

# Metro | *Agenda*

Meeting: Metro Council  
Date: Thursday, November 5, 2015  
Time: 2:00 p.m.  
Place: Metro Regional Center, Council Chamber

**REVISED 10/29/15**

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## **CALL TO ORDER AND ROLL CALL**

- 1. CITIZEN COMMUNICATION**
- 2. CONSIDERATION OF COUNCIL MEETING MINUTES FOR OCTOBER 29, 2015**
- 3. PUBLIC HEARING**
- 3.1 Ordinance No. 15-1361, For the Purpose of Adopting the 2014 Urban Growth Report and Complying with Regional Growth Management Requirements Under ORS 197.299 and Statewide Planning Goal 14**  
**John Williams, Metro**  
**Ted Reid, Metro**  
**Roger Alfred, Metro**
- 4. CHIEF OPERATING OFFICER COMMUNICATION**
- 5. COUNCILOR COMMUNICATION**

**ADJOURN**

**Television schedule for November 5, 2015 Metro Council meeting**

<p><b>Clackamas, Multnomah and Washington counties, and Vancouver, WA</b>          Channel 30 – Community Access Network  <i>Web site:</i> <a href="http://www.tvctv.org">www.tvctv.org</a>  <i>Ph:</i> 503-629-8534          Call or visit web site for program times.</p>	<p><b>Portland</b>          Channel 30 – Portland Community Media  <i>Web site:</i> <a href="http://www.pcmtv.org">www.pcmtv.org</a>  <i>Ph:</i> 503-288-1515          Call or visit web site for program times.</p>
<p><b>Gresham</b>          Channel 30 - MCTV  <i>Web site:</i> <a href="http://www.metroeast.org">www.metroeast.org</a>  <i>Ph:</i> 503-491-7636          Call or visit web site for program times.</p>	<p><b>Washington County and West Linn</b>          Channel 30– TVC TV  <i>Web site:</i> <a href="http://www.tvctv.org">www.tvctv.org</a>  <i>Ph:</i> 503-629-8534          Call or visit web site for program times.</p>
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ការគោរពសិទ្ធិពលរដ្ឋរបស់ ។ សំរាប់ព័ត៌មានអំពីកម្មវិធីសិទ្ធិពលរដ្ឋរបស់ Metro ឬដើម្បីទទួលបានក្បួនលំអររើសអើងសម្រាប់សេវាកម្មរបស់ [www.oregonmetro.gov/civilrights](http://www.oregonmetro.gov/civilrights)។  
បើលោកអ្នកត្រូវការការបកប្រែភាសានៅពេលអង្គប្រជុំសាធារណៈ សូមទូរស័ព្ទមកលេខ 503-797-1890 (ម៉ោង 8 ព្រឹកដល់ម៉ោង 5 ល្ងាច ថ្ងៃធ្វើការ) ប្រាំពីរថ្ងៃ ថ្ងៃធ្វើការ មុនថ្ងៃប្រជុំដើម្បីអាចឲ្យគេសម្រួលតាមសំណើរបស់លោកអ្នក ។

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Agenda Item No. 2.0

Consideration of Council Meeting Minutes on October 29, 2015

*Consent Agenda*

Metro Council Meeting  
Thursday, November 5, 2015  
Metro Regional Center, Council Chamber

Agenda Item No. 3.1

**Ordinance No. 15-1361**, For the Purpose of Adopting the 2014  
Urban Growth Report and Complying with Regional Growth  
Management Requirements Under ORS 197.299 and Statewide  
Planning Goal 14

*Public Hearing*

Metro Council Meeting  
Thursday, November 5, 2015  
Metro Regional Center, Council Chamber

BEFORE THE METRO COUNCIL

FOR THE PURPOSE OF ADOPTING THE	)	ORDINANCE NO. 15-1361
2014 URBAN GROWTH REPORT AND	)	
COMPLYING WITH REGIONAL GROWTH	)	Introduced by Martha J. Bennett, Chief
MANAGEMENT REQUIREMENTS UNDER	)	Operating Officer, with the concurrence of
ORS 197.299 AND STATEWIDE PLANNING	)	Tom Hughes, Council President
GOAL 14	)	

WHEREAS, state law requires Metro to assess the capacity of the urban growth boundary (UGB) on a periodic basis and, if necessary, to increase the region’s capacity for housing and employment for the next 20 years; and

WHEREAS, to accomplish that task, Metro has prepared the 2014 Urban Growth Report (UGR), which forecasts the likely range of population and employment growth in the region to the year 2035; and

WHEREAS, the UGR also assesses the capacity of the UGB for housing and employment, assuming continuation of existing local and regional plans, policies and investment strategies, and concludes that there is sufficient land capacity in the region for the next 20 years; and

WHEREAS, Metro released the UGR in draft form in July 2014 after more than a year of technical engagement with a working group of public and private sector experts; and

WHEREAS, after making some modifications to the draft UGR based on comments from stakeholders, in December 2014 the Metro Council accepted the draft UGR via Metro Resolution No. 14-4582 as a preliminary step toward formal adoption of the final UGR in 2015; and

WHEREAS, in Resolution No. 14-4582 the Metro Council identified certain policy components of the draft UGR warranting further discussion prior to adoption in 2015, including the likelihood of projected residential development in urban centers, the likelihood of development in the City of Damascus, and consideration of the range forecast for population and employment growth; and

WHEREAS, between February and June of 2015 the Metro Council and the Metro Policy Advisory Committee (MPAC) devoted multiple meetings to the policy components identified for further discussion in Resolution No. 14-4582; and

WHEREAS, after further discussion with MPAC and stakeholders, including a joint meeting with the Damascus City Council, the Metro Council concludes that the amount of land assumed to be developable in the City of Damascus should be reduced as described in the Recommendations to the Metro Council from Metro’s Chief Operating Officer dated July 2015 (COO Recommendations) and as reflected in the corresponding revisions to the UGR; and

WHEREAS, after further discussion with MPAC and stakeholders, the Metro Council concludes that current city and county comprehensive plans and codes provide the region with sufficient capacity to accommodate projected housing and job growth inside the existing UGB; and

WHEREAS, the COO Recommendations advise the Metro Council to select the midpoint of the forecast range for population and employment growth in the next 20 years, a point which presents the highest statistical probability of accuracy; and

WHEREAS, the work required to finalize the region's urban and rural reserve designations is ongoing, and will not be complete and acknowledged by the end of the current growth management cycle in 2015; and

WHEREAS, the rate and scale of development in the region has significantly increased in the last two years, suggesting movement out of the recession and into a new economic cycle; and

WHEREAS, the Metro Council believes the region would benefit from undertaking a new UGR analysis within the next three years, sooner than required under state law, in order to reassess the capacity of the UGB given current development trends and the possible disincorporation of the City of Damascus; and

WHEREAS, the Metro Council agrees with and accepts the COO Recommendations; now therefore,

THE METRO COUNCIL ORDAINS AS FOLLOWS:

1. The 2014 Urban Growth Report, attached as Exhibit A, is hereby adopted as support for the Metro Council's conclusion that there is no need to expand the Metro UGB as part of the current growth management cycle under ORS 197.299 and Goal 14.
2. The Metro Council selects the midpoint of the forecast range for population and employment growth, as expressed in the revised housing and employment figures described in the COO Recommendations and incorporated into the adopted UGR.
3. The Metro Council directs Metro staff to produce a new draft urban growth report within three years from the date of this ordinance.
4. Metro staff is directed to continue working with Clackamas County and Multnomah County to finalize urban and rural reserve designations and to seek acknowledgement of reserves from the Land Conservation and Development Commission as soon as possible.
5. Metro will work with its regional partners to explore possible improvements to the region's growth management process.
6. Metro staff is directed to monitor and report on housing and job trends on an ongoing basis, including implementation of the Regional Snapshots program, and to work with regional partners to increase knowledge about housing market preferences through additional market research and analysis.
7. The Metro Council directs Metro staff to provide, beginning in early 2016, updates to MPAC and the Metro Technical Advisory Committee on work programs and timelines for accomplishing clauses three, four, five and six.

8. The Findings of Fact and Conclusions of Law in Exhibit B, attached and incorporated into this ordinance, are adopted to explain how this ordinance is consistent with state law and applicable Metro policies.

ADOPTED by the Metro Council this \_\_\_\_ day of November 2015.

\_\_\_\_\_  
Tom Hughes, Council President

Attest:

Approved as to Form:

\_\_\_\_\_  
Alexandra Eldridge, Recording Secretary

\_\_\_\_\_  
Alison R. Kean, Metro Attorney



# 2014 URBAN GROWTH REPORT

*Investing  
in our  
communities  
2015 – 2035*



## Exhibit A to Ordinance No. 15-1361

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.

#### **Metro Council President**

Tom Hughes

#### **Metro Councilors**

Shirley Craddick, District 1

Carlotta Collette, District 2

Craig Dirksen, District 3

Kathryn Harrington, District 4

Sam Chase, District 5

Bob Stacey, District 6

#### **Auditor**

Brian Evans




# Metro

*Making a great place*

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To learn more about the growth management decision and the urban growth report, visit [\*\*oregonmetro.gov/growth\*\*](http://oregonmetro.gov/growth)

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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.

