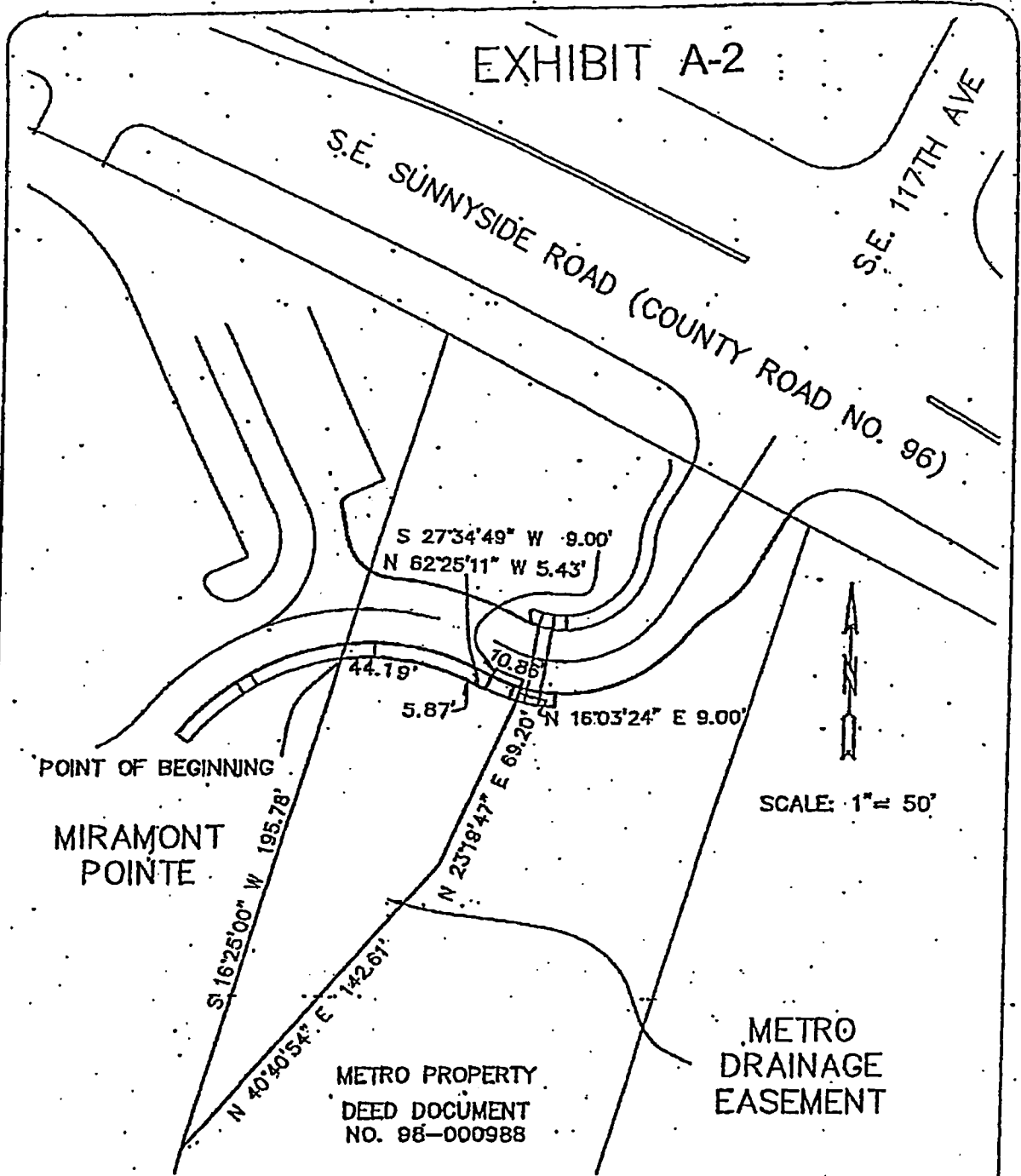
DRAWN BY: CWF DATE: 4-05-04
 REVIEWED BY: CWF DATE: 1-30-04
 PROJECT NO.: 499-005
 SCALE: 1"=50'


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EXHIBIT A-2



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DRAWN BY: CWF DATE: 1-30-04
 REVIEWED BY: CWF DATE: 1-30-04
 PROJECT NO.: 499-005
 SCALE: 1"=50'

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STAFF REPORT

IN CONSIDERATION OF RESOLUTION NO. 04-3448, FOR THE PURPOSE OF GRANTING AN EASEMENT TO MIRAMONT POINTE FOR NON-PARK USE THROUGH PROPERTY OWNED BY METRO AND THE NORTH CLACKAMAS PARKS AND RECREATION DISTRICT ON MT. TALBERT

Date: April 19, 2004

Presented by: Nancy Chase
Joel Morton

PROPOSED ACTION

Resolution No. 04- 3448 requests approval for the Chief Operating Officer to execute a grant of permanent easement that would encumber Metro/NCPRD property on Mt. Talbert.

BACKGROUND

In May of 1995, voters of the region passed a bond measure enabling Metro to purchase open space properties with \$135.6 million worth of bond funds. The bond measure identified fourteen regional target areas and six regional trails and greenways for property acquisition, including the East Buttes/Boring Lava Domes target area.

One objective of the East Buttes/Boring Lava Domes Target Area refinement plan encourages Metro to partner with other governments and non-profit organizations in the acquisition of open space properties on urban buttes including Mt. Talbert, a forested butte just east of I-205 and south of SE Sunnyside Road. Mt. Talbert was specifically identified for acquisition and protection due to its diversity of wildlife habitats, including older stands of Douglas fir and Western red cedar trees, and its location at the edge of a rapidly urbanizing area. For these reasons, North Clackamas Parks and Recreation District (NCPRD) identified Mt. Talbert as an essential natural area component of its master plan.

In January of 1998, Metro and NCPRD purchased a 67-acre property on Mt. Talbert. The partnership consisted of Metro's contribution of 75% of the purchase price, and NCPRD's commitment to manage the property and to pay the balance of the purchase price. The majority of the 67-acre Metro/NCPRD property consists of the northeast slope of Mt. Talbert, including a large remnant second growth Douglas fir stand. A smaller, narrow strip of the property extends north from this forested area, crosses Mt. Scott Creek, and connects Mt. Talbert to SE Sunnyside Road at the intersection of SE Sunnyside Road and SE 117th Avenue. In contrast to the forested slope, the portion of this narrow strip close to SE Sunnyside Road is covered with blackberry and contains few of the natural resources that motivated Metro and NCPRD to invest in this property.

In 1999 and 2000, NCPRD conducted a master planning process to determine the most appropriate way to manage these 67 acres and the rest of the Mt. Talbert Natural Area. The Mt. Talbert Master Plan, approved by Metro Council on July 13, 2000, concluded that the narrow strip of land connecting SE Sunnyside Road to Mt. Talbert is the most appropriate public access point and trailhead location for the natural area. The master plan envisions a parking lot and trailhead with picnic tables and restroom facilities in this area.

The John B. Goodman Limited Partnership, Inc. (Goodman) owns the property west of and adjacent to the proposed trailhead area. Goodman purchased this property in order to construct and operate Miramont Pointe, a 158-unit senior assisted living/Alzheimer's care facility. When Goodman applied to Clackamas County for authorization to build Miramont Pointe, Clackamas County granted its approval subject to the condition that its vehicular access to SE Sunnyside Road would be restricted to a "right in, right out" curb cut off eastbound Sunnyside Road until the Mt. Talbert trailhead is developed. Clackamas County Transportation relocated the SE 117th intersection in anticipation that Metro/NCPRD will provide access to the immediately adjoining neighbors to the east and west off the Mt. Talbert property at the time the trailhead is developed. The intersection of SE 117th Avenue and SE Sunnyside Road is a four-way stop signalized intersection that allows for right and left hand turns.

Goodman's easement request includes a permanent driveway easement providing for curbs, sidewalks and landscaping, a temporary construction easement, and a drainage easement providing for a stormwater system. They are also requesting a covenant that in the event the property on the east side of the trailhead is granted an easement, Metro would require the owner of the property to the East to enter into an easement agreement committing to share the driveway maintenance costs in perpetuity.

Metro's policy for reviewing such requests aims to accommodate easements for non-park related uses only if the easements would not significantly impact natural resources, cultural resources or recreational opportunities or conflict with the management objectives for the Metro property. In this case, the access easement would allow Goodman to construct and maintain an access road across the narrow strip of Metro/NCPRD property in order to access the assisted living center on the Goodman property. NCPRD's master plan designated this strip of land as a trailhead facility for Mt. Talbert Regional Park. To ensure that the access road does not conflict with this future use, Goodman provided an access road design that includes a fill and grading for a future parking area and trailhead layout consistent with the Mt. Talbert Master Plan. In addition to the access road, Goodman will be installing landscaping along SE Sunnyside Road and along a drainage swale for stormwater disposal. Signage will also be installed with room for Trailhead signage in the future.

FINDINGS

- The Goodman application, easements and construction document satisfy the criteria established by the Easement Policy, Metro Council Resolution 97-2539B. Attachment 1 attached hereto specifically applies the thirteen policy criteria of the Metro Easement Policy to Goodman's easement application.
- The Goodman application and easement are consistent with the Mt. Talbert Master Plan, adopted by NCPRD in May 2000.
- The Mt. Talbert easement applications, if approved, will help create appropriate public access to the Mt. Talbert natural area through construction of the driveway leading to the trailhead site.
- Goodman has agreed to compensate Metro /NCPRD for the easements in cash and other consideration, consisting of a preliminary trailhead design, use of the drive for public access, fill and grading of the trailhead and stormwater detection and treatment capacity sufficient to support trailhead improvements. This compensation satisfies the Easement Policy requirement that Metro receive no less than fair market value for easements for non-park use.
- NCPRD, as co-owner, must also approve the easement documents.

ANALYSIS/INFORMATION

1. Known Opposition. None.

2. Legal Antecedents. Metro Council Resolution No. 97-2539B, adopted on November 6, 1997, established a policy for Metro's consideration of requests to encumber properties managed by Metro Regional Parks and Greenspaces with private easements designed for access, utilities, or other non-park uses (the "Easement Policy"). The Easement Policy outlines specific criteria against which private easement applications should be considered. The Mt. Talbert Access Easement application is consistent with these criteria under the terms and conditions of the attached documents. This resolution requests Metro Council approval of the Mt. Talbert easement application and authorization for the Chief Executive Officer to execute a grant of easement based on its consistency with Metro Easement Policy.

3. Anticipated Effects. The area proposed to be encumbered by the Easement has little natural resource value. Goodman's contribution to the design of the trailhead and construction of the driveway and stormwater drainage system will significantly reduce the public's expense in implementing the trailhead portion of the Mt. Talbert Master Plan. Further, Metro will have no maintenance obligations for the driveway and stormwater drainage system improvements as long as the Mt. Talbert Property is used for park purposes.

4. Budget Impacts. Metro's costs to administer the access easement application will be reimbursed. The applicant will build and maintain the access road, stormwater drainage system, signage and landscaping. Minimal or no costs to Metro are expected to arise from the construction of the access.

RECOMMENDED ACTION

Michael J. Jordan, Chief Operating Officer, with the concurrence of David Bragdon, Council President, recommends adoption of Resolution No. 04-3448.

**Attachment 1 to Staff Report
Resolution 04-3448
Metro Easement Policy Criteria and Staff Findings**

- 1) **Provide for formal review of all proposed easements, rights of ways, and leases for non-park uses by the Regional Parks and Greenspaces Advisory Committee, the Regional Facilities Committee and the full Council. Notwithstanding satisfaction of the criteria set forth herein, the final determination of whether to approve a proposed easement, right of way, or lease is still subject to the review and approval by the full Metro Council.**

Staff Finding: Criterion is satisfied through a review process that includes formal easement application, staff review and approval from Metro Council.

- 2) **Prohibit the development of utilities, transportation projects and other non-park uses within corridors or on sites which are located inside of Metro owned or managed regional parks, natural areas, and recreational facilities except as provided herein.**

Staff Finding: The applicant's proposal includes significant park benefits, including a trailhead and parking area design and partial construction that is consistent with the Mt. Talbert Master Plan.

- 3) **Reject proposals for utility easements, transportation right of ways and leases for non-park uses which would result in significant, unavoidable impacts to natural resources, cultural resources, recreational facilities, recreational opportunities or their operation and management.**

Staff Finding: The access easement would encumber a portion of the Metro/NCPRD property that is not environmentally sensitive or integral to the natural area values of Mt. Talbert.

- 4) **Accommodate utility easements, transportation right of ways or other non-park uses when the Regional Parks and Greenspaces Department (the Department) determines that a proposed easement, right of way, or non-park use can be accommodated without significant impact to natural resources, cultural resources, recreational facilities, recreational opportunities or their operation and management; and that the impacts can be minimized and mitigated.**

Staff Finding: The access easement would encumber a portion of the Metro/NCPRD property that is not environmentally sensitive or integral to the Mt. Talbert natural area and will advance the site's ultimate use as a trailhead.

- 5) **Require full mitigation and related maintenance, as determined by the Department, of all unavoidable impacts to natural resources, recreational facilities, recreational opportunities or their operation and management associated with the granting of easements, right of ways, or leases to use Metro owned or managed regional parks, natural areas or recreational facilities for non-park uses.**

Staff Finding: The applicant will mitigate for the potential impacts of road construction by: using erosion control measures which Metro and NCPRD will monitor revegetating portions of the Mt. Talbert Property disturbed by construction, and will commit to permanently maintain the easement improvements.

- 6) **Limit rights conveyed by easements, right of ways, and leases for non-park uses to the minimum necessary to accomplish the objectives of any proposal.**

Staff Finding: The dimensions and terms of the easements are limited to accommodate an access drive as associated stormwater drainage system benefiting the assisted care facility, and are not transferable or assignable to adjacent properties without Metro's consent.

- 7) **Limit the term of easements, right of ways and leases to the minimum necessary to accomplish the objectives of any proposal.**

Staff Finding: Because of the applicant's extensive investment in easement improvements, the term of the easement will be perpetual.

- 8) **Require reversion, non-transferable, and removal and restoration clauses in all easements, rights of ways, and leases.**

Staff Finding: The access easement will include these terms.

- 9) **Fully recover all direct costs (including staff time) associated with processing, reviewing, analyzing, negotiating, approving, conveying, or assuring compliance with the terms of any easement, right of way, or lease for non-park use.**

Staff Finding: Metro staff assigned to this application has documented time and costs spent on this application and informed the applicant of the policy requiring reimbursement. Execution of the easement is subject to satisfaction of all Metro expenses.

- 10) **Receive no less than fair market value compensation for all easements, right of ways, or leases for non-park uses. Compensation may include, at the discretion of the Department, periodic fees or considerations other than money.**

Staff Finding: Staff has determined that the cash compensation proposed by Goodman, along with improvements to the Metro property, provides benefit no less than fair market value.

- 11) **Require full indemnification from the easement, right of way or leaseholder for all costs, damages, expenses, fines, or losses related to the use of the easement, right of way, or lease. Metro may also require insurance coverage and/or environmental assurances if deemed necessary by the Office of Metro Attorney.**

Staff Finding: The easement will include indemnification and insurance provisions.

- 12) **Limit the exceptions to this policy to: grave sales, utilities or transportation projects which are included in approved master/management plans for Metro regional parks, natural areas and recreational facilities; projects designed specifically for the benefit of a Metro regional park, natural area, or recreational facility; or interim use leases as noted in the Open Spaces Implementation Work Plan.**

Staff Finding: No exception requested.

13) Provide for the timely review and analysis of proposals for non-park uses by adhering to the following process:

- A. The applicant shall submit a detailed proposal to the Department which includes all relevant information including but not limited to: purpose, size, components, location, existing conditions, proposed project schedule and phasing, and an analysis of other alternatives which avoid the Metro owned or managed regional park, natural area or recreational facility which are considered infeasible by the applicant. Cost alone shall not constitute unfeasibility.

Staff Finding: Applicant has submitted a detailed proposal including all required information. The only alternative access remains the current "right in, right out" access.

- B. Upon receipt of the detailed proposal, the Department shall determine if additional information or a Master Plan is required prior to further review and analysis of the proposal. For those facilities which have master plans, require that all proposed uses are consistent with the master plan. Where no master plan exists all proposed uses shall be consistent with the Greenspaces Master Plan. Deficiencies shall be conveyed to the applicant for correction.

Staff Finding: Metro and NCPRD have concluded that the proposed easement, as well as the trailhead and parking area design submitted by applicant, are consistent with the Mt. Talbert Natural Area Master Plan.

- C. Upon determination that the necessary information is complete, the Department shall review and analyze all available and relevant material and determine if alternative alignments or sites located outside of the Metro owned or managed regional park, natural area, or recreational facility are feasible.

Staff Finding: Clackamas County Transportation relocated SE 117th Avenue with the understanding that Metro and NCPRD provide access to Miramont Pointe through the Mt. Talbert Property at such a time as the trailhead is constructed.

- D. If outside alternatives are not feasible, the Department shall determine if the proposal can be accommodated without significant impact to park resources, facilities or their operation and management. Proposals which cannot be accommodated without significant impacts shall be rejected. If the Department determines that a proposal could be accommodated without significant impacts, staff shall initiate negotiations with the applicant to resolve all issues related to exact location, legal requirements, terms of the agreement, mitigation requirements, fair market value, site restoration, cultural resources, and any other issue relevant to a specific proposal or park, natural area or recreational facility. The Department shall endeavor to complete negotiations in a timely and business-like fashion.

Staff Finding: The Department has been negotiating with the applicant since October of 1999. These negotiations have resulted in an easement application and legal documents that blends the Metro/NCPRD plan to have a parking area and trailhead facility on the subject property with applicant's need to create access to Miramont Pointe.

- E. Upon completion of negotiations, the proposed agreement, in the appropriate format, shall be forwarded for review and approval. In no event shall construction of a project commence prior to formal approval of a proposal.**

Staff Finding: Final documents have been negotiated and revised by the Metro Attorney to conform with Metro requests.

- F. Upon completion of all Metro tasks and responsibilities or at intervals determined by the Department, and regardless of Metro Council action related to a proposed easement, right of way, or lease for a non-park use, the applicant shall be invoiced for all expenses or the outstanding balance on expenses incurred by Metro.**

Staff Finding: Metro costs have been documented and applicant must reimburse Metro prior to receiving the easement.

- G. Permission from Metro for an easement or right-of-way shall not preclude review under applicable federal, state, or local jurisdiction requirements.**

Staff Finding: Criterion satisfied.

Agenda Item Number 4.1

Ordinance No. 04-1051, For the Purpose of Transferring \$175,000 from Contingency to Capital Outlay in the Regional Parks Fund to Recognize a Capital Donation and Declaring an Emergency.

First Reading

Metro Council Meeting
Thursday, April 29, 2004
Washington County Public Service Building Chamber

BEFORE THE METRO COUNCIL

FOR THE PURPOSE OF TRANSFERRING)	ORDINANCE NO. 04-1051
\$175,000 FROM CONTINGENCY TO CAPITAL)	
OUTLAY IN THE REGIONAL PARKS FUND TO)	Introduced by Mike Jordan, Chief Operating
RECOGNIZE A CAPITAL DONATION; AND)	Officer, with the concurrence of the Council
DECLARING AN EMERGENCY)	President

WHEREAS, the Metro Council has reviewed and considered the need to transfer appropriations within the FY 2003-04 Budget; and

WHEREAS, the need for the transfer of appropriation has been justified; and

WHEREAS, adequate funds exist for other identified needs; now, therefore,

THE METRO COUNCIL ORDAINS AS FOLLOWS:

1. That the FY 2003-04 Budget and Schedule of Appropriations are hereby amended as shown in the column entitled "Revision" of Exhibits A and B to this Ordinance for the purpose of transferring \$175,000 from Contingency to Capital Outlay in the Regional Parks Fund to correct an accounting oversight and recognize a capital donation from Gleason Street Recreation received in FY 2000-01.
2. This Ordinance being necessary for the immediate preservation of the public health, safety or welfare of the Metro area in order to meet obligations and comply with Oregon Budget Law, an emergency is declared to exist, and this Ordinance takes effect upon passage.

ADOPTED by the Metro Council this _____ day of _____, 2004.

David Bragdon, Council President

Attest:

Approved as to Form:

Christina Billington, Recording Secretary

Daniel B. Cooper, Metro Attorney

Exhibit A
Ordinance No. 04-1051

ACCT	DESCRIPTION	Current Budget		Revision		Amended Budget	
		FTE	Amount	FTE	Amount	FTE	Amount
Regional Parks Fund							
<i>Personal Services</i>							
<i>SALWGE Salaries & Wages</i>							
5010	Reg Employees-Full Time-Exempt						
	Director II	1.00	105,105	0.00	0	1.00	105,105
	Manager II	2.00	167,863	0.00	0	2.00	167,863
	Program Analyst IV	1.00	66,503	0.00	0	1.00	66,503
	Service Supervisor IV	2.00	117,477	0.00	0	2.00	117,477
	Administrative Assistant	1.00	35,900	0.00	0	1.00	35,900
	Associate Management Analyst	0.75	44,227	0.00	0	0.75	44,227
	Assistant Management Analyst	1.00	48,089	0.00	0	1.00	48,089
	Associate Regional Planner	2.00	110,682	0.00	0	2.00	110,682
	Education Coordinator II	1.00	51,346	0.00	0	1.00	51,346
	Program Supervisor II	0.50	40,632	0.00	0	0.50	40,632
	Service Supervisor I	1.00	48,888	0.00	0	1.00	48,888
	Senior Regional Planner	2.00	136,604	0.00	0	2.00	136,604
5015	Reg Empl-Full Time-Non-Exempt						
	Arborist	1.00	47,709	0.00	0	1.00	47,709
	Park Ranger	12.00	505,283	0.00	0	12.00	505,283
	Program Assistant 2	1.00	38,846	0.00	0	1.00	38,846
	Education Coordinator I	1.50	59,931	0.00	0	1.50	59,931
	Secretary	2.00	60,282	0.00	0	2.00	60,282
	Senior Gardener	1.00	41,935	0.00	0	1.00	41,935
5020	Reg Empl-Part Time-Exempt			0.00	0		
	Senior Regional Planner	0.80	54,642	0.00	0	0.80	54,642
	Associate Regional Planner	0.80	47,213	0.00	0	0.80	47,213
	Volunteer Coordinator II	1.00	55,317	0.00	0	1.00	55,317
	Asst. Public Affairs Specialist	0.50	23,937	0.00	0	0.50	23,937
5030	Temporary Employees		318,857		0		318,857
5080	Overtime		15,420		0		15,420
<i>FRINGE Fringe Benefits</i>							
5100	Fringe Benefits		820,476		0		820,476
Total Personal Services		36.85	\$3,063,164	0.00	\$0	36.85	\$3,063,164
Total Materials & Services			\$2,003,468		\$0		\$2,003,468

Exhibit A
Ordinance No. 04-1051

ACCT	DESCRIPTION	Current Budget		Revision		Amended Budget	
		FTE	Amount	FTE	Amount	FTE	Amount
Regional Parks Fund							
<i>Capital Outlay</i>							
<i>CAPNON Capital Outlay (Non-CIP Projects)</i>							
5720	Buildings & Related (non-CIP)		26,400		0		26,400
<i>CAPCIP Capital Outlay (CIP Projects)</i>							
5715	Improve-Oth thn Bldg (CIP)		340,000		175,000		515,000
5725	Buildings & Related (CIP)		558,311		0		558,311
Total Capital Outlay			\$924,711		\$175,000		\$1,099,711
Total Interfund Transfers			\$1,294,707		\$0		\$1,294,707
<i>Contingency and Ending Balance</i>							
<i>CONT Contingency</i>							
5999	Contingency		261,390		(175,000)		86,390
<i>UNAPP Unappropriated Fund Balance</i>							
5990	Unappropriated Fund Balance						
	* Undesignated		535,190		0		535,190
	* Cash Flow Reserve		961,000		0		961,000
	* Renew, Replacement & Capital Imp		1,032,660		0		1,032,660
	* Restricted Renewal & Replacement		170,000		0		170,000
Total Contingency and Ending Balance			\$2,960,240		(\$175,000)		\$2,785,240
TOTAL REQUIREMENTS		36.85	\$10,246,290	0.00	\$0	36.85	\$10,246,290

Exhibit B
Ordinance No. 04-1051
FY 2003-04 SCHEDULE OF APPROPRIATIONS

	<u>Current</u> <u>Appropriation</u>	<u>Revision</u>	<u>Amended</u> <u>Appropriation</u>
REGIONAL PARKS FUND			
Operating Expenses (PS & M&S)	\$5,066,632	\$0	\$5,066,632
Capital Outlay	924,711	175,000	1,099,711
Interfund Transfers	1,294,707	0	1,294,707
Contingency	261,390	(175,000)	86,390
Unappropriated Balance	2,698,850	0	2,698,850
Total Fund Requirements	\$10,246,290	\$0	\$10,246,290

STAFF REPORT

IN CONSIDERATION OF ORDINANCE NO. 04-1051 FOR THE PURPOSE OF TRANSFERRING \$175,000 FROM CONTINGENCY TO CAPITAL OUTLAY IN THE REGIONAL PARKS FUND TO RECOGNIZE A CAPITAL DONATION; AND DECLARING AN EMERGENCY

Date: April 12, 2004

Prepared by: Kathy Rutkowski

BACKGROUND

When the contract with Glisan Street Recreation Inc. (GSR) to manage the Glendoveer Golf Course was renewed in 1998, one of the conditions of the contract renewal was for GSR to make at least \$1,000,000 in capital improvements to the golf course over the next four calendar years. GSR has successfully completed these improvements.

Each year, the improvements made that year were to be recorded in Metro's General Ledger. The recording of the improved asset required the recognition of a capital donation and a corresponding capital expenditure. For three of the four years, these improvements were properly recorded. However, the improvements for calendar year 2000 (FY 2000-01) were never recorded. This oversight needs to be corrected.

Although the actual accounting transaction will record the receipt of a capital donation to offset the expenditure, Oregon Budget Law does not allow the recognition of this donation without a supplemental budget. Therefore, this action transfers existing appropriation authority from contingency to provide the capital outlay appropriation needed to record the asset improvement. This action will not impact the fund balance of the Regional Parks Fund.

ANALYSIS/INFORMATION

1. **Known Opposition** None known.
2. **Legal Antecedents** ORS 294.450 provides for transfers of appropriations within a fund, including transfers from contingency, if such transfers are authorized by official resolution or ordinance of the governing body for the local jurisdiction.
3. **Anticipated Effects** This action will provide sufficient appropriation authority to correct an accounting oversight from FY 2000-01.
4. **Budget Impacts** This action will have no effect on fund balance. The actual accounting transaction will recognize the receipt of a capital donation as the revenue to fund the budgetary expenditure. The use of contingency is simply to provide the appropriation authority necessary to avoid an over-expenditure situation.

RECOMMENDED ACTION

The Chief Operating Officer recommends adoption of this ordinance.

Agenda Item Number 5.1

Ordinance No. 04-1044A, For the Purpose of Adopting the Annual Budget for Fiscal Year 2004-05, Making Appropriations, and Levying Ad Valorem Taxes, and Declaring an Emergency.

Second Reading

Metro Council Meeting
Thursday, April 29, 2004
Washington County Public Service Building Chamber

BEFORE THE METRO COUNCIL

FOR THE PURPOSE OF ADOPTING THE) ANNUAL BUDGET FOR FISCAL YEAR 2004-) 05, MAKING APPROPRIATIONS, AND) LEVYING AD VALOREM TAXES, AND) DECLARING AN EMERGENCY)	ORDINANCE NO 04-1044 Introduced by David Bragdon, Council President
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WHEREAS, the Multnomah County Tax Supervising and Conservation Commission held its public hearing on the annual Metro budget for the fiscal year beginning July 1, 2004, and ending June 30, 2005; and

WHEREAS, recommendations from the Multnomah County Tax Supervising and Conservation Commission have been received by Metro (attached as Exhibit A and made a part of the Ordinance) and considered; now, therefore,

THE METRO COUNCIL ORDAINS AS FOLLOWS:

1. The "Fiscal Year 2004-05 Metro Budget," in the total amount of TWO HUNDRED EIGHT THREE MILLION SIX HUNDRED THIRTEEN THOUSAND FOUR HUNDRED FOURTY SIX (\$283,613,446) DOLLARS, attached hereto as Exhibit B, and the Schedule of Appropriations, attached hereto as Exhibit C, are hereby adopted.

2. The Metro Council does hereby levy ad valorem taxes, as provided in the budget adopted by Section 1 of this Ordinance, at the rate of \$0.0966 per thousand dollars of assessed value for Zoo operations and in the amount of EIGHTEEN MILLION SIXTY FOUR THOUSAND FIVE HUNDRED TWENTY FOUR (\$18,064,524) DOLLARS for general obligation bond debt, said taxes to be levied upon taxable properties within the Metro District for the fiscal year 2004-05. The following allocation and categorization subject to the limits of Section 11b, Article XI of the Oregon Constitution constitute the above aggregate levy.

SUMMARY OF AD VALOREM TAX LEVY

	Subject to the General Government <u>Limitation</u>	Excluded from <u>the Limitation</u>
Zoo Tax Rate Levy	\$0.0966/\$1,000	
General Obligation Bond Levy		\$18,064,524

3. The Regional Parks Fund is hereby renamed the Regional Parks Operating Fund. The purpose of the fund remains the same.

4. The Regional Parks Capital Fund is hereby created for the purpose of accounting for major capital improvement and renewal and replacement reserves for the Regional Parks & Greenspaces Department and facilities. Major revenue sources for the fund include but are not limited to

grants, donations, excise tax contributions from the General Fund, and other revenues or contributions identified for capital purpose. In the event of the elimination of this fund, any fund balance shall revert to any fund designated for similar purpose, or to the Regional Parks Operating Fund.

5. In accordance with Section 2.02.040 of the Metro Code, the Metro Council hereby authorizes positions and expenditures in accordance with the Annual Budget adopted by Section 1 of this Ordinance, and hereby appropriates funds for the fiscal year beginning July 1, 2004, from the funds and for the purposes listed in the Schedule of Appropriations, Exhibit C.

6. The Chief Financial Officer shall make the filings as required by ORS 294.555 and ORS 310.060, or as requested by the Assessor's Office of Clackamas, Multnomah, and Washington Counties.

7. This Ordinance being necessary for the health, safety, or welfare of the Metro area, for the reason that the new fiscal year begins July 1, 2004, and Oregon Budget Law requires the adoption of a budget prior to the beginning of the fiscal year, an emergency is declared to exist and the Ordinance takes effect upon passage.

ADOPTED by the Metro Council on this _____ day of June, 2004.

David Bragdon, Council President

ATTEST:

Approved as to Form:

Recording Secretary

Daniel B. Cooper, General Counsel

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STAFF REPORT

CONSIDERATION OF ORDINANCE NO. 04-1044 FOR THE PURPOSE OF ADOPTING THE ANNUAL BUDGET FOR FISCAL YEAR 2004-05, MAKING APPROPRIATIONS AND LEVYING AD VALOREM TAXES, AND DECLARING AN EMERGENCY

Date: March 12, 2004

Presented by: David Bragdon
Council President

BACKGROUND

I am forwarding to the Council for consideration and approval my proposed budget for fiscal year 2004-05.

Council action, through Ordinance No. 04-1044 is the final step in the process for the adoption of Metro's operating financial plan for the forthcoming fiscal year. Final action by the Council to adopt this plan must be completed by June 30, 2004.

Once the budget plan for fiscal year 2004-05 is adopted by the Council, the number of funds and their total dollar amount and the maximum tax levy cannot be amended without review and certification by the Tax Supervising and Conservation Commission. Adjustments, if any, by the Council to increase the level of expenditures in a fund are limited to no more than 10 percent of the total value of any fund's appropriations in the period between Council approval at the end of April and adoption in June.

Exhibits B and C of the Ordinance will be available at the public hearing on April 1, 2004.

ANALYSIS/INFORMATION

1. **Known Opposition** – Council hearings will be held on the Proposed Budget during the month of April 2004. Several opportunities for public comments will be provided. Opposition to any portion of the budget will be identified during that time.
2. **Legal Antecedents** – The preparation, review and adoption of Metro's annual budget is subject to the requirements of Oregon Budget Law, ORS Chapter 294. Oregon Revised Statutes 294.635 requires that Metro prepare and submit its approved budget to the Tax Supervising and Conservation Commission by May 15, 2004. The Commission will conduct a hearing during June 2004 for the purpose of receiving information from the public regarding the Council's approved budget. Following the hearing, the Commission will certify the budget to the Council for adoption and may provide recommendations to the Council regarding any aspect of the budget.
3. **Anticipated Effects** – Adoption of this ordinance will put into effect the annual FY 2004-05 budget, effective July 1, 2004.
4. **Budget Impacts** – The total amount of the proposed FY 2004-05 annual budget is \$283,613,446 and 650.85 FTE.

RECOMMENDED ACTION

The Council President recommends adoption of Ordinance No. 04-1044.

