

 **Metro** | *Agenda*

Meeting: Metro Policy Advisory Committee (MPAC)
Date: Wednesday, Oct. 22, 2014
Time: 5 to 7 p.m.
Place: Metro, Council Chamber

- | | | | |
|----------------------------|-----------|--|---|
| 5:00 PM | 1. | <u>CALL TO ORDER</u> | Jody Carson, Chair |
| 5:05 PM | 2. | <u>SELF INTRODUCTIONS & COMMUNICATIONS</u> | Jody Carson, Chair |
| 5:10 PM | 3. | <u>CITIZEN COMMUNICATIONS ON NON-AGENDA ITEMS</u> | |
| 5:15 PM
(5 Min) | 4. | <u>COUNCIL UPDATE</u> | Metro Council |
| 5:20 PM
(5 Min) | 5. | <u>CONSENT AGENDA:</u> | |
| | * | • Consideration of Oct. 8, 2014 Minutes | |
| 5:25 PM
(40 Min) | 6. | * <u>CLIMATE SMART COMMUNITIES SCENARIOS PROJECT: REVIEW DRAFT REGIONAL POLICIES AND SHORT LIST OF TOOLBOX ACTIONS - DISCUSSION LEADING TO NOV. 7TH JOINT MEETING AND DEC. 10TH RECOMMENDATION TO METRO COUNCIL</u> | Kim Ellis, Metro |
| 6:05 PM
(45 Min) | 7. | * <u>GROWTH MANAGEMENT DECISION: DRAFT 2014 URBAN GROWTH REPORT ASSESSMENT OF EMPLOYMENT CAPACITY NEEDS AND REGIONAL INDUSTRIAL SITE READINESS - INFORMATION/ DISCUSSION</u> | Ted Reid, Metro
John Williams, Metro |
| 6:50 PM | 8. | <u>MPAC MEMBER COMMUNICATION</u> | |
| 7:00 PM | 9. | <u>ADJOURN</u> | Jody Carson, Chair |

* Material included in the packet.

** Material will be distributed in advance of the meeting.

Upcoming MPAC Meetings:

- Friday November 7, 2014 Joint MPAC/JPACT Meeting, World Forestry Center, Cheatham Hall
- Wednesday, Nov. 12, 2014 MPAC Meeting
- Wednesday, Dec. 10, 2014 MPAC Meeting

For agenda and schedule information, call Jessica Rojas at 503-813-8591, e-mail: Jessica.rojas@oregonmetro.gov
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ការគោរពសិទ្ធិពលរដ្ឋរបស់ ។ សំរាប់ព័ត៌មានអំពីកម្មវិធីសិទ្ធិពលរដ្ឋរបស់ Metro ឬដើម្បីទទួលបានក្បួនលំអររើសអើងសូមចូលទស្សនាការប្រកាស www.oregonmetro.gov/civilrights។
បើលោកអ្នកត្រូវការការបកប្រែភាសានៅពេលអង្គប្រជុំសាធារណៈ សូមទូរស័ព្ទមកលេខ 503-797-1700 (ម៉ោង 8 ព្រឹកដល់ម៉ោង 5 ល្ងាច ថ្ងៃធ្វើការ) ប្រាំពីរថ្ងៃ ថ្ងៃធ្វើការ មុនថ្ងៃប្រជុំដើម្បីអាចឲ្យគេសម្រួលតាមសំណើរបស់លោកអ្នក ។

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2014 MPAC Work Program

As of 10/15/14

*Items in italics are tentative; **bold** denotes required items*

<p>Wednesday, Oct. 22, 2014</p> <ul style="list-style-type: none"> Climate Smart Communities Scenarios Project: Review Draft Regional Policies and Short List of Toolbox Actions – <u>discussion leading to Nov. 7th joint meeting and Dec. 10th recommendation</u> (40 min, Kim Ellis) 2015 Growth Management Decision: Draft 2014 Urban Growth Report (UGR) Assessment of Employment Capacity Needs and Regional Industrial Site Readiness - <u>Discussion and begin framing Nov. 12th recommendation to Metro Council</u> (60 min, John Williams and Ted Reid) <p>FYI: A comment period is planned from Sept. 15 to Oct. 30, 2014 on the Climate Smart Communities draft approach and draft implementation recommendations</p>	<p>Joint MPAC/JPACT Meeting Friday, November 7, 2014 (8 a.m. to noon) World Forestry Center, Cheatham Hall</p> <ul style="list-style-type: none"> Climate Smart Communities Scenarios Project: Discuss public comments and potential refinements to draft approach and implementation recommendations – <u>discussion and begin framing Dec. 10th recommendation to Metro Council</u>
<p>Wednesday, Nov. 12, 2014</p> <ul style="list-style-type: none"> Growth Management Decision: Recommendation to Metro Council on Council acceptance of draft 2014 Urban Growth Report as basis for subsequent growth management decision – <u>Recommendation to Metro Council</u> (60 min, Ted Reid, John Williams) Climate Smart Communities Scenarios: Discuss policy topics identified on Sept. 10th & Nov. 7th – <u>discuss, continue framing Dec. 10th recommendation to Metro Council</u> (Kim Ellis; 30 min) Opt In & Engagement Resources Update (Jim Middaugh; 20 min) <i>Approval of MPAC nominating committee for 2015 officers</i> <p>FYI: National League of Cities Congress of Cities and Exposition, Austin, TX, November 18 - 22</p>	<p>Wednesday, Dec. 10, 2014</p> <p>Climate Smart Communities Scenarios Project: Recommendation on adoption of the preferred approach and implementation recommendations – <u>Recommendation to the Metro Council</u> (60 min, Kim Ellis)</p>

Parking Lot:

- Presentation on health & land use featuring local projects from around the region
- Affordable Housing opportunities, tools and strategies
- Greater Portland, Inc. Presentation on the Metropolitan Export Initiative
- MPAC composition
- “Unsettling Profiles” presentation by Coalition of Communities of Color
- Tour of the City of Wilsonville’s Villebois community
- 2015 legislative session and possible shared regional agenda

MPAC Worksheet

Agenda Item Title: Climate Smart Communities Scenarios Project: Review draft Metro ordinance recommending adoption of the Climate Smart Communities Strategy, Metro policies and short list of regional actions

Presenter(s): Kim Ellis and John Williams

Contact for this worksheet/presentation: Kim Ellis, Metro staff (kim.ellis@oregonmetro.gov)

Purpose of this item (check no more than 2):

Information X
Update
Discussion X
Action

MPAC Target Meeting Date: October 22, 2014

Purpose/Objective

MPAC provides feedback on the draft Ordinance, draft Regional Framework Plan amendments, and the draft short list of regional actions in advance of the Nov. 7 joint MPAC/JPACT meeting. On Nov. 7, MPAC and JPACT will continue shaping their final recommendations to the Metro Council.

Action Requested/Outcome

MPAC members provide feedback to staff on the following questions:

1. Do members have questions or feedback on the draft Ordinance?
2. Do members have questions or feedback on the draft Regional Framework Plan amendments?
3. Do members have questions or feedback on the draft short list of regional actions?

Background and context:

The Climate Smart Communities Scenarios Project responds to a mandate from the 2009 Oregon Legislature to reduce per capita greenhouse gas emissions from cars and small trucks by 20 percent below 2005 levels by 2035. The reduction is in addition to significantly greater reductions anticipated to occur from advancements in cleaner, low carbon fuels and more fuel-efficient vehicle technologies. Working together, community, business and elected leaders have shaped a strategy that meets the goal while creating healthy and equitable communities and a strong economy.

After a four-year collaborative process informed by research, analysis, community engagement and discussion, a draft Climate Smart Strategy and implementation recommendations were released for public review from Sept. 15 to Oct. 30, 2014. As unanimously recommended by the Metro Policy Advisory Committee (MPAC) and the Joint Policy Advisory Committee on Transportation (JPACT) on May 30, the draft strategy achieves a 29 percent per capita greenhouse gas emissions reduction and supports local and regional plans and visions that have already been adopted by communities and the region. The strategy, if implemented, will deliver significant public health, environmental and economic benefits to the region.

What has changed since MPAC last considered this issue/item?

- **45-day public comment period.** On September 15, 2014, staff launched an on-line survey and 45-day public comment period on a draft Climate Smart Strategy and implementation recommendations. The on-line survey is available at makeagreatplace.org and the public review materials are posted on the project website at oregonmetro.gov/draftapproach. More than 1,000 individuals responded to the survey by Oct. 1. Staff began reviewing public comments

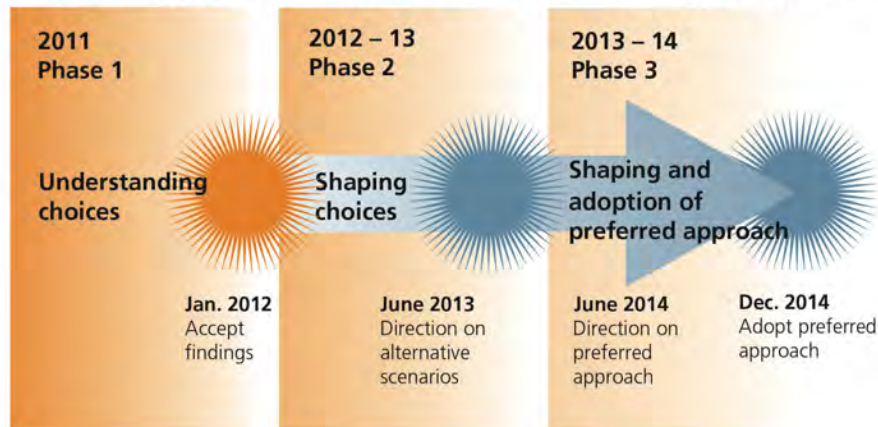
received to date to identify potential refinements to the adoption package. A summary of potential refinements will be discussed by MTAC and TPAC at their November meetings as part of finalizing their recommendation to MPAC and JPACT. A draft summary of comments received will be provided in advance of the Nov. 7 joint meeting.

- **State legislative and commission briefings.** In late September, Metro Councilors and staff briefed two interim state legislative committees and the Land Conservation and Development Commission on the status of the project; the information was well-received.
- **Update on short list of regional actions and demonstrating the region's desire to begin to implementation.** On October 9, Metro staff convened the technical work group to begin developing a short list of regional actions that are intended to signal the region's commitment to begin implementation of the Climate Smart Communities Strategy in 2015. The draft list is intended to serve as a starting point for further input by MTAC on Oct. 15 and TPAC on Oct. 31, prior to being discussed by MPAC and JPACT at the Nov. 7 joint meeting. In addition, the work group recommended that MPAC and JPACT's recommendation to the Metro Council on the draft Climate Smart Communities Strategy and implementation recommendations (including the short list of regional actions) serve as the primary vehicle for demonstrating the region's commitment to implementation. Staff will provide an update on the short list of regional actions at the October 22 MPAC meeting.

What is the schedule for future consideration of item (include MTAC, TPAC, JPACT and Council as appropriate):

On December 10 and 11, respectively, MPAC and JPACT will be making a recommendation to the Metro Council on a draft Climate Smart Strategy and implementation recommendations. The Metro Council will hold a final public hearing and consider adoption of the strategy and implementation recommendations on Dec. 18, 2014. Attachment 1 provides a more detailed schedule.

Climate Smart Communities Scenarios Project timeline



What packet material do you plan to include electronically?

Attachment 1. Climate Smart Communities 2014 Decision Milestones (10/10/14)

Attachment 2. Draft Regional Framework Plan amendments (9/15/14)

Attachment 3. Draft Metro Ordinance (*to be provided at the meeting*)

Attachment 4. Draft short list of regional actions to begin implementation of the Climate Smart Communities Strategy (*to be provided at the meeting*)



2014 DECISION MILESTONES

1. Receive Council direction on Draft Approach	June 19, 2014
2. Release Draft Approach for 45-day public comment period	September 15, 2014
3. Seek Council adoption of recommended preferred approach	December 18, 2014

EVENTS AND PRODUCTS TO ACTUALIZE DECISION MILESTONES

Milestone 1	Council direction on draft approach to test
Jan. - Feb.	Metro Council, MPAC and JPACT confirm process & policy areas to discuss in 2014 Conduct interviews with community and business leaders and elected officials
Feb. – March	MPAC and JPACT discuss background information on policy areas Launch public opinion research (telephone survey) and on-line public comment tool Convene discussion groups to gather input on strategies to include in draft approach MTAC and TPAC help frame policy choices for MPAC and JPACT discussion
April 11	Joint MPAC/JPACT meeting to discuss policy choices
April	Public engagement report prepared for policy advisory committees and Metro Council MTAC and TPAC provide input on elements of draft approach and make recommendation to MPAC and JPACT
May 30	Joint MPAC/JPACT meeting to recommend draft approach to test
June 19	Council direction on draft approach to test
Milestone 2	Release draft approach and implementation recommendations for 45-day public comment period
June – Sept.	Staff evaluates draft preferred approach and develops implementation recommendations MTAC and TPAC provide input on draft approach evaluation results, estimated costs and implementation recommendations Brief local officials on draft approach and upcoming adoption process through quarterly updates and other means
Week of Aug. 25	Public notice published on upcoming public comment period
Sept. 15, 2014	Release draft approach and implementation recommendations for 45-day public comment period

Milestone 3	Seek Council adoption of recommended preferred approach
Sept. – Nov.	Brief local officials, TriMet, the Port of Portland and ODOT through county-level coordinating committee meetings, quarterly updates, and other means
Sept. 10 and 11	MPAC and JPACT discussion on draft approach results, implementation recommendations and topics for future policy discussion
Sept. 17	MTAC update on update on public review materials and next steps for defining priority toolbox actions and options to demonstrate region's commitment to implementation
Sept. 26	TPAC update on public review materials and begin discussion to prioritize toolbox actions and define options to demonstrate region's commitment to implementation
Oct. 7	Council discussion on draft approach and implementation recommendations, including actions Metro can take to implement draft approach
Oct. 8	MPAC update on public review materials and next steps for short list of toolbox actions and demonstrating region's commitment to implementation (<i>as part of Councilor communications</i>)
Oct. 9	JPACT update on public review materials and next steps for short list of toolbox actions and demonstrating region's commitment to implementation
Oct. 15	Climate Smart Communities technical work group discussion on short list of toolbox actions and demonstrating region's commitment to implementation
Oct. 15	MTAC discussion on Regional Framework Plan amendments, performance monitoring, short list of toolbox actions and demonstrating region's commitment to implementation
Oct. 22	MPAC discussion on Regional Framework Plan amendments and next steps for short list of toolbox actions and demonstrating region's commitment to implementation
Oct. 30	Public hearing (also first reading and initial evidentiary hearing)
Oct. 31	TPAC discussion on public comments, Regional Framework Plan amendments, performance monitoring, short list of toolbox actions, demonstrating region's commitment to implementation and draft legislation on adoption of preferred approach
Nov. 5	MTAC discussion on public comments, performance monitoring and draft legislation on adoption of preferred approach
Nov. 6	Council discussion on public comments and prep for 11/7 MPAC/JPACT meeting
Nov. 7	MPAC/JPACT joint meeting to discuss public comments and begin shaping recommendation to Council
Nov. 12	MPAC discussion on public comments, potential refinements & recommendation to Council
Nov. 13	JPACT discussion on public comments, potential refinements & recommendation to Council
Nov. 19	MTAC makes recommendation to MPAC on adoption of the preferred approach
Nov. 21	TPAC makes recommendation to JPACT on adoption of the preferred approach
Dec. 9	Council discussion of potential refinements being considered by MPAC & JPACT
Dec. 10	MPAC recommendation to the Metro Council on adoption of the preferred approach
Dec. 11	JPACT recommendation to the Metro Council on adoption of the preferred approach
Dec. 18, 2014	Seek Metro Council adoption of recommended preferred approach (2nd hearing and action)

**CLIMATE
SMART**
COMMUNITIES
SCENARIOS PROJECT

1

Draft Regional Framework Plan Amendments

Public Review Draft

September 15, 2014

**MAKING A
GREAT
PLACE**

About Metro

Clean air and clean water do not stop at city limits or county lines. Neither does the need for jobs, a thriving economy, and sustainable transportation and living choices for people and businesses in the region. Voters have asked Metro to help with the challenges and opportunities that affect the 25 cities and three counties in the Portland metropolitan area.

A regional approach simply makes sense when it comes to providing services, operating venues and making decisions about how the region grows. Metro works with communities to support a resilient economy, keep nature close by and respond to a changing climate. Together we're making a great place, now and for generations to come.

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www.oregonmetro.gov/climatescenarios

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PART 1. DRAFT REGIONAL FRAMEWORK PLAN AMENDMENTS

This is one of three parts of the draft implementation recommendations being presented for public review and comment from Sept. 15 to Oct. 30, 2014

This document includes proposed policy amendments that are limited to Chapter 1 (Land Use) and Chapter 2 (Transportation) of the Regional Framework Plan and reflect policy changes that will guide how Metro will implement the draft approach. The proposed amendments are detailed in the attached strikethrough/underscore versions of the chapters.

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Chapter 2 (Transportation) Regional Framework Plan Amendments	

BACKGROUND

The Climate Smart Communities Scenarios Project responds to a 2009 mandate from the Oregon Legislature for our region to develop a strategy to reduce per capita greenhouse gas emissions from cars and small trucks by 2035. Metro is the regional government and federally-designated metropolitan planning organization for the Portland metropolitan area, serving a population of 1.5 million people. In that role, Metro has been working together with community, business and elected leaders across our region to shape a draft Climate Smart Strategy that meets the state mandate while supporting economic prosperity, community livability and protection of our environment.

After a four-year collaborative process informed by research, analysis, community engagement and deliberation, a draft Climate Smart Strategy that meets the state target is being presented for your review and comment. The draft strategy relies on policies and investments that have already been identified as local priorities in communities across the region and in the region's long-range transportation plan.

HOW TO PROVIDE YOUR INPUT

- Take an on-line survey at www.makeagreatplace.org.
- Submit comments by mail to Metro Planning, 600 NE Grand Ave., Portland, OR 97232, by email to climatescenarios@oregonmetro.gov, or by phone at 503-797-1750 or TDD 503-797-1804 from Sept. 15 through Oct. 30, 2014.
- Testify at a Metro Council hearing on Oct. 30 at 600 NE Grand Ave., Portland, OR 97232 in the Council Chamber.

WHAT'S NEXT?

The Metro Policy Advisory Committee and the Joint Policy Advisory Committee on Transportation are working to finalize their recommendation to the Metro Council on the draft approach and draft implementation recommendations.

Sept. 15 to Oct. 30 Public comment period on draft approach and draft implementation recommendations

Nov. 7 MPAC and JPACT meet to discuss public comments and shape recommendation to the Metro Council

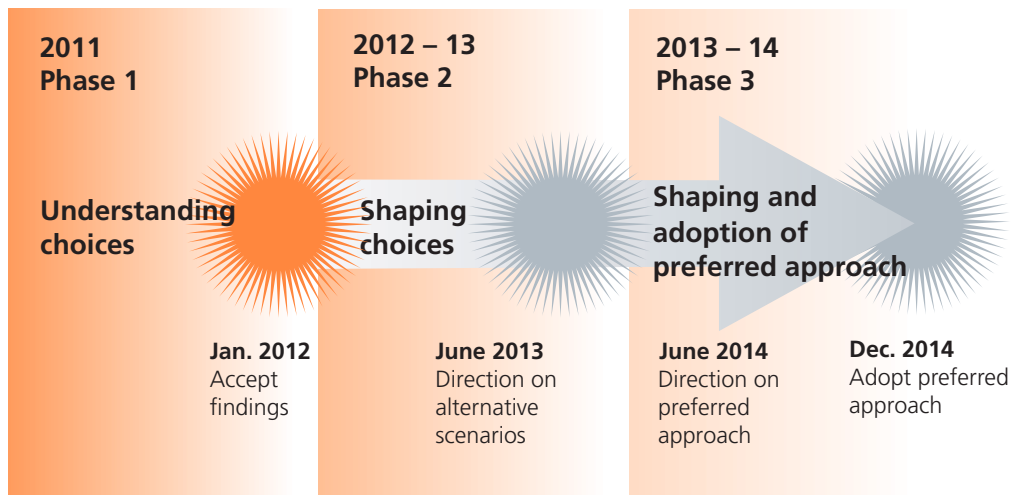
December 10 and 11 MPAC and JPACT make recommendation to Metro Council

December 18 Metro Council considers adoption of preferred approach

January 2015 Metro submits adopted approach to Land Conservation and Development Commission for approval

2015 and beyond Ongoing implementation and monitoring

Climate Smart Communities Scenarios Project timeline



WHERE CAN I FIND MORE INFORMATION?

Public review materials and other publications and reports can be found at oregonmetro.gov/climatescenarios. For email updates, send a message to climatescenarios@oregonmetro.gov.

EXCERPT FROM

Regional Framework Plan Chapter 1 Land Use

Introduction

The Metro Charter requires that Metro address growth management and land use planning matters of metropolitan concern. This chapter contains the policies that guide Metro in such areas as development of centers, corridors, station communities, and main streets; housing choices; employment choices and opportunities; economic vitality; urban and rural reserves; management of the Urban Growth Boundary (UGB); urban design and local plan and policy coordination.

This chapter also addresses land use planning matters that the Metro Council, with the consultation and advice of the Metro Policy Advisory Committee (MPAC), determines will benefit from regional planning, such as affordable housing.

A livable region is an economically strong region. This chapter contains policies that supports 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.

Six Outcomes, Characteristics of a Successful Region

It is the policy of the Metro Council to exercise its powers to achieve the following six outcomes, characteristics of a successful region:

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

(Added 12/16/10, Metro Ord. 10-1244B.)

Performance Measures and Performance Targets

It is also the policy of the Metro Council to use performance measures and performance targets to:

- a. Evaluate the effectiveness of proposed policies, strategies and actions to achieve the desired Outcomes;

- b. Inform the people of the region about progress toward achieving the Outcomes;
- c. Evaluate the effectiveness of adopted policies, strategies and actions and guide the consideration of revision or replacement of the policies, strategies and actions; and
- d. Publish a report on progress toward achieving the desired Outcomes on a periodic basis.

(Added 12/16/10, Metro Ord. 10-1244B.)

The Metro Code provisions, the Urban Growth Management Functional Plan, a background discussion and policy analysis for this chapter are included in the Appendices of this plan.

Policies

The following section contains the policies for land use. These policies are implemented in several ways. The Metro Council implements the policies through its investments in planning, transportation and other services. The Council also implements the policies by adopting and occasionally revising Metro's functional plans for local governments. The functional plans themselves are implemented by the region's cities and counties through their comprehensive plans and land use regulations.

1.1 Compact Urban Form

It is the policy of the Metro Council to:

- 1.1.1. Ensure and maintain a compact urban form within the UGB.
- 1.1.2. Adopt and implement a strategy of investments and incentives to use land within the UGB more efficiently and to create a compact urban form.
- 1.1.3. Facilitate infill and re-development, particularly within Centers, Corridors, Station Communities, Main Streets and Employment Areas, to use land and urban services efficiently, to support public transit, to promote successful, walkable communities and to create equitable and vibrant communities.
- 1.1.4. Encourage elimination of unnecessary barriers to compact, mixed-use, pedestrian-friendly and transit-supportive development within Centers, Corridors, Station Communities and Main Streets.
- 1.1.5. Promote the distinctiveness of the region's cities and the stability of its neighborhoods.
- 1.1.6. Enhance compact urban form by developing the Intertwine, an interconnected system of parks, greenspaces and trails readily accessible to people of the region.
- 1.1.7. Promote excellence in community design.

1.1.8 Promote a compact urban form as a key climate action strategy to reduce greenhouse gas emissions.

(RFP Policy 1.1 amended 12/16/10, Metro Ord. 10-1244B.)

1.10 Urban Design

It is the policy of the Metro Council to:

1.10.1 Support the identity and functioning of communities in the region through:

- a. Recognizing and protecting critical open space features in the region.
- b. Developing public policies that encourage diversity and excellence in the design and development of settlement patterns, landscapes and structures.
- c. Ensuring that incentives and regulations guiding the development and redevelopment of the urban area promote a settlement pattern that:
 - i) Links any public incentives to a commensurate public benefit received or expected and evidence of private needs.
 - ii) ~~Is pedestrian “friendly,”~~ Makes biking and walking safe and convenient, encourages transit use and reduces auto dependence and related greenhouse gas emissions.
 - iii) Provides access to neighborhood and community parks, trails and walkways, and other recreation and cultural areas and public facilities.
 - iv) Reinforces nodal, mixed-use, neighborhood-oriented design.
 - v) Includes concentrated, high-density, mixed-use urban centers developed in relation to the region’s transit system.
 - vi) Is responsive to needs for privacy, community, sense of place and personal safety in an urban setting.
 - vii) Facilitates the development and preservation of affordable mixed-income neighborhoods.
 - viii) Avoids and minimizes conflicts between urbanization and the protection of regionally significant fish and wildlife habitat.

1.10.2 Encourage pedestrian-, bicycle- and transit-supportive building patterns in order to minimize the need for auto trips, reduce greenhouse gas emissions and to create a development pattern conducive to face-to-face community interaction.

(RFP Policy 1.10.1 (c)(viii) added 9/29/05, Metro Ord. 05-1077C, Exb. B, Amend. 4.)

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Chapter 2 Transportation

Introduction

In 1992, the region's voters approved a charter for Metro that formally gave responsibility for regional land use planning to the agency, and requires adoption of a Regional Framework Plan that integrates land use, transportation and other regional planning mandates. The combined policies of this framework plan establish a new framework for planning in the region by linking land use and transportation plans. Fundamental to this plan is a transportation system that integrates goods and people movement with the surrounding land uses.

This chapter of the Regional Framework Plan presents the overall policy framework for the specific transportation goals, objectives and actions contained in the Regional Transportation Plan (RTP). It also sets a direction for future transportation planning and decision-making by the Metro Council and the implementing agencies, counties and cities.

The policies aim to implement the 2040 Growth Concept and:

- Protect the economic health and livability of the region.
- Improve the safety of the transportation system.
- Provide a transportation system that is efficient and cost-effective, investing our limited resources wisely.
- [Make the most of the investments the region has already made in our transportation system by expanding the use of technology to actively manage the transportation system, providing traveler information and incentives to expand the use of travel options.](#)
- [Make transit more convenient, frequent, accessible and affordable.](#)
- Provide access to more and better choices for travel in this region and serve special access needs for all people, including youth, elderly and disabled.
- Provide adequate levels of mobility for people and goods within the region.
- Protect air and water quality ~~and~~, promote energy conservation, [and reduce greenhouse gas emissions.](#)
- Provide transportation facilities that support a balance of jobs and housing.
- [Make walking and biking safe and convenient.](#)
- Limit dependence on any single mode of travel and increase the use of transit, bicycling, walking and carpooling and vanpooling.
- [Make streets and highways safe, reliable and connected; p](#)~~Provide~~[ing](#) for the movement of people and goods through an interconnected system of highway, air, marine and rail systems, including passenger and freight intermodal facilities and air and water terminals.
- Integrate land use, automobile, bicycle, pedestrian, freight and public transportation needs in regional and local street designs.
- ~~[Use transportation demand management and system management strategies.](#)~~
- ~~[Limit the impact of urban travel on rural land through use of green corridors.](#)~~

- [Manage parking to make efficient use of land and parking spaces.](#)
- [Demonstrate leadership on climate change.](#)

Goal 1: Foster Vibrant Communities and Efficient Urban Form

Land use and transportation decisions are linked to optimize public investments, [reduce greenhouse gas emissions](#) and support active transportation options and jobs, schools, shopping, services, recreational opportunities and housing proximity.

Objective 1.1 Compact Urban Form and Design

Use transportation investments to ~~reinforce-focus~~ growth in and [provide](#) multi-modal access to 2040 Target Areas and ensure that development in 2040 Target Areas is consistent with and supports the transportation investments.

Objective 1.2 Parking Management

Minimize the amount and promote the efficient use of land dedicated to vehicle parking.

Objective 1.3 Affordable Housing

Support the preservation and production of affordable housing in the region.

Goal 2: Sustain Economic Competitiveness and Prosperity

Multi-modal transportation infrastructure and services support the region’s well-being and a diverse, innovative, sustainable and growing regional and state economy.

Objective 2.1 Reliable and Efficient Travel and Market Area Access

Provide for reliable and efficient multi-modal regional, interstate and intrastate travel and market area access through a seamless and well-connected system of throughways, arterial streets, freight services, transit services and bicycle and pedestrian facilities.

Objective 2.2 Regional Passenger Connectivity

Ensure reliable and efficient connections between passenger intermodal facilities and destinations in and beyond the region to improve non-auto access to and from the region and promote the region’s function as a gateway for tourism.

Objective 2.3 Metropolitan Mobility

Maintain sufficient total person-trip and freight capacity among the various modes operating in the Regional Mobility Corridors to allow reasonable and reliable travel times through those corridors.

Objective 2.4 Freight Reliability

Maintain reasonable and reliable travel times and access through the region as well as between freight intermodal facilities and destinations within and beyond the region to promote the region’s function as a gateway for commerce.

Objective 2.5 Job Retention and Creation

Attract new businesses and family-wage jobs and retain those that are already located in the region.

Goal 3: Expand Transportation Choices

Multi-modal transportation infrastructure and services provide all residents of the region with affordable and equitable options for accessing housing, jobs, services, shopping, educational, cultural and recreational opportunities, and facilitate competitive choices for goods movement for all businesses in the region.

Objective 3.1 Travel Choices

Achieve modal targets for increased walking, bicycling, use of transit and shared ride and reduced reliance on the automobile and drive alone trips.

Objective 3.2 Vehicle Miles of Travel

Reduce vehicle miles traveled per capita.

Objective 3.3 Equitable Access and Barrier Free Transportation

Provide affordable and equitable access to travel choices and serve the needs of all people and businesses, including people with low income, children, elders and people with disabilities, to connect with jobs, education, services, recreation, social and cultural activities.

Objective 3.4 Shipping Choices

Support multi-modal freight transportation system that includes air cargo, pipeline, trucking, rail, and marine services to facilitate competitive choices for goods movement for businesses in the region.

Goal 4: Emphasize Effective and Efficient Management of the Transportation System

Existing and future multi-modal transportation infrastructure and services are well-managed to optimize capacity, improve travel conditions [for all users](#) and address air quality [and greenhouse gas emissions reduction](#) goals.

Objective 4.1 Traffic Management

Apply technology solutions to actively manage the transportation system.

Objective 4.2 Traveler Information

Provide comprehensive real-time traveler information to people and businesses in the region.

Objective 4.3 Incident Management

Improve traffic incident detection and clearance times on the region's transit, arterial and throughways networks.

Objective 4.4 Demand Management

Implement services, incentives and supportive infrastructure to increase telecommuting, walking, biking, taking transit, and carpooling, and shift travel to off-peak periods.

Objective 4.5 Value Pricing

Consider a wide range of value pricing strategies and techniques as a management tool, including but not limited to parking management to encourage walking, biking and transit ridership and selectively promote short-term and long-term strategies as appropriate.

Goal 5: Enhance Safety and Security

Multi-modal transportation infrastructure and services are safe and secure for the public and goods movement.

Objective 5.1 Operational and Public Safety

Reduce fatal and severe injuries and crashes for all modes of travel.

Objective 5.2 Crime

Reduce vulnerability of the public, goods movement and critical transportation infrastructure to crime.

Objective 5.3 Terrorism, Natural Disasters and Hazardous Material Incidents

Reduce vulnerability of the public, goods movement and critical transportation infrastructure to acts of terrorism, natural disasters, [climate change](#), hazardous material spills or other hazardous incidents.

Goal 6: Promote Environmental Stewardship

Promote responsible stewardship of the region's natural, community, and cultural resources.

Objective 6.1 Natural Environment

Avoid or minimize undesirable impacts on fish and wildlife habitat conservation areas, wildlife corridors, significant flora and open spaces.

Objective 6.2 Clean Air

Reduce transportation-related vehicle emissions to improve air quality so that as growth occurs, the view of the Cascades and the Coast Range from within the region are maintained.

Objective 6.3 Water Quality and Quantity

Protect the region's water quality and natural stream flows.