## WORKING TOGETHER

### 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.

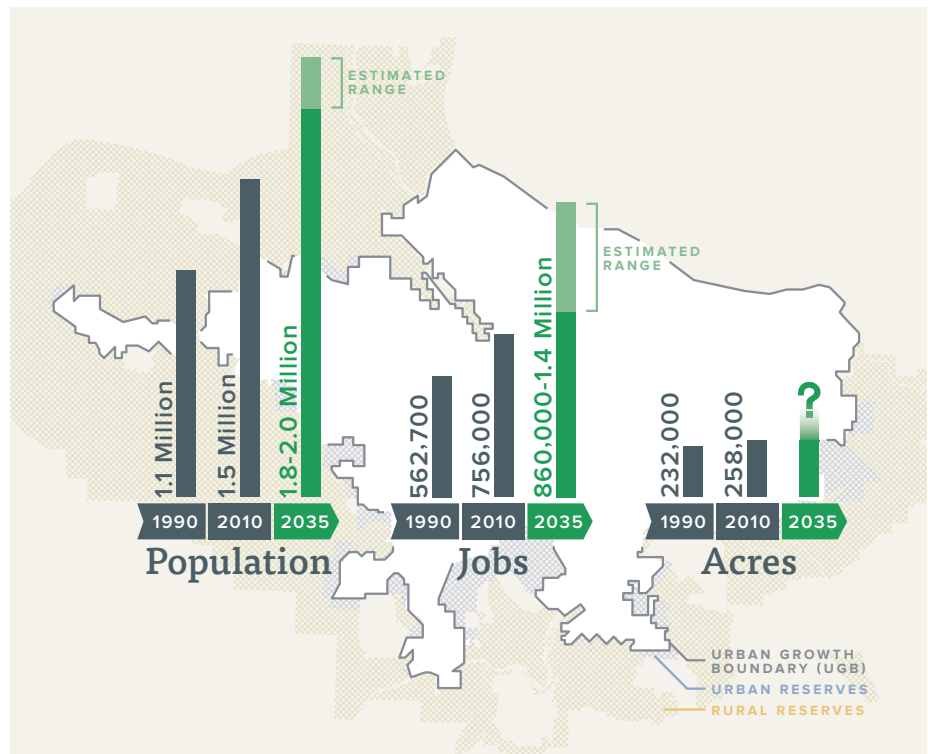
The population and employment range forecasts in the urban growth report help inform Metro, local jurisdictions, and other public and private sector partners as they consider new policies, investments, and actions to maintain the region’s quality of life and promote prosperity.

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.<sup>i</sup> 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.<sup>ii</sup> 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.

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## 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.

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## 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

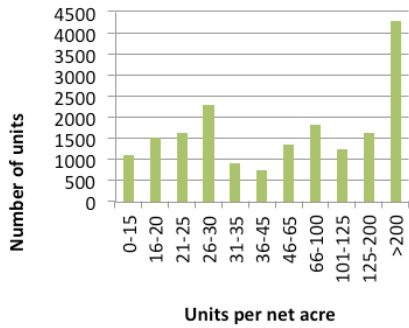


FIGURE 1 Net new multifamily units by density inside UGB (built 2007-2012)

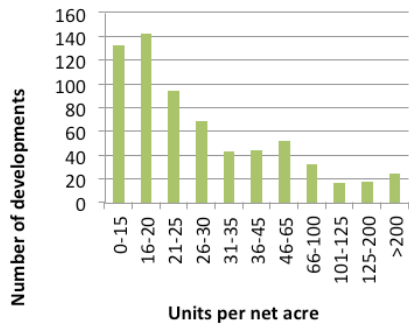
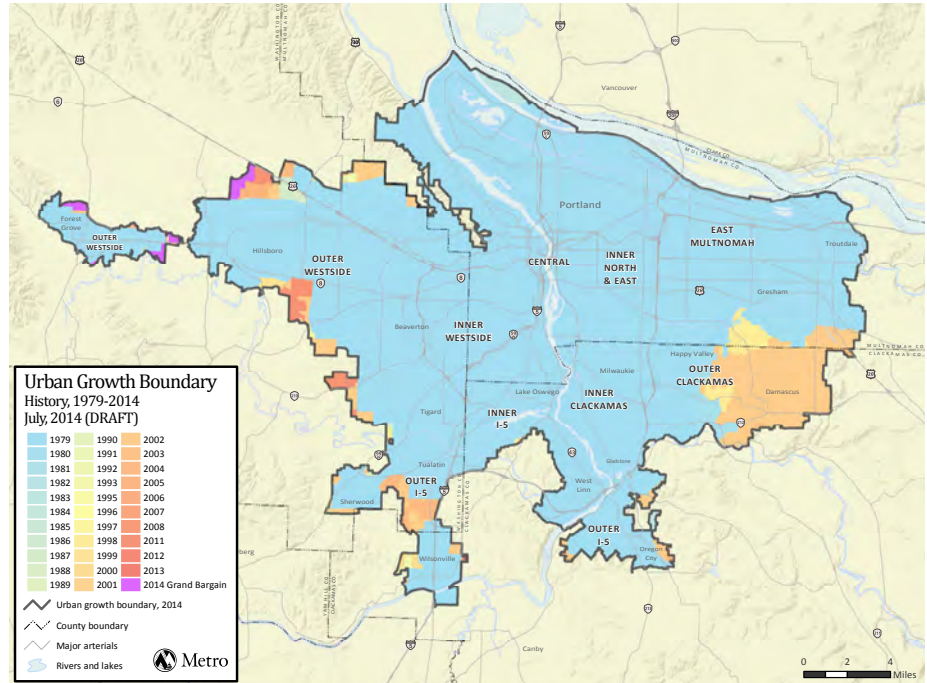


FIGURE 2 Net new multifamily developments by density inside UGB (built 2007-2012)



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.



### Exhibit A to Ordinance No. 15-1361

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

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## Policy considerations

### HEALTHY DEBATE AND INFORMED DECISION-MAKING

Though this report strives for completeness, balance, and accuracy, there is always room for debate. Having engaged in those discussions, the Metro Council uses this report to inform its urban growth management decision. 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.

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### 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.

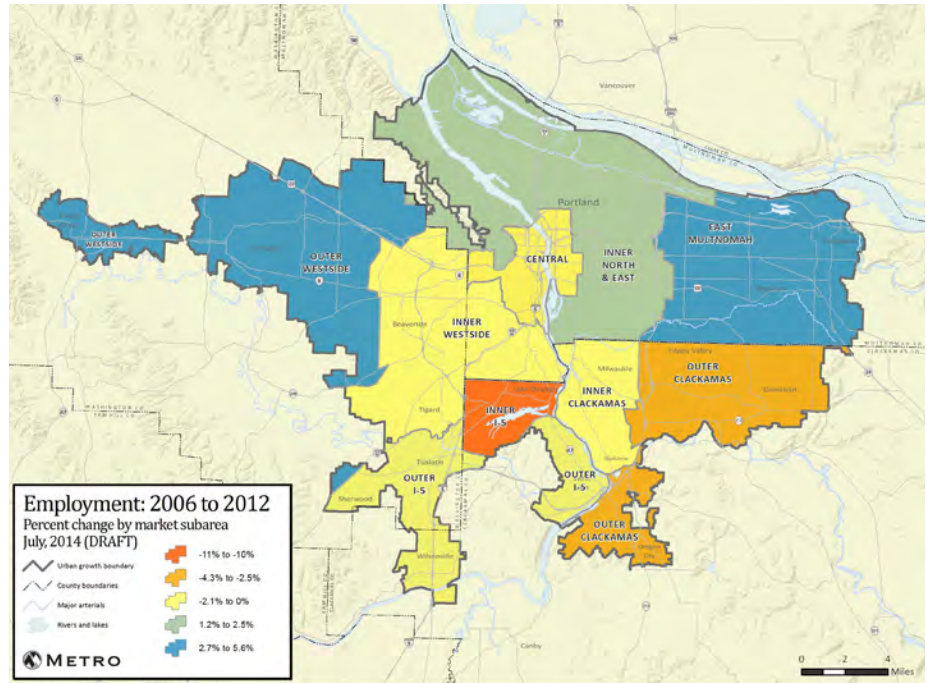
Working together, we can:

- 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.

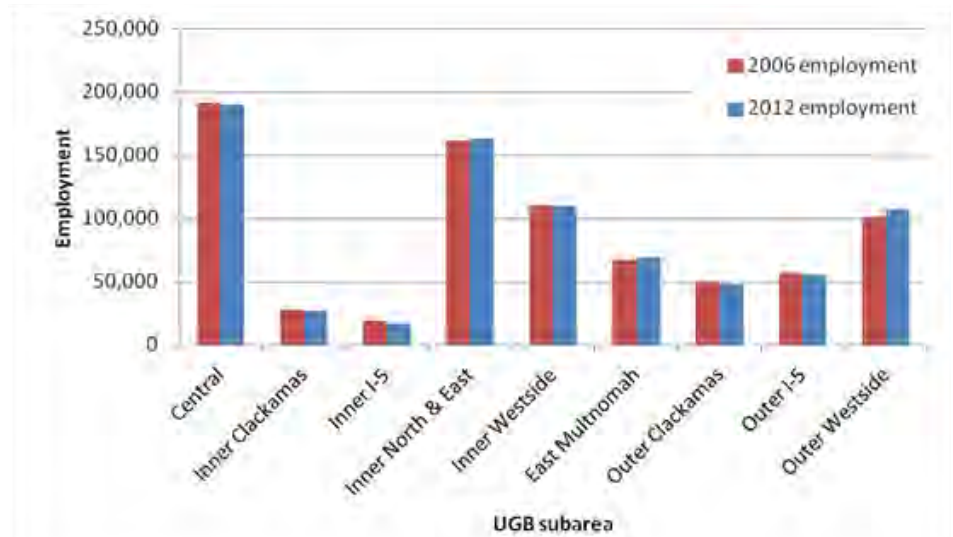


Figure 3 Total employment by subarea for 2006 and 2012



### ***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**

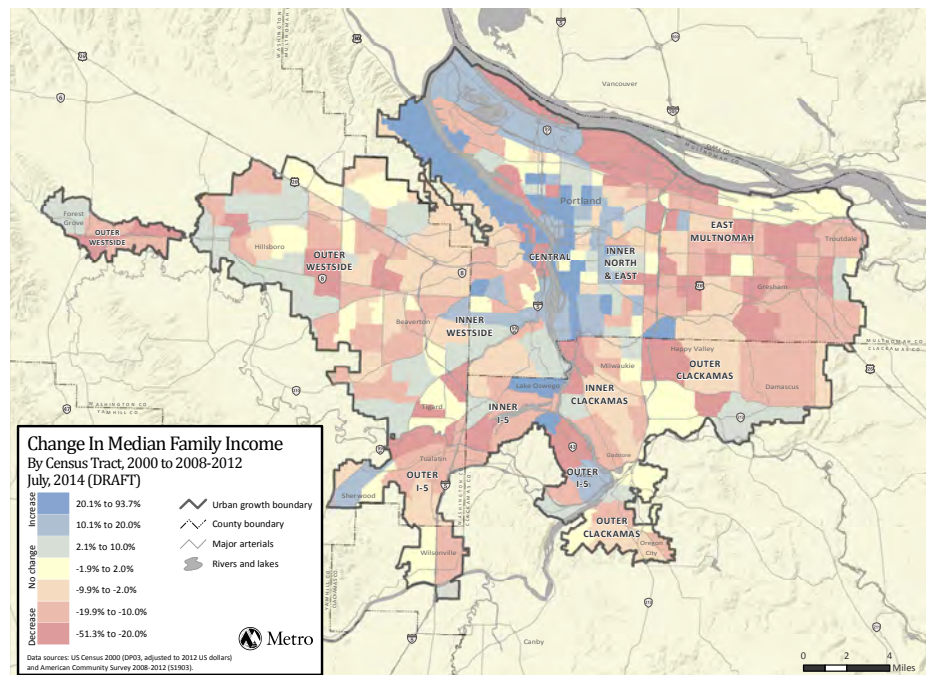
**OPPORTUNITIES FOR WORKFORCE HOUSING**

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):<sup>iii</sup>

- 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.