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Agenda Item Number 5.2

Ordinance No. 04-1040, For the Purpose of Amending the Metro Urban Growth Boundary, the Regional Framework Plan and the Metro Code to Increase the Capacity of the Boundary to Accommodate Growth in Industrial Employment

Second Reading

Metro Council Meeting
Thursday, April 29, 2004
Washington County Public Service Building Chamber

BEFORE THE METRO COUNCIL

FOR THE PURPOSE OF AMENDING THE) ORDINANCE NO. 04-1040
METRO URBAN GROWTH BOUNDARY,)
THE REGIONAL FRAMEWORK PLAN AND)
THE METRO CODE TO INCREASE THE)
CAPACITY OF THE BOUNDARY TO)
ACCOMMODATE GROWTH IN) Introduced by the Metro Council
INDUSTRIAL EMPLOYMENT)

WHEREAS, by Ordinance No. 02-969B (For The Purpose Of Amending The Urban Growth Boundary, The Regional Framework Plan And The Metro Code In Order To Increase The Capacity Of The Boundary To Accommodate Population Growth To The Year 2022), the Council amended Title 4 (Industrial and Other Employment Areas) of the Urban Growth Management Functional Plan to increase the capacity of industrial land to accommodate industrial jobs; and

WHEREAS, by Ordinance No. 02-969B, the Council added capacity to the UGB but did not add sufficient capacity to accommodate the full need for land for industrial use; and

WHEREAS, the Metro Council submitted Ordinance No. 969B, in combination with other ordinances that increased the capacity of the UGB, to the Land Conservation and Development Commission (LCDC) as part of Metro's periodic review of the capacity of its UGB; and

WHEREAS, on July 7, 2003, LCDC issued its 'Partial Approval and Remand Order 03-WKTASK-001524' that approved most of the Council's decisions, but returned the matter to the Council for completion or revision of three tasks: (1) provide complete data on the number, density and mix of housing types and determine the need for housing types over the next 20 years; (2) add capacity to the UGB for the unmet portion of the need for land for industrial use; and (3) either remove tax lots 1300, 1400 and 1500 in Study Area 62 from the UGB or justify their inclusion; and

WHEREAS, the Council completed its analysis of the number, density and mix of housing types and the need for housing over the planning period 2002-2022 and incorporated its conclusions in a revision to its Housing Needs Analysis; and

WHEREAS, the Council increased the capacity of the UGB both by adding land to the UGB and by revising the Regional Framework Plan and Title 4 of the UGMFP to meet the previously unmet portion of the need for land for industrial use; and

WHEREAS, the Council decided to remove tax lots 1300, 1400 and 1500 in Study Area 62 from the UGB; and

WHEREAS, the Council consulted its Metropolitan Policy Advisory Committee and the 24 cities and three counties of the metropolitan region and considered comments and suggestions prior to making this decision; and

WHEREAS, prior to making this decision, the Council sent individual mailed notification to more than 100,000 households in the region and held public hearings on Title 4 and the efficient use of industrial land on December 4 and 11, 2003, public workshops at six locations around the region in March, 2004, on possible amendments to the UGB, and public hearings on the entire matter on April 22 and 29, May 6, and June 10 and 24, 2004; now, therefore

THE METRO COUNCIL HEREBY ORDAINS AS FOLLOWS:

1. Policy 1.12 of the Regional Framework Plan is hereby amended, as indicated in Exhibit A, attached and incorporated into this ordinance, to guide the choice of farmland for addition to the UGB when no higher priority land is available or suitable.
2. Title 4 (Industrial and Other Employment Areas) of the Urban Growth Management Functional Plan is hereby amended, as indicated in Exhibit B, attached and incorporated into this ordinance, to improve implementation of Title 4 by cities and counties in the region.
3. The Employment and Industrial Areas Map is hereby amended, as shown in Exhibit C, attached and incorporated into this ordinance, to depict the boundaries of Regionally Significant Industrial Areas pursuant to Policy 1.4.1 of the Regional Framework Plan in order to ensure more efficient use of the areas for industries reliant upon the movement of freight and to protect the function and capacity of freight routes and connectors in the region.
4. The Revised Housing Needs Analysis, January 24, 2003, is hereby further revised, as indicated in Exhibit D, Addendum to Housing Needs Analysis, April 5, 2004, attached and incorporated into this ordinance, to comply with the first item in LCDC's "Partial Approval and Remand Order 03-WKTASK-001524."
5. The Metro UGB is hereby amended to include all or portions of the Study Areas shown on Exhibit E and more precisely identified in the Industrial Land Alternative Analysis Study, February, 2004, Item (c) in Appendix A, subject to the conditions set forth in Exhibit F, and to exclude tax lots 1300, 1400 and 1500 in Study Area 62 and the southeast portion of Study Area 9

from the UGB, also shown on Exhibit E and more precisely identified in the Staff Report, "In Consideration of Ordinance No. 04-1040, For the Purpose of Amending the Metro Urban Growth Boundary, the Regional Framework Plan and the Metro Code to increase the capacity of the Boundary to Accommodate Growth in Industrial Employment", Item (a) in Appendix A. Exhibits E and F are attached and incorporated into this ordinance to comply with the second and third items in LCDC's "Partial Approval and Remand Order 03-WKTASK-001524."

6. The Appendix, attached and incorporated into this ordinance, is hereby adopted in support of the amendments to the UGB, the Regional Framework Plan and the Metro Code in sections 1 through 3 of this ordinance. The following documents comprise the Appendix:
 - a. Staff Report, "In Consideration of Ordinance No. 04-1040, For the Purpose of Amending the Metro Urban Growth Boundary, the Regional Framework Plan and the Metro Code to increase the capacity of the Boundary to Accommodate Growth in Industrial Employment", April 5, 2004.
 - b. 2002-2022 Urban Growth Report: An Employment Land Need Analysis, June 24, 2004 Supplement.
 - c. Industrial Land Alternative Analysis Study, February, 2004.
 - d. Measure 26-29 Technical Report: Assessment of the Impacts of the June, 2004, UGB Expansion on Property Owners.
 - e. Industrial Land Expansion Public Comment Report, March, 2004.
 - f. "An Assessment of Potential Regionally Significant Industrial Areas", memorandum from Mary Weber to Dick Benner, October 21, 2003.
 - g. "Recommended Factors for Identifying RSIA's", memorandum from Mary Weber to MTAC, June 30, 2003.
 - h. "Slopes Constraints on Industrial Development", memorandum from Lydia Neill to David Bragdon, November 25, 2003.
 - i. "Limited Choices: The Protection of Agricultural Lands and the Expansion of the Metro Area Urban Growth Boundary for Industrial Use", prepared by the Metro Agricultural Lands Technical Workgroup, April, 2004.
 - j. "Technical Assessment of Reducing Lands within Alternatives Analysis Study Areas", memorandum from Lydia Neill to David Bragdon, October 30, 2003.
 - k. Agriculture at the Edge: A Symposium, October 31, 2003, Summary by Kimi Iboshi Sloop, December, 2003.
 - m. "Industrial Land Aggregation Methodology, Test and Results", memorandum from Lydia Neill to David Bragdon, September 24, 2003.
 - n. "Industrial Areas Requested by Local Jurisdictions", memorandum from Tim O'Brien to Lydia Neill, July 29, 2003.

- o. 'Industrial Land Locational and Siting Factors', memorandum from Lydia Neill to David Bragdon, June 9, 2003.
 - p. 'A Review of Information Pertaining to Regional Industrial Lands', memorandum from Dick Benner to David Bragdon, January 26, 2004.
 - q. Map of Freight Network and Freight Facilities, Metro, November, 2003.
 - r. 'Evaluating the Industrial Land Supply with Projected Demand', memorandum from Lydia Neill to David Bragdon, May 14, 2003.
 - s. 'Identifying 2003 Industrial Land Alternatives Analysis Study Areas', memorandum from Tim O'Brien to Lydia Neill, July 9, 2003.
 - t. 'For the Purpose of Reducing the Land Under Consideration in the 2002 and 2003 Alternatives Analysis for Meet the Remaining Need for Industrial Land through Urban Growth Boundary Expansion', Staff Report, November 18, 2003.
 - u. 'Formation of Industrial Neighborhoods', memorandum from Lydia Neill to David Bragdon, October 24, 2003.
 - v. 'Developed Lots 5 Acres and Smaller Outside the UGB', memorandum from Amy Rose to Lydia Neill, November 18, 2003.
 - w. 'Employment Land Included in the 2002 Urban Growth Boundary Expansion', memorandum from Andy Cotugno to David Bragdon, March 10, 2003.
 - x. 'Identifying Additional Land for Industrial Purposes', memorandum from Tim O'Brien to Lydia Neill, March 7, 2003.
7. The Findings of Fact and Conclusions of Law in Exhibit G, attached and incorporated into this ordinance, explain how this ordinance complies with state law, the Regional Framework Plan and the Metro Code.

ADOPTED by the Metro Council this 24th day of June, 2004.

David Bragdon, Council President

ATTEST:

Approved as to Form:

Christina Billington, Recording Secretary

Daniel B. Cooper, Metro Attorney

Exhibit A to Ordinance No. 04-1040

[1.12] Protection of Agriculture and Forest Resource Land

1.12.1 Agricultural and forest land outside the UGB shall be protected from urbanization, and accounted for in regional economic and development plans, consistent with this Plan. However, Metro recognizes that all the statewide goals, including Statewide Goal 10, and Goal 14, Urbanization, are of equal importance to Goals 3 and 4, which protect agriculture and forest resource lands. These goals represent competing and, some times, conflicting policy interests which need to be balanced.

[1.12.1] 1.12.2 [Rural Resource Lands

Rural resource lands outside] When the Council must choose among agricultural lands of the same soil capability classification for addition to the UGB [that have significant resource value should actively be protected from urbanization. However, not all land zoned for exclusive farm use is of equal agricultural value], the Council shall choose agricultural land deemed less important to the continuation of commercial agriculture in the region.

[1.12.2] 1.12.3 [Urban Expansion

Expansion of the UGB shall occur in urban reserves, established consistent with the urban rural transition objective. All urban reserves should be planned for future urbanization even if they contain resource lands.] Metro shall enter into agreements with neighboring cities and counties to carry out Council policy on protection of agricultural and forest resource policy through the designation of Rural Reserves and other measures.

[1.12.3] 1.12.4 Farm and Forest Practices

[Protect and support the ability for farm and forest practices to continue. The designation and management of rural reserves by the Metro Council may help establish this support, consistent with the Growth Concept. Agriculture and forestry require long term certainty of protection from adverse impacts of urbanization in order to promote needed investments] Metro shall work with neighboring counties to provide a high degree of certainty for investment in agriculture in agriculture and forestry and to reduce conflicts between urbanization and agricultural and forest practices.

Exhibit B to Ordinance No. 04-1040

TITLE 4: INDUSTRIAL AND OTHER EMPLOYMENT AREAS

3.07.410 Purpose and Intent

A. The Regional Framework Plan calls for a strong economic climate. To improve the region's economic climate, [the plan] Title 4 seeks to provide and protect [the] a supply of sites for employment by limiting [incompatible uses within] the types and scale of non-industrial uses in Regionally Significant Industrial Areas (RSIAs), Industrial Areas and Employment Areas. Title 4 also seeks to provide the benefits of "clustering" to those industries that operate more productively and efficiently in proximity to one another than in dispersed locations. Title 4 further seeks [T]to protect the capacity and efficiency of the region's transportation system for the movement of goods and services, and to [promote the creation of jobs within designated Centers and discourages certain kinds of commercial retail development outside Centers] encourage the location of other types of employment in Centers, Employment Areas, Corridors, Main Streets and Station Communities. [It is the purpose of Title 4 to achieve these policies.] The Metro Council will [consider amendments to this title in order to make the title consistent with new policies on economic development adopted] evaluate the effectiveness of Title 4 in achieving these purposes as part of its periodic [review] analysis of the capacity of the urban growth boundary.

3.07.420 Protection of Regionally Significant Industrial Areas

A. Regionally Significant Industrial Areas (RSIA) are those areas [that offer the best opportunities for family-wage industrial jobs] near the region's most significant transportation facilities for the movement of freight and other areas most suitable for movement and storage of goods. Each city and county with land use planning authority over [areas] RSIAs shown on the [Generalized Map of Regionally Significant Industrial Areas adopted in Ordinance No. 02-969] Employment and Industrial Areas Map shall derive specific plan designation and zoning district boundaries of [the areas] RSIAs within its jurisdiction from the Map, taking into account the location of existing uses that would not conform to the limitations on non-industrial uses in [subsection C, D and E] this section, and [its] the need [of individual cities and counties] to achieve a mix of [types of] employment uses.

B. [Each city and county with land use planning authority over an area designated by Metro on the 2040 Growth Concept Map, as amended by Ordinance No. 02-969, as a Regionally Significant Industrial Area shall, as part of compliance with section 3.07.1120 of the Urban Growth Management Functional Plan, derive plan designation and zoning district boundaries of the areas from the Growth Concept Map] Cities and counties shall review their land use regulations and revise them, if necessary, to include measures to limit the size and location of new buildings for retail commercial uses - such as stores and restaurants - and retail and professional services that cater to daily customers - such as financial, insurance, real estate, legal, medical and dental offices - to ensure that they serve primarily the needs of workers in the area. One such measure shall be that new buildings for stores, branches, agencies or other outlets for these retail uses and services shall not occupy more than 3,000 square feet of sales or service area in a single outlet, or multiple outlets that occupy more than 20,000 square feet of sales or service area in a single building or in multiple buildings that are part of the same development project, with the following exceptions:

1. Within the boundaries of a public use airport subject to a facilities master plan, customary airport uses, uses that are accessory to the travel-related and freight movement activities of airports, hospitality uses, and retail uses appropriate to serve the needs of the traveling public; and

2. Training facilities whose primary purpose is to provide training to meet industrial needs.

C. [After determining boundaries of Regionally Significant Industrial Areas pursuant to subsections A and B, the city or county] Cities and counties shall [adopt implementing ordinances that limit development in the areas to industrial uses, uses accessory to industrial uses, offices for industrial research and development and large corporate headquarters in compliance with subsection E of this section, utilities, and those non-industrial uses necessary to serve the needs of businesses and employees of the areas] review their land use regulations and revise them, if necessary, to include measures to limit the siting and location of new buildings for the uses described in subsection B and for non-industrial uses that do not cater to daily customers - such as bank or insurance processing centers - to ensure that such uses do not reduce off-peak performance on Main Roadway Routes and Roadway Connectors shown on Metro's Freight Network Map, November, 2003, below standards set in the 2004 Regional Transportation Plan or require added road capacity to prevent falling below the standards.

D. [Notwithstanding subsection C, a city or county shall not approve:

1. A commercial retail use with more that 20,000 square feet of retail sales area in a single building or in multiple buildings that are part of the same development project;
or

2. Commercial retail uses that would occupy more than five percent of the net developable portion of all contiguous Regionally Significant Industrial Areas] No city or county shall amend its land use regulations that apply to lands shown as RSIA on the Employment and Industrial Areas Map to authorize uses described in subsection B that were not authorized prior to July 1, 2004.

E. [As provided in subsection C of this section, a city or county may approve an office for industrial research and development or a large corporate headquarters if:

1. The office is served by public or private transit; and

2. If the office is for a corporate headquarters, it will accommodate for the initial occupant at least 1,000 employees]

[F. A city or county] Cities and counties may allow division of lots or parcels into smaller lots or parcels as follows:

1. Lots or parcels [less] smaller than 50 acres may be divided into any number of smaller lots or parcels[;].

2. Lots or parcels [50 acres or] larger than 50 acres may be divided into smaller lots and parcels pursuant to a master plan approved by the city or county so long as the resulting division yields [the maximum number of lots or parcels of] at least [50 acres] one lot or parcel of at least 50 acres in size[;].

3. Lots or parcels 50 acres or larger, including those created pursuant to paragraph (2) of this subsection, may be divided into any number of smaller lots or parcels pursuant to a master plan approved by the city or county so long as at least 40 percent of the area of the lot or parcel has

been developed with industrial uses or uses accessory to industrial use, and no portion has been developed, or is proposed to be developed, with uses described in subsection B of this section.

4. Notwithstanding paragraphs 2[,] **and** 3 **[and]** of this subsection, any lot or parcel may be divided into smaller lots or parcels or made subject to rights-of-way for the following purposes:

- a. To provide public facilities and services;
- b. To separate a portion of a lot or parcel in order to protect a natural resource, to provide a public amenity, or to implement a remediation plan for a site identified by the Oregon Department of Environmental Quality pursuant to ORS 465.225;
- c. To separate a portion of a lot or parcel containing a nonconforming use from the remainder of the lot or parcel in order to render the remainder more practical for a permitted use; **or**
- d. **[To reconfigure the pattern of lots and parcels pursuant to subsection G or this section]**
- [e.]** To allow the creation of a lot for financing purposes when the created lot is part of a master planned development.

[G. A city or county may allow reconfiguration of lots or parcels less than 50 acres in area if the reconfiguration would be more conducive to a permitted use and would result in no net increase in the total number of lots and parcels. Lots or parcels 50 acres or greater in area may also be reconfigured so long as the resulting area of any such lot or parcel would not be less than 50 acres.]

[H] F. Notwithstanding subsections **[C and D]** **B** of this section, a city or county may allow the lawful use of any building, structure or land existing at the time of adoption of its ordinance to implement this section to continue and to expand to add up to 20 percent more floor area and 10 percent more land area. Notwithstanding subsection E of this section, a city or county may allow division of lots or parcels pursuant to a master plan approved by the city or county prior to **[December 31, 2003] July 1, 2004.**

3.07.430 Protection of Industrial Areas

A. **[In Industrial Areas mapped pursuant to Metro Code section 3.07.130 that are not Regionally Significant Industrial Areas, c] Cities and counties shall [limit new and expanded retail commercial uses to those appropriate in type and size to serve the needs of businesses, employees and residents of the Industrial Areas] review their land use regulations and revise them, if necessary, to include measures to limit new buildings for retail commercial uses - such as stores and restaurants - and retail and professional services that cater to daily customers -- such as financial, insurance, real estate, legal, medical and dental offices - in order to ensure that they serve primarily the needs of workers in the area. One such measure shall be that new buildings for stores, branches, agencies or other outlets for these retail uses and services shall not occupy more than 5,000 square feet of sales or service area in a single outlet, or multiple outlets that occupy more than 20,000 square feet of sales or service area in a single building or in multiple buildings that are part of the same development project, with the following exceptions:**

1. Within the boundaries of a public use airport subject to a facilities master plan, customary airport uses, uses that are accessory to the travel-related and freight movement activities of airports, hospitality uses, and retail uses appropriate to serve the needs of the traveling public; and

2. Training facilities whose primary purpose is to provide training to meet industrial needs.

B. [In an Industrial Area, a city or county shall not approve:

1. A commercial retail use with more than 20,000 square feet of retail sales area in a single building or in multiple buildings that are part of the same development project; or

2. Commercial retail uses that would occupy more than ten percent of the net developable portion of the area or any adjacent Industrial Area] Cities and counties shall review their land use regulations and revise them, if necessary, to include measures to limit new buildings for the uses described in subsection A to ensure that they do not interfere with the efficient movement of freight along Main Roadway Routes and Roadway Connectors shown on Metro's Freight Network Map, November, 2003. Such measures may include, but are not limited to restrictions on access to freight routes and connectors, siting limitations and traffic thresholds. This subsection does not require cities and counties to include such measures to limit new other buildings or uses.

C. No city or county shall amend its land use regulations that apply to lands shown as Industrial Area on the Employment and Industrial Areas Map to authorize uses described in subsection A of this section that were not authorized prior to July 1, 2004.

D. Cities and counties may allow division of lots or parcels into smaller lots or parcels as follows:

1. Lots or parcels smaller than 50 acres may be divided into any number of smaller lots or parcels.

2. Lots or parcels larger than 50 acres may be divided into smaller lots and parcels pursuant to a master plan approved by the city or county so long as the resulting division yields at least one lot or parcel of at least 50 acres in size.

3. Lots or parcels 50 acres or larger, including those created pursuant to paragraph (2) of this subsection, may be divided into any number of smaller lots or parcels pursuant to a master plan approved by the city or county so long as at least 40 percent of the area of the lot or parcel has been developed with industrial uses or uses accessory to industrial use, and no portion has been developed, or is proposed to be developed with uses described in subsection A of this section.

4. Notwithstanding paragraphs 2 and 3 of this subsection, any lot or parcel may be divided into smaller lots or parcels or made subject to rights-of-way for the following purposes:

a. To provide public facilities and services;

b. To separate a portion of a lot or parcel in order to protect a natural resource, to provide a public amenity, or to implement a remediation plan for a site identified by the Oregon Department of Environmental Quality pursuant to ORS 465.225;

c. To separate a portion of a lot or parcel containing a nonconforming use from the remainder of the lot or parcel in order to render the remainder more practical for a permitted use; or

d. To allow the creation of a lot for financing purposes when the created lot is part of a master planned development.

E. Notwithstanding [subsection B] subsection A of this section, a city or county may allow the lawful use of any building, structure or land existing at the time of [enactment of an] adoption of its ordinance [adopted pursuant to this section] to implement this section to continue and to expand to add up to 20 percent more [floorspace] floor area and 10 percent more land area. Notwithstanding subsection D of this section, a city or county may allow division of lots or parcels pursuant to a master plan approved by the city or county prior to July 1, 2004.

3.07.440 Employment Areas

- A. Except as provided in subsections C, D and E, in Employment Areas mapped pursuant to Metro Code Section 3.07.130, cities and counties shall limit new and expanded retail commercial uses to those appropriate in type and size to serve the needs of businesses, employees and residents of the Employment Areas.
- B. Except as provided in subsections C, D and E, a city or county shall not approve a commercial retail use in an Employment Areas with more than 60,000 square feet of gross leasable area in a single building, or retail commercial uses with a total of more than 60,000 square feet of retail sales area on a single lot or parcel, or on contiguous lots or parcels, including those separated only by transportation right-of-way.
- C. A city or county whose zoning ordinance applies to an Employment Area and is listed on Table 3.07-4 may continue to authorize retail commercial uses with more than 60,000 square feet of gross leasable area in that zone if the ordinance authorized those uses on January 1, 2003.
- D. A city or county whose zoning ordinance applies to an Employment Area and is not listed on Table 3.07-4 may continue to authorize retail commercial uses with more than 60,000 square feet of gross leasable area in that zone if:
1. The ordinance authorized those uses on January 1, 2003;
 2. Transportation facilities adequate to serve the retail commercial uses will be in place at the time the uses begin operation; and
 3. The comprehensive plan provides for transportation facilities adequate to serve other uses planned for the Employment Area over the planning period.
- E. A city or county may authorize new retail commercial uses with more than 60,000 square feet of gross leasable area in Employment Areas if the uses:
1. Generate no more than a 25 percent increase in site-generated vehicle trips above permitted non-industrial uses; and
 2. Meet the Maximum Permitted Parking – Zone A requirements set forth in Table 3.07-2 of Title 2 of the Urban Growth Management Functional Plan.

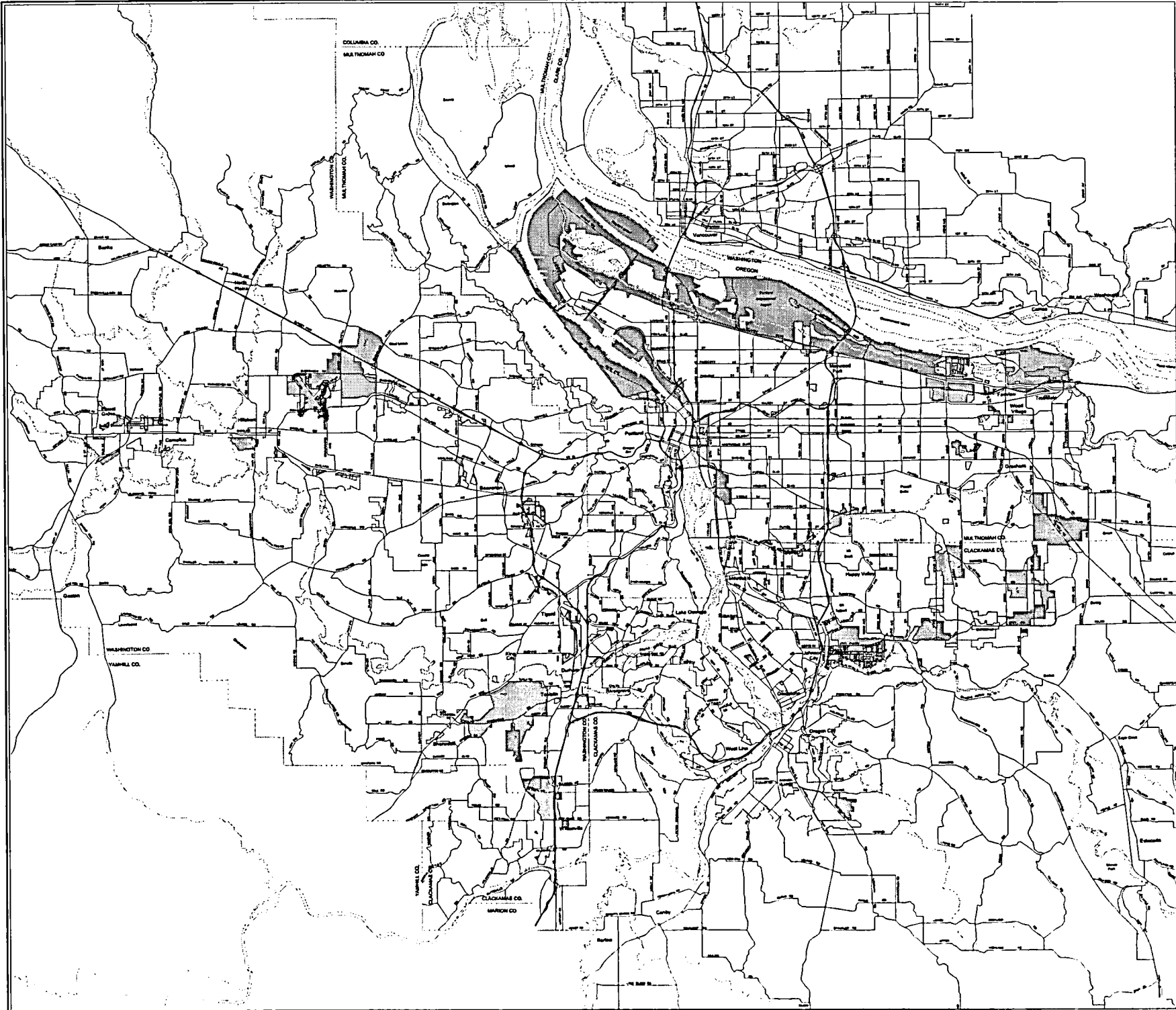
Title 4 Industrial and Employment Areas

Ordinance No. 04-1040

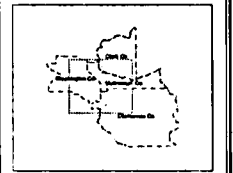
Exhibit C

04/14/04

-  Employment Land
-  Industrial Land
-  Regionally Significant Industrial Areas



This map was prepared under contract for the City of Portland, Oregon, by the Regional Land Information System, Inc. The City of Portland, Oregon, is not responsible for the accuracy of the information shown on this map. The Regional Land Information System, Inc. is not responsible for the accuracy of the information shown on this map. The City of Portland, Oregon, is not responsible for the accuracy of the information shown on this map.



Location Map



UNIVERSITY OF PORTLAND
1000 NE PORTLAND AVENUE
PORTLAND, OREGON 97232
503.253.4000
WWW.PORTLAND.EDU

**Exhibit D to Ordinance No. 04-1040
Addendum to Housing Needs Analysis
April 5, 2004**

I. INTRODUCTION

The attached three Tables satisfy the requirements of ORS 197.298(5)(a)(E) to provide at least 3 years of data on the number, density and average mix of housing for vacant, partially vacant, redevelopment and infill (refill) and mixed use designated land. Table 5(a)(E) – 1 provides number, density and mix data on refill land for the period 1997 through 2001. Table 5(a)(E) – 2 provides the same data for development on vacant and partially vacant land for the period 1998 through 2001. Table 5(a)(E) – 3 displays the number, density and mix data for development on mixed use land for the period 1998 – 2001.

As noted in the original Housing Needs Analysis submission, the data in the attached Tables are subsets of more aggregated data contained in the original Housing Needs Analysis Report. While interesting and informative, the data in the attached Tables do not contradict the conclusions and actions taken in conjunction with the Urban Growth Report and periodic review. Nor do the data affect the determinations of the overall average density and overall mix of housing types at which residential development must occur in order to meet housing needs through 2022, as depicted in the original Housing Needs Analysis, pages 2 through 7 and Figures 3.1, 3.2, 3.3, 5.1 and 5.3.

The remainder of the report consists of an explanation of methodology and data sources and a synopsis of the data content of each of the tables.

II. METHODOLOGY AND DATA SOURCES

A. Data Sources

In order to retrospectively meet the requirements of State Statute we made maximum use of Metro's RLIS archived data that extend back in some degree to 1995. These data consist of the following elements:

1. Land use data at the tax lot level designating land by vacant, developed and zoning category.
2. County assessor tax lot data showing use, value, sales data, etc.
3. Geo-coded building permit data by building type.
4. Air photos for each year taken approximately in July of each year with a trend of improving resolution level over time.

B. Sampling Approach

We elected to measure the data using a 20% sampling approach so that we could manually audit each of the selected data points to insure accuracy. Machine processing of the data is not possible due to the following sources of measurement error.

1. Building permit geo-coding variability as approximately 70% of building permits actually geo-code exactly to the correct tax lot.

2. Building permit data error due to incomplete reporting, undetected duplicates and inaccurate descriptions of building type, work done and location.
3. Slight registration discrepancies between tax lot maps, air photos and archived land use coverages.
4. Variability between the time a building permit is issued, building takes place and the tax lot is created and enumerated in the County Assessor's tax lot coverage. The practical consequence of this is often that a row house constructed on a 2,500 sq. ft. lot appears to be on a 100,000 sq. ft. plus lot because the subdivision plat is not yet available in the data base.

For multi-family units we modified the 20% sample to include 100% of all building permits for 20 or more units and applied the 20% rate to permits of under 20 units. This avoided the potential sampling errors associated with having a few permits for multi-family of over 100 or more units.

C. Expansion Back to the Population Totals

Because we elected a 100% count of multi-family the sample was not self-weighting. As a consequence after the analysis was complete we used a two phase approach to estimate the building permit population. First, we expanded our sample by building type back to the totals reported in our building permit data base. Secondly, since our building permit data base is incomplete relative to the totals reported to the State and Federal Government, we expanded our building permit data base to match the County totals by building type.

D. Definition of Entities Being Measure

State Statute requires we report on the number and densities by building type of development on "refill", "vacant", "partly vacant" and "mixed use" land. These entities we define and discuss in the context of our RLIS data base and measurement protocols as follows:

1. Refill: Housing units developed on land that Metro already considers developed in its data base. Refill is further divided into redevelopment and infill. Redevelopment occurs after an existing building has been removed. Infill is additional building without removal of existing buildings.
 - a. **Method of Measurement**: We measure refill by counting the number of permits that locate on land Metro considers developed in the next fiscal year. For instance for the year "1998" we would compare the RLIS developed and vacant lands inventory for the year ending June 30, 1998 with all building permits issued beginning July 1, 1998 and ending June 30, 1999. Building permits located on land Metro classed vacant as of June 30, 1998 would be classed as development on vacant land and permits landing on land Metro classed as developed as of June 30, 1998 would be classed as refill.
 - b. **Measurement Protocols**: As noted earlier we select a 20% sample of all permits for new residential construction from the RLIS data base for the relevant years (with the exception of the 100% of multi-family permits equal to or exceeding 20 units). Each permit is scrutinized manually by a

trained intern using the RLIS data base and air photos to insure it is properly located and that the permit is for valid construction that did occur as the permit indicated. The analyst then determines whether the permit constitutes refill or vacant land development. Beginning with this study the analyst further classifies the permit to “legal – Urban Growth Report” refill and “economic – MetroScope” refill. This distinction results from the fact that RLIS analysts classify some individual lots in developing green field areas as developed prior to actual development occurring and also classify land cleared for urban renewal areas as vacant. In the former case the economic interpretation is development on new and in the latter case the economic interpretation is refill development. However, to be consistent with the RLIS land accounting system on which the Urban Growth Report is based we classify development the way RLIS accounts for it. On the other hand, the MetroScope land use model used for forecasting and policy evaluation counts green field development as vacant land consumption and urban renewal as refill (redevelopment). Consequently, we report refill data for both classifications.

2. Vacant and partially vacant: In RLIS tax lots that are “completely vacant” (90% vacant) are classed as totally vacant. If the unoccupied portion of a tax lot with development exceeds ½ acre, the unoccupied portion is classed a partially vacant. Green field sites under development may transition from vacant to partially vacant, back to totally vacant to developed and back again to totally vacant depending on the patterns of tax lot subdivision activity and zone changes. This also is true for urban renewal redevelopment sites. There are also a limited number of partially vacant sites in established residential areas where present zoning would allow further subdivision and development.
 - a. **Method of Measurement:** Using the audited building permit sample we machine processed the permits classed as legally vacant to fully vacant and partially vacant. Due to map registration discrepancies the RLIS developed lands coverage for 1997 could not be used so we dropped 600 observations for that year. In addition, another 1400 observations failed the machine screening in that they could not be conclusively classed as either vacant or partially vacant without manual auditing. The 2000 observations excluded from the vacant and partially vacant analysis resulting in the number of units developed on some type of vacant land dropping from 39,000 to 25,000. Though not relevant to the refill study or overall results, discussions with RLIS analysts indicated that the machine filtering process was more likely to exclude partially vacant than vacant tax lots. The bias, resulting from this procedure was minimized, by restating our inventory totals of vacant and partially vacant land using the same screening procedures.
 - b. **Measurement Protocols:** Once the refill data base was reclassified between vacant and partially vacant, we tabulated all the development on vacant land by the type of vacant land it fell on by building type (multi-family and single family) and by lot size.

