# A G E N D A

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#### METRO

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MEETING: METRO POLICY ADVISORY COMMITTEE

**DATE:** April 28, 2004

DAY: Wednesday, 5:00-7:00 p.m.
PLACE: Metro Council Chamber/Annex

NO	AGENDA ITEM	PRESENTER	ACTION	TIME
	CALL TO ORDER	Becker		
1	INTRODUCTIONS	All		5 min.
2	ANNOUNCEMENTS	Becker		3 min.
3	CITIZEN COMMUNICATIONS			3 min.
4	CONSENT AGENDA • Meeting Summary for April 14, 2004	Becker	Decision	5 min.
5	COUNCIL UPDATE	Bragdon		5 min.
6	GOAL 5 RESOLUTION 04-3440  For the Purpose of Endorsing Metro's Draft Goal 5 Phase 2 ESEE Analysis, Making Preliminary Decisions to Allow, Limit, or Prohibit Conflicting Uses on Regionally Significant Fish & Wildlife Habitat; and Direction Staff to Develop a Program to Protect and Restore Regionally Significant Fish & Wildlife Habitat	Deffebach/Curtis	Introduction & Discussion	60 min.
7	OREGON DEPARTMENT OF AGRICULTURE REPORT:  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	Jim Johnson, Oregon Dept. of Agriculture	Presentation & Discussion	30 min.
8	CHIEF OPERATING OFFICER RECOMMENDATION ORDINANCE 04-1040 For the Purpose of Amending the Urban Growth Boundary, the Regional Framework Plan and the Metro Code to Increase the Capacity of the Boundary to Accommodate Growth in Industrial Employment	Neill	Introduction & Discussion	15 min.

#### METRO POLICY ADVISORY COMMITTEE MEETING RECORD

April 14, 2004 – 5:00 p.m. Metro Regional Center, Council Chambers

Committee Members Present: Charles Becker, Herb Brown, Rob Drake, Andy Duyck, Dave Fuller, Gene Grant, Ed Gronke, Judie Hammerstad, John Hartsock, Tom Hughes, Kent Hutchinson, Richard Kidd, Deanna Mueller-Crispin, Lisa Naito, Doug Neeley, Dan Saltzman,

**Alternates Present:** Tim Crail, Meg Fernekees, Jack Hoffman, John Leeper, Karen McKinney, Dave Shields, Nick Wilson

Also Present: Hal Bergsma, City of Beaverton; Beverly Bookin, CCA/CREEC; Brian Campbell, Port of Portland; Cindy Catto, AGC; Bob Clay, City of Portland; Valerie Counts, City of Hillsboro; Danielle Cowan, City of Wilsonville; Bob Durgan, Anderson Construction; Kay Durtschi, MTAC; Kelly Hossaini, Miller Nash; Jim Jacks, City of Tualatin; Delna Jones, CFM; Gil Kelley, City of Portland; Stephen Lashbrook, City of Lake Oswego; Charlotte Lehan, City of Wilsonville; Leanne MacColl, League of Women Voters; Doug McClain, Clackamas County; Rebecca Ocken, City of Gresham; Laura Oppenheimer, The Oregonian; Pat Ribellia, City of Hillsboro; Michael Robinson, Perkins Coi; Chris Smith, Citizen; Marty Stiven, Stiven Planning & Development Services; Thane Tienson, Landye Bennett; Jonathan Williams, Intel; David Zagel, TriMet; Ted Wheeler, Citizen

**Metro Elected Officials Present:** Liaisons – Carl Hosticka, Council District 3, Susan McLain, Council District 4; David Bragdon, Council President

**Metro Staff Present:** Kim Bardes, Dick Benner, Dan Cooper, Andy Cotugno, Chris Deffebach, Lydia Neill, Randy Tucker, Mary Weber

#### **INTRODUCTIONS**

Mayor Charles Becker, MPAC Chair, called the meeting to order at 5:05 p.m. Those present introduced themselves.

#### 1. ANNOUNCEMENTS

Chair Becker announced that he would be switching agenda items 7 & 8.

# 3. CITIZEN COMMUNICATIONS

There were none.

#### 4. CONSENT AGENDA

Meeting Summary for March 24, 2004.

Motion:	Rob Drake, Mayor of Beaverton, with a second from Richard Kidd, Mayor of Forest Grove, moved to adopt the consent agenda without revision.
Vote:	The motion passed unanimously.

# 5. COUNCIL UPDATE

Council President Bragdon reviewed the dates and locations of upcoming public hearings for the Goal 5 Fish and Wildlife Habitat Program and the UGB expansion. Flyers were made available at the back of the room for the convenience of the members, alternates, and interested parties. Those flyers are attached and form part of the record. He informed members that Council would take amendments for the recommendation at the May 27<sup>th</sup> Council meeting. Therefore, they would like to have MPAC's recommendation by May 26<sup>th</sup>. He said the Council had noticed final action on the Urban Growth Boundary (UGB) by June 24<sup>th</sup> due to the final deadline with the state of June 30<sup>th</sup>. He also announced the scheduled upcoming Industrial Lands Tours. He informed the committee that Jim Johnson would be making a presentation to the Council on April 20<sup>th</sup> at the work session. That presentation would be about the urban impacts on agriculture. He said that at some point that presentation would be made to MPAC as well. He said that the Hosticka amendment was on the Council agenda any time that the UGB main ordinance was before them.

#### 6. TITLE 4 REGIONALLY SIGNIFICANT INDUSTRIAL AREAS

Rob Drake noted that the version of the report dated 3/25/04 had an error.

Gil Kelly, Planning Director for the City of Portland, reviewed the City of Portland's proposal, which was outlined in Mayor Katz's letter and Gil Kelley's memo. Those documents were included in the packet and form part of the record.

Rob Drake said that the RSIA subcommittee had recommended to the Metro Council that the medical facility issue be looked at by an MPAC subcommittee. He did not think that GMELS would answer all the questions, although it would illuminate some of the issues. He respectfully suggested that they not consider it at this point but have it be part of the host of things that were always open for periodic review.

Gil Kelley said that their preference would be towards caution and to set themselves up to be potentially more liberal in the future because industrial lands were a scarce resource.

Judie Hammerstad said that if they build it now, they could not go back and un-build it. In order to protect the freight mobility of these sites it would be better to adopt the amendment rather than ignore it resulting in over-development and not being able to preserve it for industrial use.

Gene Grant asked what the intent was on the amendment – it seemed to say that no city could allow office space within 1-mile of any of the freeways. The RSIA lands were very limited and it seemed to read as if it was absolute for all industrial lands.

Gil Kelley said the intent was for RSIAs only. They were not trying to govern all territory – just inside the RSIAs.

Tom Hughes said he had also thought it had applied to all industrial land when he initially read it. He said that when they studied something, they took no action until the study was done as opposed to taking action and then determining if that was the right action to take. He urged that they did not go in the direction that Gil Kelley had suggested.

Dave Fuller said that he also thought the restrictions applied to everything. He mentioned that the restriction of 1-mile would take up 50% of three metro cities, and the airport was less than that to the entrance of I-84. He said he didn't think it would work.

Gil Kelley said they had intended to apply it to RSIAs and industrial areas but not non-industrial areas.

Motion:	Gene Grant, Mayor of Happy Valley, with a second from Ed Gronke, Citizen, Clackamas
	County, moved to approve the recommendation RSIA Title 4 with the exclusion of
	3.07.420 Section B, Item #3 that was in error, and forward that to the Metro Council.

Andy Cotugno said that the motion would cover both the map and the language.

Rob Drake said it would also include that they were asking the Metro Council to form a subcommittee to study the medical facilities for large users for both industrial land and RSIA.

Judie Hammerstad said she would not vote for the motion. She said that she felt they had opened the resolution up to many things that were not the original intent. She said that they all worked hard to meet a compromise, but that she felt that it had been compromised more than it should have.

Motion:	To approve and forward to the Metro Council the recommendation on Title 4 with the exclusion of 3.07.420 Section B, Item #3 that was in error, including the language as presented, and the map as included, and asking the Metro Council to form a subcommittee				
	to study the medical facilities for large users for both industrial land and RSIA.				
Vote:	The motion passed with 15 yea votes by: Becker, Brown, Crail, Drake, Duyck, Fuller, Grant, Gronke, Hartsock, Hughes, Hutchinson, Kidd, Mueller-Crispin, Naito, and Neeley and 2 nay votes by: Hammerstad and Saltzman.				

# 8. METRO FISH & WILDLIFE HABITAT PROGRAM

Mike Jordan said that Phase II of the ESEE analysis was complete. He gave an overview of the program: how it started, where they had reached, and about what was to go before the Council on the following day.

Chris Deffebach gave a PowerPoint presentation, a copy of which is attached and forms part of the record.

Gene Grant asked about the impact areas.

Chris Deffebach said that the impact areas were those areas adjacent to the habitat areas and had no resource value for themselves but the type of actions that occur on those impact areas could affect the quality of the habitat. She continued with her presentation.

Doug Neeley asked her to describe the term "other urban development value."

Chris Deffebach said "other" included parks within Metro's jurisdictional area across the region and rural areas outside of the UGB.

Herb Brown asked if it included publicly owned land.

Chris Deffebach said that most of the land in the parks category was publicly owned but also included some private land such as golf courses.

Rob Drake said that the environmental community had commented to the Tualatin Basin Coordinating Committee that there was no prohibit on the Tualatin Basin map. There was concern about treating public and private land the same. He said that most private owners, if they were not going to compensate them for the loss of the property, would prefer strictly limit rather than prohibit. He asked Chris Deffebach to speak to compensation for the level of limitation.

Chris Deffebach said that there were a variety of parks and she did not know how various communities would feel about a prohibit designation on parklands. Part of the answer would be on how "strictly limited" was defined. She had heard suggestions that the public lands should be the role model for the region with the highest level of protection and restoration.

Doug Neeley said that there were lands that had been dedicated to cities because the developers felt they could not develop them due to habitat issues. He said that it seemed that they made some degree of sacrifice to make that dedication.

Chris Deffebach said that maybe there could be some cases that would be "prohibit" that Metro had not identified at the site at the level that could be targeted for an acquisition program.

John Hartsock asked how water surface management plans fit into the "strictly limit" or "prohibit" classifications. He wanted to know if that constituted a development.

Chris Deffebach said that they also had to consider whether some areas were so important to keep that they could not be regulated or it would be too much of a hardship. She continued with the presentation.

Andy Cotugno reviewed the resolution, staff report, and map for the committee members.

Doug Neeley asked about developed areas within the floodplains and Brownfield's that were developed and use had disappeared. Given the Title 3 requirements, in terms of cut and fills, one of the aspects that could occur for the floodplain held great potential for mitigation. The areas that they were cutting from would provide good mitigation opportunities. They should make a distinction between the Brownfield areas versus areas that were developed and in use for a potential.

Ed Gronke wanted to know how those private property areas that were very close to a stream would be regulated. He was curious if planting of anything other than native plants would be prohibited on those slopes so close to streams.

Andy Cotugno said that any program that Metro adopted affected land use regulations including those on the local level. The treatment of native plants was not regulated through the land use process. If, however, someone wanted to redevelop, say turn their house into a duplex, then that was a land-use permit and the regulations would apply.

Ed Gronke asked if someone wanted to expand their home would they have to get a permit.

Andy Cotugno said that that type of thing was what needed to be fleshed out. The questions were, what was the threshold that new regulations should be applying on redevelopment? Those were the type of details that needed to be worked out next as they moved into the program stage of the process.

John Hartsock asked if the scenario was different from what had happened at Blue Lake Park.

Andy Cotugno said he did not know the situation at Blue Lake Park, but he suspected that they were trying to protect the well fields. That was a set of regulations that were necessary to protect the quality of the drinking water and the wells that were located in that area. He said it was not the same as Ed's scenario.

Herb Brown said that the State Health Department and the local water districts set regulations to protect underground water.

Andy Cotugno continued to review the staff report.

Doug Neeley asked how they would deal with an important wildlife corridor that passed through several jurisdictions; how much flexibility would they permit if an action by one jurisdiction effectively eliminated the functionality of that corridor?

Andy Cotugno said he could not answer that question. He said that was the sort of thing that they would have to address later. He continued his review of the staff report.

Deanna Mueller-Crispin asked if the map was in the Phase II report.

Chris Deffebach said that there was a 2B option map and that due to its large size it would be posted on the Metro website.

Deanna Mueller-Crispin asked if there was an analysis about what the overall loss to class 1 and class A habitat.

Chris Deffebach said that there were many charts and maps that showed various breakouts.

Kent Hutchinson asked when the map would be available for the members.

Chris Deffebach said she thought it would be on the website in the next few days. There could be changes to the map as it was going through the process.

Kent Hutchinson said that they needed to start looking at the map with the understanding that there would/could be changes. He also expressed concern that there did not seem to be enough time to really learn/absorb information before they must make a decision. He suggested that it was bad policy to move too fast through the process.

Gene Grant asked if there had been any effort to engage the property rights groups. He suggested that Metro/MPAC should meet with them and possibly address some of their concerns.

Mike Jordan said that a member of Oregonians in Action was invited and did participate in the social portion of the analysis. He said that Metro had also heard from hundreds of property owners at the open houses.

Ed Gronke said he was glancing through the public outreach executive summary and he noticed that there were a lot of property owners who were in favor of regulation as long as it did not affect them. He wanted to know if there was a trend on public feeling that was emerging yet.

Mike Jordan said that his feeling from people was that they were not antagonized by the discussion although obviously concerned and interested.

Andy Cotugno said that they had done a property owner notice to many residential property owners. For the full public comment report they had used an electronic polling technique at the open houses, and he felt it was a valuable tool to help people determine what they thought about habitat protection.

Gina Whitehill-Baziuk said that the public comment report was based on just a small sampling of people who were overwhelmingly property owners.

Carl Hosticka said that he had attended a lot of those meetings and it was his observation that the people who cared enough to come out to the meetings appeared to be supportive of the program.

Andy Cotugno said that the schedule they were trying to follow: second discussion at next meeting and recommendation at the following meeting. He suggested that the members think about any amendments they would want to propose before the meeting.

# 7. GREATER METROPOLITAN EMPLOYMENT LAND STUDY (GMELS)

Bev Bookin gave an introduction on GMELS. Erik Hovee gave a presentation on GMELS. Materials for this presentation were included in the packet and form a part of the record.

Chair Becker asked the members if the study met their expectations.

Carl Hosticka said it would be interesting to see what their ideas were and more importantly if the institutional structure would be able to accommodate them.

Erik Hovee said that they were starting at the general level and then they would look more directly at issues as the process advanced.

Bev Bookin said that the DLDC Goal 9 folks were delighted because they had been struggling at the state level and they saw the study as a new way to look at employment zoning that might be applicable at the state level. It might even result in a region-up challenge to the state to alter the state land-use laws to reflect the new paradigm.

Judie Hammerstad asked if Clark County was involved in the study.

Bev Bookin said yes. There were six (6) counties participating: Clark, Multnomah, Washington, Clackamas, Columbia, and Yamhill.

Judie Hammerstad asked about older properties being left behind when the market returned. She said that this concerned her pertaining to the UGB expansion and good use of land/space. She asked if they had any suggestions about how that land could be productively reused.

Erik Hovee said the UGB containment within this region might lesson the likelihood of that happening.

Bev Bookin finished the presentation. She suggested that MPAC serve as a mini-focus group for the study.

Judie Hammerstad said that Brian Newman had sent an email regarding pre-used industrial sites, Brownfield's, which he was working on identifying with Clackamas County. She said that it was a piece of information that they should include in the UGB discussion and recommendation.

There being no further business, Chair Becker adjourned the meeting at 6:58 p.m.