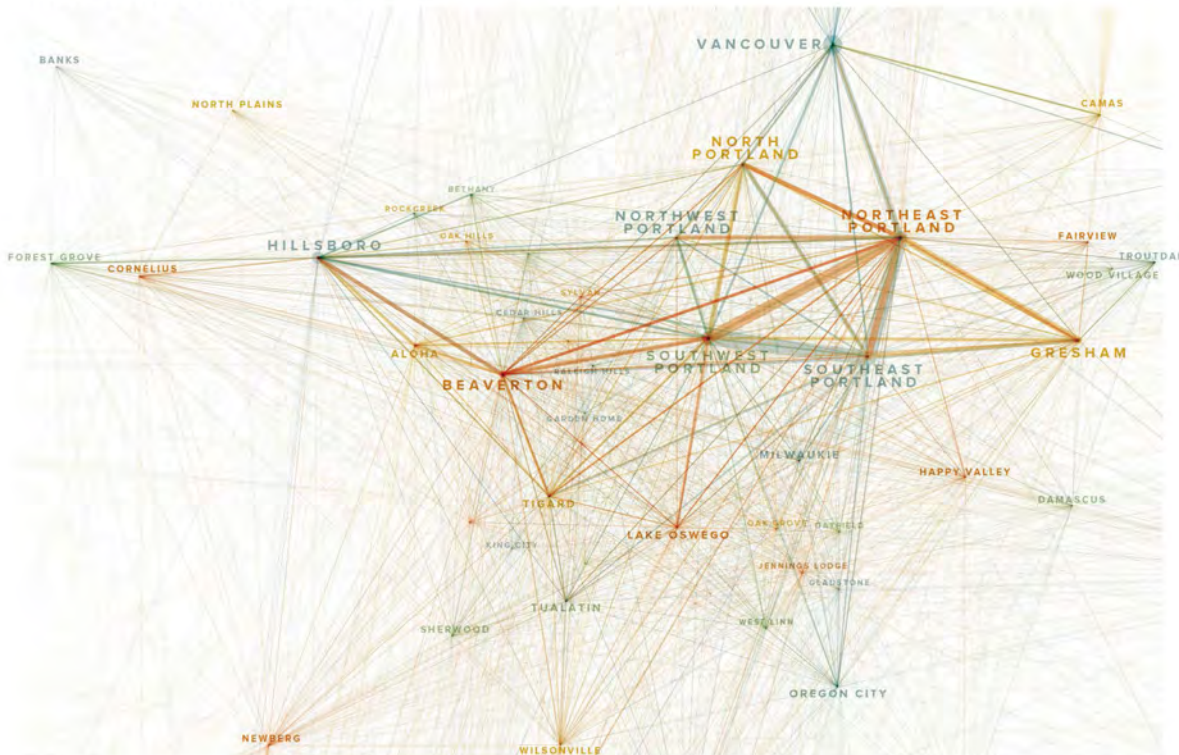
### Policy considerations

#### 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

**Policy considerations****MANAGING UNCERTAINTY**

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

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

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

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

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

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

To “show our work” and to understand our region in its economic context, this analysis starts with a forecast for the larger seven-county Portland/Vancouver/Hillsboro metropolitan area.<sup>2</sup> 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.

<sup>2</sup> 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.

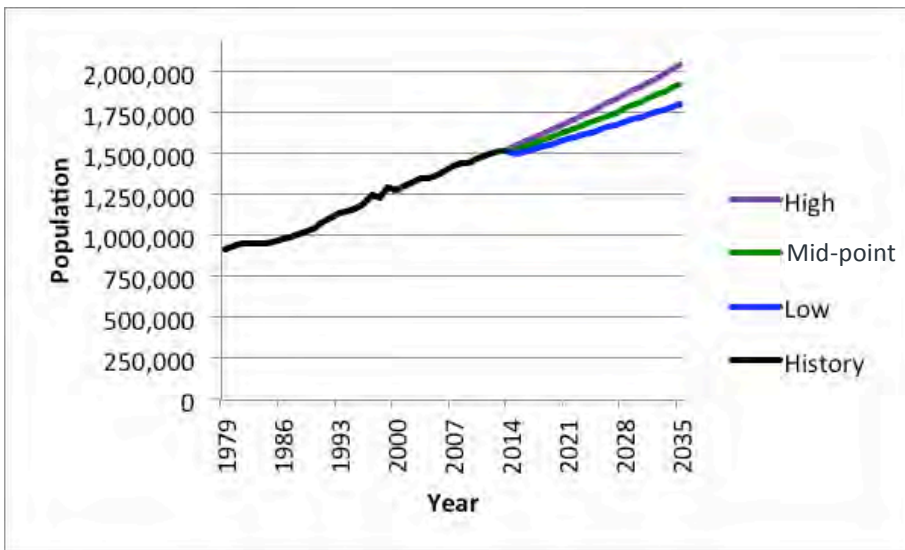


Figure 4 Population history and forecast for Metro UGB 1979 - 2035

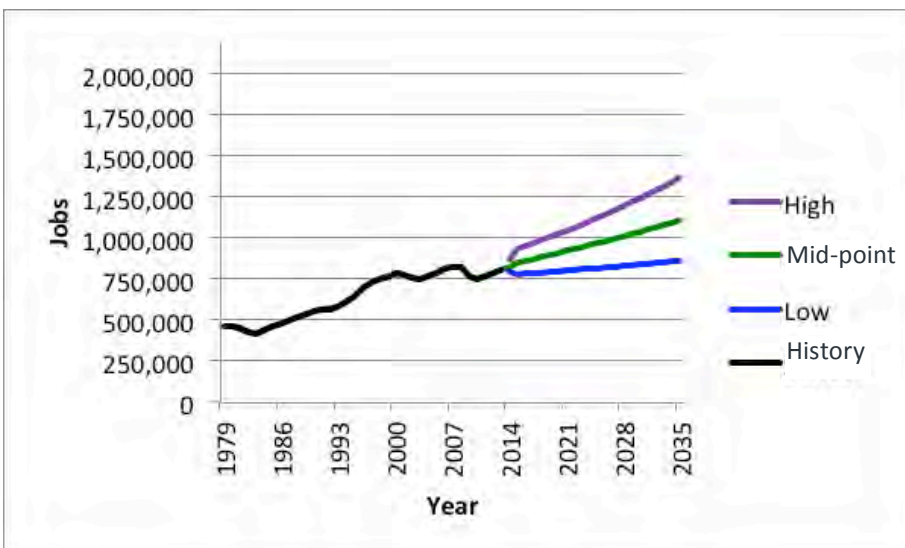


Figure 5 Employment history and forecast for Metro UGB, 1979-2035

## 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.

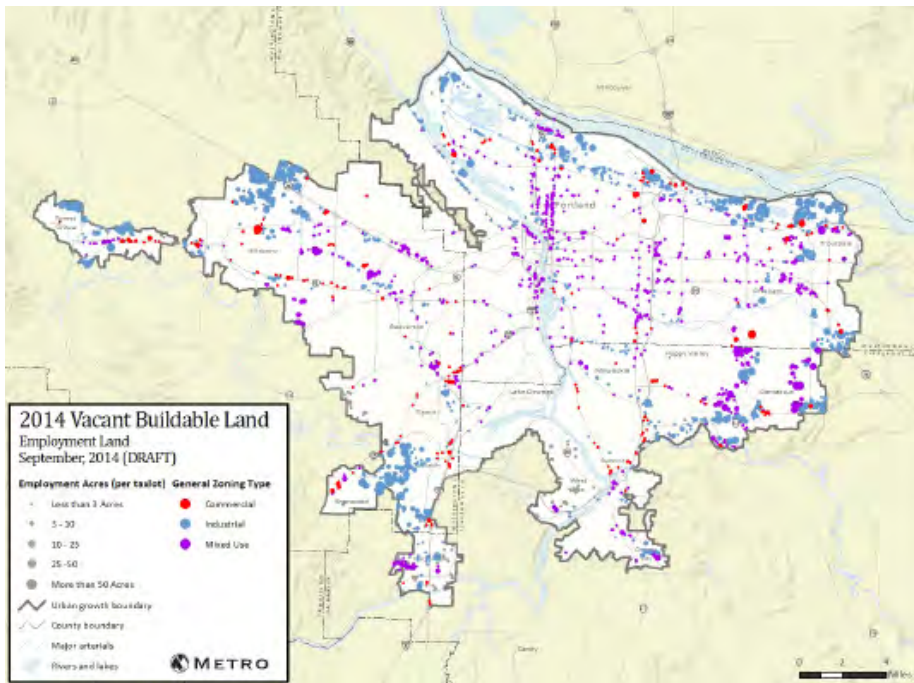
To analyze the region's growth capacity, detailed aerial photos of all the land inside the urban growth boundary were taken. Factoring in current adopted plans and zoning designations, the photos were used to determine which parcels of land were developed and which were vacant. Methodologies for assessing 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.