Objective 6.4 Energy and Land Consumption

Reduce transportation-related energy and land consumption and the region's dependence on unstable energy sources.

Objective 6.5 Climate Change

Reduce transportation-related greenhouse gas emissions [and meet adopted targets for reducing greenhouse gas emissions from light vehicle travel](#).

Goal 7: Enhance Human Health

Multi-modal transportation infrastructure and services provide safe, comfortable and convenient options that support active living and physical activity, and minimize transportation-related pollution that negatively impacts human health.

Objective 7.1 Active Living

Provide safe, comfortable and convenient transportation options that support active living and physical activity to meet daily needs and access services.

Objective 7.2 Pollution Impacts

Minimize noise, impervious surface and other transportation-related pollution impacts on residents in the region to reduce negative health effects.

Goal 8: Ensure Equity

The benefits and adverse impacts of regional transportation planning, programs and investment decisions are equitably distributed among population demographics and geography, considering different parts of the region and census block groups with different incomes, races and ethnicities.

Objective 8.1 Environmental Justice

Ensure benefits and impacts of investments are equitably distributed by population demographics and geography.

Objective 8.2 Coordinated Human Services Transportation Needs

Ensure investments in the transportation system provide a full range of affordable options for people with low income, elders and people with disabilities consistent with the Tri-County Coordinated Human Services Transportation Plan (CHSTP).

Objective 8.3 Housing Diversity

Use transportation investments to achieve greater diversity of housing opportunities by linking investments to measures taken by the local governments to increase housing diversity.

Objective 8.4 Transportation and Housing Costs

Reduce the share of households in the region spending more than 50 percent of household income on housing and transportation combined.

Goal 9: Ensure Fiscal Stewardship

Regional transportation planning and investment decisions ensure the best return on public investments in infrastructure and programs and are guided by data and analyses.

Objective 9.1 Asset Management

Adequately update, repair and maintain transportation facilities and services to preserve their function, maintain their useful life and eliminate maintenance backlogs.

Objective 9.2 Maximize Return on Public Investment

Make transportation investment decisions that use public resources effectively and efficiently, using performance-based planning approach supported by data and analyses that include all transportation modes.

Objective 9.3 Stable and Innovative Funding

Stabilize existing transportation revenue while securing new and innovative long-term sources of funding adequate to build, operate and maintain the regional transportation system for all modes of travel at the federal, state, regional and local level.

Goal 10: Deliver Accountability

The region's government, business, institutional and community leaders work together in an open and transparent manner so the public has meaningful opportunities for input on transportation decisions and experiences an integrated, comprehensive system of transportation facilities and services that bridge governance, institutional and fiscal barriers.

Objective 10.1 Meaningful Input Opportunities

Provide meaningful input opportunities for interested and affected stakeholders, including people who have traditionally been underrepresented, resource agencies, business, institutional

and community stakeholders, and local, regional and state jurisdictions that own and operate the region's transportation system in plan development and review.

Objective 10.2 Coordination and Cooperation

Ensure representation in regional transportation decision-making is equitable from among all affected jurisdictions and stakeholders and improve coordination and cooperation among the public and private owners and operators of the region's transportation system so the system can function in a coordinated manner and better provide for state and regional transportation needs.

Goal 11: Demonstrate leadership on climate change

It is the policy of the Metro Council to:

- 11.1 Adopt and implement a regional climate strategy to meet adopted targets for reducing greenhouse gas emissions from light vehicle travel while creating healthy and equitable communities and a strong economy. The strategy shall include:
- Implementing the 2040 Growth Concept through regional plans and functional plans adopted by the Metro Council for local governments;
 - Making the most of investments the region has already made in the transportation system by using technology to actively manage the transportation system and providing information and incentives to expand the use of travel options;
 - Expanding the use of low carbon transportation options across the region by:
 - investing in new transit connections and expanding and improving existing transit services to make transit convenient, frequent, accessible and affordable; and
 - making biking and walking safe and convenient by completing gaps in the region's network of sidewalks and bike paths that connect people to their jobs, schools and other destinations;
 - Investing strategically in streets and highways to make them safe, reliable and connected and to support the movement of people and goods;
 - Managing parking to make efficient use of land dedicated to parking and parking spaces;
 - Supporting and building upon Oregon's transition to cleaner, low carbon fuels and more fuel-efficient vehicles;
 - Securing adequate funding for transportation investments; and
 - Demonstrating leadership on climate change.
- 11.2 Take actions recommended in the regional climate strategy to help meet adopted targets for reducing greenhouse gas emissions from light vehicle travel, including:
- Implement the 2040 Growth Concept through regional plans and functional plans;

- Work with local, state and federal governments, community and business leaders and organizations, and special districts to implement the strategy;
- Build a diverse coalition that includes elected official and business and community leaders at local, regional and state levels to secure adequate funding for transportation investments in the region;
- Provide technical assistance, best practices and grant funding to local governments and other business and community partners to support implementation of the strategy; and
- Through the Oregon Modeling Steering Committee, collaborate on appropriate tools and methods to support greenhouse gas reduction planning and monitoring.
- Report on the potential light vehicle greenhouse gas emissions impacts of policy, program and investment decisions.

11.3 Encourage local, state and federal governments and special districts to take actions recommended in the regional climate strategy to help meet adopted targets for reducing greenhouse gas emissions from light vehicle travel, including:

- implement plans and zoning that focus higher density, mixed-use zoning and development near transit;
- implement capital improvements in frequent bus corridors (including dedicated bus lanes, stop/shelter improvements, and intersection priority treatments) to increase service performance;
- complete gaps in pedestrian and bicycle access to transit;
- build infrastructure and urban design elements that facilitate and support bicycling and walking (e.g., completing gaps, crosswalks and other crossing treatments, wayfinding signs, bicycle parking, bicycle sharing programs, lighting, separated facilities);
- link active transportation investments to providing transit and travel information and incentives;
- adopt “complete streets” policies and designs to support all users;
- invest in making new and existing streets “complete” and connected to support all users;
- integrate multi-modal designs in road improvement and maintenance projects to support all users;
- expand use of intelligent transportation systems (ITS), including active traffic management, incident management and travel information programs and coordinate with capital projects;
- partner with transit providers to expand deployment of transit signal priority along corridors with 15-minute or better transit service;
- partner with businesses and/or business associations and transportation management associations to implement demand management programs in

employment areas and centers served with active transportation options, 15-minute or better transit service, and parking management;

- expand local travel options program delivery through new coordinator positions and partnerships with business associations, transportation management associations, and other non-profit and community-based organizations;
- prepare community inventory of public parking spaces and usage;
- adopt shared and unbundled parking policies;
- provide preferential parking for electric vehicles, vehicles using alternative fuels and carpools;
- adopt policies and update development codes to support private adoption of alternative fuel vehicles (AFVs), such as streamlining permitting for fueling stations, planning for access to charging and compressed natural gas (CNG) stations, allowing charging and CNG stations in residences, work places and public places, providing preferential parking for AFVs, and encouraging new construction to include necessary infrastructure to support use of AFVs;
- prepare and periodically update a community-wide greenhouse gas emissions inventory;
- adopt greenhouse gas emissions reduction policies and performance targets; and
- develop and implement local climate action plans.

11.4 Monitor and measure the progress of local and regional efforts in meeting adopted targets for reducing greenhouse gas emissions from light vehicle travel, report the results to the region and state on a periodic basis, and guide the consideration of revision or replacement of the policies and actions, if performance so indicates, as part of updates to the Regional Transportation Plan.

MPAC Worksheet

Agenda Item Title: 2015 urban growth management decision:

- Employment component of the draft 2014 Urban Growth Report
- Regional Industrial Site Readiness inventory update

Presenter: Employment component of the draft 2014 Urban Growth Report

Ted Reid, Senior Regional Planner, Metro

John Williams, Deputy Director for Community Development, Metro

Regional Industrial Site Readiness inventory update

John Williams, Metro

Project partners

Contact for this worksheet/presentation: Ted Reid, 503-797-1768, ted.reid@oregonmetro.gov

Council Liaison Sponsor: none

Purpose of this item (check no more than 2):

Information x
Update
Discussion x
Action

MPAC Target Meeting Date: October 8, 2014

Amount of time needed for:

Presentation 30

Discussion 15

Purpose/Objective:

Provide MPAC with the opportunity to discuss policy advice to the Metro Council regarding the employment component of the draft 2014 Urban Growth Report (UGR) and the 2014 update of the Regional Industrial Site Readiness inventory.

Action Requested/Outcome:

No action requested at this time. MPAC will be asked for a formal recommendation on accepting the draft 2014 Urban Growth Report on November 12.

Outcome:

- MPAC understands:
 - The technical engagement process and results of the draft employment analysis.
 - The need for investments and other actions to make the region's employment land ready to accommodate job growth.
- MPAC begins to formulate a policy recommendation to the Metro Council, including:

- Whether the draft 2014 Urban Growth Report provide enough information to support ongoing growth management policy discussions in 2015.
- Topics that should be identified in the December 4, 2014 UGR resolution for additional discussion in 2015, in advance of the Council’s 2015 urban growth management decision.
- Topics that should be identified in the resolution as having had sufficient discussion.

Background and context:

Metro, local jurisdictions and the private sector work on a continuous basis to maintain and improve the region’s quality of life and to prepare for population and employment growth. Many policy and investment decisions are used to achieve those ends. The regional growth management decision is one of those tools and provides a venue for the region to assess its performance. In July 2014, Metro staff released a draft 2014 Urban Growth Report. One component of the report is its analysis whether current plans and policies provide the means to accommodate future job growth over the next 20 years.

MPAC has discussed the growth management topic on several occasions this year:

January 8, 2014:	Recent economic conditions and how they influence the outlook for the forecast
February 12, 2014:	Accuracy of past regional forecasts
April 23, 2014	Staff and Dr. Tom Potiowsky of Portland State University described the draft 2015-2035 forecast and its peer review process
July 23, 2014	Overview of the draft 2014 Urban Growth Report
September 10, 2014	Preliminary results of the residential preference study; overview of revisions to the draft 2014 Urban Growth Report
October 8, 2014	Residential component of the draft 2014 Urban Growth Report

Additional MPAC discussions of this topic are scheduled for fall 2014. On December 4, 2014, the Metro Council will be asked to consider whether the report provides enough information and if there are additional topics that the Council would like to discuss in advance of making a growth management decision in 2015. On November 12, MPAC is scheduled to make a recommendation to the Metro Council on whether to accept the 2014 Urban Growth Report by resolution.

What has changed since MPAC last considered this issue/item?

On October 9, 2014, the Metro Council discussed this topic in a work session. The Council’s general sentiment was that the region needs to focus its attention on making employment and industrial sites inside the urban growth boundary ready to accommodate job growth.

The Metro Technical Advisory Committee (MTAC) discussed the employment component of the draft Urban Growth Report at their September 17 meeting. MTAC also discussed the Regional Industrial Site Readiness inventory update at their October 1 meeting. Staff will ask MTAC at their October 15 meeting to make technical recommendations related to the employment component of the draft Urban Growth Report. Staff will summarize MTAC’s recommendations at MPAC’s October 22 meeting.

What packet material do you plan to include?

- Draft 2014 Urban Growth Report
- August 15, 2014 memo from Ted Reid to MPAC that highlights policy considerations from the draft 2014 Urban Growth Report

- Draft of Council resolution for the purpose of accepting the draft 2014 Urban Growth Report
- Regional Industrial Site Readiness: 2014 Inventory Update

What is the schedule for future consideration of item?

November 12, 2014

MPAC formal recommendation to Council:

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

December 4, 2014

Council consideration of draft 2014 Urban Growth Report as basis for its 2015 growth management decision (using range forecast).

Spring 2015

Opportunities for MPAC and Council to gain a better understanding of individual cities' plans for their communities.

Summer 2015

MPAC discussion of Council's potential growth management options and risks and opportunities of planning for different points in the range forecast

September 2015

Release of Chief Operating Officer recommendation on growth management decision, including point in range forecast for which to plan.

Fall 2015

MPAC formal recommendation to Council:

- Using the draft 2014 Urban Growth Report as a basis of information, how much housing and employment growth should the Council plan on inside the UGB?
- What measures should the Council adopt to address growth capacity needs (if any)?

By December 2015

Council makes growth management decision, including choosing point in range forecast for which to plan.



Date: August 15, 2014
To: MPAC
From: Ted Reid, project manager for 2015 urban growth management decision
Re: 2015 growth management decision: policy considerations

Background

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

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

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

MPAC discussion priorities

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

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

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

Policy considerations for discussion

Overarching policy consideration for fall 2014

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

Land readiness or land supply?

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

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

Changes in our communities

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

Opportunities for workforce housing

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

A bigger picture

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

Managing uncertainty

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

What about Damascus?

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

Providing housing opportunities

- For a variety of reasons, developing housing in UGB expansion areas has proven challenging. What is a reasonable timeframe for seeing results in past and future expansion areas?
- Today, it is challenging to find housing in downtowns and main streets that is appealing to families with children (multiple bedrooms, storage areas, access to playgrounds, etc.). Are there ways to provide more family-friendly housing in downtowns and main streets?
- Over the years, little multifamily housing has been built in UGB expansion areas.¹ What is the right mix of housing types in areas added to the UGB in the future and how are they best served?
- How might policymakers balance residential preferences with other concerns such as infrastructure provision, transportation impacts, affordability, and environmental protection?

Investing in job creation

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

The Portland harbor

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

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

Keeping shopping and services close by

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

Achieving desired outcomes

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

Regional vs. local perspective

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

September / 2014

2014 URBAN GROWTH REPORT

Revised Draft

*Investing
in our
communities
2015 – 2035*



Metro | *Making a great place*

If you picnic at Blue Lake or take your kids to the Oregon Zoo, enjoy symphonies at the Schnitz or auto shows at the convention center, put out your trash or drive your car – we've already crossed paths.

So, hello. We're Metro – nice to meet you.

In a metropolitan area as big as Portland, we can do a lot of things better together. Join us to help the region prepare for a happy, healthy future.

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Metro Councilors

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Craig Dirksen, District 3

Kathryn Harrington, District 4

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2014 URBAN GROWTH REPORT

Investing in our communities
2015 – 2035

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Introduction

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

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

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

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

ACHIEVING DESIRED OUTCOMES

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

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

WORKING TOGETHER

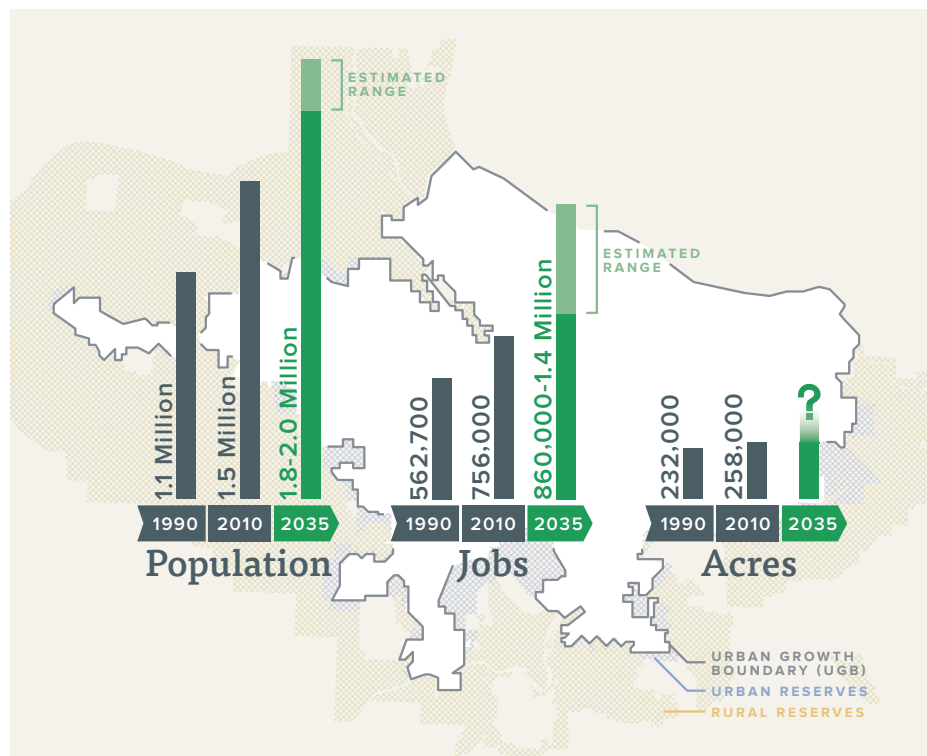
The population and employment range forecasts in the urban growth report help inform Metro, local jurisdictions, and other public and private sector partners as they consider new policies, investments, and actions to maintain the region's quality of life and promote prosperity.

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

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

Past growth-future forecast

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



SUCCESSSES AND CHALLENGES

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

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



Outcomes-based approach to growth management

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

HOW WE ACCOMMODATE GROWTH

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

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

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

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

RESIDENTIAL BUILDABLE LAND INVENTORY

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

SINGLE FAMILY 10 to 52 years
MULTIFAMILY 28 to 354 years

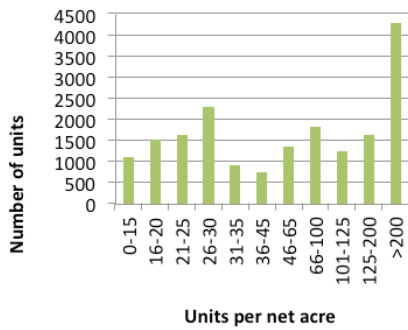


FIGURE 1 Net new multifamily units by density inside UGB (built 2007-2012)

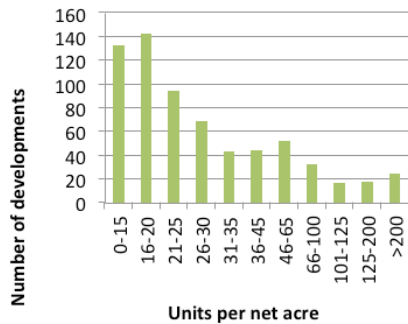
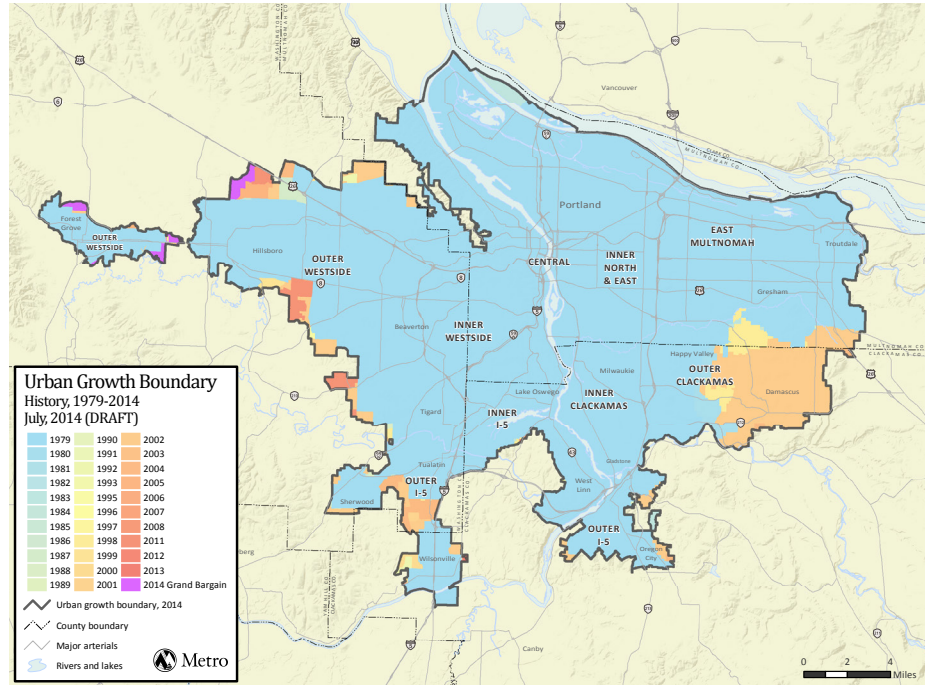


FIGURE 2 Net new multifamily developments by density inside UGB (built 2007-2012)



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

How has the region been growing?

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

RESIDENTIAL DEVELOPMENT TRENDS

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

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

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

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

EMPLOYMENT TRENDS

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

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

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

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

Policy considerations

HEALTHY DEBATE AND INFORMED DECISION-MAKING

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

LAND READINESS OR LAND SUPPLY?

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

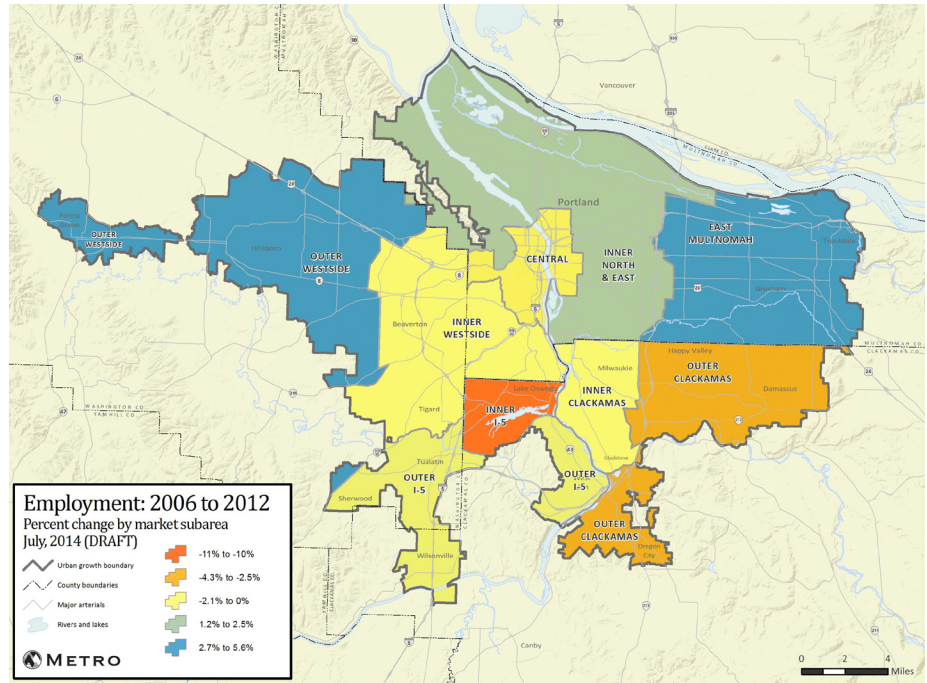
Working together, we can:

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

Policy considerations

CHANGES IN OUR COMMUNITIES

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



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

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

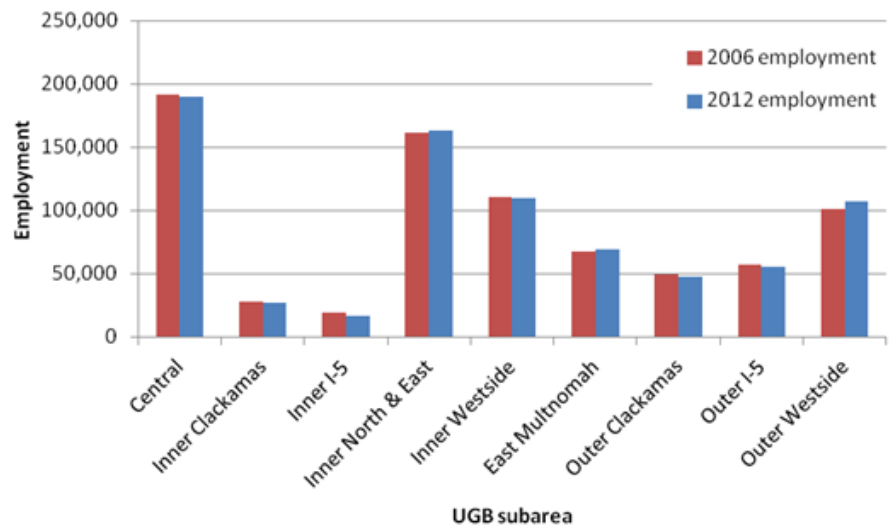


Figure 3 Total employment by subarea for 2006 and 2012



Case study

VILLEBOIS, WILSONVILLE

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



Case study

HASSALO ON 8TH, LLOYD DISTRICT, PORTLAND

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

Policy considerations

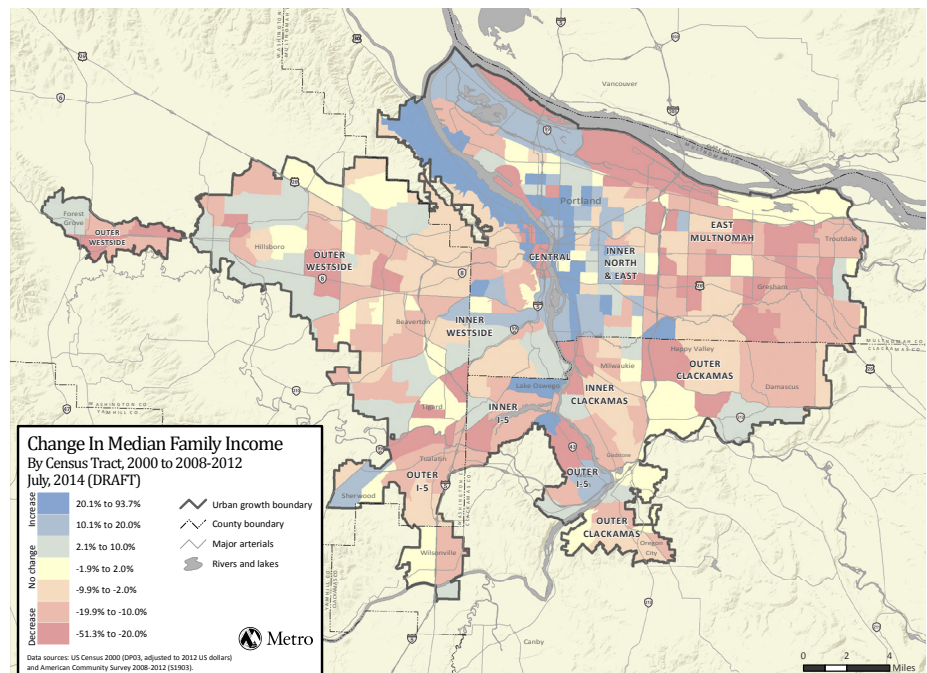
OPPORTUNITIES FOR WORKFORCE HOUSING

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

UNINTENDED CONSEQUENCES OF REDEVELOPMENT

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

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



Map 3 Change in median family income 2000-2012

GROWTH WITHOUT SERVICES AND FACILITIES

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

COMMUTING TRENDS: THE JOBS-HOUSING BALANCE

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

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

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

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



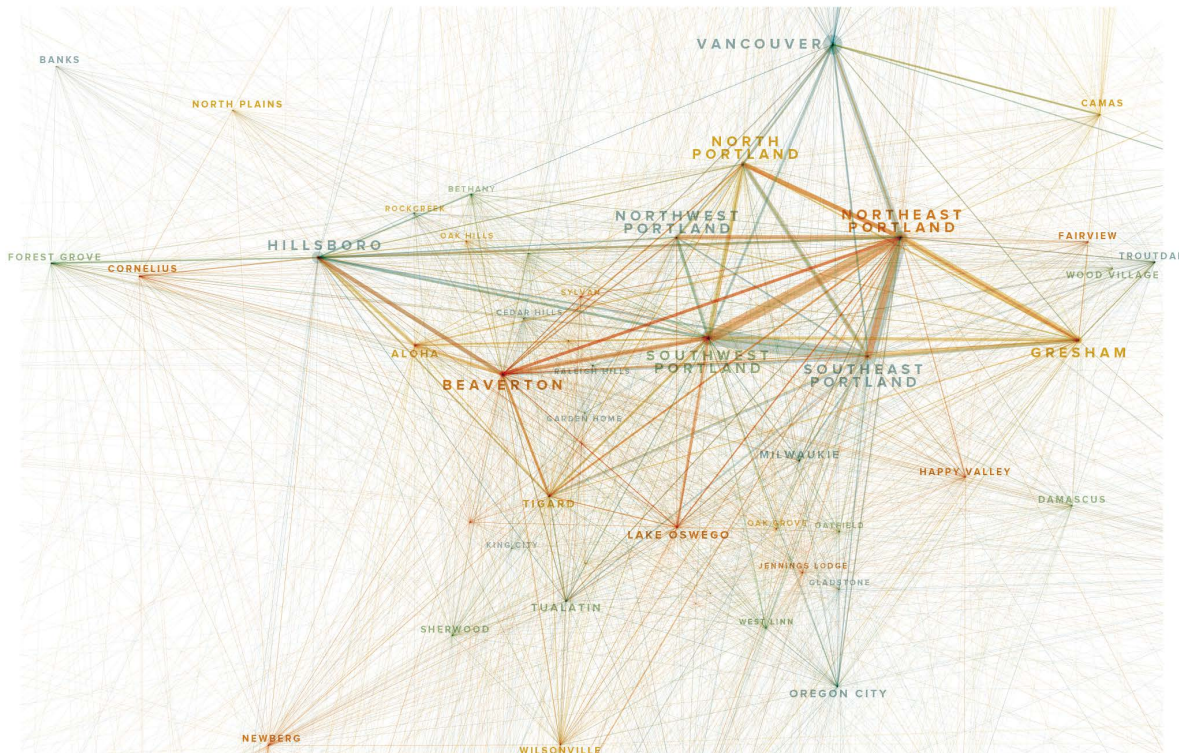
Policy considerations

A BIGGER PICTURE

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

TRAVEL COMMUTE PATTERNS

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



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

MANAGING UNCERTAINTY

- What are the risks and opportunities of planning for higher or lower growth in the forecast range?
- Recognizing that the two forecasts are linked, are there different risks when planning for employment or housing growth?
- Are there different risks when planning for land use, transportation, or for other infrastructure systems?
- Who bears the public and private costs and benefits associated with different growth management options?

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

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

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

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

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

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

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

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

POPULATION AND JOB GROWTH IN THE METRO UGB

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

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

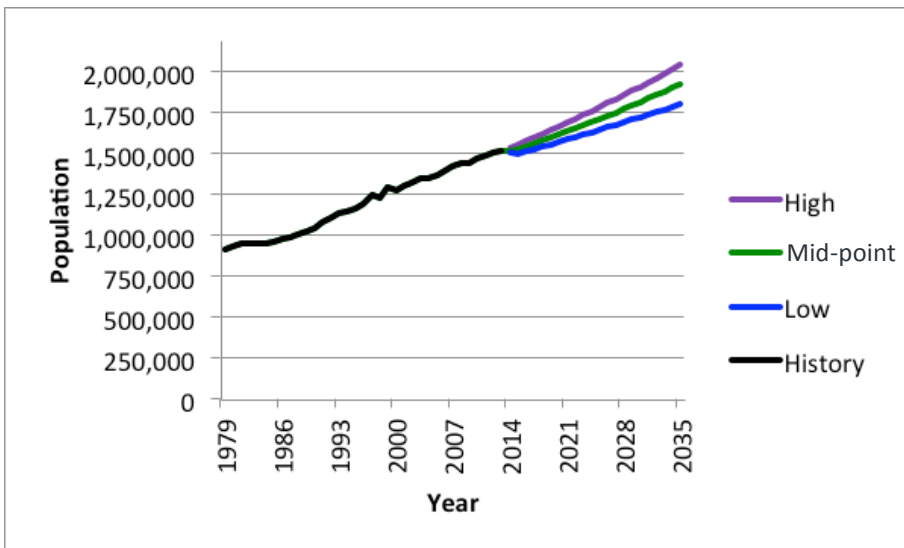


Figure 4 Population history and forecast for Metro UGB 1979 - 2035

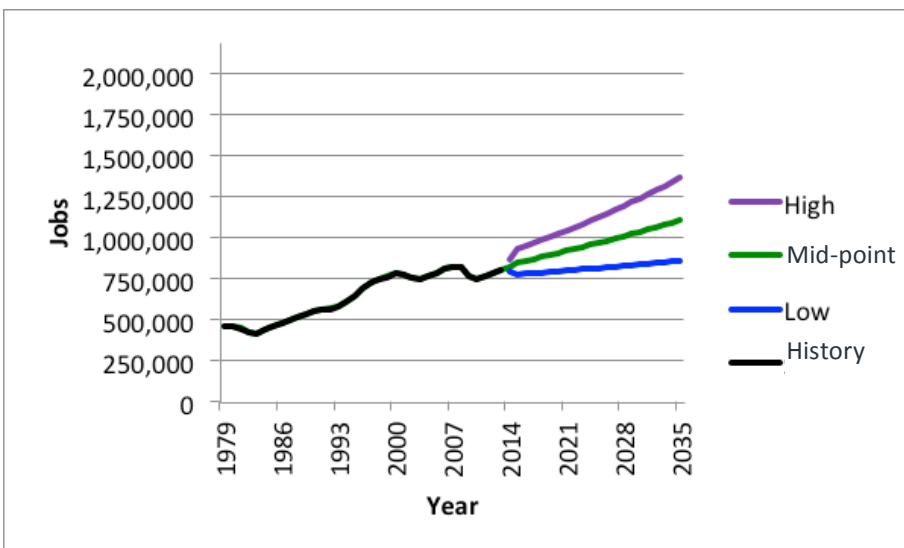


Figure 5 Employment history and forecast for Metro UGB, 1979-2035

DIDN'T THE STATE LEGISLATURE JUST EXPAND THE UGB?