3. Mixed use development: In our RLIS data base mixed use development is classed as MUC1, MUC2 and MUC3. From the original audited refill data base we selected all the records of building permits that fell on land classed as MUC1, MUC2 or MUC3 regardless of whether it was refill, vacant or partially vacant. Again matching the RLIS land use inventory for 1997 proved problematic for machine selection procedures and this year was excluded. The resulting selection process produced 402 observations representing over 4,600 units constructed from 1998 through 2001.

E. Years of Data Included in the Retrospective Analysis

We included building permit data from 12/97 through 6/2002 that could be reliably recovered and geo-coded from our existing RLIS data base. This time period allows us to evaluate 5 years of recent history in regard to “refill” and 4 years of history for “vacant”, “partly vacant” and “mixed use” land.

III. SYNOPSIS OF RESULTS

A. Data Table 5E1: Refill Numbers by Type and Density 1997 – 2001

The data displayed on Table 5E1 show the amount of residential development of vacant and refill land that occurred during the period 1997 through 2001. During that period nearly 54,000 dwelling units located within the Metro region.¹ Of the 54,000 dwelling units, 26.5% occurred as refill according to the legal – Urban Growth Report definition. Using the economic-MetroScope definition 30.4% were refill reflecting the increasing importance of redevelopment in urban renewal areas and centers. Nearly 20,000 of the units constructed were multi-family with a legal refill rate of 31.5% and an economic rate of 40.2%. 34,000 units constructed were single family with a legal refill rate of 23.6% and an economic rate of 24.7%. Average lot sizes are also reported for every category.² For multi-family average lot sizes range from 1,800 to 2,000 sq. ft. depending on category. For single family average lot sizes range from 6,600 to 8,400 sq. ft. with refill development generally in the 6,500 – 7,000 sq. ft. range.

B. Table 5E1(a): Median Lot Size Data

This table provides additional and somewhat more meaningful weighted median lot size data. When we compare the average lot sizes in Table 5E1, we observe substantive differences in most cases. In general the median lot sizes are 30% less for vacant single family, 25% more for vacant multi-family, 25% less for refill single family and 30% less for refill multi-family. For all types combined the weighted median is 27% less for vacant and 26% less for refill. Assuming that the present median is a superior measure of long run average lot size, the combined weighted median of 4,417 sq. ft. should be used to determine vacant land consumption. This figure combined with the 39,619 units located on legally vacant land over the 5 year period implies a land consumption of slightly over 4,000 net buildable acres. Using a plausible range of gross to net conversion factors of .55 - .7 yields a gross buildable acre consumption of 1,150 to 1,450 acres per year, within the range estimated in the original Housing Needs Analysis.³

¹ Real Estate Report for Metropolitan Portland, Oregon, Spring 2003. Numbers are based on building permits summarized at the County level and only approximate the UGB. This procedure slightly overstates UGB land consumption.

² Average as contrasted to median inflates land consumption as the measure is substantially influenced by a few large lot single family permits on urban land still zoned RRFU that will subsequently be subdivided. RLIS procedure of assuming ½ acre of land consumption for permits on non-subdivided land also inflates average lot size.

³ While appearing precise, attempting to estimate long run densities and land consumption from individual lot sizes involves substantial uncertainties. The most serious of these is the gross to net conversion factor as we only observe

C. Table 5E2: Housing on Fully Vacant and Partially Vacant Land

The accompanying table presents the required data on development on a subcategory of vacant land – fully vacant land and land partially vacant. As noted in the methods section, fully or partially vacant is classified relative to the tax lot existing at the time of the RLIS vacant and developed lands inventory. As also noted in the methods section, due to procedures and quirks of the land development and reporting process land may be fully vacant, partially vacant or developed refill land several times during the development process. In addition as a result of attempting to categorize and measure “partially vacant” we discover that the acreage totals are extremely volatile and sensitive to whatever criteria we use in the machine query process to differ partial from full. Very minor discrepancies between vacant land coverages and assessor’s tax lot coverages can dramatically change the inventories of fully and partially vacant. In the methods section we note that we use the same selection criteria for both the inventory totals and the classification of the refill sample into fully and partially vacant.

Of the over 39,000 legal vacant units located in the Metro Region for the period 1997 – 2001 we were able to reliably classify 25,000 units covering the period 1998 – 2001. Of these 15,500 (62.6%) were on fully vacant land and 9,300 (37.4%) were on partially vacant land. Looking at *Table 5E2(a) Fully Vacant and Partially Vacant Land Inventory 1998 – 2001* (replacing Table 4.1AB in the original Housing Needs Analysis) that on average partially vacant comprised 34.3% of the vacant land inventory. In sum development on partially vacant land overall has been occurring at roughly the same rate as development on fully vacant land and appears to not be materially different.

At the same time we recognize that there are a number of instances where partially vacant land shares a tax lot with a high valued single family home. In order to better understand the likelihood of further development under these circumstances, we used our single family sales price study to estimate the “optimum lot size” by neighborhood and house size. We define optimum lot size as the lot size at which at the loss of value to a homeowner by selling off part of his lot just equals the amount he gains by selling the land. If the homeowner sells more land, the value of his house declines more than he gains by the sale. Conversely, if he sells less land, the land unsold contributes less to the value of his home than the amount he would receive were he to sell it. Making that calculation for Dunthorpe we found that a \$1,000,000 home on 5 acres would have a positive incentive to sell off land down to about 1 – 1.5 acres. By comparison, a \$600,000 home on 1 acre would have an incentive to sell off no more than ½ acre. Significantly, in 2000 the average Dunthorpe selling price was \$590,000 for a 3,100 sq. ft. house on a 22,000 sq. ft. lot, almost exactly the optimum lot size determined from our estimates. On average then we would expect Dunthorpe to have no additional capacity other than that resulting from subdivision of lots at least 1 acre to sizes no smaller than ½ acre. Optimum lot size calculations vary dramatically by neighborhood. For instance, the average house in the Powellhurst-Gilbert neighborhood has a positive incentive to sell off land down to and sometimes below a 5,000 sq. ft. lot minimum. This is more often the case within the Metro region notwithstanding the exceptionally high value areas such as Dunthorpe.

D. Table 5E3: Housing on Mixed Use Designated Land

As required by statute the accompanying table shows development for the period 1998 – 2001 that occurred on land Metro considered at the time of development to be MUC1, MUC2 and MUC3. As pointed out in the methods section, the mixed use inventory includes refill, vacant and partially vacant





net buildable land consumption and cannot measure land lost to streets, parks, schools, freeways, etc. The second drawback is that average lot size measures are always exaggerated by a few large lot placements (often of manufactured homes) done by private individuals that will undoubtedly be further subdivided sometime in the future.

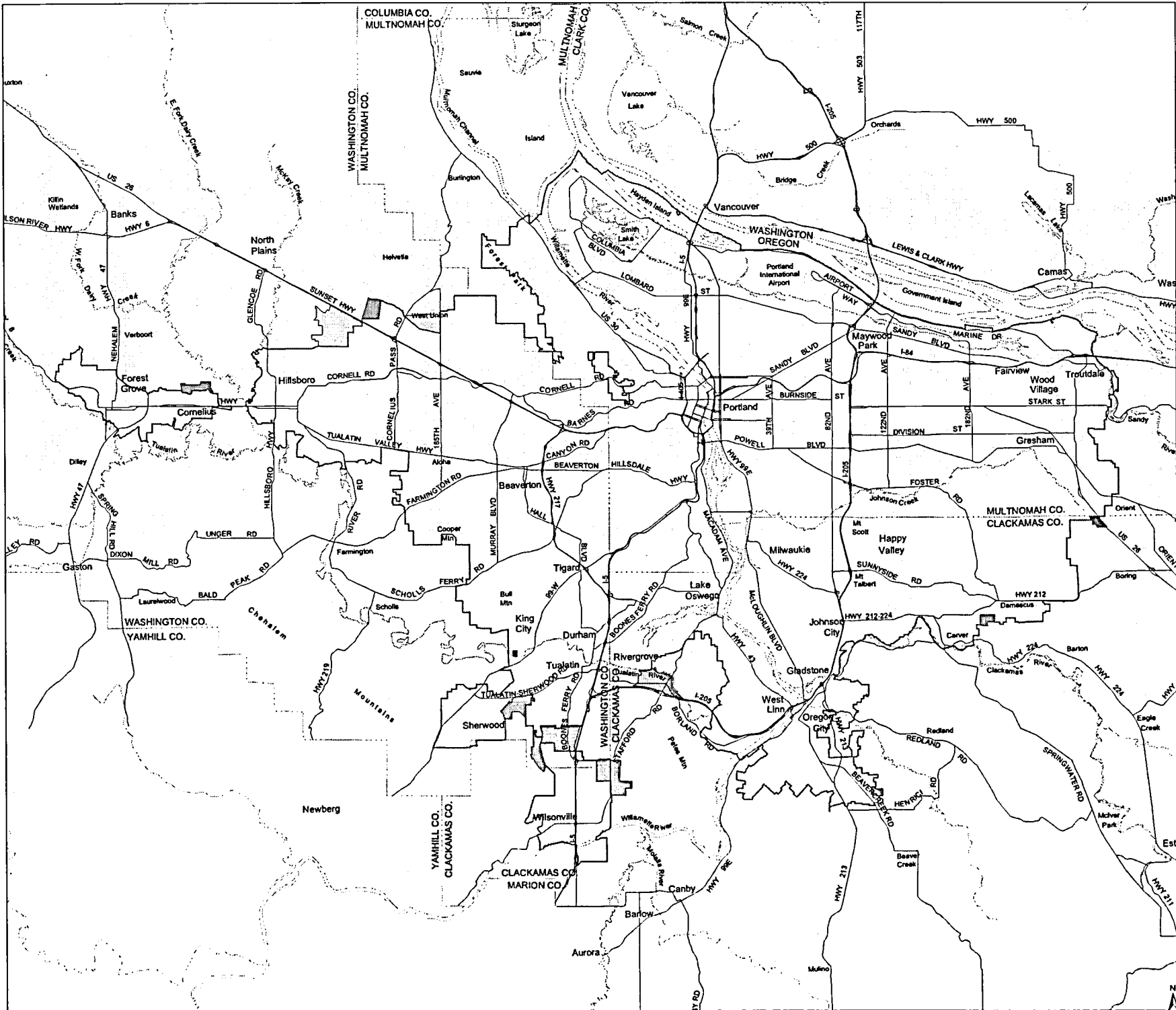
lands. Over the 4 year period we noted 4,600 housing units developed of which 3,000 were multi-family and 1,600 were single family. Average lot size for multi-family was 1,400 sq. ft. and single family lot size was 2,300 sq. ft. Table 5E3(a) depicts the 2040 Plan mixed use capacity as of 8/98. Total mixed use capacity at that time was roughly 23,000 units. Mixed use development constituted about 11% of residential development for the 4 year period 98 – 2001. As of 1998, mixed use capacity of 23,000 units constituted 12% of the capacity 193,000 dwelling unit capacity estimated at the time. As was the case with vacant and partially vacant, this sub-classification of land type seems to produce housing at a rate commensurate with its proportion of the land inventory.

Chief Operating Officer's Recommended Areas

Ordinance 04-1040 Exhibit E

Note: The Metro Council may consider land for possible inclusion in the UGB for industrial use even if it is not in the Chief Operating Officer's recommendation.

- Areas Recommended for UGB Expansion
-  Recommended Areas
 -  Additional Areas Under Consideration
 -  Areas to be Removed
 -  Urban Growth Boundary



Scale: 1 inch equals 1 mile
 0 1 2 3 4 Miles



Location Map

 NORTH ARROW
 METRO COUNCIL
 1000 NE Oregon Street, Suite 1000, Portland, Oregon 97232
 Phone: 503.238.1111 Fax: 503.238.1112
 Web: www.metro.net

Exhibit F to Ordinance No. 04-1040
Conditions on Addition of Land to the UGB

I. GENERAL CONDITIONS APPLICABLE TO ALL LANDS ADDED TO THE UGB

A. The city or county with land use planning responsibility for a study area included in the UGB shall complete the planning required by Metro Code Title 11, Urban Growth Management Functional Plan (“UGMFP”), section 3.07.1120 (“Title 11 planning”) for the area. Unless otherwise stated in specific conditions below, the city or county shall complete Title 11 planning within two years after the effective date of this ordinance. Specific conditions below identify the city or county responsible for each study area.

B. The city or county with land use planning responsibility for a study area included in the UGB, as specified below, shall apply the 2040 Growth Concept design types shown on Exhibit E of this ordinance to the planning required by Title 11 for the study area.

C. The city or county with land use planning responsibility for a study area included in the UGB shall apply interim protection standards in Metro Code Title 11, UGMFP, section 3.07.1110, to the study area until the effective date of the comprehensive plan provisions and land use regulations adopted to implement Title 11.

D. In Title 11 planning, each city or county with land use planning responsibility for a study area included in the UGB shall recommend appropriate long-range boundaries for consideration by the Council in future expansions of the UGB or designation of urban reserves pursuant to 660 Oregon Administrative Rules Division 21.

E. Each city or county with land use planning responsibility for an area included in the UGB by this ordinance shall adopt provisions – such as setbacks, buffers and designated lanes for movement of slow-moving farm machinery – in its land use regulations to enhance compatibility between urban uses in the UGB and agricultural practices on adjacent land outside the UGB zoned for farm or forest use.

F. Each city or county with land use planning responsibility for a study area included in the UGB shall apply Title 4 of the UGMFP to those portions of the study area designated Regionally Significant Industrial Area (“RSIA”), Industrial Area or Employment Area on the 2040 Growth Concept Map (Exhibit C). If the Council places a specific condition on a RSIA below, the city or county shall apply the more restrictive condition.

G. In the application of statewide planning Goal 5 (Natural Resources, Scenic and Historic Areas, and Open Spaces) to Title 11 planning, each city and county with land use responsibility for a study area included in the UGB shall comply with those provisions of Title 3 of the UGMFP acknowledged by the Land Conservation and Development Commission (“LCDC”) to comply with Goal 5. If LCDC has not acknowledged those provisions of Title 3 intended to comply with Goal 5 by the deadline for completion of Title 11 planning, the city or county shall consider, in the city or county’s application of Goal 5 to its Title 11 planning, any inventory of regionally significant Goal 5 resources and any preliminary decisions to allow, limit or prohibit conflicting uses of those resources that is adopted by resolution of the Metro Council.

II. SPECIFIC CONDITIONS FOR PARTICULAR AREAS

A. Damascus Area

1. Clackamas County and Metro shall complete Title 11 planning requirements through the incorporation of this area into the greater Damascus/Boring Concept Plan planning effort currently underway. This planning shall be completed within the same time frame as specified in Ordinance No. 02-969B.
2. In the planning required by Title 11, subsections (A) and (F) of section 3.07.1120, Clackamas County or any future governing body responsible for the area shall provide for annexation of those portions of the area whose planned capacity is sufficient to support transit to the Tri-met District.
3. In the planning required by Title 11, subsections (A) and (F) of section 3.07.1120, Clackamas County or any future governing body responsible for the area shall provide for annexation of those portions of the area whose planned capacity is sufficient to support transit to the Tri-met District.

B. Beavercreek Area

1. Clackamas County or, upon annexation to Oregon City, the city and county, with Metro, shall complete Title 11 planning for the area.
2. This area shall be planned in conjunction with the adjoining tax lot added to the UGB in 2002, under Ordinance No. 02-969B.

C. Borland Area – North of I-205

1. Clackamas County or, upon annexation to the City of Tualatin, the city and county, in coordination with the Cities of Lake Oswego, Tualatin, and West Linn and Metro, shall complete Title 11 planning within four years following the effective date of Ordinance No. 04-1040. The county and city, in conjunction with Lake Oswego and West Linn and Metro shall recommend long-range boundaries in the Stafford Basin and general use designations for consideration by the Council in future expansions of the UGB.
2. Until the effective date of new regulations adopted pursuant to Title 11, the city or county with land use planning responsibility for the area shall not allow the division of a lot or parcel that is 50 acres or larger into lots or parcels smaller than 50 acres.

D. Tualatin Area

1. Washington County or, upon annexation to the Cities of Tualatin or Wilsonville, the cities, in conjunction with Metro, shall complete Title 11 planning within four years of the effective date of Ordinance No. 04-1040.

2. Title 11 planning shall incorporate the general location of the projected right of way location for the I-5/99W connector and the Tonquin Trail as shown on the 2004 Regional Transportation Plan.
3. The governments responsible for Title 11 planning shall consider using the I-5/99W connector as a boundary between the city limits of the City of Tualatin and the City of Wilsonville in this area.

E. Quarry Area

1. Washington County or, upon annexation to the cities of Tualatin or Sherwood, the cities, and Metro shall complete Title 11 planning for the area.
2. Title 11 planning shall, if possible, be coordinated with the adjoining area that was included in the UGB in 2002 under Ordinance No. 02-969B.
3. Until the effective date of new regulations adopted pursuant to Title 11, the city or county with land use planning responsibility for the area shall not allow the division of a lot or parcel that is 50 acres or larger into lots or parcels smaller than 50 acres.

F. Coffee Creek Area

1. Washington and Clackamas Counties or, upon annexation of the area to the City of Wilsonville, the city, and Metro shall complete the Title 11 planning for the area within four years of the effective date of Ordinance No. 04-1040.
2. The concept planning shall incorporate the general location of the projected right of way location for the I-5/99W connector and the Tonquin Trail as shown on the 2004 Regional Transportation Plan.

G. Wilsonville East Area

1. Clackamas County or, upon annexation of the area to the City of Wilsonville, the city, and Metro shall complete the Title 11 planning for the area within two years of the effective date of Ordinance No. 04-1040.
2. In the planning required by Title 11 a buffer shall be incorporated to mitigate any adverse effects of locating industrial uses adjacent to residential uses located southwest of the area.
3. Until the effective date of new regulations adopted pursuant to Title 11, the city or county with land use planning responsibility for the area shall not allow the division of a lot or parcel that is 50 acres or larger into lots or parcels smaller than 50 acres.

H. Cornelius

1. Washington County, or, upon annexation of the area to the City of Cornelius, and Metro shall complete the Title 11 planning for the area.

I. Helvetia

1. Washington County, or upon annexation of the area to the City of Hillsboro, the city, and Metro shall complete the Title 11 planning for the area.
2. Until the effective date of new regulations adopted pursuant to Title 11, the city or county with land use planning responsibility for the area shall not allow the division of a lot or parcel that is 50 acres or larger into lots or parcels smaller than 50 acres.

**Ordinance No. 04-1040
Exhibit G
Findings and Conclusions
(available prior to adoption)**

STAFF REPORT

IN CONSIDERATION OF ORDINANCE 04-1040 FOR THE PURPOSE OF AMENDING THE URBAN GROWTH BOUNDARY, THE REGIONAL FRAMEWORK PLAN, THE FUNCTIONAL PLAN AND THE METRO CODE TO ACCOMMODATE THE GROWTH IN INDUSTRIAL EMPLOYMENT

Date: April 15, 2004

Prepared by: Lydia Neill

BACKGROUND

Metro is required to assess the capacity of the urban growth boundary (UGB) every five years under ORS 197.299(1). Metro is currently in Periodic Review with the Department of Land Conservation and Development (DLCD) under work program approval order #001243. As part of this review Metro is required to forecast and provide a 20-year land supply for residential, commercial and industrial uses inside the UGB. The Metro Council had forecasted a shortage of 38,700 dwelling units, 140 acres of commercial land and 4,285 acres of industrial land for the period from 2002 to 2022. In December 2002 the Metro Council added 18,638 acres of land to the UGB that satisfied all of the demand for residential and commercial land but only a portion of the need for industrial land.

A remand work order was issued by the Land Conservation and Development Commission (LCDC) due to the incomplete actions on industrial lands and several other issues. The remand order 03-WK Task 001524 requires Metro to fulfill the industrial land need, complete the Housing Needs Analysis by providing data on the number mix and housing types required by ORS 197.296(5), and either remove tax lots 1300, 1400 and 1500 adjacent to King City or provide a justification for their inclusion in the UGB by June 2004.

Industrial Lands Shortfall

The 2002-2022 Urban Growth Report: An Employment Land Need Analysis Updated December 2002 (Employment UGR), identified a demand for industrial land of 4,285 net acres and a demand for commercial land of 140 net acres. The Metro Council's December expansion decision included roughly half of the industrial land need. The 2002 UGB decision added 2,850 net acres of job land to the UGB that is divided among three 2040 design types; 533 net acres of employment land, 818 net acres of industrial land and 1,499 net acres of Regionally Significant Industrial Area (RSIA) land.¹ Thus, there is a current industrial land need of 1,968 net acres and a commercial land surplus of 393 net acres.

Employment UGR- Acres Needed By Sector

The Employment UGR identified the demand for vacant industrial land by sector and distributed the demand by parcel size. This demand allocation reflects past demand, development practices and existing land use policies. The demand is described in gross acres rather than net acres to allow discussion and

¹ RSIA's are a 2040 design type that identifies industrial areas that have regional significance because of their location near the region's most important transportation facilities for the movement of traded sector freight.

comparison of different study areas and tax lots on a consistent geography.² The general demand for vacant industrial land is distributed as follows:

- 70 percent warehouse and distribution
- 13 percent general industrial
- 17 percent tech/flex³

Warehouse and Distribution Demand Summary

Approximately 70 percent of the total demand for industrial land is needed for warehouse and distribution use. Warehouse and distribution include the following standard industrial classification (SIC) codes: 40-45 and 50, 51 which is represented by railroad, motor freight, air transportation, postal services and wholesale trade of durable and non-durable goods. The greatest demand for parcels (5,979 acres or 72 percent) for warehouse and distribution use is in the small to mid-range category of lot sizes (1 to 25 acres).⁴ There is a strong demand in the southern portion of the Metro area for warehouse/distribution land due to the location of existing uses and the relative advantages this area due to access to I-5.⁵

General Industrial Demand Summary

The demand for general industrial vacant land is the smallest of the three industrial sectors (13 percent). General industrial includes SIC's 20-34, 37 and 39 which represent food products, textiles, apparel, lumber, furniture, paper, printing, petroleum related, primary metals, stone, glass, concrete, construction and mining, transportation equipment and miscellaneous manufacturing. The greatest need for land in the general industrial category is in the 1 acre and under category. The under 1 acre up to 5 acre lot size categories represent 80 percent of the general industrial land need. According to the Employment UGR there is no demand for lots greater than 50 acres in size for this sector.

Tech/Flex Demand Summary

Tech flex represents 17 percent of the demand for industrial land. Tech/flex includes SIC's 35, 36, 38 and 737 which are represented by industries specializing in industrial/commercial machinery, computer equipment, electronic/electrical equipment, instruments, data processing/services and software development. Portland and the westside areas account for over 53 percent of the total demand for tech/flex land in the region. The greatest need for lots appears to be in the under 1 acre and up to 5 acres in size (53 percent). This demand corresponds to growth in start-ups and spin-offs from existing industries already located here in the region. A sizable demand also exists for lots in the mid-size 10 to 25 acre and large size categories between 50 to 100 acres. No demand appears to exist within the 100 plus acre range, although a decision by a single large industrial user cannot be accounted for in the economic forecast.

The Employment UGR defines the land need by industrial sector and parcel size categories as shown below:

Table 1. Demand for Parcel Sizes By Industrial Sector

Sector Type	under 1	1 to 5	5 to 10	10 to 25	25 to 50	50 to 100	+ 100	Total Demand
Warehouse/ Distribution	617	1,923	2,124	1,932	648	534	502	8,280
General Industrial	776	467	98	154	53	0	0	1,548
Tech Flex	562	509	122	315	186	334	0	2,028
Total (in gross acres)	1,955	2,899	2,344	2,401	887	868	502	11,856

² Gross vacant buildable acres in this analysis have removed Title 3 lands.

³ Tech-flex development is a building type that provides flexible space to accommodate a variety of users from light assembly, product storage and research.

⁴ Memorandum titled "Evaluation of the Industrial Land Supply with Projected Demand", dated May 14, 2003.

⁵ MetroScope modeling analysis completed in 2002.

The majority of the industrial land demand is for sites 25 acres or less. Warehouse/ Distribution and Tech Flex have the highest demand for lots in the 25 to 100 acre categories.

Industrial Land Supply Available to Meet Demand

The supply of vacant land available to meet the needs of industry is calculated for the land inside of the existing UGB and in the areas that were added to the UGB in December 2002. Gross acres have been calculated by removing only Title 3 resource areas.

The supply of vacant industrial land is concentrated in Portland and the eastern portion of the region. The 2002 UGB expansion included over 4,000 industrial acres that are mainly concentrated in the Damascus and South Gresham (Springwater) areas.⁶ The smallest supply of lots falls within the 50-100 plus acre lot ranges indicating that there are few choices for large lot users within the existing UGB.

Table 2. Comparison of Supply and Demand (in gross acres)

	under 1	1 to 5	5 to 10	10 to 25	25 to 50	50 to 100	plus 100	Total supply
Total Supply	400	2,388	1,889	2,159	1,765	536	111	9,249
Total Demand	1,955	2,899	2,344	2,401	887	868	502	11,856
Surplus/ (Deficit)	(1,555)	(511)	(455)	(242)	878	(332)	(391)	(2,607)

After identifying the size of the deficit and the number and sizes of parcels required to meet the industrial land need a methodology was developed to complete the Alternatives Analysis Study based on the Statewide Planning Goals 2 and 14.

STATEWIDE PLANNING GOALS 14 and 2

Goal 14, Urbanization provides for an orderly and efficient transition from rural to urban use. The goal defines the use of urban growth boundaries as a tool to identify and separate urbanizable land from rural lands. Establishing or changes the boundary shall be based upon the balancing of the following factors:

- demonstration of the need for land based on population and growth forecasts for housing, employment and livability purposes;
- maximizing the efficiency of land uses within and on the fringe of the existing urban area;
- evaluating the environmental, energy, economic and social consequences;
- retention of agricultural land with class I being the highest priority for retention and class VI being the lowest; and
- demonstration of compatibility or urban uses with nearby agricultural activities.

Goal 14 describes a number of requirements that must be met that may be in conflict with one another. The Goal does not contemplate satisfying all elements but requires a balancing of impacts.

A key element in addressing the hierarchy requirements is defining which lands are suitable for industrial purposes. Metro is focused on meeting a very narrow land need. This land need can only be satisfied on land that has very specific characteristics. Goal 14 allows Metro to define the type of land necessary to meet the needs for industrial land. The suitability of land is established by identifying the characteristics of land for warehouse and distribution, general industrial and tech flex uses. The type of the land needed for industrial purposes is less substitutable than for other types for employment or residential purposes.

Goal 2 part II—Exceptions, governs Land use Planning and applies to the UGB amendment process because it establishes a land use planning process, a policy framework and a basis for taking exceptions to

⁶ Includes the Damascus area and Gresham (industrial, including regionally significant lands)

the goal. An exception can be taken if the land is physically developed or irrevocably committed to uses not permitted by the goal.

Alternatives Analysis Methodology and the Priority of Lands

Lands considered for inclusion in the UGB must meet the requirements in Statewide Planning Goal 14 and the State statute regarding the priority lands (ORS 197.298).⁷ The five-tier hierarchy of land begins with exception lands and progresses through to resource lands containing a range from the poorest to the best soils. This tier system is used to map soil types, establish the predominance of soils and allow comparison of study areas. For example, Tier 5 lands contain a majority of the best soils for agriculture class I and II soils. The tiers of land are defined as follows:

- Tier 1 – exception land contiguous to the UGB and non-high value resource land completely surrounded by exception land;
- Tier 1a – exception land not contiguous to the UGB (within the one mile extent of study area boundaries);
- Tier 2 – marginal land, a unique classification of non-resource land in Washington County that allows dwelling units on EFU land;
- Tier 3 – resource land that may be needed to serve exception land;
- Tier 4 – resource land, majority of class III & IV soils, some class I & II soils; and
- Tier 5 - resource land, majority of class I and II soils, some class III and IV soils

The 2002 Alternatives Analysis Study was supplemented with additional lands after the December 2002 UGB expansion decision removed over 18,000 acres. A total of 59,263 acres of land remained from the 2002 Alternatives Analysis Study after the 2002 expansion of the UGB. The 2003 Alternatives Analysis Study added another 9,071 acres of land bringing the total under study to over 68,334 acres. The land added to the 2003 Study contains mostly Tier 5 resource lands that are made up of class I and II soils. These soil classes were not examined in the 2002 study.

Reducing The Lands Under Consideration

The Metro Council reduced the Alternatives Analysis Study lands under consideration from 68,334 acres to 29,000 acres in December 2003 by adopting Resolution No. 03-3386B. The reduction in the 2002/2003 Alternatives Analysis Study areas was based on a technical assessment using industry location and siting factors (slope, proximity to industry and access), area size, proximity to the UGB and size and location of committed uses. The following factors were applied to the 68,334 acres to reduce the areas under study:

- Areas were removed that contained a majority of parcels that were less than 5 acres and were already developed;
- Areas were removed if they fell below the minimum size threshold (300 acres) for an industrial neighborhood and were not located adjacent to an existing industrial neighborhood;⁸
- Areas were removed when the majority of an area contained large expanses of land, located within a floodplain and/or had slopes greater than 10 percent; and
- Areas were removed that were contiguous to the UGB but were not located within one mile of existing Title 4 areas and/or industrial areas and are more than two miles from an interchange unless these areas may be needed to provide services to areas suitable for industrial uses.⁹

The remaining Alternative Analysis Study contained 29,071 gross acres, of which 9,179 acres are Tier 1 exception land. The remaining land is a combination of Tier 3, Tier 4 and Tier 5 – resource land, majority of class I & II soils, some class III & IV soils and prime timberland. Tier 5 lands are the lowest priority land under ORS 197.298 to be considered for urbanization because they contain the best soils for

⁷ The Hierarchy of Lands is depicted in a chart labeled Attachment 1.

⁸ A study was completed to determine a minimum size

⁹ Includes: Highway 99, Tualatin Valley Highway, I-84, I-5, I-205 and I-405.

agriculture. The boundary of individual study areas is limited to approximately one mile from the current UGB, which is consistent with the methodology applied in the 2002 Alternatives Analysis Study.

APPLICATION OF METRO POLICIES

Metro's management of the UGB is guided by standards and procedures that are consistent with the policies identified in Sections 1 through 6 of the Regional Framework Plan (Framework Plan). These policies were formulated to guide the decision-making regarding expansion of the UGB, growth management, protection of natural resources and to provide definition of the urban form for the region. These policies have been applied to the Alternatives Analysis lands under consideration areas as part of the evaluation of lands for possible inclusion into the UGB. The policies discussed below do not take precedence over criteria in state law but can be applied within the decision-making process to lands that are located within the same tier classification or class of soils.

Regional Framework Plan, Section 1: Land Use

This section contains specific goals and objectives adopted to guide Metro in future growth management land use planning. Listed below in full or in part are the policies that are expressly or implicitly apply to this UGB expansion decision.

Policy 1. Urban Form

The quality of life and the urban form of our region are closely linked. The Growth Concept is based on the belief that we can continue to grow and enhance livability by making the right choices for how we grow. The region's growth will be balanced by:

- Maintaining a compact urban form, with easy access to nature;
- Preserving existing stable and distinct neighborhoods by focusing commercial and residential growth in mixed-use centers and corridors at a pedestrian scale;
- Assuring affordability and maintaining a variety of housing choices with good access to jobs and assuring that market-based preferences are not eliminated by regulation; and
- Targeting public investments to reinforce a compact urban form.

Policy 1.2 Built Environment

Development in the region should occur in a coordinated and balanced fashion as evidenced by:

- A regional "fair-share" approach to meeting the housing needs of the urban population.
- The provision of infrastructure and critical public services concurrent with the pace of urban growth and that supports the 2040 Growth Concept.
- The continued growth of regional economic opportunity, balanced so as to provide an equitable distribution of jobs, income, investment and tax capacity throughout the region and to support other regional goals and objectives.
- The coordination of public investment with local comprehensive and regional functional plans.
- The creation of a balanced transportation system, less dependent on the private automobile, supported by both the use of emerging technology and the location of jobs, housing, commercial activity, parks and open space.

Policy 1.3.1 Affordable Housing

The Metro Council, with the advice and consultation of the Metro Policy Advisory Committee (MPAC), determined that affordable housing is a growth management and land use planning matter of metropolitan concern and will benefit from regional planning. Metro will develop Affordable Housing Production Goals as part of a Regional Affordable Housing Strategy for meeting the housing needs of the urban population in cities and counties in the Metro region. The purpose of this Section 1.3 of the Regional Framework Plan is to address the need for a regional affordable housing strategy, in order to provide affordable housing opportunities throughout the region.

This purpose will be achieved through:

- A diverse range of housing types available within the region and within the cities and counties inside Metro's urban growth boundary;
- Sufficient and affordable housing opportunities available to households of all income levels that live or have a member working in each jurisdiction and subregion;
- An appropriate balance of jobs and housing of all types within subregions;
- Addressing current and future need for and supply of affordable housing in the process used to determine affordable housing production goals; and
- Minimizing any concentration of poverty.