Respectfully submitted,

Kim Bardes MPAC Coordinator

# ATTACHMENTS TO THE RECORD FOR APRIL 14, 2004

The following have been included as part of the official public record:

	<b>DOCUMENT</b>		
AGENDA ITEM	DATE	<b>DOCUMENT DESCRIPTION</b>	DOCUMENT NO.
<b>#6 Title 4</b> 4/8/04		Letter from Mayor Katz to Chair	041404-MPAC-01
Regionally		Becker re: Title 4 RSIA Proposed	
Significant		Code Amendment	
<b>Industrial Lands</b>			
#6 Title 4	3/15/04	Memo from Steve Kountz, City of	041404-MPAC-02
Regionally		Portland to Gil Kelley, City of	
Significant		Portland re: Transportation impacts of	
<b>Industrial Lands</b>		Title 4 proposal	
#6 Title 4	4/12/04	Email letter from James Bernard to	041404-MPAC-03
Regionally		MPAC members, alternates, and	
Significant		interested parties re: Brownfields	
<b>Industrial Lands</b>			
#6 Title 4	4/13/04	Email letter from Mayor Hughes	041404-MPAC-04
Regionally		(Rene Heade) to MPAC members,	
Significant		alternates and interested parties re:	
<b>Industrial Lands</b>		Balancing Agriculture & Urban	
		Land Needs Symposium	
		• •	
		Procedings AND Symposium	
		Proceedings report	

<b>#8 Metro Fish &amp;</b> 04/14/04		Copies of slides from the Metro	041404-MPAC-05		
Wildlife Habitat		Fish & Wildlife Habitat Protection			
Program		Phase II ESEE Analysis			
		Recommendation PowerPoint			
		Presentation			
#8 Metro Fish &	March 2004	Regionally Significant Industrial	041404-MPAC-06		
Wildlife Habitat		Areas MPAC Subcommittee			
Program		Recommendation on RSIAs Map			
#8 Metro Fish &	April 2004	Exhibit A to Resolution 04-3440,	041404-MPAC-07		
Wildlife Habitat		Metro Fish & Wildlife Habitat			
Program		Protection Program, Economic,			
		Social, Environmental, and Energy			
		Analysis (ESEE) Phase 2: Analysis			
		of program options draft			
#8 Metro Fish &	March 2004	Public Comment Report Executive	041404-MPAC-08		
Wildlife Habitat		Summary, Metro Fish & Wildlife			
Program		Habitat Protection Program			
		Economic, Social, Environment			
		and Energy Analysis Phase II			

#### BEFORE THE METRO COUNCIL

FOR THE PURPOSE OF ENDORSING METRO'S DRAFT	)	
GOAL 5 PHASE 2 ESEE ANALYSIS, MAKING	)	RESOLUTION NO. 04-3440
PRELIMINARY DECISIONS TO ALLOW, LIMIT, OR	)	
PROHIBIT CONFLICTING USES ON REGIONALLY	)	Introduced by Michael Jordan, Chief
SIGNIFICANT FISH AND WILDLIFE HABITAT; AND	)	Operating Officer, with the concurrence
DIRECTING STAFF TO DEVELOP A PROGRAM TO	)	of the Council President
PROTECT AND RESTORE REGIONALLY		
SIGNIFICANT FISH AND WILDLIFE HABITAT		

WHEREAS, Metro is developing a regional fish and wildlife habitat protection and restoration program consistent with the state planning Goal 5 administrative rule, OAR 660-023-0000 through OAR 660-023-0250; and

WHEREAS, Metro is conducting its analysis of the economic, social, environmental, and energy (ESEE) consequences of allowing, limiting, or prohibiting conflicting uses on identified habitat land and impact areas in two phases; and

WHEREAS, on October 30, 2003, Metro Council adopted Resolution No. 03-3376B for the purpose of endorsing Metro's draft Goal 5 Phase 1 Economic, Social, Environmental and Energy Analysis and directing staff to conduct more specific ESEE analysis of multiple fish and wildlife habitat protection and restoration program options; and

WHEREAS, Metro has now completed a draft Phase 2 ESEE consequences analysis of the tradeoffs identified in Phase 1 as applied to six program options for protection of regionally significant resource sites, attached as Exhibit A (the "Draft Phase 2 ESEE Analysis"); and

WHEREAS, based on the Draft Phase 2 ESEE Analysis, Metro is prepared to make a preliminary decision of where to allow, limit, or prohibit development on regionally significant fish and wildlife habitat lands and impact areas and, based on that preliminary decision, to develop a Program to Achieve Goal 5; and

WHEREAS, throughout its ESEE analysis, Metro has continued to rely on the input and advice of the Goal 5 Technical Advisory Committee, the Water Resources Policy Advisory Committee, the Goal 5 Economics Technical Advisory Committee, the Goal 5 Independent Economic Advisory Board, and an independent, well-respected economic consultant, ECONorthwest, and those advisors reviewed the Draft Phase 2 ESEE Analysis and provided input and advice on that document; and

WHEREAS, Metro engaged in extensive public outreach to inform the citizens of the region about this stage of Metro's work to develop a fish and wildlife habitat protection and restoration program consistent with the Goal 5 administrative rule, including participating in seven public open houses, distributing material at public events, and presenting Goal 5 material to other interested organizations, groups, businesses, non-profit agencies, and property owners; now therefore

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#### BE IT RESOLVED:

# 1. Endorse Draft Phase 2 ESEE Analysis

The Metro Council endorses the Draft Phase 2 ESEE Analysis in Exhibit A and reserves the opportunity to minimally or substantially alter the ESEE analysis prior to adoption of a final ESEE analysis and Program to Achieve Goal 5, after additional public comment and review. The Metro Council further directs staff to address and consider comments regarding Exhibit A that were received from several Metro advisory committees, as identified on the "Addendum to Exhibit A," and to revise the Draft Phase 2 ESEE Analysis accordingly. As used in this resolution, "Exhibit A" includes both the Draft Phase 2 ESEE Analysis and the Addendum to Exhibit A.

# 2. Preliminary Allow-Limit-Prohibit Decision

Based upon and supported by the Metro Council's review of the economic, social, environmental, and energy consequences of decisions to allow, limit, or prohibit conflicting uses in identified fish and wildlife habitat resources and impact areas, on the technical and policy advice Metro has received from its advisory committees, and on the public comments received regarding the ESEE analysis, the Metro Council concludes that the preliminary allow, limit, and prohibit decisions described in Exhibit B, which represent a modified regulatory Option 2B, best reflect the ESEE tradeoffs described in Exhibit A.

# 3. Direct Staff to Develop Regulatory Program

The Metro Council directs staff to develop a program to protect and restore fish and wildlife habitat as described in Exhibit C. Such regulatory program shall be consistent with the preliminary allow, limit, and prohibit decision described in Exhibit B.

#### 4. Direct Staff to Develop Non-Regulatory Program

The Metro Council directs staff to further develop and analyze a non-regulatory program to protect and restore fish and wildlife habitat as described in Exhibit D.

# 5. This Resolution is Not a Final Action

The Metro Council's action in this resolution is not a final action designating regionally significant fish and wildlife habitat areas, a final action on an ESEE analysis, a final action on whether and where to allow, limit, or prohibit conflicting uses on regionally significant habitat and impact areas, or a final action to protect regionally significant habitat through a Program to Achieve Goal 5. Pursuant to OAR 660-023-0080, when Metro takes final action to approve a Program to Achieve Goal 5 it will do so by adopting an ordinance that will include an amendment to the Urban Growth Management Functional Plan, approval of the final designation of significant fish and wildlife habitat areas, and approval of a final ESEE analysis (including final allow, limit, and prohibit decisions), and then Metro will submit such functional plan amendments to the Oregon Land Conservation and Development Commission for acknowledgement under the provisions of ORS 197.251 and ORS 197.274.

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ADOPTED by the Metro Council this	day of 2004.
	David Bragdon, Council President
Approved as to Form:	
Dan Cooper, Metro Attorney	

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# **EXHIBIT B TO RESOLUTION NO. 04-3440**

# REGULATORY PROGRAM OPTION

Based on the results of the Phase II ESEE analysis, public comments, and technical review, Metro Council recommends Option 2B as modified (shown in the table below) to form the basis for a regulatory program to protect fish and wildlife habitat.

# Option 2B (modified): Low level of protection in high urban development value areas, moderate level of protection in other areas.

Fish & wildlife habitat	HIGH Urban development value	MEDIUM Urban development value	LOW Urban development value	Other areas
classification	Primary 2040 components, <sup>1</sup> high employment value, or high land value <sup>4</sup>	Secondary 2040 components, <sup>2</sup> medium employment value, or medium land value <sup>4</sup>	Tertiary 2040 components, <sup>3</sup> low employment value, or low land value <sup>4</sup>	Parks and Open Spaces, no design types outside UGB
Class I Riparian/Wildlife	ML	SL	SL	SL
Class II Riparian/Wildlife	LL	LL	ML	ML
Class III	LL	LL	LL	ML
Riparian/Wildlife				
Class A Upland Wildlife	LL	ML	ML	SL
Class B Upland Wildlife	LL	LL	ML	ML
Class C Upland Wildlife	LL	LL	LL	ML
Impact Areas	Α	Α	Α	Α

<sup>&</sup>lt;sup>1</sup>Primary 2040 components: Regional Centers, Central City, Regionally Significant Industrial Areas

## Key to abbreviations

SL = strictly limit ML = moderately limit LL = lightly limit A = allow

<sup>&</sup>lt;sup>2</sup>Secondary 2040 components: Town Centers, Main Streets, Station Communities, Other Industrial areas, Employment Centers

<sup>&</sup>lt;sup>3</sup>Tertiary 2040 components: Inner and outer neighborhoods, Corridors

<sup>&</sup>lt;sup>4</sup> Land value excludes residential lands.

#### EXHIBIT C TO RESOLUTION NO. 04-3440

# DEVELOPING A REGULATORY PROGRAM

The third step of the Goal 5 process calls for the development of a program to protect habitat areas by allowing, limiting, or prohibiting conflicting uses on habitat land based on the results of the ESEE analysis. Council directs staff to address the following concerns when developing a regulatory program to protect fish and wildlife habitat:

# A. Defining limit in the program phase

- Specifically define limit. As a guiding principle, first avoid, then limit, and finally mitigate adverse impacts of development to protect fish and wildlife habitat. Some of the key issues in the definition relate to expected impact on housing and employment capacity, disturbance area extent and location, and mitigation, as illustrated below:
  - ❖ Strictly Limit Strict avoidance of the habitat (especially Habitats of Concern) with maximum allowable disturbance areas, design standards, and mitigation requirements. Allow trails, roads and other public access to meet the public good (e.g. construction and maintenance of public utilities such as water storage facilities). Expect some overall loss of development capacity; consider development of a transfer of development right (TDR) program to compensate for lost development capacity.
  - ❖ Moderately Limit Avoid impacts, limit disturbance area, require mitigation, and use design standards and other tools to protect habitat (especially Habitats of Concern) while achieving goals for employment and housing densities. Work to minimize loss of development capacity; consider development of a TDR program to compensate for lost capacity.
  - ❖ **Lightly Limit** Avoid impacts (especially Habitats of Concern), allow development with less restrictive limits on disturbance area, design standards, and mitigation requirements. Assumes no loss of development capacity.

# B. Effect on existing development and redevelopment

- Clarify that a regulatory program would apply only to activities that require a land use permit and not to other activities (such as gardening, lawn care, routine property maintenance, and actions necessary to prevent natural hazards).
- Clarify that redevelopment that requires permits could be subject to new regulations, which could depend on a redevelopment threshold determined in the program.

# C. Regulatory flexibility

• Include regulatory flexibility that allows development while avoiding, minimizing and mitigating impacts on habitat in the program. Some ways in which regulations could limit development include lowered density, minimum disturbance areas, and setbacks from significant resources. Development can occur in a manner that avoids or reduces the impact on the habitat, for example: cluster development, streamside

buffers, and habitat-friendly development techniques can all provide some level of regulatory flexibility that allows development to occur while protecting habitat. A transfer of development rights (TDR) program could also compensate for loss of development capacity.

# D. Mitigation, mitigation banking and restoration

• Include mitigation requirements for development in habitat areas to minimize habitat degradation, and consider methods for implementing a mitigation bank and enforcement mechanisms to ensure success. Mitigation could be targeted in accordance with an overall restoration plan.

# E. Program specificity and flexibility

- As part of the regulatory program, provide a specific program that can be implemented without further local analysis.
- Provide a general framework for local jurisdictions to implement, as part of the regulatory program, through standards or other guidelines, flexibility during implementation for consideration of regionally significant public facilities (such as hospitals and educational institutions), riparian and wildlife district plans, and other case-by-case decisions.
- Clarify a timeline for when the program would be adopted by local governments after acknowledgement by the State.

# F. Map corrections and inventory maintenance

• Continue addressing map corrections and complete the process by the adoption of the final program and define the on-going responsibilities for maintaining habitat maps.

# **G.** Long-term monitoring

• Develop a plan to monitor program performance in protecting fish and wildlife habitat while meeting housing and employment capacity (both regulatory and non-regulatory) to determine the effectiveness of the regional fish and wildlife habitat protection plan and identify potential adjustments to the program in the future.

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#### **EXHIBIT D TO RESOLUTION NO. 04-3440**

# **DIRECTION ON NON-REGULATORY PROGRAMS**

Although the Goal 5 rule does not require the consideration of non-regulatory tools to protect fish and wildlife habitat, the Metro Council has previously indicated a commitment to include incentives and restoration as part of an overall regional program to protect fish and wildlife habitat. Council directs staff to develop a proposal for implementing the most promising non-regulatory habitat protection and restoration programs to supplement and complement a regulatory program. Based on public comments and staff analysis of the effectiveness of non-regulatory programs, Council directs staff to further develop the following non-regulatory tools:

- A. *Technical assistance*. Determine if technical assistance is most effective when directed at individual owners, developers, or local jurisdiction staff, or a combination of the potential audiences. Develop a plan to implement a technical assistance program to assist in the implementation of habitat-friendly development techniques, better stewardship of habitat, and restoration on public and private land.
- B. *Grants for restoration and protection*. Develop a proposal for a grant program that could be aimed at individual property owners, public land model examples, habitat-friendly development, or green streets, wildlife crossings, and culvert replacements. Grants could also be targeted to agency-led efforts to restore habitat on public land, possibly utilizing volunteers. Identify potential sources of funding for grants. Develop a plan to define restoration priorities to effectively allocate restoration efforts and investments.
- C. *Willing-seller acquisition*. Develop a proposal for a targeted acquisition program that could work as a revolving acquisition fund. Identify a funding source for acquiring habitat land from willing sellers. Consider potential for encouraging expansion of local programs that use system development charges to purchase land that provides habitat functions for the public good (such as floodplains).
- D. *Property tax reductions*. Identify steps to encourage implementation of property tax reduction programs in the Metro region. There are two state programs that could be applicable within the urban area: the *Riparian Lands Tax Incentive Program* and the *Wildlife Habitat Conservation and Management Program*. Both of these programs would require county or city action to be implemented.

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#### DRAFT STAFF REPORT

IN CONSIDERATION OF RESOLUTION NO 04-3440 FOR THE PURPOSE OF ENDORSING METRO'S DRAFT GOAL 5 PHASE II ESEE ANALYSIS, MAKING PRELIMINARY DECISIONS TO ALLOW, LIMIT, OR PROHIBIT CONFLICTING USES ON REGIONALLY SIGNIFICANT FISH AND WILDLIFE HABITAT; AND DIRECTING STAFF TO DEVELOP A PROGRAM TO PROTECT AND RESTORE REGIONALLY SIGNIFICANT FISH AND WILDLIFE HABITAT.

Date: April 7, 2004 Prepared by: Andy Cotugno and Chris Deffebach

#### CONTEXT AND BACKGROUND

The region's 2040 Growth Concept and other policies call for protection of natural areas while managing housing and employment growth. In 1998 the Metro Council adopted Title 3 of the Urban Growth Management Functional Plan to protect water quality and for flood management. Title 3 also included a commitment to develop a regional fish and wildlife habitat protection plan. As defined in a Vision Statement that was developed in cooperation with local governments at MPAC in 2000, the overall goal of the protection program is: "...to conserve, protect and restore a continuous ecologically viable streamside corridor... that is integrated with the urban environment." The Vision Statement also refers to the importance that "...stream and river corridors maintain connections with adjacent upland habitats, form an interconnected mosaic of urban forest and other fish and wildlife habitat..." Metro is currently developing this program, following the 3-step process established by the State Land Use Planning Goal 5 administrative rule (OAR 660-023).

In the first step, Metro identified regionally significant fish and wildlife habitat using the best available science, computer mapping, and fieldwork. In 2002, after review by independent committees, local governments and residents, Metro Council adopted the inventory of regionally significant fish and wildlife habitat lands. The inventory includes about 80,000 acres of habitat land inside Metro's jurisdictional boundary.

The second step of the process is to evaluate the Economic, Social, Environmental and Energy (ESEE) consequences of a decision to allow, limit or prohibit conflicting uses on these regionally significant habitat lands and on impact areas adjacent to the habitat areas. The impact areas add about 16,000 acres to the inventory. Metro is conducting the ESEE analysis in two phases. The first phase was to evaluate the ESEE consequences at a regional level. This work was completed and endorsed by the Metro Council in October 2003 (Resolution #03-3376). The resolution also directed staff to evaluate six regulatory program options and non-regulatory tools for fish and wildlife habitat protection in Phase II of the ESEE analysis. Staff has completed the Phase II ESEE analysis and is seeking direction from Metro Council on where conflicting uses within the fish and wildlife habitat areas and impact areas should be allowed, limited, or prohibited, as required in the Goal 5 administrative rule.