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



How much room for growth is there inside the UGB?

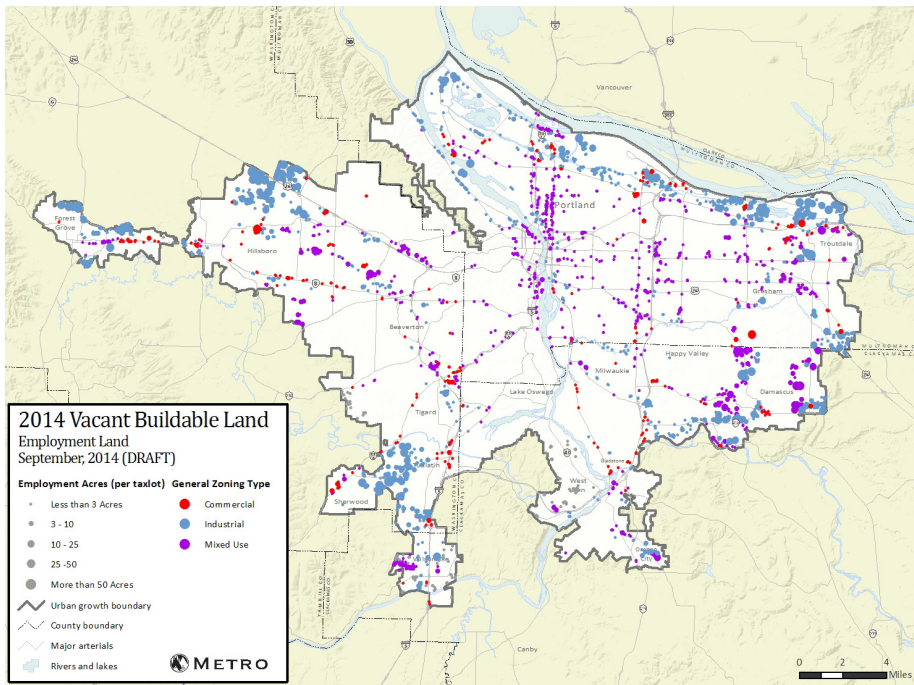
Cities and counties around the region plan for the future and prioritize investments that support their community's vision. In most cases, however, long-term plans for downtowns, main streets and employment areas are more ambitious than what is actually built or redeveloped. One task of this analysis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

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

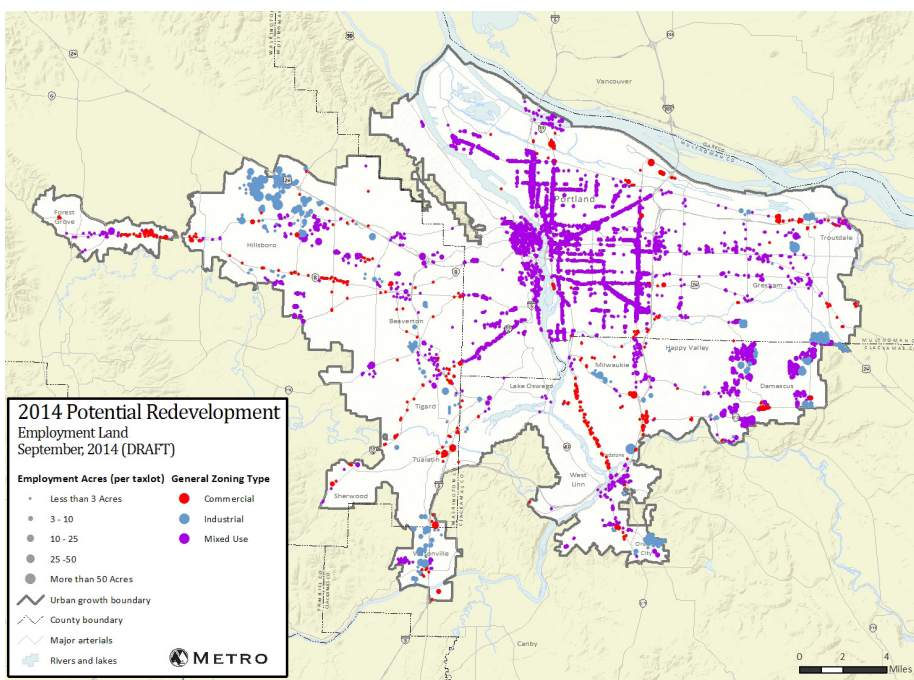
After settling on the methodology described in Appendix 2, Metro produced a preliminary buildable land inventory that local cities and counties had more than two months to review. The draft buildable land inventory described in Appendix 3 reflects refined local knowledge about factors such as environmental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

ESTIMATING RESIDENTIAL GROWTH CAPACITY

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



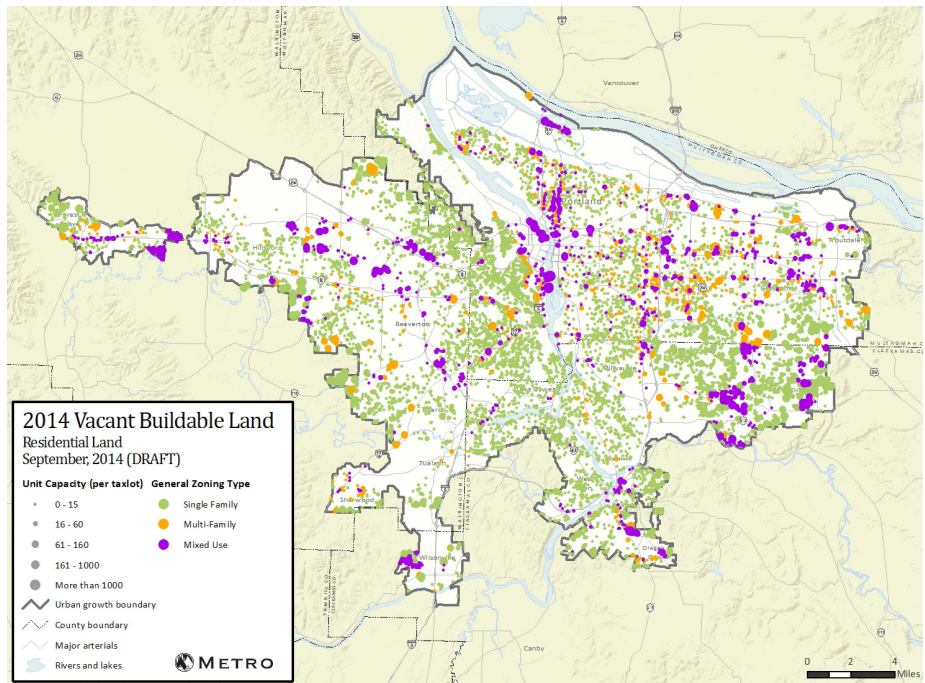
Map 4 Employment vacant buildable tax lots (reviewed by local jurisdictions)



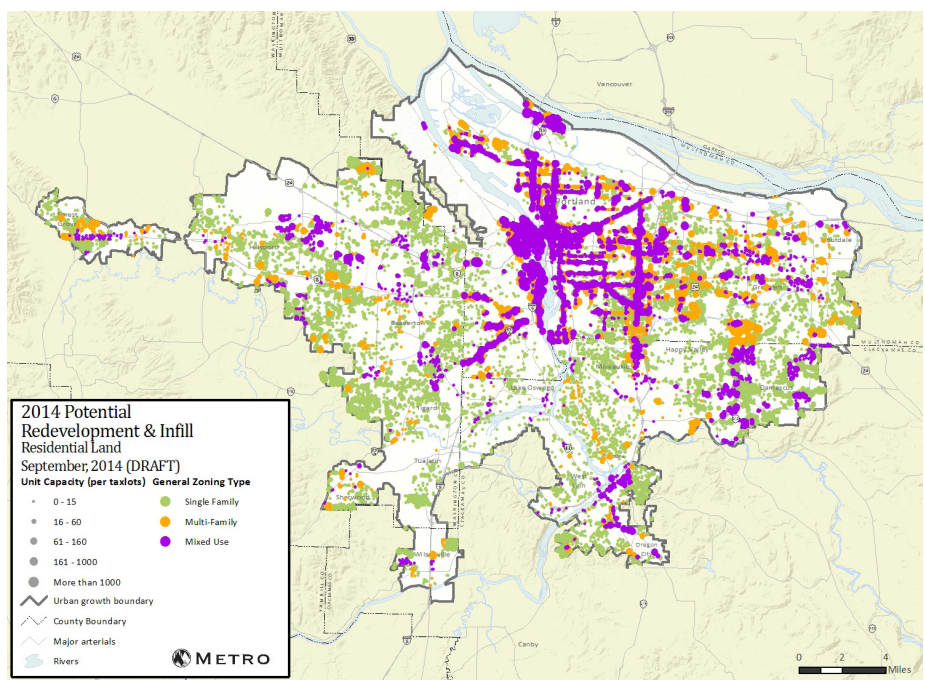
Map 5 Employment infill and redevelopment candidate tax lots (reviewed by local jurisdictions)

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

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



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



HOW DO DEVELOPERS EVALUATE REDEVELOPMENT POTENTIAL?

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

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



Policy considerations

HOW SHOULD POLICYMAKERS EVALUATE DEVELOPMENT POTENTIAL?

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



Case study

4TH MAIN, HILLSBORO

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



ESTIMATING EMPLOYMENT GROWTH CAPACITY

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

Different jobs have different space needs





Is there a regional need for additional growth capacity?

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

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

DOES THE REGION NEED MORE LAND FOR HOUSING GROWTH?

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

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

WHAT THE NUMBERS SHOW

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

This analysis looks at long-term capacity needs for:

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

This analysis finds that currently adopted plans can accommodate new housing at the low, middle or high ends of the growth forecast range. If policymakers choose to plan for the high end of the growth range, there is a need for additional capacity for new jobs.

Policy considerations

WHAT ABOUT DAMASCUS?

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

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

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

Table 2 and Table 3 summarize the more detailed analysis of residential needs provided in Appendix 4.³

Single-family dwelling units

	Buildable land inventory	Market-adjusted supply	Market-adjusted demand	Surplus/need
Low growth forecast	118,000	75,900	64,000	+11,900
Middle (baseline) growth forecast		90,000	76,900	+13,100
High growth forecast		97,000	90,800	+6,200

Table 2 Metro UGB single-family residential market analysis of existing plans and policies (2015-2035)³

Multifamily dwelling units

	Buildable land inventory	Market-adjusted supply	Market-adjusted demand	Surplus/need
Low growth forecast	273,300	118,400	89,300	+29,100
Middle (baseline) growth forecast		130,100	120,500	+9,600
High growth forecast		165,100	145,900	+19,200

Table 3 Metro UGB multifamily residential market analysis of existing plans and policies (2015-2035)³

Over the last several decades, communities around the region adopted plans for job and housing growth that emphasize making the most of existing downtowns, main streets and employment areas. Based on those existing plans and estimates of what is likely to be developed in the next twenty years, this analysis finds that the region can accommodate new housing at the low, middle or high ends of the growth forecast range.

This analysis should not be understood as prescribing a future for the region. It remains up to policymakers to decide whether these projected outcomes are desirable and, if not, what plans and investments are needed to achieve a different outcome that matches the public’s preferences, values and funding priorities, as well as state laws governing growth management.

³ These tables reflect two necessary corrections identified by Metro staff in September 2014. First, in one step of the July 2014 draft report’s calculations for housing demand, household data for the entire seven-county metropolitan area were used instead of data limited to the area within the Metro urban growth boundary. As a result the July draft report overestimated demand for single-family housing within the urban growth boundary. A second correction related to lands added to the urban growth boundary by the Oregon Legislature in March 2014 under House Bill 4078. At the request of the city of Forest Grove, this revised report counts lands added near Forest Grove as industrial, rather than residential. This reduces regional capacity for housing, but increases the regional surplus of industrial land.

Policy considerations

PROVIDING HOUSING OPPORTUNITIES

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

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

IMPACT OF MILLENNIALS ON HOUSING

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





Policy considerations

INVESTING IN JOB CREATION

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

⁴ This table reflects a necessary correction identified by Metro staff in September 2014. The correction related to lands added to the urban growth boundary by the Oregon Legislature in March 2014 under House Bill 4078. At the request of the city of Forest Grove, this revised report counts lands added near Forest Grove as industrial, rather than residential with a small amount of commercial.

DOES THE REGION NEED MORE LAND FOR INDUSTRIAL JOB GROWTH?

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

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

General industrial employment (acres)

	Buildable land inventory	Market-adjusted supply	Demand	Surplus/need
Low growth forecast	7,300	6,000	1,200	+4,800
Middle (baseline) growth forecast		5,200	3,800	+1,400
High growth forecast		5,200	6,500	-1,300

Table 4 Metro UGB general industrial acreage needs 2015 to 2035⁴

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

Case study TROUTDALE REYNOLDS INDUSTRIAL PARK

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



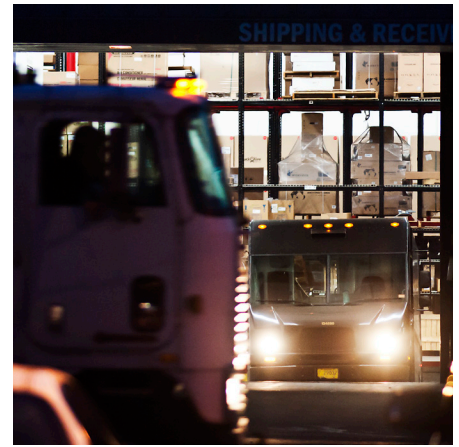
access. The Port of Portland is working closely with local, regional and state jurisdictions to redevelop this former aluminum plant brownfield site and return it to productive industrial use with a traded-sector job focus. The Port has invested over \$37 million in the acquisition and redevelopment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

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

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

The analysis finds that there may be demand for eight to 34 large industrial sites between 2015 and 2035. There are currently 50 large vacant industrial sites inside the UGB that are not being held for future expansion by existing firms.⁵ This does not include sites added to the UGB in 2014 under HB 4078. To exhaust this supply of sites by 2035, the region would need to attract five major industrial firms every two years. In addition to this inventory of 50 sites, there are 24 sites inside the UGB that are being held by existing firms for future expansion (growth of existing firms is implicit in the demand forecast). Given this total supply of 74 large industrial sites and the fact that there are only two areas in urban reserves (near Boring and Tualatin) that may be suitable for eventual industrial use, policymakers can consider whether to focus on land supply or site readiness.

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



Policy considerations

THE PORTLAND HARBOR

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

⁵ This inventory is preliminary as of June 16, 2014, and will be confirmed by Metro and its partners before Metro Council consideration of the final UGR. This work is being conducted by Mackenzie for an update of the 2012 Regional Industrial Site Readiness project. However, the inventory is not expected to change enough to result in a different conclusion regarding there being no regional need for additional UGB expansion.

Policy considerations

KEEPING SHOPPING AND SERVICES CLOSE BY

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



DOES THE REGION NEED MORE LAND FOR COMMERCIAL JOB GROWTH?

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

Commercial employment (acres)

	Buildable land inventory	Market-adjusted supply	Demand	Surplus/need
Low growth forecast	4,200	4,100	1,400	+2,700
Middle (baseline) growth forecast		4,400	3,600	+800
High growth forecast		5,000	5,700	-700

Table 5 Metro UGB commercial acreage needs 2015 to 2035⁶

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

⁶ This table reflects a necessary correction identified by Metro staff in September 2014. The correction related to lands added to the urban growth boundary by the Oregon Legislature in March 2014 under House Bill 4078. At the request of the city of Forest Grove, this revised report counts lands added near Forest Grove as industrial, rather than residential with a small amount of commercial. Making this correction reduces the region's commercial buildable land inventory by 100 acres.

Conclusion

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

LOCAL LEADERSHIP

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

METRO'S ROLE

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

INVESTING IN OUR COMMUNITIES

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

Next steps

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

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

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

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

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

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



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ACKNOWLEDGMENTS

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Jerry Johnson, Johnson Economics
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2014 Urban Growth Report: employment land technical working group

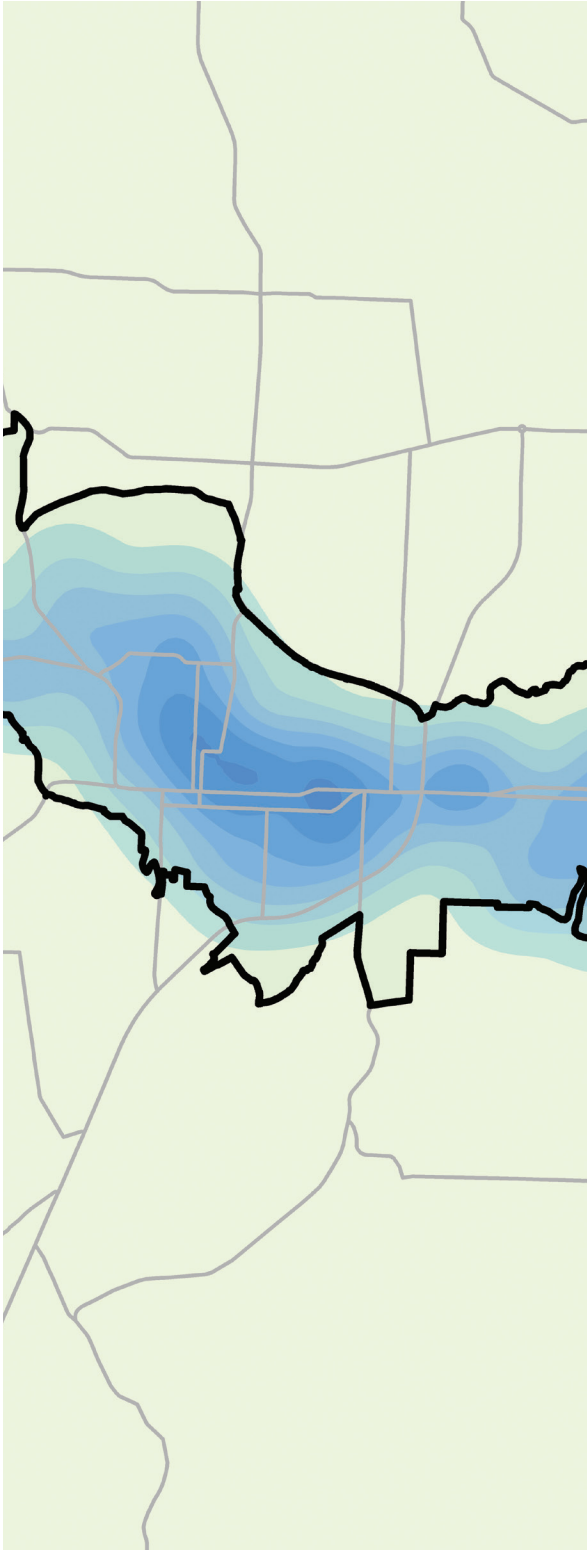
This group advised Metro staff on how various employment sectors use building space (square feet per employee and floor-area ratios).

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REGIONAL INDUSTRIAL SITE READINESS

2014 Inventory Update

Submitted
September 2014

Project Number
2110160.03



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REGIONAL INDUSTRIAL SITE READINESS – 2014 Inventory Update

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APPENDICES

Appendix A: June 2014 Site Inventory Matrix

Appendix B: Regional Industrial Site Readiness 2014 Inventory Update – Site Maps

Appendix C: Regional Industrial Site Readiness 2014 Inventory Update – User Designated and Constrained Site Maps

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EXECUTIVE SUMMARY

This report is an update to the *2011 Regional Industrial Site Readiness Project* of large (25+ acres) industrial sites within the Portland metropolitan area Urban Growth Boundary (UGB) and select urban reserves¹. The project is a partnership of Business Oregon, Metro, NAIOP - Commercial Real Estate Development Association Oregon Chapter, Oregon Department of Land Conservation and Development, Port of Portland, and the Portland Business Alliance, with cooperation from local governments and private property owners. This update is intended to inform local, regional, and state efforts to ensure an adequate supply of development-ready large industrial sites for traded-sector job creation.

Portland-Metro's Traded Sector, a 2012 Value of Jobs Report issued by Portland Business Alliance, found that on average a traded-sector worker in the Portland metropolitan area earns 42% more than a local-sector worker in the Portland metropolitan region. Promoting traded-sector job creation also spurs the local economy with a multiplier of 2.5 local-sector jobs created for each high-skilled traded-sector job. The production of traded-sector goods (i.e., manufacturing) remains a backbone of Portland metropolitan area's employment. Manufacturing jobs provide higher wages and better benefits than non-manufacturing jobs, particularly for those workers without a high school or college degree. The availability of large and market-ready industrial sites is critical to expanding and attracting traded-sector businesses and growing middle-income jobs key to a prosperous region.

This update intends to:

1. inventory and track changes in the region's large lot industrial site supply;
2. analyze movement of sites from varying states of site readiness;
3. inform policy makers on activity, such as policy changes or infrastructure investments, that have increased the supply and/or readiness of development-ready sites; and
4. support policy and investment decisions required to ensure an adequate supply of development-ready large industrial sites to support economic growth.

The development-readiness tiers used in this inventory are based on those established during the 2011 project:

Tier 1: Development-ready within 180 days of application submittal (i.e., projects can receive all necessary permits; sites can be served with infrastructure and zoned and annexed into the city within this timeframe).

ACTIONS THAT MADE SITES MORE DEVELOPMENT-READY	
Local and state legislative actions ²	2
Changes in property owner willingness to transact	2
Environmental constraint mitigation	2
Infrastructure investments	5

Tier 2: Likely to require 7-30 months to become development-ready.

Tier 3: Likely to require over 30 months to become development-ready.

Tier 1 sites are the only sites generally considered recruitment-ready for businesses expanding or locating in the Portland region. In a globally competitive environment, businesses increasingly require compressed timelines for

¹ Although this inventory does not include sites within rural areas of these three counties that are outside the UGB and selected urban reserves, these sites are important to the region's economic prosperity.

² Legislative actions include Urban Growth Boundary (UGB) expansion, annexation, zoning, and concept planning.

decision making and development. While not considered marketable for most recruitments, Tier 2 could be feasible for expansions of existing businesses and for speculative development for investors. Tier 3 sites are viewed as being non-competitive in the market, and are therefore unavailable for business expansion and recruitment without significant investments, changes in regulatory compliance, or land price discounted by property owners.

Findings

Of the 54 sites in the 2014 inventory:

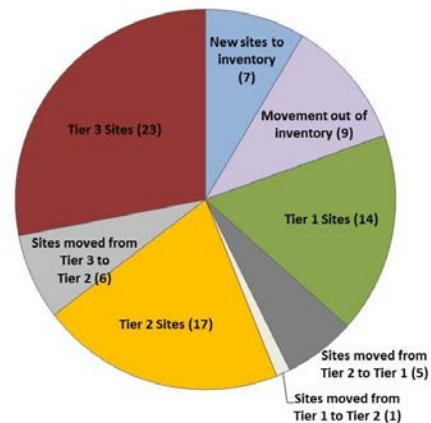
- There are 14 Tier 1 sites; 17 Tier 2 sites; and 23 Tier 3 sites.
- Seven new sites were **added** to the inventory since 2011.
- Nine sites were **removed** from the inventory since 2011:

ACTIVITY RESULTING IN INVENTORY REMOVAL	
User designated ³ :	1
Program changes ⁴ :	2
Construction and development:	3
Local and state legislative actions:	3
Total:	9

- Three of these sites are currently being developed and projected to result in \$38 million in investments and 416 new jobs when construction is complete⁵; one of the sites is being used as a temporary parking lot⁶ for Intel’s Ronler Acres Campus expansion.
- Since this June 2014 inventory was completed, three additional Tier 1 sites have been absorbed in the market⁷.

- Five sites moved up from Tier 2 to Tier 1.
- Six sites moved up from Tier 3 to Tier 2.
- Large industrial sites face multiple development constraints, including: required state and local legislative actions⁸, inadequate infrastructure and transportation⁹, land assembly needs, natural resources mitigation, brownfield remediation, and property owners not willing to transact.

Total Sites and 2011-2014 Inventory Movement



³ User designated sites are sites owned and held for future expansion of existing regional firms and not available to the general market.

⁴ Current property owners have designated these sites to meet long-term operational needs. As a result, these sites are no longer available to the general market.

⁵ **Site 11:** Portland International Airport in Portland has two buildings under construction totaling 491,200 square feet with a \$28.5 million investment and 141 projected distribution and logistics jobs available in late 2014 (Port of Portland). **Site 40:** Pacific Realty in Tualatin has two buildings under construction totaling 100,000 square feet with a \$9.5 million investment and 275 projected distribution and logistics jobs available in 2015 (PacTrust). **Site 44:** Intel Corporation in Hillsboro was previously used as a staging area and is now a temporary parking lot for the D1X and D2X fabrication plants at the Intel Ronler Acres Campus with investment of \$1 billion (Intel).

⁶ Intel received land use approval for a temporary parking lot until 2023 at which point the property may be redeveloped.

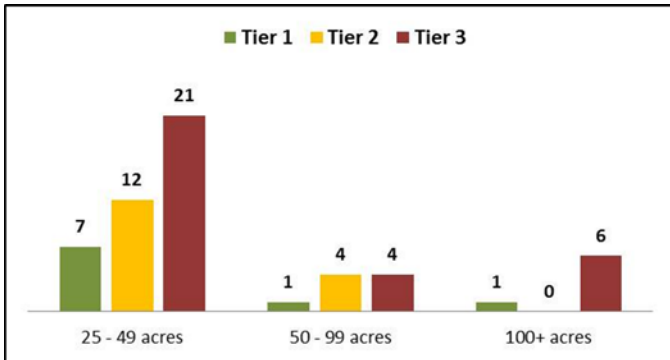
⁷ **Site 13:** Specht Properties in Portland; **Site 46:** Development Services of America (Westmark site) in Hillsboro; **Site 114:** Colwood Ltd Partnership in Portland.

⁸ Local and state legislative actions include UGB expansion, annexation, zoning, and concept planning.

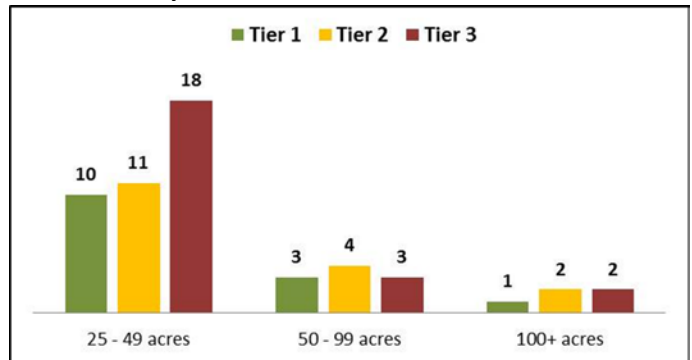
⁹ Infrastructure includes water, sewer, and stormwater utilities.

The following charts and tables compare site net developable acreage changes between the 2011 and 2014 inventories.

2011 Inventory: 56 sites



2014 Inventory: 54 sites



	2011 Inventory	2014 Inventory
Tier 1	9	14
Tier 2	16	17
Tier 3	31	23
Total	56 sites	54 sites

	2011 Inventory	2014 Inventory
25-49 acres	40	39
50-99 acres	9	10
100+ acres	7	5
Total	56 sites	54 sites

The increase in Tier 1 sites in the 2014 inventory is a result of the addition of three new sites to the inventory¹⁰ and five sites upgraded from Tier 2¹¹, offset by the market absorption of three Tier 1 sites. Of the 14 Tier sites, only seven have broad market appeal.

Of the 11 sites that moved up a tier, seven sites required investment in infrastructure and mitigation.

- Two sites moved up a tier due to mitigation of environmental constraints.¹²
- Five sites received transportation/infrastructure investments, totaling approximately \$39.5 million.¹³

Four of the sites which moved up a tier were able to do so without significant investment in infrastructure.

- Two sites had a change in the property owner’s willingness to transact and were upgraded to Tier 2.¹⁴
- Two sites were taken out of urban reserves and brought into the UGB by House Bill 4078 in 2014.¹⁵

¹⁰ **Site 111:** Weston Investment – an aggregated site; **Site 113:** Henningsen Cold Storage – increased in site acreage due to decision to vacate dedicated right-of-way and building demolition for future development; and **Site 114:** Colwood Ltd Partnership – open space rezoned to industrial.

¹¹ **Site 13:** Specht Propertlines Inc.; **Site 22:** Port of Portland – GVB West; **Site 29:** Clackamas County Development Agency; **Site 50:** Shute North; **Site 52:** Shute South.

¹² **Site 13:** Specht Properties and **Site 29:** Clackamas County Development Agency.

¹³ **Sites 18 and 19:** Troutdale Reynolds Industrial Park Phase 2 - The Port has expended \$2.5M in planning and design to permit the infrastructure for Phase 2. \$8 million in regional transportation funding was approved for the local roads, along with a transfer of \$6 million in funding from the State-funded Troutdale interchange project and \$1.1 million from the City of Troutdale.; **Site 29:** Clackamas County Development Agency - \$1.1 million in State Immediate Opportunity Fund and Clackamas County funding was used to improve local road access to the site. An additional \$1.8 million in County funds paid for extension of 120th Avenue; **Sites 50 and 52:** Shute Road North and South - \$8 million in regional transportation funding and \$10 million transfer of I-26/Brookwood interchange savings was used to pay for the construction of nearby local road improvements. The City of Hillsboro contributed \$1 million dollars for water infrastructure and planning for sewer line pump station and extension.

¹⁴ **Site 23:** Mt. Hood Community College and **Site 47:** Cranford.

¹⁵ **Site 101:** Vanrose Farms and **Site 104:** Meek Subarea.