Policy 1.4 Economic Opportunity

Metro should support public policy that maintains a strong economic climate through encouraging the development of a diverse and sufficient supply of jobs, especially family wage jobs, in appropriate locations throughout the region. In weighing and balancing various values, goals and objectives, the values, needs, choices and desires of consumers should also be taken into account. The values, needs and desires of consumers include:

- Low costs for goods and services;
- Convenience, including nearby and easily accessible stores; quick, safe, and readily available transportation by all modes;
- A wide and deep selection of goods and services;
- Quality service;
- Safety and security; and
- Comfort, enjoyment and entertainment.

Expansions of the UGB for industrial or commercial purposes shall occur in locations consistent with this plan and where, consistent with state statutes and statewide goals an assessment of the type, mix and wages of existing and anticipated jobs within subregions justifies such expansion. The number and wage level of jobs within each subregion should be balanced with housing cost and availability within that subregion. Strategies should be developed to coordinate the planning and implementation activities of this element with Policy 1.3, Housing and Affordable Housing, and Policy 1.8, Developed Urban Land. According to the Regional Industrial Land Study, economic expansion of the 1990s diminished the region's inventory of land suitable for industries that offer the best opportunities for new family-wage jobs. Sites suitable for these industries should be identified and protected from incompatible uses.

Policy 1.4.1 Industrial Land

Metro, with the aid of leaders in the business and development community and local governments in the region, shall designate as Regionally Significant Industrial Areas those areas with site characteristics that make them especially suitable for the particular requirements of industries that offer the best opportunities for family-wage jobs.

Policy 1.4.2 Industrial Land

Metro, through the Urban Growth Management Functional Plan, and local governments shall exercise their comprehensive planning and zoning authorities to protect Regionally Significant Industrial Areas from incompatible uses.

Policy 1.6 Growth Management

The management of the urban land supply shall occur in a manner consistent with state law that:

- Encourages the evolution of an efficient urban growth form;
- Provides a clear distinction between urban and rural lands;
- Supports interconnected but distinct communities in the urban region;

- Recognizes the inter-relationship between development of vacant land and redevelopment objectives in all parts of the urban region; and
- Is consistent with the 2040 Growth Concept and helps attain the region's objectives.

Policy 1.7 Urban/Rural Transition states "There should be a clear transition between urban and rural land that makes best use of natural and built landscape features and that recognizes the likely long-term prospects for regional urban growth.

- ***Boundary Features*** – The Metro UGB should be located using natural and built features, including roads, rivers, creeks, streams, drainage basin boundaries, floodplains, power lines, major topographic features and historic patterns of land use or settlement."

Policy 1.7.2 Sense of Place

Historic, cultural, topographic and biological features of the regional landscape that contribute significantly to this region's identity and "sense of place" shall be identified. Management of the total urban land supply should occur in a manner that supports the preservation of those features, when designated, as growth occurs.

Policy 1.8 Developed Urban Land

Opportunities for and obstacles to the continued development and redevelopment of existing urban land shall be identified and actively addressed. A combination of regulations and incentives shall be employed to ensure that the prospect of living, working and doing business in those locations remains attractive to a wide range of households and employers. In coordination with affected agencies, Metro should encourage the redevelopment and reuse of lands used in the past or already used for commercial or industrial purposes wherever economically viable and environmentally sound. Redevelopment and Infill - When Metro examines whether additional urban land is needed within the UGB, it shall assess redevelopment and infill potential in the region. The potential for redevelopment and infill on existing urban land will be included as an element when calculating the buildable land supply in the region, where it can be demonstrated that the infill and redevelopment can be reasonably expected to occur during the next 20 years. Metro will work with jurisdictions in the region to determine the extent to which redevelopment and infill can be relied on to meet the identified need for additional urban land. After this analysis and review, Metro will initiate an amendment of the UGB to meet that portion of the identified need for land not met through commitments for redevelopment and infill.

Policy 1.9 Urban Growth Boundaries

It is the policy of Metro to ensure that expansions of the UGB help achieve the objectives of the 2040 Growth Concept. When Metro expands the boundary, it shall determine whether the expansion will enhance the roles of Centers and, to the extent practicable, ensure that it does. The regional UGB, a long-term planning tool, shall separate urbanizable from rural land and be based in aggregate on the region's 20-year projected need for urban land. The UGB shall be located consistent with statewide planning goals and these RUGGOs and adopted Metro Council procedures for UGB.

Policy 1.11 Neighbor Cities states "Growth in cities outside the Metro UGB, occurring in conjunction with the overall population and employment growth in the region, should be coordinated with Metro's growth management activities through cooperative agreements which provide for:

- ***Separation*** – The communities within the Metro UGB, in neighbor cities and in the rural areas in between will all benefit from maintaining the separation between these places as growth occurs. Coordination between neighboring cities, counties and Metro about the location of rural reserves and policies to maintain separation should be pursued."

Policy 1.12 Protection of Agriculture and Forest Resource Lands states "Agricultural and forest resource land outside the UGB shall be protected from urbanization and accounted for in regional

economic and development plans consistent with this plan. However, Metro recognizes that all the statewide goals, including Statewide Goal 10, Housing and Goal 14, Urbanization, are of equal importance to Goals 3 and 4, which protect agriculture, and forest resource lands. These goals represent competing and, sometimes, conflicting policy interests which need to be balanced.

- *Rural Resource Lands* – Rural resource lands outside the UGB that have significant resource value should actively be protected from urbanization. However, not all land zoned for exclusive farm use is of equal agricultural value.
- *Urban Expansion* – Expansion of the UGB shall occur in urban reserves, established consistent with the urban rural transition objective. All urban reserves should be planned for future urbanization even if they contain resource lands.
- *Farm and Forest Practices* – Protect and support the ability for farm and forest practices to continue. The designation and management of rural reserves by the Metro Council may help establish this support, consistent with the 2040 Growth Concept. Agriculture and forestry require long-term certainty of protection from adverse impacts of urbanization in order to promote needed investments.”

Policy 1.13 – 1.13.3 Citizen Participation

The following policies relate to participation of Citizens:

Metro will encourage public participation in Metro land use planning, follow and promote the citizen participation values inherent in RUGGO Goal 1, and encourage local governments to provide opportunities for public involvement in land use planning and delivery of recreational facilities and services.

Policy 2.1 Regional Transportation Plan, Inter-governmental coordination

Coordinate among the local, regional and state jurisdictions that own and operate the region’s transportation system to better provide for state and regional transportation needs. These partners include the cities and counties of the region, Metro, the Oregon Department of Transportation (ODOT), the Oregon Department of Environmental Quality, the Port of Portland and Tri-Met. Metro also coordinates with RTC, C-Tran, the Washington Department of Transportation (WashDOT), the Southwest Washington Air Pollution Control Authority (SWWAPCA) and other Clark County Governments on bi-state issues.

Policy 3. Urban Form

“Facilitate implementation of the 2040 Growth Concept with specific strategies that address mobility and accessibility needs and use transportation investments to leverage the 2040 Growth Concept.”

Policy 5.1.1 Earthquake Hazard Mitigation

Metro will use the relative earthquake hazard maps for a variety of planning purposes, including:

- Urban Growth Boundary selection;
- Public facility plans;
- Transportation planning;
- Solid waste management plans;
- Natural hazard mitigation programs;
- Parks and greenspaces planning.

Metro Code 3.01.020(b) through (e) establishes criteria that is based upon the Goal 14 factors discussed on page 3. These policies are applicable to the UGB expansion process and guide decision-making

between similarly situated lands.¹⁰ Goal 14 requires a weighing and balancing of a number of different factors to decide which lands are most suitable for urbanization.

DISCUSSION OF SUITABILITY FACTORS FOR INDUSTRY

Application of the location and siting factors to the lands in the 2002 and 2003 Alternatives Analysis Study areas determined which lands were most suitable for industrial purposes. The location and siting factors were developed for warehouse/distribution, general industrial and tech flex uses.

Siting Factors For Warehouse and Distribution, Tech/Flex, General Industrial Uses

The following industrial sectors have specific site characteristics that are determined by building types needed for warehouse and distribution, general industrial and tech-flex uses. These industry types were identified in the adopted Employment UGR.

In order to identify the land characteristics suitable for warehouse and distribution, general industrial, tech-flex, a number of interviews were conducted with industry professionals that specialize in land acquisition, site development and facility management.¹¹

Warehouse and Distribution

Access is key to the warehouse and distribution industry. Warehouse and distribution requires freeway access via an arterial or collector street system. Since transportation of goods is the primary purpose of these businesses, ease of access and the ability to move goods on-site is a primary concern. The value or premium that a business places on access is somewhat dependent upon whether the movement of goods is in bulk or results from primary manufacturing. Bulk suppliers and users tend to locate close to Port of Portland facilities that utilize rail, barge and container operators. Local distributors place a higher premium on sites that are centrally located and as a result are willing to trade off congestion for a location that can reach a number of places in the region. Manufacturers that produce precision products may require access to the airport for shipping rather than utilizing marine or truck modes of transportation.

Suitable sites for warehouse/distribution should contain the following characteristics:

- Freeway access (I-5, I-84, I-205) within 3-5 miles of an interchange via an arterial street, no intermediate conflicting uses such as residential, schools and high traffic generating commercial uses;
- New locations need to provide enough area for a number of uses not just one single site;¹²
- Slopes of less than 5 percent, larger buildings are more difficult to accommodate on sloped sites
- Highway 26 on the west-side is not desirable due to congestion unless a firm serves the local market.

General Industrial

General industrial building types can accommodate light to heavy manufacturing activities and encompass a wide range of activities from research, development and manufacturing and fabrication.

General industrial sites need the following site characteristics:

- Freeway access within 3 miles of an interchange via an arterial street;
- Net parcel sizes: between 1-5 acres and 10-20 acres, depending upon shape and constraints;

¹⁰ Similarly situated lands are those lands that are located within the same Tier classification. For example, if Metro Council was deliberating between exception lands (Tier 1) they would be able to apply Policy 1.1 that discusses neighboring cities and maintaining a physical separation of communities within the Metro UGB.

¹¹ The siting and location characteristics were discussed in a memorandum titled "Industrial Land Location and Siting Factors" and dated June 9, 2003.

¹² The size of new industrial areas was discussed in a memorandum titled "Formation of Industrial Neighborhoods" and dated October 24, 2004.

- Location near other firms to provide access to an adequate labor pool;
- Stable soils, flat sites to reduce required site work, truck access;
- Manufacturing sites greater than 20 acres, must have slopes less than 2 to 3 percent, the larger the building the less likely a project can accommodate slopes greater than 3 percent,
- Manufacturing sites between 1-5 acres, slopes no more than 5 to 10 percent.

Tech/Flex

As the name implies these buildings are constructed to be flexible in nature and be easily configured to meet different space requirements. Generally, the site requirements are not as restrictive as the requirements for warehouse/distribution or general industrial sites. A site that is developed for tech-flex use can tolerate greater variations in slope by utilizing multiple buildings to accommodate topographic constraints. They can accommodate light assembly, product or material storage, research activities and may contain a small amount of office. Buildings used for high-tech purposes require stable soils to minimize vibration and specialized public facilities like specialty gases, triple redundant power, high volume water and fire/emergency response units.

Tech/flex users have the following site needs:

- Net parcel size greater than 10 acres;
- Availability of specialized utilities such as specialty gases, triple redundant power, abundant water, dedicated fire and emergency response services;
- Stable soils;
- Located within close proximity of existing hi-tech companies and suppliers;
- Access to airport, no more than 45 minute mid-day travel time for passenger purposes; and
- Limited rolling topography within a site but overall slope no greater than 5 percent.

Common Site and Location Factors

- Industrial sites need land that is sloped no more than 5 percent (3 to 5 percent is preferable).
- Freeway access is a critical component for warehouse and distribution industries although it is also important for general industrial and tech flex where access is more focused on the movement of people rather than on the movement of goods.
- Mid-day access to the airport within 45 minutes is important for general industrial and tech flex mainly for the movement of people. The Portland International Airport and to a certain degree the Hillsboro Airport satisfies some of the passenger demand. This Hillsboro Airport is currently limited to smaller aircraft due to runway limitations.
- Industries desire to be located near similar uses due to underlying common site characteristics, the need for access to suppliers and to provide access to a workforce.

Testing Slope Parameters for Industrial Users

The interviews with professionals discussed above emphasized the importance of slope to development of industrial sites. The slopes discussed were less (3-5 percent) than the 10 percent threshold that Metro used to screen lands for suitability. A series of case study interviews were done with representatives from National Association of Industrial and Office Properties (NAIOP), industrial real estate brokers and an engineering firm that specializes in industrial construction.¹³ This analysis affirmed that in general the maximum slope on lands used for industrial purposes must be less than 10 percent to minimize inefficiencies and costs of obtaining large flat areas on a site for construction of an industrial building. A slope factor of less than 10 percent has been used as a threshold for identifying which lands would be viable for industrial development because Metro is conducting a regionalized analysis rather than a site specific study.

¹³ The Slope Case Study examined five hypothetical sites and calculated the costs associated with developing an industrial use.

Industrial Land Supply Available to Meet Demand - Aggregation Potential

Metro examined the likelihood of consolidating small parcels of land in study areas to fulfill large parcel needs identified in the Employment UGR.¹⁴ The demand for larger parcels is based on the needs of growing companies already located in the region as well as new companies entering the region.

Parcels over greater than 50 acres are desirable for the following reasons:

- *Ease of development*- they allow more opportunities to accommodate natural resources, slopes, odd shapes, internal circulation challenges and access requirements.
- *Flexibility*- lots can be configured into smaller parcels to meet individual firm needs, provide additional opportunities for financing and be responsive to changing market demands.
- *Growth potential*- allows expansion opportunities for existing firms so they can remain in a single location and still have opportunities to grow their business. This provides the region a competitive advantage for the retention of existing firms.
- *Site Planning on larger parcels*- allows more efficient and cohesive site development to occur and allows the opportunity for phasing and greater land utilization.

All of the study areas were analyzed to determine the potential for land aggregation in the following consolidated lot size categories: 5 to 25 acres, 25 to 50 acres, 50 to 100 and 100 plus acre sizes. All of the areas under study were analyzed for aggregation potential characterized by lot size ranges of 5 to 25 acres, 25 to 50 acres and 50 to 100 plus acres. It was assumed that separate contiguous tax lots under a common ownership could be treated as a single site. The following decision rules were applied: 1) no more than two separate property owners for lots 5 to 25 acres, 2) three property owners for lots 25 to 50 acres and, 3) four property owners 50 to 100 plus acres to assemble lots within this size range. Aggregated lots were configured in square or rectangular shapes wherever possible to maximize the development area. The location of natural resources and slopes were also considered in defining which lots had the greatest aggregation potential.

The following conclusions were reached from the aggregation study:

- The smaller the study area size the less likely it is to be able to form large lots (50 to 100 plus acres). Study areas over 500 acres provided greater potential for achieving a range of larger lot sizes.
- Exception areas generally have more limited aggregation potential because of committed uses (rural residential, churches, schools) and they contain smaller parcels than exclusive farm use (EFU) areas.
- Generally the areas containing the greatest aggregation potential also have some of the lowest per acre land value.

FULFILLING THE NEED FOR INDUSTRIAL LAND

Adopting Efficiency Measures

As part of the tasks to complete Periodic Review, Metro is examining ways to use land more efficiently and adopting policies to maximize the use of land within the UGB. In 2002, Metro adopted provisions in the Urban Growth Management Functional Plan, Title 4 that limits non-industrial uses in industrial areas. Subsequent to its adoption, local governments and industry representatives have come before the Metro Council to make the case that traditional land use categories are now less relevant to understanding industrial uses because many industrial activities including research and development, office and manufacturing often occur in the same facility. Testimony also indicated that there are conflicting opinions regarding the need for large parcels and the need for flexibility in dividing larger parcels.¹⁵

¹⁴ Employment UGR page 23.

¹⁵ Memorandum titled, A Review of Information Pertaining to Regional Industrial Lands, dated January 26, 2004.

Amendments to Title 4 are projected to preserve land for industrial uses by restricting the amount and types of commercial uses that locate on industrial land. The results of the efficiencies gained from amending Title 4 are discussed below.

Title 4 discussion - Urban Growth Report Supplement

The proposed Title 4 regulations specifically limit the amount and square footage of retail and office uses that might otherwise find industrial locations suitable for business in order to achieve the policy savings discussed in the Employment UGR. The Employment UGR assumes a potential savings of 1,400 acres of industrial land from implementing new measures and mapping of RSIA lands.¹⁶ The table below compares the existing land supply with the demand for industrial land and makes an assumption that Title 4 policy changes will be adopted and reduce the deficit of industrial land.

Table 4. Urban Growth Report Reconciliation

Supply and Demand Comparison	Net Vacant Acres
Demand	9,366
Supply	3,681
<i>Deficit</i>	(5,685)
RSIA and Title 4 Policy Savings	1,400
Adjusted (Deficit)	(4,285)
2002 UGB Decision	2,317
Remaining Industrial Land Need	(1,968)

Commercial Land Surplus

The Employment UGR identified a commercial land surplus of 393 acres. The surplus is based upon the available supply of land for commercial purposes and an assumption that a percentage of commercial activities would continue to take place on industrially zoned lands. Testimony received during the discussion of revisions to Title 4, argued the traditional building types accommodating office and industrial uses are merging based on the needs of a knowledge-based economy. Approximately 30 percent of the land need identified in the Employment UGR is for tech-flex and general industrial uses which can include research and development and other uses. These uses have higher job densities that are consistent with office type buildings. Based on this fact additional flexibility has been incorporated into Title 4 regulations to accommodate the need for industrial office uses. Concurrently, these same types of office, industrial uses, (i.e. software development etc.) could also locate on commercial land in traditional office building types. Therefore the surplus of commercial land is being applied to help satisfy the overall need for industrial lands.

Table 5. Application of the Commercial Land Surplus

Supply and Demand Comparison	Net Vacant Acres
Industrial Land Need	1,968
Less Commercial Land Surplus	(393)
Remaining Industrial Land Need	1,575

AMENDING THE UGB

Metro will also consider amending the UGB to meet the remaining land need. Lands will be chosen from the 29,000 acres identified in Resolution No. 03-3386B.

¹⁶ Employment UGR, page 46.

Discussion of Alternative Analysis Study Areas

Approximately 29,000 acres of land are contained in the Alternatives Analysis Study that have the potential to satisfy the remaining industrial land need. The Alternatives Analysis Study included an Environmental, Social, Energy and Economic (ESEE) analysis, assessed agricultural compatibility and productivity (acres of buildable land) as well as an evaluation of the feasibility of providing public facilities.¹⁷ Each of thirty-one study areas was examined in detail to determine if it met the location factors of two miles from an interchange and one mile from existing industries. Some study areas were excluded from further consideration even though they met the location factors discussed above but were not deemed suitable for industrial use due to parcelization, constraints due to existing development patterns, location and extent of natural resources, servicing and urban form and/or negative impacts on agricultural uses. What follows is an area by area assessment. Maps of all areas discussed are included in Attachment 2- Study Area Maps.

Areas Not Suitable for Industrial Use Due to Location Factors

The following areas are located more than two miles from an interchange and one mile from existing industries and therefore have not been recommended for inclusion in the UGB for industrial use.

Pleasant Home

The Pleasant Home study area (southeast of Gresham) is located more than two miles from interchanges on Highway 26 as well as more than one mile from existing industrial areas designated on the Title 4 Employment and Industrial Area map. The area is approximately 1.2 miles from the current UGB and is highly parcelized with a very high percentage of parcels less than 5 acres (83 percent) and less than 10 acres (94 percent). Most of the small-developed parcels are located in pockets along SE Dodge Park Road, SE Pleasant Home Road, SE Altman Road and SE Cottrell Road, which result in the formation of three dispersed mostly non-developed areas ranging in size from 100 to 176 gross acres composed of larger parcels.

However these larger parcel areas are at a minimum over 1.2 miles from existing sewer services and are constrained by surrounding residential uses and environmental resources. It would not be economically feasible to extend services 1.2 miles for a relatively small amount of land and extending such a long cherry stem is not good urban form. In addition the area is 1.2 miles from the City of Gresham, which will be problematic for Title 11 planning. For the reasons mentioned above related to the committed uses on small parcels, the distance from the current UGB, urban form, and complications for Title 11 planning, this area is removed from further consideration.

Bluff Road

The Bluff Road study area (east of Boring) is located more than two miles from selected interchanges on Highway 26 as well as more than one mile from existing industrial areas designated on the Title 4 Employment and Industrial Area map. This exception land area is highly parcelized with a very high percentage of parcels less than 5 acres (81 percent). Almost all parcels are less than 10 acres in size (99 percent). The average lot size is just over 3 acres and 85 percent contain homes. Just over half (57 percent) of the total land area is considered vacant and buildable. The small, developed parcels are dispersed throughout the area. The high degree of parcelization, existing residential development, and environmental constraints from three streams and 24 wetlands restrict the feasibility of consolidating parcels and constructing new industrial buildings. The area is approximately five miles from the UGB and the City of Sandy will not provide services to the area. All wastewater generated from this area will need to be transported to the Willamette or Columbia Rivers for discharge. The area is heavily involved in agricultural activity and its inclusion in the UGB would have a high impact on adjacent agricultural activities. For the reasons mentioned above related to the committed uses on small parcels, the distance

¹⁷ Industrial Land Alternatives Analysis Study, dated February 2004.

from the current UGB, impacts on adjacent agricultural activities, and urban services, this area is not recommended for further consideration.

Oregon City East

The Oregon City East study area is divided into two separate sections, separated by a canyon that contains Holcomb Creek that is approximately 1,400 feet wide. The eastern most section, which contains Tier 4 resource land and exception land, is the furthest from the UGB and is located more than two miles from an interchange on Interstate 205 as well as more than one mile from existing industrial areas designated on the Title 4 Employment and Industrial Area map. This section does contain a few large undeveloped parcels. However, they are constrained by environmental resources including Holcomb Creek, tributaries to Holcomb Creek, wetlands and steep slopes. Based on the over two-mile distance from I-205, separation of the section by the Holcomb Creek canyon and the environmental resources, the eastern section of the Oregon City East study area is not recommended for further consideration.

The western section of the study area is contiguous to the UGB and is within two miles from an interchange on Interstate 205. It is exception land except for one parcel of Tier 5 resource land. There is one access route from I-205 to the study area through an existing neighborhood up a long hill. The study area is not contiguous to the Oregon City city limits, which may prove problematic for Title 11 planning. This section is highly parcelized with a very high percentage of parcels less than 5 acres (94 percent) and all but one (19 acres) less than 10 acres in size. The average lot size is 1.6 acres and 92 percent contain homes. As a result there is a very small area of approximately 67 gross acres that is mostly undeveloped. The small amount of undeveloped land and the adjacent location of the existing residential development reduces the economic feasibility of consolidating parcels large enough for the development of a new industrial area. Due to the committed uses on small parcels in the exception land areas, the one access route of over two miles through an existing residential neighborhood within the UGB, and the very small amount of undeveloped land, this portion of the study area is not recommended for further consideration.

Beavercreek

The portion of the Beavercreek study area (south of Oregon City) that is generally south of Beaver Creek, S Tioga Road and S Wilson Road is located more than two miles from an interchange on Interstate 205 as well as more than one mile from an existing industrial area designated on the Title 4 Employment and Industrial Area Map. This southern portion of this exception land study area is highly parcelized with a high percentage of parcels less than five acres in size (83 percent) and less than 10 acres (91 percent). The average lot size is 3.7 acres and 84 percent contain homes, not counting the 9 one plus acre lots that are currently vacant adjacent to the Stone Creek Golf Course which is owned by Clackamas County. Most of the small-developed parcels are located in pockets along S Beavercreek Road, S Wilson Road, and S Lammer Road, which result in the formation of five, dispersed mostly undeveloped areas ranging in size from 74 (12 owners) to 338 (19 owners) gross acres composed of larger parcels.

However, these larger parcel areas are at a minimum just under one mile from existing sewer services, contain numerous property owners and are constrained by surrounding residential uses and environmental resources (Beavercreek Map 1). It would not be economically feasible to extend services this distance for such a small amount of land and extending such a long cherry stem is not good urban form. The one-mile distance from the Oregon City limits will be problematic for Title 11 planning. For the reasons mentioned above related to the committed uses on small parcels, the distance from the current UGB, urban form, and complications for Title 11 planning, this area is not recommended for further consideration.

The northern portion of this exception land study area is contiguous to the UGB and within 1 mile from an existing industrial area designated on the Title 4 Employment and Industrial Area Map. However, more than half of the parcels in this portion of the study area that are adjacent to the UGB are developed with single-family homes. This portion of the study area is also highly parcelized with a very high

percentage of parcels less than five acres (93 percent) and less than 10 acres in size (98 percent). Sixty-four percent of the parcels that are less than 5 acres in size are less than one acre in size. The average lot size is 1.8 acres and 84 percent contain homes. The percentage of parcels that contain homes increases to 89 percent if the 29 less than one-acre lots currently vacant in the Three Mountains subdivision are included. Most of the small-developed parcels are located in pockets along S Beavercreek Road, S Henrici Road, and Highway 213, which result in the formation of three, dispersed mostly undeveloped areas ranging in size from 32 (four owners) to 197 (16 owners) gross acres composed of larger parcels.

Generally these larger parcel areas contain numerous property owners and are almost surrounded by existing residential development that restricts the feasibility of consolidating parcels and constructing new industrial buildings (Beavercreek Map 2). There are two main access routes for both sections of the study area that travel through a major portion of Oregon City and the study area is approximately five miles from I-205. For the above-mentioned reasons related to committed uses on small parcels, the resulting small amount of buildable land, distance to I-205, this portion of the study area is not recommended for further consideration.

Wilsonville West

The western portion of this area, west of SW Tooze Road in the vicinity of SW Malloy Way is located more than two miles from an interchange on Interstate 5 as well as more than one mile from an existing industrial area designated on the Title 4 Employment and Industrial Area Map (Wilsonville West Map 1). Within this section of the study area are three pockets of exception land that collectively total 94 acres of land. The largest pocket of exception land is approximately 67 acres in size and is located along the west edge of the study area, two miles from the current UGB. Seventeen of the 23 parcels contain homes and the average lot size is 2.9 acres. The two remaining exception land areas are located in the central portion of the study area and are 12 and 15 acres in size and contain seven and three parcels respectively. Six of the seven parcels in the 12-acre section contain homes and the average parcel size is 1.75 acres. All three of the other exception land parcels contain homes and average five acres in size.

The remaining portion of this section of the Wilsonville West study area is composed of 303 acres of Tier 5 resource land divided into two areas. The first resource land area is near the intersection of SW Tooze Road and SW Baker Road and is 86 acres in size divided between eight property owners. This resource land section is located on the northern edge of the study area and is almost completely surrounded by resource land not within the study area that is actively farmed and/or contains homes. It is approximately one mile to the current UGB. The second resource land area straddles SW Baker Road south of SW Tooze Road and is 217 acres in size divided between 17 property owners. To the north and south are actively farmed areas and to the east and west are rural residences. Urbanization of these resource land sections would have an impact on adjacent agricultural activities. Due to the fact this study area section is greater than one mile from an existing industrial area and two miles from an interchange, the committed uses on small parcels in the exception land areas, the resource land is Tier 5 farmland, and most of the area is a minimum of one mile from the current UGB, this portion of the study area is not recommended for further consideration.

The eastern portion of the study area is within one mile of an existing industrial area designated on the Title 4 Employment and Industrial Area Map and/or is also within two miles of a selected interchange on Interstate 5 (Wilsonville West Map 2). This section is a mixture of Tier 4 resource land (386 acres) and exception land (167 acres). Metro Parks and Greenspaces owns a 38-acre parcel, which is the largest exception land parcel in this section and is adjacent to the current UGB in the northeast corner of the study area. A second exception land area is located along SW Grahams Ferry Road and is 55 acres in size. Eighteen of the 25 parcels contain homes and the average lot size is 2.2 acres.

The third exception land area is located near SW Grahams Ferry Road and SW Malloy Way. All but one of the remaining 43 exception land parcels is less than five acres in size and all but six have residences. The average lot size in this exception land area is three acres. The high degree of committed uses and the numerous small parcels within the exception land areas restricts the feasibility of consolidating parcels and constructing new industrial buildings. The Tier 4 resource land contains a large expanse of floodplain that separates the remainder of the study area from the city limits to the east. This eastern portion of the study area contains 192 acres of environmentally constrained land (Title 3 and slopes greater than 10 percent). The western edge of the city limits, adjacent to the study area is entirely open space land purchased by Metro Parks and Greenspaces. The large amount of environmental resources and the continuous swath of open space land adjacent to and within the study area on the east side limits the possibility of providing city services from the east.

The future extension of SW Boeckman Road through this environmentally sensitive area may present some opportunity to provide urban services to the west. However, the extension of SW Boeckman Road is a two-lane facility intended to serve local circulation between east and west Wilsonville. Improving the facility beyond the present two lanes to accept additional capacity would be difficult because of the extensive natural resources in the area. Consequently the SW Boeckman Road extension does not overcome the other limitations of the study area. Due to the committed uses on small parcels in the exception land areas and the great amount of environmental resources and nearby designated open space, this portion of the study area is not recommended for further consideration.

Sherwood East

The portion of the Sherwood East study area that is south of SW McConnell Road and SW Morgan Road is located more than two miles from Highway 99W as well as more than one mile from an existing industrial area designated on the Title 4 Employment and Industrial Area Map. This southern section of the study area contains 156 acres of Tier 5 resource land in 10 parcels and 8.9 acres of exception land in two parcels. To the south of the resource land section is a large area of resource land not within the study area that is actively farmed and/or contains homes. To the north is resource land within the study area that is also involved in agricultural activities. It is approximately one half mile to the current UGB. Urbanization of this resource land section would have an impact on adjacent agricultural activities. The two exception land parcels are each five acres in size and contain homes. Due to the fact this study area section is greater than one mile from an existing industrial area and over two miles from Highway 99W, the two exception land parcels are compromised with single-family homes, the resource land is Tier 5 farmland, and most of the areas are a minimum of 1/2 mile from the current UGB, this portion of the study area is not recommended for further consideration.

The remaining portion of the study area is within either two miles of Highway 99W and/or one mile from an existing industrial area designated on the Title 4 Employment and Industrial Area Map. It is made up of three pockets of exception land, located on the western and eastern edges and in the center of the study area adjacent to the UGB. Tier 5-resource land is between the exception land areas. The western exception land pocket is centered on SW Ladd Hill Road, contains 14 parcels and is 24 acres in size. The average parcel size is 1.7 acres and 10 of the 14 parcels have homes. The four vacant parcels total 4.3 acres and three of them are less than one acre in size. The central exception land pocket is centered on SW Baker Road, contains 14 parcels and is 62 acres in size. The average parcel size is 4.4 acres and 12 of the 14 parcels have homes. The two vacant parcels total five acres, are adjacent to the UGB and currently are wooded. The eastern exception land pocket is east of SW Baker Road and north of SW Morgan Road. It contains 28 parcels, is 141 acres in size and the average parcel size is 5 acres. Eighteen of the parcels are less than five acres in size and 10 are greater than five acres, the largest being 11 acres in size. All but two of the parcels contain homes and the two vacant parcels total 8.3 acres, take access off of SW Baker Road and are not adjacent to each other. The vast majority of the Tier 5 resource land (309 acres) is currently in agricultural production. Nine of the 14 parcels do have an associated residence and all but one

of the five vacant parcels is associated with an adjacent active farming activity. This active farming area is part of a larger farming community that stretches south into the Wilsonville West study area. One hundred and thirty-eight acres or 60 percent of this northern portion of the study area acreage is environmentally constrained under current Title 3 regulations and/or slopes greater than 10 percent. A large portion of the environmental resources occurs on the Tier 5 resource land.

The two main roads (SW Sherwood Blvd. and SW Murdock Road) that provide access to the entire study area from Tualatin Sherwood Road and Highway 99W to the north travel through established neighborhoods within the City of Sherwood. Due to the committed uses on small parcels in the exception land areas, the great amount of environmental resources, the Tier 5 resource land that is part of a larger farming community and the potential impacts to the adjacent residential areas inside the UGB, this remaining portion of the study area is not recommended for further consideration.

Farmington

The portion of the Farmington study area that is south of SW Rosedale Road is located more than two miles from Tualatin Valley Highway as well as more than one mile from an existing industrial area designated on the Title 4 Employment and Industrial Area Map. This southern section of the study area contains mostly Tier 5 resource land (427 acres) and some exception land (97 acres). It has a fairly high percentage of parcels less than five acres (80 percent) and less than 10 acres in size (86 percent). All but one of the forty-one exception land parcels is less than five acres in size and all but two have homes. The average lot size of the exception land portion is 2.4 acres. The majority of this portion of the study area is Tier 5 and contains high-value farmland. Urbanization of this area would have a high impact on adjacent agricultural activities. The nearest city limits are approximately two miles away, which will be problematic for Title 11 planning. There are no existing sewer services adjacent to the property that can provide gravity service thus extra territorial extensions through resource land or extensive infrastructure is required to provide service. Due to the fact this southern portion of the area does not meet the access and proximity factors, is mostly Tier 5 resource land, sewer services are difficult, Title 11 planning complications, and the exception land is highly compromised with single family homes, this portion of the study area is not recommended for further consideration.

The northern portion of the study area, north of SW Rosedale Road is within two miles of Tualatin Valley Highway. This 176 acre Tier 5 northern section is high-value farmland and urbanization of this area would have a high impact on adjacent agricultural activities. The nearest city limits are over one mile away, which will be problematic for Title 11 planning. There are no existing sewer services adjacent to the property that can provide gravity service thus extra territorial extensions through resource land or extensive infrastructure is required to provide service. Due to the fact this portion of the area is Tier 5 resource land, there is no adjacent city to complete the Title 11 planning, and providing sewer services is difficult this portion of the study area is not recommended for further consideration.