The Phase II analysis evaluates the ESEE consequences of possible protection and restoration options that include a mix of regulatory and non-regulatory components. Five potential

regulatory treatments are applied in each of the six regulatory options, ranging from allowing conflicting uses to prohibiting conflicting uses in habitat and impact areas. The consequences identify the effects on key ESEE issues identified in the Phase I analysis, including:

- Economic implications of urban development and ecosystem values
- Environmental effects including ecological function loss, fragmentation and connectivity
- Social values ranging from property owner concerns about limitations on development to concerns about loss of aesthetic and cultural values
- Energy trade-offs such as temperature moderating effects of tree canopy and potential fuel use associated with different urban forms.

In addition, the analysis considered how well the six regulatory options would assist in meeting the requirements of the federal Endangered Species Act and the Clean Water Act.

The third and final step of the process is to develop a program that implements the habitat protection plan by ordinance through Metro's Urban Growth Management Functional Plan. After acknowledgment by the State Land Conservation and Development Commission, cities and counties within the Metro jurisdiction will be required to amend their comprehensive plans to be in compliance with the regional habitat protection program.

Cities and counties in the region currently have varying levels of protection for fish and wildlife habitat. As a result, similar quality streams or upland areas in different parts of the region receive inconsistent treatment. In addition, one ecological watershed can cross several different political jurisdictions – each with different approaches to habitat protection. With the adoption of the regional habitat protection program, cities and counties will adjust their protection levels, to a greater or lesser degree, to establish a consistent minimum level of habitat protection.

In January 2002 Metro entered into an intergovernmental agreement with local governments and special districts in the Tualatin Basin setting forth a cooperative planning process to address regional fish and wildlife habitat within the basin. The Tualatin Basin recommendation will be forwarded to the Metro Council for final approval as part of the regional habitat protection plan.

#### **Current Action**

Based on the results of the Phase II ESEE analysis and public comment, Resolution 04-3440 presents the staff recommendation for Metro Council consideration on a regulatory approach to fish and wildlife habitat protection and requests Council direction to staff on developing a program to implement the regulatory approach and to further develop non-regulatory options.

These recommendations and the key issues for Council consideration are highlighted below.

#### **Public comment**

Metro's fish and wildlife habitat protection (Goal 5) communications and community involvement program is designed to support the technical work and Council decision-making process. Its goal is to provide effective means of informing and engaging citizens in the making of important regional habitat protection policy. Metro held public outreach events, mailed notices to property owners in fall 2001 and summer 2002, and held public hearings prior to identifying regionally significant habitat. Upon completion of Phase I of the ESEE analysis, Metro conducted public outreach and held public hearings on Resolution 03-3376.

In the spring 2004 public outreach effort there were many opportunities for citizens to be informed and participate in the decision-making process: newspaper advertisements, information materials and interactive maps (by mail, online), property owner notices (mailed), comment cards (by mail, online), non-scientific survey (keypad, online), workshops, community stakeholder meetings and special events, open houses and formal public hearings.

Generally, people were supportive of habitat protection. Very few people expressed opposition to protecting habitat in the metropolitan area. Rather, opposition expressed was towards imposed regulations, especially those that reduce the development potential or economic value of private property. Overall, there seems to be a desire for a balance between regulatory and non-regulatory program options. Support is expressed for a variety of protection tools and recognition is generally given to the need for a mixed approach to protection. For a complete summary of the comments received see the March 2004 Public Comment Report in Attachment 1.

# **Technical review**

This resolution and staff report will be reviewed by Metro's advisory committees including Economic Technical Advisory Committee (ETAC), Goal 5 Technical Advisory Committee (Goal 5 TAC), Water Resources Policy Advisory Committee (WRPAC), the Independent Economic Advisory Board (IEAB), and Metro Technical Advisory Committee (MTAC). The staff report will be updated to reflect technical committee comments.

# **Policy review**

The Metro Policy Advisory Committee (MPAC) will review this resolution and staff report. This staff report will be updated to reflect MPAC comments.

# 1. RECOMMENDATION ON REGULATORY OPTIONS

Staff analyzed six regulatory options and evaluated their performance in the ESEE analysis. Three of the options apply regulatory treatments based on habitat quality alone (Options 1A, 1B and 1C), while three options (2A, 2B, 2C) apply regulatory treatments based on habitat quality and urban development value.

Habitat quality was measured during Metro's Goal 5 inventory process and was based on landscape features (e.g., trees, woody vegetation, wetlands, etc.) and the ecological functions they provide (e.g., shade, stream flow moderation, wildlife migration, nesting and roosting sites, etc.). The inventory was then classified into six categories for the ESEE analysis (Class I-III riparian/wildlife corridors and Class A-C upland wildlife habitat) to distinguish higher value habitat from lower value habitat. Class I riparian/wildlife corridors and Class A upland wildlife habitat are the highest valued habitats and include the identified habitats of concern (HOC) in the region, such as wetlands, bottomland hardwood forests, oak woodlands and other rare and declining habitat types.

Urban development values were categorized as high, medium or low. Areas without urban development value – parks and open space (both inside and outside the UGB) and rural areas outside the UGB – were not assigned a value. All other areas were assigned to categories based

on commercial and industrial land value, employment density, and 2040 design type. In the recent expansion areas, interim design types were used to determine urban development value. Areas receiving a high score in any of the three measures are called "high urban development value", areas receiving no high scores but at least one medium score are called "medium urban development value", and areas receiving all low scores are called "low urban development value." High priority 2040 Growth Concept design types include the central city, regional centers and regionally significant industrial areas. Medium priority 2040 Growth Concept design types include town centers, main streets, station communities, other industrial areas and employment centers. Inner and outer neighborhoods and corridors are considered low priority 2040 Growth Concept design types.

In Resolution 03-3376 Council directed staff to define regionally significant public facilities, including major educational and medical institutions, and recommend the appropriate urban development value rank during Phase II of the ESEE analysis to determine appropriate habitat protection levels for these land uses. Staff is still working on this issue and expects that additional consideration will be appropriate during the program development phase. This analysis could lead to modifications in the recommendation for these locations.

Based on the ESEE analysis and public comment, staff recommends Option 2B, with a few modifications, as a starting place for Metro Council consideration for fish and wildlife habitat protection. Option 2B reflects the balancing of habitat protection and development needs described in Phases I and II of the ESEE analysis. This option applies a low level of habitat protection in high urban development value areas and a moderate to strict level of protection in other areas. This option recognizes habitat values and urban development values, accounting for the goals described in the 2040 Growth Concept. Option 2B ranked third or fourth (out of six) on all the ESEE consequences described by the evaluation criteria – falling in the middle of the range of regulatory options and balancing the conflicting goals of habitat protection and allowing conflicting uses.

The Phase II ESEE analysis and public comments highlighted the importance of accounting for urban development values in the development of a regional fish and wildlife habitat protection plan. Option 2A applies a very strict level of protection to Class I Riparian, including a *prohibit* treatment in low urban development value areas. Prohibiting conflicting uses on most residential land does not address the social considerations or potential impact on housing capacity within the existing urban growth boundary. On the other hand, Option 2C applies an *allow* treatment to all habitat types in high urban development value areas while substantially limiting conflicting uses in residential lands. This option does not balance habitat protection with the other ESEE factors.

While Option 2B best balances the ESEE factors, staff has recommended areas where changes to the option could improve its performance and identified issues associated with Option 2B for further Council consideration. The 2B Option, recommended modifications and other issues for consideration are described below.

# Option 2B: Low level of protection in high urban development value areas, moderate level of protection in other areas.

(Modifications are shown)

	HIGH Urban development value	MEDIUM Urban development value	LOW Urban development value	Other areas
Fish & wildlife habitat classification	Primary 2040 components, <sup>1</sup> high employment value, or high land value <sup>4</sup>	Secondary 2040 components, <sup>2</sup> medium employment value, or medium land value <sup>4</sup>	Tertiary 2040 components, <sup>3</sup> low employment value, or low land value <sup>4</sup>	Parks and Open Spaces, no design types outside UGB
Class I Riparian/Wildlife	<del>LL</del> ML	<del>ML</del> SL	SL	SL
Class II Riparian/Wildlife	LL	LL	ML	ML
Class III Riparian/Wildlife	A LL	LL	LL	ML
Class A Upland Wildlife	LL	ML	ML	SL
Class B Upland Wildlife	LL	LL	ML	ML
Class C Upland Wildlife	A LL	LL	LL	ML
Impact Areas	Α	₩A	₩A	₩A

<sup>&</sup>lt;sup>1</sup>Primary 2040 components: Regional Centers, Central City, Regionally Significant Industrial Areas

#### Key to abbreviations

SL = strictly limit

ML = moderately limit

LL = lightly limit

A = allow

# Recommended modifications and issues for Council consideration on regulatory option 2B

- A. No allow treatments of habitat. Option 2B applies an allow treatment in high urban development areas to Class III riparian habitat and Class C upland habitat. To ensure that existing functions are preserved and to maintain opportunities for mitigation, staff recommend that Class III Riparian and Class C Wildlife areas in high urban development value areas receive a *lightly limit* treatment instead of an allow treatment. Over eighty percent of Class III Riparian habitat is currently developed and would not be subject to new regulatory programs until redevelopment. Much of the Class III habitat is developed floodplain where low impact development techniques such as pervious pavers and stormwater runoff containment can improve nearby stream quality. In Class III areas with high urban development value, 96% is developed. If an allow decision is applied to these areas the opportunity to require redevelopment standards would be lost. Class C Wildlife habitat provides important connections between riparian areas and other upland wildlife habitats and 60% of this habitat area is currently vacant. The loss of Class C areas can subsequently reduce the quality of nearby higher quality habitats and can also reduce opportunities for restoration in the future. In Class C areas with high urban development value, 80% is vacant.
- B. *Impact areas*. Option 2B applies an allow treatment to impact areas in high urban development value areas and a lightly limit treatment to impact areas in other urban development value categories. To achieve a better balance between environmental

<sup>&</sup>lt;sup>2</sup>Secondary 2040 components: Town Centers, Main Streets, Station Communities, Other Industrial areas, Employment Centers

<sup>&</sup>lt;sup>3</sup>Tertiary 2040 components: Inner and outer neighborhoods, Corridors <sup>4</sup> Land value excludes residential lands.

effectiveness and regulatory effort, staff recommends that impact areas have an **allow** treatment. Much of the impact areas are developed (66%), and are, by definition, adjacent to the habitat and not the habitat itself. However, development or redevelopment in these areas can affect habitat conditions. Impact areas add 15,721 acres to the inventory, about half of which (7,152 acres) is residential land. Regulatory treatments applied to the impact area affect a large number of property owners. Yet, because the land has no resource value now, regulations would have a minor effect on improving habitat values until it redevelops. Metro staff identified two types of impact areas: riparian impact areas (land with no regionally significant habitat value within 150 feet of a stream) and other impact areas (a 25-foot buffer around all other habitat areas). Land uses within the riparian impact area have a direct effect on the stream due to their proximity. This affects the ecological integrity of the riparian habitat and water quality. Land uses within the other 25-foot impact area have more of an indirect effect on the surrounding habitat, especially when conflicting uses are allowed within the habitat lands. Staff recommends that the effects of conflicting uses in impact areas be addressed in broader watershed planning efforts that apply low impact design standards and other stormwater management tools to the broader area. Staff also recommends that the areas within 150 feet of a stream be considered when developing a restoration strategy. As an alternative, Council may want to consider regulations in the riparian-related impact areas only, where the negative environmental effects of development affect stream health most directly.

C. High value habitat land. Option 2B applies a lightly limit treatment to the highest value habitat (Class I Riparian and Class A Wildlife) in high urban development value areas, while applying a moderate or strict level of protection in the other areas. Staff recommends increasing the level of protection for the Class I Riparian habitat in high urban development value lands to **moderately limit** and in medium urban development value lands to **strictly** limit. Staff also identifies the need for additional Council consideration of whether to increase protection in the Class A habitat, particularly for steep slopes and other sensitive areas in the program phase. The level of protection for these habitat types is important for several reasons. These habitat types encompass Habitats of Concern, which have been identified as the most scarce and declining habitats in the region. Class I Riparian habitat is critically important to maintain the ecological health of the stream system and connectivity of the riparian corridor. While many environmental issues are important to supporting requirements of the Endangered Species Act and the federal Clean Water Act, efforts to protect and improve the functions provided along the streams are some of the most important. Class I Riparian habitat is also associated with some of the strongest cultural and amenity values from the social perspective. Existing Title 3 Water Quality and Floodplain Protection standards cover about 72 percent of Class I Riparian habitat, which establishes an existing level of protection and limits on development.

Class A Wildlife habitat provides the most valuable environment for many species of concern and also provides important connections to and between riparian corridors. High value upland habitat areas are located in medium, low and other urban development areas. Title 3 Water Quality and Foodplain protection standards cover a little over one percent of Class A wildlife, which leaves it most vulnerable to loss. On the other hand, while protection

of the high value Class I and Class A habitat is critical from the ecological standpoint, this land also encompasses a large percent of the region's vacant and buildable land. About 42 percent (19,922 acres) of this high value habitat is currently in park status, 14 percent (6,578 acres) is considered developed, and 44 percent (21,057 acres) is vacant. High levels of habitat protection could impact the region's ability to meet housing and employment needs within the existing urban growth boundary. In high urban development value areas, 87% of the Class I Riparian is vacant, 41% of the vacant Class I habitat is not constrained for development by Title 3, utility location, or other factors (other than local regulations). A similar proportion of Class A habitat is vacant (75%), but of that vacant habitat most (78%) is considered buildable. A smaller number of vacant acres, about 200, is high urban value in Class A habitat. Any decision on Class I and A will have a significant impact because these areas include the greatest percentage (60 percent) of the habitat inventory.

An important consideration in weighing the choices between lightly, moderately and strictly limit treatments is the extent to which loss of buildable land can be replaced elsewhere within the UGB or outside of the UGB on non-habitat land. Staff recommends that Council provide direction to fully explore tools such as transfer of development rights to mitigate the loss of building capacity as part of developing the protection program. In the program development phase, based on this analysis, Council may want to reconsider the recommendations for Class I and Class A habitat.

Class II Riparian, like Class I Riparian, is also important for riparian corridor health, but provides fewer primary functions than Class I. Council may want to consider increasing the level of protection in Class II riparian areas and to more closely match the level of protection in the Class I habitat areas.

- D. Definition of urban development value and appropriate applications of different treatments. The modified Option 2B varies the level of protection by different urban development values. The 2040 design types in high, medium and low urban development values were defined by Council for the ESEE analysis. The staff recommendation recognizes the need to meet capacity needs in the Regional Centers, Central City and regionally significant industrial areas by reducing protection in areas of high urban development value compared to protection in low urban development value areas. Staff do not recommend changes to these definitions or to the range of protection, from lightly limit to strictly limit, from low to high development value. However these definitions and ranges of protection will require further consideration as the program develops. Another consideration may be redefining the boundaries of regional centers to avoid habitat areas.
- E. Residential Land. In Option 2B, the residential land that makes up a significant portion of "low urban development value" receives stronger regulatory treatment (strictly or moderately limit) than the commercial and industrial land that comprises "high" and "medium" urban development value areas. Residential land makes up a significant portion of the habitat inventory (34 percent), especially within the UGB (48 percent) making development on vacant residential land and consideration of existing residential areas an important part of the fish and wildlife habitat protection program. While staff does not recommend a change in

the treatment of "low" urban development value, staff recognizes this as a continuing issue for consideration in the development of the program.

# 2. DIRECTION ON DEVELOPING A REGULATORY PROGRAM

The third step of the Goal 5 process calls for the development of a program to protect habitat areas by allowing, limiting, or prohibiting conflicting uses on habitat land based on the results of the ESEE analysis. Based on comments from public open houses and technical committees, the Metro staff has identified several areas of concern when developing a regulatory program. Staff requests Metro Council to give staff direction in these areas.

# A. Defining limit in the program phase

The most commonly asked question from the public and technical review committees relates to how limit is defined in the program. The definitions of limit that have been described generally in the ESEE analysis will be further defined in the program phase. The definition of limit describes how well habitat is protected while maintaining development opportunities. The definition of limit will be one of the most important tasks in the program phase. As a guiding principle, the intent is to first avoid, then limit, and finally mitigate adverse impacts of development to protect fish and wildlife habitat. Some of the key issues in the definition relate to impacts on housing and employment capacity, disturbance area, mitigation, and allowable public uses such as roads, trails and other infrastructure as illustrated below:

- Strictly Limit This treatment applies a high level of habitat protection. It would include strict avoidance of the habitat (especially Habitats of Concern) with maximum allowable disturbance areas and mitigation requirements. Based on technical review, Metro staff proposes to allow trails, roads and other public access to meet the public good (e.g., construction and maintenance of public utilities such as water storage facilities) subject to minimize and mitigate. Applying strong habitat protection would result in some overall loss of development capacity; however, there are some tools such as transfer of development rights (TDR) or cluster development that could compensate somewhat for lost development capacity.
- Moderately Limit This treatment balances habitat protection with development needs, and does not preserve as much habitat as strictly limit. It would avoid habitat, limit disturbance areas, require mitigation, and use design standards and other tools to protect habitat (especially Habitats of Concern) while striving to achieve goals for employment and housing densities. Metro staff would work to define moderately limit to minimize the loss of development capacity, which could include development of a TDR program and other tools to compensate for lost capacity.
- **Lightly Limit** This treatment would avoid habitat as possible to preserve habitat function (especially Habitats of Concern) while allowing development to occur. It would include less restrictive limits on disturbance area and encourage other low impact design considerations and mitigation requirements. Metro staff assumes that application of lightly limit treatments would result in no loss of development capacity.