Conclusions

- The Portland region's supply of large industrial sites over 25 net developable acres has decreased since 2011.
- There have been positive impacts in site readiness from investments in infrastructure, mitigation and local and state legislative actions. Movement between tiers is largely due to infrastructure investments, and environmental constraint mitigation (7 sites).
- Supply continues to be most limited for larger sites of 50 acres or more.
 - There is only one 100-plus acre Tier 1 site in the region. Larger sites are more complex and take patience to acquire and develop.
- Sites with multiple property owners require aggregation. This is a key issue to supplying larger sites to the market affecting a third of the Tier 2 and Tier 3 sites in the inventory (13 sites).
- There are multiple market-readiness site constraints for other sites in the pipeline.
- Over half of the Tier 2 and Tier 3 sites require local and state legislative actions such as annexation zoning, completion of concept planning, or addition to the urban growth boundary (23 sites).
- Between 40% and 60% of Tier 2 and Tier 3 sites have transportation, infrastructure, and/or environmental mitigation constraints (17-25 sites).
- While brownfield redevelopment affects only six large industrial sites, three industrial sites are located in the Portland Harbor Superfund site which will add significant costs, time, and brownfield redevelopment challenges and require coordinated strategies.
- While investments in infrastructure, changes in ownership willingness to transact, and legislative actions have improved the quality of sites in the inventory, with 11 sites moving closer to market readiness; site readiness is not occurring at a pace sufficient to keep up with demand.¹⁶

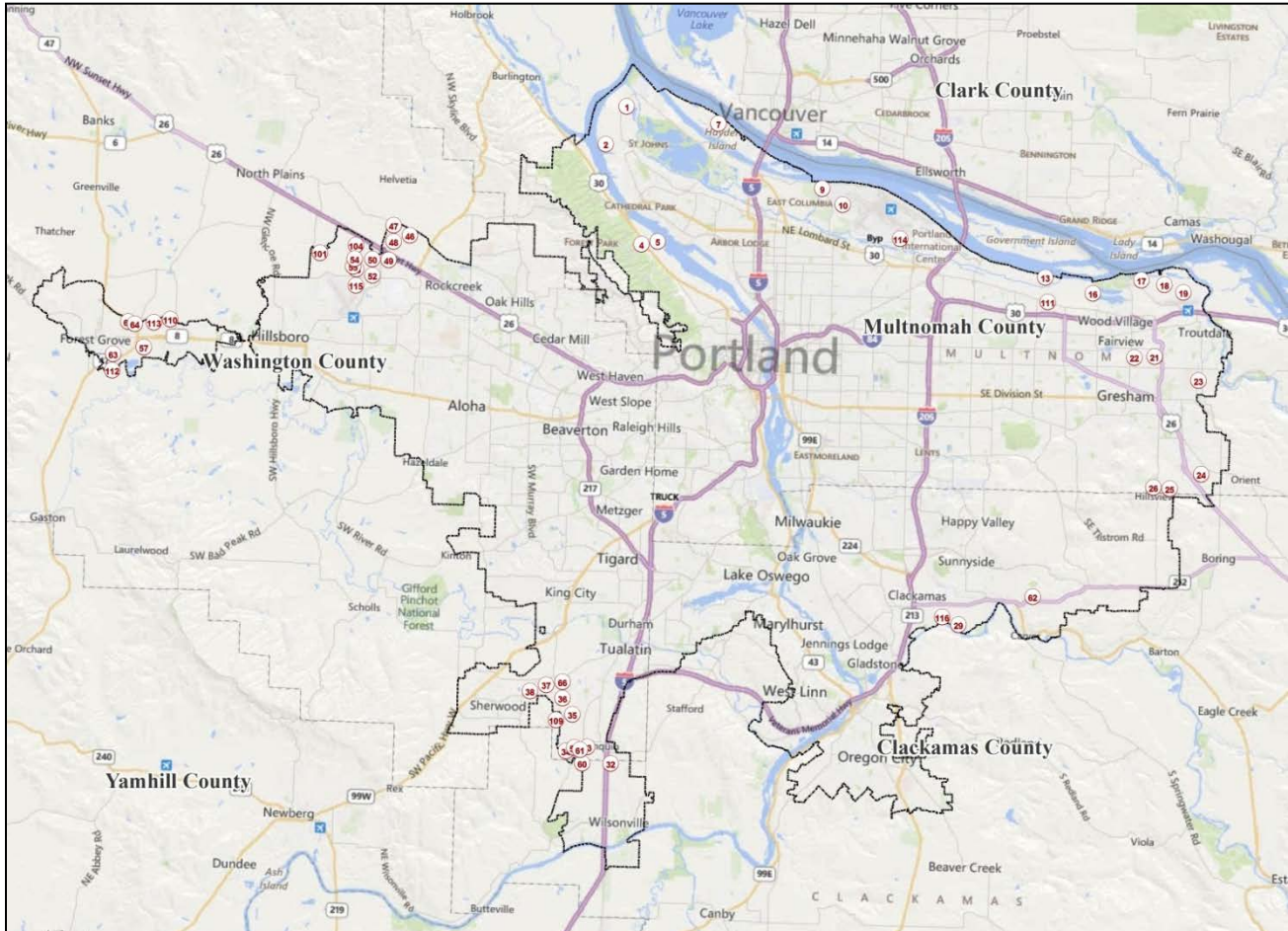
As the economy continues to recover and demand increases due to business growth and investment, additional strategies to increase the continued supply of land will be needed. In order to provide the required land supply to meet projected 2035 population and employment growth within the Metro UGB¹⁷, create middle income jobs to address income disparity, and achieve a sustainable tax base critical to public services¹⁸, state and regional policymakers must work from an accurate and practical employment land inventory and prioritize policy actions and investments to address industrial site readiness, aggregation, infrastructure, environmental constraint mitigation, legislative actions, and industrial brownfield identification and mitigation. Regular updates to the inventory support the region's traded-sector prosperity and job creation efforts allow tracking of progress in efforts to maintain a supply of sites and help target investments and policy decisions to ensure an adequate supply of development-ready industrial sites. With reduced federal funds, the region will need to be more strategic about investments required to move sites to market ready sites to support these goals.

¹⁶ The inventory shows an overall decrease in the total number acres and total number of sites, and a 26% decrease in Tier 3 sites over the two and a half year period.

¹⁷ The draft *2014 Metro Urban Growth Report* forecasts 85,000 to 440,000 additional jobs and 300,000 to 485,000 additional people inside the Metro urban growth boundary by the year 2035.

¹⁸ State personal income taxes and local property taxes.

Regional Map of Tier 1, 2, and 3 Sites



Note: Additional maps are available in Appendix B of this report.

Source: Mackenzie

PROJECT SUMMARY

Project Purpose

The *2011-12 Regional Industrial Site Readiness Project* assessed the Portland region's supply of development-ready large industrial sites, a critical part of a strategy to retain and attract traded-sector jobs. *Portland-Metro's Traded Sector*, a 2012 Value of Jobs Report issued by Portland Business Alliance, found that on average a traded-sector worker in the Portland metropolitan area earns 42% more than a local-sector worker in the Portland metropolitan region. In an income tax dependent state such as Oregon, these high wage traded-sector jobs generate more revenue for critical services like schools, health care, and social services than local-sector jobs. Traded-sector jobs have a multiplier effect throughout the economy, with an additional 2.5 local-sector jobs created for each traded-sector job. Manufacturing is the backbone of the Portland metropolitan area's traded-sector employment. Manufacturing jobs provide employment opportunities for those without a high school or college degree. The availability of market-ready industrial lands is critical for growing a prosperous traded-sector economy and middle-income jobs.

Because the Portland region must compete with other metropolitan areas for these traded-sector jobs, it must have an adequate inventory of development-ready large industrial sites for expanding and attracting companies. This report is an update to the 2011 inventory which described the supply and market-readiness of large (25 acres and larger) industrial¹⁹ sites in the Portland metropolitan region. For purposes of this study, only vacant, industrially zoned or planned lands within the Portland metropolitan Urban Growth Boundary (UGB) and select Urban Reserves were analyzed. The 2014 inventory utilized the same methodology that was developed during the 2011-2012 Project.

The original project was conceived partly in response to Metro's *2009 Urban Growth Report*, which identified a shortage of large industrial sites in the region and the need to replenish large industrial sites as they are developed. The original project report was produced by Mackenzie in partnership with Business Oregon, Metro, NAIOP - Commercial Real Estate Development Association Oregon Chapter, Port of Portland, and the Portland Business Alliance whose representatives served as the Project Management Team (PMT).

The 2011 inventory created in Phase 1 of this *Regional Industrial Site Readiness Project* provided a community-wide understanding of the supply of vacant large industrial lands, the time and investment needed to get land development ready, and the severity of development constraints. While the 2011 report and this update are limited in scope to industrial lands within the Metro UGB and urban reserves, several communities have replicated the work for other locations, most notably Clackamas County's county-wide work in 2013-14²⁰.

Phase 2 of the 2011-12 project analyzed the development readiness of 12 sites, identifying a development scenario, constraints to development, costs for on- and off-site developments, and economic benefits derived from such development. This analysis highlighted the significant economic benefit that would result from development, with a significant share of benefit accruing to the State through personal income taxes. The findings supported the passage of Senate Bills 246 and 253 in 2013, designed to provide State financial assistance for local site readiness and due diligence work.

¹⁹ The Regional Industrial Site Readiness Project examines vacant, industrially-zoned, or planned lands within the Portland metropolitan area's UGB and selected urban reserves that are suitable for large industrial development by new firms moving to the region, development companies who develop business and employment centers, or support the growth of existing firms. The study identified and documented user-owned sites held for future use, but excluded these from the detailed analysis because these sites were not available to the general marketplace. Rural areas of Clackamas and Washington counties outside the Metro UGB were not included in this analysis.

²⁰ <http://cmap.clackamas.us/ccss/>

As with the 2011 inventory, the 2014 inventory update focuses on the quality of land and how ready it is for development versus the quantity of gross acres. The inventory is intended to be maintained and updated on a regular basis to reflect market changes, development, investments, and actions to move sites to market. It will also help to inform continued local and private sector efforts to increase site readiness, legislative actions to fund the site readiness, and due diligence programs, and Metro's *2014 Urban Growth Report* and 2015 Growth Management Decision. The *Urban Growth Report* assesses the region's long-range industrial site inventory and, as such, has a broader perspective than this inventory, which focuses on site-readiness for short- and medium-term job creation opportunities. The common theme of both the Urban Growth Report and this inventory is that the public and private sectors need to work cooperatively to make sites available for private sector job creation.

The inventory update reflects conditions as of June 2014. Seven new sites have become available to the market and nine sites from the 2011 inventory are no longer available to the market. This report summarizes the findings of the 2014 inventory and highlights changes from the October 2011 inventory to show movement within the market and the impact of recent legislative changes.

2014 INVENTORY

Background on the Update

The 2011 inventory identified available land for traded-sector employment expansion and attraction within the Metro UGB. Since the 2011 inventory was completed, there have been many changes to the inventory, including market activity as shown on Table 9. The PMT initiated this inventory update to reflect those changes and provide data for Metro's *2014 Urban Growth Report*. The PMT recommends future inventory updates on a similar cycle.

The 2014 inventory update assessed sites over 25 net developable acres to identify development-ready sites (Tier 1) and sites that need additional work and investment (Tier 2 and Tier 3). The 2014 inventory update did not analyze the size of investments needed to move Tier 2 and Tier 3 sites to development-ready status. Clackamas and Washington counties are undertaking detailed site assessments using the methodology developed in Phase 2 of the *2011-12 Regional Industrial Site Readiness Project*.

The inventory update provides a database of industrial sites to support the region's economic development efforts. The database lays a foundation for the work of local jurisdictions, Greater Portland Inc., Metro, the Port of Portland, and the State, to grow the region's job base through market absorption of Tier 1 sites, make investments in site readiness, and bring Tier 2 and Tier 3 sites to Tier 1 status.

Mackenzie and the PMT evaluated sites using similar criteria and metrics as companies or developers would use, rather than limiting analysis to existing parcels or tax lots. A site in this inventory could be a single owner parcel or multiple adjacent parcels that can be combined into a single site; combined parcels could include adjacent parcels in the same ownership and/or in multiple ownerships. This update is also important because trends and changes can be examined since the previous inventory, not solely the quantity of land. It assesses legislative actions and market changes to understand the transformation of sites. It is anticipated that in future updates of the inventory additional data points will help identify trends that may further inform policymakers.

Tiering Criteria and the Process to Score the Sites

The tiering system utilized in this inventory update was based on development readiness criteria established during the 2011-2012 project. The tiers are based on industry standards and mirror the recruitment/development timeframe used by the State's Industrial Site Certification Process. The tiers are defined as follows.

- Tier 1** Sites have over 25 net developable acres and are development-ready, or can be development-ready, within 180 days (six months). It is anticipated that no, or minimal, infrastructure or brownfield remediation is necessary and that due diligence and entitlements could be provided and/or obtained within this time period. A Tier 1 site does not have a use restriction and is currently on the market for sale or lease, or the ownership is willing to transact within 180 days. Sites in this tier would generally qualify for Business Oregon's Industrial Site Certification program.
- Tier 2** Sites have over 25 net developable acres and require additional actions that would take between seven to 30 months to be counted as development-ready. The seven to 30 month timeframe is for sites that are less competitive for expansions and recruitment, but may still be of some interest to more patient users/developers. These sites may have deficiency issues with regard to infrastructure or may require brownfield remediation, annexation, and additional local and state legislative actions that are assumed to take more than six months. Additionally, these sites may have a marine or aviation use restriction that limits, but does not eliminate, their market opportunity. These sites are

currently on the market for sale or lease, or the property owner is willing to transact. If the property owners' willingness to transact is unknown, the site may still be considered a Tier 2 site. Should the site be in multiple ownerships, an agreement to aggregate within 30 months must be in place.

Tier 3 Sites have over 25 net developable acres and require the most cost and time to deliver a development-ready site. Tier 3 sites include those that require 30 months or more to be development-ready and represent the least competitive sites from an expansion, recruitment, or a speculative development perspective. In addition to the criterion for Tier 2, these sites may or may not be currently for sale or lease, or the owner may or may not be willing to transact. In a small number of cases, sites are in Tier 3 because required information was not available at the time this report was published.

Table 1 below shows the tiering criteria developed and used by the PMT and consultant team to tier the sites.

Table 1: Inventory Tiering Criteria

	25 net developable acres	Use Restriction	Brownfield Remediation	Annexation Required	Sewer, Water, & Storm	System Mobility	Currently for Sale or Lease		Willingness to Transact
Tier 1	Within six (6) months	No	No or Within six (6) months (Score of A)	No	A or B	A or B	Yes	OR	Yes
Tier 2	Within 7-30 months	Yes or No	Within 7-30 Months (Score of B)	Yes or No	A, B, or C	A, B, or C	Yes	OR	Yes or Unknown
Tier 3	>30 months	Yes or No	>30 months (Score of C)	Yes or No	A, B, or C	A, B, or C	Yes or No	OR	Yes or No or Unknown

Source: Mackenzie

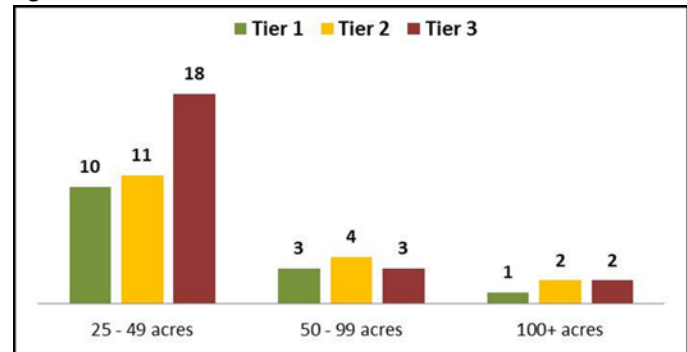
2014 INVENTORY UPDATE FINDINGS

Development Readiness

Industrial sites in the region are in varying states of readiness, requiring regulatory approvals (development permitting, environmental resource mitigation), local discretionary actions (concept planning, annexation, zoning), infrastructure (sewer, water, transportation), site/property owner aggregation, and brownfield remediation.

The study finds that the region has a limited supply of large industrial land readily available to attract and grow employers needed for the region to prosper, particularly sites of 50 net developable acres or more. Net developable acres are gross acres less wetlands, floodplain, 10%+ slopes, streams, and other development constraints that limit development. Figure 1 represents the findings of the regional inventory as of June 2014.

Figure 1: Site Distribution Based on Tiers



Source: Mackenzie

The study found the following.

The study found the following.

14 Tier 1 sites

Available for facility construction within 180 days

There are 14 Tier 1 “market-ready” sites available for development opportunities in the near term, mostly in the 25 to 49 acre range. Tier 1 sites total approximately 650 net developable acres.

17 Tier 2 sites

Available for facility construction between seven and 30 months

Tier 2 mid-term sites require additional investment and policy actions to be market-ready. Of the 17 Tier 2 sites totaling approximately 1,100 net developable acres, four of these sites require property owner assembly.

23 Tier 3 sites

Available for facility construction beyond 30 months

There are multiple challenges to address to bring these 23 Tier 3 sites to market. Investment and actions required to move these sites forward include site aggregation, brownfield remediation, wetland mitigation, transportation/infrastructure improvements, and annexation. Nine of the Tier 3 sites (40%) require property owner assembly. Net developable acres in Tier 3 totals approximately 1,300 acres.

50-plus and 100-plus acre size sites

There is a limited supply of 50-plus and 100-plus acre sites in the Portland region. With respect to 100-plus acre sites, the study found:

- One Tier 1 site: Site 21: Gresham Vista Business Park (owned by Port of Portland)
- Two Tier 2 sites: Site 104: Meek Subarea site and Site 101: Vanrose Farms/Bert & Bernie LLC (Hillsboro)
- Two Tier 3 sites: Site 7: West Hayden Island and Site 10: SW Quad (both owned by the Port of Portland)

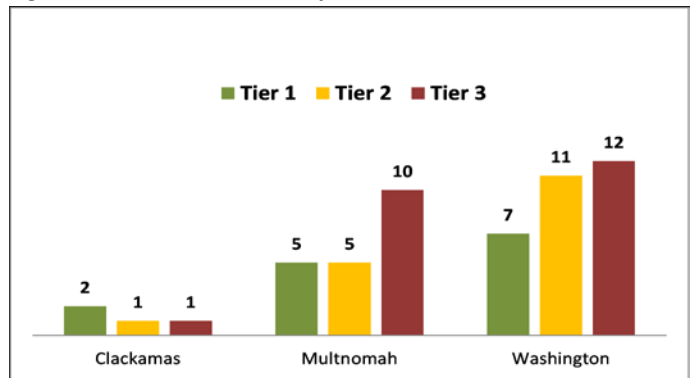
Tier 2 and 3 Development Constraints

There are multiple development constraints impacting the 40 Tier 2 and Tier 3 sites as outlined in the table below. Parcel aggregation is an issue affecting 25% of the sites in the inventory. More than 50% of the Tier 2 and Tier 3 sites require local and state legislative action and 45% of Tier 2 and Tier 3 sites have significant site infrastructure constraints.

Tier 2 and Tier 3 Development Constraints	
Brownfield clean up:	6
Natural Resources:	18
Infrastructure (water, sewer, storm utilities):	17
Transportation:	25
Land Assembly:	13
Local and State Legislative Actions:	23
Willingness to Transact	
No:	10
Unknown:	6

Note: Most sites may have multiple constraints

Figure 2: Distribution of Sites by Location



Source: Mackenzie

Tier 1, 2, and 3 Site Results

The 2014 update is based on the best available public information available to the consultant as of June 2014. The inventory of industrial sites in the Portland region will change over time; as such, this inventory is a snapshot in time. Changes to this inventory update are based on better information, such as wetland delineations; site surveys; property owner conversations; new properties coming on the market; properties in the inventory coming off the market due to transactions; a change in tier status based on investment or other actions; and other issues, such as an increase in property owner willingness to transact or other user designation.

The inventory update identifies 54 large industrial sites in the Metro UGB and selected urban reserves (Figure 2). Of these 54 sites in the inventory, 14 sites (26%) are Tier 1; 17 sites (31%) are Tier 2; and 23 sites (43%) are Tier 3 sites. Many of the Tier 3 sites have significant barriers to market readiness and may not be able to be aggregated as a site at all. The complete inventory of sites detailing all of the data prepared for each site, their location in the region, and their tiers can be found in Appendix A with regional maps found in Appendix B.

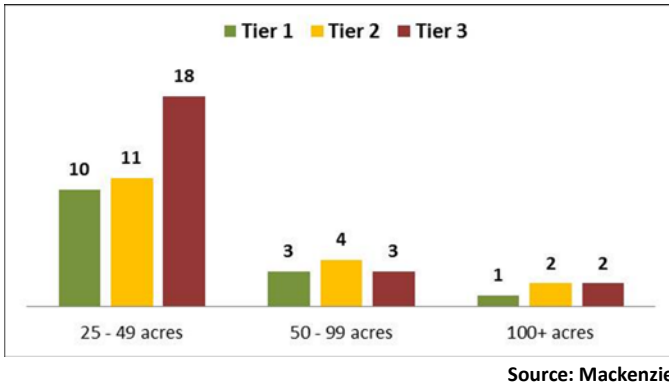
TIER AND SITE DISTRIBUTION BY COUNTY				
Tier/Acres	Clackamas	Multnomah	Washington	Total
Absorbed by the Market	0	1	2	3
Tier 1	2	5	7	14
25-49 acres	2	3	5	10
50-99 acres	0	1	2	3
100+ acres	0	1	0	1

Tier/Acres	Clackamas	Multnomah	Washington	Total
Tier 2	1	5	11	17
25-49 acres	1	2	8	11
50-99 acres	0	3	1	4
100+ acres	0	0	2	2
Tier 3	1	10	12	23
25-49 acres	1	8	9	18
50-99 acres	0	0	3	3
100+ acres	0	2	0	2
TOTAL	4	20	30	54

Tier 1 Sites

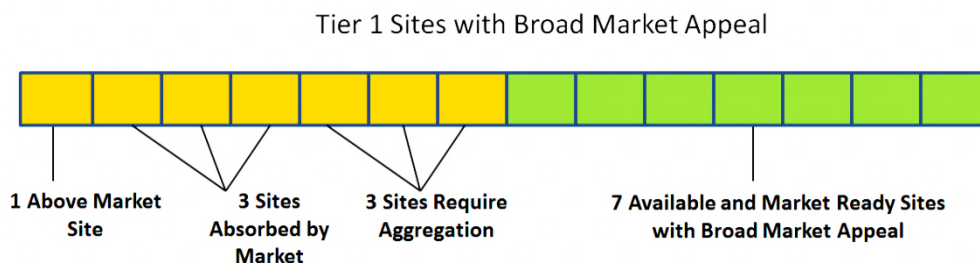
Of the 14 Tier 1 sites, seven are in Washington County, five are in Multnomah County and two are in Clackamas County (Figure 3). The number of larger sites is limited as approximately 70% of the Tier 1 sites are in the 25-49 acre range. There are only three 50-acre sites and one 100-acre site that are Tier 1.

Figure 4: Distribution of Sites by Acreage



In addition to development-readiness, there are a handful of economic factors that drive the suitability of industrial sites for immediate development. A closer look at the 14 Tier 1 sites (Table 2) reveals that the number of sites attractive to a broad range of potential traded-sector companies is even smaller. Of the 14 Tier 1 sites, there are seven sites that meet standard market requirements. Three sites have multiple owners and a potential user must aggregate these sites themselves. One site is currently for sale at an above market price for industrial development. It is unclear if, or when, the

current owner will align the asking price with current industrial market pricing. Three sites that have been absorbed by the market since June 2014²¹.



Over 85% of the Tier 1 sites are in Multnomah or Washington County²². Because the inventory only includes sites within the Portland metropolitan UGB or select urban reserves, industrial sites located in rural Washington

²¹ Site 13: Specht Properties in Portland; Site 46: Development Services of America (Westmark site) in Hillsboro; Site 114: Colwood Ltd Partnership in Portland.

County and Clackamas County, such as Banks, Canby, Sandy, Molalla, and Estacada are not included in this inventory²³. However, these sites are an important component of the regional economy. Table 3 details the Tier 1 sites.

²² Approximately 40% of Multnomah County is within the Metro UGB; 17% of Washington County; and 5% of Clackamas County.

²³ <http://cmap.clackamas.us/ccss/>

Table 3: Tier 1 Site Summary

Site ID	Owner/Site	Location	County	Gross Acres	Net Developable Acreage	Number of Tax lots	Number of Owners	Currently for Sale/Lease	Willing to Transact
13	Specht Properties Inc.	Portland	Multnomah	28.11	26.52	3		S	
21	Port Of Portland GVB - East	Gresham	Multnomah	115.98	115.01	5		S/L	
22	Port Of Portland GVB - West	Gresham	Multnomah	87.79	67.84	3		S/L	
29	Clackamas County Development Agency	Clackamas	Clackamas	61.93	40.00	11		S/L	
32	Ralph & Shirley Elligsen	Wilsonville	Clackamas	33.42	30.20	2		S	
46	Development Services Of America (Westmark Site)	Hillsboro	Washington	30.02	30.02	1		S	
48	Dewayne Wafford (Baker/Bindewald Site)	Hillsboro	Washington	46.06	44.58	1		S	
49	Majestic Realty Company	Hillsboro	Washington	75.11	62.75	9		S/L	
50	Shute North (Berger/Moore Trust/Boyles Trust)	Hillsboro	Washington	73.31	55.00	5	3	S	
52	Shute South (Berger Properties/Moore Trust)	Hillsboro	Washington	42.91	42.91	2	2	S	
57	Merix Corporation	Forest Grove	Washington	34.25	29.71	1		S	
111	Weston Investments and CCF Oregon LLC	Gresham	Multnomah	34.99	26.00	2	2	S	
113	Henningsen Cold Storage	Forest Grove	Washington	28.57	26.44	3			YES
114	Colwood LTD Partnership	Portland	Multnomah	47.55	39.42	1		S	

Note: It is assumed that if a property is currently listed for sale or lease, the property owner is willing to transact.

Source: Mackenzie

Tier 2 Sites

The analysis found 17 Tier 2 sites within the Metro UGB. The bulk of these sites are in Washington or Multnomah County with only one site in Clackamas County. The number of large sites in Tier 2 is limited, with four sites that are between 50-99 acres and two 100-plus acre sites.

The few large sites in Tier 2 face significant challenges to become market-ready, including the need to build infrastructure (roads and sewer), mitigate wetlands, and assemble parcels currently under multiple ownerships. Many of these sites have multiple development constraints that limit their marketability. The inventory update did not identify specific constraints at each site, but the list of potential constraints includes environmental clean-up, infrastructure upgrades, property owner aggregation, annexation, wetland/floodplain fill. Of the 17 Tier 2

sites, four require aggregation and eight require local and state legislative actions, such as UGB expansion, annexation, zoning, and concept planning.

Generally, the constraints to readiness for Tier 2 sites are less extensive than Tier 3 sites, requiring less time and lower costs than the majority of the Tier 3 sites. Tier 2 sites present the best opportunity to focus resources to bring more sites to market. Table 4 details the Tier 2 sites.

Table 4: Tier 2 Site Summary

Site ID	Owner/Site	Location	County	Gross Acres	Net Developable Acreage	Number of Tax lots	Number of Owners	Currently for Sale/Lease	Willing to Transact
1	Port of Portland (Rivergate)	Portland	Multnomah	51.44	51.21	4		L	
9	Port of Portland (NE Marine Drive & 33rd Avenue)	Portland	Multnomah	66.74	62.70	1		L	
18	Port of Portland (Trip - Phase 2)	Troutdale	Multnomah	42.67	30.18	3		S/L	
19	Port of Portland (Trip - Phase 2)	Troutdale	Multnomah	80.53	80.34	2		S/L	
23	Mt Hood Community College	Troutdale	Multnomah	38.45	37.40	3			Yes
38	Biles Family LLC	Sherwood	Washington	39.60	30.89	1		S	
47	Julian & Sharon Cranford	Hillsboro	Washington	28.51	27.29	1		S	
54	5305 NW 253RD Avenue LLC	Hillsboro	Washington	38.49	28.59	1			N/A
55	Spokane Humane Society & Spokanimal Care	Hillsboro	Washington	45.49	36.00	1			Yes
56	East Evergreen Site	Hillsboro	Washington	70.74	61.00	9	7	S	Yes
62	Rock Creek Site	Happy Valley	Clackamas	40.83	36.82	5	2	S	Yes
63	Woodburn Industrial Capital	Forest Grove	Washington	26.17	25.01	1		S/L	
66	Kenneth Itel	Tualatin	Washington	46.25	30.25	2			Yes
101	Vanrose Farms and Bert & Bernie LLC	Hillsboro	Washington	271.64	224.83	2	2		Yes
104	Meek Subarea Site	Hillsboro	Washington	268.02	257.42	8	7		Yes
112	Hally Haworth	Forest Grove	Washington	38.19	36.15	2			Yes
115	SolarWorld	Hillsboro	Washington	46.23	46.23	1		S	

Note: It is assumed that if a property is currently listed for sale or lease, the property owner is willing to transact.

Source: Mackenzie

Tier 3 Sites

The analysis found 23 Tier 3 sites within the Metro UGB and selected urban reserves. While all but one of the Tier 3 sites are inside the UGB or select urban reserve sites, this category of sites has multiple and significant constraints to overcome to get to market-readiness. Similar to the other tiers, the number of larger Tier 3 sites is also limited, with three sites that are between 50-99 acres and two 100-plus acre sites.

Nine of the Tier 3 sites (nearly 40%) require aggregation of parcels in separate ownerships. Ownership ranges from two owners for the Woodfold site in Forest Grove (Site 64) and the Davis Family Trust & Taghon site in Cornelius (Site 110) to up to 16 owners for the Coffee Creek site #1 in Wilsonville (Site 33). Five of these nine sites have more than three ownerships. The more owners involved, the more complex and lengthy the aggregation process.

More than two-thirds (15) of the sites in Tier 3 will require some kind of local or state legislative actions such as UGB expansion, annexation, zoning and concept planning to become development-ready. Examples include sites that are outside the current UGB and West Hayden Island, which is inside the UGB but subject to a lengthy planning and annexation process that is likely to include significant mitigation requirements. If approved for development, the West Hayden Island site is at least seven years away from readiness due to permits, mitigation, and infrastructure requirements. There are also two sites on the edge of the UGB with tax lots that are partially inside the UGB and partially outside of the UGB included in this study. This split of urban and rural land creates a legislative challenge as only lots within the UGB are allowed to develop to urban use and intensity. Development to urban intensities includes a prohibition on partitioning of these lots to a size inconsistent with rural land uses and zoning. For the purpose of this study, only the portions of the tax lots inside the UGB are included as a site. Oregon Department of Land Conservation and Development is currently engaged in a process to fix this legislative issue.

Another issue affecting five Tier 3 sites is brownfield contamination. Three of these sites are located in the City of Portland adjacent to the Willamette River Superfund designation and have significant development issues, risk, and uncertainty.

Three of the Tier 3 sites (15%) are currently operating as active quarries with gross site acreage varying from 26 to 85 to 300 acres. These sites have been mined for decades and as a result are significantly sloped due to excavation.

Providing a market perspective on the quality of sites is a major objective of this analysis. Market-readiness requires first and foremost, a willingness to enter into a transaction by the property owner. However, simply a lack of willingness to transact, or a lack of information of a willingness to transact, was not a reason to exclude a site in the inventory. Of the 23 Tier 3 sites, 16 (nearly 70%) either lack a willingness to transact or the information was unable to be determined as part of this study. Slightly over 20% of the Tier 3 sites (four sites) are currently, or could be, available to the general market, as the property owner is willing to enter into a transaction. Only 13% (three sites) are currently listed for sale on the market. Table 5 provides a complete list of the Tier 3 sites.