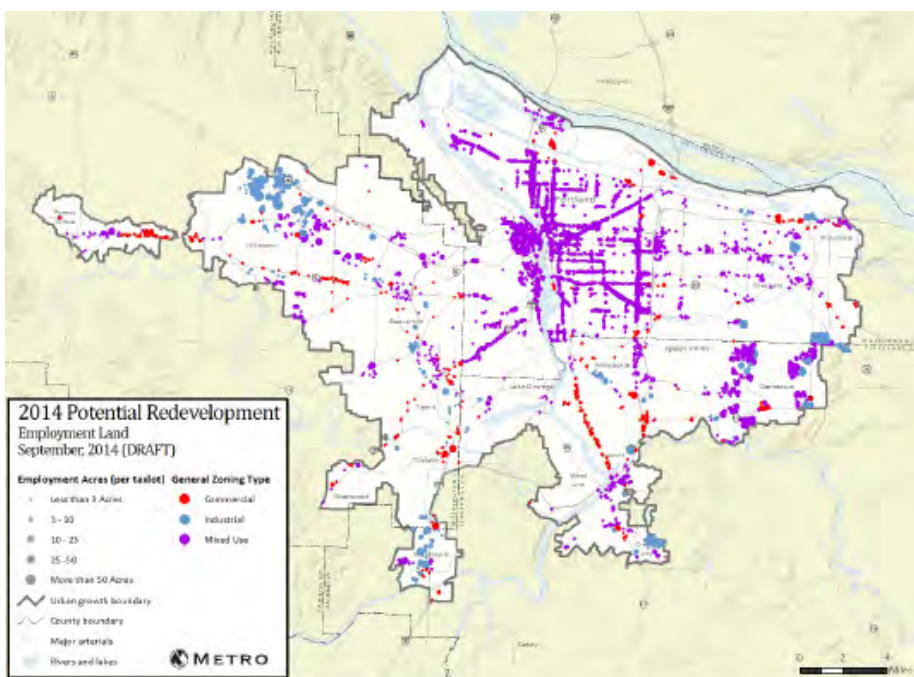


## ESTIMATING RESIDENTIAL GROWTH CAPACITY

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)

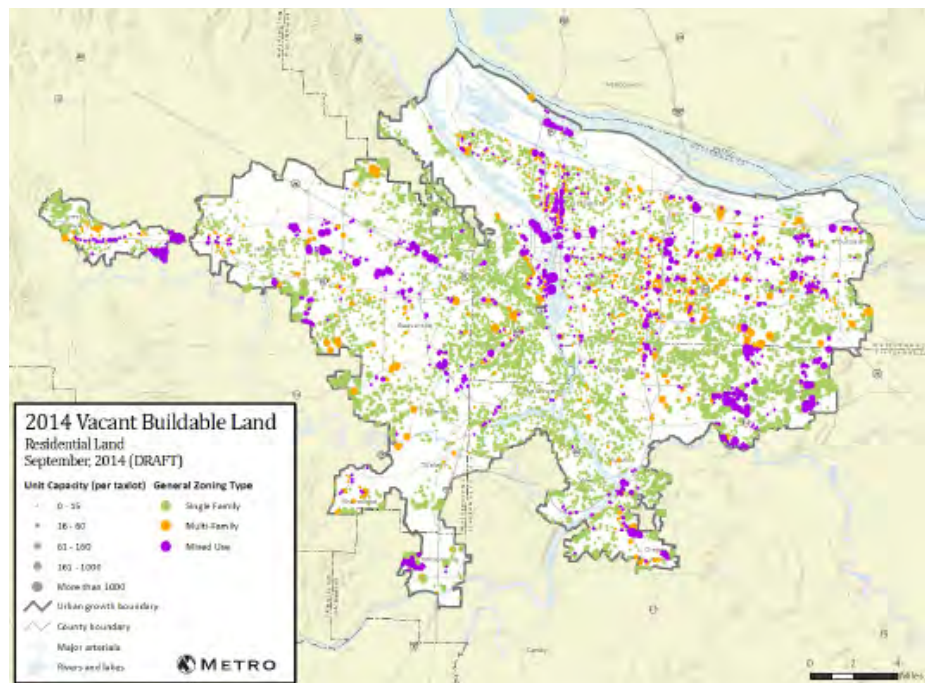


**Map 5** Employment infill and redevelopment candidate tax lots (reviewed by local jurisdictions)

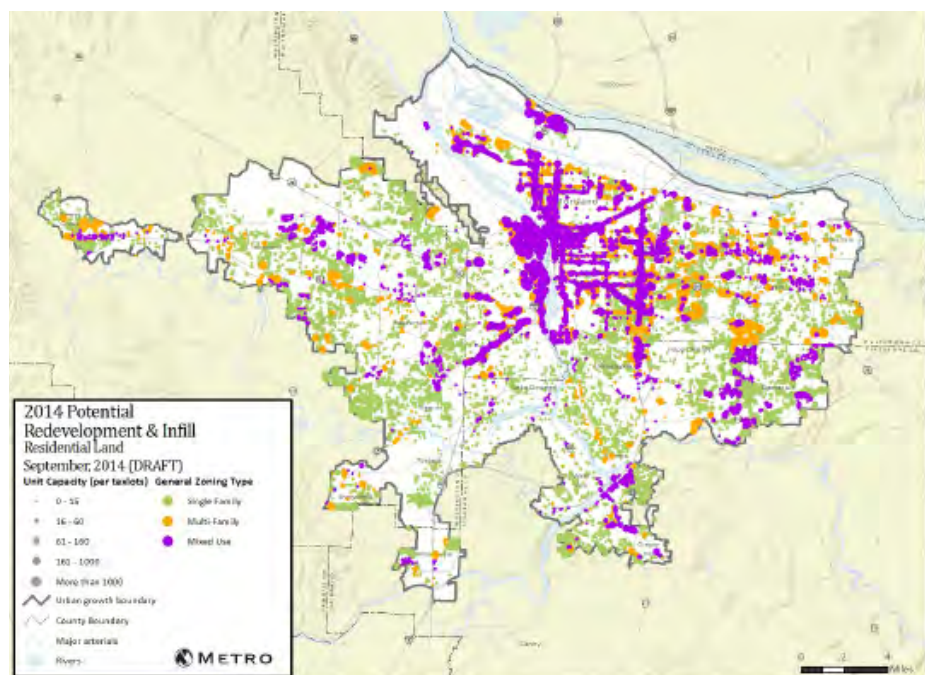
**Exhibit A to Ordinance No. 15-1361**

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, 68 percent of new households are expected to include just one or two people.

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## **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.

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**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. In May 2015, the Metro Council and the Damascus City Council held a joint work session to talk about the future of the city. Based on direction provided through that meeting, the UGR’s final analysis reflects the likelihood that the City of Damascus will disincorporate and that Happy Valley will annex portions of the area. From a regional urban growth management perspective, disincorporation of the city could lead to slightly less household growth inside the Metro UGB, with a bit more occurring in neighboring jurisdictions, particularly Clark County, Washington. Additional details about this analysis can be found in Appendix 15.

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.<sup>3</sup>

**Single-family dwelling units**

	<b>Buildable land inventory</b>	<b>Market-adjusted supply</b>	<b>Market-adjusted demand</b>	<b>Surplus/need</b>
Low growth forecast	<b>113,200</b>	75,900	64,000	+11,900
<b>Middle (baseline) growth forecast</b>		<b>85,200</b>	<b>74,900</b>	<b>+10,300</b>
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)<sup>3</sup>

**Multifamily dwelling units**

	<b>Buildable land inventory</b>	<b>Market-adjusted supply</b>	<b>Market-adjusted demand</b>	<b>Surplus/need</b>
Low growth forecast	<b>273,300</b>	118,400	89,300	+29,100
<b>Middle (baseline) growth forecast</b>		<b>130,900</b>	<b>120,500</b>	<b>+10,400</b>
High growth forecast		165,100	145,900	+19,200

**Table 3** Metro UGB multifamily residential market analysis of existing plans and policies (2015-2035)<sup>3</sup>

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.

<sup>3</sup> The Metro Council intends to plan for the middle growth forecast. This analysis finds that there is a surplus of housing growth capacity inside the UGB. More detail can be found in appendices 4 and 15. The middle growth forecast numbers presented in Tables 1 and 2 have been updated to reflect the Council’s direction to assume that the City of Damascus will disincorporate. The full range forecast is retained here for context, but the numbers for high and low growth forecast have not been revised to reflect new assumptions about Damascus’ likely disincorporation since the Council’s intent is to plan for the middle forecast.

**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?

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**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.<sup>1</sup> 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?

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## 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.<sup>4</sup> 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.

### 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?

#### General industrial employment (acres)

	Buildable land inventory	Market-adjusted supply	Demand	Surplus/need
Low growth forecast	6,790	6,000	1,200	+4,800
<b>Middle (baseline) growth forecast</b>		<b>4,690</b>	<b>3,700</b>	<b>+990</b>
High growth forecast		5,200	6,500	-1,300

Table 4 Metro UGB general industrial acreage needs 2015 to 2035<sup>4</sup>

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).

<sup>4</sup> The Metro Council intends to plan for the middle growth forecast. This analysis finds that there is a surplus of industrial employment capacity inside the UGB. More detail can be found in appendices 6 and 15. The middle growth forecast numbers presented in Table 4 have been updated to reflect the Council's direction to assume that the City of Damascus will disincorporate. The full range forecast is retained here for context, but the numbers for high and low growth forecast have not been revised to reflect new assumptions about Damascus' likely disincorporation since the Council's intent is to plan for the middle forecast.



## 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.<sup>5</sup> 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 25 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 75 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?

<sup>5</sup> This inventory was completed by the consulting firm Mackenzie and can be found in Appendix 13.

**Policy considerations**

**KEEPING SHOPPING AND SERVICES CLOSE BY**

It makes sense to locate commercial uses close to where people live. What investments make sense for achieving a good mix of housing and services in existing communities?



**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.<sup>6</sup> 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)**

	<b>Buildable land inventory</b>	<b>Market-adjusted supply</b>	<b>Demand</b>	<b>Surplus/need</b>
Low growth forecast		4,100	1,400	+2,700
<b>Middle (baseline) growth forecast</b>	<b>3,750</b>	<b>3,950</b>	<b>3,570</b>	<b>+380</b>
High growth forecast		5,000	5,700	-700

**Table 5** Metro UGB commercial acreage needs 2015 to 2035<sup>6</sup>

*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.*

<sup>6</sup> The Metro Council intends to plan for the middle growth forecast. This analysis finds that there is a surplus of commercial employment growth capacity inside the UGB. More detail can be found in appendices 6 and 15. The middle growth forecast numbers presented in Table 5 have been updated to reflect the Council's direction to assume that the City of Damascus will disincorporate. The full range forecast is retained here for context, but the numbers for high and low growth forecast have not been revised to reflect new assumptions about Damascus' likely disincorporation since the Council's intent is to plan for the middle forecast."