# B. Effect on existing development and redevelopment

Many of the comments received from the public were focused on how a regulatory program to protect habitat would affect existing development. Due to the fact that a substantial portion of the habitat inventory is on developed residential land (15,271 acres) there are

many property owners concerned with the results of the program phase. Since Metro's regulatory program would be triggered by land use activities it would not apply to actions that do not require a land use permit (such as gardening, lawn care, routine property maintenance, and actions necessary to prevent natural hazards). However, many citizens will not be aware that their activities would not be affected; therefore the program clarification would help people understand the potential effect on existing development. Redevelopment (subject to some threshold size or valuation) offers the potential to restore habitat functions in areas in which development patterns have not protected the habitat. Clarification in the program of the intended effects on redevelopment will be important.

# C. Regulatory flexibility

Regulations to protect fish and wildlife habitat limit development options on land with habitat value. Some ways in which regulations could limit development include lowered density, minimum disturbance areas, and setbacks from significant resources. Development can occur in a manner that avoids or reduces the impact on the habitat, for example: cluster development, streamside buffers, and habitat-friendly development techniques can all provide some level of regulatory flexibility that allows development to occur while protecting habitat. A transfer of development rights (TDR) program could also compensate for loss of development capacity. Providing flexible regulations and tools to allow for development while protecting as much habitat as possible could allow Metro's goals of habitat protection and maintaining housing and job capacity within the UGB to be met. In addition, variations for local governments to implement the program at the district or other discretionary sites will be considered in the program phase, as described in section E below.

# D. Mitigation, mitigation banking and restoration

Development within habitat areas degrades existing ecological function. To better achieve the goals described in Metro's Vision Statement, mitigation for these negative impacts could be required to reduce the effect of allowing conflicting uses on habitat lands. The regulatory program could include mitigation ratios and mitigation banking to facilitate efficient and effective use of mitigation to restore valuable habitat areas. Development on high value habitat land could require more mitigation than on low value habitat land, since the environmental effects would be greater. There will also be the question of where mitigation occurs – on-site, in the same stream reach, within the same watershed, in a neighboring watershed, or anywhere in the region. Mitigation banking could preserve the opportunity to require mitigation when there are no opportunities on-site by requiring funds to be paid into a bank, to be spent at a later date in an area identified through a subwatershed or watershed restoration plan. Monitoring and enforcement of mitigation requirements are an important component of maintaining ecological health. Long-term monitoring can measure the success of mitigation efforts to direct and adjust the magnitude of mitigation requirements. Enforcement of mitigation requirements is essential to ensure that the impacts of development on habitat are minimized. Mitigation can be targeted in accordance with an overall restoration plan.

# E. Program specificity and flexibility

Local jurisdiction partners have indicated a need for a regulatory program that could serve both as a general framework for local jurisdictions to implement and as a specific program that could be implemented without further local analysis. Stakeholder groups have continued to express interest in the possibility of planning for the unique habitat and economic concerns within a smaller area, such as in the existing major medical and educational campuses as regional public facilities, other regional public facilities and in riparian or wildlife districts.

In addition, questions about the reasonable timeframe for local implementation of fish and wildlife habitat have also been raised. Title 3 currently exempts some local jurisdictions from complying with a regional habitat protection until their next scheduled periodic review. This could be a challenge for developing regionally consistent protection and standards in the region, especially since the State may not be reviewing local plans with as much frequency as they have in the past. Review of the implementation schedule during the development of the program will be an important consideration.

# F. Map corrections and inventory maintenance

The resolution adopting the regionally significant habitat inventory included a process for accepting habitat inventory corrections and requires Metro to complete the map correction process when the final program is adopted and to develop a post-adoption correction process. Metro has been accepting corrections to the habitat inventory map since it was released in 2002. Metro staff will continue reviewing map corrections and will adjust the inventory maps as required until the adoption of the final program. Direction during the program phase for the on-going responsibilities between Metro and local governments regarding maintaining the inventory maps in the post-adoption phase of the program will be important and will have implications for Metro's budget.

# G. Long-term monitoring

Monitoring is important to mitigation as described above, but it is also critical to the success of the overall fish and wildlife habitat protection program. Monitoring how well the regulatory and non-regulatory program elements protect fish and wildlife habitat while meeting housing and employment capacity will be important in determining the effectiveness of Metro's efforts and identifying potential adjustments to the program in the future. Monitoring could be included as part of Metro's Performance Measures efforts.

# 3. DIRECTION ON NON-REGULATORY PROGRAMS

While not a requirement of the Goal 5 rule, Metro has committed to include incentives and non-regulatory tools to protect and restore habitat to complement regulatory program elements. Non-regulatory tools are a key component of a strategy to protect fish and wildlife habitat. Incentives, education, and acquisition strategies are popular among landowners and can be used in situations where regulations do not apply. For example, regulations only come into effect when a land use action is taken. Non-regulatory strategies can apply to other activities such as landscaping, reducing pesticide/herbicide use, and voluntary restoration.

Restoration is a critical component of an effective fish and wildlife habitat protection program. Without active restoration efforts, ecological conditions will likely deteriorate further, even if most habitat lands are protected through regulations. Mitigation for the negative environmental impacts of development may be included as part of a regulatory program. However, actions to

restore habitat to a condition better than exists today cannot be required as part of a regulatory program; restoration could be included as a major part of a non-regulatory approach. Regulations can protect land that can then be restored through non-regulatory approaches to provide better functioning habitat.

Metro staff examined the following potential non-regulatory tools:

- Stewardship and recognition programs
- Financial incentives (grants, incentives for green streets, property tax reduction)
- Education (information center, technical assistance, other education activities)
- Volunteer activities
- Agency-led restoration
- Acquisition (outright purchase, conservation easements, revolving acquisition fund)

Based on public comments and staff analysis of the effectiveness of non-regulatory programs, staff recommends that the program phase include further development of technical assistance, restoration grants, acquisition programs and property tax reduction incentives. Key issues for consideration in further development include the level of funding or commitment that would be needed, possible funding sources, an implementation schedule and an assessment of responsibilities between local and regional governments, the private sector and non-governmental organizations. Staff request Metro Council to give direction in how these issues are further developed as non-regulatory approaches to habitat protection.

A. *Technical assistance*. Whether directed at individual owners, developers, or local jurisdiction staff, technical assistance could assist in the implementation of habitat-friendly development techniques, better stewardship of habitat, and restoration on public and private land. Technical assistance would be particularly useful in conjunction with the application of limit treatments to allow for development within habitat areas that protects the most habitat while also meeting capacity needs. Habitat-friendly, low-impact development and green building techniques are innovative methods of minimizing the impacts of the built environment on surrounding habitat. Assistance in these areas for developers, citizens, and local jurisdictions could help to ensure the success of a regulatory program.

Technical assistance programs are noted for being responsive to landowner needs, providing practical information, and having knowledgeable resource staff. Such a program would not provide direct protection to habitat, but would offer a means of improving stewardship and enhancement by private landowners. Technical assistance could help supplement cost-sharing programs, such as grants, to further protection and restoration efforts. Technical assistance could be focused on landowners, development practices, and/or local partners. Metro has provided technical assistance to local partners throughout the implementation of the Regional Framework Plan and the Regional Urban Growth Management Functional Plan. This has proved especially important in the implementation of Title 3 (stream and floodplain protection) and planning for centers.

Metro could work with local partners to develop technical assistance, incentives, recognition programs, and awards for development that helps protect fish and wildlife habitat. Metro, in conjunction with local partners, could develop regional low impact development standards to

reduce development impacts on fish and wildlife habitat. The Green Streets Handbook serves as a successful model of technical assistance aimed at minimizing environmental impacts of transportation infrastructure. The cost of providing technical assistance could vary depending on the use of existing staff or the need to use new staff and other resources.

As part of a regional, habitat-friendly development program, Metro could develop a *Habitat-oriented Development Program* similar to Metro's Transit-oriented Development (TOD) Program to encourage construction of new developments or redevelopment that protects and restores fish and wildlife habitat. As part of the technical assistance program, this would require funds to provide the incentives for developers to practice habitat friendly development.

B. *Grants for restoration and protection.* Achieving restoration on private and public lands typically requires some type of financial incentive to induce property owners to conduct activities such as planting of native vegetation, removal of invasive species, and other habitat improvements. Grants could be aimed at individual property owners, at public agencies that create model examples of habitat restoration, habitat-friendly development, or green streets, wildlife crossings, and culvert replacements. Grants could also be targeted to agency-led efforts to restore habitat on public land, possibly utilizing volunteers. Defining restoration priorities is important to effectively allocate restoration efforts and investments.

Grants for restoration can provide the incentive for supportive landowners and other organizations to restore habitat on private and public lands. A small grant program, targeted to watershed councils, friends organizations, or local governments could be created similar to Metro's recent grants for Regional and Town Center planning efforts. Applicants could submit projects one or two times per year, and they could be reviewed and ranked based on set criteria. Small grants given in strategic places could build on existing work and encourage more efforts in targeted areas.

Funding can leverage additional benefits such as education and volunteerism. Private landowners may be interested in the concept of improving the habitat value on a portion of their land, and the availability of dollars can provide the impetus to conduct restoration activities. Many grants are provided with a required match of either dollars or in-kind materials or labor. These incentives provide landowners who contribute a portion of the proposed cost for conservation or restoration activities with additional funding opportunities. There are several programs in place for rural land in agriculture or forestry use, and some for urban lands. A grant program could target specific activities along stream reaches or within watersheds in coordination with Watershed Action Plans to accomplish the most effective restoration. A monitoring component of a restoration plan would be essential to assess effectiveness over time at restoring habitat function.

C. Willing-seller Acquisition. The most certain way to protect habitat is to publicly acquire it for open space preservation. There are various ways to acquire land (outright purchase, easements, development rights, transfers, etc.) and all acquisition programs involve the expenditure of a significant amount of money. Acquisition is the most effective non-regulatory tool to achieve definitive habitat protection. Acquisition can achieve permanent

protection and also preserves land to be restored at a later date. However, the high cost of purchasing land, especially within the urban growth boundary, and the dependence of an acquisition program on willing sellers limits the effectiveness of such a program.

If additional funding to purchase habitat land was secured, an acquisition program could focus on regionally significant fish and wildlife habitat, targeted to achieve specific goals. The goals could include protection of Habitats of Concern, floodplains, regional connector habitat, strategically located high-value habitat, and key restoration opportunities. Acquisition may also target land when the regulatory approach could not protect it to the level desired. Riparian Class I habitat contains over 11,000 acres of undeveloped habitat land. Based on the cost of land purchased through the Metro Greenspaces Acquisition program, land costs inside the UGB average about \$45,000/acre and outside the UGB average about \$8,600/acre. Due to the expense, acquisition clearly is not a tool that could be used alone to protect even this most ecologically valuable habitat.

One way to maximize limited acquisition dollars is to create a revolving acquisition fund. A program could be developed to purchase habitat land, place development restrictions or conservation easements to protect the habitat areas, or subdivide the property to separate the resource land from the developable land and then sell or exchange (via land swaps) the remainder of the land for development or continued use. Funds from the sale could then be used to protect additional land. Such a program could maximize the use of conservation dollars by protecting only the habitat areas on a parcel of land, rather than the entire parcel.

Some jurisdictions currently use surface water management fees or system development charges (SDCs) to purchase land that provides habitat functions for the public good (such as floodplains); these programs could be expanded. However, there may be concerns about raising SDCs or other fees in the current economic environment

D. *Property tax reductions*. There are two state programs that could be applicable within the urban area; the *Riparian Habitat Tax Incentive Program (OAR 308A.350 to 308A.383)* and the *Wildlife Habitat Conservation and Management Program (2003 Oregon Laws Ch. 539)*. Both of these programs would require county or city action to be implemented.

Property tax reduction is a useful tool to provide motivated landowners with an incentive to manage their land for habitat values, and can also serve as a mechanism to achieve some restoration if a habitat management plan includes requirements for enhancement of existing habitat. However, property tax reductions would reduce jurisdictional revenues. Alternatively, these properties could be included by agencies such as Metro, Portland's Bureau of Environmental Services, Water Environmental Services in Clackamas County or Clean Water Services in Washington County that conduct restoration activities. Habitat protection and restoration may be most effective ecologically if this tool is applied strategically, for example in a specific stream reach or headwater area. This tool could serve as an important incentive to encourage landowners to work in a coordinated fashion to leverage ecological improvements in a specific area. A downside to using property tax relief as a tool for habitat protection is that a landowner can leave the program at any time, the only

penalty being payment of back taxes, similar to opting out of a farm or forest tax deferral program.

# ANALYSIS/INFORMATION

- 1. **Known Opposition.** Metro has received public comments from individuals and interest groups representing a broad spectrum of viewpoints as to whether and how Metro should protect fish and wildlife habitat. (See, for example, the "public comment" section of this staff report for a general summary of such comments received at the March 2004 public open houses.) Metro staff expect comments both in favor of, and opposed to, this draft resolution and Metro's approach to fish and wildlife habitat planning between the time this resolution is first introduced and the time a resolution is approved by the Metro Council
- 2. **Legal Antecedents.** Policies in Metro's Regional Framework Plan and Section 5 of Title 3 in Metro's Urban Growth Management Functional Plan support the development of a Fish and Wildlife Habitat Protection Program. In addition, the two phases of Metro's ESEE analysis continues compliance with the State Land Use Planning Goal 5 administrative rule (OAR 660-023). Metro's adoption of the Draft Regionally Significant Fish and Wildlife Habitat Inventory and a Local Plan Analysis by Resolution No. 02-3218A formed the basis for the ESEE analysis and development of a habitat protection program that this resolution endorses.
- 3. Anticipated Effects. Approval of this resolution will allow Metro to complete the ESEE analysis as required by State Land Use Goal 5 and provides a preliminary decision on where to allow, limit or prohibit development on regionally significant fish and wildlife habitat lands. With the completion of the analysis as directed by this Resolution and a Metro Council decision on an Allow/Limit/Prohibit map, the third step of the Goal 5 process, development of a protection and restoration program for adoption into Metro's Functional Plan, can begin.
- 4. Budget Impacts. The adopted budget for FY04 includes resources for staff and consultants to initiate development of a program that includes regulatory and non-regulatory components. The proposed baseline FY05 budget has identified resources to support completion of the program depending upon the breadth and scope of the program direction in this resolution. On-going implementation of non-regulatory and regulatory elements will have long-term budget and staffing implications, depending on how the program is defined and decisions by the Metro Council should be made with the intent that budget resources will be sufficient to implement the direction.

#### RECOMMENDED ACTION

Staff requests that Metro Council endorse the Phase II ESEE analysis as described in Exhibit A to the Resolution and direct staff to develop a program to protect fish and wildlife habitat that includes regulatory and non-regulatory components as described in Exhibits B, C and D.

# ATTACHMENTS TO THE STAFF REPORT

Attachment 1. Public comment report

I:\gm\long\_range\_planning\projects\Goal 5\Council Resolutions\DRAFT staff report 032404.doc



# Exhibit A to Resolution 04-3440

This report is 158 pages long. A full copy can be obtained from Paulette Copperstone (503) 797-1562.

METRO FISH AND WILDLIFE HABITAT
PROTECTION PROGRAM

Economic, Social, Environmental and Energy Analysis (ESEE)

Phase II: Analysis of program options

April 2004 Draft





**MARCH 2004** 

# Public Comment Report

# **Executive Summary**

Metro Fish and Wildlife Habitat Protection Program

**Economic, Social, Environment and Energy Analysis Phase II** 



# 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

# **Background**

Metro, the regional government that serves more than 1.3 million residents in Clackamas, Multnomah and Washington Counties and the 24 area cities, will expand the metropolitan (metro) area urban growth boundary (UGB) early this summer to include additional land for future industrial development. Metro has indicated that the region is still approximately 2,000 acres short of the 20-year supply of industrial land required by state law.