Table 5: Tier 3 Site Summary

Site ID	Owner/Site	Location	County	Gross Acres	Net Developable Acreage	Number of Tax lots	Number of Owners	Currently for Sale/Lease	Willing to Transact
2	Time Oil Company	Portland	Multnomah	51.10	39.40	7			Yes
4	ESCO Corp	Portland	Multnomah	37.62	29.92	6	3		N/A
5	Atofina Chemicals INC	Portland	Multnomah	59.76	47.25	6			N/A
7	Port of Portland (West Hayden Island)	Portland	Multnomah	472.00	300.00	3			Yes
10	Port of Portland (SW Quad)	Portland	Multnomah	209.69	206.47	5			Yes
16	Michael Cereghino	Gresham	Multnomah	41.63	25.00	5		S	
17	Port of Portland (Trip - Phase 3)	Fairview	Multnomah	34.14	30.00	1		S/L	
24	Jean Johnson	Gresham	Multnomah	37.17	33.82	1			N/A
25	Lester Jonak Jr.	Gresham	Multnomah	34.19	27.07	1			N/A
26	Michael & Ardele Obrist	Gresham	Multnomah	33.51	33.51	2			N/A
33	Coffee Creek Industrial Area - Site 1	Wilsonville	Washington	89.59	84.70	21	16		No
34	Kennedy/Fitzpatrick/Vanleeuwen	Wilsonville	Washington	52.88	25.50	3			N/A
35	Tonquin Industrial Area	Tualatin	Washington	49.52	34.32	8	7		Yes
36	Tigard Sand & Gravel Site	Tualatin	Washington	301.08	25.00				No
37	Orr Family Farm LLC	Sherwood	Washington	96.26	77.00	1			No
59	Coffee Creek Industrial Area - Site 2	Wilsonville	Washington	45.07	44.49	12	7		No
60	Coffee Creek Industrial Area - Site 3	Wilsonville	Washington	28.82	26.22	10	6		No
61	Coffee Creek Industrial Area - Site 4	Wilsonville	Washington	46.57	42.37	12	8		No
64	Woodfold-Marco MFG Inc. (East Oak Street)	Forest Grove	Washington	27.67	25.06	2	2		No

Site ID	Owner/Site	Location	County	Gross Acres	Net Developable Acreage	Number of Tax lots	Number of Owners	Currently for Sale/Lease	Willing to Transact
65	Woodforld-Marco MFG Inc. (West Oak Street)	Forest Grove	Washington	53.66	52.97	5			No
109	Morse Bros. Inc.	Tualatin	Washington	83.68	25.00	7			No
110	Davis Family Trust & Remi Taghon	Cornelius	Washington	49.01	40.21	10	2		Yes/No
111	Northwest Sand & Gravel Inc.	Unincorporated	Clackamas	26.2	25.10	6	1	S	

Source: Mackenzie

Note: "YES/NO" is for a property with two owners – one willing to transact and one not willing to transact. Additionally, it is assumed that if a property is currently listed for sale or lease, the property owner is willing to transact.

Additional Sites

There are several dozen industrially designated sites that are not included in this inventory update. These sites fall into three categories.

1. The parcel/site is greater than 25 gross acres, but when constraints (environmental or restrictive zoning/overlay) are taken into consideration, the net developable acreage falls below 25 acres. (See Table 6)
2. The parcel/site is owned by a company that is **part of an existing campus/development** and the company has future expansion plans. This vacant land is not currently available to the market for another prospective user. The site is partially vacant but reserved for expansion. (See Table 7)
3. The parcel/site is owned by a company that has **future development plans**; therefore the site is not currently on the market for a prospective user. The site is fully vacant and land banked for new development. (See Table 7)

Although these sites do not appear in the 2014 inventory in this report, they are still an important portion of the region's industrial land supply. Appendix C provides regional maps of these sites.

Sites with Less Than 25 Net Developable Acres

There are 16 parcels and/or sites in this study that have 25 gross acres, but do not have 25 net developable acres. However, these sites are still part of the region's inventory of industrial land as they may be developable for smaller users. These sites are identified in Table 6 below, but are not included in the 2014 inventory because they did not meet the criteria of this study.

Table 6: Parcels or Sites with Less Than 25 Net Developable Acres

Owner	Location	Gross Acreage	Approximate Net Developable Acres	Notes
McCormick & Bassili Investments LLC	Happy Valley (HWY 212 & 162nd)	33.98	7.5	Environmental constraints result in <25 net developable acres – according to Clackamas County
Weaver Russell	Happy Valley (HWY 212 & 162nd)	34.19	3.5	Environmental constraints result in <25 net developable acres – according to Clackamas County
Fazio	Portland (East of NE MLK & Gertz)	34.96	22	Existing drainage ditch bisects site into a 21.5 acre site; net developable acres in largest development parcel is less than 25 acres
Graphic Packaging	North Portland (Marine Drive & Portland)	26.26	2.75	Environmental constraints result in <25 net developable acres
Catellus	Portland (N of Airport and 185th)	31.99	3.5	Environmental constraints result in <25 acres remaining (wetlands and floodplain)
Langer Family	Sherwood (TS Road & Adams)	56.48	< 25	Public utility district overlay on site results in <25 net developable
Orwa Sherwood LLC	Sherwood (T/S Road & Adams)	50.25	6	Bisecting road results in <25 net developable acres
Fred Fields property	Tigard (Hall and Hunziker)	35.6	<25	Environmental constraints result in <25 net developable acres (market/site knowledge)
David Young	Wilsonville (S of Boeckman W of I5)	33.9	0	Significant Resource Overlay Zone environmental constraints – according to City of Wilsonville
Gary Walgraeve	Tualatin (Herman Road & 118th)	54.95	14.5	Environmental constraints result in <25 net developable acres – according to City of Tualatin
Edward Wager	Tualatin (T/S Road & 124th)	32.14	13	Environmental constraints result in <25 net developable acres – according to City of Tualatin
Joe Bernert Tow Inc.	Wilsonville (Wilsonville Road & Boones Ferry)	31.18	13.5	Significant Resource Overlay Zone – according to Wilsonville
Rock Creek aggregate site	Happy Valley (Rock Creek Blvd & SE 172nd Avenue)	25.03	21.04	Slope constraints
Powin Pacific Properties LLC	Tualatin (T/S Road & 115th)	29.47	13.45	Wetlands and stream on site
Port of Portland	Portland (NE 33rd; South of Marine Drive)	28	23	Drainage ditches result in <25 net developable acres
Port of Portland	Portland (South of SW Quad)	67.5	0	Reserved for open space/wetlands mitigation. Land is not greater than 25 net developable acres – according to Port of Portland

Owner	Location	Gross Acreage	Approximate Net Developable Acres	Notes
Port of Portland	Fairview (South of site 17)	100	0	Reserved for open space/wetlands mitigation. Land is not greater than 25 net developable acres – according to Port of Portland
Port of Portland	Troutdale (East of Troutdale Reynolds Industrial Park site 20)	64	0	Reserved for open space/conservation. Land is not greater than 25 net development acres – according to Port of Portland
Xerox (2 parcels)	Wilsonville (East of Interstate5)	95.81	34.1	Remaining 34.1 acres are reserved for future on site environmental mitigation for the Xerox campus and not developable

Source: Mackenzie

User Owned and User Designated Sites

This analysis also excluded land-banked parcels that are owned and held for future expansion by existing regional firms. These parcels are an important part of the regional industrial land inventory, but since they are being held by their current owners for future development, they are not considered to be available to the general market, which is the focus of this study. There are 25 user-owned sites with at a minimum 25 net developable acres that are being held for future development in this study (Table 7). Twelve (12) of these sites are vacant (for future use) with 25 or more net developable acres; and 13 are partially vacant (buildings on site/part of existing campus), but still have a minimum of 25 acres vacant for future expansion.

Table 7: User Owned and User Designated Sites

Owner	Location	Gross Acreage	Vacant Acreage	Vacant: for future use	Partially Vacant: in use	Notes
N Pacific Union Conference Association SDA	Gresham (Foster & Tillstrom)	66.9	66.9	X		Reserved for future use/development
Providence Health	Happy Valley (HWY 212 & 162nd)	49.7	49.7	X		Reserved for future use/development
Intel (Future parking lot)	Hillsboro (Cornell & Cornelius Pass)	47.36	47.36	X		Reserved for future use/development (parking lot)

Owner	Location	Gross Acreage	Vacant Acreage	Vacant: for future use	Partially Vacant: in use	Notes
Legacy Health Services	Hillsboro (Cornell & Cornelius Pass)	28.95	27.3	X		Reserved for future use/development (easement on site)
Intel	Hillsboro (West Union & Cornelius Pass)	72.54	68.4	X		Reserved for future use/development
Port of Portland (PIC WEST)	Portland (NE Alderwood Drive)	69.45	58.96	X		Future relocation site for PDX rental cars
Port of Portland	Troutdale (East of site 17)	34	32.7	X		Vacant; reserved for utility use (substation) – according to Port of Portland
Port of Portland	Hillsboro (NW Evergreen Road)	71.81	67.69	X		Brought into UGB in 2014 with House Bill 4078; reserved for future Hillsboro Airport use (airport restrictions)
Port of Portland	Hillsboro (NW Evergreen Road and 264th)	39.22	34.15	X		Inside Hillsboro Airport fence, and included in FAA Airport Layout Plan; reserved for aviation related development only
Mentor Graphics	Wilsonville (S of Boeckman E of I5)	43.4	43.4	X		Reserved for future use/development - split from main campus by public street; Significant Resource Overlay Zone on site and wetlands
Phight LLC	Tualatin (T/S Road & 118th)	28.8	28.8	X		Reserved for future use/development
BT Property LLC (UPS)	Gresham (NE 185th and NE Portal Way)	51.45	51.45	X		Reserved for future use/development
Clackamas CDA	Clackamas County (I205/82nd)	32.2	32.1		X	Excess land - in use and not available – according to Clackamas County
Great American TVR	Clackamas County (I205/82nd)	49.35	47.5		X	Communication towers and infrastructure on site
State of Oregon (3 parcels)	Clackamas County (I205/Hwy 212)	232	97		X	In use and not available – according to Clackamas County
Nacco Materials Company	Fairview (Marine & Blue Lake Road)	78.7	58.7		X	Excess land; some environmental constraints on site
Microchip Technology (Formally Linde)	Gresham (Glisan & 223rd)	137	75		X	Not available – according to City of Gresham
Mutual Materials	Gresham (Hogan Road)	86.08	56.8		X	Excess land: currently in use

Owner	Location	Gross Acreage	Vacant Acreage	Vacant: for future use	Partially Vacant: in use	Notes
Novellus Systems Inc.	Tualatin (SW Tualatin Road & SW 108th)	58.4	27.46		X	Excess land: currently in use
PGE Portland	Gresham (Powell & E of 182nd)	72.13	62.8		X	Reserved for future use and not available
Genentech (entire campus)	Hillsboro (Evergreen & Brookwood)	75.3	60		X	Reserved for future use and not available
Tokyo Ohka Kogyo	Hillsboro (Evergreen & Brookwood)	38.89	28.5		X	Reserved for future use and not available
Intel (Ronler Acres)	Hillsboro (Shute Road)	111.7	61		X	Reserved for future use and not available
PGE Portland	North Portland (St Helens)	63.1	43.9		X	Excess land currently in use
Cookin (Siltronic)	Portland (St Helens Road)	79.27	38.6		X	Reserved for future use and not available

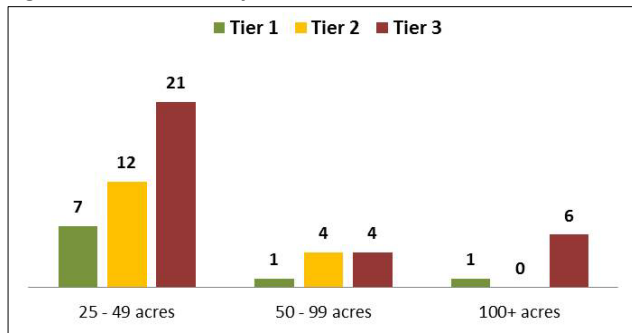
Source: Mackenzie

Changes from 2011 Inventory to 2014 Inventory

Movement In and Out of the Inventory

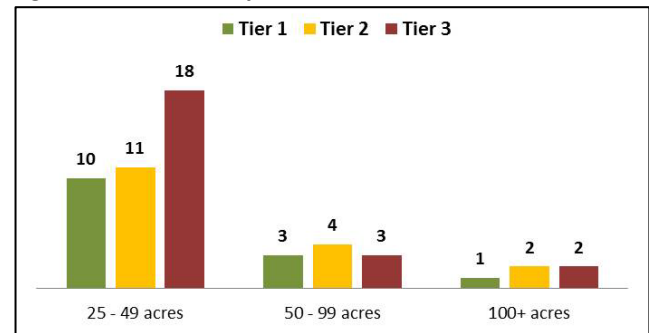
The 2011 inventory included 56 sites, compared to the 2014 inventory of 54 sites. The breakdown among tiers is shown in Figure 5 and 6 below. Nine sites were removed from the inventory, including three sites that are being developed or used for construction staging. Seven sites were added to the inventory. The number of Tier 1 sites has increased by six sites; Tier 2 sites increased by one site; and Tier 3 sites decreased by eight sites. Of the Tier 1 sites, only seven of the sites meet standard development criteria.

Figure 5: 2011 Inventory



Source: Mackenzie

Figure 6: 2014 Inventory



Source: Mackenzie

Movement between Tiers

From 2011 to 2014, there has been significant movement between the tiers. The 2014 update found 11 sites that moved up a tier; five Tier 2 sites became Tier 1 sites and six Tier 3 sites became Tier 2 sites in the 2014 update. The table below shows movement between the tiers in the past two and a half years. The majority of movement between tiers is a result of environmental mitigation and infrastructure investments.

Table 8: Movement in the Inventory

	2014 Inventory	Remain from 2011	Upgraded from 2011	Added Sites in 2014
Tier 1	14	6	5 (previously Tier 2 site)	3
Tier 2	17	8	6 (previously Tier 3 site)	3 ²⁴
Tier 3	23	21	-	2
TOTAL	54	35	11	7

Of the 11 sites that moved up a tier:

- Five sites are located in Hillsboro, five sites are located in the East Multnomah County submarket, and one site is located in Portland.
- Six sites are in private ownership and five sites are in public ownership three (3) sites owned by the Port of Portland, one site owned by Mount Hood Community College, and one site owned by Clackamas County Development Agency.

Seven of the 11 sites that moved up a tier required investment in infrastructure and mitigation.

- Two sites moved up a tier due to environmental constraint mitigation.²⁵
- Five sites received transportation/infrastructure investments.²⁶

²⁴ One of the three new Tier 2 sites is site number 1 (Port of Portland - Rivergate). In 2011, this was a Tier 1 site; however, due to the listing of the streaked horned lark species, the site requires mitigation and is no longer developable within a 6 month timeframe. Environmental mitigation required is a 7-30 month process which drops the site from Tier 1 to Tier 2.

²⁵ **Site 13:** Specht Properties and **Site 29:** Clackamas County Development Agency.

²⁶ **Sites 18 and 19:** Troutdale Reynolds Industrial Park Phase 2, **Site 22:** Gresham Vista Business Park West, and **Sites 50 and 52:** Shute Road North and South.

Additionally, of the 11 sites that upgraded a tier, four were able to do so without significant investment in infrastructure.

- Two of the sites experienced a legislative change, and were taken out of urban reserves and brought into the UGB.²⁷
- Two of the sites had a change in the property owner willingness to transact, and therefore were upgraded to Tier 2.²⁸

Sites Deleted from the Inventory

Using the methodology developed during the 2011 inventory project, the team removed nine sites, resulting in a total of 54 sites in the June 2014 inventory. The tables below show which 2011 inventory sites are no longer on the inventory with an explanation of why. Between the *2011 and 2014 Regional Industrial Land Inventory Report*, nine sites and approximately 400 estimated net developable acres were removed from the inventory. In contrast, the seven sites added to the 2014 inventory accounted for approximately 240 acres.

Table 9: 2011 Inventory Sites Removed from 2014 Inventory

Site ID	Owner/Site	Location	County	Gross Acres	Net Developable Acres	Sale/Lease/Transact (2011)	Development and/or Action
Tier 1 Sites							
11	Port of Portland (PIC East)	Portland	Multnomah	43.50	41.18	L	Currently under construction; results in less than 25 developable acres
44	Intel Corporation	Hillsboro	Washington	31.39	31.39	S	Currently used as a paved/gravel parking lot and staging area for Intel
Tier 2 Sites							
40	Pacific Realty Associates	Tualatin	Washington	26.80	26.80	S/L	Currently under construction; results in less than 25 developable acres
67*	Port of Portland (PIC West)	Portland	Multnomah	69.45	58.96	L	Held by Port of Portland for future relocation of rental cars at PDX ²⁹

²⁷ **Site 101:** Vanrose Farms and **Site 104:** Meek Subarea

²⁸ **Site 23:** Mt. Hood Community College and **Site 47:** Cranford

²⁹ With passenger volumes increasing to 15 million in 2013, the timeframe for the relocation of the rental cars at Portland International Airport has shortened, necessitating the removal of this site from the inventory.

Site ID	Owner/Site	Location	County	Gross Acres	Net Developable Acres	Sale/Lease/Transact (2011)	Development and/or Action
68*	Port of Portland (Hillsboro Airport)	Hillsboro	Washington	39.22	34.15	L	Port of Portland Hillsboro Airport planning has changed, requiring this site for future airport use only
Tier 3 Sites							
6	McCormick & Baxter Creosoting	Portland	Multnomah	42.39	33.39	No	Designated for University of Portland expansion and development (City of Portland approved conditional use master plan)
15*	BT Property LLC (UPS)	Gresham	Multnomah	51.45	49.45	No	Owner has decided to develop site for future use
28	James & Mollie Siri	Happy Valley	Clackamas	26.40	25.26	No	Dedication along SE 172nd results in less than 25 developable acres
100	Holzmeyer Richard Henry	Forest Grove	Washington	111.37	100.12	N/A	Designated from urban reserves to rural reserves during Grand Bargain; no longer eligible to be included in inventory

* This site was removed from the 2011 inventory as it is no longer available to the general market; however, it now appears on Table 7: User Owned and User Designated Sites

Sites Added to the Inventory

Using the methodology developed during the 2011 inventory project, the team found seven new sites to add to the inventory and removed nine sites, resulting in a total of 54 sites in the June 2014 inventory. The table below shows which 2011 inventory sites are no longer on the inventory with an explanation of why. Approximately 240 estimated net developable acres were added in the same time period with seven newly identified sites. The net decrease of large industrial site acreage in the metro-region is an estimated 160 net developable acres.

Table 10: Sites Added to the 2014 Inventory

Site ID	Owner/Site	Location	County	Gross Acres	Net Developable Acres	Sale/Lease/ Transact (2014)
Tier 1 Sites						
111	Weston Investments and CCF Oregon LLC	Gresham	Multnomah	34.99	26.00	S
113	Henningsen Cold Storage	Forest Grove	Washington	28.57	26.44	Yes
114	Colwood Ltd Partnership	Portland	Multnomah	47.55	39.42	S
Tier 2 Sites						
112	Hally Waworth	Forest Grove	Washington	38.19	36.15	Yes
115	SolarWorld	Hillsboro	Washington	46.23	46.23	S
Tier 3 Sites						
110	Davis Family Trust & Remi Taghon	Cornelius	Washington	49.01	40.21	Yes/No
116	Northwest Sand & Gravel INC	Unincorporated	Clackamas	26.2	21.10	S

2014 Inventory Update Conclusions

The 2014 industrial land inventory analysis finds that Portland metropolitan area’s supply of large industrial sites has decreased over the past two and a half years. Supply continues to be most limited for sites of 50 acres or more, consistent with the 2011 inventory. The sites that are available are concentrated in the Columbia Corridor in Multnomah County, Hillsboro, and Wilsonville/Tualatin in Washington County. The location distribution reflects previous local and regional land use planning decisions to maintain a compact regional form.

Larger sites are more complex and take patience to acquire and develop. Parcel aggregation is a key issue to supplying larger sites to the market, affecting 25% of the sites in the inventory.

While this analysis has identified the available sites, and at a high level outlined the challenges that exist to bringing Tier 2 or 3 sites to development-ready status, the timeframes in the analysis assume that the jurisdictions, property owners, land-use regulatory bodies, and potential interveners are all working in support of the site’s development and that appropriate public investments will be made to move these sites to market.

It is important to note that this inventory is a snapshot in time. As Tier 1 sites are absorbed by the marketplace, the expectation is that Tier 2 sites will continue to move to Tier 1 status and Tier 3 sites will continue to move to Tier 2. The inventory should be updated over time to ensure that the database of market-ready industrial sites is current, helps identify and prioritize required site readiness investments, and supports the region's recruitment and expansion efforts.

The experience of state and regional economic development experts indicates that accomplishing our region's traded-sector industrial retention, expansion, and recruitment strategy depends in part on the availability of an adequate supply of well-located, market-priced, and developable large industrial sites. The inventory can be used as a reference for monitoring and tracking changes of absorption of industrial land in the region, and can also be used by the public sector as the basis for making informed land use and investment decisions around the supply, regulation, and market readiness of industrial lands.

NEXT STEPS

The *2011-12 Regional Industrial Site Readiness* project found that many large industrial sites in the region are not development-ready, impacting the region's ability to meet forecasted job growth requirements³⁰, and potentially causing the region to miss business growth, recruitment opportunities, and the jobs and payroll they represent. The 2014 inventory update reinforces the importance of continued state and regional focus on the market-readiness of large industrial sites within the region. The well-paying jobs provided by traded-sector industries will help Oregon achieve economic prosperity, reduce income disparity, and secure funding for public services and amenities.

Regional policymakers have acknowledged the importance of a development-ready supply of large industrial sites in local and regional land use planning documents, such as Metro's *2014 Urban Growth Report* and separate local comprehensive plan updates, and should retain a policy focus on identifying and prioritizing funding to move industrial sites within the region to market. In addition to this work, the PMT has identified five next steps that could be helpful in the region and statewide.

Improvements to Regulatory Processes that Reduce Uncertainty for Firms Seeking Sites

Existing permitting processes sometimes add uncertainty and extend development timelines to the extent that targeted industry employers may choose sites in other regions, states, or countries. Options could include alignment of federal, state, regional, and local permitting processes; allowing wetland permitting and mitigation occur prior to identifying a site user; prioritizing technical assistance and funding; and dedication of staff with industrial development expertise within state permitting agencies. In addition, a regional focus on environmental mitigation strategies to support industrial development is appropriate (wetland banks, technical assistance). Although brownfield remediation is an issue, which affects a smaller number of larger industrial sites, industrial to industrial brownfield remediation is a significant challenge facing the region with remediation costs two to four times the sale price of industrial land³¹. Portland Harbor superfund sites have even greater costs challenges and require special focus. The state and region should consider incentives and regulatory relief to move these sites to productive industrial uses.

Expansion of and Support for Existing Business Development Programs

Existing state programs like Industrial Site Certification, Regionally Significant Industrial Areas, Immediate Opportunity Fund, Special Public Works Fund, and the brownfield programs deserve ongoing support and increased funding. Business Oregon and the Metro Regional Solutions Team should continue to collaborate on strategic efforts and prioritize site-specific work, leveraging Business Oregon programs to address the array of infrastructure and development constraints in the region.

Creation and Funding of New Capital and Financial Tools

New or refined tools are needed to address the upfront costs of capital investments for transportation, sewer, water, brownfield cleanup, wetlands mitigation, and site aggregation. Because of the personal income tax benefits that accrue to the state when large firms locate here, the state could play a role in providing upfront capital for industrial land site preparation.

³⁰ The draft *2014 Metro Urban Growth Report* forecasts 85,000 to 440,000 additional jobs and 300,000 to 485,000 additional people inside the Metro urban growth boundary by the year 2035.

³¹ *Metro Brownfield Scoping Project and Portland Brownfield Assessment* – Maul, Foster & Alongi, Inc. 2012.

In 2013, the Oregon Legislature approved enabling legislation for two sources of state funding for industrial site readiness (Senate Bill 246 and Senate Bill 253), but did not provide funding for these programs. To support the region's job growth requirements identified in the draft *2014 Urban Growth Report*, state funding for these two new Industrial Site Readiness Programs should be pursued, including due diligence assessments and forgivable loans to address the broad range of industrial site readiness constraints.

To address the limited supply of larger industrial sites and assembly challenges affecting 25% of sites in the inventory, the region should develop new tools to support the acquisition and aggregation of industrial lands needed for "game changer" traded-sector investments (e.g., Coffee Creek in Wilsonville, North Hillsboro industrial lands). The region should also retain a policy focus on identifying sources of infrastructure funding to meet the region's \$21-47 billion³² in infrastructure funding needs.

Completion of Due Diligence Work on Sites

Continued work on industrial site due diligence (such as identifying needed infrastructure improvements, scoping environmental cleanup, understanding the scale of wetlands, and producing preliminary cost estimates for brownfield and wetland mitigation) will help to remove uncertainty surrounding sites. A relatively small investment in due diligence work could catalyze accelerated site preparation and prioritize scarce funding.

Regular Update of the Inventory and Completion of Follow Up Studies

Since the June 2014 inventory was completed, three Tier 1 sites have been absorbed into the market³³. Regular updates to this inventory and due diligence on sites could significantly benefit the region's economic development efforts. Statewide application of this methodology could benefit other regions.

³² *Regional Infrastructure Analysis*, Metro July 2008

³³ **Site 13:** Specht Properties Inc. in Portland; **Site 46:** Development Services of America (Westmark site) in Hillsboro; **Site 114:** Colwood Ltd Partnership in Portland.

BEFORE THE METRO COUNCIL

FOR THE PURPOSE OF ACCEPTING THE)	RESOLUTION NO. 14-XXXX
POPULATION AND EMPLOYMENT)	
FORECASTS AND THE URBAN GROWTH)	
REPORT AS SUPPORT FOR)	Introduced by Chief Operating Officer Martha
DETERMINATION OF CAPACITY OF THE)	Bennett with the Concurrence of Council
URBAN GROWTH BOUNDARY)	President Tom Hughes
)	

WHEREAS, state law requires Metro to determine the capacity of the urban growth boundary (UGB) to accommodate the next 20 years' worth of population and employment growth by the end of December 2014; and

WHEREAS, regarding housing, ORS 197.296(3) requires Metro to inventory the supply of buildable lands within the UGB, determine the housing capacity of the buildable lands, and analyze housing need by type and density range in order to determine the number of dwelling units and amount of land needed for each housing type for the next 20 years; and

WHEREAS, regarding employment land, Goal 14 and its implementing rules require Metro to inventory existing vacant and developed employment lands within the UGB and to provide an adequate supply of land to accommodate demonstrated need for employment opportunities; and

WHEREAS, Metro convened a peer review panel consisting of economists and demographers to review the assumptions and results of its population and employment forecasts; and

WHEREAS, from February 2013 to September 2013 Metro convened a technical working group consisting of public and private sector experts to develop a methodology for identifying the region's buildable land inventory; and

WHEREAS, from October 2013 to December 2013 Metro made available to all local jurisdictions in the region its preliminary buildable land inventory; and

WHEREAS, Metro incorporated local jurisdiction input on the buildable land inventory; and

WHEREAS, in March and April of 2014 Metro convened public and private sector experts to discuss methods for determining how much of the region's buildable land inventory may be market-feasible by the year 2035; and

WHEREAS, in April 2014 Metro convened public and private sector experts to review assumptions about space usage by different employment sectors; and

WHEREAS, on July 15, 2014 Metro published a Draft 2014 Urban Growth Report that incorporates the regional forecast and buildable land inventory and assesses the capacity of the existing UGB to accommodate the range of new dwelling units and jobs included in the forecast; and

WHEREAS, state law requires Metro to provide capacity to encourage the availability of dwelling units at price ranges and rent levels, and of transportation choices, that are commensurate with the financial capabilities of households expected over the planning period; and

WHEREAS, as part of the 2014 Draft Urban Growth Report, Metro published a draft Housing Needs Analysis that showed the effects on housing affordability and household transportation costs of forecast growth under existing policies and investment levels; and

WHEREAS, Metro sought and received comments on the draft analyses of housing and employment capacity from its Metro Policy Advisory Committee (MPAC), its Metro Technical Advisory Committee (MTAC), its Transportation Policy Alternatives Committee (TPAC), local governments in the region, public, private and non-profit organizations; and

WHEREAS, the Metro Council intends to continue a discussion in 2015 regarding several policy considerations reflected in the Draft Urban Growth Report including the market feasibility of the region's buildable land inventory, the possible outcomes of implementing existing plans and policies, and city plans for urban reserves; and

WHEREAS, the Metro Council held a public hearing on the draft analysis on December 4, 2014; now, therefore,

BE IT RESOLVED that:

1. The Council accepts the 2014 Draft Urban Growth Report dated September 2014, attached and incorporated into this resolution as Exhibit A, as a draft analysis of need for capacity in the UGB to accommodate growth to the year 2035 and for actions the Council may take to add housing and employment capacity by ordinance in 2015, pursuant to ORS 197.296(6) and statewide planning goals 14 and 10.
2. Acceptance of Exhibit A by the Council meets Metro's responsibility under state law to analyze the capacity of the UGB in order to accommodate growth to the year 2035 as a preliminary step toward providing sufficient capacity to accommodate that growth. The Council will formally adopt the Urban Growth Report by ordinance in 2015, along with any actions the Council may take to add housing and employment capacity.

ADOPTED by the Metro Council this ____ day of December 2014

Approved as to form:

Tom Hughes, Council President

Alison R. Kean, Metro Attorney

Materials following this page represent
Attachments to the Public Record

Mayor Tim Knapp Presenting on Issues
of Concern with the Draft Urban Growth
Report (UGR) Before the Metro Policy
Advisory Committee (MPAC)



October 22, 2014

1. One of Oregon's Fastest-Growing Cities Seeks to Meet Housing Demand

As one of Oregon's fastest growing cities with a population of 21,500 that hosts over 18,000 jobs, Wilsonville has for a number of years sought to develop additional residential capacity in order to provide a housing supply that meets residential demand. Outside of Portland, **Wilsonville has the largest percentage of multi-family housing of any city in the region**, with over half of all residents living in multi-family complexes.

However, as the recent *Residential Preference Study* demonstrates, there is still considerable interest and demand for single-family housing options. Our city's leadership seeks to respond to this demand for single-family housing, coupled with meeting the larger market demand for living in Wilsonville.

2. UGR Underestimates Wilsonville's Projected Growth Rates

In order to be prepared for increased population growth, Wilsonville suggests that the UGR focus on population growth at the higher-end of the forecast range. **To date, Metro population projections have consistently underestimated Wilsonville's annual growth rate. The last UGR in 2009 predicted a 1.8% growth rate for Wilsonville; however, the reality was a 2.8% average annual growth rate, or 56% more than projected.**

Wilsonville's own residential land study commissioned for our Comp Plan update concluded that our city will be out of buildable land before 2030, and even by Metro's forecast, could run out of land by 2032. This is considerably shorter than the 20-year planning horizon.

3. Wilsonville Has Produced 20% of All New Residential Units Built on Areas Added to the UGB since 1998

Metro indicates that 6,500 new residential units were built on areas added to the UGB since 1998. Wilsonville accounts for approximately 1,300 of these new residences, or 20% of the total of all housing on new UGB lands. Wilsonville is one of the metro-area cities that is fully utilizing new UGB areas in a well-planned, methodical way responsive to market conditions.

4. Locating Housing Near Employment Areas Facilitates Climate Smart Communities Goal and Smart Transportation Planning

While it is true that workers may not necessarily prefer to live close to where they work, limiting possibilities for those that seek a shorter commute inhibits the region's ability to achieve reductions in vehicle miles traveled targeted in the Regional Transportation Plan and greenhouse gas-reduction goals for the Climate Smart Communities initiative.

Rather than force workers to commute, Wilsonville seeks the ability to offer local housing opportunities to accommodate future development of the approximately 1,050 acres of regionally significant industrial and employment lands at Coffee Creek and Basalt Creek that have already been brought into the UGB adjacent to Wilsonville.

This kind of thoughtful land-use planning contributes to livable communities, can reduce the demand on regional roadways, and improve access to travel choices such as transit (SMART in Wilsonville) and active transportation options. Regional planning that seeks to place a majority of new employment lands on one side of the region and a majority of new housing lands on the other side sets-up the region for costly transportation congestion and long-term economic problems.

5. Major New Developments Take Considerable Planning and Time to Implement

At 17 years into the 500-acre Villebois development—held up by Metro as an aspirational example for the region of a well-planned primarily residential development with single-family, multi-family and mixed-use buildings—we are now 60% built-out. The reality of large-scale development is that it can take years to undertake the planning, financing and construction activities.

In our case, the Advance Road urban reserve area, together with the adjacent Frog Pond UGB area, form an approximate 500-acre planning area that represents efficient urban form. The Advance Road area primarily comprises the fourth quadrant where the other three are either already developed as single-family residences or are in the UGB. This close proximity of new and developed lands affords economy and efficiency for utility service and road development.

The Frog Pond and Advance Road areas are currently being concept planned courtesy of a Metro CET grant and feature a proposed mix of housing choices and schools. Located on the edge of the city, single-family housing types are desirable for much of the Advance Road area. Multi-family developments have been already been focused within the Town Center area and Villebois urban-village zone, which were found to be very appropriate for greater residential density.