Jackson School Road

The southwest corner of the study area that coincides with a pocket of exception land (101 acres) is located more than two miles from selected interchanges on Highway 26 as well as more than one mile from existing industrial areas designated on the Title 4 Employment and Industrial Area map. All but six of the twenty-eight exception land parcels are less than five acres in size and all but three have either homes or an institutional use. The average lot size of this exception land section is 3.6 acres. There are no existing large diameter sewers in the area. Thus extensive downstream improvements or construction of new sewers through a developed residential area is required to provide service. Due to the fact this portion of the area does not meet the access and proximity factors, sewer services are difficult and the exception land is highly compromised with single family homes and the largest parcel contains a church, this portion of the study area is not recommended for further consideration.

The remainder of the study area contains Tier 5 resource land (883 acres) and a very small portion of exception land (27 acres) that is within two miles from selected interchanges on Highway 26 as well as one mile from existing industrial areas designated on the Title 4 Employment and Industrial Area map. Seven of the 12 parcels in this small exception land section contain homes and three of the five vacant parcels are owned by the Port of Portland and are located in the runway protection zone for the Hillsboro Airport. Land uses prohibited from the runway protection zone include residences and places of public assembly, such as schools, office buildings, churches and other uses with similar concentrations of people. All 12 parcels are less than five acres in size and the average lot size is 2.3 acres.

The resource land component is high-value farmland and is part of a larger expanse of large parcel farmland that extends north to Highway 26 and to the west for a number of miles. Urbanization of this area would have a high impact on adjacent agricultural activities. Three of the resource land parcels are owned by the Port of Portland and are located in the runway protection zone for the Hillsboro Airport. There are no existing large diameter sewers in the area. Thus extensive downstream improvements or construction of new sewers through a developed residential area is required to provide service. Due to the fact the exception land portion is highly compromised with single-family homes, a total of five parcels (113 acres) are in public ownership within the runway protection zone, sewer services are difficult and the resource land is Tier 5 farmland, this portion of the study area is not recommended for further consideration.

STUDY AREAS MEETING AT LEAST ONE LOCATION FACTOR

The following areas meet at least one of the location factors (within two miles of an interchange or one mile from existing industrial uses) but are not been recommended for inclusion in the UGB for industrial use. The reasons for exclusion are discussed in detail by area.

Gresham

This area of Tier 3 resource land and exception land is within one mile of a planned industrial land area (Springwater) that is identified on the Title 4 Employment and Industrial Area map. Most of the land that is adjacent to the UGB is the Tier 3 resource land. Overall the area is highly parcelized with a very high percentage of parcels less than five acres (80 percent) and less than 10 acres in size (91 percent). The average lot size is just over 4 acres and 73 percent contain homes. The majority of the developed parcels are along the main thoroughfares of SE Orient Drive, SE Dodge Park Blvd., SE Chase Road, SE 282nd Avenue and SE 302nd Avenue. As a result there are five dispersed mostly undeveloped areas ranging in size from 40 to 230 gross acres composed of larger parcels (see Gresham Map 1). Area 3 (40 gross acres, two owners) and Area 2 (69 gross acres, five owners) are one mile and three quarter miles respectively from the current UGB.

It would not be economically feasible to extend services these distances for such a small amount of land and extending such a long cherry stem is not good urban form. Area 4 (192 gross acres, 24 owners) is one quarter mile from the current UGB that includes the recently added Springwater industrial area. The City of Gresham has initiated an infrastructure master plan for this area with an expected completion date of 18 months. Area 4 is Tier 3 resource land, contains numerous property owners and is constrained by surrounding residential uses and environmental resources along Johnson Creek that reduces the feasibility of consolidating parcels and constructing a new industrial neighborhood. Area 1 (230 gross acres, 33 owners) is adjacent to the UGB and is mostly Tier 3 resource land. It contains numerous property owners, is adjacent to established residential development inside the UGB and is constrained by environmental resources along Kelley Creek, which flows through the center, reducing the feasibility of consolidating parcels and constructing a new industrial neighborhood. Area 5 (144 acres, 11 owners) is Tier 3 resource land and is adjacent to the UGB that includes the recently added Springwater industrial area. As noted above the City of Gresham has initiated an infrastructure master plan for this area with an expected completion date of 18 months. Johnson Creek flows through the middle of the area, essentially forming

two smaller areas. The study area is home to three schools and is heavily involved in agricultural activity. Inclusion of this study area could negatively affect the schools and would have a high impact on adjacent agricultural activities. Urbanization of the study area, except for Area 1 noted above, would be inconsistent with the proposed intergovernmental agreement between Multnomah County and the City of Gresham that identifies SE 282nd Avenue as a rural/urban edge management area to preserve the nursery land to the east. For the reasons mentioned above related to Tier 3 resource land, distance to the current UGB, committed uses on smaller parcels and environmental resource constraints, this area is not recommended for further consideration.

Boring

This area of Tier 3 & 5 resource land and exception land is within one mile of a planned industrial land area (SE 242nd Ave, Damascus expansion area) that is identified on the Title 4 Employment and Industrial Area map. Overall the area is highly parcelized with a very high percentage of parcels less than five acres (81 percent) and less than 10 acres in size (95 percent). The average lot size is 3.8 acres and 71 percent contain homes. The majority of the developed parcels are along the main thoroughfares of Highway 212, SE Orient Drive, SE Revenue Road, SE Brooks Road, SE 282nd Avenue and SE 312th Avenue as well as in the community of Boring. As a result there are three dispersed mostly undeveloped areas ranging in size from 129 to 337 gross acres composed of larger parcels (see Boring Map 1). Area 1 (129 gross acres, 15 owners) is Tier 3 resource located on the north side of Highway 212 and is contiguous to the current UGB. Over three quarters of the area is constrained by existing development, Title 3 resources and slopes greater than 10 percent. As a result this area provides 24 net buildable acres of land for industrial development. Area 2 (337 gross acres, 18 owners) is Tier 5 resource land and exception land that straddles Highway 212 between the community of Boring and Highway 26. The exception land portion totals 58 acres between 13 property owners and is located south of Highway 212 near the junction with Highway 26.

The majority of the resource land is north of Highway 212 and includes the John Holmlund Nursery headquarters. This area is approximately two miles from the current UGB line that includes the Damascus expansion area. It would not be economically feasible to extend services this distance for a relatively small amount of land and extending such a long cherry stem is not good urban form. Area 3 (270 gross acres, 22 owners) is Tier 5 resource land that straddles Highway 26 in the vicinity of SE 282nd Avenue. The area is approximately 1,000 feet from the current UGB of the recently added Springwater industrial area that extends between Highway 26 and SE Telford Road.

As noted previously the City of Gresham has initiated an infrastructure master plan for this area with an expected completion date of 18 months. Over forty percent of the area is constrained by existing development, Title 3 resources and slopes greater than 10 percent. As a result this area provides 158 net buildable acres of land for industrial development. The Oregon Department of Environmental Quality Three Basin Rule requires that all wastewater generated from this entire study area will need to be transported to the Willamette River or Columbia River for discharge. The existing Boring treatment plant cannot be expanded and Clackamas County plans to phase out the plant and connect to the system as it extends east from the Damascus expansion area. For the reasons mentioned above related to Tier 5 resource land, committed uses on small parcels and distance from existing sewer services and other constraints, this area is not recommended for further consideration.

Noyer Creek

This area of Tier 5 resource land and exception land is within one mile of a planned industrial land area (SE 242nd Ave, Damascus expansion area) that is identified on the Title 4 Employment and Industrial Area map. Three hundred and seventeen acres of the total 381 acres is resource land, the majority of which is the Leo Gentry Nursery. The portion of the study area along SE Bartell Road is exception land, is 34 acres in size and contains eight parcels, all of which have homes. This small area is not contiguous

to the main study area. A second exception land area is located east of SE 232nd Avenue, is 29 acres in size and contains five parcels, all of which have homes. This area is contiguous to the UGB at the southern edge of the Damascus expansion area. The high level of committed uses and the small parcel sizes within these exception land areas reduces the economic feasibility of consolidating parcels and developing a new industrial development. The resource land portion of the study area totals 317 acres in 18 parcels, with only nine property owners including the Gresham Barlow School District that owns the 19.5-acre Deep Creek Elementary School site.

The Oregon Department of Environmental Quality Three Basin Rule requires that all wastewater generated from this entire study area will need to be transported to the Willamette River or Columbia River for discharge. Currently there are no sanitary sewers in the immediate area and service is to be provided by the system that is to be extended to serve the Damascus expansion area to the west and north. For the reasons mentioned above related to Tier 5 resource land, committed uses on small parcels, the great distance from existing sewer services and potential negative impacts to the school, this area is not recommended for further consideration.

Oregon City South

This area of exception land and a small amount of Tier 4 resource land is within one mile of a planned industrial land area (S Beavercreek Road) that is identified on the Title 4 Employment and Industrial Area map. Overall the study area is highly parcelized with a very high percentage of parcels less than five acres (83 percent) and less than 10 acres in size (94 percent). The average lot size is 3.9 acres and 88 percent contain homes. Less than half (34 percent) of the total land area is considered vacant and buildable. The majority of the developed parcels are along S Thayer Road, S Maplelane Road, and S Waldow Road. As a result there is one mostly undeveloped area. However, it contains numerous power lines that run to and from a 34 acre Portland General Electric substation. The high level of committed uses, the small parcel sizes, and the PGE infrastructure reduces the economic feasibility of consolidating parcels and creating a new industrial development. The Oregon City School District owns a 55-acre parcel of Tier 4 resource land that is partially in agricultural production. This parcel along with the 26-acre parcel to the north that is also partially in agricultural production makes up the resource land in the study area. These two resource land parcels are located in the very northeast corner of the study area. Sewer services would require a new trunk line to the existing 48-inch collector at Highway 213 and Abernathy Road and upgrades to the Tri-Cities plant. The study area is not contiguous to the Oregon City limits, which may prove problematic for Title 11 planning. For the reasons mentioned above related to committed uses on small parcels, existing PGE infrastructure, sewer service difficulties and possible difficulties with Title 11 planning, this area is removed from further consideration.

Borland Road South

This area of three separate exception land sections is within two miles of a selected interchange on Interstate 205. Overall the entire study area is highly parcelized with a very high percentage of parcels less than five acres (80 percent) and less than 10 acres in size (98 percent). The average lot size is 3.2 acres and 97 percent contain homes. Less than half (45 percent) of the total land area is considered vacant and buildable. The majority of the developed parcels are along SW Ek Road, SW Borland Road, and SW Johnson Road and SW Tualatin Loop. As a result there is no large mostly undeveloped area within the three study area sections. The high level of committed uses and the small parcel sizes reduces the economic feasibility of consolidating parcels and creating a new industrial development. The Tualatin River separates the three study area sections from the UGB and each other. Thus numerous river crossings are required to provide urban services as there are no sewer or water services currently in the study area. There is no direct access to the study area from the City of West Linn, which may prove problematic for Title 11 planning. For the reasons mentioned above related to committed uses on small parcels, urban service difficulties and possible difficulties with Title 11 planning, this area is not recommended for further consideration.

Norwood/Stafford

This area of exception land and a very small amount of Tier 2 resource land is within two miles of selected interchanges on Interstates 5 & 205. Overall the study area is highly parcelized with a very high percentage of parcels less than five acres (80 percent) and less than 10 acres in size (99 percent). The average lot size is 3.9 acres and 86 percent contain homes. A little over half (59 percent) of the total land area is considered vacant and buildable. The developed parcels are evenly dispersed throughout the study area and the majority of the homes are located in the center of the parcels. As a result there is one mostly undeveloped area located off of SW Stafford Road in the southern portion of the study area (Norwood/Stafford Map 1). Area 1 is 132 acres of exception land in 21 parcels with 14 property owners and is somewhat constrained by existing development, Title 3 resources and slopes greater than 10 percent. As a result this area provides 93 net buildable acres of land for industrial development. The area currently does not have urban services. This area is over two miles from interchanges on I-5 & 205 and is at a minimum of 1.25 to 1.5 miles from urban services in the City of Wilsonville or the City of Tualatin. It would not be economically feasible to extend services these distances for such a small amount of land and extending such a long cherry stem is not good urban form. The area is isolated from nearby cities by I-5 and I-205, which would be problematic for Title 11 planning. For the reasons mentioned above related to committed uses on small parcels, urban service difficulties and difficulties with Title 11 planning, this area is not recommended for further consideration.

Wilsonville South

This area of Tier 5 resource land and exception land is within two miles of a selected interchange on Interstate 5. Overall the area has a high percentage of parcels (84 percent) less than 10 acres in size. The average lot size is 7.9 acres and 73 percent contain homes. Less than half (49 percent) of the total land area is considered vacant and buildable. The largest parcel (142 acres) is owned by Clackamas County and houses the Oregon State University North Willamette Research and Extension Service facility. The Langdon Farms Golf Club comprises a 173-acre site composed of 12 parcels. Both of these sites are considered developed under Metro's land productivity methodology.

The study area contains three sections of exception land. The first exception land area is west of Interstate 5, is 33 acres in size with 9 parcels. Three of the parcels totaling 4.5 acres do not contain homes, one of which is owned by the Oregon Department of Transportation. The second exception land area is south of NE Miley Road in the top center portion of the study area. This area is 69 acres in size with 69 parcels, of which all but three have homes. The three vacant parcels (13 acres) are under the same ownership as an adjacent parcel that does contain a home. The 10-acre vacant parcel currently has some agricultural activity. The third exception land area is in the northeast corner of the study area, north of NE Browndale Farm Road. This area contains 95 acres in 33 parcels, of which all but four have homes. Three of the four vacant parcels are under the same ownership as an adjacent parcel that does contain a home. The total acreage of the four vacant parcels is 6.2 acres. The high level of committed uses and the small parcel sizes of these exception land areas reduce the economic feasibility of consolidating parcels and creating a new industrial development. As expected almost all of the developed area is in the exception land sections and the golf club. This results in two areas of mostly undeveloped parcels that abut the State agricultural facility (Wilsonville South Map 1). Area 1 is Tier 5 resource land that totals 327 acres with eight property owners. The area contains a small amount of developed land and minimal environmental resources that results in 296 acres of buildable land. Area 2 is also Tier 5 resource land that totals 175 acres with two property owners, one of which owns 1.6 acres and the other the remaining 173.4 acres. This area also contains a small amount of developed land and minimal environmental resources that results in 166 acres of buildable land. Both of these areas are extensively involved in agricultural activities and urbanization of these areas would have a high impact on adjacent agricultural activities to the south.

The City of Wilsonville has determined that it would need to provide new water and sewer lines across the Willamette River to meet the demands of the entire study area. There may be other options to provide service but these may also require extensive upgrades to the existing system. For the reasons mentioned above related to committed uses on small parcels in the exception land areas, urban service difficulties, Tier 5 resource land and negative impacts to adjacent agricultural areas, this area is not recommended for further consideration.

Brookman Road

This area of Tier 4 & 5 resource land and exception land is within two miles of Highway 99W. Overall the study area has a high percentage of parcels (88 percent) less than 10 acres in size, the average lot size is 6.4 acres and 75 percent contain homes. Twenty-seven percent of the total study area acreage is environmentally constrained under current Title 3 regulations and/or slopes greater than 10 percent. Just over half (52 percent) of the total land area is considered vacant and buildable. Almost all of the developed parcels are located on either SW Brookman Road, SW Middleton Road, and Old Highway 99W. As a result there are three areas of mostly undeveloped parcels distributed in the three main study area sections (Brookman Road Map 1). Area 1 is located west of Highway 99W, is 102 gross acres in size with nine property owners, and is somewhat constrained by existing development, Title 3 resources and slopes greater than 10 percent. As a result this area provides 87 net buildable acres of land for industrial development. The area is Tier 5 resource land except for the four western most parcels that are exception land and total 22 gross acres.

Almost the entire area is involved in agricultural activity and this farmland is part of a larger segment of active farmland that stretches to the west and to the north. Urbanization of this area would result in an increase in vehicle miles traveled along Highway 99W and SW Chapman Road, which could negatively affect the agricultural areas to the west and north as well as the commercial district along Highway 99W inside the UGB. Area 2 is located south of SW Brookman Road along SW Middleton Road and SW Labrousse Road. It is 146 gross acres in size, contains 31 parcels owned by 24 property owners, and is mostly exception land. There are two parcels of Tier 4 resource land that total 11.3 acres in southeast corner of the area. The area is very constrained by existing development, Title 3 resources and slopes greater than 10 percent. As a result this area provides 63 net buildable acres of land for industrial development. Area 3 consists of one 54-acre parcel of Tier 5 resource land that is located south of SW Brookman Road. This parcel is very constrained by existing development, Title 3 resources and slopes greater than 10 percent. As a result this area provides 25 net buildable acres of land for industrial development.

The entire study area is located adjacent to the land that was included in the UGB in 2002. Thus existing urban services are at a minimum 0.25-mile away. The City of Sherwood has indicated that providing services to the 2002 expansion area will require considerable improvements to the current system and any additional land would compound the difficulty in providing services. For the reasons mentioned above related to constrained land in the exception land and resource land areas, Tier 5 resource land and negative impacts to adjacent agricultural areas, and additional difficulties in providing urban services, this area is not recommended for further consideration.

Sherwood West

The study area of Tier 4 & 5 resource land and exception land is within two miles of Highway 99W. The study area is divided into three separate sections, two of which are grouped together and are approximately 1,000 feet from the third section. Overall this study area has a fairly high percentage of parcels (70 percent) less than 10 acres in size, the average lot size is 6.4 acres and 59 percent contain homes. Over half (67 percent) of the total land area is considered vacant and buildable and the developed parcels are evenly distributed throughout the area. The southern portion of the study area consists of two separate sections that contain both Tier 4 and 5 resource land and exception land (Sherwood West Map

1). In one section is Tier 5 resource land and exception land that are adjacent to the UGB, with the resource land (117 gross acres) north of SW Krugger Road and most of the exception land (101 gross acres) to the south of SW Krugger Road. A portion of the resource land is currently in agricultural production. The exception land is somewhat constrained by constrained by existing development, Title 3 resources and slopes greater than 10 percent. As a result this section of the southern portion of the study area provides 169 net buildable acres of land for industrial development. The second section of the southern portion is approximately 0.5 mile from the UGB further west along SW Krugger Road. This small 57 acre section contains 38 acres of Tier 4 resource land and 19 acres of exception land that is intermixed. The area is somewhat constrained by existing development, Title 3 resources and slopes greater than 10 percent. As a result this portion of the area provides 29 net buildable acres of land for industrial development. It would not be economically feasible to extend services 0.5 mile past the Tier 5 resource land for such a small amount of exception and Tier 4 land and extending a cherry stem does not result in good urban form. The northern portion of the study area, totaling 86 gross acres contains exception land to the north of SW Edy Road and Tier 5 resource land to the south of SW Edy Road. Both the Tier 5-resource land portion and the exception land portion are constrained by existing development, Title 3 resources and slopes greater than 10 percent. As a result this northern portion of the study area provides 53 net buildable acres of land for industrial development. The exception land portion is over ½ mile from existing urban services and one quarter mile from land that was added to the UGB in 2002. It would not be economically feasible to extend services one quarter mile past the 2002 expansion area for such a small amount of land and extending a cherry stem does not result in good urban form.

The majority of the land adjacent to the entire study area that is inside the UGB is currently or expected to be developed for residential purposes. Urbanization of this area could increase the existing traffic level on Highway 99W in the five corners area of Sherwood prior to the construction of the future I-5 to 99W connector. Twenty-seven percent of the total study area acreage is environmentally constrained under current Title 3 regulations and/or slopes greater than 10 percent. For the reasons mentioned above related to constrained land in the exception land and resource land areas, Tier 5 resource land, urban form, negative impacts to adjacent residential areas, and transportation impacts, this area is not recommended for further consideration.

Hillsboro South

This area of Tier 5 resource land is classified as high value farmland and is within two miles of Tualatin Valley Highway. The study area is essentially composed to two separate areas based on parcel sizes (Hillsboro South Map 1). Area 1 is composed of two parcels of 200 and 270 acres in size that are in agricultural production, with one property owner. A majority of the area adjacent to the east inside the UGB is in residential development. Area 2 contains the remaining 321 acres in 22 parcels with 16 owners. Fifteen of the 22 parcels are less than 10 acres in size and 12 of those are less than five acres and are located in one small pocket of residential use on the western of the area. Area 2 is somewhat constrained by existing development, Title 3 resources and slopes greater than 10 percent. As a result this section provides 226 net buildable acres of land for industrial development. The adjacent land to the east of this section was added to the UGB in 2002 and is to be developed for residential purposes. The land further to the east is extensively developed with residences. There are no existing sewer services adjacent to the entire study area that can provide gravity service. Thus extra territorial extensions through resource land or extensive infrastructure is required to provide service, which is difficult for the service provider to construct. The vast majority of the study area is not contiguous to the current city limits, which may prove problematic for Title 11 planning. For the reasons mentioned above related to constrained land, Tier 5 resource land, and negative impacts to adjacent residential areas, this area is not recommended for further consideration.

Forest Grove West

This Tier 5 resource land study area is classified as high-value farmland and is within two miles of Tualatin Valley Highway. The area consists of pockets of small parcels that contain residences, many of which are associated with adjacent large-scale agricultural activities. This area is part of a larger expanse of agricultural land that extends east to the City of Hillsboro city limits and north to Highway 26. Urbanization of the study area would have a high impact on adjacent agricultural activities in this large farming community. Adjacent to the south is an established residential neighborhood, additional land planned for residential use, and the Forest Grove High School that could be negatively impacted by increased traffic flow. The vast majority of the study area is not contiguous to the current city limits, which may prove problematic for Title 11 planning. For the reasons mentioned above related to Tier 5 resource land and negative impacts to adjacent agricultural and residential areas, this area is not recommended for further consideration.

STUDY AREAS EXCLUDED DUE TO ADDITIONAL ANALYSIS

The following areas meet both of the geographic factors but have not been recommended for inclusion in the UGB for industrial use. They were not deemed suitable for industrial use due to parcelization, constraints due to existing development patterns, location and extent of natural resources, servicing and urban form and/or negative impacts on agricultural uses.

Oregon City North

This area of Tier 3 & 5 resource land and exception land is within two miles of an interchange on Interstate 205 as well as within one mile of industrial land that is identified on the Title 4 Employment and Industrial Area map. Overall the area is parcelized with a high percentage of parcels less than five acres (74 percent) and less than 10 acres in size (90 percent). The average lot size is five acres and 74 percent contain homes. A little over half (63 percent) of the total land area is considered vacant and buildable. The study area is composed of four sections of land separated into two distinct east west segments that are separated by approximately 1,000 feet. The east segment (Oregon City North Map 1) is not contiguous to the UGB and contains 55 acres of exception land in Area 1 that has nine homes on 11 parcels. Area 1 is somewhat constrained by existing development, Title 3 resources and slopes greater than 10 percent. As a result this section provides 30 net buildable acres of land for industrial development. Area 2 contains 285 acres of Tier 5 resource land in 17 parcels with 12 owners and homes. This area is also somewhat constrained by existing development, Title 3 resources and slopes greater than 10 percent. As a result this section provides 191 net buildable acres of land for industrial development.

The eastern section is approximately 1.25 miles from the current UGB via S Forsyth Road. It would not be economically feasible to extend services 1.25 miles past the western segment of the study area for this relatively small amount of buildable land and extending such a long cherry stem does not result in good urban form. The west segment (Oregon City North Map 2) contains 54 acres of Tier 3 resource land in Area 1 that is the only portion that is contiguous to the UGB and would be needed to provide services to the remainder of the area. Area 3 contains 52 acres of Tier 5 resource land in seven parcels with six homes and owners in the top portion of the west segment. The remaining portion of this segment contains 81 parcels that total 280 acres of exception land in Area 2. Eighty percent of the parcels are less than five acres in size and 75 percent of the parcels have homes. The developed parcels are evenly dispersed along S Forsythe Road, S Brunner Road and S Highland Road, which results in no mostly undeveloped areas in Area 2. This area is also somewhat constrained by existing development, Title 3 resources and slopes greater than 10 percent. S Forsythe Road is the only road that connects the UGB to the west section of the study area. Thus urban services can only be extended through this one section of Oregon City on S Forsythe Road that travels uphill through an existing neighborhood. For the reasons mentioned above related to Tier 5 resource land, committed uses on small parcels, urban form, and negative impacts to adjacent residential areas due to one access route, this area is not recommended for further consideration.

Forest Grove East

This Tier 5 resource land study area is classified as high-value farmland and is within two miles of Tualatin Valley Highway as well as within one mile of industrial land that is identified on the Title 4 Employment and Industrial Area map. The area consists of pockets of small parcels that contain residences, many of which are associated with adjacent large-scale agricultural activities. This area is part of a larger expanse of agricultural land that extends to the east to the City of Hillsboro city limits, to the north to Highway 26 and to the west in the Forest Grove West study area. Urbanization of the study area would have a high impact on adjacent agricultural activities in this large farming community. There is a linear swath of environmental resources on the north side of Highway 47 that could impact the ability to provide services to the area (Forest Grove East Map 1). The vast majority of the study area is not contiguous to the current city limits, which may prove problematic for Title 11 planning. For the reasons mentioned above related to Tier 5 resource land, negative impacts to adjacent agricultural areas, environmental impacts that may impact urban services and Title 11 planning, this area is not recommended for further consideration.

DISCUSSION OF SUITABLE ALTERNATIVES ANALYSIS AREAS

The following is a discussion of the individual study areas that are recommended for inclusion in the UGB for industrial purposes. The descriptions include unique facts that pertain to these areas shown on a map titled the Chief Operating Officer's recommendation in Attachment 3. A summary of the aggregation and suitability factors follows this discussion.

Beavercreek

This one 63 gross acre parcel in the Beavercreek study area is located adjacent to the land that was included in the UGB in 2002 for industrial purposes and is designated on the Title 4 Employment and Industrial Area map. This Tier 4 resource land parcel contains the remaining portion of the Oregon City Golf Club that was not included in the UGB in 2002. The City of Oregon City, along with the property owners of the land included in the UGB in 2002, is currently in the process of completing the Title 11 planning for the area that includes a portion of the Oregon City Golf Club. Including this parcel will allow the 2002 industrial land expansion area to be planned more efficiently and logically, as the entire golf course operation will be included in the Title 11 planning process. For the reasons mentioned above related to the UGB splitting an existing golf course and an efficient and comprehensive Title 11 planning process, this 30 net buildable acre parcel is recommended for further consideration.

Borland Road North

This 575 gross acre portion of the Borland Road study area is located adjacent to an interchange on Interstate 205. This portion of the study area is south of the Tualatin River, entirely exception land and is contiguous to the UGB and the City of Tualatin city limits. Urban services will be provided by the City of Tualatin and infrastructure improvements will be needed to alleviate impacts to the existing system. This area contains land that is the topographic low point for a portion of the greater Stafford/Rosemont basin and any urban services that are planned for this expansion area must take into account the future needs of the entire basin. This will allow for the future urbanization of the entire basin in an efficient and logical planned manner that will result in the desired urban form. Interstate 205 and the Tualatin River buffer the expansion area from existing agricultural activities, thus urbanization would have little impact on adjacent agricultural activity. For the reasons mentioned above related to the entire area being exception land, the availability of urban services, the minimal impact on adjacent agricultural activities and the opportunity to comprehensively plan the entire basin, this 164 net buildable acre portion of the study area is recommended for further consideration.

Wilsonville East

This 641 gross acre portion of the Wilsonville East study area is located within two miles of an interchange on Interstate 5 and a portion of the area is also within one mile of an existing industrial area

designated on the Title 4 Employment and Industrial Area map. The area is located south of SW Elligsen Road on both the east and west sides of SW Stafford Road and north of SW Advance Road. The area is entirely Tier 5 resource land and is contiguous to the UGB and the City of Wilsonville city limits. Urban services are available but major infrastructure improvements may be needed depending on the type of industrial user. The area is part of a larger agricultural community however; the Newland Creek canyon isolates the area from the main component of farmland to the east. Thus urbanization may have an impact on the small amount of adjacent agricultural activity to the south between the study area and the Willamette River. There are three Bonneville Power Administration easements that cross the area that essentially excludes a large portion of the area from future residential development. A portion of the area is adjacent to a 2002 residential expansion area that provides the opportunity for both areas to be planned and developed in a cohesive manner and also allows for the more efficient urbanization of both sides of lower SW Stafford Road. For the reasons mentioned above related to the ability to provide urban services, the low impact on adjacent agricultural activity, the impact of the power line easements on future urbanization for residential purposes, and the opportunity to comprehensively plan the two expansion areas, this 460 net buildable acre portion of the study area is recommended for further consideration.

Coffee Creek

This 264 gross acre portion of the Coffee Creek study area is located within two miles of an interchange on Interstate 5 as well as within one mile of an existing industrial area designated on the Title 4 Employment and Industrial Area map. The area stretches from just north of SW Tonquin Road, south to SW Grahams Ferry Road west of the Coffee Creek Correctional Facility. The western edge of this expansion area is the extensive floodplain that is along Coffee Lake Creek. The area is entirely exception land except for one parcel of Tier 4 resource land (4.6 acres) at the very northern edge. The small portion north of SW Tonquin Road was originally in the Quarry study area but is included in the Coffee Creek expansion area due to its close proximity to the Coffee Creek area and the ½ mile separation from the remainder of the Quarry expansion area. The parcels that contain the floodplain were included in their entirety so the UGB would not split parcels. Therefore there is a considerable amount of acreage within the area that is constrained and is not expected to develop. This floodplain area is part of a larger natural resource corridor and inclusion of this portion in the expansion area provides the opportunity to examine additional protection measures or open space uses through the Title 11 planning process. The southern portion of this expansion area is located adjacent to the west of a 2002 industrial land expansion area, which will allow the two areas to be planned and developed in a cohesive manner, also through the Title 11 process. Currently sufficiently sized water and sewer lines are available to service the 2002 expansion area. Additional upgrades may be needed to service this southern portion of the expansion area. Urban services also currently extend to the Coffee Creek Correctional Facility; additional upgrades to these services may be needed to service the remainder of the expansion area. This portion of the study area is isolated from agricultural areas by the UGB and environmental resources, thus urbanization will have no impact on adjacent agricultural activity. For the reasons mentioned above related to the area being almost entirely exception land, the opportunity to comprehensively plan the two expansion areas, the ability to provide urban services and the low impact on adjacent agricultural activity, this 97 net buildable acre portion of the study area is recommended for further consideration.

Quarry

This 354 gross acre portion of the Quarry study area is located within two miles of Highway 99W as well as within one mile of an existing industrial area designated on the Title 4 Employment and Industrial Area map. The area is located south of NE Oregon Street and SW Tualatin Sherwood Road between SW Tonguin Road and SW 120th Avenue. The area is entirely Tier 4 resource land except for one-half of one parcel in the very northeast corner of the expansion area that is exception land. Infrastructure improvements are necessary for both water and sewer services and the exact city service boundaries between the cities of Tualatin and Sherwood need to be determined. This area is adjacent to a 2002

industrial land expansion area, in which the City of Tualatin is currently involved in the Title 11 planning process. A portion of this area may be included in that process. Urbanization of this expansion area would have no impact on adjacent agricultural activity as non-agricultural lands surround the area. There is very small amount of environmental resources within the expansion area thus urbanization will have a minor impact on environmental resources. For the reasons mentioned above related to the ability to provide urban services, the possible opportunity to comprehensively plan a portion of the area with the previous expansion area, and the low impact on adjacent agricultural activity and environmental resources, this 236 net buildable acre portion of the study area is recommended for further consideration.

Cornelius

This 206 gross acre portion of the Cornelius study area is located within two miles of the Tualatin Valley Highway as well as within one mile of an existing industrial area designated on the Title 4 Employment and Industrial Area map. The area is located on the north side of the City of Cornelius, north of Council Creek between NW Cornelius Schefflin Road and NW Hobbs Road. NW Hobbs Road also forms the northern boundary of the eastern portion of the expansion area. The area contains two exception land segments on the east and west ends with a 43 acre Tier 5 resource land segment in between. The City of Cornelius currently has sufficient urban services adjacent to the south to meet the needs of the expansion area. The two-parcel resource land portion of the expansion area provides for the efficient looping of urban services between the two exception land areas and is the minimum amount of resource land necessary to accomplish this service provision efficiency requirement. For the reasons mentioned above related to the majority of the area being exception land, the ability of the City of Cornelius to provide urban services, and the portion of resource land is needed to provide efficient urban services, this 91 net buildable acre portion of the study area is recommended for further consideration.

Damascus

This 102 gross acre study area is located within one mile of a planned industrial area (Damascus) designated on the Title 4 Employment and Industrial Area map. The area is located south Highway 212 and east of SE Keller Road and is entirely Tier 4 resource land. The area is currently included in the secondary study area of the Damascus/Boring Concept Plan and can easily be transferred into the primary study area, allowing for the comprehensive planning and development of urban services for both expansion areas. This industrial land area will provide additional employment for the planned Damascus Town Center a short one-half mile away. Forested land and the Richardson Creek canyon isolate the area from the larger area of farmland to the south and southeast, thus urbanization would have a minimal impact on adjacent agricultural activity. Urbanization will also have a minimal impact on natural resources due to the minimal amount of natural resources within the expansion area. For the reasons mentioned above related to the area currently being in the secondary study area of the Damascus/Boring Concept Plan, the opportunity to comprehensively plan this area in conjunction with the Damascus Town Center area, and the minimal impact on adjacent agricultural activities and environmental resources, this 69 net buildable acre portion of the study area is recommended for further consideration.