Metro staff asked the Oregon Department of Agriculture (ODA) to provide technical assistance in their analysis of lands located adjacent to the current urban growth boundary that could potentially be included within the boundary to meet the identified need for industrial lands. Specifically Metro asked for help in addressing the following questions:

- 1) What lands currently designated as agricultural land under Statewide Planning Goal 3 could be added to the UGB for non-agricultural purposes without significant harm to the agricultural industry as a whole? How do these locations relate to statutory provisions in ORS 197.298(d)(2) that requires inclusion of land with lower resource capability as measured by the NRCS agricultural capability classification system (priority system)?
- 2) What actions could be taken by Metro as the manager of the UGB to enhance the viability of agriculture outside the boundary or eliminate or mitigate conflicts between urban uses and agriculture?
- 3) Are there supporting industrial uses that could be located in specific areas adjacent to the UGB that could enhance the viability of agriculture?

In response to this request, ODA established a Metro Agricultural Lands Technical Workgroup. The group is comprised of metro area farmers and individuals with technical expertise in metro area agriculture. The membership of the workgroup included:

Steve Campbell, Soil Scientist
USDA Natural Resources Conservation Service

Claire Klock, Conservation Specialist Clackamas Soil and Water Conservation District Multnomah County farmer (berry crops)

Julie DiLeone, Conservation Planner East Multnomah Soil and Water Conservation District

Barb Iverson Clackamas County farmer (diversified crops)

Jim Johnson, Land Use and Water Planning Coordinator Oregon Department of Agriculture

Dick Kover, Director Emeritus Tualatin Soil and Water Conservation District Head of Soils Staff, USDA, SCS West National Technical Center, retired

Ron Raney, Soil Quality Specialist USDA Natural Resources Conservation Service

Scott Schaeffer Multnomah County farmer (nursery)

Bart VanderZanden Washington County farmer (nursery, grass seed) Member of the Governor's Industrial Lands Task Force

From the beginning, the workgroup expressed concern with any expansion of the urban growth boundary onto agricultural lands in the metro area, especially involving lands containing high capability agricultural soils. The basis of this concern is twofold relating to the economic contribution that agriculture plays in the region and the amount of agricultural land that has been lost in the region.

The value of metro area agriculture was \$635,606,000 in 2003, accounting for over 18-percent of the state's total production value. According to the U.S. Census of Agriculture, land in farms decreased by 289,435 acres between 1940 and 1997 in the three metro area counties. The Natural Resources Inventory (NRI), conducted by the USDA Natural Resources Conservation Service, indicates that for the time period 1982 to 1997, 31,400 acres of agricultural land was converted to urban and built-up lands.

Much of the land left available for agricultural production in the three county region contains high-value farmland soils. About 20-percent of the state total of high-value soils

and 20-percent of the prime farmland can be found in the metro counties. The NRI indicates that between 1982 and 1997, 17,400 acres of **prime farmland** was converted to urban and built up uses in the three metro counties. Put another way, over 55-percent of the agricultural land lost during that time period was prime farmland.

# Identifying Potential Expansion Areas - Process and Analysis Factors

The approach the workgroup took was to focus on two questions. The group first concentrated on the question, "what should happen when all lands under consideration (available) for inclusion within the UGB contain soils with the same agricultural capability classification?" In other words, soils being equal, what lands should be urbanized? Or said another way, while all soils of the same class may be equal in their capability, they may not have the same suitability for commercial agriculture due to other factors.

Second, are there circumstances where the hierarchy established by the priority system established in state law (ORS 197.298) limits the ability to include agricultural lands with higher quality soils that, due to other constraints, may be less important to the industry than other agricultural lands with "poorer" soils? Several in the workgroup were aware of situations where an area composed of Class II soils is not as important to the agricultural industry as another area composed of Class III soils because of constraints imposed by others factors such as land use pattern, parcelization and lack of buffers or separation from nearby, nonfarm development.

Analysis by the workgroup involved both fieldwork and review of technical data provided spatially in map format. Data fields included:

Soils
Topography (slope)
Zoning
Existing land use
Parcelization and ownership
Water availability
Land use (aerial photography)

# **Priority System**

Analysis of study areas first focused on the priority hierarchy established in state law (ORS 197.298). Exception areas (lands not zoned for farm/forest use) and then agricultural lands with poorer agricultural capability were the focus of this analysis. The workgroup did identify several areas that contain primarily exception lands. They are listed in the first group of areas provided later on in this report. Beyond the identified available exception lands, the workgroup found few agricultural lands meeting the characteristics needed by industrial land users that did not contain soils classified as Class II or better agricultural capability.

It is important to note here that the workgroup did recognize areas of "poorer" capability soils located adjacent to or near the current urban growth boundary that should be considered for other uses, (e.g. residential, commercial, open space) before Class II or better soils, if future urban growth boundary expansions are warranted for such uses.

## **Viability Factors**

After exhausting the lands available under the priority system established by state law the workgroup focused its analysis on factors it determined would best indicate lands of "less importance to the continuation of commercial agriculture in the region." The factors were used to help examine and evaluate the ability of any given parcel, tract or area to conduct long-term viable commercial agricultural operations (site and situation factors) and on the impact that a change in land use from agriculture to industrial (or other nonfarm uses) could have on farming operations in an area. The factors are discussed briefly below.

#### Site and situation factors

Analysis of these factors is perhaps better understood as an examination of both the capability (ability of the <u>land</u> to produce an agricultural product) and the suitability (ability to conduct viable farm use) of any given tract of land to be utilized for farm use.

## Capability factors

Soils: Agricultural capability class as established by the USDA Natural Resources Conservation Service in the applicable soil survey.

Water: Information relating to the availability of water for irrigation of agricultural crops and livestock watering.

## Suitability factors

Land use pattern: Adjacent and area land use pattern (nonfarm uses, exception areas). Includes analysis of edges that provide workable buffers between agricultural lands and nonfarm uses.

It is important to note that the workgroup was very mindful of trying to maintain and/or find (develop) good edges between agricultural lands and urban lands.

Parcelization (number and size), tenure and ownership pattern: In analyzing suitability, parcelization is important, but not always as a stand-alone factor. All other factors being equal, smaller parcels under multiple ownerships are less favorable for long-term commercial farm use. However, the practice of renting or leasing smaller (and larger) parcels needs to be taken into account. Long term, if

the smaller parcels are protected for farm use, they many times become available for rent, lease or acquisition for farm use, especially if they do not contain dwellings. A good example of this phenomenon is found in east Multnomah County where numerous smaller parcels are being utilized by the nursery industry. The workgroup believes that an area with many smaller parcels that contains good agricultural soils with little or no nonfarm, residential development should be protected for farm use.

Agriculture infrastructure: Elements such as transportation, irrigation delivery, agricultural special districts, etc. can be important factors in the long-term viability of an area.

## Impact of urban development on nearby agricultural lands

Regardless of the suitability of a given tract as agricultural lands, its development for urban uses can present compatibility issues with nearby agricultural activities. The workgroup gave strong consideration to the impact that the inclusion of any given land within the urban growth boundary might have on nearby agricultural activities.

Infill v. protrusions

Tracts of land that in effect would "infill notches" in the urban growth boundary "were generally looked upon more favorably than tracts that would extend or protrude out into agricultural lands. Edges again are important here. The size of the tract is also important. The larger the tract, the better the chance that it can be farmed effectively even when bordered by urban land on one or more sides. Physical features, compatible land uses, and transportation corridors can also buffer or mitigate impacts associated with the location of agricultural land at the edge of the urban area.

Position as part of a block of agricultural land

The workgroup was very cognizant of protecting the integrity of large blocks of agricultural land (core agricultural areas). Integrity involves many issues including the ability to operate with limited conflicts, curtailing speculative land values and maintaining a critical mass of land sufficient to leverage the infrastructure needs of the industry. Concerns related to protecting and maintaining region agricultural core areas also lead to recommendations contained later on in this report, which deal with establishing permanent edges and establishing buffer areas.

# Suggested Areas for Inclusion Into the Urban Growth Boundary

The areas identified by the workgroup are listed in order of priority for inclusion within the urban growth boundary. Higher priority for inclusion was given to areas the workgroup determined to be of less importance to the continuation of commercial agriculture in the region. Group 1 areas have the highest priority for inclusion, Group 4 the lowest. Areas listed within each group are also listed in order of priority for inclusion.

Areas were prioritized generally based on the following considerations:

- 1. Areas containing primarily exception lands should be urbanized first.
- 2. "Isolation" of the study area when evaluated with other agricultural lands.
- 3. Larger areas with the ability "to stand alone" should be protected over smaller more conflicted tracts.
- 4. Areas with water rights, irrigation delivery and/or other agricultural infrastructure should be protected over areas with little or no water or infrastructure.
- 5. The existing and past farm use. Areas with more intensive, high-value production have lower priority for inclusion within the UGB over those generally characterized by extensive production.
- 6. The number and length of edges shared with agricultural lands.

A list of areas is provided below followed by a discussion of each area. Maps showing the boundaries of each area are provided at the end of the report.

## Group 1

- 1. Borland Road Area
- 2. Coffee Creek Area
- 3. Beavercreek Area

## Group 2

- 4. Tualatin/Sherwood Area
- 5. West Wilsonville Area
- 6. Wilsonville Road Area
- 7. Damascus Area
- 8. Boring Area

## Group 3

- 9. East Wilsonville Area
- 10. Orient Area
- 11. Evergreen Road Area
- 12. Helvetia Road Area

#### **Group 4**

- 13. Nover Creek Area
- 14. Cornelius Area
- 15. Farmington Area

# Group 1

The areas listed in this group contain primarily lands not zoned for resource use (exception lands and isolated tracts of agricultural land that are interspersed amongst the larger area.

## Borland Road Area: 284 gross acres

This area is comprised totally of exception lands. Two nurseries were identified in the area, each using multiple parcels that could be utilized as a single tract of land.

## Coffee Creek Area: 389 gross acres

This area is comprised entirely of exception lands. The workgroup recognizes there are some limitations related to soils in this area but believes there are opportunities to develop several larger tracts of land within this area. Analysis of this area for development potential should include the Sherwood and West Wilsonville areas.

## Beavercreek Area: 880 gross acres

This area contains large tracts of exception lands the workgroup believes could be developed together as single units. While the area contains numerous individual parcels, it was evident from both inspection in the field and aerial photography that parcel boundaries do not always correspond with the landscape and field patterns. This area also includes approximately 110 acres of agricultural land located south of Henrici Road. This area is nearly surrounded by exception lands.

## Group 2

These areas contain both resource and exception lands. All areas are bounded on several sides by the existing urban growth boundary and other exception lands. Opportunities also exist to provide buffers and/or establish edges between agricultural lands and the urban area.

## Tualatin/Sherwood Area: 692 gross acres

This area contains lands zoned as agricultural or forest land. It includes large areas not suited for agricultural use due to soils conditions and/or related mining activities. The few, ongoing agricultural operations in this area are isolated from larger core agricultural areas and are surrounded or nearly surrounded by urban lands, exception lands and lands containing nonfarm uses. This area is bordered on the majority of its perimeter by urban lands and exception lands. The remaining segment of the perimeter involves lands that are designated as agricultural land owned by the U.S. Fish and Wildlife Service that is used as wildlife habitat. Wildlife refuge lands would provide a buffer. Urbanization of

this study area would present little, if any, potential for conflict with agricultural operations located in the vicinity.

Ongoing mining operations in the area could preclude the short-term development of parts of the area. However, the workgroup believes that this area needs to be protected for future industrial development.

## West Wilsonville Area: 614 gross acres

This area includes both agricultural and exception lands. It is bordered on three sides by urban and exception lands. The fourth side is adjacent to agricultural lands that have been heavily parcelized, east of Baker Road. The exception lands located within this area along Tooze Road cut off the study area agricultural lands from agricultural lands located to the west. This exception area would provide a buffer between agricultural lands and the study area should it become urbanized.

Not unlike the Coffee Creek area, the workgroup recognizes that there are some limitations related to soils in this area. There also appear to be opportunities to develop several larger tracts of land within this area. A large area of homogeneous land use exists west of Grahams Ferry Road in the southeast portion of the area. The land use pattern could allow for the consolidation of several parcels into one or more tracts that could be well suited to industrial use.

Analysis of this area for development potential should include the Coffee Creek area.

## Wilsonville Road Area: 250 gross acres

This area involves a tract of agricultural land that is wedged into a notch of the urban growth boundary. The majority of the study area perimeter is adjacent to the existing urban area. The western edge of this area borders agricultural land. This edge is heavily wooded and drops off to a steep ravine running parallel with Bell Road. This topographic feature would provide a good physical edge between the urban area and agricultural operations located west of Bell Road.

## Damascus Area: 73 gross acres

This area contains several parcels designated for agricultural use. It occupies a small notch that exists in the current urban growth boundary. This area is bordered on the south by forestland that steeply drops off to the south towards Highway 224 and the Clackamas River. The topography and forested land use in effect isolates this relatively small area from other agricultural lands located south of Highway 224.

## **Boring Area: 132 gross acres**

This area is comprised of agricultural lands that are completely surrounded by exception lands. A narrow band of exception lands is located to the west between the study area

and the existing urban growth. The community of Boring is located nearby to the east. This area is a small island of agricultural land that is isolated from larger blocks of agricultural land located in the vicinity. Little opportunity exists to provide buffers between farm uses operating within this area and the existing or future nonfarm development on the surrounding lands. The relatively small size of the area also limits its ability to buffer itself from adjacent urban and nonfarm development.

## Group 3

## East Wilsonville Area: 1,065 gross acres

This large block of land is bordered on the west by the existing urban growth boundary and to the north by a large rural residential exception area. Agricultural lands border the area to the south and the east. Newland Creek forms the eastern edge of the area. Advance Road corresponds with the southern boundary. Parcelization, lack of existing intensive or irrigated agriculture, limitations on future irrigation development and the fact that the general area is not part of a larger core agricultural area lead the workgroup to list this area. The large size of the area, combined with the soils, moved it down in priority.

While the majority of the soils in this area are Class II, there is not a great deal of intensive or high-value agricultural production in the area. Grass and grain crops and some livestock production are present at a commercial scale. There is little evidence of irrigated agriculture occurring in the area. The area is also located within a groundwater-limited area, which precludes the development of additional groundwater sources for irrigation. Small-scale or hobby agriculture is quite prevalent. Although there are several parcels located within this area that exceed 40 acres in size, the vast majority are 20 acres or less in size. Many of the larger parcels are located adjacent to the existing urban growth boundary. Newland Creek and the nonfarm residential development along 45th Street could provide a good buffer between agricultural lands located to the east and the study area.

# Orient Area: 469 gross acres

This study area is located within a larger agricultural region that can be generally described as being located east of Gresham and Troutdale and north of Highway 26. The predominant farm use in this area is the production of nursery stock. Large blocks of agricultural land are bordered by large blocks of exception lands that are used for both rural residential and farm use.

The subject study area is comprised of two smaller island of lands zoned for agricultural use that are completely surrounded by exception lands or urban areas. Many of the parcels located in exception areas are currently in farm use, primarily nursery production. It is very common for small parcels (both exception and agricultural lands) to be utilized in conjunction with several other parcels for nursery production. This is especially true

along 282<sup>nd</sup> Avenue where many of the exception parcels have nonfarm development located immediately adjacent to the road while the rear area is in farm use.

Recognizing the isolation of the two agricultural areas by the exception lands in this area, the relatively small size of farm parcels within the study area, the density of nonfarm dwellings and other nonfarm uses within the study area, the priority of exception lands for inclusion with an urban growth boundary (regardless of land us) and the availability of some exception lands for larger scale development, the workgroup decided to include this area on the list. The high production value of existing nurseries located within the area kept this area lower on the list.

In the Orient area, workgroup identified two areas of land zoned for agricultural use that merit long-term protection. Both of these areas contain intensive commercial agricultural operations on larger parcels. These areas include agricultural lands located: 1) in an area bounded on the west by the existing urban growth boundary, the south by Dodge Park Blvd. and the north and east by the Sandy River; and 2) in an area located south of Johnson Creek and generally Dodge Park Blvd. and east of  $282^{nd}$  Avenue.

## Evergreen Area: 610 gross acres

The "nearly surrounded" nature of the agricultural lands, potential for good edges, parcelization and the general lack of irrigation are the primary reasons this area received consideration.

This area includes agricultural lands and a finger of exception lands that protrudes out generally along Sewell road away from the current urban growth boundary. Agricultural lands located within this area are bordered by the Sewell Road exception lands on the west, the urban growth boundary on the south and east and Weibel Creek to the north. Much of the agricultural land located south of Weibel Creek has been parcelized. Farming practices are generally extensive in nature (grains, hay and grass seed) with little evidence of irrigation being used. The subject area is also located outside the Tualatin Valley Irrigation District. Weibel Creek, its associated riparian corridor and the exception lands located along Sewell Road would provide buffers between future urbanization and farming operations located further to the north and the west.