6. Focus on Areas that Make Sense – Places that Have Plans to Manage Growth and Resources to Pay for It

The City of Wilsonville has demonstrated the ability to plan and finance substantial residential, commercial and industrial developments. Over the past 30 years, Wilsonville’s assessed valuation has increased by \$2 billion. Smart planning and strategic use of Urban Renewal financing coupled with active community engagement and strong concurrency policies have enabled Wilsonville to avoid voter-approved annexations and engendered local support for new developments.

7. Damascus and Portland Capacity Projections Are Questionable

The UGR indicates that Damascus will produce 1,000 housing units per year for the last 10 years of the 20-year planning horizon, with 80% of the units being single-family homes. Even Wilsonville, which has extensive development experience and a proven track record, will produce a record 220 single-family housing units this year. The UGR appears to make an unsubstantiated projection with considerable uncertainty regarding the Damascus capacity forecast.

In addition, the UGR proposes to allocate to Portland an average of 5,700 units per year — **nearly three-times greater than the annual average of 2,000 units developed in Portland over the past 13 years**, according to the Portland Metropolitan Homebuilders Association. Rather than just “reassign” the 10,000 Damascus units to Portland as some may suggest, Metro should advocate for a greater sense of “regional equity” to distribute housing targets to communities that need additional residential capacity and have proven their ability to produce for Metro goals.

It seems sensible and reasonable and provides for regional equity for residential land to be timely available in Wilsonville, which offers nearby employment and commercial services, well-planned utility and transportation systems, a local transit system, and a well-designed existing community.

10.22.14m-02



**Trash can tell many stories:
about our habits, our history
and our future.**

**Come see short films that
bring these stories to life.**

**Cast the deciding vote for
the audience choice award.**

Top prize: \$500.

**Find more information at
oregonmetro.gov/filmcontest**

LET'S TALK TRASH FILM GALA

Monday, Nov. 10, 2014
Reception at 6 p.m., Gala at 7 p.m.
Miller Gallery, Portland Art Museum
1219 SW Park Ave.

Free admission

A featured event of the Northwest Film Center's
41st Annual Northwest Filmmakers' Festival.



Metro's Let's Talk Trash events are designed to engage the public in discussions about how the greater Portland region can best manage its garbage in the future. More information about Let's Talk Trash can be found at oregonmetro.gov/letstalktrash.



METRO POLICY ADVISORY COMMITTEE (MPAC)

October 8, 2014

Metro Regional Center, Council Chamber

MEMBERS PRESENT

Ruth Adkins
Edward Barnes
Tim Clark, *2nd Vice Chair*
Kathryn Harrington
Jerry Hinton
Dick Jones
Keith Mays
Marilyn McWilliams
Doug Neeley
Wilda Parks
Martha Schrader
Loretta Smith
Bob Stacey
Peter Truax, *1st Vice Chair*
Jerry Willey

AFFILIATION

PPS, Governing Body of School Districts
Clark County
City of Wood Village
Metro Council
City of Gresham
Oak Lodge Water District
Washington Co. Citizen
Tualatin Valley Water District, Washington Co. Special Districts
City of Oregon City, Clackamas Co. 2nd Largest City
Citizen, Clackamas Co. Citizen
Clackamas County
Multnomah County
Metro Council
City of Forest Grove, Washington Co. Other Cities
City of Hillsboro, Washington Co. Largest City

MEMBERS EXCUSED

Jody Carson, *Chair*
Denny Doyle
Craig Prosser
Carrie MacLaren
Jeff Gudman

AFFILIATION

City of West Linn, Clackamas Co. Other Cities
City of Beaverton, Washington Co. 2nd Largest City
Trimet
Oregon Dept. of Land Conservation & Development
City of Lake Oswego

ALTERNATES PRESENT

Jackie Dingfelder
Marc San Soucie
Jeff Swanson

AFFILIATION

City of Portland
City of Beaverton
Clark County

Staff:

Alexandra Eldridge, Andy Cotugno, Alison Kean, Ramona Perrault, Ted Reid, Jessica Rojas, John Williams, Ina Zucker.

1. CALL TO ORDER AND DECLARATION OF A QUORUM

MPAC Vice-Chair Peter Truax called the meeting to order and declared a quorum at 5:07 p.m.

2. SELF INTRODUCTIONS & COMMUNICATIONS

3. CITIZEN COMMUNICATION ON NON-AGENDA ITEMS

No citizen communications on non-agenda items.

4. COUNCIL UPDATE

Councilor Bob Stacey provided members with an update on the following items:

- Powell-Division Transit project: Councilor Stacey updated members on the steering committee' progress in guiding the study of transit in the Powell-Division corridor. Members of the project's steering committee voted Sept. 29th to focus on improvements to bus service as a high capacity transit option between downtown Portland and Troutdale via Gresham. Committee members said they want to see a project that can reduce traffic and commute times within the next 5 to 7 years. The emphasis is on ensuring access to Mt. Hood Community College and the PCC Southeast Campus.
- Climate Smart Communities Scenarios project: Councilor Stacey informed members that the public comment period is currently underway through Oct. 30th. Councilor Stacey informed members that Kim Ellis is scheduled to provide an update on the proposals at the Oct. 22nd meeting that will lead MPAC into the Nov. 7 joint meeting and in preparation for Dec. 10th scheduled recommendation to the Metro Council.
- Councilor Stacey reminded members of the joint MPAC and JPACT meeting on Nov. 7th to review public feedback on the draft approach and implementation recommendations, and begin shaping a final recommendation to the Metro Council who will consider adoption on Dec. 18th. The meeting is from 8am to noon at the World Forestry Center, like the last two joint meetings. Members should anticipate an RSVP email request to the Nov. 7 meeting in mid-September. It is a public meeting, so others may attend to listen. Please RSVP to help staff in their planning. Contact Kim Ellis kim.ellis@oregonmetro.gov if you have further questions or want more information.

5. CONSENT AGENDA

- Consideration of September 10, 2014 Minutes

MOTION: Moved by Jerry Willey and seconded by Doug Neeley.

ACTION: With all in favor, the motion passed.

6. GROWTH MANAGEMENT DECISION: DISCUSS RESIDENTIAL COMPONENT OF DRAFT 2014 URBAN GROWTH REPORT

Vice-Chair, Forest Grove Mayor Peter Truax opened the discussion by reminding members of the upcoming meetings in relation to this topic.

John Williams of Metro reviewed the timeline leading to the council's urban growth management decision in 2015, including discussion of the draft Urban Growth Report (UGR) taking place through 2014. Mr. Williams indicated that Council will consider accepting the draft UGR by resolution on December 4, 2014, with MPAC scheduled to make a final recommendation to Council on November 12, 2014.

Mr. Williams reviewed the focus of the meeting, to discuss the residential component of the UGR. Next steps include reviewing the employment component on October 22. On Nov. 12th, MPAC will have an opportunity to make a recommendation to council on the draft Urban Growth Report (UGR). Mr. Williams reviewed policy questions and MTAC recommendations with the committee.

Ted Reid, Senior Regional Planner of Metro, requested input from MPAC on whether the UGR provides enough information to inform growth management discussions next year. Mr. Reid returned focus to the residential portion of the report and reviewed the findings on what the region can accommodate in terms of growth and the viability of the plans.

Takeaways included:

- The draft UGR is an assessment of how currently-adopted plans may play out over the next twenty years.
- The analysis concludes that currently-adopted plans can accommodate new housing at the low, middle or high ends of the growth forecast range.
- MTAC unanimously recommends that the seven-county population and employment range forecast in the draft UGR and that it has undergone an appropriate level of technical review and provides a reasonable basis for policy discussions.
- MTAC unanimously recommends that the residential buildable land inventory has undergone an appropriate level of technical review and provides a reasonable basis for policy discussions.
- The report's estimate is that 60% of new housing will be in the form of condominiums or apartments.
- While most new housing over the next 20 years is expected to be multifamily, most of the region's housing, in total, is expected to remain single-family housing.
- The shift in new housing is because of the types of households are forecasted as well as existing policy guidance. It is projected that 60 percent of new households will include 1-2 people.
- The other reason that we forecast that most new housing will be multifamily is that existing plans and policies focus on providing capacity for that type of growth.
- Unlike multifamily housing which can be built vertically or through redevelopment, single-family housing requires land. Achieving a greater share of single-family housing would require a different policy context where our focus is outward growth.
- Reviewed statewide, regional, and local policy contexts guide how the UGR's analysis defines housing needs. All of these policies express the intent to use land efficiently.
- Urban Growth Boundary currently contains 258,000 acres. Using all urban reserves would place the region on track for the "growing outwards" scenario that was rejected during the development of the 2040 Growth Concept in the early 1990s.
- Adopted policies focus growth in existing centers, corridors, main streets, station communities, and employment areas, with limited UGB expansions when there is a demonstrated need.
- Back-of-the-envelope calculations indicate that, going forward, ensuring that half of the new housing is single-family housing could require adding an area about the size of Forest Grove

to the UGB every six years. Metro staff is not aware of there being cities interested in governing or financing UGB expansions of that scale.

Questions posed to MPAC to consider included:

- Is the real challenge land readiness or land supply?
- How can we encourage “family-friendly” housing in urban areas?
- What is the right mix of housing in UGB expansions?
- How should policy makers balance housing preferences with other concerns such as infrastructure provision and affordability?
- How much can we rely on growth capacity in Damascus? Are there other options that are more viable, either in existing urban areas or urban reserves?
- What are the risks and benefits of planning for higher or lower growth?

Mr. Williams described the intent behind the policy considerations posed in the draft UGR as they relate to the Council’s proposed action in December, reminding members that discussions of these policy considerations will continue in 2015.

Questions and comments included:

- Members asked clarifying questions about the slides and their specific geographic locations.

Mr. Reid responded that adopted policies call for most growth happening in existing downtowns and main streets, but that urban reserves are the areas that the Council will consider if they decide there is a need to expand the UGB.

- Members offered comments on this subject of adding land to UGB, and the challenges and the market forces.
- Members asked questions pertaining to planning for single and multifamily housing.
- Members asked questions about the potential to extend the boundary more in particular areas.
- Members offered opinions on adopted plans and the potential mix of housing.
- Members offered comments and asked questions in regards to the incentives used to encourage development.
- Members asked questions in regards to Damascus, its acreage and the ability of the state to encourage progress in Damascus.

Mr. Williams responded there are resources that have been provided to Damascus to assist in developing their plan, and it’s up to their citizens to make those decisions.

Councilor Stacey provided context on the state’s ability to withhold funds from Damascus.

- Members referenced a law allowing de-annexation from Damascus. Issues regarding infrastructure needs, challenges, the assumptions about what is viable were mentioned. Comments were brought forth on the employment needs and assessing whether the employment lands are in supply.

- Member offered comments of concern for Damascus, their employment situation, the prospect of people commuting across the region and referred to the Climate Smart Communities Project efforts and possible conflicts.

Councilor Stacey offered comments in regards to the land that is adjacent to Happy Valley that may be annexed to that city.

- Members commented on the need for a variety of family friendly and affordable housing options near schools.
- Comments were also made that single family housing is what people want.
- Comments were also offered regarding the potential for growth leaking outside the UGB due to policies set at Metro, on people's willingness to drive, and what is affordable.
- Members asked questions about the slides regarding 1-2 person households and offered comments in regards to the difference between the kinds of housing that people may prefer and what they can actually afford.

Mr. Reid referred to areas in the report that could address those topics and indicated that the topic of affordability could be added to the list for future decision opportunities.

- Members commented on the preference study, regarding what people could afford versus what they prefer.
- Members offered comments as to how much of the region wants single family housing and stressed concern that those who can afford to buy it will, creating more shortage.
- Members asked about the policy discussion and when it's anticipated.

Mr. Williams responded that those policy discussions have begun, but that they will continue after the Council considers accepting the draft UGR in December.

- Members expressed that we should consider if there are equal opportunities across the region for employment and growth. Members asked if Metro could consider a policy question regarding subregional needs.
- Members offered comments on perspectives and asked how well represented the low income segment of the population was in the housing survey? Offered comments about who may have been overrepresented or underrepresented in this survey.
- Members referred to page 4 of the memo included in the packet regarding regional versus local perspectives and offered comments regarding the need to travel far for jobs. Members reiterated concerns about jobs/housing balance and long commutes.
- Members asked if there were sub-regional needs that could be addressed.

Mr. Williams reminded MPAC that, according to relevant laws and rules, Metro must complete a regional analysis and that any UGB expansion must be based on regional needs.

Mr. Reid cited the state's efforts in 2005 to create administrative rules for conducting a subregional analysis. Rules were adopted by the Oregon Land Conservation and Development Commission, but

the courts subsequently found that the commission had overstepped its statutory authority in creating those rules. Mr. Reid reiterated that Metro is charged with conducting a regional analysis.

Mr. Williams offered a review of comments heard, referred back to the timeline and reviewed next steps, including further discussion in 2015.

Councilor Stacey expressed his interest in making land ready instead of focusing on raw land supply.

7. MPAC MEMBER COMMUNICATION

Mayor Neeley spoke to a planning commission meeting that approved the master plan for the Willamette Falls Legacy project and will be coming to the Oregon city commission next week, a long process and thanked Washington County and the 3 mayors present from MPAC who have been involved.

Lise Glancy announced that the Port of Portland welcomed Volaris, featuring nonstop trips from PDX to Guadalajara.

Ruth Adkins updated members on Promise of Oregon. Increase awareness at the public as it the moves up the legislature.

Jerry Hinton announced that on October 16th Nissan Leaf electric cars will be gathered from the west coast and available in Wood Village this month for their inaugural sale.

Vice Chair Truax adjourned the meeting at 6:28 p.m.

Respectfully Submitted,
Jessica Rojas



Recording Secretary

ATTACHMENTS TO THE PUBLIC RECORD FOR OCTOBER 8, 2014

ITEM	DOCUMENT	DOC	DOCUMENT DESCRIPTION	DOCUMENT
	TYPE	DATE		No.
6.	Memo	10/8/14	MTAC recommendations on components of the draft 2014 Urban Growth Report	100814m-01
6.	PPT	10/8/14	2015 growth management decision: Residential Component of the draft 2014 Urban Growth Report	100814m-02

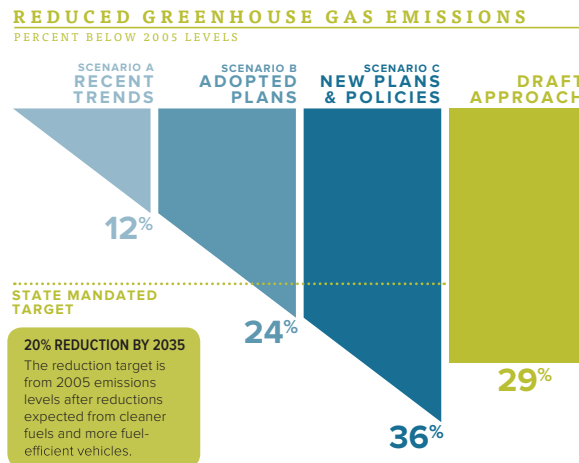


DATE: October 22, 2014
TO: MPAC members and alternates, and interested parties
FROM: Kim Ellis, Principal Transportation Planner
SUBJECT: Climate Smart Communities Scenarios Project: Update on 45-day public comment period and early comments on draft Regional Framework Plan Amendments

BACKGROUND

The Climate Smart Communities Scenarios Project responds to a mandate from the 2009 Oregon Legislature to develop and implement a strategy to reduce per capita greenhouse gas emissions from cars and small trucks by 2035.

After a four-year collaborative process informed by research, analysis, community engagement and deliberation, a draft Climate Smart Strategy and implementation recommendations were released for public review from Sept. 15 to Oct. 30, 2014. As unanimously recommended for study by the Metro Policy Advisory Committee (MPAC) and the Joint Policy Advisory Committee on Transportation (JPACT) on May 30, the draft strategy achieves a 29 percent per capita greenhouse gas emissions reduction and supports local and regional plans and visions that have already been adopted by communities and the region. The strategy, if implemented, will deliver significant public health, environmental and economic benefits to the region.



45-day public comment period and early comments on draft regional framework plan amendments

The draft Climate Smart Strategy and implementation recommendations were released for public review from Sept. 15 to Oct. 30, 2014. In addition, Metro launched an on-line survey at makeagreatplace.org. The materials are posted on the project website at oregonmetro.gov/draftapproach and include:

- **Key Results** (an overview of the analysis of the draft approach, expected benefits and estimated costs)
- **Draft Climate Smart Strategy** (an overview of the draft approach)
- **Draft Implementation Recommendations** (policy, actions and monitoring recommendations organized in three parts)
 1. Draft Regional Framework Plan Amendments
 2. Draft Toolbox of Possible Actions (2015-20)

3. Draft Performance Monitoring Approach

On Oct. 7, the Metro Council discussed the toolbox and expressed overall support for the range of immediate and near-term actions identified for Metro and noted that advocating for increased funding for adopted local and regional plans and state actions to realize fleet and technology assumptions included in the draft strategy will be critical to success. The Council is scheduled to discuss other components of the adoption package at future work sessions.

On Oct. 9, JPACT discussed the draft RFP amendments. On Oct. 15, the MTAC discussed the Draft RFP amendments and a draft short list of toolbox actions for MPAC and JPACT to discuss at their joint meeting on Nov. 7.

JPACT and MTAC members provided the following comments on the draft RFP amendments:

- Keep the amendments focused on what is required by the Land Conservation and Development Commission (LCDC).
- Simplify Chapter 2 amendments to mirror level of detail in existing Chapter 2 policies:
 - Objective 11.1 - Delete last bullet given it overlaps with the goal statement.
 - Objective 11.1 - Delete reference to “regional plans and functional plans adopted by the Metro Council for local governments” because this is already defined in Chapter 8 (Implementation) of the RFP.
 - Objective 11.2 – delete bullet with reference to the Oregon Modeling Steering Committee because this seems to be unnecessary detail that doesn’t warrant a specific policy objective.
 - Objective 11.3 – add reference to Toolbox of Possible Actions in objective statement and delete sub-bullets listing examples of possible actions because the actions are voluntary and could appear to be defacto priorities or criteria for funding eligibility.
- Objective 11.1 - Add reference to alternative fuel vehicles and fueling stations as part of supporting Oregon’s transition to cleaner, low carbon fuels and more fuel-efficient vehicle technologies.
- Policy language should be more direct and aspirational about linkages between the policies that reduce greenhouse gas emissions and Metro funding, such as the Community Development Grant Program.

In addition to the comments provided by JPACT and MTAC members, more than 1,000 individuals have responded to the on-line survey or submitted comments on the draft materials.

NEXT STEPS

The Metro Council will hold a public hearing on Oct. 30. Staff is reviewing all of the comments received to date to identify potential refinements to the adoption package. On November 19 and 21, MTAC and TPAC will be asked to make a recommendation to MPAC and JPACT at their respective meetings. MPAC and JPACT will make final recommendations to the Metro Council on adoption of the draft Climate Smart Strategy and implementation recommendations on Dec. 10 and 11, respectively. The Metro Council will consider those recommendations on Dec. 18, 2014.

BEFORE THE METRO COUNCIL

FOR THE PURPOSE OF ADOPTING A) ORDINANCE NO. 14-1346
PREFERRED CLIMATE SMART)
COMMUNITIES STRATEGY AND AMENDING) Introduced by Chief Operating Officer
THE REGIONAL FRAMEWORK PLAN TO) Martha Bennett in concurrence with
COMPLY WITH STATE LAW) Council President Tom Hughes

WHEREAS, the State of Oregon’s 2007 greenhouse gas emissions reductions goals direct Oregon to stop increases in greenhouse gas emissions by 2010, reduce emissions to at least 10 percent below 1990 levels by 2020, and reduce emissions to at least 75 percent below 1990 levels by 2050; and

WHEREAS, Oregon Legislature passed House Bill 2001, also known as the Jobs and Transportation Act (“JTA”), in 2009; and

WHEREAS, Section 37 of the JTA requires Metro in the Portland metropolitan region to prepare and cooperatively select a preferred land use and transportation scenario for achieving greenhouse gas emission reductions from motor vehicles with a gross vehicle weight rating of 10,000 pounds or less (light vehicles); and

WHEREAS, the Metro Council, with the advice and support of the Metro Policy Advisory Committee (“MPAC”) and the Joint Policy Advisory Committee on Transportation (“JPACT”), adopted the 2035 Regional Transportation Plan (“RTP”) in 2010 and directed staff to conduct greenhouse gas scenario planning; and

WHEREAS, on December 16, 2010, the Metro Council, with the advice and support of MPAC, established six desired outcomes to reflect the region's desire to develop vibrant, prosperous and sustainable communities with safe and reliable transportation choices that minimize greenhouse gas emissions and equitably distribute the benefits and costs of growth and change in the region; and

WHEREAS, in 2011, the Land Conservation and Development Commission (“LCDC”) adopted Oregon Administrative Rules (“OARs”) 660-044-0000 to -0060, which included per capita greenhouse gas emissions reduction targets for each of Oregon’s six metropolitan areas, including the Portland metropolitan region, to help meet statewide goals to reduce greenhouse gas emissions to 75 percent below 1990 levels by the year 2050; and

WHEREAS, the LCDC adopted target calls for the Portland metropolitan region to reduce per capita roadway greenhouse gas emissions from light duty vehicles by 20 percent below 2005 levels by 2035; and

WHEREAS, the target reduction is in addition to significantly greater reductions anticipated to occur from state and federal actions related to advancements in cleaner, low carbon fuels and more fuel-efficient vehicle technologies, including electric and alternative fuel vehicles; and

WHEREAS, in 2012, the LCDC amended OAR 660-044-0040 to direct Metro to evaluate a reference case that reflects implementation of existing adopted comprehensive and transportation plans and at least two alternative land use and transportation scenarios that accommodate planned growth while achieving a reduction in greenhouse gas emissions from light vehicles and guide Metro in the evaluation and selection of a preferred land use and transportation scenario by December 31, 2014; and

WHEREAS, the Portland metropolitan region conducted scenario planning through the Climate Smart Communities Scenarios Project to demonstrate leadership on addressing climate change, maximize achievement of all six of the region's desired outcomes, implement adopted local and regional plans and visions, including the 2040 Growth Concept, local comprehensive and transportation system plans and the regional transportation system plan, and respond to Section 37 of the JTA and OAR 660-044; and

WHEREAS, the Climate Smart Communities Scenarios Project was completed through a 3-phase collaborative effort designed to support communities in the Portland metropolitan region in realizing their aspirations for healthy and equitable communities and a strong economy, and reduce greenhouse gas emissions from light vehicles as required by the State; and

WHEREAS, Phase 1 of the Scenarios Project focused on understanding the region's land use and transportation choices by conducting a review of published research and testing 144 regional scenarios in 2011; and

WHEREAS, Phase 2 of the Scenarios Project, in 2012 and 2013, focused on shaping future choices for the region to advance implementation of community visions by conducting further analysis of the Phase 1 scenarios, confirming local land use visions, preparing eight community case studies and engaging community and business leaders, city and county officials and staff, county coordinating committees, responsible state agencies, a technical work group and Metro's technical and policy advisory committees to develop assumptions for three scenarios to test and a set of evaluation criteria to be used to measure and compare them; and

WHEREAS, Phase 2 of the Scenarios Project found that adopted local and regional plans, if implemented, can meet the state mandated target for reducing greenhouse gas emissions from light vehicles by 2035; and

WHEREAS, Phase 3 of the Scenarios Project, in 2014, considered the results of the Phase 2 evaluation, the region's six desired outcomes, feedback received from public officials, business and community leaders, interested members of the public and other identified audiences from January to April 2014 to shape a draft preferred approach; and

WHEREAS, on June 19, 2014, the Metro Council directed staff to evaluate the draft approach, a product of four years of research, analysis, community engagement and discussion, that was unanimously recommended by MPAC and JPACT for testing on May 30, 2014; and

WHEREAS, the recommended approach as set forth in the draft Climate Smart Communities Strategy reflects adopted local and regional land use plans and local and regional investment priorities adopted in the 2014 Regional Transportation Plan (RTP) on July 17, 2014; and

WHEREAS, the recommended approach, as set forth in the draft Climate Smart Communities Strategy, reflects assumptions used by the state when adopting the region's reduction target for state and federal actions related to advancements in cleaner, low carbon fuels and more fuel-efficient vehicle technologies, including electric and alternative fuel vehicles; and

WHEREAS, the recommended approach reflects the financially constrained 2014 RTP level of investment for streets, highways and active transportation, and higher levels of investment for (1) transit service and related capital improvements needed to support increased service levels, (2) transportation system management technologies, and (3) travel information and incentive programs; and

WHEREAS, while the recommended level of investment for transit service and related capital, transportation system management technologies and travel information and incentive programs is more than what is adopted in the financially constrained 2014 RTP, the estimated costs fall within the full 2014 RTP funding assumptions the region has agreed to work toward as part of meeting statewide planning goals; and

WHEREAS, analysis shows, if implemented, the recommended approach achieves a 29 percent reduction in per capita greenhouse gas emissions from light duty vehicles and provides significant community, public health, environmental and economic benefits to communities and the region; and

WHEREAS, the recommended approach reduces air pollution, improves safety, helps people live healthier lives, manages congestion, reduces freight truck travel costs due to delay, expands travel options, improves access to jobs and essential destinations, and makes the most of investments already made in the region's transportation system – all of which help save businesses and households money and support job creation and economic development; and

WHEREAS, on September 15, 2014, Metro staff launched an online survey and released the preferred land use and transportation scenario under OAR 660-044-0040 for review and comment through October 30, 2014, as set forth in the draft Climate Smart Communities Strategy, draft Regional Framework Plan Amendments, draft Toolbox of Possible Actions (2015-2020) and draft Performance Monitoring Approach; and

WHEREAS, the draft Climate Smart Communities Strategy reflects the approach unanimously recommended for study by MPAC and JPACT on May 30, 2014; and

WHEREAS, the Regional Framework Plan guides Metro land use and transportation planning and other activities and does not mandate local government adoption of any particular policy or action; and

WHEREAS, the draft Regional Framework Plan Amendments identify refinements to existing regional policies that integrate the key components of the Climate Smart Communities Strategy, including performance measures for tracking the region's progress on implementing the strategy; and

WHEREAS, the draft Toolbox of Possible Actions identifies possible near-term (within the next 5 years) actions that the Oregon Legislature, state agencies and commissions, Metro, local governments and special districts can take to begin implementation of the Climate Smart Communities Strategy; and

WHEREAS, while the toolbox does not mandate adoption of any particular policy or action, MPAC and JPACT agree updates to local comprehensive plans and development regulations, transit agency plans, port district plans and regional growth management and transportation plans present continuing opportunities to implement the Toolbox of Possible Actions in ways that can be locally tailored; and

WHEREAS, the draft Performance Monitoring Approach identifies measures and aspirational targets for tracking the region's progress on implementing the key components of the Climate Smart Communities Strategy adopted by the Metro Council that build on the existing land use and transportation performance monitoring Metro is already responsible for as a result of state and federal requirements; and

WHEREAS, the 2018 Regional Transportation Plan update will serve as a major vehicle for implementing the preferred scenario under OAR 660-044-0040; and

WHEREAS, Metro sought and received comments on the draft Climate Smart Strategy, draft Regional Framework Plan Amendments, draft Toolbox of Possible Actions (2015-2020) and draft Performance Monitoring Approach from MPAC, JPACT, its Metro Technical Advisory Committee (“MTAC”), its Transportation Policy Alternatives Committee (“TPAC”), state agencies and commissions, including the Oregon Department of Transportation, the Oregon Department of Environmental Quality, the Oregon Department of Land Conservation and Development, and the Land Conservation and Development Commission, local governments in the region, the Port of Portland, public, private and non-profit organizations and the public; and

WHEREAS, the Metro Council held public hearings on October 30 and December 18, 2014; and

WHEREAS, Metro identified amendments in response to comments received on the draft Climate Smart Strategy, draft Regional Framework Plan Amendments, draft Toolbox of Possible Actions (2015-2020) and draft Performance Monitoring Approach for consideration by MTAC, TPAC, MPAC and JPACT as set forth in the Summary of Recommended Changes; and

WHEREAS, MTAC, TPAC, MPAC and JPACT have considered the results of the evaluation, materials released for public review on September 15, 2014, subsequent public and stakeholder input received and amendments identified to address input received prior to recommending a preferred scenario for the Metro Council to adopt by December 31, 2014; and

WHEREAS, adoption of the Climate Smart Communities Strategy and supporting implementation recommendations presents an opportunity for the region to act together to demonstrate leadership on climate change and address challenges related to transportation funding and implementing adopted local and regional plans, including transit service plans; and

WHEREAS, MPAC and JPACT acknowledge that implementation of adopted local and regional plans, including transit service plans, as called for in the Climate Smart Communities Strategy and supporting implementation recommendations, will require new resources and active participation from a full range of partners over the long-term; and

WHEREAS, MPAC and JPACT have agreed to work together with the Metro Council and other public and private partners to begin implementation in 2015 and recommend three priority actions as a starting point; and

WHEREAS, MPAC, on December 10, 2014, and JPACT, on December 11, 2014, recommended Council adoption of the preferred scenario under OAR 660-044-0040, as reflected in the Climate Smart Communities Strategy and supporting implementation recommendations, to achieve state and regional climate goals and support many other state, regional and local goals, including expanded transportation choices, clean air, healthy and equitable communities, and a strong economy; now, therefore,

BE IT ORDAINED THAT:

1. The Climate Smart Communities Strategy, attached to this ordinance as Exhibit A, is hereby adopted as part of the preferred land use and transportation scenario under OAR 660-044-0040.
2. The amendments to the Regional Framework Plan, attached to this ordinance as Exhibit B, are hereby adopted as part of the preferred land use and transportation scenario under OAR 660-044-0040 to provide policy direction on efforts to reduce per capita greenhouse gas emissions from light duty vehicles and identify performance measures to evaluate and report on the region’s progress toward implementing key components of the Climate Smart Communities Strategy.

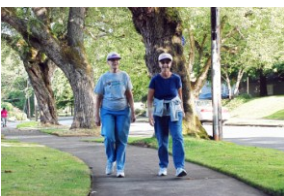
3. The amendments to Chapter 2 of the Regional Framework Plan, attached to this ordinance as Exhibit B, are also incorporated into Chapter 2 of the Regional Transportation Plan.
4. The Toolbox of Possible Actions (2015-2020), attached to this ordinance as Exhibit C, is hereby adopted as part of the preferred land use and transportation scenario under OAR 660-044-0040 and will be incorporated into the technical appendix for the Regional Transportation Plan as part of the next update.
5. The Performance Monitoring Approach, attached to this ordinance as Exhibit D, is hereby adopted as part of the preferred land use and transportation scenario under OAR 660-044-0040 and will be incorporated into the Regional Transportation Plan.
6. Metro's on-going regional performance monitoring program will evaluate and report on the region's progress over time toward implementing key components of the Climate Smart Communities Strategy through regularly-scheduled updates to the Regional Transportation Plan and Urban Growth Report, and in response to Oregon State Statutes ORS 197.301 and ORS 197.296.
7. The Summary of Recommended Changes, attached to this ordinance as Exhibit E, is hereby adopted to amend Exhibits A through D.
8. The Findings of Fact and Conclusions of Law in Exhibit F, attached and incorporated into this ordinance, explain how adoption of Exhibits A through E by the Council satisfies Metro's responsibility under state law to prepare and cooperatively select a preferred land use and transportation scenario that achieves the adopted LCDC target for greenhouse gas emission reductions from light vehicles in the Portland metropolitan region by 2035 pursuant to OAR 660-044.
9. Metro staff is directed to prepare a final report that consolidates Exhibits A, C and D, as amended by Exhibit E, and transmit the report and decision record, including this ordinance and exhibits to the ordinance, to the LCDC in the manner of periodic review.
10. The preferred scenario under OAR 660-044-0040, adopted by this ordinance and reflected in the Climate Smart Communities Strategy and supporting implementation recommendations, will be further implemented through the next scheduled update to the Regional Transportation Plan by December 31, 2018. Metro staff is directed to begin scoping the work plan for the next update to the Regional Transportation Plan, and identify a schedule and outline of policy decisions and resources needed.

ADOPTED by the Metro Council this 18th day of December, 2014.