## Conclusion

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

### LOCAL LEADERSHIP

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

### METRO'S ROLE

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

### INVESTING IN OUR COMMUNITIES

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

## Timeline recap

**JANUARY 2013 – MAY 2014** Metro convened technical experts from the public, private and academic sectors to peer-review the assumptions and results that went into the urban growth report.

**JULY – DECEMBER 2014** The report helped inform policy discussions at the Metro Policy Advisory Committee (MPAC) and Metro Council.

**NOVEMBER 2014** MPAC advised the Metro Council that the urban growth report provides a reasonable basis for its growth management decision. The committee also identified several topics for additional discussion in 2015.

**DECEMBER 2014** The Metro Council accepted the draft urban growth report as the basis for its growth management decision in 2015 and concurred with MPAC's interest in further discussion of several topics in 2015.

**MAY 2015** MPAC and the Metro Council discussed topics raised in the draft urban growth report such as the likelihood of development in urban centers such as those in Portland, the likelihood of development in past UGB expansion areas, including Damascus, and planning within a range forecast.

**JUNE 2015** The Metro Council requested that staff issue a recommendation on urban growth management and provided direction on its substance.

**JULY 2015** Metro's chief operating officer made a recommendation for the Metro Council's growth management decision.

**SEPTEMBER 2015** MPAC recommended that the Metro Council adopt an ordinance that would entail no UGB expansion in 2015 and identified priorities for future work programs and topic areas.

**SEPTEMBER – NOVEMBER 2015** The Metro Council holds three public hearings on its urban growth management decision.

**NOVEMBER 2015** The Metro Council makes its urban growth management decision.



## Next steps

This 2014 urban growth report is the final version adopted by the Metro Council on November 12, 2015 via Ordinance 15-1361, following almost three years of public engagement. This report serves as support for the Metro Council's conclusion that there is no need to expand the Metro UGB as part of the current growth management cycle. When making its 2015 urban growth management decision, the Metro Council set forth its urban growth management priorities and direction for the next several years and directed Metro staff to provide, beginning in early 2016, updates to MPAC and the Metro Technical Advisory Committee on work programs and timelines for accomplishing the following:

### **SET THE STAGE FOR THE NEXT URBAN GROWTH MANAGEMENT DECISION**

1. The Metro Council directs Metro staff to produce a new draft urban growth report within three years (before the end of 2018).
2. Metro staff is directed to continue working with Clackamas County and Multnomah County to finalize urban and rural reserve designations and to seek acknowledgement of reserves from the Land Conservation and Development Commission as soon as possible.

### **CONTINUE METRO'S LEADERSHIP IN GROWTH MANAGEMENT POLICY**

3. Metro will work with its regional partners to explore possible improvements to the region's growth management process.

### **ADDRESS THE PUBLIC POLICY AND PROGRAM ISSUES RAISED BY THE URBAN GROWTH REPORT**

4. Metro staff is directed to monitor and report on housing and job trends on an ongoing basis, including implementation of the Regional Snapshots program, and to work with regional partners to increase knowledge about housing market preferences through additional market research and analysis.

## References

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

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

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

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



## ACKNOWLEDGMENTS

### *Metro staff*

Ted Reid, project manager for 2015 urban growth management decision  
Martha Bennett, chief operating officer  
Elissa Gertler, planning and development director  
John Williams, deputy director community development  
Roger Alfred, senior assistant attorney  
Craig Beebe, senior public affairs specialist  
Betsy Breyer, GIS specialist  
Clint Chiavarini, senior GIS specialist  
Rayna Cleland, senior visual communications designer  
Sonny Conder, principal researcher  
Paulette Copperstone, program assistant  
Jim Cser, associate researcher and modeler  
Laura Dawson-Bodner, record and information analyst  
Dan Hunt, GIS specialist  
Peggy Morell, senior public affairs specialist  
Tim O'Brien, principal planner  
Juan Carlos Ocaña-Chiu, senior public affairs specialist  
Maribeth Todd, associate researcher and modeler  
Dennis Yee, chief economist

### THE FOLLOWING PEOPLE GRACIOUSLY LENT THEIR EXPERTISE TO INFORM THIS REPORT

### *2014 Urban Growth Report: buildable land inventory technical working group*

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

Jill Sherman, Gerding Edlen  
Eric Cress, Urban Development Partners NW  
Steve Kelley, Washington County  
Brian Hanes, Washington County  
Erin Wardell, Washington County  
Colin Cooper, Hillsboro  
Ali Turiel, Hillboro  
Emily Tritsch, Hillsboro  
Ken Rencher, Beaverton  
Mike Rizzitiello, Beaverton  
Larry Conrad, Clackamas County  
Denny Egner, Lake Oswego (through June 2013), Milwaukie  
Chris Neamtzu, Wilsonville  
Chuck Beasley, Multnomah County  
Adam Barber, Multnomah County  
Tom Armstrong, Portland  
Tyler Bump, Portland (alternate)  
Brian Martin, Gresham  
Mike Tharp, Norris, Beggs, and Simpson

## **Exhibit A to Ordinance No. 15-1361**

Bob LeFeber, Commercial Realty Advisors  
Drake Butsch, First American Title Company  
Stuart Skaug, CB Richard Ellis  
Dan Grimberg, Arbor Homes  
Jeff Bacharach, Bacharach Law  
Andrew Tull, 3J Consulting  
Justin Wood, Home Builders Association of Metropolitan Portland  
Anne Debbaut, DLCD  
Jennifer Donnelly, DLCD  
Tom Hogue, DLCD  
Gordon Howard, DLCD  
Jerry Johnson, Johnson Economics  
Eric Hovee, E.D. Hovee and Associates

### **2014 Urban Growth Report: residential supply range technical working group**

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

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

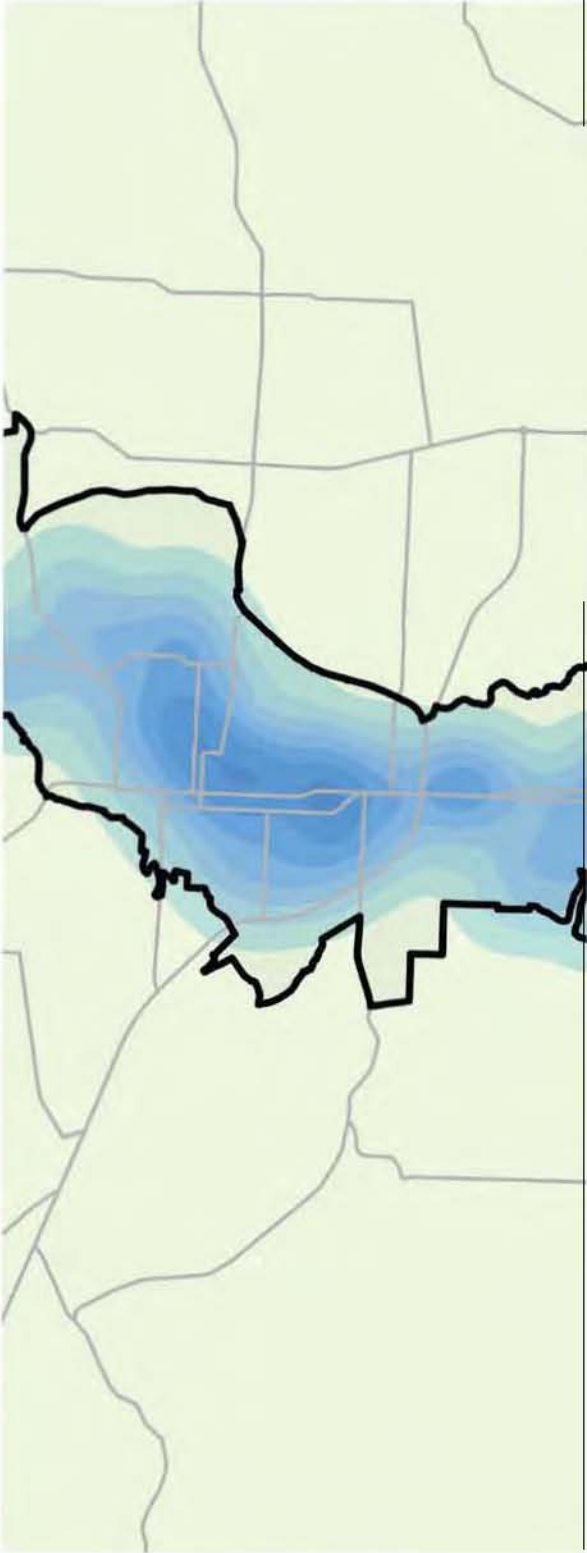
### **2014 Urban Growth Report: employment land technical working group**

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

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

### **2014 Urban Growth Report: regional forecast advisory panel**

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





To view Exhibit A to Ordinance 15-1361 (complete 2014 Urban Growth Report) in its entirety, visit the link below and open the Council meeting packet.

<http://www.oregonmetro.gov/event/metro-council-meeting-5/2015-11-05>

**Exhibit B to Ordinance No. 15-1361**  
**Findings of Fact and Conclusions of Law**

Ordinance No. 15-1361 accepts the recommendations of Metro’s Chief Operating Officer (COO) to adopt the 2014 Urban Growth Report (UGR) and not expand the Urban Growth Boundary (UGB) in Metro’s current statutory growth management cycle. Based on the findings of the UGR and significant discussion with regional partners, the Metro Council concludes that the existing UGB can accommodate projected growth in the region over the next 20 years and therefore a UGB expansion is not warranted under applicable law. These findings of fact and conclusions of law explain how the Metro Council decision complies with state and regional land use laws and policies.