# Helvetia Road Area: 235 gross acres

This area contains both agricultural lands and exception lands. The exception lands are oriented as an "L" that borders Helvetia Road and angles east into the designated agricultural lands. The area is bordered on two sides by the urban growth boundary and the remaining two sides roads that are heavily traveled. Several rural residential dwellings and a mobile home park located within the area compromise the agricultural integrity of the area.

This area was placed lower in priority due to the concern that the workgroup has about expansion into agricultural lands north of Highway 26. However the workgroup could not ignore the land use pattern both within the area, the location of the area within a small notch of the current urban growth boundary and the two hard edges provided by Helvetia and West Union Roads. The workgroup recommends that future expansion west of Helvetia Road and north of West Union Road be scrutinized and consideration be given to precluding future expansions in these areas.

## Group 4

This last group includes areas with which the workgroup struggled. The group remains concerned about the implications that inclusion of these areas within the urban growth boundary may have on the long-tern integrity of agricultural core areas or the conversion of viable blocks of agricultural lands.

## Noyer Creek: 692 gross acres

Composed predominantly of lands zoned for agricultural use, this area is located in a large notch of the urban growth boundary. Exception lands border the area to the northeast and the southwest. Noyer Creek, the North Fork Deep Creek and their associated "canyons" border the area to the east. The Clackamas River and associated steeper terrain is located south of the area. This area is effectively isolated from other resource lands in the area by substantial topographic features and is bordered on a large part of it's perimeter by urban or exception lands. The physical features discussed above would provide excellent edges and buffers between urban development and resource lands. Large blocks of agricultural lands are located to the south and the east.

The group recommends that the Clackamas River and Noyer/North Fork Deep Creek be considered a hard edge and that it be utilized to buffer agricultural operations located to the south and east from urban development.

The workgroup set a low priority for this area due in large part to the size of the area, the larger size of parcels in farm use and the existence of large scale nursery operations and associated infrastructure.

## Cornelius Area: 224 gross acres

This area contains two parcels of agricultural land containing approximately 50 acres located between two exception areas that are also included in the study area. The two agricultural land parcels are nearly surrounded by urban and exception lands. Several nonfarm dwellings are located within each of the two exception areas.

The workgroup is very concerned about beginning a pattern of development that would protrude out into the agricultural lands located north of Cornelius and Forest Grove and west of Hillsboro. The current urban growth boundary corresponds with Council Creek.

Council Creek and its associated floodplain and riparian zone currently provide a good edge and buffer between urban and resource lands. The area located north of these cities and west of the City of Hillsboro is considered by the workgroup to be a core agricultural area in the county and metro area. The long-term integrity of this agricultural core area could be compromised with the protrusion of development into the core area.

## Farmington Area: 1,452 gross acres

All lands within this area are zoned as agricultural land. Not unlike the Noyer Creek Area, this area could be described as a larger block of agricultural land that is wedged into the existing urban growth boundary. However, the area is bordered on a great deal of its perimeter by agricultural lands with no obvious opportunities to buffer nearby agricultural operations from urban development. The workgroup also recognized that the north edge of this area that borders the existing urban growth boundary is developed with both a railroad and a highway. This transportation corridor provides an excellent buffer between agricultural operations within the subject area and urban development located to the north.

The location of the area in a notch, and its long eastern and southern edges shared with urban and exception lands, were the principal reasons why this area was listed. Two considerations led to this area being listed with the lowest priority for inclusion. First, this is a large area of prime farmland with substantial ability to stand alone as a farm unit, due in no small part to the buffer provided to the north and its large size. Second, there exists little, if any, opportunity to provide either an edge or a buffer along the shared western and eastern borders this area shares with adjacent agricultural lands.

## Other Considerations and Recommendations

In response to questions Metro staff posed to ODA regarding actions that could be taken to enhance the viability of metro area agriculture, the workgroup offers the following recommendations for consideration:

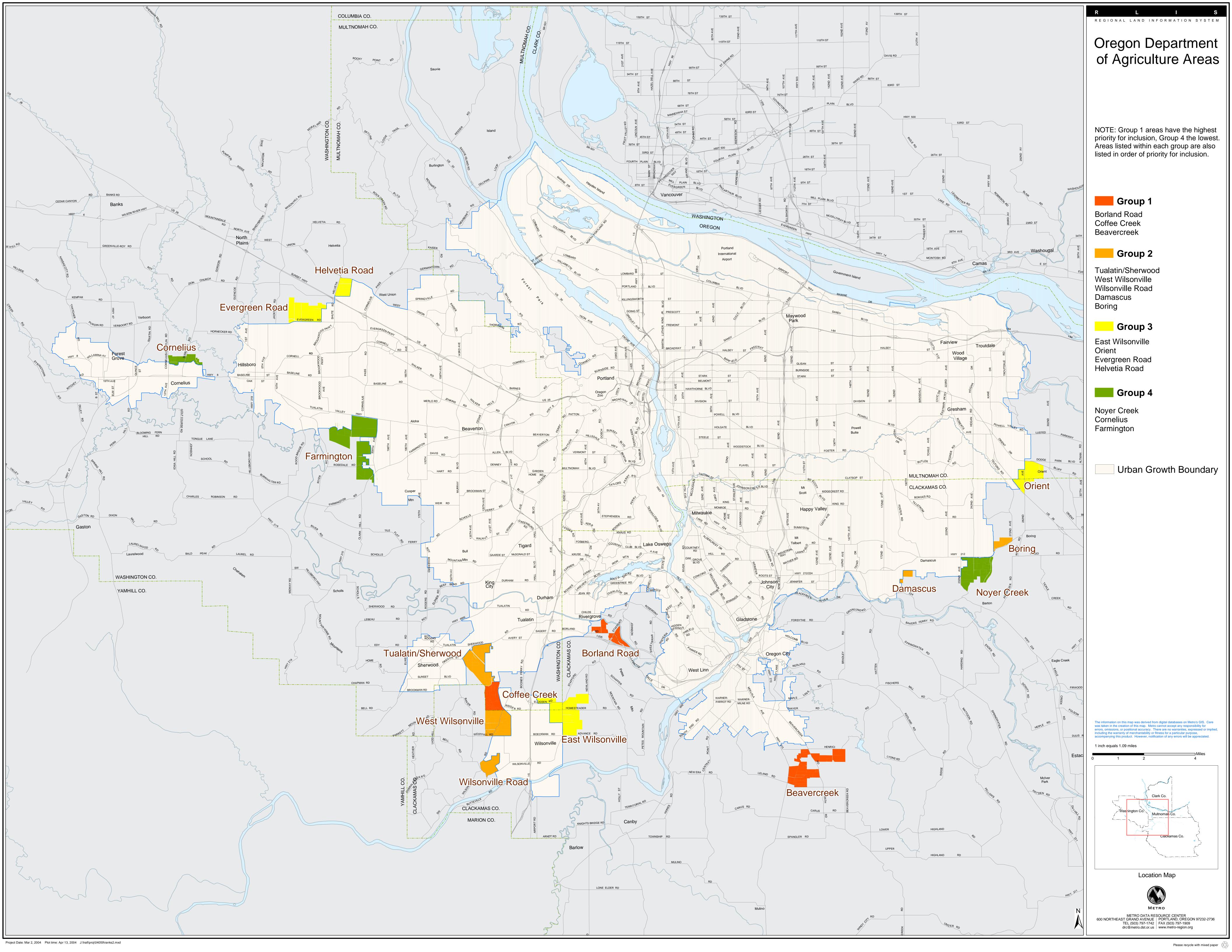
- 1. The identified "needs" for siting industrial land ultimately focus on lands with gentle slopes, which in the metro area tend to be Class II or better agricultural land. Because of the value of these lands to both industrial land siting and the agricultural industry and concerns that the group have regarding loss of industrial land to other nonfarm uses, the workgroup supports ongoing efforts to protect industrial zoned land from conversion to other uses.
- 2. Metro should study and consider mitigation for the loss of high-value farmland in the region. Examples of possible mitigation measures include
  - a) Establish requirements for and require establishment of buffers when new lands are brought into the boundary, and

- b) Establishment of agricultural reserves and the use of agricultural easements to establish better edges. A mitigation fund/bank could be established where funds could be deposited as mitigation for conversion of high-value farmland.
- 3. Future "greenspace" acquisitions should consider and target lands not highly suited for farm use that also meet the needs of Metro and/or lands that could provide buffers between agricultural and urban lands.
- 4. Metro should continue to encourage and explore additional ways to better use lands located within the urban growth boundary more efficiency.
- 5. Consideration needs to be given to the nature of industrial development and the potential for more efficient use of lands zoned for industrial use. The workgroup is concerned about the use of single story structures and parking facilities and the size and nature of the "park-like campus" that is many times associated with an industrial development.
- 6. Much of this report focuses on edges and buffers between agricultural and urban lands. Where good edges exist, they should be utilized. And where opportunities exist to develop new edges, they should be pursued. Several edges or potential edges are identified throughout this report and the workgroup recommends that strong consideration be given to their development. Metro should give additional consideration to establishing edges between other core agricultural areas and urban development.

A key edge in the Metro area not discussed previously in this report is the Willamette River. The workgroup strongly recommends that no expansions of the urban growth boundary occur south of the Willamette River. The prairie lands located south of the Willamette River are overall the state's most valuable and productive agricultural lands. The area located immediately south of the Willamette contains prime farmland and the OSU North Willamette Research and Extension Center (NWREC). This facility provides many key services to Oregon's largest agricultural industry, nursery and greenhouse production and to the small fruit industry. It is also important to point out that many of the nonfarm uses located in the area either pre-date (and have a history of compatibility with farm use) or were approved only after a determination that the use would be compatible with farm and forest uses. A good example is the golf course that was sited in the area. It was approved only after it was determined that it would not significantly increase the cost of accepted farm and forest practices on surrounding lands devoted to farm and forest use and that its development and operation would not force a significant change in accepted farm and forest practices on surrounding lands [see ORS 215.296(1)].

7. Long-term urban growth decisions should be made only after coordinated population forecasts are utilized. Any coordinated population forecast should include Metro, the subject counties and cities located within the urban growth boundary and the nearby cities of Banks, North Plains, Gaston, Sandy, Estacada and Canby.

- 8. Further work is needed to examine the possibilities of locating industrial uses that support area agriculture at the edges of the urban growth boundary.
- 9. Finally, the workgroup is concerned about the impacts of urban commuter traffic on roads cutting through metro core agricultural areas. Many times it is difficult at best to move farm machinery between fields or to move agricultural products from the farm to the market. Key examples of this problem include traffic between the Forest Grove/Cornelius area and North Plains, between the Sherwood area and Hillsboro and the difficulty of moving trucks from nurseries located in east Multnomah County and northern Clackamas County to Interstate 84. Future transportation planning and funding decisions should consider the importance of these roads to agriculture and the impacts of increased traffic flows on farming operations.



## 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 RSIAs', 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 24<sup>th</sup> 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] <u>1.12.3</u> [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]** <u>Cities and counties</u> may allow division of lots or parcels into smaller lots or parcels as follows:
- 1. Lots or parcels [less] <u>smaller</u> 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[,] <u>and</u> 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; <u>or</u>
  - 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

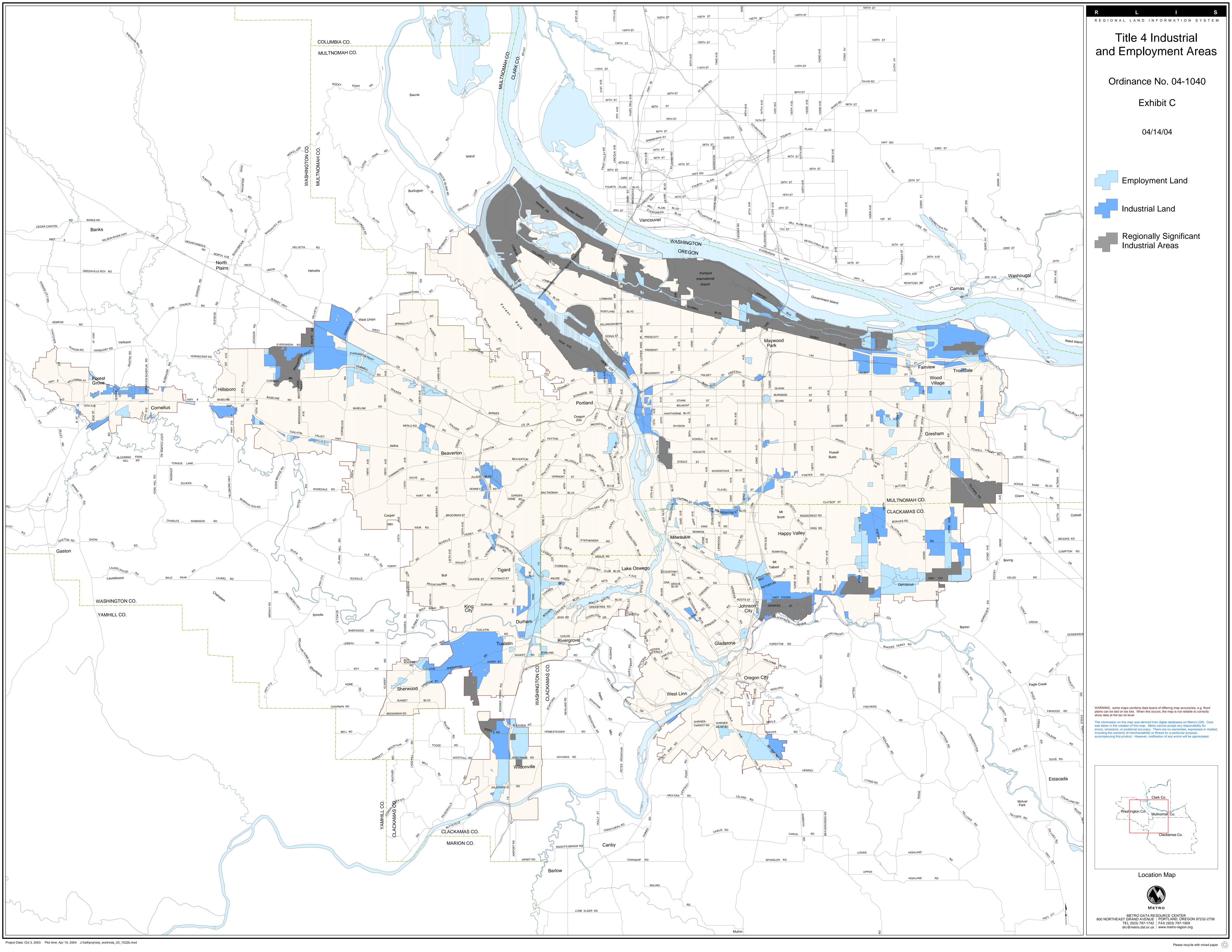
- A. [In Industrial Areas mapped pursuant to Metro Code section 3.07.130 that are not Regionally Significant Industrial Areas, c] Cities and counties shall [limit new and expanded retail commercial uses to those appropriate in type and size to serve the needs of businesses, employees and residents of 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] <u>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.</u>
- 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 that 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] <u>subsection A</u> of this section, a city or county may allow the lawful use of any building, structure or land <u>existing</u> at the time of [enactment of an] <u>adoption of its</u> ordinance [adopted pursuant to this section] <u>to implement this section</u> to continue and to expand to add up to 20 percent more [floorspace] <u>floor area</u> and 10 percent more land area. <u>Notwithstanding subsection D of this section</u>, 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.



# 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. <u>Data Sources</u>

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. <u>Definition of Entities Being Measure</u>

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:

- <u>Refill</u>: 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 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.
  - *Method of Measurement*: Using the audited building permit sample we a. 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 reclassed 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 (multifamily and single family) and by lot size.

3. <u>Mixed use development</u>: 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. <u>Data Table 5E1: Refill Numbers by Type and Density 1997 – 2001</u>

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. 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. 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.<sup>3</sup>

<sup>&</sup>lt;sup>1</sup> **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.

<sup>&</sup>lt;sup>2</sup> 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.

<sup>3</sup> 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.