Tom Hughes, Council President

Approved as to Form:

Alison Kean, Metro Attorney



JOINT MPAC/JPACT MEETING AGENDA

8 to 11 a.m., Friday, November 7, 2014
 World Forestry Center, Cheatham Hall

NOTE: This discussion will lead to a final recommendation by MPAC and JPACT at their respective meetings on Dec. 10 and 11. Therefore, the meeting will follow MPAC and JPACT meeting protocols, which means that only members will be seated at the table and allowed to participate in the discussion. If a member is not present, the designated alternate may participate in their place. Audience seating will be provided for all other attendees.

THREE REASONS TO ATTEND

HEAR PUBLIC INPUT

Hear highlights and themes from the comments and recommendations of more than 1,400 residents of the region.

PRIORITIZE ACTIONS FOR 2015

Shape priority actions for the region to work together on starting in 2015.

MAKE YOUR VOICE HEARD

This is the only time that MPAC and JPACT will work together to shape a final recommendation to the Metro Council for the Climate Smart Strategy.

7:30 a.m. REGISTRATION AND LIGHT BREAKFAST

8 a.m. WELCOME, CALL TO ORDER, DECLARATION OF A QUORUM, INTRODUCTIONS

- *Call to order*
- *Review meeting outcomes*

Forest Grove Mayor Pete Truax
 MPAC Vice-Chair
 Metro Councilor Craig Dirksen
 JPACT Chair

8:10 a.m. SETTING THE STAGE FOR THE DAY

Sam Imperati, Facilitator, ICM, Inc.

8:20 a.m. WHAT WE HEARD FROM THE PUBLIC

- *Staff will share and seek input on key themes from the public comment period.*

Peggy Morell, Metro Senior Public Affairs Specialist

8:45 a.m. GETTING TO THE FINISH LINE

Staff will provide an overview of where we've been, the Council Ordinance, components of the adoption package, and next steps to the final action. Members will take a straw poll on the question:

John Williams, Metro Deputy Planning Director

- *Taken as a whole, do you support the overall adoption package?*

Sam Imperati, Facilitator, ICM, Inc.

9:15 a.m. BREAK

STRAW POLL VOTING KEY

9:30 a.m.

COMPONENTS OF THE DRAFT CLIMATE SMART COMMUNITIES STRATEGY

Staff will present each component of the draft adoption package and follow with a facilitated discussion and straw poll on each. The direction provided today will be forwarded to MTAC and TPAC as they fine-tune their final recommendation to you.

John Williams
Metro Deputy
Planning Director

Sam Imperati
Facilitator, ICM, Inc.

Members and
alternates



Good to go



**Support but
prefer changes**



**Need changes
to support**

Subject to fine-tuning by TPAC and MTAC, do you support:

- *The overall approach of the **Draft Climate Smart Strategy** as unanimously recommended for study by MPAC and JPACT on May 30, 2014?*
- *The **draft Regional Framework Plan amendments?***
- *The **draft Performance monitoring approach** for measuring the region's progress?*
- *The **draft Toolbox of possible actions?***
- *The **draft short list of regional actions** from the toolbox as the priority actions for the region to work on together to begin implementation in 2015?*

10:50 a.m.

WORKING TOGETHER – WHAT’S NEXT?

Review next steps to final action in December 2014.

Pete Truax
MPAC Vice-Chair

Craig Dirksen
JPACT Chair

11 a.m.

ADJOURN

Logistics and more info

Wi-Fi is available at the World Forestry Center. Select “WFC”; no password is required.

For more information on the Climate Smart Communities Scenarios Project visit, www.oregonmetro.gov/climatescenarios

For more information, call Laura Dawson-Bodner at 503-797-1750.

Getting there

The World Forestry Center is accessible by MAX at the Washington Park stop or TriMet bus #63. A parking pass will be provided for members and alternates who park in the Washington Park lot. Metro staff will meet you at the main parking lot entrance to provide you the pass or you can pick it up at the registration table. For staff or other meeting attendees, parking is available for purchase at the lot.



Date: October 16, 2014
To: MPAC
From: Ted Reid, project manager for 2015 urban growth management decision
Re: MTAC recommendations on components of the draft 2014 Urban Growth Report

Background

In July, Metro staff issued a draft of the 2014 Urban Growth Report. On December 4, 2014, the Metro Council will consider a resolution accepting the 2014 Urban Growth Report as a draft analysis of need for capacity in the urban growth boundary to accommodate growth to the year 2035 and for actions the Council may take to add housing and employment capacity by ordinance in 2015. The resolution is available in draft form in MPAC's October 8 meeting packet. On November 12, 2014, MPAC will be asked for a formal recommendation on whether the Council should adopt the resolution.

MTAC recommendations made to date

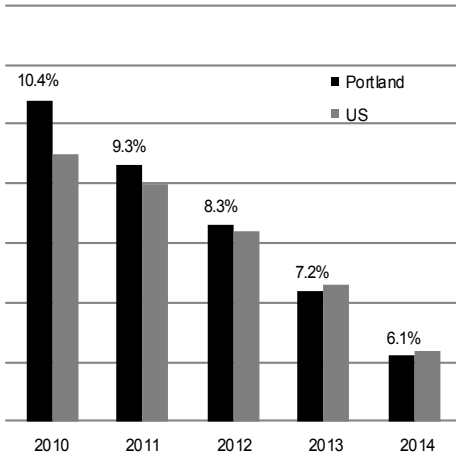
As summarized in a previous memo to MPAC, on October 1, 2014, MTAC made the following unanimous recommendations on two core technical elements of the Urban Growth Report:

- The residential buildable land inventory has undergone an appropriate level of technical review and provides a reasonable basis for policy discussions. (3 abstentions, 0 nays)
- The seven-county population and employment range forecast in the draft UGR has undergone an appropriate level of technical review and provides a reasonable basis for policy discussions. (2 abstentions, 0 nays)

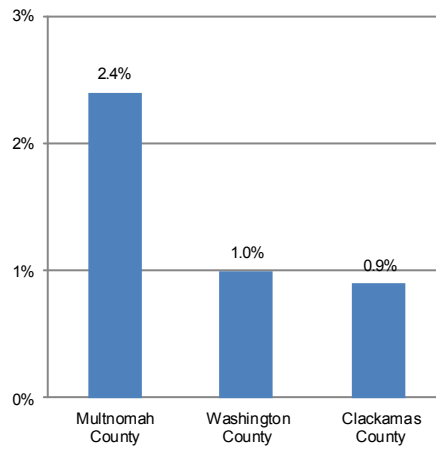
On October 15, 2014, MTAC made two additional unanimous recommendations related to the draft 2014 Urban Growth Report:

- The employment buildable land inventory, including the inventory of large industrial sites, has undergone an appropriate level of technical review and provides a reasonable basis for policy discussions. (3 abstentions, 0 nays)
- The assumptions (building types, square feet per employee, and floor-area ratios) used to translate the employment forecast into demand for acres have undergone an appropriate level of technical review and provide a reasonable basis for policy discussions. (2 abstentions, 0 nays)

Unemployment Rate - Portland Metro
August 2010 - August 2014



Employment Growth - August 2014
Increase on a year earlier



Labor Trends

Recent years have seen a steady decline in the regional unemployment rate of about four points in the last four years. That trend continues with the unemployment rate down about a full point over the last 12 months.

Almost all major private sector industries are growing, with the Construction industry putting up the strongest growth. Unusually, Multnomah County is showing some of the strongest growth in the region with 11,100 new jobs over the last 12 months, significantly more than Washington County (+2,600) and Clackamas County (+1,300) combined.

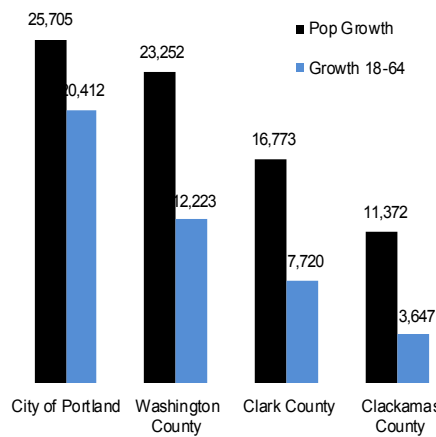
Population & Worker Growth

The US Census released annual statistical data for 2013 in September, painting a picture of how demographics are changing as the region recovers from a deep recession.

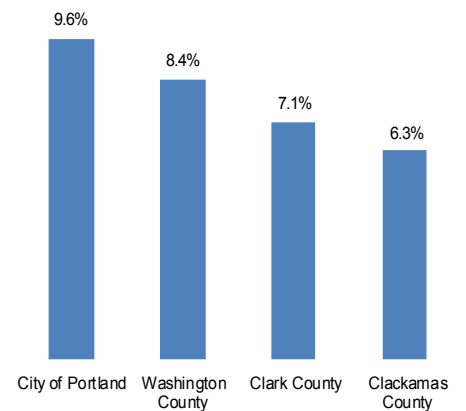
The City of Portland stands out with the vast majority of population growth occurring among the working age population, (age 18 to 65), since 2010. Conversely, the vast majority of population growth in Clackamas County is age 65 and over. In Clark and Washington County, about half the population growth is age 65 and better.

Every county in the region has seen an increase in the number of residents who are working since 2010. Again, the City of Portland stands out with relatively faster growth in the working population. This suggests residents of the City of Portland are recovering from the recession relatively faster, though these workers may commute outside the city for their jobs.

Population Growth : Workforce Age
2010 to 2013 Growth in Population Age 18 to 65

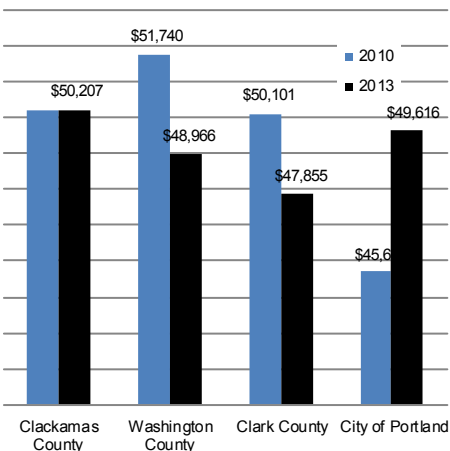


Worker Growth
2010 to 2013 by Worker Residence



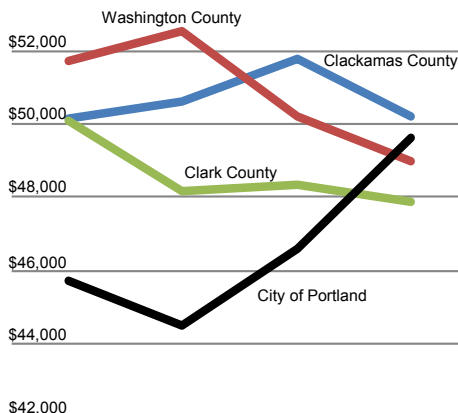
Average Income

Median Income, Full Time Workers by Residence
2010 and 2013, inflation adjusted



Average Income

Median Income, Full Time Workers by Residence
2010 through 2013, inflation adjusted



Income

As the region attracts new jobs and workers, a question naturally arises: Do the new jobs pay well? The new US Census data allows us to look more closely at how median average wages are changing.

In Clackamas County, wages (adjusted for inflation) for residents working full time are unchanged at about \$50,000 a year since the recession in 2010. Workers living in Washington and Clark County have seen a noticeable decline in real wages. Conversely, wages for workers living in Portland have increased strongly in the economic recovery.

**Want to join the distribution list?
Have questions? E-mail me!**

Christian Kaylor
Christian.R.Kaylor@oregon.gov

Metro | Memo

Date: October 15, 2014
To: Metro Council, MPAC, MTAC
From: Ted Reid, project manager for the 2015 urban growth management decision
Re: Employment gains and losses since the Great Recession

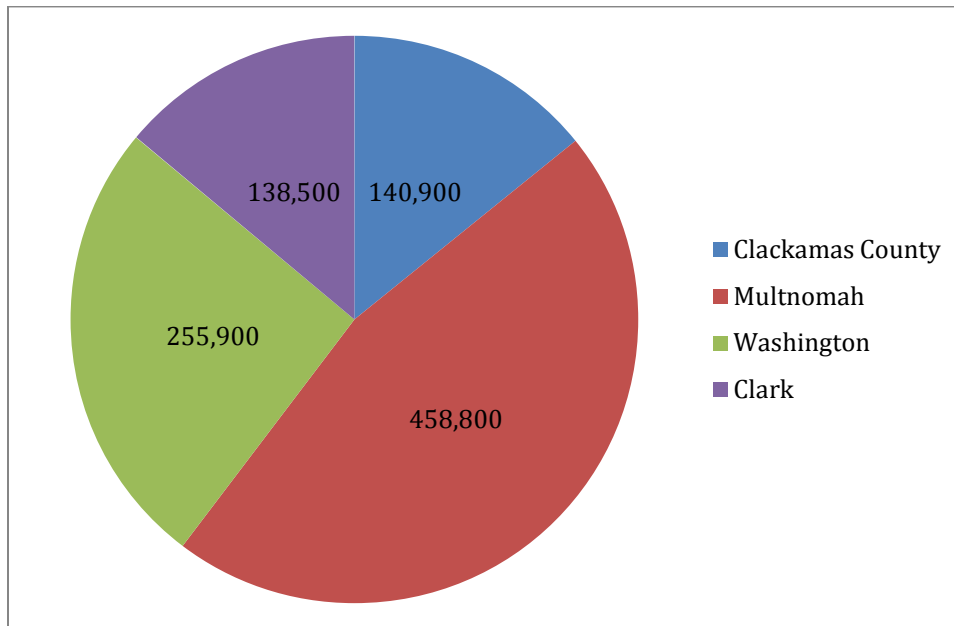
Background

The Metro Council intends to make a regional growth management decision by the end of 2015. On December 4, the Council will be considering acceptance of the draft 2014 Urban Growth Report as a basis for that decision. In the course of discussing the employment component of the draft Urban Growth Report at an October 9, 2014 work session, councilors had questions about employment trends by sector and by county since the region emerged from the Great Recession. This memo summarizes data on employment trends from 2011 through 2013 provided by Metro's Chief Economist Dennis Yee. Also attached is the September 2014 summary of economic indicators for the Metro region from the State of Oregon's Employment Department, which provides additional information about trends over the last year.

Employment distribution in 2013

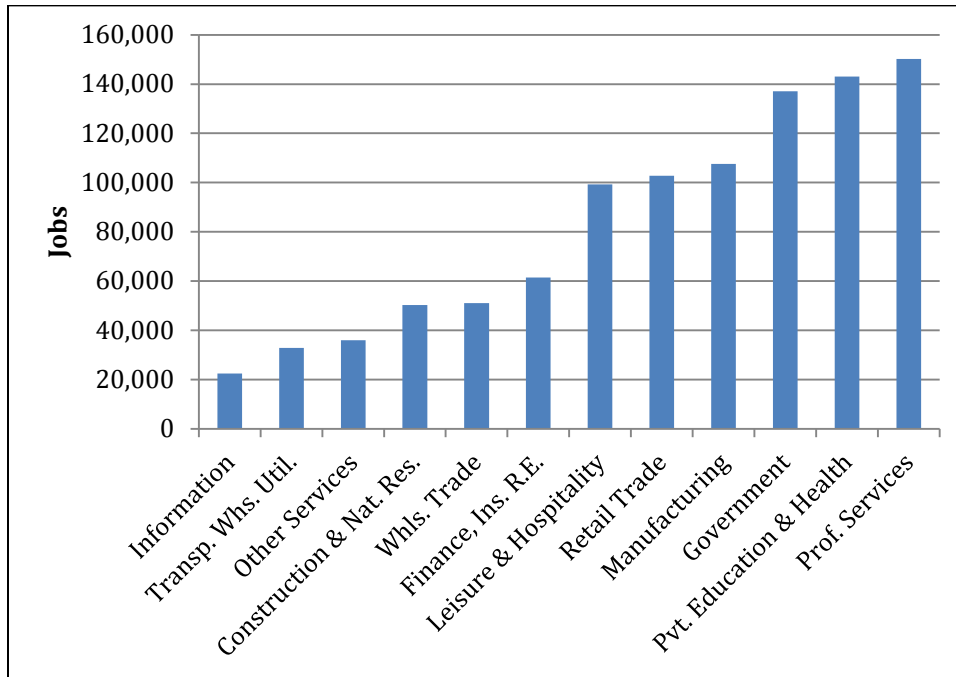
In 2013, Multnomah County had the largest share of the four-county area's jobs, almost equaling the number of jobs in the other three counties combined.

Figure 1: Jobs per county in 2013



In 2013, the professional services sector comprised the largest share (15 percent) of the four-county area's jobs.

Figure 2: Jobs by sector in 2013 (four-county area)



Employment trends since the Great Recession

In 2011, the region began to see employment gains coming out of the Great Recession. Figures 3 through 10 below illustrate data for the time period 2011 through 2013 in Clackamas, Clark, Multnomah, and Washington counties. A few highlights of the employment trends are:

- The four-county area added 45,600 jobs from 2011 through 2013
- Multnomah County added almost as many jobs as the other three counties combined:
 - Multnomah County added 21,800 jobs
 - Washington County added 12,300 jobs
 - Clark County added 6,800 jobs
 - Clackamas County added 4,700 jobs
- Manufacturing led job growth in Clackamas County, adding 1,600 jobs.
- Post-recession, Washington County's information sector continued to shed jobs (loss of 600 jobs) while its manufacturing sector added 1,000 jobs.
- Professional services led job growth in Multnomah (6,400 new jobs), Washington (11,200 new jobs), and Clark counties (1,300 new jobs).
- Clark County added jobs in almost all sectors.
- In percentage growth terms, construction made a strong rebound, followed by the information sector, professional services and leisure and hospitality services (generally the lowest paying of the sectors that rebounded).

Figure 3: Clackamas County changes in number of jobs by sector, 2011 through 2013

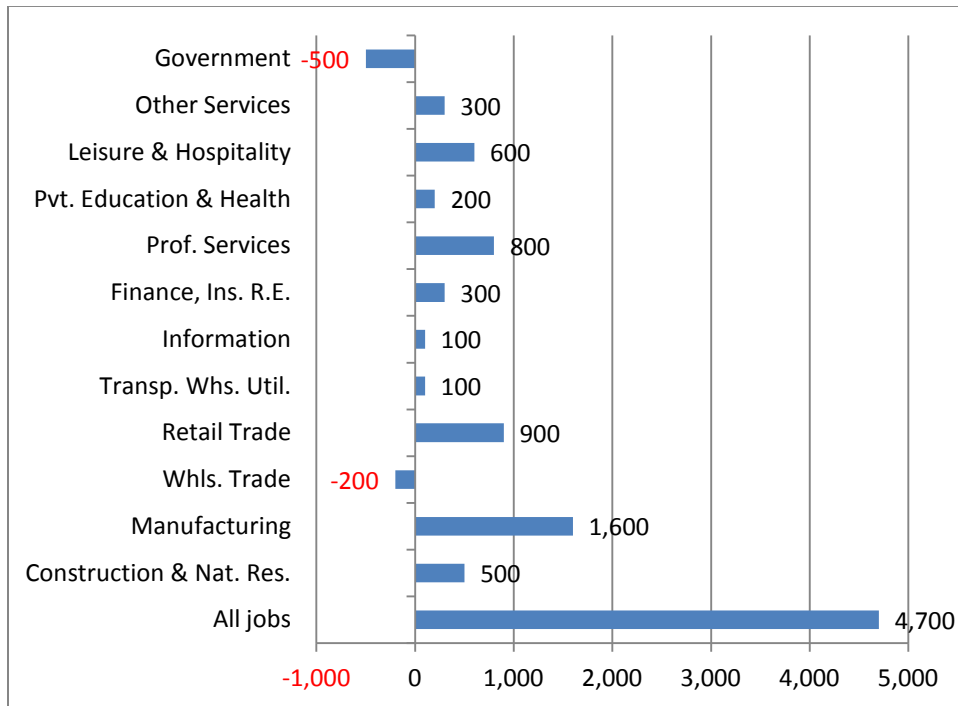


Figure 4: Clackamas County percent changes in jobs by sector, 2011 through 2013

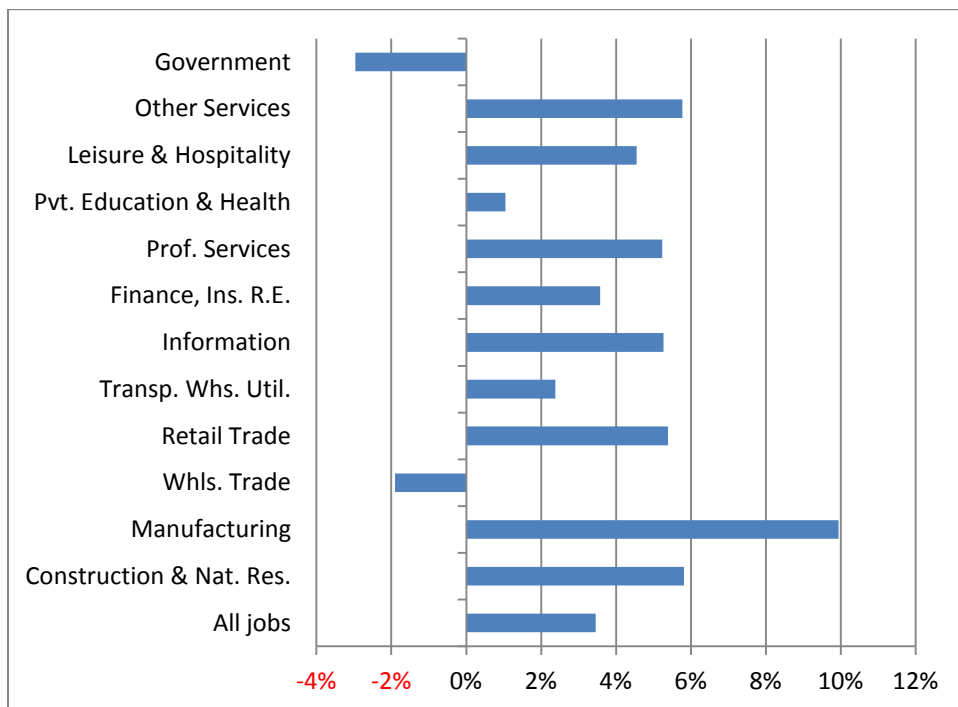


Figure 5: Clark County changes in number of jobs by sector, 2011 through 2013

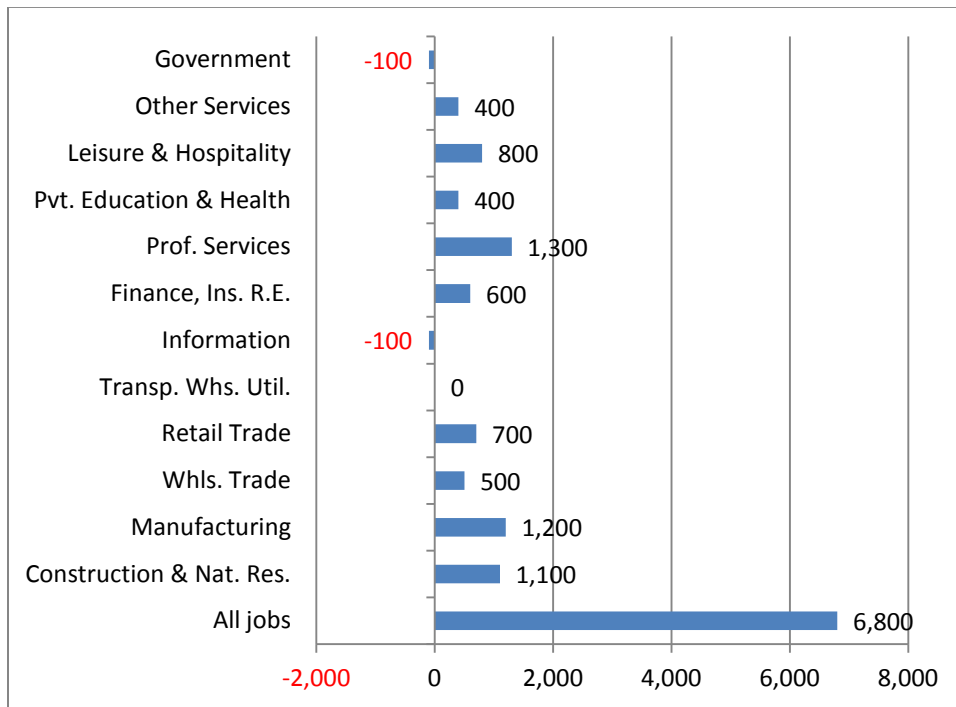


Figure 6: Clark County percent changes in jobs by sector, 2011 through 2013

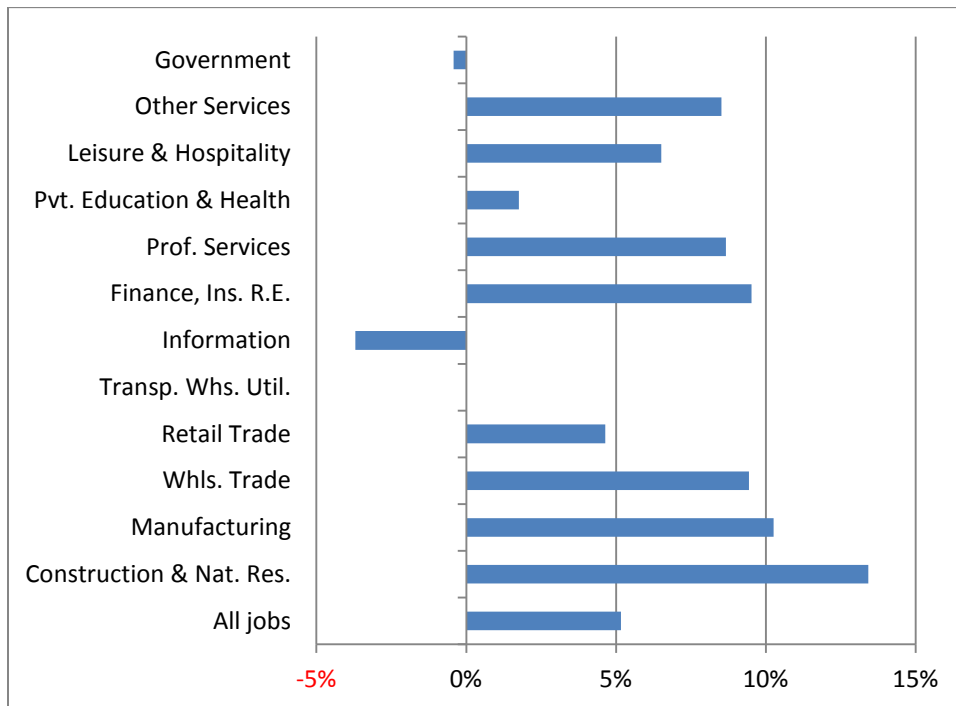


Figure 7: Multnomah County changes in number of jobs by sector, 2011 through 2013

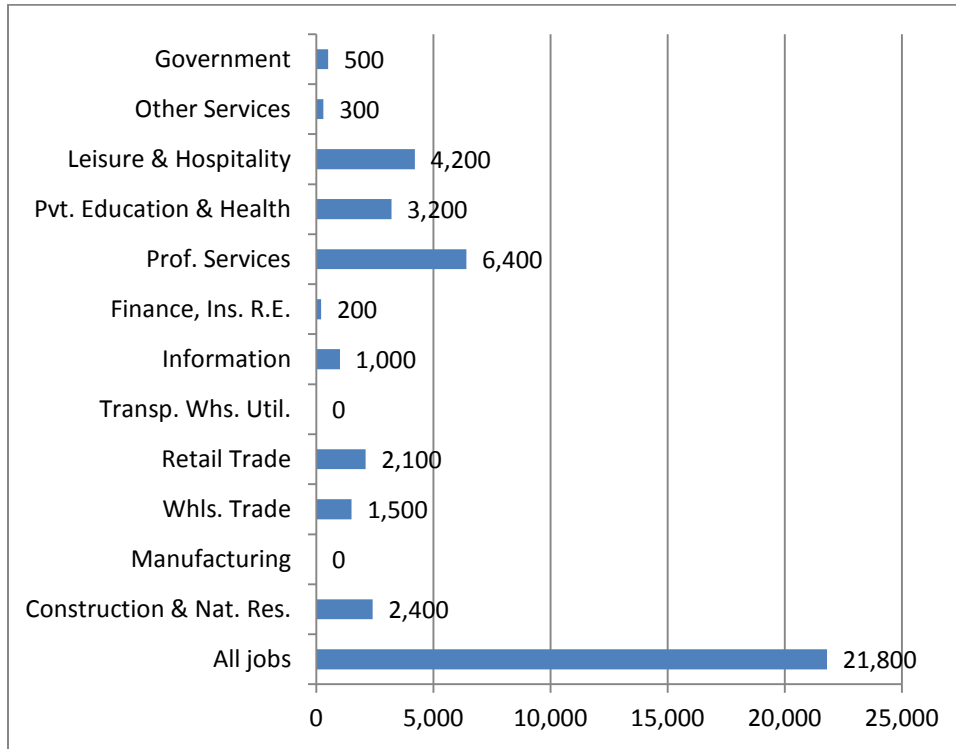


Figure 8: Multnomah County percent changes in jobs by sector, 2011 through 2013

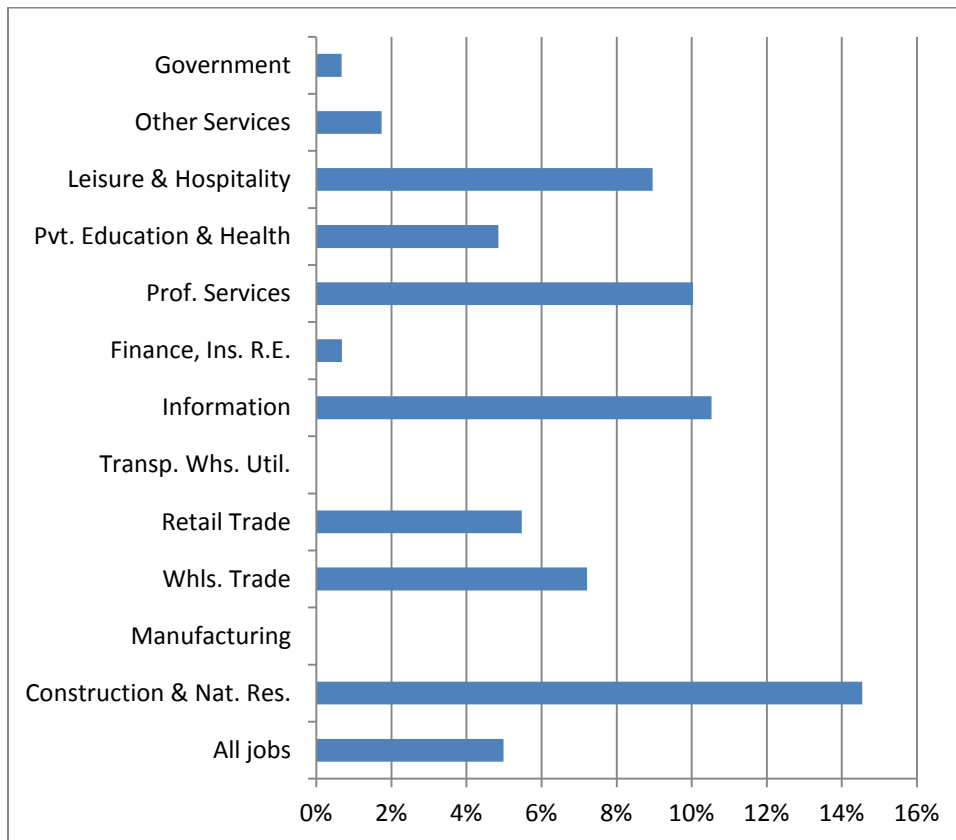


Figure 9: Washington County changes in number of jobs by sector, 2011 through 2013