Section A of these findings describes revisions that have been made to the UGR since the Metro Council adopted the draft UGR in December of 2014, including recent updates based on Council directives to use the midpoint on the growth forecast range and to discount some of the developable capacity in the City of Damascus. Section B of these findings describes compliance with requirements in Statewide Planning Goal 2 and regional policies regarding coordination with other local governments in the region. Section C describes compliance with requirements in Statewide Planning Goal 1 and regional policies regarding citizen involvement. Section D describes compliance with state and regional requirements regarding urban growth boundary decisions, including Statewide Planning Goals 14 and 10 and ORS 197.296. Section E describes compliance with all other Statewide Planning Goals.

**A. Final Updates to Draft UGR**

Metro staff released the draft UGR in July of 2014; in September the draft was modified slightly to correct certain calculations regarding projected housing demand. After numerous meetings and discussions regarding the draft throughout the fall of 2014 with regional stakeholders, the Metro Technical Advisory Committee (MTAC), and the Metro Policy Advisory Committee (MPAC), the Metro Council adopted the draft UGR on December 4, 2014 via Resolution No. 14-4582. That resolution reflected recommendations from regional stakeholders and MPAC to continue having discussions in 2015 regarding certain growth policy considerations that could impact elements of the final growth management decision to be adopted by the Metro Council before the end of the year.

At the direction of Metro Council, the draft UGR describes the 20-year population and employment forecasts for the region as a range, in terms of probability. The baseline forecast (midpoint on the forecast range) provides the best estimate of what future growth in the region may be. The range is bounded by a low end and a high end, with an estimated 90% probability that actual growth will occur within the range. In order to satisfy its statutory obligation to estimate the number of dwelling units and acres of land that may be necessary to accommodate growth in the next 20 years, the Metro Council must select a particular point on the range.

After considering evidence from staff, local governments, and other interested parties regarding projected population and employment growth over the course of several meetings and work sessions, on September 15, 2015 the Metro Council directed staff to base the final urban growth

management decision on the midpoint of the forecast range, which provides the highest probability of accuracy. Acting on this direction from the Council, Metro staff has applied the midpoint of the range to the population and employment forecasts in the UGR in order to identify specific numbers for the estimated supply and demand of dwelling units and employment acreage.

The updated figures based on the Metro Council's selection of the midpoint of the forecast range are included in revisions to Appendix 4 and Appendix 6 of the final UGR that is being adopted by the Metro Council in Ordinance No. 15-1361. The final numbers have also been adjusted based on direction from the Metro Council to account for the likelihood of disincorporation by the City of Damascus and potential urbanization of the western portion by the City of Happy Valley, with the eastern portion of the city not being developable within 20 years.

There are two components to the UGR: a 30-page narrative summary and the 12 appendices attached to it. The actual technical analysis that comprises the UGR is included in the appendices; the 30-page UGR narrative provides a descriptive summary of the information included in the appendices. All updates that have occurred since the adoption of the draft UGR in December are located in the appendices, specifically Appendix 4, Appendix 6, and Appendix 15. The updated residential analysis materials in Appendix 4 are included as an "October 2015 Supplement" at page 49 of Appendix 4, and the updated employment analysis materials in Appendix 6 are included in supplemental materials beginning at page 19 of Appendix 6. A new Appendix 15 provides technical documentation regarding the projected impacts of the disincorporation of the City of Damascus.

The supplemental materials provide updated supply and demand figures based on the Metro Council's identification of a specific point on the forecast range and adjustments regarding the amount of land that is estimated to be available in the City of Damascus over the next 20 years. The supplemental materials also provide additional findings in support of the UGR methodology and conclusions. The updated figures regarding projected supply and demand for single-family and multifamily dwelling units are also reflected in the revised version of the UGR narrative on page 22 (Tables 2 and 3).

## **B. Coordination with Local Governments and State Agencies**

This section addresses the coordination requirements of Statewide Planning Goal 2 and Regional Framework Plan (RFP) Policies 1.11.3, and 1.14. In preparing and adopting the UGR, Metro has coordinated extensively with the cities and counties in the region and relevant state agencies over the last two years. This includes significant coordination in the development of the technical elements of the UGR, discussed further in Section C below, and engagement at MPAC and MTAC as described in this section.

Since early 2014, the UGR has been extensively reviewed and discussed by MPAC, which is an advisory committee to the Metro Council consisting of elected officials from cities, counties and special districts throughout the region, as well as citizens and representatives of TriMet and DLCD. At its meeting on September 9, 2015, MPAC voted to recommend that the Metro Council accept the COO recommendations, adopt the UGR this year, and make no expansion to

the UGB. MPAC is assisted in its advisory functions to the Metro Council by MTAC, which is a technical advisory committee consisting primarily of staff from cities, counties, special districts and state agencies. As described in more detail below, the UGR has been an agenda item before MTAC in at least 14 of its meetings since 2013, and before MPAC in at least 14 meetings since January of 2014.

MTAC has discussed elements of the draft UGR on the following occasions:

<b>MTAC meeting date</b>	<b>Topic</b>
9/18/13	The timeline, milestones, and engagement opportunities that will lead to a 2015 growth management decision
2/19/14	Recent economic conditions and their implications for the population and employment forecast; performance of past Metro forecasts
4/2/14	Seven-county range forecast peer review process and results
4/16/14	Buildable land inventory; residential development trends
8/20/14	Introduction to the draft 2014 UGR
9/3/14	Results of the residential preference study
10/1/14	Consideration of recommendations on the residential component of the draft UGR; 2014 update of the Regional Industrial Site Readiness project
10/15/14	Consideration of recommendations on the employment component of the draft UGR
11/5/14	Consideration of recommendations on the text of the Metro Council resolution accepting the draft UGR
5/6/15	Likelihood of development in UGB expansion areas, including Damascus
5/20/15	Likelihood of development in urban centers such as Portland
6/17/15	Planning within a range forecast; likelihood of development in UGB expansion areas
8/15/15	Consideration of COO recommendations regarding UGR
9/2/15	Discussion of draft ordinance adopting UGR and COO recommendations

### MTAC recommendations

On October 1, 2014, MTAC made the following unanimous recommendations on two core technical elements of the draft UGR:

- The residential buildable land inventory has undergone an appropriate level of technical review and provides a reasonable basis for policy discussions.
- 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.

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

- 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.

- 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.

On November 5, 2014, MTAC reviewed the draft language of Resolution No. 14-4582 and forwarded the draft resolution to MPAC for its consideration with no proposed changes to the text.

On September 2, 2015, MTAC was asked if it wished to make a formal recommendation to MPAC regarding the Metro COO’s recommendation to adopt the UGR via Ordinance No. 15-1361. Instead of making a recommendation, MTAC decided to convey its general comments and suggestions to MPAC and leave it to MPAC to propose amendments to the ordinance. MTAC’s comments focused on timelines for urban and rural reserves and other COO recommendations that relate to acknowledgement of urban and rural reserves. MTAC’s primary comments were:

- Consider an additional ordinance clause that commits Metro staff to return to MTAC, MPAC, and the Metro Council in early 2016 with a proposed work program and timeline for addressing future urban growth management work.
- The work program that staff brings forward in 2016 should identify some of the research activities that can be undertaken as building blocks for the next UGR.
- Metro and its partners may need to consider a “Plan B” for the next urban growth management decision if it appears that urban and rural reserves will not be resolved in a timely fashion.

MPAC has discussed elements of the draft UGR on the following occasions:

<b>MPAC meeting date</b>	<b>Topic</b>
1/8/14	Recent economic conditions and their implications for the population and employment forecast
2/12/14	Performance of past Metro forecasts
4/23/14	Seven-county range forecast peer review process and results
7/23/14	Introduction to the draft 2014 UGR
9/10/14	Results of the residential preference study
10/8/14	Review of resolution adopting draft UGR; residential component of the draft UGR
10/22/14	Employment component of the draft UGR; 2014 update of the Regional Industrial Site Readiness project
11/12/14	Consideration of recommendations on the Metro Council resolution accepting the draft UGR
4/22/15	Likelihood of development in urban centers such as Portland
5/27/15	Likelihood of development in UGB expansion areas, such as Damascus
6/24/15	Planning within a range forecast
7/8/15	UGR process update
8/26/15	Consideration of COO recommendations regarding UGR
9/9/15	Vote regarding recommendation on draft ordinance adopting UGR and COO recommendations

### MPAC recommendations

On November 12, 2014, MPAC unanimously recommended that the Metro Council adopt Resolution No. 14-4582, adopting the draft UGR with recommendations for consideration of additional policy topics in 2015.

On September 9, 2015, MPAC voted 11-4 to recommend that the Metro Council accept the COO recommendations, adopt the UGR this year, and make no expansion to the UGB. MPAC recommended a few minor revisions to Ordinance No. 15-1361, which were discussed by the Metro Council at its September 15, 2015 work session and, for the most part, incorporated into the final ordinance.

### **C. Citizen Involvement**

These findings address Statewide Planning Goal 1 and RFP Policy 1.13. Metro began the process of preparing the UGR in 2013 and has worked closely with key stakeholders and residents of the region from the beginning.

The draft UGR is a reflection of the expert knowledge of many stakeholders from around the region. Throughout the development of the draft UGR, staff engaged outside expertise from the public and private sectors. Some of the technical engagement conducted for the draft UGR dates back to fall of 2010 when staff engaged city and county planners in discussions of how to estimate the buildable land inventory used for the adopted 2035 forecast distribution. As described in the draft UGR, from early 2013 through the fall of 2014, staff sought review and collaboration on a number of topics:

- A working group of approximately 30 public and private sector experts provided advice on the methods used for estimating the region's buildable land inventory, with a particular emphasis on how to estimate environmental constraints and redevelopment potential.
- All cities and counties in the region were given the opportunity to review a preliminary buildable land inventory at the tax lot level. All comments received by Metro were incorporated into the inventory used in the draft UGR.
- A working group of 10 public and private sector experts provided advice on the method used for estimating market absorption of the buildable land inventory.
- A peer review group of seven public and private sector economists and demographers advised on the assumptions built into the seven-county population and employment range forecast as well as the forecast results.
- A working group of six public and private sector experts advised on the assumptions about space needs for different types of jobs. Those assumptions are used to translate the employment forecast into land demand.
- A partnership of nine public and private sector organizations worked with Portland State University and DHM Research to conduct a residential preference survey to gain a better understanding of how people make choices about where to live.
- A partnership of six public and private sector organizations worked with the consulting firm Mackenzie on an update of the Regional Industrial Site Readiness project. The

inventory of large industrial sites that was identified through that work is used to describe the region's supply of such sites in the draft UGR.