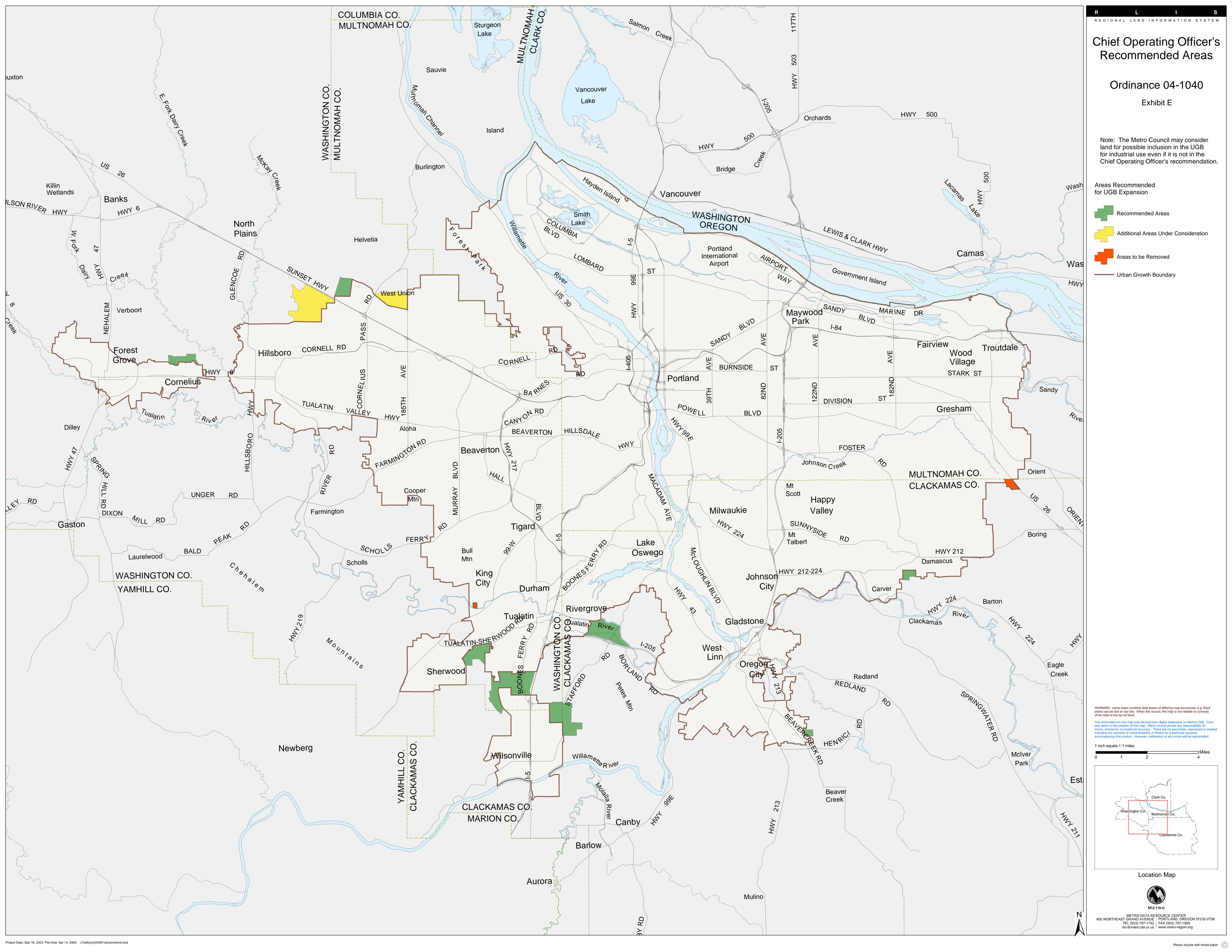
At the same time we recognize that there are a number of instances where partially vacant land shares a tax lot with a high valued single family home. In order to better understand the likelihood of further development under these circumstances, we used our single family sales price study to estimate 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.



## 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. <u>Damascus Area</u>

- 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. <u>Helvetia</u>

- 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. 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

<sup>&</sup>lt;sup>1</sup> RSIAs 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. The general demand for vacant industrial land is distributed as follows:

- 70 percent warehouse and distribution
- 13 percent general industrial
- 17 percent tech/flex<sup>3</sup>

### 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). 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 Ry Industrial Sector

Tuble 1. Demand for 1 dieer bizes by industrial bector									
								Total	
Sector Type	under 1	1 to 5	5 to 10	10 to 25	25 to 50	50 to 100	+ 100	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	

<sup>&</sup>lt;sup>2</sup> Gross vacant buildable acres in this analysis have removed Title 3 lands.

<sup>&</sup>lt;sup>3</sup> Tech-flex development is a building type that provides flexible space to accommodate a variety of users from light assembly, product storage and research.

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

<sup>&</sup>lt;sup>5</sup> 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. 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	<b>Total supply</b>
Total Supply	400	2,388	1,889	2,159	1,765	536	111	9,249
<b>Total Demand</b>	1,955	2,899	2,344	2,401	887	868	502	11,856
Surplus/ (Defici	t) (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

<sup>&</sup>lt;sup>6</sup> 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). 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 <u>removed</u> that contained a majority of parcels that were less than 5 acres and were already developed;
- Areas were <u>removed</u> if they fell below the minimum size threshold (300 acres) for an industrial neighborhood and were not located adjacent to an existing industrial neighborhood;<sup>8</sup>
- Areas were <u>removed</u> 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 <u>removed</u> 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.<sup>9</sup>

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

<sup>&</sup>lt;sup>7</sup> The Hierarchy of Lands is depicted in a chart labeled Attachment 1.

<sup>&</sup>lt;sup>8</sup> A study was completed to determine a minimum size

<sup>&</sup>lt;sup>9</sup> 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 – 1.13.3Citizen 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 (Wash-DOT), 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.<sup>10</sup> 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.<sup>11</sup>

### 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;<sup>12</sup>
- 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;

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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.

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

<sup>&</sup>lt;sup>12</sup> 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 <u>less</u> 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 to 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. <sup>13</sup> 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.

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<sup>&</sup>lt;sup>13</sup> 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.<sup>14</sup> 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.<sup>15</sup>

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<sup>&</sup>lt;sup>14</sup> Employment UGR page 23.

<sup>&</sup>lt;sup>15</sup> 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. 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
Deficit	(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.

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<sup>&</sup>lt;sup>16</sup> 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.<sup>17</sup> 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

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<sup>&</sup>lt;sup>17</sup> 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 (101acres) 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 282<sup>nd</sup> Avenue and SE 302<sup>nd</sup> 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 282<sup>nd</sup> 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 242<sup>nd</sup> 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 282<sup>nd</sup> Avenue and SE 312<sup>th</sup> 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 282<sup>nd</sup> 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.

#### Nover Creek

This area of Tier 5 resource land and exception land is within one mile of a planned industrial land area (SE 242<sup>nd</sup> 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 232<sup>nd</sup> 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 26acre 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 1/2 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 \( \frac{1}{2} \) 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 120<sup>th</sup> 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 185<sup>th</sup> 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 185<sup>th</sup> 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

				SUITA	SUITABILITY FACTOR		
EXPANSION	TOTAL	NET	Satisfy Warehouse/Dist.	Access	Proximity	Slope	
AREAS	ACRES	ACRES	Demand			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	10-25 acres	50-100 acres	100 plus acres
AREAS	(Deficit- 8 tax lots)	(Deficit- 4 tax lots)	(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 RSIAs areas. The Title 4 language that was amended in 2002 requires that the Metro Council delineate specific boundaries for the RSIAs derived from the generalized map by December 31, 2003. Two ordinances were introduced in 2003, amending the Title 4 regulations and mapping the RSIAs, 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 RSIAs 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 RSIAs. 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 RSIAs. 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 districts<sup>18</sup>;
- 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.

<sup>&</sup>lt;sup>18</sup> FIRE: finance, insurance and real estate uses.

# Mapping of RSIAs

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 RSIAs 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 form 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.<sup>19</sup> This analysis is discussed under a separate memorandum.

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<sup>&</sup>lt;sup>19</sup> 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 RSIAs 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. <sup>20</sup> 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.

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<sup>&</sup>lt;sup>20</sup> 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** 

					SUITA	SUITABILITY FACTOR		
RECOMMENDED	TOTAL	NET	TIER and	2040	Access	Proximity	Slopes	
<b>EXPANSION</b>	ACRES	ACRES	DESIGNATION	Design			less	
AREAS				Type			10%	
Damascus West	102	69	Tier 4 - Resource	Industrial	✓	✓	✓	
Tualatin	646	339	Tier 1-Exception	Industrial	✓	<b>✓</b>	<b>✓</b>	
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	✓	<b>✓</b>	✓	
Wilsonville East (p)	641	460	Tier 5 - Resource	RSIA	✓	✓	✓	
Cornelius (p)	206	91	Tiers 1 & 5 - Mixed	RSIA	✓	<b>✓</b>	✓	
Helvetia (p)	249	149	Tiers 1 & 3 - Mixed	RSIA	✓	✓	✓	
TOTAL	3,100	1,635						

<sup>(</sup>p) partial areas

**Table 8. Additional Areas for Consideration** 

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

<sup>(</sup>p) partial areas

# **Attachments:**

Attachment 1- Goal 14 Chart

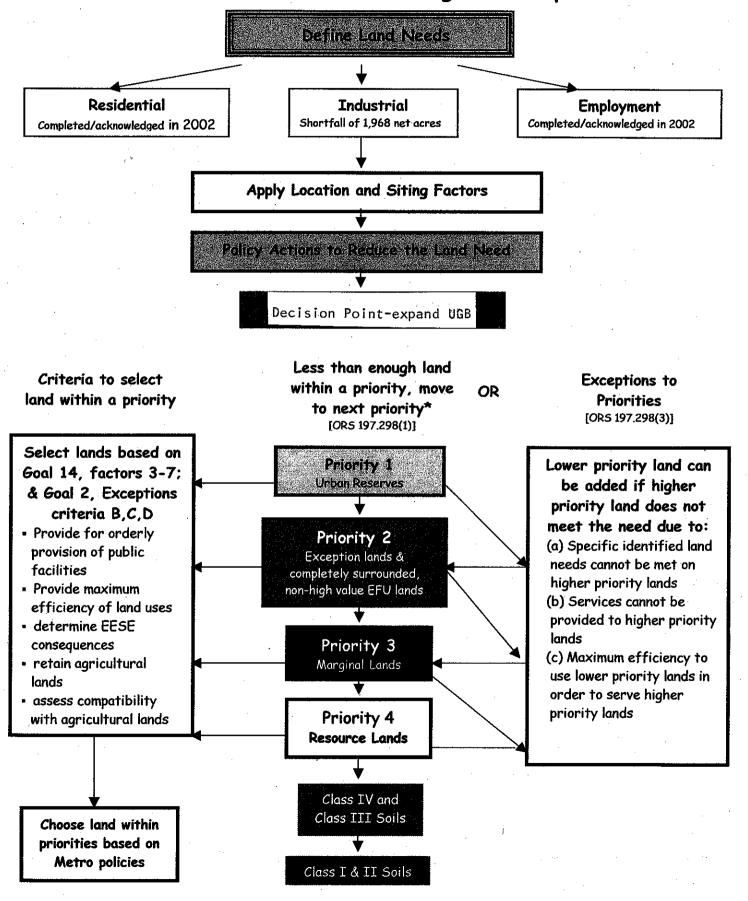
Attachment 2- Study Area Maps

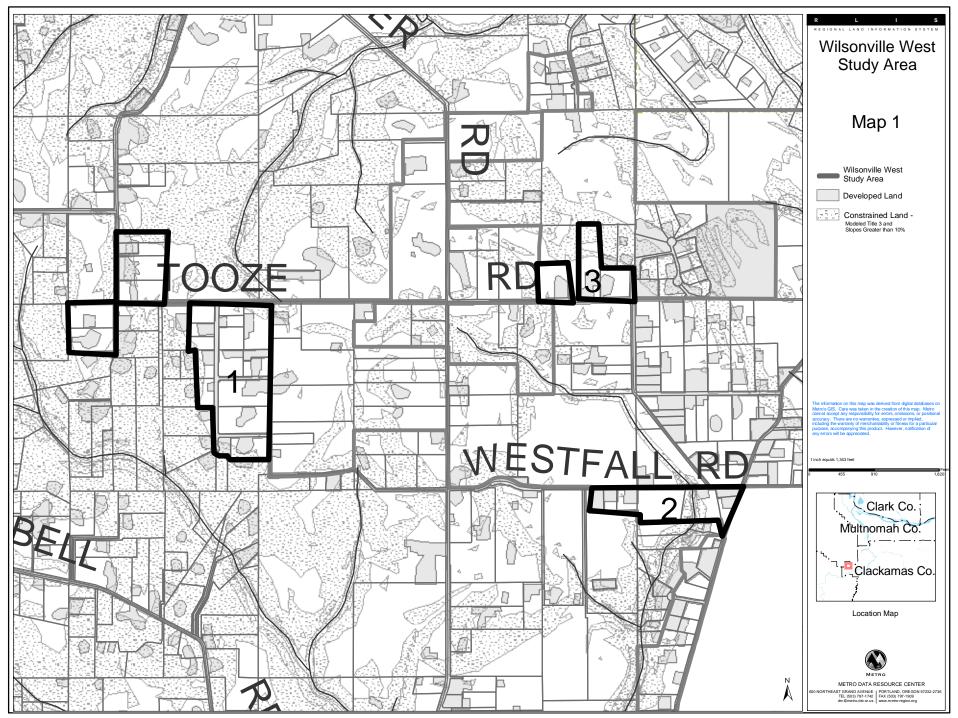
Attachment 3- Chief Operating Officer's Recommended Areas Map

Attachment 4- Title 4 Map

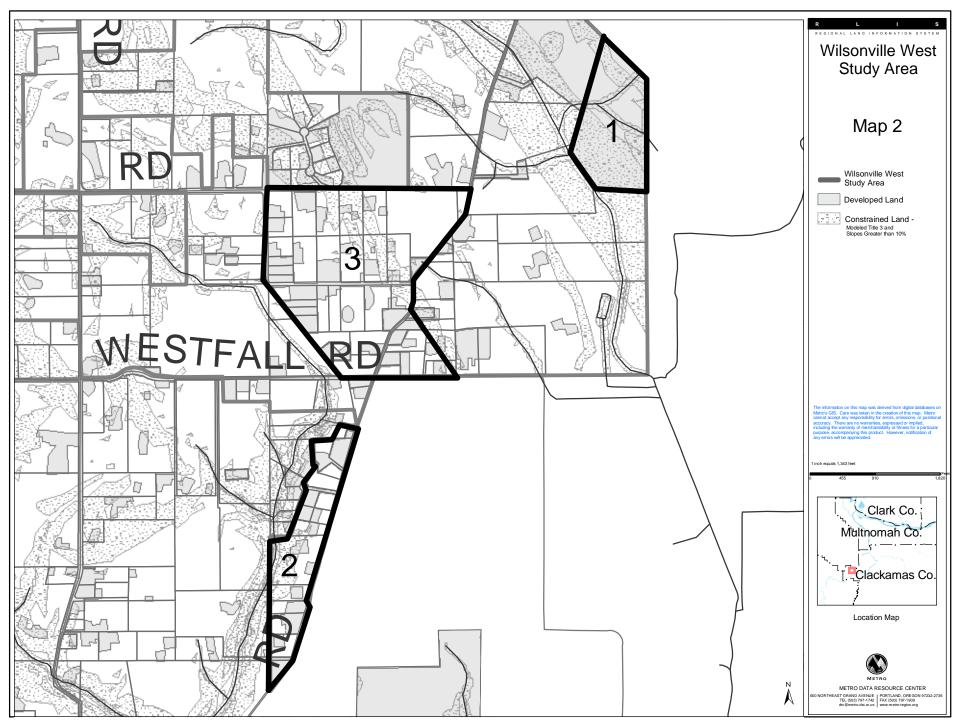
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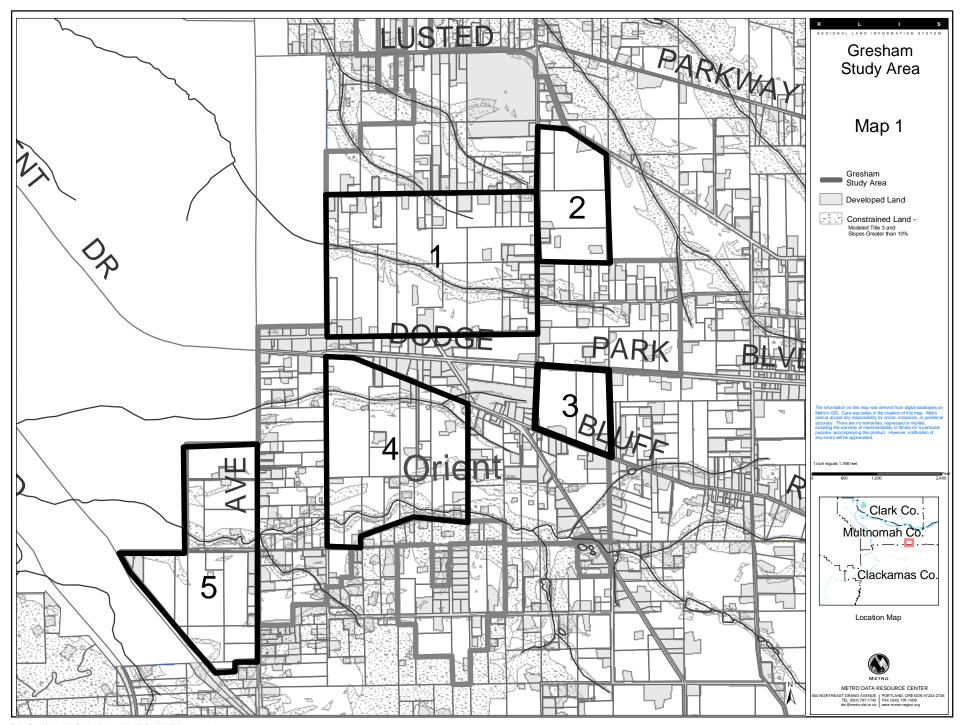
Goal 14: Where to Satisfy the Region's 20-Year Urban Land Needs Through UGB Expansion