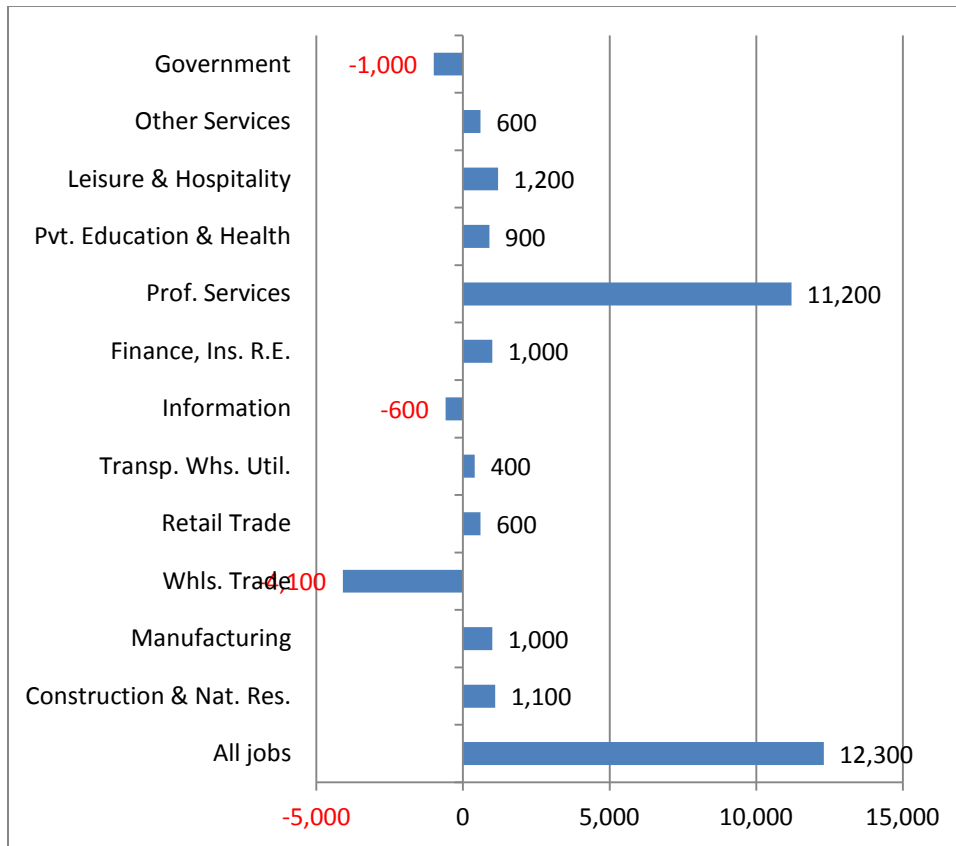
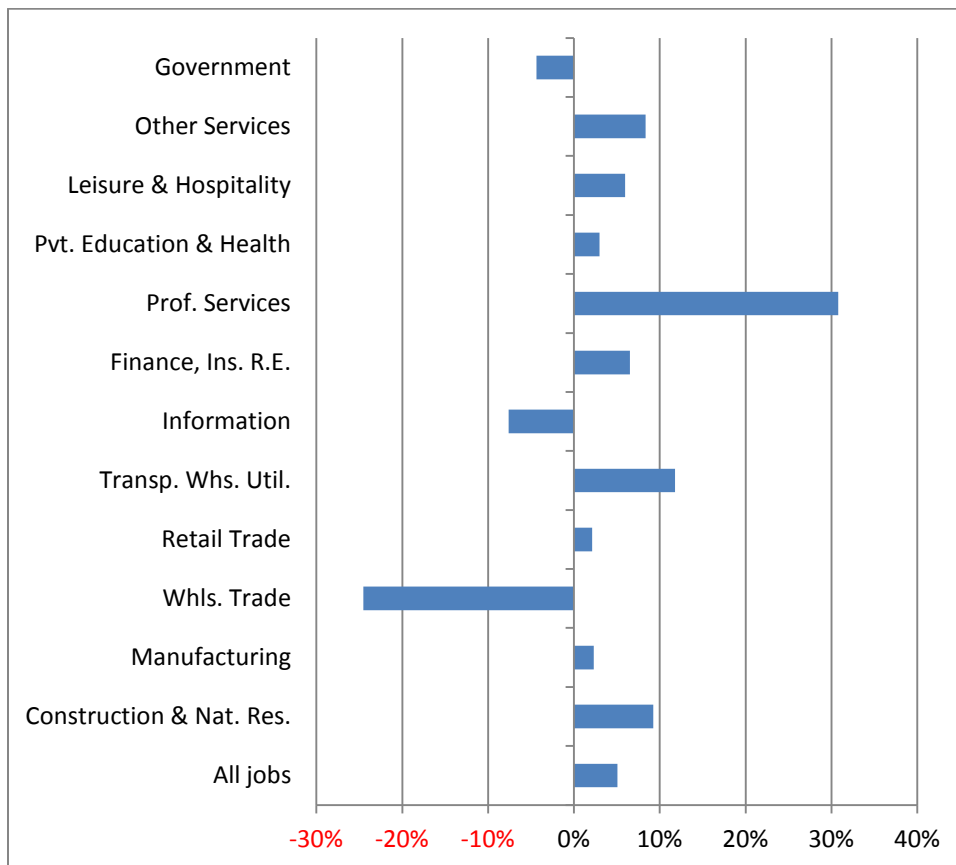


Figure 10: Washington County percent changes in jobs by sector, 2011 through 2013



Site Size and Tier Distribution by County

CLACKAMAS COUNTY	
Absorbed by the Market	0
Tier 1	2
25-49 acres	2
50-99 acres	0
100+ acres	0
Tier 2	1
25-49 acres	1
50-99 acres	0
100+ acres	0
Tier 3	1
25-49 acres	1
50-99 acres	0
100+ acres	0
TOTAL	4

MULTNOMAH COUNTY	
Absorbed by the Market	2
Tier 1	5
25-49 acres	3
50-99 acres	1
100+ acres	1
Tier 2	5
25-49 acres	2
50-99 acres	3
100+ acres	0
Tier 3	10
25-49 acres	8
50-99 acres	0
100+ acres	2
TOTAL	20

WASHINGTON COUNTY	
Absorbed by the Market	1
Tier 1	7
25-49 acres	5
50-99 acres	2
100+ acres	0
Tier 2	11
25-49 acres	8
50-99 acres	1
100+ acres	2
Tier 3	12
25-49 acres	9
50-99 acres	3
100+ acres	0
TOTAL	30

Rural Washington and Clackamas County, such as Banks, Canby, Molalla, and Estacada are not included in the inventory.

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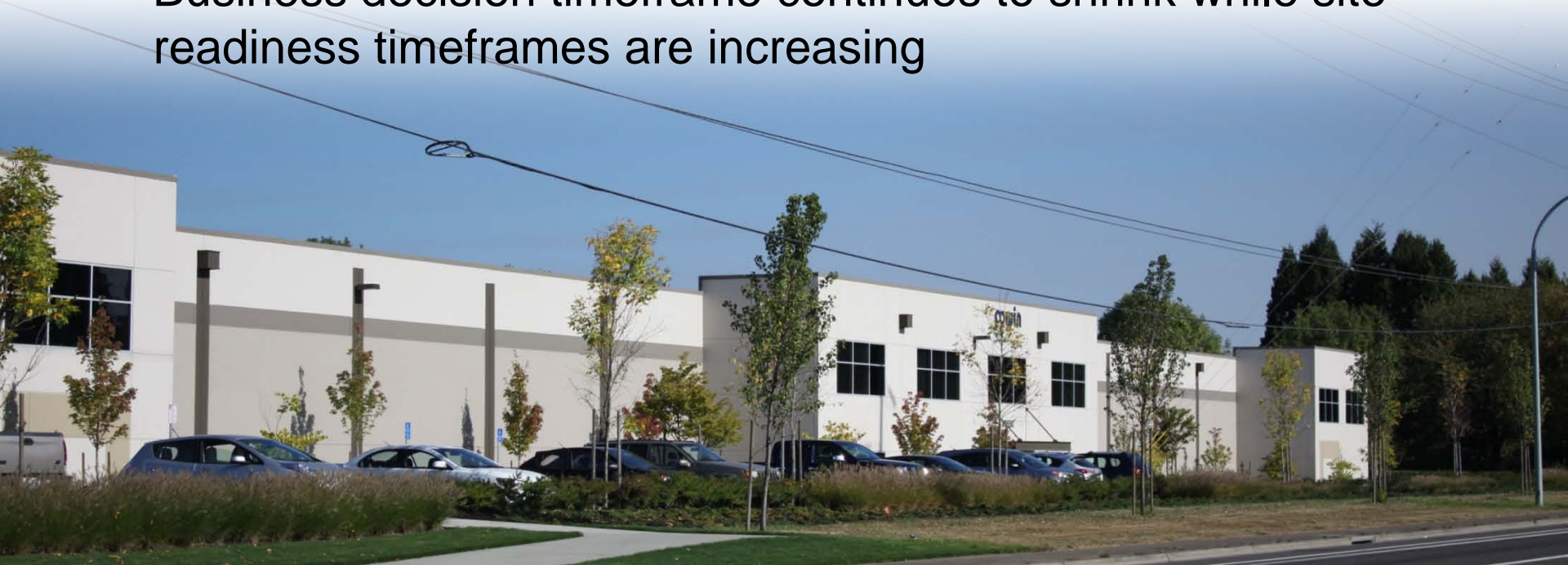
Update on Portland Metro Industrial Site Readiness Inventory

Metro Policy Advisory Committee
October 22, 2014

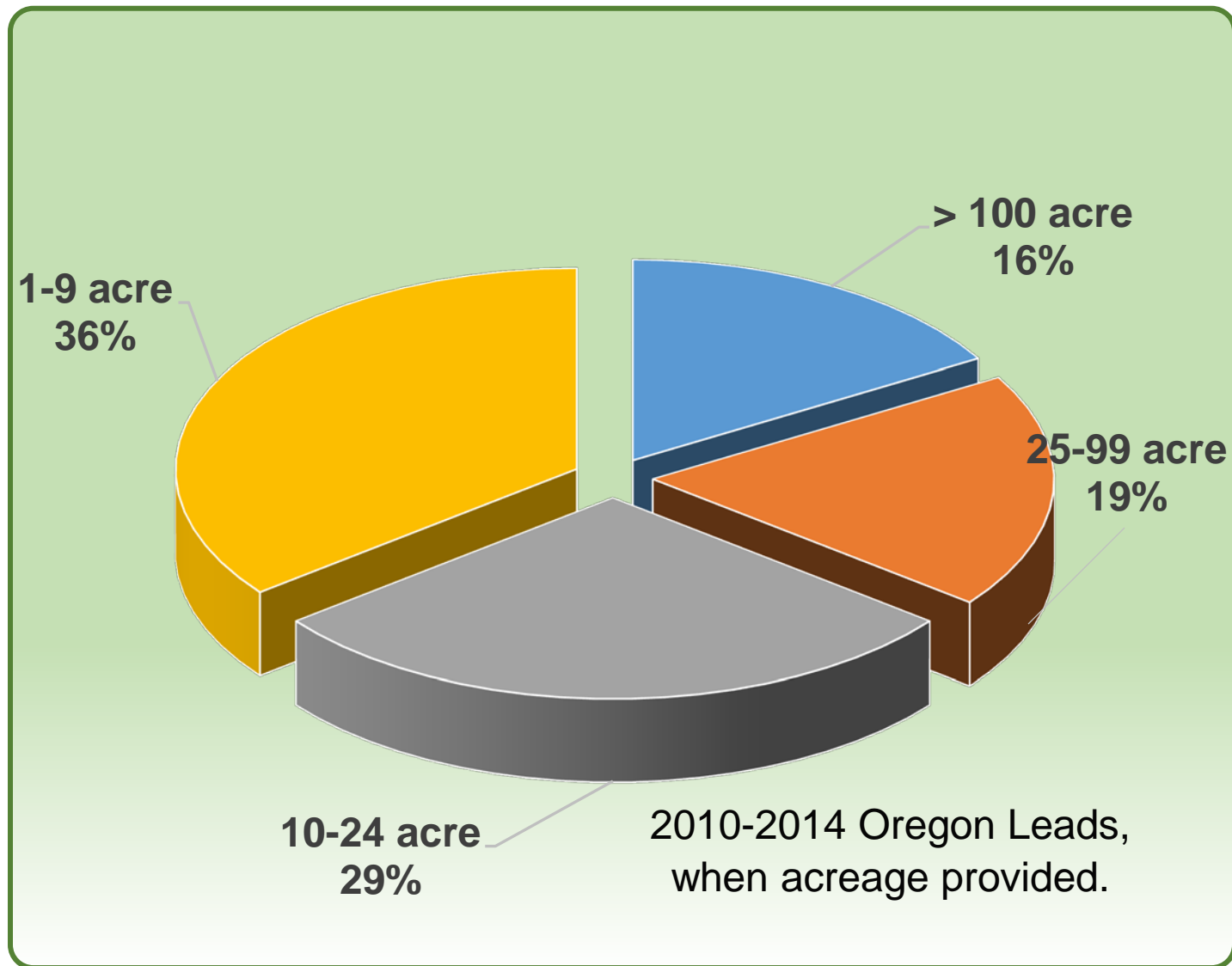


Industrial Land Supply

- Job creation and income growth are key to Oregon's economic prosperity
- Traded-sector jobs provide middle income jobs and sustainable funding for public services
- Competitive supply of large industrial sites is critical to capture opportunities of economic upturn
- Business decision timeframe continues to shrink while site readiness timeframes are increasing



Site Requirements – All Industries



Site Requirements by Industry

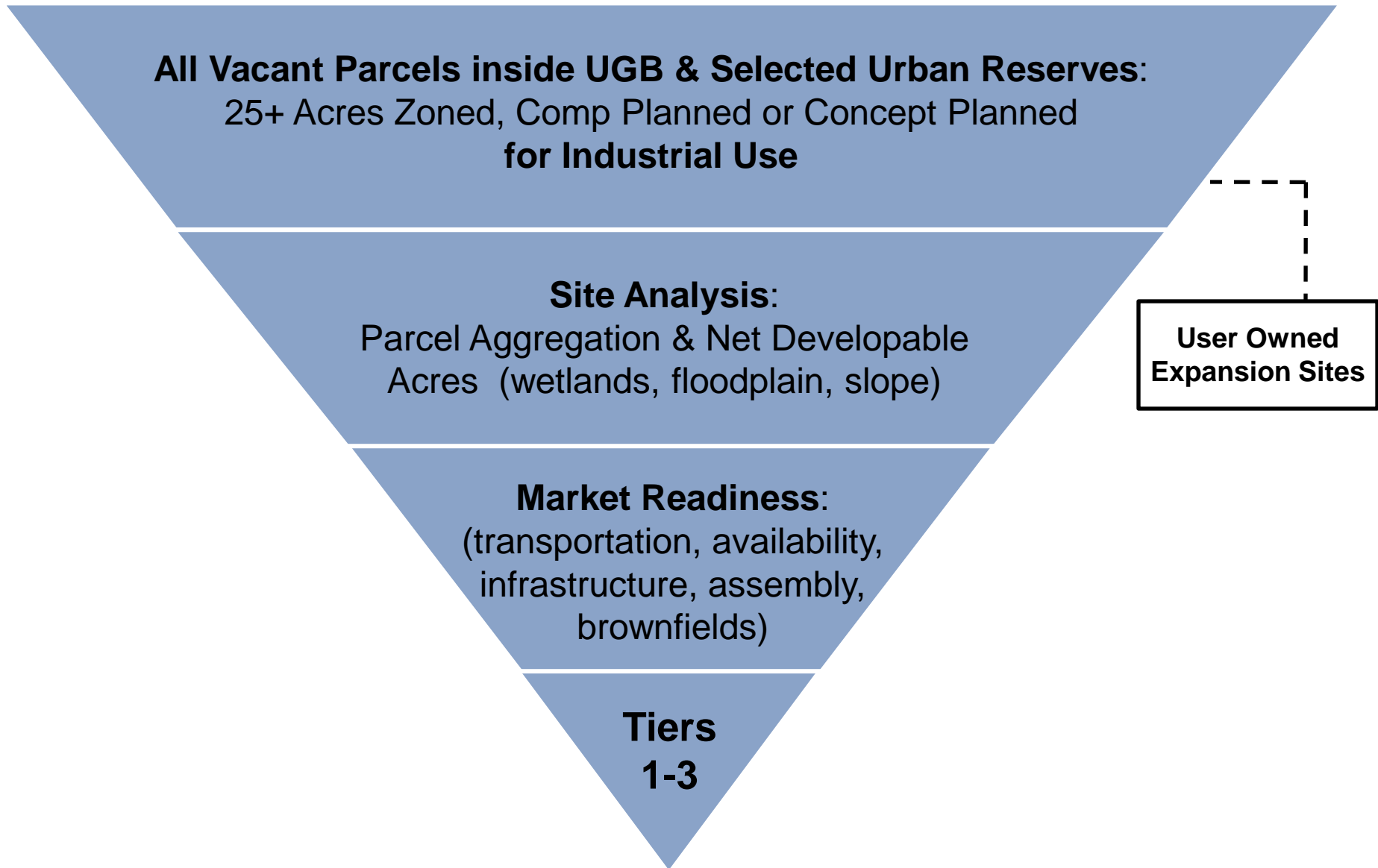
Opportunities by Industry Groups	Number of Opportunities	Largest Site Requirement	Smallest Site Requirement	Average Site Requirement
	(#)	(acre)	(acre)	(acre)
Service & Logistics	4	100	10	59.5
High Tech (including data centers)	10	308	5	74.8
Wood Products	3	100	15	71.7
Clean Tech (excluding solar)	13	300	1	11.4
Advanced Manufacturing - Other	16	400	1	19.5
Food Processing	17	100	2	16.9
Solar	22	250	1	27.5
Other (undisclosed)	4	300	6	10.3

Portland Metro Project

- Develop a market driven tool for determining the supply and readiness of large industrial sites within the Metro UGB
- Inform the work of policymakers regarding the availability of and the challenges facing industrial sites
- Lay the foundation for investments and actions to meet market demand and provide a regionally competitive environment for business expansion and recruitment



2014 Inventory Development



2014 Inventory Findings

54 industrial sites identified with 25+ net developable acres

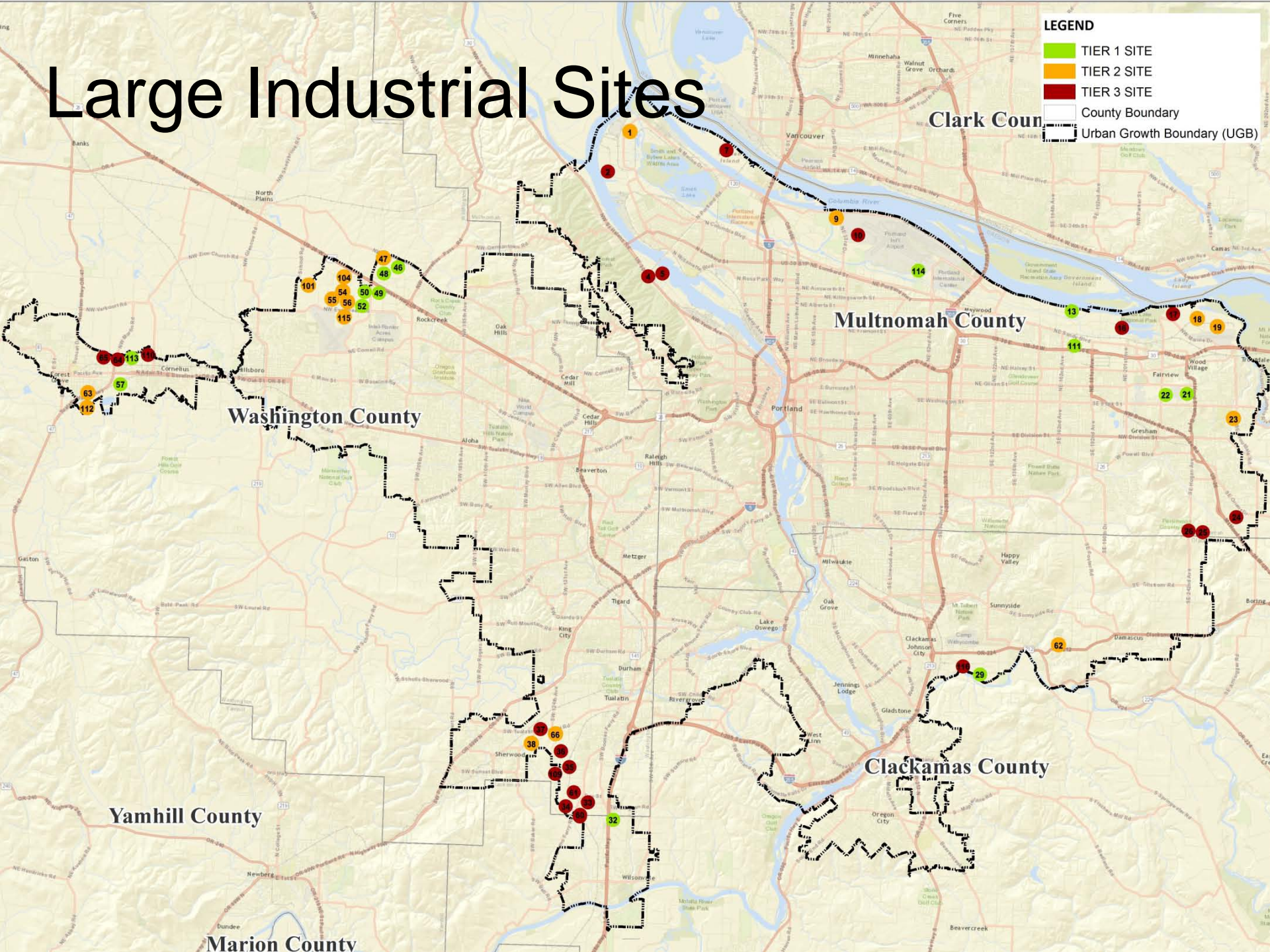
- **14 Tier 1 sites** (6 months to development-ready)
- **17 Tier 2 sites** (7 months to 2 ½ years to development-ready)
- **23 Tier 3 sites** (> 2 ½ years to development-ready)



Large Industrial Sites

LEGEND

- TIER 1 SITE
- TIER 2 SITE
- TIER 3 SITE
- County Boundary
- Urban Growth Boundary (UGB)



2014 Inventory Findings

- **7 sites added to the inventory**
 - 4 sites added due to state and local actions
 - 2 sites added as potential aggregation
 - 1 site added due to change in user designation
- **9 sites removed from the inventory**
 - 3 sites developed and projected to result in \$38 million in investments and 416 new jobs
 - 3 sites had state or local actions
 - 3 sites moved to user designated table due to program changes
- **11 sites upgraded a tier – 7 sites moved based on investments and actions**
 - 5 sites moved from Tier 2 to Tier 1
 - 6 sites moved from Tier 3 to Tier 2

Case Study – Site Absorbed by Market

Site 40: Pacific Realty in Tualatin

- Two 50,000 square foot buildings under construction by PacTrust
- \$9.5 million investment
- 275 projected distribution and logistics jobs
- Available in 2015



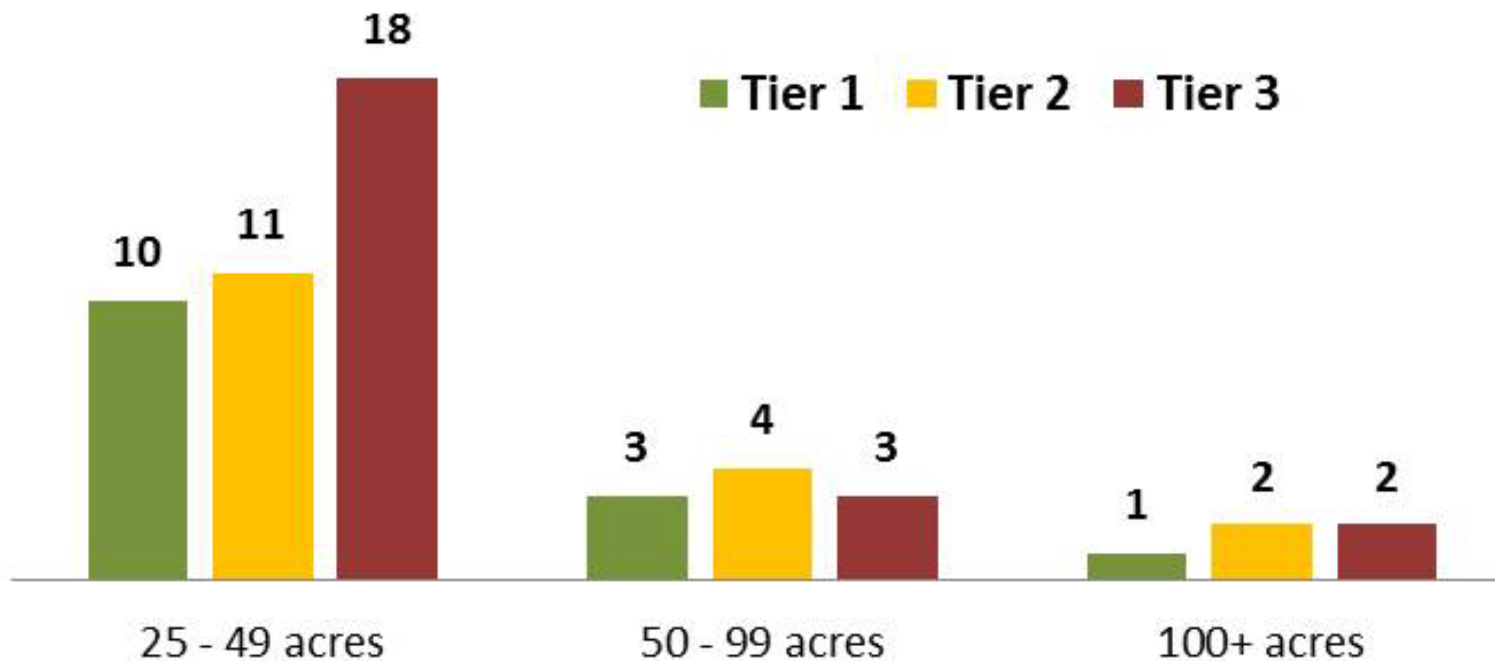
Case Study – Investment and Actions Upgrading Industrial Sites

Sites 18 and 19: Troutdale Reynolds Industrial Park Phase 2

- \$2.5 million in Port of Portland planning and design to permit the infrastructure for Phase 2
- \$8 million in regional transportation funding for local roads
- Available in 2016



Distribution of Sites by Tier & Size

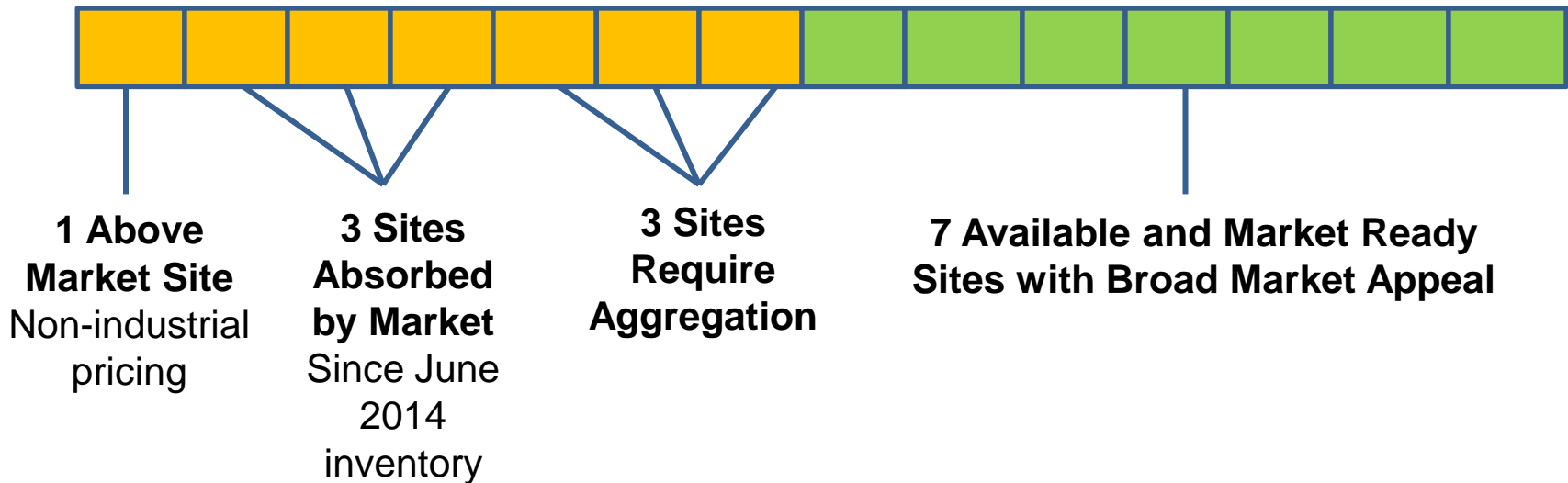


	2011 Inventory	2014 Inventory
Tier 1	9	14
Tier 2	16	17
Tier 3	31	23
Total	56 sites	54 sites

	2011 Inventory	2014 Inventory
25-49 acres	40	39
50-99 acres	9	10
100+ acres	7	5
Total	56 sites	54 sites

7 Tier 1 Sites with Broad Market Appeal

14 Tier 1 Sites



Tier 2 and 3 Development Constraints

	TOTAL
BROWNFIELD / CLEANUP	6
NATURAL RESOURCES	18
INFRASTRUCTURE (WATER, SEWER, STORM)	17
TRANSPORTATION	25
LAND ASSEMBLY	13
STATE/LOCAL ACTIONS	23
WILLINGNESS TO TRANSACT	10
NO:	6
UNKNOWN:	

Inventory Conclusions

- A focus on industrial site readiness is critical to keeping up with growing demand
- Positive impacts in site readiness resulting from investments and actions
- Supply of larger 50 acres + sites is most limited and will require coordinated focus and patience to acquire and develop



Conclusions - continued

- Multiple market-readiness constraints for Tier 2 and Tier 3 industrial sites in the region's buildable land inventory
 - 30% require aggregation
 - 50% require state and local actions
 - Over 40% have infrastructure constraints
 - Over 45% have natural resource constraints
 - Over 60% have transportation constraints
 - 3 industrial sites located in the Portland Harbor Superfund
- Sustained effort and new strategies will be required to bring these sites to market and produce the jobs and investments needed to help our region prosper

Other Work Supporting Industrial Site Readiness and Development

- Governor's Regional Solutions Team
- Washington County Site Assessments
- Clackamas Regionally Significant Employment Land Assessments
- Industrial Site Readiness Program
- Brownfield Coalition
- Large Site Recruitment Strategy



Desired Outcomes

- Create market-ready industrial land base for middle income jobs in the Metro UGB
- Support projected population and job growth for the region
- Provide a sustainable tax base critical to public services



2014 UGR Implications

- Draft UGR identifies a surplus of large industrial sites inside the UGB
 - 20-year supply 53 of the 54 large industrial sites in inventory (25 user held sites)
 - 20-year demand for 8 to 34 large industrial sites
 - Market absorption of 6 large sites between 2011 and 2014 indicates demand may be at the higher end of the range
- Supply of market-ready, 50+ acres industrial sites more limited
 - 20-year demand for 3 to 12 larger sites
 - Of 15 larger sites in inventory, 13 sites require aggregation
- 20-year jobs forecast only works if industrial lands are market ready
 - Focus on market readiness actions and investments needs to continue
- Important to track planning aspirations with market reality
 - Inventories provide data points for tracking our progress
- Include industrial site readiness inventory in 2014 UGR appendix and analyses used in future UGR updates
- Reference importance of policy focus on site readiness in Metro Council resolution on UGR



Policy Questions and Work Ahead

- How do we as a region ensure we have a market-ready supply of industrial land in a diversity sizes, locations and types?
- What tools do we need to ensure our buildable land supply is available to the market?
- How do we create an environment that promotes traded-sector industries which provide middle wage jobs and offer pathways for our residents without college degrees?
- How do we use the region's site readiness work to focus investments and actions needed to realize our vision for a Prosperous Region?



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