In addition to the above-described collaboration with public and private sector stakeholders, the public process involved in adopting the UGR has provided considerable opportunities for citizen involvement and engagement. In addition to the MTAC and MPAC meetings regarding the UGR that are detailed above, all of which were public meetings, the Metro Council has held at least 10 public meetings in 2015 alone on topics involving the UGR, including public hearings on September 24, 2015, October 29, 2015, and November 5, 2015.

#### **D. Urban Growth Management Statutes and Rules**

These findings address Statewide Planning Goals 10 and 14, ORS 197.295 – 197.314, OAR chapter 660 divisions 7 and 24, and RFP Policy 1.9.2.

Metro's obligation to complete an inventory of buildable lands and analysis of housing need for purposes of ensuring a 20-year supply of land inside the UGB arises out of ORS 197.299. That statute directs Metro to undertake the inventory and analysis required under ORS 197.296(3) not later than five years after completion of the previous analysis. In 2014 the Oregon Legislative Assembly changed the five-year statutory cycle to a six-year cycle as part of HB 4078. The previous regional inventory and analysis was undertaken by the Metro Council in the 2009 Urban Growth Report, which was adopted in 2010 via Ordinance No. 10-1244B.

##### **1. Buildable Land Inventory**

The first step in the process required under ORS 197.296(3)(a) is to undertake an inventory of the supply of buildable residential land inside the UGB. The applicable Goal 14 rules provide that local governments "must inventory land inside the UGB to determine whether there is adequate development capacity to accommodate 20-year needs" for both residential and employment land. OAR 660-024-0050(1). This section of the findings focuses on Metro's analysis of the residential component of the inventory.

For purposes of the inventory required under ORS 197.296(3)(a), buildable land is defined to include vacant and partially vacant land planned or zoned for residential use, land that may be used for mixed residential and employment uses under existing planning or zoning, and land that may be used for residential infill or redevelopment. ORS 197.296(4)(a). The buildable lands inventory informs the calculation of the capacity of the UGB to accommodate future growth.

Metro's methodology for calculating the region's buildable land inventory is set forth in Appendix 2 of the UGR and summarized on page 16 of the UGR narrative. The methodology began by analyzing detailed aerial photos of all land inside the UGB and applying current local plan and zoning designations. The methodology also applied the specific inventory requirements set forth in ORS 197.296(4)(a)-(b). One of the more complicated aspects of creating an inventory of buildable land is determining how to accurately predict whether land that is already developed may be redeveloped in the next 20 years, as required under ORS 197.296(4)(a)(A). To assist in accurately identifying the developable and redevelopable land in the region, Metro assembled a

technical working group consisting of representatives from cities, counties, the state, realtors, developers, and the Portland Homebuilders Association. Over the course of a year, that working group developed specific methodologies for assessing the development and redevelopment potential of land inside the UGB. Those methodologies are described in Appendix 2 of the UGR.

The buildable land inventory results are set forth in Appendix 3 of the UGR. After applying the methodologies agreed upon by the technical working group, and taking input from cities and counties on a preliminary draft of the inventory, the analysis concluded that the existing UGB has an inventory of buildable land that can provide 118,000 single-family dwelling units and 273,300 multifamily dwelling units, for a total of 391,300 units. These initial estimates in the draft UGR have been revised in October 2015 to reflect adjustments to the projected amount of developable land that will be available for urbanization in the City of Damascus. Appendix 15 of the UGR includes technical documentation of the analysis regarding possible effects of the disincorporation of the City of Damascus. These revisions are also reflected in UGR Appendix 4. The adjusted figures estimate an inventory of 113,200 single-family dwelling units and 273,300 multifamily units, for a total capacity of 386,500 dwelling units.

It is important to note that at this point in the analysis, Metro has undertaken the extent of the work required by statute for a buildable land inventory under ORS 197.296(3)(a) and the statutory definition of “buildable lands.” As required under ORS 197.296(4), Metro has inventoried all vacant and partially vacant land zoned for residential use, plus all land that may be used for mixed use residential development, plus land that “may be used for residential infill or redevelopment.” The conclusion of that inventory is that there is capacity for 386,500 dwelling units inside the existing UGB.

However, in an attempt to provide a more precise estimate of the existing regional capacity over a 20-year horizon, Metro takes an additional step of applying market-based land use and transportation modeling (known as MetroScope) to determine what portion of the infill and redevelopment supply is likely to redevelop over the next 20 years. While ORS 197.296(4)(a) instructs Metro to include all land that “may be used” for residential infill or redevelopment in the inventory, which results in a buildable land inventory showing a supply of 386,500 dwelling units, the purpose of MetroScope modeling is to estimate how much of the capacity that *may* be used for development of those units is *likely* to be used, given existing and projected market forces, and therefore how much capacity can be counted on as being market-feasible in the next 20 years.

MetroScope is a market-based model that is partially dependent upon Metro’s population forecast and related demand for dwelling units, because higher levels of growth and related demand will cause the market to increase the supply of dwelling units on redevelopment and infill land, whereas lower levels of growth would decrease demand and result in fewer units being built in those locations. Therefore, the market-adjusted supply projected by MetroScope is necessarily impacted by the Metro Council’s selection of the midpoint of the range for population forecasting. These results are described in Appendix 4 of the UGR and summarized on page 22 of the UGR narrative. At the midpoint of the range of the growth forecast, the market-adjusted inventory estimated by MetroScope is 85,200 single-family dwelling units and 130,900 multifamily dwelling units, or a total capacity for 216,100 units inside the existing UGB



over the next 20 years. Thus, application of the MetroScope model to the capacity figures from the statutory buildable lands inventory reduces the estimated 20-year capacity inside the existing UGB by 170,400 units, from 386,500 to 216,100.

## **2. Housing Need Analysis**

The second step in the process required under ORS 197.296(3)(b) is to analyze projected housing need by type and density range in order to determine the number of units and amount of land needed inside the UGB for each needed housing type for the next 20 years. For Metro, this step begins with the regional population and employment forecast, which is provided in Appendix 1 of the UGR and summarized on pages 14-15 of the UGR narrative. As with the buildable land inventory, Metro convened a peer review group consisting of economists and demographers to help create the 2035 forecast. The resulting forecast estimates that, at the mid-point of the forecast range, there will be about 400,000 additional people and 260,000 additional jobs inside the UGB by 2035.

Next, the projected increase in population must be converted into a number of future households. This analysis is guided in part by ORS 197.296(5)(a), which provides that the determination of future housing need must be based on data from the last five years, and that the data shall include:

- (A) The number, density and average mix of housing types of urban residential development that have actually occurred;
- (B) Trends in density and average mix of housing types of urban residential development;
- (C) Demographic and population trends;
- (D) Economic trends and cycles; and
- (E) The number, density and average mix of housing types that have occurred on the buildable lands described in subsection (4)(a) of this section.

As required under ORS 197.296(5)(a), the UGR first considers data from the 2010 census of population and housing that identify the number, density and average mix of housing types that have actually occurred. Graphs summarizing key elements of that data are included in Appendix 4 at pages 9-12. The existing mix of housing types as of 2010 is identified as being 70 percent single family and 30 percent multifamily, with 61 percent of dwellings being owned and 39 percent rented. Approximately 63 percent of households consist of one or two persons.

It is important to note that ORS 197.296(5)(a) requires Metro to consider not just the past but also the future in order to estimate the region's housing needs over the next 20 years. In addition to consideration of actually occurring density and mix of housing types, the statute also directs Metro to consider trends in density, housing mix, demographics, population, and economics. The purpose of the analysis is described under the Goal 14 rules, which define the "housing needs

analysis” required by ORS 197.296 and Goal 10 as a local determination of the needed amount, types and densities of housing that will be “commensurate with the financial capabilities of present and future area residents of all income levels during the 20-year planning period.” OAR 660-024-0010(3). In other words, Metro’s estimate of future housing needs necessarily requires consideration of existing and future trends in order to project what the future housing needs will be in the region between now and 2035.

Residential development trends are described in Appendix 5 of the UGR, which provides data over the period from 2007 to 2012 regarding mix of housing types and density. Trends during that period are heavily influenced by the housing bust and resulting recession, with new development dropping off substantially through 2010 before starting to recover in 2011 and 2012. Noteworthy data regarding percentage mix of single family and multifamily development are provided in Table 1 (page 3), which shows that the mix of net new housing types, on average, over the five years preceding 2012 was approximately 50/50. The percentage share of multifamily increased dramatically prior to the recession, peaking at 62 percent in 2009, then dropping to 33 percent in 2010 before picking up again to 48 percent in 2012. Regarding average densities, the data from 2007 to 2012 also trend toward significantly higher densities since the recession, moving from a combined average of 16.2 units per acre in 2010 to 38.3 units per acre in 2012 for all new housing (single-family and multifamily combined). Appendix 5 also notes that from 2007 to 2012, 58 percent of all new housing in the region was built through redevelopment or infill, as opposed to being on vacant land.

Population, demographic and economic trends are also addressed in Appendix 4 of the UGR. As described in more detail below, the data in Appendix 4 point toward a decrease in average household sizes, an increase in the number of lower-income households, and an increase in the median age of households between 2015 and 2035. Current trends in development in the region also demonstrate a dramatic increase in higher density multifamily development, particularly in the City of Portland, which has produced 36 percent of the new housing in the UGB over the last 16 years. The City of Portland has also produced approximately half or more of the region’s housing in the years following the Great Recession, including over 5,400 units of new housing in 2014.

Metro’s analysis of trends related to future housing needs is contained in Appendix 4 of the UGR and summarized on pages 21-23 of the UGR narrative. The most historically accurate indicators of future housing needs are household income by household size and age of head of household. Therefore, in order to convert the population forecast into an estimated number of future households, Metro prepares a “three dimensional matrix” of these socio-economic household characteristics, which are referred to in the UGR as “HIA” classes: household size, income bracket, and age bracket. The UGR sorts all projected households in the UGB into an HIA matrix with five attribute levels for household size, eight income brackets, and five age brackets, and then estimates growth in each HIA class between 2015 and 2035.