Tualatin

This 646 gross acre study area is located within two miles of an interchange on Interstate 5 as well as within one mile of an existing industrial area designated on the Title 4 Employment and Industrial Area map. The area is located between the cities of Tualatin and Wilsonville west of Interstate 5 and is entirely exception land. The cities of Tualatin and Wilsonville will be the service providers although the exact service boundaries need to be determined. Improvements and extensions of the water and sewer lines, both inside and outside the UGB is to be expected. The area is surrounded by non-agricultural uses therefore there will be no impact to adjacent agricultural activity. The majority of the environmental resources are concentrated in the central portion of the area, which facilitates resource protection under normal development scenarios and reduces the overall impact on the resources. For the reasons mentioned above related to the area being entirely exception land, the ability to provide urban services, no impacts

on adjacent agricultural activities and the ability to reduce impacts to the environmental resources, this 339 net buildable acre portion of the study area is recommended for further consideration.

Helvetia

This 249 gross acre portion of the Helvetia study area is located within two miles of an interchange on Highway 26 as well as within one mile of an existing industrial area designated on the Title 4 Employment and Industrial Area map. The area is located north of NW Jacobson Road, west of NW Helvetia Road and south of NW West Union Road. The area contains 87 acres of exception land and 162 acres of Tier 5 resource land. This portion of the Helvetia study area was stand-alone study area 81 in the 2002 Alternatives Analysis Study and the resource land portion was identified as Tier 3 resource land. Therefore for this determination the resource land is again identified as Tier 3 resource land. Water services are available in NW Jacobson Road and NW West Union Road. Sewer Services are available in NW Jacobson Road and along a portion of the eastern edge of the area that should allow for gravity service. There is a power line easement along the eastern edge of the area that restricts the future urbanization for residential purposes. Inclusion of this area provides an identifiable UGB boundary along NW Helvetia and NW West Union Roads and provides good urban form by squaring off the UGB along these roadways. In addition, this provides a logical edge for the expanse of farmland north of Highway 26 that extends to North Plains. For the reasons mentioned above related to a portion of the area being exception land and the fact the resource land is needed to serve the exception land, the ability to provide urban services, the power line easement that reduces the future use as residential land and the identifiable UGB boundary that provides good urban form, this 149 net buildable acre portion of the study area is recommended for further consideration

ADDITIONAL AREAS CONSIDERED FOR UGB EXPANSION

The following area is not recommended for inclusion in the UGB but may need to be considered if the Metro Council elects to change the recommendation regarding Title 4.

Evergreen

The 985 acre study area is located within two miles of an interchange on Highway 26 and is within one mile of an existing industrial area designated on the Title 4 Employment and Industrial Area map. The area is located north of NW Evergreen Road, west of the 2002 Shute Road expansion area, south of Highway 26. The area contains 355 acres of exception land located along NW Sewell Road on the west and the portion of NW Meek Road near NW Birch Avenue and NW Oak Drive in the northeast corner of the study area. Between these two exception land areas is 600 acres of Tier 5 resource land. Adequate water services are available in NW Evergreen Road and sewer service is separated into two sections. The southeast corner of the area can be served by gravity to two existing lines 1,400 feet to the south. There are no existing large diameter sewers available to serve the remainder of the area. Thus extensive downstream improvements or construction of new sewers through a developed residential area is required. Overall urbanization of the area would have a moderate impact on adjacent agricultural land to the west which could be minimized or increased depending on the amount and location of UGB expansion. For instance, exception land along NW Sewell Road could provide a buffer for the agricultural land to the west if it remained outside the UGB and the resource land to the east was included in the UGB. On the other hand if only a portion of the resource land was included in the UGB the remaining resource land may have greater impacts, as it would be isolated from the larger farming community. Similarly impacts to environmental resources will vary based on the amount and location of the land included in the UGB. Therefore, depending on the expansion area boundaries and the resulting impact to agricultural activities and environmental resources, this area may be considered for inclusion in the UGB.

West Union

This 368 gross acre portion of the West Union study area is within 2 miles of an interchange on Highway 26 and the majority of the area is also within 1 mile of industrial land that is identified on the Title 4

Employment and Industrial Area map. This section is located generally south of Holcomb Lake and north of NW West Union Road, between NW Cornelius Pass Road and NW 185th Avenue. The area is adjacent to the UGB and includes approximately 11.5 acres of exception land in two small pockets along NW West Union Road where it intersects with NW Cornelius Pass Road (10.8 acres) and NW 185th Avenue (0.7 acres). The remainder of this portion of the study area is resource land that contains mostly class 1 and 2 soils, which when analyzed by itself would be identified as Tier 5 resource land, compared to the Tier 4 classification for the entire study area. There is an existing 18-inch water service line in NW West Union Road. Extensions of the gravity sewer lines to the Rock Creek plant are required to serve the area. The area is constrained by Title 3 resources and slopes greater than 10 percent. As a result this section provides 133 net buildable acres of land for industrial development. Urbanization of this portion of the study area would have minimal impact on adjacent agricultural activities as the environmental resources isolate the area from the agricultural lands to the north. However, urbanization will impact this large environmental resource area that includes a Metro Parks and Greenspaces acquisition property. Adjacent to the south is an established residential neighborhood that is located in the area between NW West Union and Highway 26 that is not in the Hillsboro city limits. Therefore, depending on the resulting impact to the environmental resources and the overall net buildable acreage desired, this area may be considered for inclusion in the UGB.

UGB-Expansion Areas- Applying Industrial Land Factors

All of the proposed UGB expansion areas meet all or the majority of the location and siting factors (access, proximity to other industrial users and slopes of less than 10 percent) as well as follow the hierarchy of lands progression described in Goal 14.

Of the three siting and location factors accessibility is a key factor because 70 percent of the land need is for warehouse and distribution type uses or approximately 1,377 acres. The majority of the recommended lands will be focused on areas with access to an interchange two miles of I-5, I-84 and I-205. A small portion of the supply may satisfy a localized warehouse and distribution need (50-75 acres). An example of a localized warehouse and distribution facility is the Stewart Stiles Company that is located in the City of Cornelius in an area that has poor access to major transportation facilities but is successful because it serves a local market. Small localized uses may choose to locate in various parts of the region to serve an individual user but this cannot be relied on to fulfill the overall warehouse and distribution need.

The following chart compares the recommended sites and evaluates their ability to fulfill a regional demand for warehouse and distribution land. Regional warehouse and distribution facilities need to be located within two miles of an interchange along I-5, I-84 or I-205. The recommended areas of Tualatin, Quarry, Borland Road North, Coffee Creek and Wilsonville East fulfill 1,270 acres of the 1,377 acre demand for warehouse and distribution land.

Table 5. Comparison of the Expansion Areas According Sector Need and Suitability Factors

EXPANSION AREAS	TOTAL ACRES	NET ACRES	Satisfy Warehouse/Dist. Demand	SUITABILITY FACTORS		
				Access	Proximity	Slope less 10%
Damascus West	102	69	0	✓	✓	✓
Tualatin	646	339	339	✓	✓	✓
Quarry (p)	354	236	236	✓	✓	✓
Borland Rd N. (p)	575	164	164	✓	✓	✓
Beavercreek. (p)	63	30	0	--	✓	✓
Coffee Creek (p)	264	97	97	✓	✓	✓
Wilsonville East (p)	641	460	460	✓	✓	✓
Cornelius (p)	206	91	0	✓	✓	✓
Helvetia (p)	249	149	0	✓	✓	✓
TOTAL	3,100	1,635	1,296			

Aggregation Potential

The following areas have the potential to satisfy the parcel size requirements for warehouse and distribution, general industrial and tech flex uses. Industry representatives indicated that warehouse and distribution uses require a minimum of 20 acres, general industrial requires 25 acres or less and tech flex generally requires a range from 50 to 100 acres.

The recommended areas were examined for the possibility of forming larger lots to satisfy the parcel size demand discussed in the Employment UGR. The Employment UGR reported a deficit of 8 parcels in the 10-25 acre range, 4 parcels in the 50-100 acre range and 3 parcels in the 100 plus acre range. A similar methodology was applied as discussed in the aggregation study discussed earlier in this report. The 100 acre lot size category is made up of 100 acre parcels formed by aggregating tax lots under the same ownership and by forming parcels under multiple ownerships. The Wilsonville East area and Helvetia have the best potential for fulfilling large lot (50 acres and greater) demand. The recommended areas have the following aggregation potential:

Table 6. Aggregation Potential of Recommended Areas

EXPANSION AREAS	10-25 acres (Deficit- 8 tax lots)	50-100 acres (Deficit- 4 tax lots)	100 plus acres (Deficit- 3 tax lots)
Damascus West	0	1	0
Tualatin	10	0	0
Quarry (p)	3	0	1
Borland Rd N. (p)	5	1	1
Beavercreek (p)	0	1	0
Coffee Creek (p)	5	0	0
Wilsonville East (p)	5	1	2
Cornelius (p)	3	1	0
Helvetia (p)	2	1	2
TOTAL	33	6	6

PROPOSED POLICY CHANGES

Part of Metro’s review of the UGB includes examining ways to obtain more efficient utilization of land that is currently located inside of the UGB. The proposed Title 4 amendments are one way of demonstrating to LCDC that Metro is achieving additional efficiencies inside of the UGB to meet the need in addition to adding land. The Metro Council adopted new measures to protect and maintain the supply of industrial land for future industrial uses in Ordinance 02-969B, adopted December 5, 2002.

Title 4 Industrial and Other Employment Areas regulations were amended in order to increase the capacity of industrial areas for industrial uses and to encourage non-industrial uses to locate in Centers and other more appropriate 2040 design type areas. The revisions also created a new 2040 design type entitled RSIA. The Metro Council adopted a generalized map of RSIA areas. The Title 4 language that was amended in 2002 requires that the Metro Council delineate specific boundaries for the RSIA areas derived from the generalized map by December 31, 2003. Two ordinances were introduced in 2003, amending the Title 4 regulations and mapping the RSIA areas, Ordinance 03-1021B and Ordinance 03-1022B. Both ordinances have been discussed in 2004 and as a result the revisions to the 2002 legislation and mapping of RSIA areas is included in Ordinance 04-1040.

Metro staff, after consulting with cities, counties and other interests, developed a set of factors to consider in the identification of RSIA areas. As directed by Title 4, Metro staff worked with cities and counties in the region to apply the factors to designated Industrial Areas within their jurisdictions. Several local governments, Portland, Gresham, Wilsonville and Clackamas County, submitted recommended Industrial Areas for consideration as RSIA areas. Striving for region-wide consistency, Metro staff also applied the factors to areas in cities and counties that chose not to submit candidate areas. The factors are:

- *Distribution* - Area serves as support industrial land for major regional transportation facilities such as marine terminals, airports and rail yards;
- *Services* - Availability and access to specialized utilities such as specialty gases, triple redundant power, abundant water, dedicated fire and emergency response services;
- *Access* - Within 3 miles of I-5, I-205, I-84 (within the UGB), State Route 224 (within the UGB);
- *Proximity* - Located within close proximity of existing like uses; and
- *Primary Use* - Predominantly industrial uses.

As referred to in an earlier section on *Adopting Efficiency Measures* there was testimony that indicated that there are conflicting opinions regarding the need for large parcels (over 50 acres) and that there needed to be flexibility for dividing larger parcels. Staff has worked with local governments and a subcommittee of Metro Policy Advisory Committee (MPAC) to resolve most of the implementation issues that have been raised. The recommended changes in 2004 to the Title 4 code represents this work. The committee discussed the following issues:

- Limiting the size of retail uses that are appropriate in industrial districts;
- Limiting FIRE uses in industrial areas and determining whether these uses can be distinguished from other office uses that locate in industrial districts¹⁸;
- Mapping of RSIA areas and determining whether they should reflect freight access and current uses of property;
- Providing flexibility within industrial districts due to the changing nature of industrial uses;
- Allowing medical clinics and hospitals in industrial and RSIA areas;
- Classifying traded sector uses and determining their location within industrial districts;
- Establishing performance standards to maintain freight transportation access and movement; and
- Allowing subdivision of larger parcels over time.

Staff recommends that amendment to Title 4 include a limitation on retail uses for single users of 5,000 square feet in industrial areas and 3,000 square feet in RSIA areas, a performance based transportation requirement for non-industrial offices and no specialized allowances for medical and hospital uses in industrial and RSIA areas. Staff recommends the proposed local jurisdiction RSIA areas be adopted. The proposed Title 4 language is included in Exhibit B and the RSIA map is included in Exhibit C of Ordinance No. 04-1040.

¹⁸ FIRE: finance, insurance and real estate uses.

Mapping of RSIA's

Staff conducted a general assessment of the areas on the *Employment and Industrial Lands Map* and found that the following areas meet the factors and are also lands that meet the general site and location criteria for industrial uses. These areas are uniquely situated to take advantage of the region's highway, rail and port facilities. The majority of these areas are located along the freight access routes including main roadway routes and roadway connectors shown on Metro's Regional Freight Map. This map identified areas that are critical for freight movement and provides a basis for selection of freight improvement projects in the Regional Transportation update completed in 2003. The general locations are as follows:

- Hillsboro industrial area, south of Highway 26
- Northwest Industrial Area, Rivergate, Swan Island and Columbia Corridor
- Clackamas distribution area around Highway 212/ 224
- Brooklyn railroad yards
- Wilsonville industrial area
- Tualatin industrial area
- Troutdale industrial area

Another site previously considered for status as an RSIA is the Reynolds Metals site that contains approximately 700 acres located in Multnomah County east of the City of Troutdale. This brownfield site is currently undergoing remediation and is being considered for redevelopment as an intermodal rail/truck facility by the Port of Portland and other industrial development. Much of the area is predicted to redevelop into uses supporting an intermodal facility although the site has not been re-mediated or sold to the Port at this time. The site has a number of physical impediments such as wetlands, floodplains, BPA easements and location of transmission lines and substations. If this area does redevelop as an intermodal facility it would become a key component of the region's transportation network and an RSIA designation at that time would be appropriate.

After additional discussion at MTAC and MPAC and completion of analysis by Metro, it was determined that there was a wide discrepancy between employment and industrial areas on the Title 4 map and how the areas were zoned. For example, in one jurisdiction an area would be designated employment and in another jurisdiction industrial, with similar allowed uses. What has resulted is a general reluctance by local governments to change the underlying zones in industrial areas and a questioning of the use of the Title 4 map as a guide about where the additional restrictions should take place.

For this reason staff recommends accepting the local governments candidates for RSIA's which generally fit the rule's intent to protect the areas where the movement of freight is essential shown in Exhibits B and C as part of Ordinance No. 04-1040. A map of the RSIA areas is contained in Attachment 4.

Regional Framework Plan Amendments

The Framework Plan is proposed to be amended to add policy language to guide UGB decisions and minimize impacts on the agricultural industry. Comments from participants at the symposium called "Agriculture at the Edge" spurred the proposed policy changes. Potential expansion of the UGB has different impacts on nursery operations, farm related businesses and individual operation. Changes to Chapter 1, Land Use Policy 1.12 are proposed to provide greater certainty for farmers regarding urbanization and reduce potential conflicts. Staff recommends removing the reference to south of the Willamette River at this time until all other potential physical boundaries have been considered in a measured and thorough process. There are a number of potential edges that could define the regional urban form such as the Clackamas River, the Multnomah Channel and/or the Tualatin River. The proposed changes provide the following policy guidance:

- When choosing land among the same soil class consider impacts on commercial agriculture, and
- Develop agreements with neighboring cities and counties to protect agriculture.

This change to the Framework Plan is timely because over half of the areas being considered are EFU lands and a number of the exception areas contain extremely productive agricultural uses.

MEETING GOAL 1 REQUIREMENTS

Goal 1: Citizen Involvement, requires formation of a citizen involvement program to insure that the public is involved throughout the land use process. Goal 1 also requires that planning efforts be coordinated with federal, state, special purpose districts and local governments.

Metro's public outreach efforts for Periodic Review have consisted of open houses, meetings, mailed notice, website information and public hearings to reach as many citizens and interest groups as possible. Over 65,000 notices were mailed to property owners, interested parties, trade and advocacy groups to solicit comments and receive information from the public on the upcoming decision to amend Metro policies and expand the UGB. A postcard notice was provided to all property owners inside the recommended areas and those properties located within 500 feet of the proposed expansion areas. A similar notice was provided to property owners affected by the proposed changes to Title 4. In addition to these meetings all technical work products were reviewed by the Metro Technical Advisory Committee (MTAC), the MPAC and the Metro Council in public meetings.

Public Open Houses

Six open houses were held in March and April 2004 throughout the region. The open houses provided project overview presentations and opportunities for individual discussion with staff on specific areas under consideration. Staff received over 800 responses from the public in the form of phone calls, comment cards and emails. These open houses were conducted prior to the release of the Chief Operating Officers recommendation contained in ordinance 04-1040 so that comments and concerns could be included in the recommendation.

Agricultural Symposium

Metro sponsored a symposium called "Agriculture at the Edge" in October 2003 to discuss conflicts between the agricultural industry and urban areas and to gain a broader perspective of the needs of the agricultural community. The symposium provided a forum for farmers to express concerns regarding the loss of land to urbanization, industry needs and challenges due to traffic, loss of water, vandalism and conflicts between the industrial use of farming and developed residential uses. Several LCDC Commissioners attended the event as well as the Metro Council. Over 185 people attended the event. The farm community urged the Metro Council to consider farming as an industry with land needs and to not see the land located outside of the UGB as a future urban holding zone.

Local Government Coordination

The Metro Council met with the Marion County Board of Commissioners in January 2004 to discuss the upcoming UGB expansion and the location of a study area south of Willamette River which borders Marion County. The Commissioners stressed the importance of continued coordination and the importance of maintaining a viable agricultural industry in the valley. A part of keeping this industry healthy is limiting urban incursions into land that is productive for agricultural use, the County stated their opposition to Metro expanding the UGB south of the Willamette River.

Local government coordination has been a continuous effort throughout the Periodic Review project. All correspondence received from local governments have been responded to in a timely manner and in writing. This staff report and ordinance will be mailed to all local elected officials in the region after to the first reading of Ordinance No. 04-1040 on April 15, 2004.

Public Hearings

Two series of public hearings are scheduled to provide opportunities for citizens and effected parties to address the Metro Council. A series of three public hearings are scheduled in April and early May to begin to take testimony on the contents of Ordinance 04-1040. A second series of public hearing will be held in May and June to consider possible revisions to the ordinance and to finalize the decision by the deadline of June 30, 2004.

COMPLETING PERIODIC REVIEW

In addition to Title 4 revisions and adjustment to the need numbers the following areas are proposed by the Chief Operating Officer for expansion of the UGB to meet the industrial land shortfall of 1,575 net acres. The areas are proposed because they meet the requirements in Goal 14 in the following order: 1) are exception lands that meet the suitability factors identified for warehouse and distribution, general industrial and tech flex uses, 2) are the lowest quality farmland that meets the suitability factors or, 3) are located on higher quality farmland but are necessary to meet the specific need for warehouse and distribution use or tech flex or general industrial uses.

Assigning 2040 Design Types and Conditions

All areas proposed for inclusion in the UGB must be assigned a 2040 design type of either Industrial or RSIA. Concept planning as required in Title 11 of the Functional Plan will determine the location and extent of the boundaries of the industrial areas. All areas except Borland Road North of 205 and Tualatin are proposed to be assigned an RSIA designation. Borland Road North of 205 and Tualatin areas are proposed to be assigned an industrial designation at this time recognizing that these areas contain a number of conflicting uses and constraints that may reduce their effectiveness for industrial development. It is expected that the concept planning for these areas will resolve these conflicts. In addition general conditions will apply to all sites to specify Title 11 requirements and some areas may have specific conditions recommended to address unique issues. Briefly the following specific conditions are recommended:

- Damascus- include planning for this area into the larger Damascus effort;
- Beavercreek- combine concept planning for this area with the adjoining tax lot under the same ownership;
- Wilsonville East- require a buffer between adjoining residential uses to the east, designate as an RSIA; and
- Cornelius- designate as an RSIA;
- Helvetia- designate as an RSIA;
- East Coffee Creek and Tualatin- require finalization of the I-5/ 99W connector and planning for appropriate industrial edges within these areas, the right of way alignment may defines the City boundaries for Wilsonville and Tualatin in this area.

The specific conditions are contained in Exhibit F in Ordinance No. 04-1040.

KNOWN OPPOSITION

The policy changes to the Title 4 ordinance and map address a number of local jurisdiction's concerns regarding the perceived loss of flexibility with the application of RSIA regulations. Staff was able to work with local staff to resolve a number of implementation issues as well as address policy concerns over flexibility and uses that are permitted in industrial areas. Key stakeholders may still have concerns based upon the regulation of office uses, location of medical facilities and size of commercial uses that serve industrial areas.

The proposed changes to the Regional Framework Plan have been supported by a number of jurisdictions that have the desire to protect farmland and limit the extent of the growth of the region south of the Willamette River. These concerns stem from perceived impacts on the greater Willamette Valley. Some

members of the business community and the Port of Portland have expressed a desire to consider this area for industrial development due to its location and access to I-5. Conversely, the issue has been hotly debated and there is countervailing concern that imposing limits on the urban form of the region should not preclude a larger more comprehensive discussion that will follow completion of this Periodic Review.

LEGAL ANTECEDENTS

Title 4 is part of the adopted and acknowledged Urban Growth Management Functional Plan. Authority to amend the 2040 Growth Concept map comes from ORS 268.380 and ORS 268.390(5). UGB evaluation and amendment requirements are found in ORS 197.298 and 197.299.

ANTICIPATED EFFECTS

Adoption of Ordinance 04-1040 will result in fulfilling the requirements in Metro code section 3.07.420I, which requires Metro to adopt a map of Regionally Significant Industrial Areas with specific boundaries that is derived from the Generalized Map of Regionally Significant Industrial Areas adopted in Ordinance No. 02-969B.

Adoption of Ordinance 04-1040 resolves Title 4 implementation issues and gives local governments clearer instructions as to the Metro Council's intent. This ordinance also fulfills the intent of the DLCD remand order #03-WK Task 001524 to ensure that additional savings can be achieved on existing industrial lands prior to expansion of the UGB. The effective date of the new Title 4 regulations is September 5, 2004. Local governments will have two years following LCDC's acknowledgement to adopt a local map and make changes to their codes.

Regional Framework Plan Amendments

Amendments to the Regional Framework Plan require no action on the part of local governments. The adoption of amendments to Chapter 1, Land Use Policy 1.112 is considered an emergency because it has bearing on the UGB decision and is due because of the immediacy of the June 30, 2004 deadline.

Adoption of the UGB amendments

Title 11 requires completion of Concept Plans for all areas included in the UGB within two years of Metro's ordinance or as specified in conditions of approval (areas have been conditioned from 4-6 years). Typically concept plans are completed in partnership with the county, adjoining city and Metro prior to urbanization.

Other Issues

There are two areas that are recommended for removal from the UGB. Tax lots 1300,1400 and 1500 (18 acres) that were included in the remand work order from LCDC are recommended for no further action and removal from the UGB.

A small area located in the Springwater industrial area (east of Gresham, 90 acres) is recommended to be removed from the UGB for the following reasons: 1) it was originally added to the UGB amendment area to facilitate the extension of services and after preliminary concept planning it was determined that this area is not needed and, 2) a significant portion of the area is constrained by existing development, natural resources and slopes.

The remand work order specified that additional information was needed to fulfill the requirements in the Housing Needs analysis. Based on the findings in this analysis Metro has determined that no adjustments to the UGB are required as a result of this analysis.¹⁹ This analysis is discussed under a separate memorandum.

¹⁹ Housing Needs Analysis, dated April 2004.

BUDGET IMPACTS

The UGB and Metro Code amendments will go into effect in September 2004. Additions to the UGB include FTE for monitoring and minor participation in concept planning. Metro has a commitment of 1.43 FTE dedicated to ongoing concept planning in Hillsboro, Damascus, Gresham and the City of Tualatin. Planning in the Stafford Basin and around the City of Wilsonville. Additional FTE and potential grants to local governments may be needed. Implementation of Metro Code changes requires a corresponding amendment of local planning ordinances to implement the intent of these policies. Compliance monitoring is already included in the 2004/ 2005 budget. Community Development staff currently monitors all ongoing zone, comprehensive plan and code changes at the jurisdictional level as well as other project responsibilities.

RECOMMENDED ACTION

Adopt Ordinance 04-1040 to amend the UGB to provide a 20-year supply of land for industrial purposes, amend the Metro Code Title 4 to protect industrial land, amend the Employment and Industrial Lands Map and amend the Regional Framework Plan to limit the impacts on the agricultural industry.

The areas included in this recommendation address all of the remaining industrial land need. The recommendation also presents several other policy options to complete amendments to Title 4 and to the method of applying the commercial land surplus to the industrial land need. These outcomes discussed are the application of the commercial surplus to the industrial land need (applying or not applying) and permeations of Title 4 that include allowing hospital and medical facilities in industrial and RSIA areas. The options are as follows:

- 1) Use the 393 commercial surplus to be used to satisfy a portion of the industrial demand- *included in the recommendation;*
- 2) Do not use the 393 commercial surplus to satisfy a portion of the industrial land need therefore the overall land need would be 1,968- *1,575 acres has been incorporated into the recommendation;*
- 3) Allow hospitals and medical clinics to be located in Title 4 and RSIA's industrial areas without being restricted to the retail limitation of 5,000 and 20,000 square feet, the net effect is an increase in the industrial land need by 300 acres.²⁰ The total acreage need increase to either 1,875 acres (if commercial surplus is also applied) or 2,268 acres if not.

The areas included in this recommendation provide land choices to resolve these policy issues. Due to application of the factors in Goal 14 and the application of the siting and location factors the base recommendation of 1,635 acres is recommended to be included to satisfy the remaining industrial land need.

²⁰ 300 acres is based on a projection of a need for 3-5 hospitals on 50 acre sites and the need for 5-6 clinics located on 25 acre sites over the next 20 years. Hospital and clinic uses are classified as employment uses in the Employment UGR.

Table 7. Recommended UGB Expansion Areas

RECOMMENDED EXPANSION AREAS	TOTAL ACRES	NET ACRES	TIER and DESIGNATION	2040 Design Type	SUITABILITY FACTORS		
					Access	Proximity	Slopes less 10%
Damascus West	102	69	Tier 4 - Resource	Industrial	✓	✓	✓
Tualatin	646	339	Tier 1-Exception	Industrial	✓	✓	✓
Quarry (p)	354	236	Tier 4 -Resource	Industrial	✓	✓	✓
Borland Rd N. (p)	575	164	Tier 1 -Exception	Industrial	✓	✓	✓
Beavercreek	63	30	Tier 4 -Resource	Industrial	--	✓	✓
Coffee Creek (p)	264	97	Tier 1 - Exception	Industrial	✓	✓	✓
Wilsonville East (p)	641	460	Tier 5 - Resource	RSIA	✓	✓	✓
Cornelius (p)	206	91	Tiers 1 & 5 - Mixed	RSIA	✓	✓	✓
Helvetia (p)	249	149	Tiers 1 & 3 - Mixed	RSIA	✓	✓	✓
TOTAL	3,100	1,635					

(p) partial areas

Table 8. Additional Areas for Consideration

EXPANSION AREAS	TOTAL ACRES	NET ACRES	TIER and DESIGNATION	2040 Design Type	SUITABILITY FACTORS		
					Access	Proximity	Slopes less 10%
West Union (p)	368	133	Tiers 1 & 5 - Mixed	RSIA	✓	✓	✓
Evergreen (p)	985	730	Tiers 1 & 5 - Mixed	RSIA	✓	✓	✓
TOTAL	1,353	863					

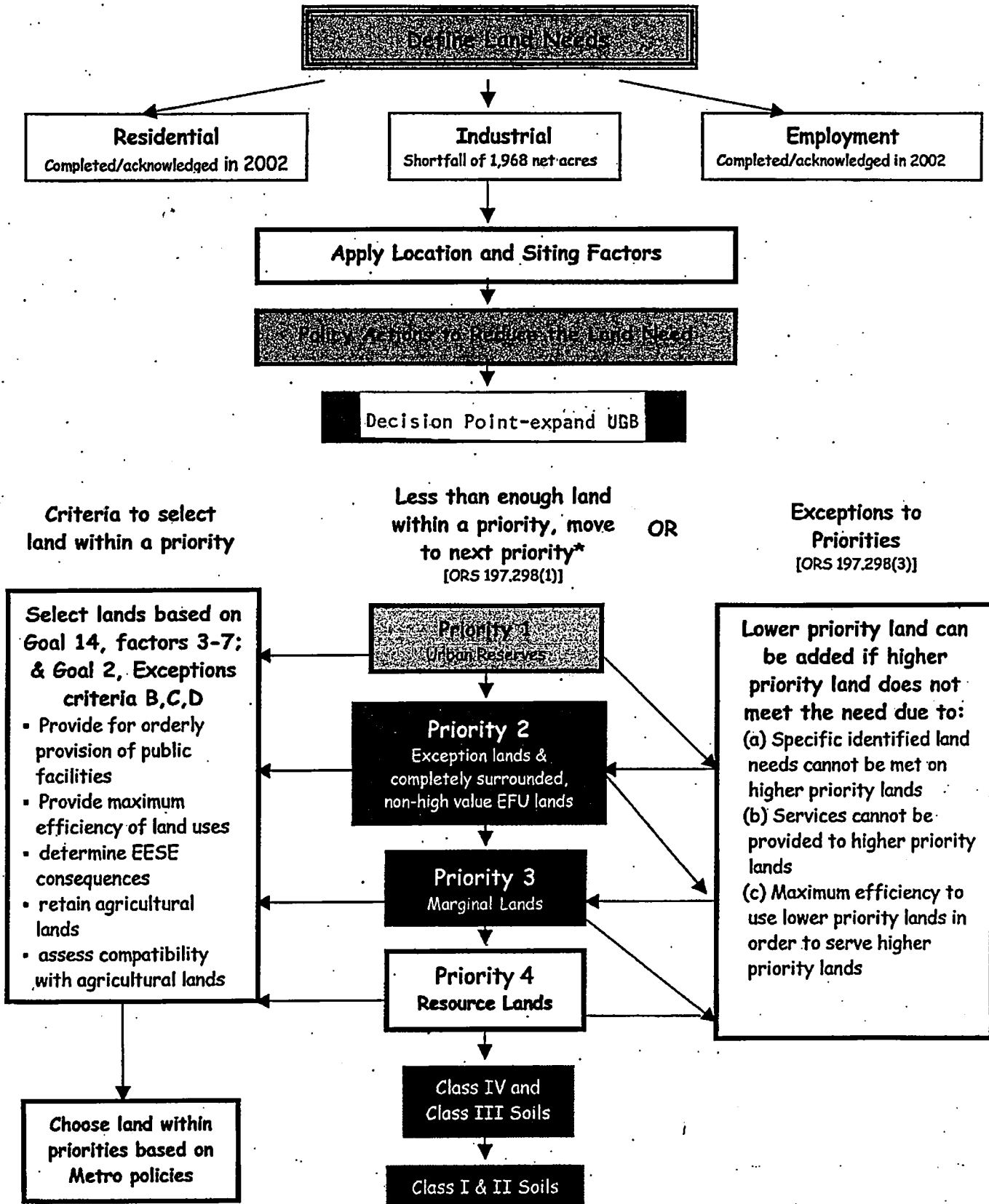
(p) partial areas

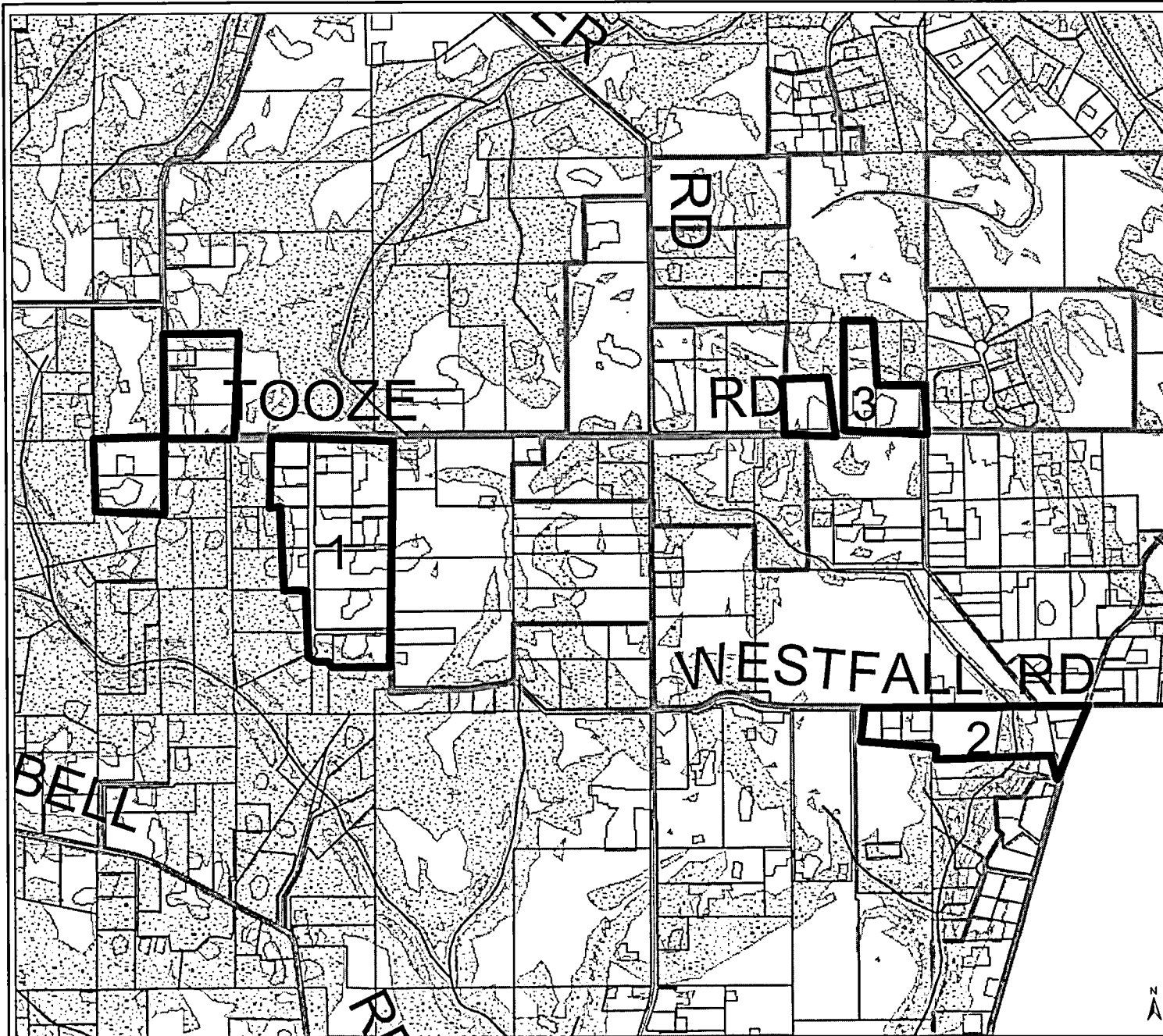
Attachments:

- Attachment 1- Goal 14 Chart
- Attachment 2- Study Area Maps
- Attachment 3- Chief Operating Officer's Recommended Areas Map
- Attachment 4- Title 4 Map

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Goal 14: Where to Satisfy the Region's 20-Year Urban Land Needs Through UGB Expansion





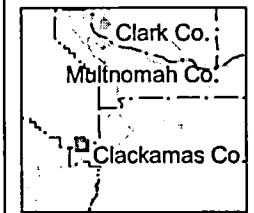
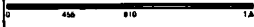
Wilsonville West Study Area

Map 1

- Wilsonville West Study Area
- Developed Land
- Constrained Land -
Modeled Title 3 and
Slopes Greater Than 10%

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1 inch equals 1,243 feet

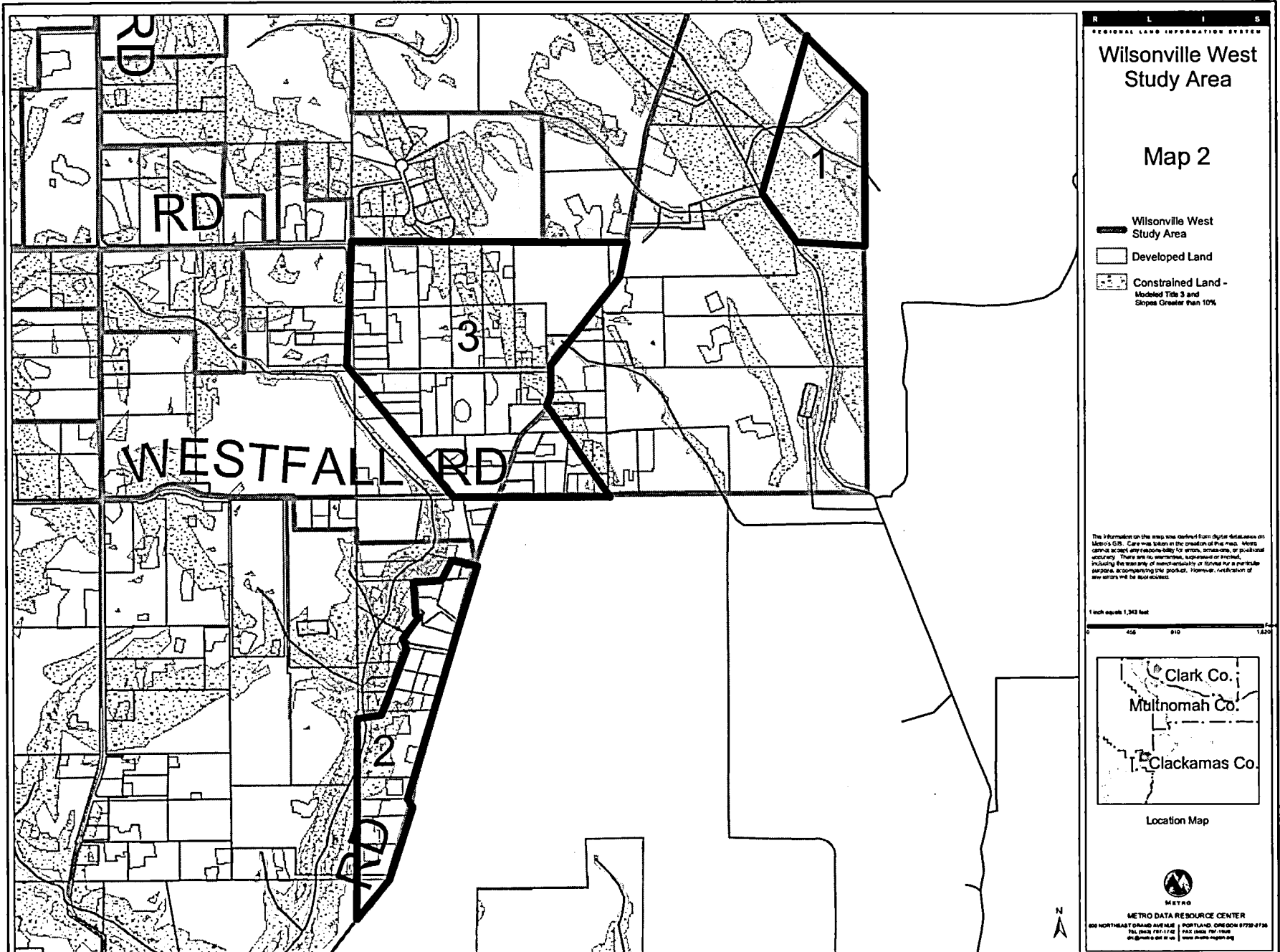


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REGIONAL LAND INFORMATION SYSTEM

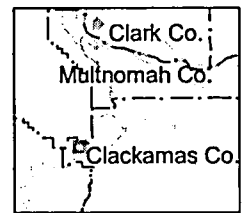
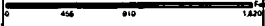
Wilsonville West Study Area

Map 2

-  Wilsonville West Study Area
-  Developed Land
-  Constrained Land -
Modeled Title 3 and
Slopes Greater Than 10%

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1 inch equals 1,343 feet

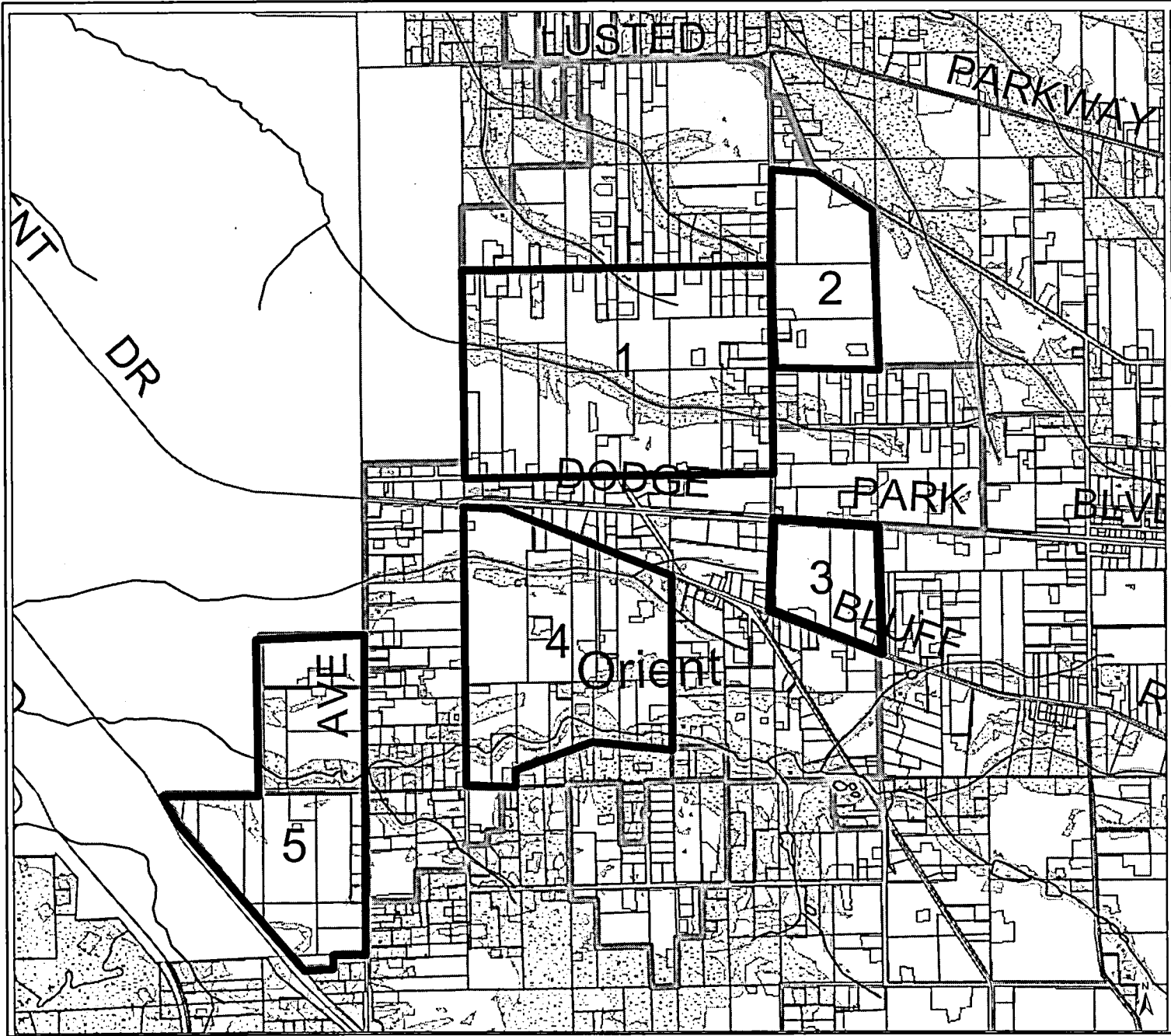


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R E G I O N A L L A N D I N F O R M A T I O N A R Y

Gresham Study Area

Map 1

- Gresham Study Area
- Developed Land
- Constrained Land - Modified Title 3 and Slopes Greater Than 10%

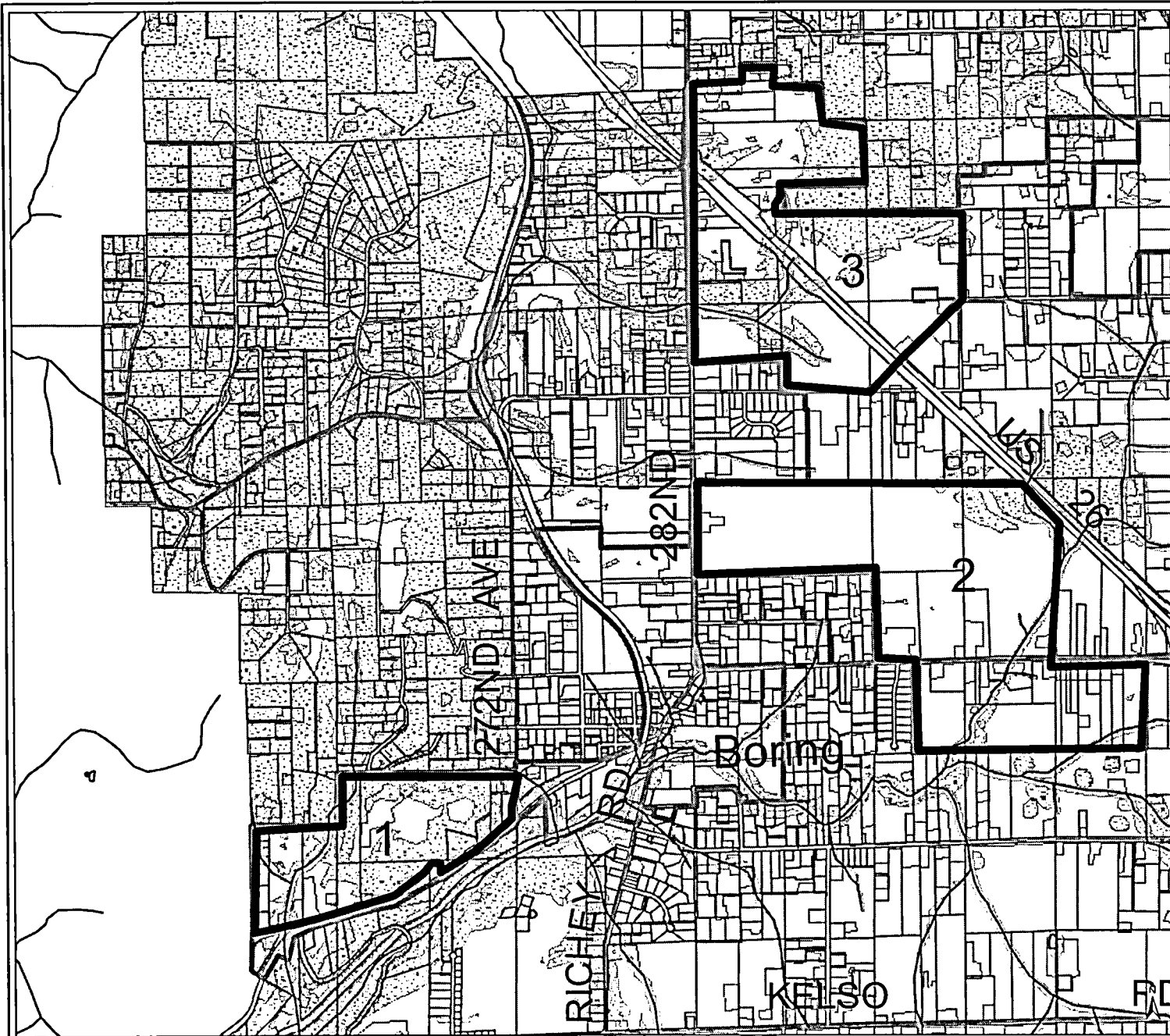
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1 inch equals 1,760 feet

Clark Co.
Multnomah Co.
Clackamas Co.




Location Map

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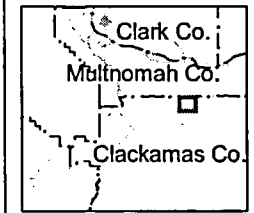
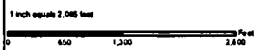


Boring Study Area

Map 1

-  Boring Study Area
-  Developed Land
-  Constrained Land - Modified Title 3 and Slopes Greater than 10%

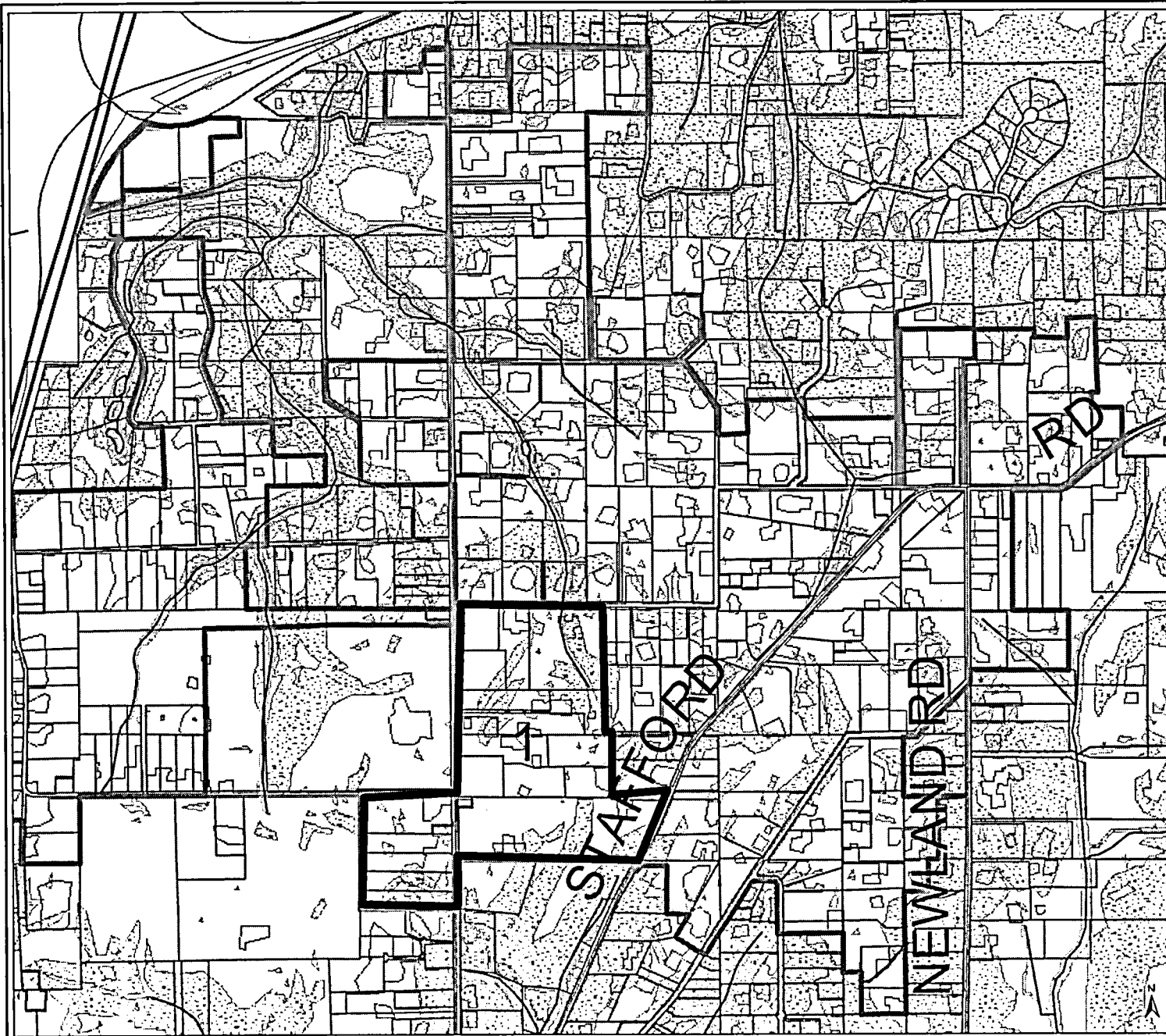
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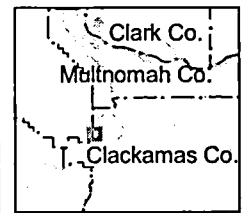


Norwood/ Stafford Study Area

Map 1

- Norwood/Stafford Study Area
- Developed Land
- Constrained Land -
Modeled Tilt 3 and
Slopes Greater than 10%

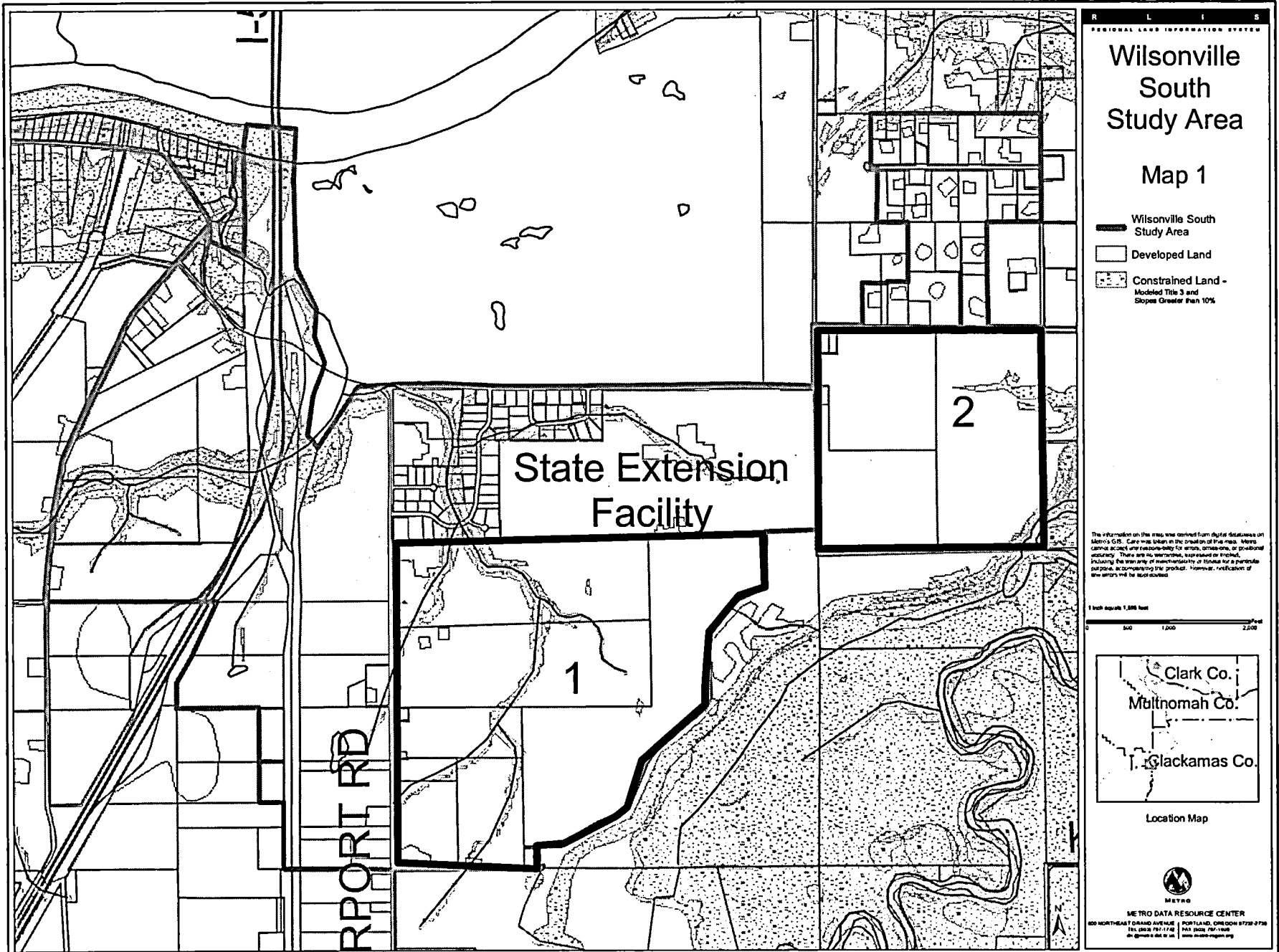
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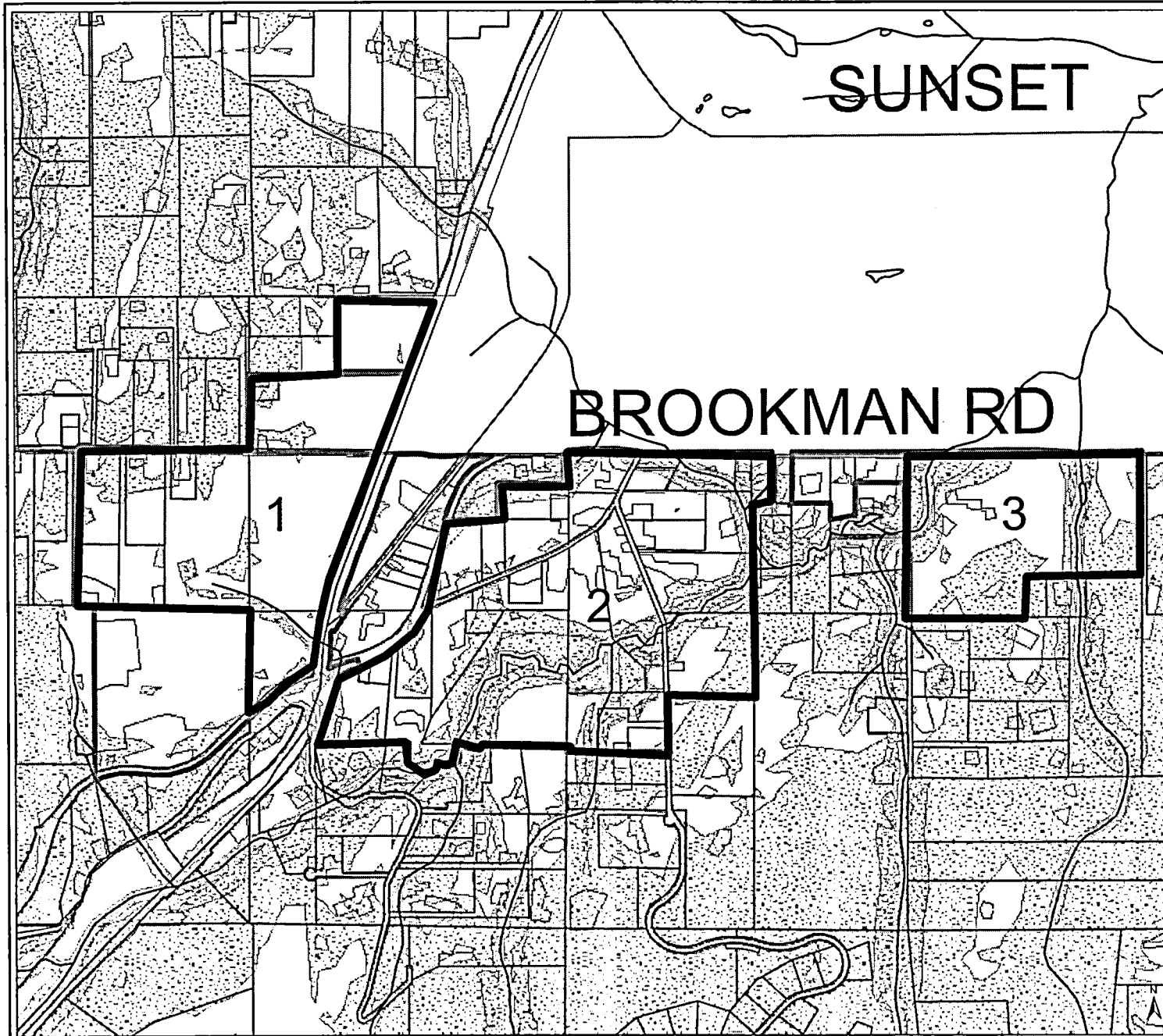


Location Map






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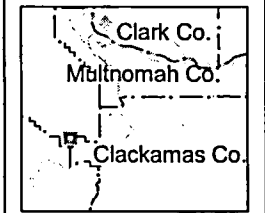
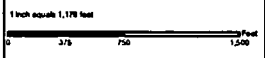


Brookman Road Study Area

Map 1

-  Brookman Road Study Area
-  Developed Land
-  Constrained Land - Modified Title 3 and Slopes Greater Than 10%

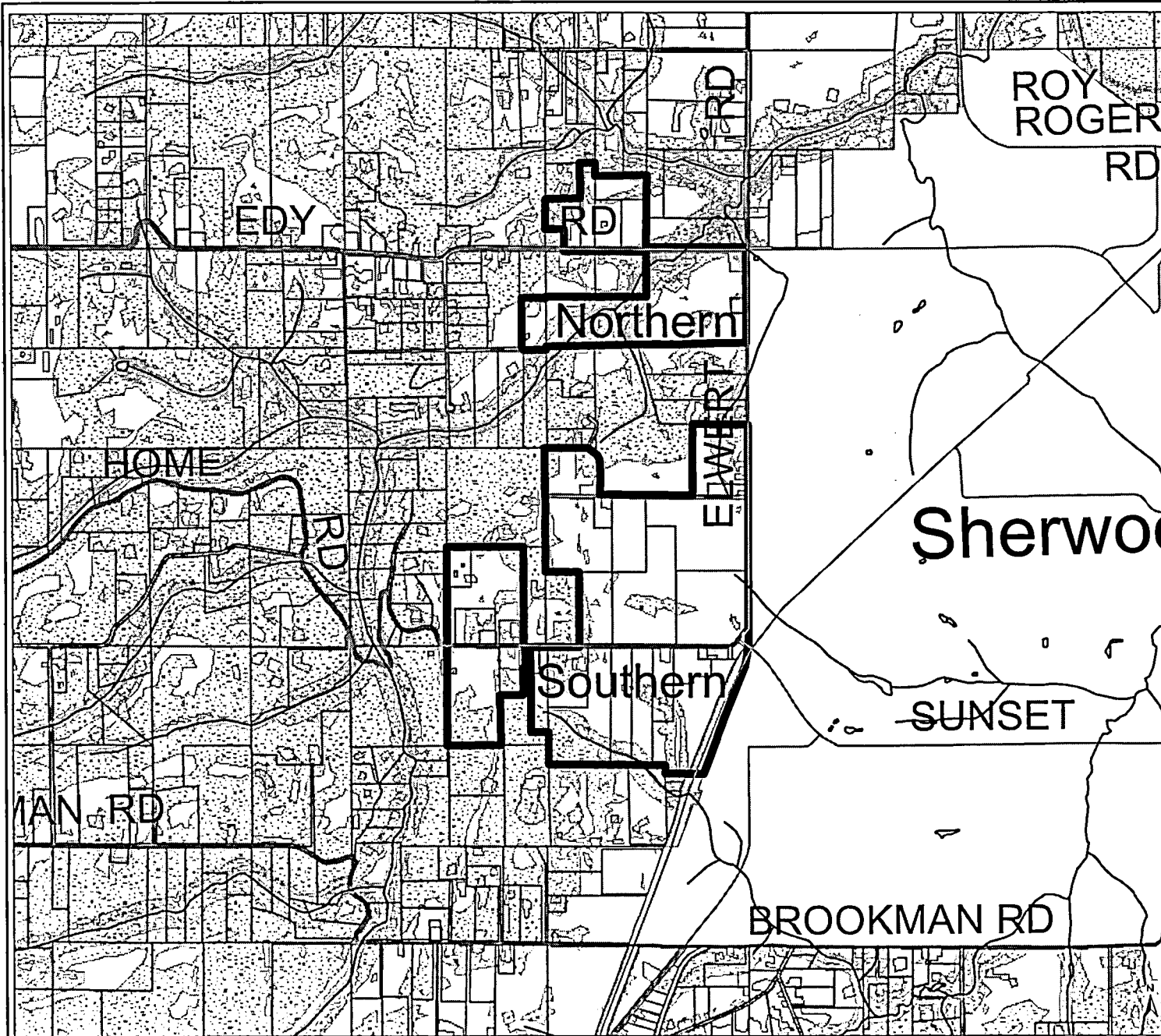
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Location Map






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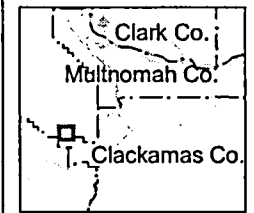
Sherwood West Study Area

Map 1

-  Sherwood West Study Area
-  Developed Land
-  Constrained Land - Modeled Title 3 and Slopes Greater Than 10%