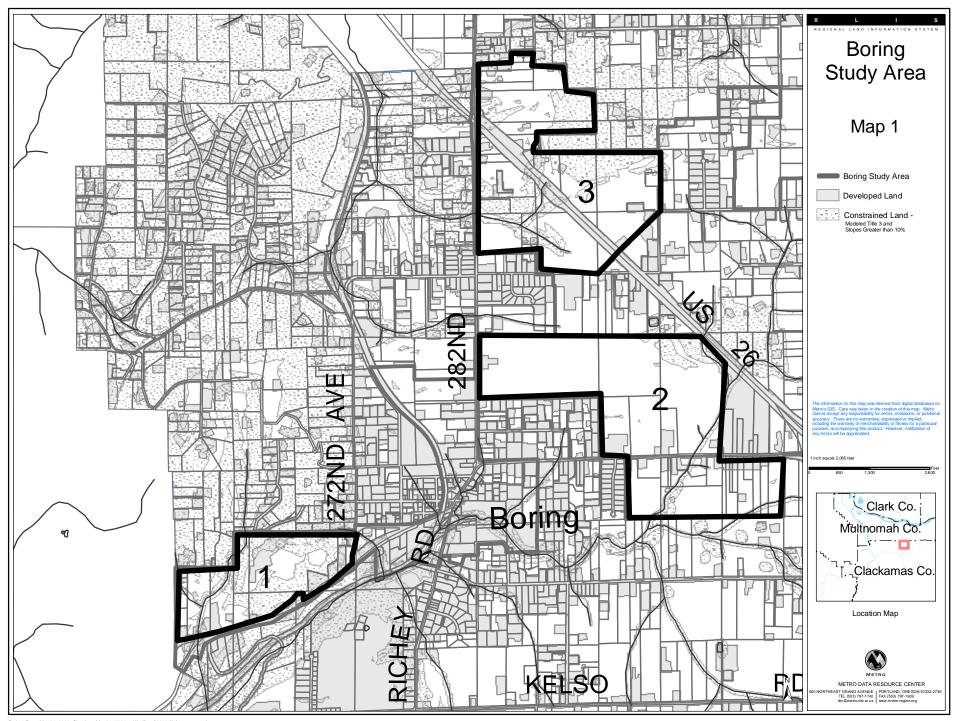


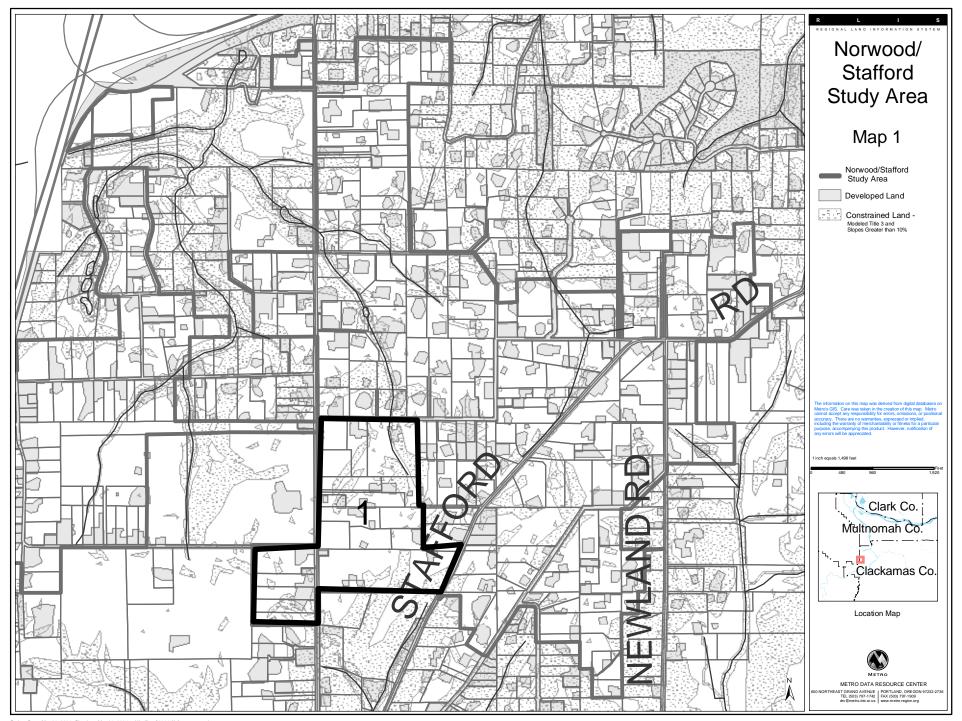
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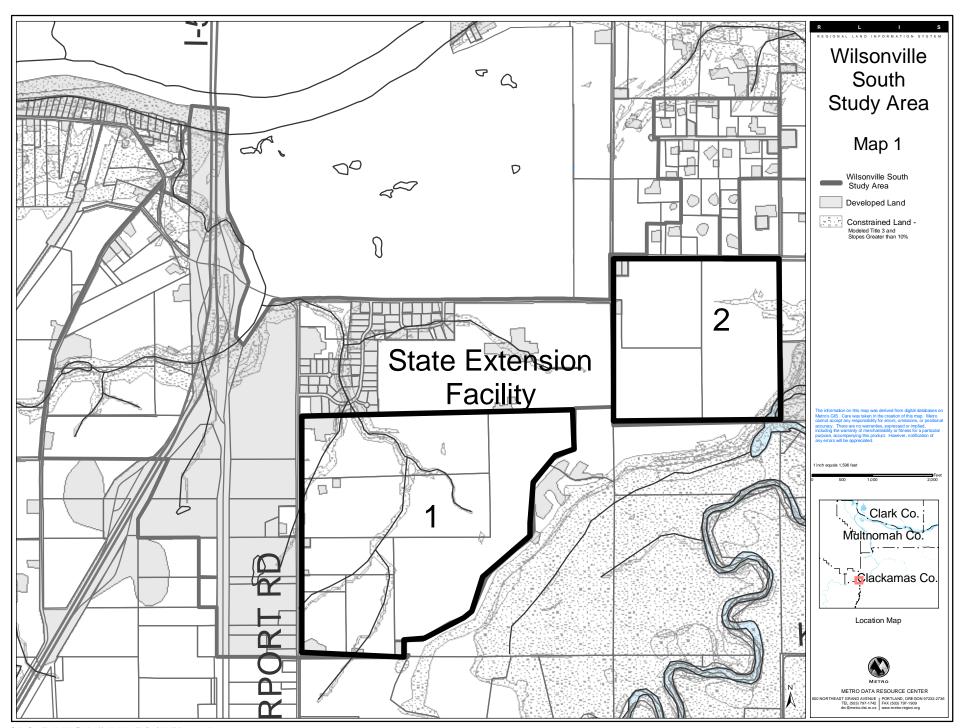


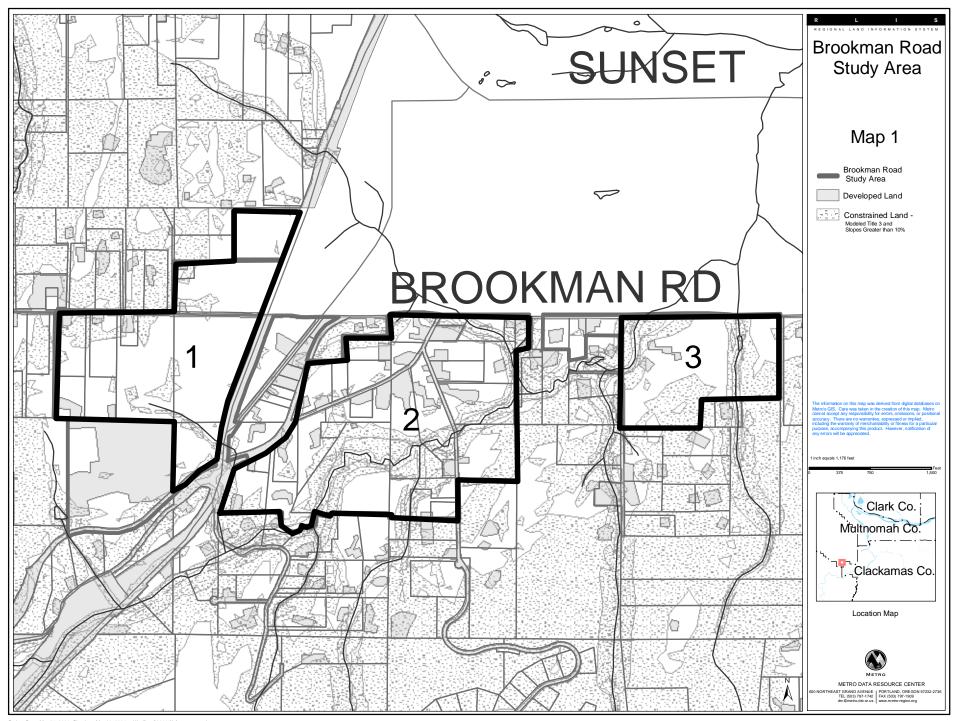
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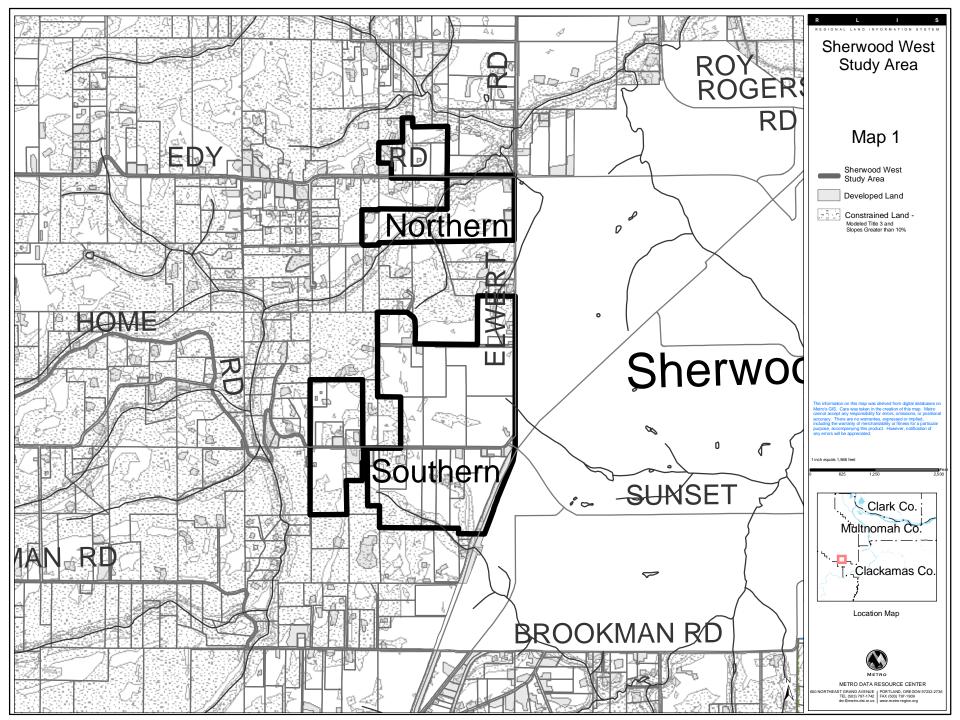


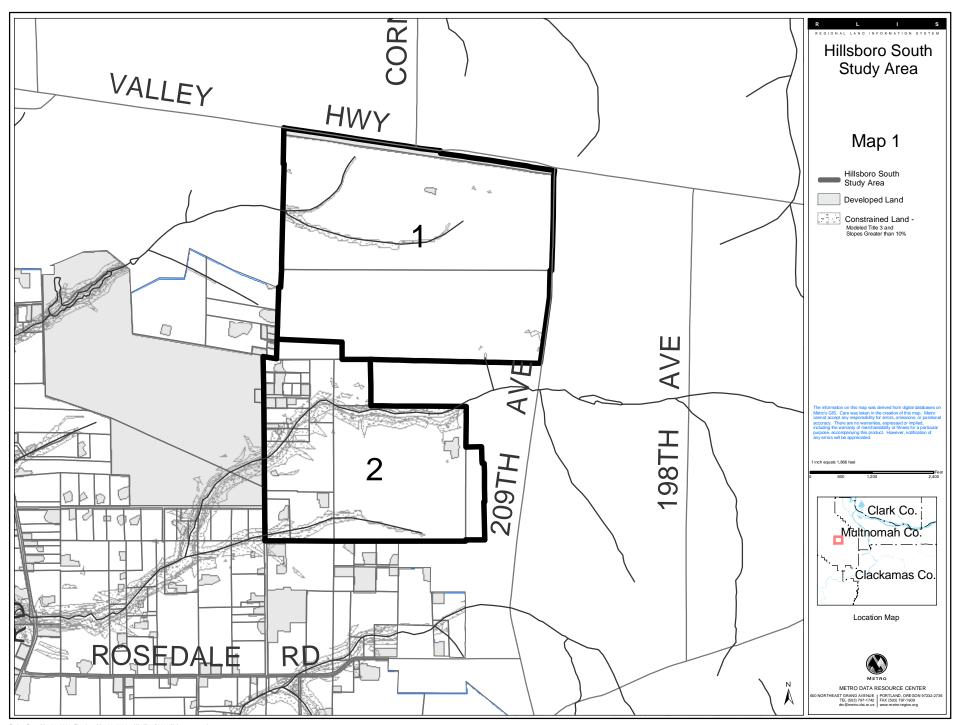
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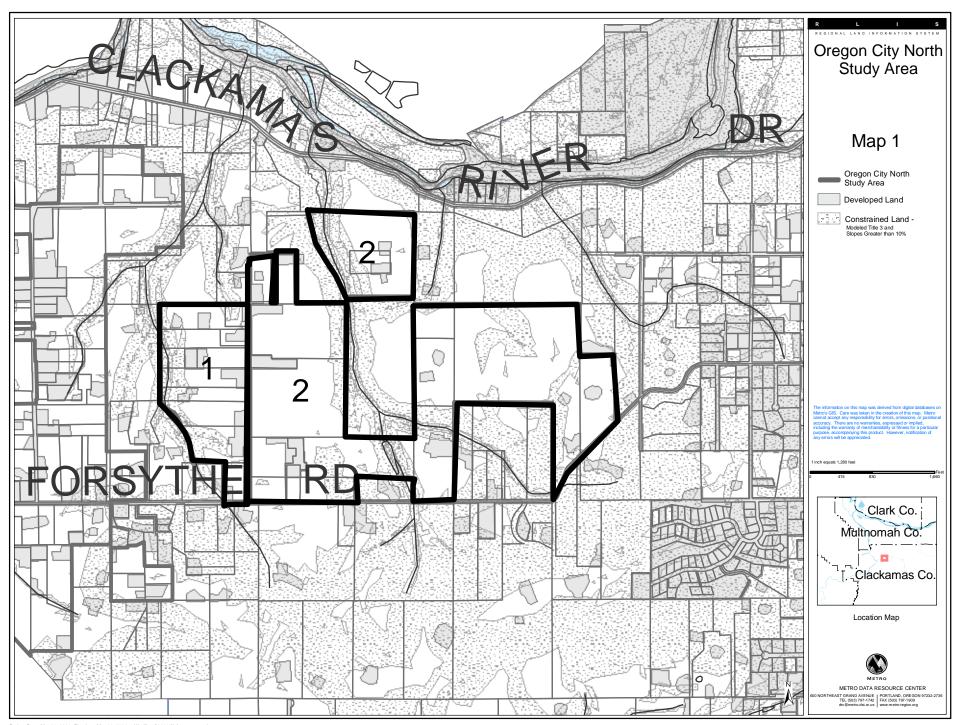




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Project Date: Mar 25, 2004 Plot time: Mar 30, 2004 J:\half\proj\03315\b&w maps.mxd