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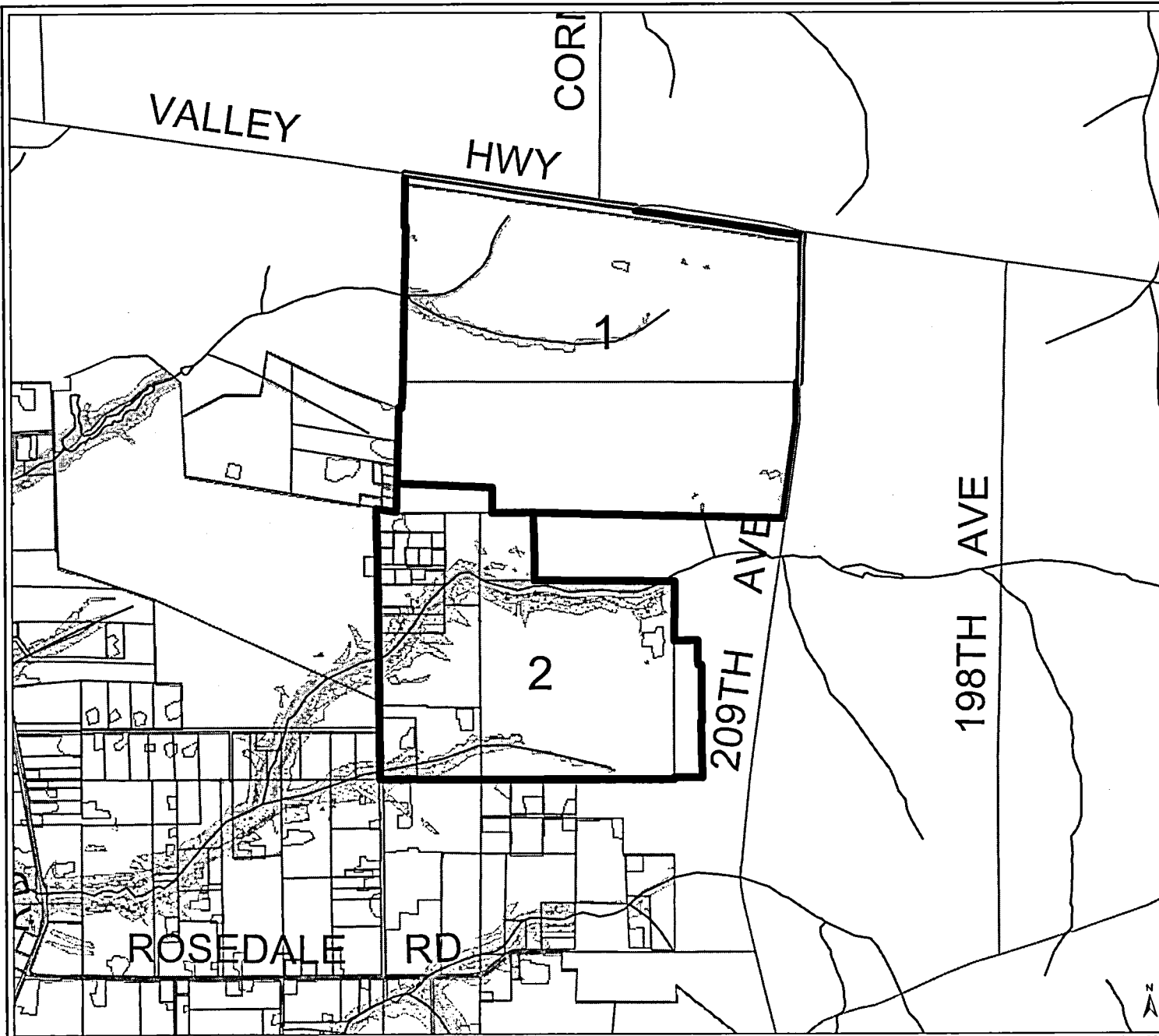
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Location Map



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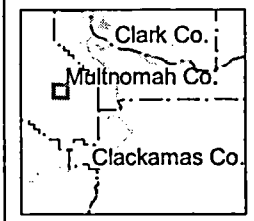
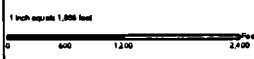


Hillsboro South Study Area

Map 1

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-  Developed Land
-  Constrained Land - Modeled Title 3 and Slopes Greater Than 10%

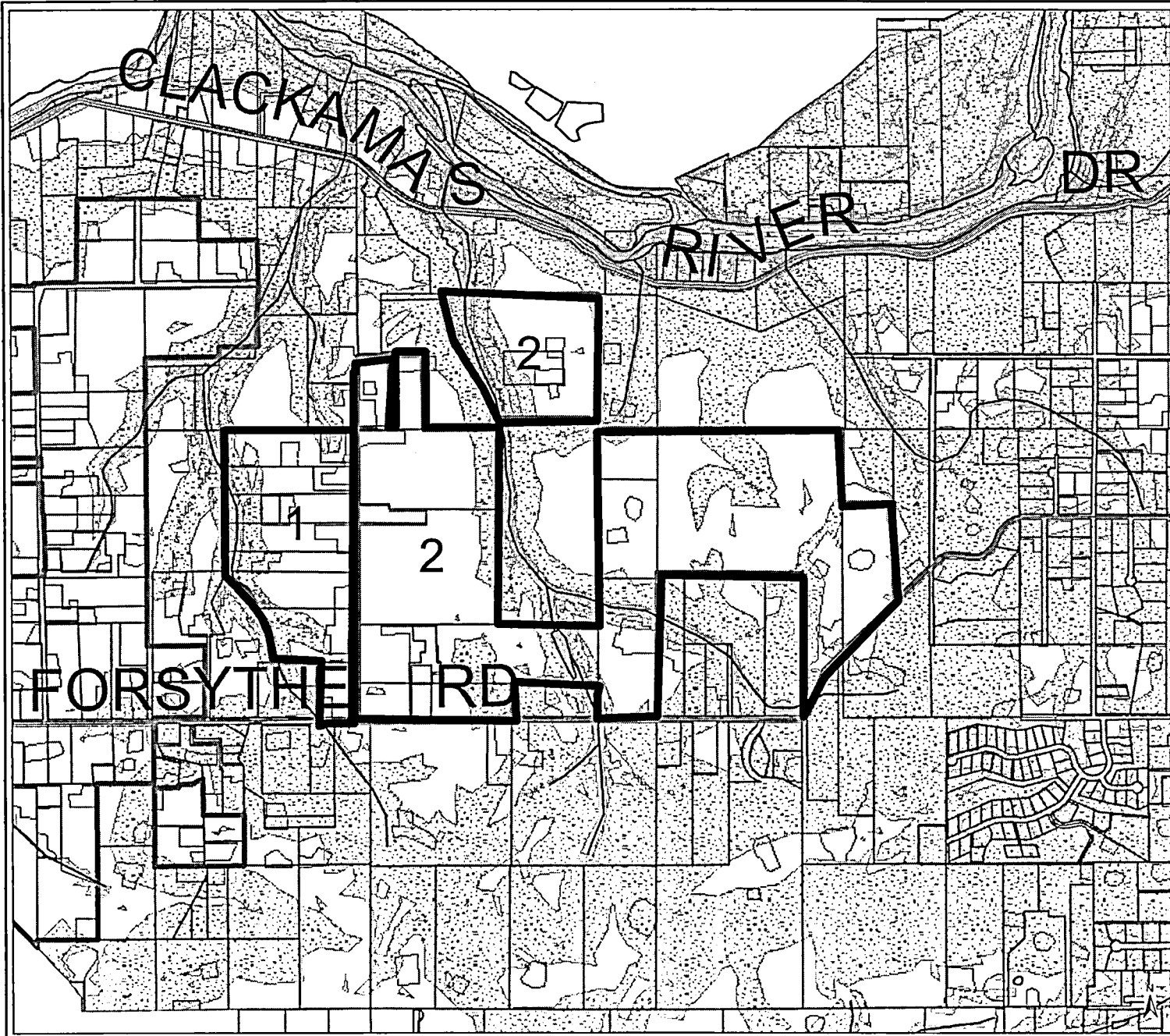
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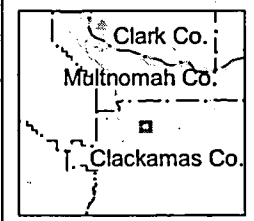


Oregon City North
Study Area

Map 1

-  Oregon City North Study Area
-  Developed Land
-  Constrained Land -
Modeled Title 3 and
Slopes Greater than 10%

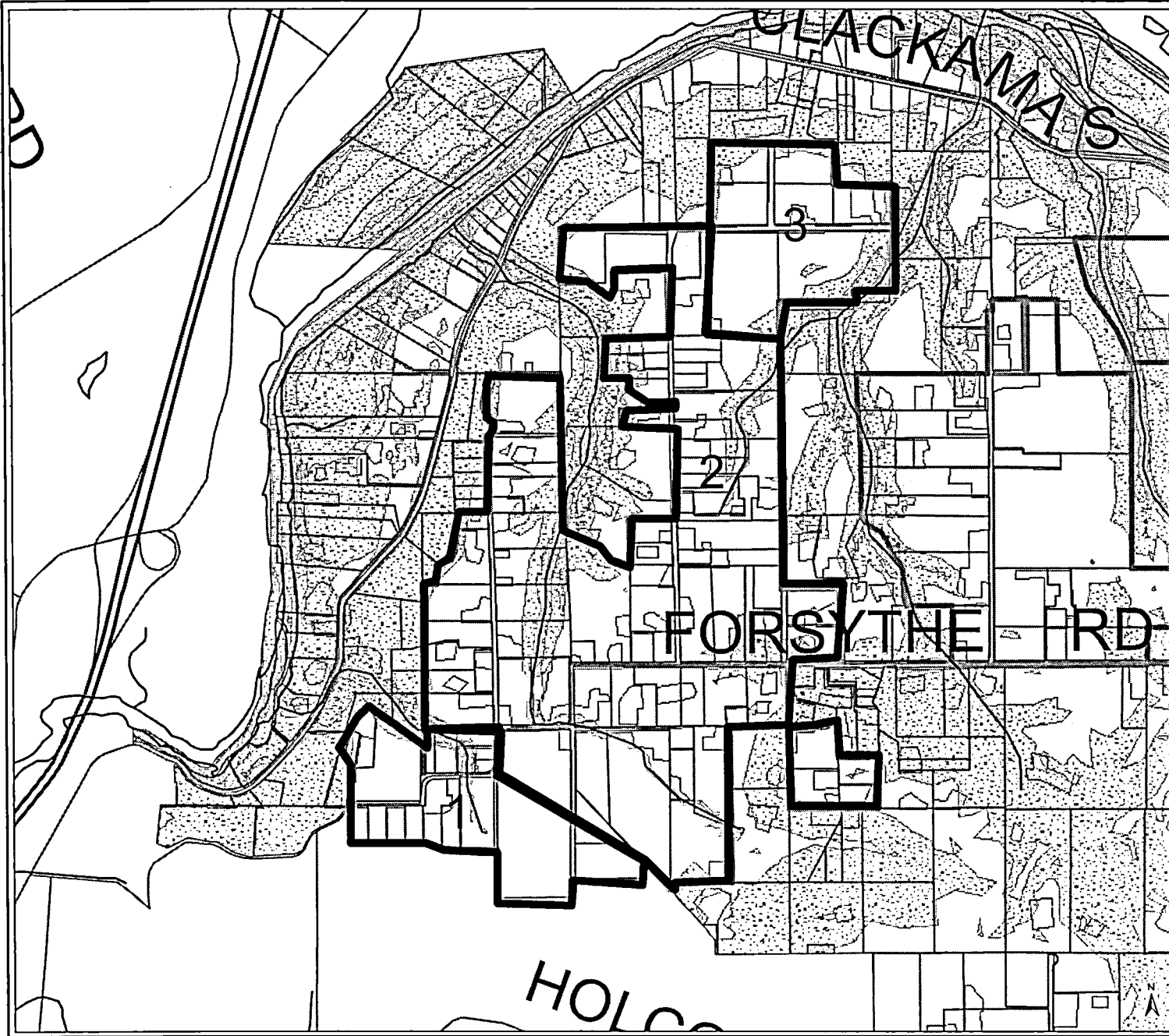
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Location Map






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 TEL: (503) 781-1145 FAX: (503) 781-1548
 OR @metro OR us WWW.METRO.OREGON.ORG



R L I S
REGIONAL LAND INFORMATION SYSTEM

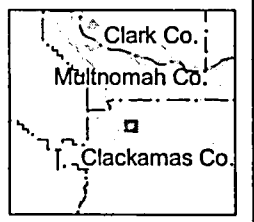
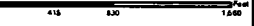
Oregon City North Study Area

Map 2

-  Oregon City North Study Area
-  Developed Land
-  Constrained Land -
Modelled Title 3 and
Slopes Greater than 10%

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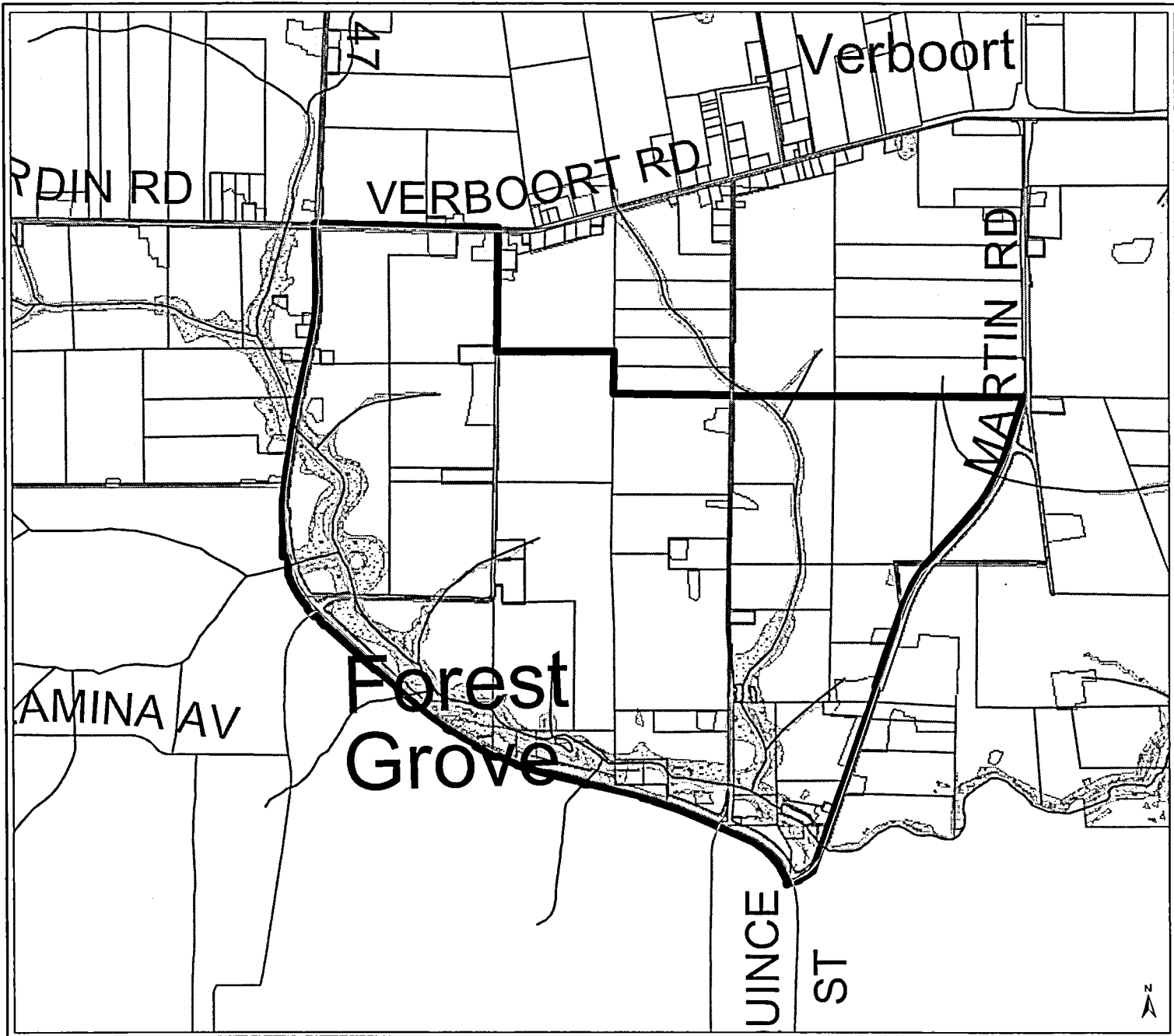
1 inch equals 1,200 feet



Location Map






METRO DATA RESOURCE CENTER
608 NORTH EAST GRAND AVENUE PORTLAND, OREGON 97224-2726
TEL: (503) 957-1142 FAX: (503) 957-1140
WWW: metro-data.org



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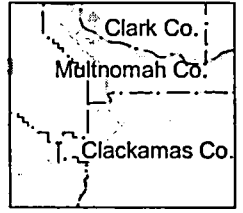
Forest Grove East
Study Area

Map 1

-  Forest Grove East Study Area
-  Developed Land
-  Constrained Land -
Modelled Title 3 and
Slopes Greater than 10%

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1 inch equals 1,000 feet
0 500 1,100 2,200



Location Map



METRO DATA RESOURCE CENTER
800 NORTHEAST GRAND AVENUE | PORTLAND, OREGON 97232-4726
TEL: 503.281.1100 | FAX: 503.281.1100
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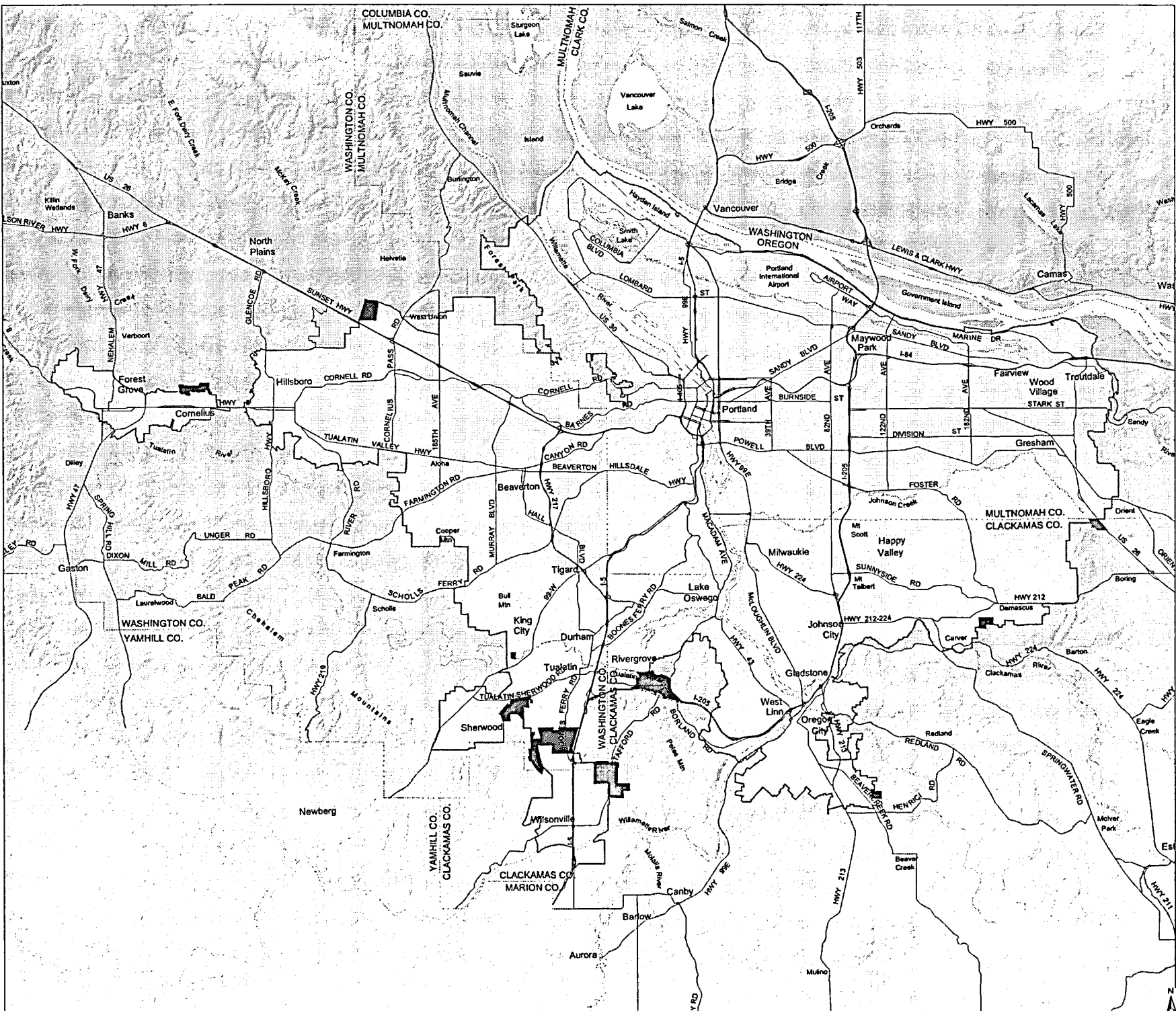
**Chief Operating Officer's
Recommended Areas**

Ordinance 04-1040

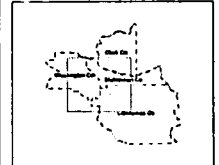
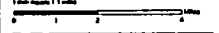
Note: The Metro Council may consider land for possible inclusion in the UGB for industrial use even if it is not in the Chief Operating Officer's recommendation.

Areas Recommended for UGB Expansion

-  Recommended Areas
-  Additional Areas Under Consideration
-  Areas to be Removed
-  Urban Growth Boundary



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Location Map



0 1 2 3 Miles

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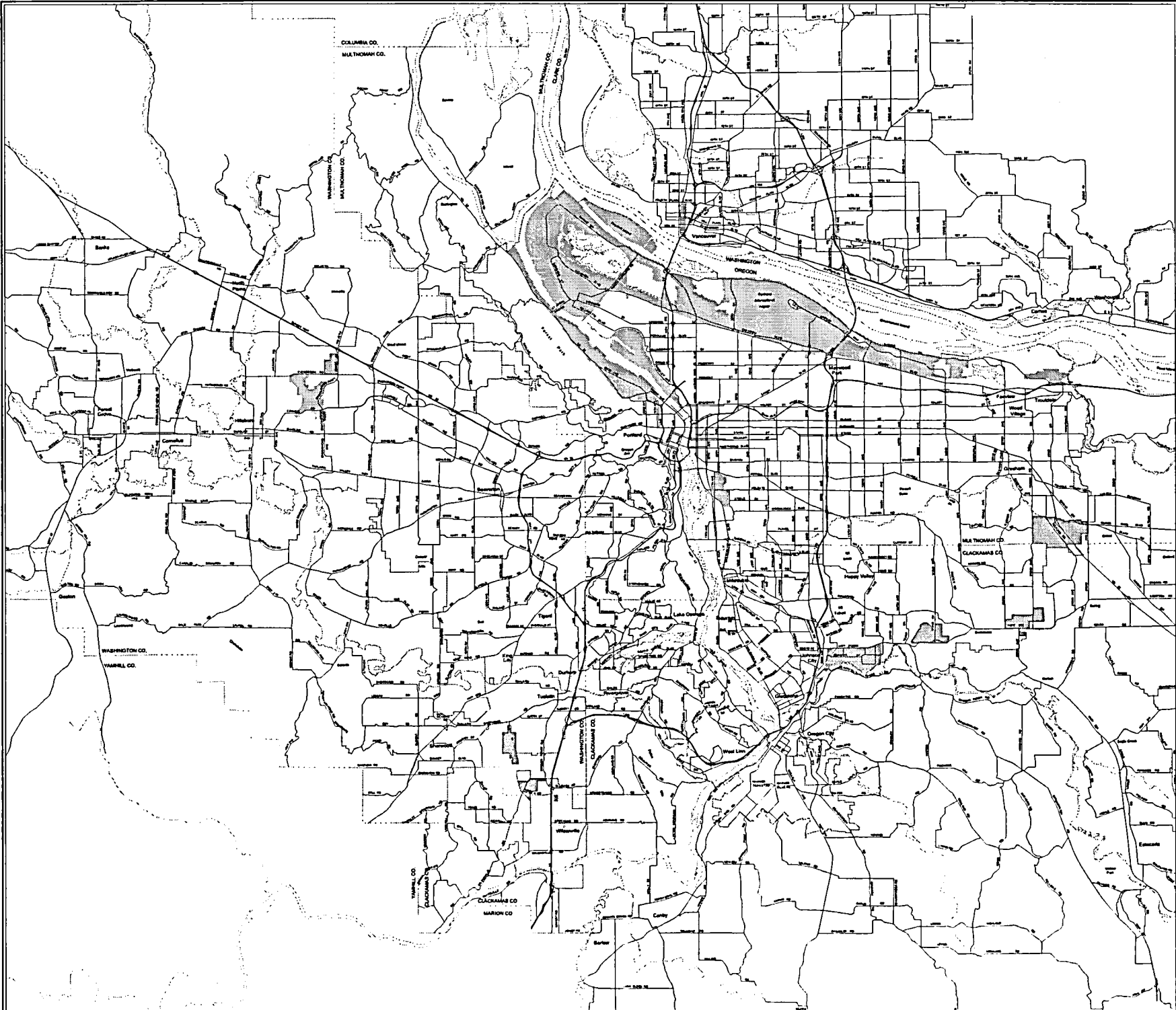
Regionally Significant Industrial Areas

Ordinance

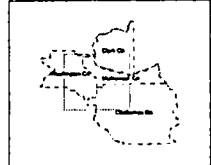
Title 4 Subcommittee Recommendation

 Local Government Proposed RSIA

 Title 4 Regionally Significant Industrial Area 2002 Decision



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Location Map



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Tel: 503.281.1100 Fax: 503.281.1101
http://www.oregon.gov/ODOT/RegionalPlanning/

Agenda Item Number 5.3

Ordinance No. 04-1041, For the Purpose of Amending Metro's Regional Framework Plan to Better Protect the Region's Farm and Forest Land Industries and Land Base; and Declaring an Emergency.

Second Reading

Metro Council Meeting
Thursday, April 29, 2004
Washington County Public Service Building Chamber

BEFORE THE METRO COUNCIL

FOR THE PURPOSE OF AMENDING METRO'S) ORDINANCE NO. 04-1041
REGIONAL FRAMEWORK PLAN TO BETTER)
PROTECT THE REGION'S FARM AND FOREST)
LAND INDUSTRIES AND LAND BASE, AND) Introduced by Councilor Carl Hosticka
DECLARING AN EMERGENCY)

WHEREAS, Chapter 1 Land Use, Policy 1.12 Protection of Agriculture and Forest Resource Land of Metro's Regional Framework Plan (RFP) calls upon Metro to protect agricultural and forest land, but it does not offer guidance on how to achieve the policy when the Metro Council must expand the urban growth boundary (UGB) to accommodate long-term urban population or employment growth and must choose agricultural or forest land to satisfy a portion of the need for land; and

WHEREAS, Metro sponsored a symposium on agriculture in the larger region around the Metro Area on October 31, 2003 ("Agriculture at the Edge"), at which farmers and others in the agricultural industry expressed concern for the loss of land to urbanization and conflicts between urban use and farm practices and asked Metro to think of agriculture as an industry rather than as a reserve for future UGB expansion; and

WHEREAS, Metro is studying approximately 29,000 acres of land, including 9,000 acres of agricultural land, for possible addition to the UGB for industrial use, and must choose approximately 2,000 acres from among those lands; and

WHEREAS, the Metro Council wants to avoid harm to the agricultural industry in the region; now, therefore

THE METRO COUNCIL ORDAINS AS FOLLOWS:

1. Chapter 1 Land Use, Policy 1.12 Protection of Agriculture and Forest Resource Land of Metro's Regional Framework Plan (RFP) is hereby amended as shown in Exhibit A, attached and incorporated into this ordinance.
2. The Findings of Fact and Conclusions of Law, attached as Exhibit B and incorporated into this ordinance, explain how the amendment of Chapter 1 Land Use, Policy 1.12 Protection of Agriculture and Forest Resource Land of the RFP complies with state and regional planning laws.
3. This ordinance is necessary for the immediate preservation of public health, safety and welfare because the Metro Council must make a decision on expansion of the UGB for industrial land by June 24, 2004, to comply with Remand Order 03-WKTASK-001524 of the Land Conservation and Development Commission. An emergency is therefore declared to exist, and this ordinance shall take effect immediately, pursuant to Metro Charter Section 39(1).

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///
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///

ADOPTED by the Metro Council this _____ day of _____, 2004.

David Bragdon, Council President

Attest:

Approved as to Form:

Christina Billington, Recording Secretary

Daniel B. Cooper, Metro Attorney

Exhibit A to Ordinance No. 04-1041
Metro's Regional Framework Plan
Chapter 1 Land Use, Policy 1.12 Protection of Agriculture and Forest Lands

1.12—Protection of Agriculture and Forest Resource Lands

1.12.1 Agricultural and forest resource-land outside the UGB shall be considered a regional economic and cultural resource and be protected from urbanization, and accounted for in regional economic and development plans, consistent with this Plan statewide planning laws. However, Metro recognizes that all the statewide goals, including Statewide Goal 10, Housing and Goal 14, Urbanization, are of equal importance to Goals 3 and 4 which protect agriculture and forest resource lands. These goals represent competing and, some times, conflicting policy interests which need to be balanced.

1.12.12 Rural Resource Lands

Rural resource lands outside the UGB that have significant resource value should actively be protected from urbanization. However, not all land zoned for exclusive farm use is of equal agricultural value. the Metro Council shall choose agricultural land deemed less important to the continuation of commercial agriculture in the region, and shall not choose agricultural land south of the Willamette River and west of the Pudding River.

1.12.23 Urban Expansion

Expansion of the UGB shall occur in urban reserves, established consistent with the urban rural transition objective. All urban reserves should be planned for future urbanization even if they contain resource lands. Metro shall enter into agreements with neighboring cities and counties to carry out Metro Council policy on protection of agricultural and forest resource policy through the designation of Rural Reserves and other measures.

1.12.34 Farm and Forest Practices

Protect and support the ability for farm and forest practices to continue. The designation and management of rural reserves by the Metro Council may help establish this support, consistent with the Growth Concept. Agriculture and forestry require long term certainty of protection from adverse impacts of urbanization in order to promote needed investments. Metro shall work with neighboring counties to provide a high degree of certainty for investment in agriculture in agriculture and forestry and to reduce conflicts between urbanization and agricultural and forest practices.

**Exhibit B to Ordinance No. 04-1041
Findings of Facts and Conclusions of Law**

[TO FOLLOW]

Agenda Item Number 6.1

Resolution No. 04-3446, For the Purpose of Approving the FY 2004-05 Budget and Transmitting the Approved Budget to the Tax Supervising and Conservation Commission

Metro Council Meeting
Thursday, April 29, 2004
Washington County Public Service Building Chamber

BEFORE THE METRO COUNCIL

FOR THE PURPOSE OF APPROVING THE FY 2004-05 BUDGET AND TRANSMITTING THE APPROVED BUDGET TO THE TAX SUPERVISING AND CONSERVATION COMMISSION)

RESOLUTION NO 04-3446

Introduced by David Bragdon, Council President

WHEREAS, The Metro Council, convened as the Budget Committee, has reviewed the FY 2004-05 Proposed Budget; and

WHEREAS, The Council, convened as the Budget Committee, has conducted a public hearing on the FY 2004-05 Proposed Budget; and

WHEREAS, Pursuant to Oregon Budget Law, the Council, convened as the Budget Committee, must approve the FY 2004-05 Budget, and said approved budget must be transmitted to the Tax Supervising and Conservation Commission for public hearing and review; now, therefore,

BE IT RESOLVED,

1. That the Proposed FY 2004-05 Budget as amended by the Metro Council, convened as the Budget Committee, which is on file at the Metro offices, is hereby approved.
2. That property tax levies for FY 2004-05 are approved as follows:

SUMMARY OF AD VALOREM TAX LEVY

	Subject to the General Government <u>Limitation</u>	Excluded from <u>the Limitation</u>
Zoo Tax Rate	\$0.0966/\$1,000	
General Obligation Bond Levy		\$ 18,064,524

3. That the Chief Operating Officer is hereby directed to submit the Approved FY 2004-05 Budget and Appropriations Schedule to the Tax Supervising and Conservation Commission for public hearing and review.

ADOPTED by the Metro Council this 29th day of April, 2004.

David Bragdon, Council President

APPROVED AS TO FORM:

Daniel B. Cooper, General Counsel

STAFF REPORT

CONSIDERATION OF RESOLUTION NO. 04-3446 FOR THE PURPOSE OF APPROVING THE FY 2004-05 BUDGET AND TRANSMITTING THE APPROVED BUDGET TO THE TAX SUPERVISING AND CONSERVATION COMMISSION

Date: March 30, 2004

Presented by: David Bragdon
Council President

BACKGROUND

On April 1, 2004, the FY 2004-05 Proposed Budget was presented to the Metro Council.

During the month of April a series of public work sessions and public hearings on the budget were held. The Council discussed budget issues with department directors and staff and received testimony from interested members of the general public and Metro stakeholders. Amendments to the Proposed Budget were developed, discussed and deliberated by the Council. A summary of all proposed amendments is attached. Those amendments approved by the Council are included in the Approved Budget.

This action taken by this resolution is the interim step between initial proposal of the budget and final adoption of the budget in June. Oregon Budget Law requires that Metro approve and transmit its budget to the Tax Supervising and Conservation Commission (TSCC). Members of the TSCC are appointed by the Governor to supervise local government budgeting and taxing activities in Multnomah County. The TSCC will hold a public hearing on Metro's budget scheduled for Wednesday, June 9, 2004 at 12:00 noon in the Metro Council Chamber Annex. Following the meeting, the TSCC will provide a letter of certification for Metro's budget at which time the Council will formally adopted the final budget for FY 2004-05. The adoption of the budget is currently scheduled for Thursday, June 17, 2004.

ANALYSIS/INFORMATION

1. **Known Opposition** – None known at this time.
2. **Legal Antecedents** – The preparation, review and adoption of Metro's annual budget is subject to the requirements of Oregon Budget Law, ORS Chapter 294. Oregon Revised Statutes 294.635 requires that Metro prepare and submit its approved budget to the Tax Supervising and Conservation Commission by May 15, 2004. The Commission will conduct a hearing during June 2004 for the purpose of receiving information from the public regarding the Council's approved budget. Following the hearing, the Commission will certify the budget to the Council for adoption and may provide recommendations to the Council regarding any aspect of the budget.
3. **Anticipated Effects** – Adoption of this resolution will authorize the transmittal of the approved budget to the Tax Supervising and Conservation Commission.
4. **Budget Impacts** – The total amount of the proposed FY 2004-05 annual budget was \$283,613,446. Changes to the proposed budget were identified during the month of April. The Council voted on proposed amendments to the budget April 27, 2004. A revised budget summary and schedule of appropriations will be available at the time of budget approval on April 29, 2004.

RECOMMENDED ACTION

The Council President recommends adoption of Resolution No. 03-3446 approving the FY 2004-05 budget and authorizing the Chief Operating Officer to submit the approved budget to the TSCC.

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