The resulting HIA matrices show important projected changes in households between 2015 and 2035, which are described on pages 5-7 of Appendix 4. Notably, the analysis shows an increase in average age, as well as an increase in the percentage of lower income households and a decrease in the average household size. These results are depicted on the graphs included on

page 15 of Appendix 4 (Figures 3, 4 and 5). As described in Appendix 4, 68 percent of the additional new households are expected to consist of one or two persons, which is consistent with overall projected declines in average household sizes from 2.61 (in 2015) to 2.47 (in 2035). The decrease in average household size correlates to a need for additional housing to meet the needs of smaller households.

The HIA forecast also anticipates proportionally fewer households in the middle income bracket, and a larger marginal increase in lower income households, which is expected to drive a higher proportional demand for less expensive and smaller housing units in the future. Regarding age, the increase in average age correlates with the aging of the baby boom generation; by 2035, the last of the baby boomers will be of retirement age and the leading edge of the Gen X generation will be entering retirement. As noted in the UGR, a recent report from the Joint Center for Housing Studies of Harvard University states that “by 2025, the large and growing population of seniors is likely to drive up demand for alternative housing arrangements that offer a combination of affordability, accessibility, and supportive services.” UGR Appendix 4, page 8.

Also, the millennial generation (persons born since about 1980) has begun to demonstrate a potentially dramatic impact on future housing trends. Millennials are the biggest age cohort the U.S. has ever had, and 36 percent of the nation’s 18 to 31-year olds were living with their parents in 2013, in part due to their inability to afford other housing options. As noted in Appendix 4, millennials are also showing the following characteristics as compared to previous generations:

- Higher preferences for living in or near walkable urban centers;
- Higher preferences for attached housing such as townhouses, apartments and condominiums where they can walk to shops;
- Higher student loan debt;
- Having fewer children, and having them later in life;
- Being more likely to stay in urban areas after having children later in life;

As also noted in Appendix 4, developers nationwide are responding to the preferences and income levels of the millennials by reducing their housing production and focusing on apartments. The 2015 Harvard University report cites a “massive expansion” of multifamily housing stock since 2010 that is not showing signs of slowing down, and might even increase if job growth continues and young adults are able to move out of their parents’ homes. The report notes that overall construction levels are still below their historic average primarily due to low levels of single-family construction. UGR Appendix 4, page 9.

Having created a forecast of future household growth between 2015 and 2035 based on demographic trends and socioeconomic characteristics as defined by HIA class, Metro next applies the MetroScope model in order to translate the household forecast into an estimate of future housing demand by type and tenure. This analysis is described at page 15 of Appendix 4, and the results are summarized on Table 3, which identifies projected demand for single-family and multifamily units for each of the three HIA characteristics, as well as by tenure (owned vs. rented) for each HIA class and housing type.

The data shown on Table 3 are based on the midpoint of the forecast range and reflect an overall demand for 197,400 dwelling units of all types (76,926 single-family and 120,474 multifamily). However, those figures have been updated in the October 2015 Supplement at page 49 of Appendix 4 in order to reflect the direction of Metro Council to make adjustments based on changed assumptions regarding the amount of developable land in the City of Damascus. Those changed assumptions result in a demand forecast for 74,900 single-family units and 120,500 multifamily units, for a total of 195,400 dwelling units. *See* UGR Appendix 4, pages 57-60 and UGR Appendix 15.

The forecasted demand figures are then compared against the market-adjusted supply figures produced by the buildable land inventory, discussed above in section D.1 of these findings. Summaries of the breakdown of projected single-family and multifamily housing needs and supply are provided on pages 59-60 of Appendix 4 (Table 19 and 20), and also on page 22 of the revised UGR narrative. The result of the analysis is a projected surplus of 10,300 single-family dwelling units and 10,400 multifamily units in 2035.

Under ORS 197.296 and 197.299, Metro is required to ensure that there are sufficient buildable lands within the UGB to accommodate estimated housing needs for the next 20 years. Statewide Planning Goal 14 requires that “prior to expanding an urban growth boundary, local governments shall demonstrate that needs cannot reasonably be accommodated on land already inside the urban growth boundary.” Similarly, RFP Policy 1.9.2 directs Metro to “consider expansion of the UGB only after having taken all reasonable measures to use land within the UGB efficiently.” The Metro Council finds that utilizing the inventory of developable capacity inside the existing UGB is certainly a “reasonable measure” under Policy 1.9.2. Because the UGR identifies a projected surplus of both single-family and multifamily dwelling units over the 20-year planning horizon, the Metro Council concludes that there is sufficient buildable capacity inside the existing UGB and therefore no legal basis for expanding the boundary.

### **3. Employment Land Analysis**

In addition to the statutory and rule requirements addressed above regarding provision of a sufficient amount of residential land for needed housing, Goal 14 also requires Metro to ensure there is adequate development capacity inside the UGB to accommodate needs for employment land over the next 20 years. As with residential land, that analysis begins with a buildable land inventory, which “must include suitable vacant and developed land designated for industrial or other employment use.” OAR 660-024-0050(1). That rule requires that the inventory must be conducted in accordance with the Goal 9 rule at OAR 660-009-0015, which requires a description of all employment land sites, including site characteristics and development constraints, within each zoning district.

The approach utilized by Metro to comply with the requirements of the Goal 9 rule was developed in consultation with DLCD and is set forth in Appendix 9 of the UGR. Relevant site characteristics and data points are described in Table 1, and those characteristics are reviewed and applied to particular areas and employment land types as shown on the maps and tables in the rest of Appendix 9.

The methodology utilized by Metro in making its capacity calculations for vacant and redevelopable employment land is described in Appendix 2 of the UGR along with the residential inventory. As with the residential inventory, the methodologies for developing the inventory of employment capacity were developed by a technical working group consisting of representatives from public and private sector organizations. The specific methods for determining vacant and redevelopment capacity of commercial and industrial land are described at pages 13-15 of Appendix 2, and the methods for estimating capacity of areas in mixed-zoning are at pages 16-17.

The results of the employment land inventory are set forth in Appendix 3 of the UGR, and those results were adjusted in October of 2015 to reflect revised assumptions about future development in the City of Damascus. The adjusted supply figures are provided in Table 27 of Appendix 6 (page 35), which shows a market-adjusted inventory of 4,690 acres of land available for industrial use and 3,950 acres for commercial use.

The supply of available employment land is then compared against future demand using the methodology described in Appendix 6 of the UGR. The result of that analysis indicates a market-adjusted demand for 3,700 acres of industrial land and 3,570 acres of commercial land. Compared against the market-adjusted supply figures, this equates to a surplus of 990 acres of industrial and 380 acres of commercial land over the 20-year planning horizon. These results are described at pages 24-26 of the UGR summary.

### **E. Statewide Planning Goals**

Goal 1 (Citizen Involvement): See findings in Section C above.

Goal 2 (Adequate Factual Base): Findings regarding the coordination element of Goal 2 are set forth above in Section B. The Metro Council finds that the UGR and the information it relies upon provide an adequate factual base for these findings and the adoption of the UGR. The Metro Council concludes that adoption of Ordinance No. 15-1361 complies with Goal 2.

Goal 3 (Farmland): The Metro Council finds that the decision to adopt the UGR and not expand the UGB is consistent with the farmland protection provisions of Goal 3. The decision maintains the existing UGB and therefore does not impact farmland; the decision is also consistent with Goal 14, and therefore consistent with Goal 3.

Goal 4 (Forestland): The Metro Council finds that the decision to adopt the UGR and not expand the UGB is consistent with the forestland protection provisions of Goal 4. The decision maintains the existing UGB and therefore does not impact forestland; the decision is also consistent with Goal 14, and therefore consistent with Goal 4.

Goal 5 (Natural Resources): The Metro Council finds that adoption of Ordinance No. 15-1361 does not impact any inventoried Goal 5 resources and is therefore consistent with Goal 5 and its implementing rules.



Goal 6 (Air, Water and Land Quality): The Metro Council finds that the decision to adopt the UGR and not expand the UGB does not impact any comprehensive plan designations or land use regulations that relate to protection of air, water and land quality. Ordinance No. 15-1361 does not authorize any particular uses of property with environmental impacts, and therefore does not implicate Goal 6.

Goal 7 (Natural Hazards): The Metro Council finds that adoption of Ordinance No. 15-1361 does not impact any existing local plans, policies, or inventories regarding natural hazards and does not authorize any particular uses of property in natural hazard areas; therefore, this decision does not implicate Goal 7.

Goal 8 (Recreation): The Metro Council finds that adoption of Ordinance No. 15-1361 does not involve recreation planning or destination resort siting; therefore, this decision does not implicate Goal 8.

Goal 9 (Economy): Although Goal 9 does not apply to Metro, the Metro Council concludes that adoption of Ordinance No. 15-1361 does not impact local comprehensive plans, policies or inventories regarding economic development.

Goal 10 (Housing): See findings in Section D above.

Goal 11 (Public Facilities and Services): Metro does not provide public facilities or services and does not adopt public facility plans; Metro is responsible for coordinating public facility planning by cities and counties. The Metro Council finds that adoption of Ordinance No. 15-1361 does not impact the planning for or provision of public facilities and services; therefore, this decision does not implicate Goal 11.

Goal 12 (Transportation): The Metro Council finds that the decision to adopt the UGR and not expand the UGB does not impact transportation planning or transportation facilities; therefore, this decision does not implicate Goal 12.

Goal 13 (Energy): The Metro Council finds that the decision to adopt the UGR and not expand the UGB promotes a compact urban form and the efficient use of energy within the existing UGB. To the extent Goal 13 applies, the Metro Council concludes that adoption of Ordinance No. 15-1361 is consistent with Goal 13.

Goal 14 (Urbanization): See findings in Section D above.

Goal 15 (Willamette River Greenway): The Metro Council finds that adoption of Ordinance No. 15-1361 has no impact on the Willamette River Greenway; therefore, this decision does not implicate Goal 15.

## **STAFF REPORT**

IN CONSIDERATION OF ORDINANCE NO. 15-1361, FOR THE PURPOSE OF ADOPTING THE 2014 URBAN GROWTH REPORT AND COMPLYING WITH REGIONAL GROWTH MANAGEMENT REQUIREMENTS UNDER ORS 197.299 AND STATEWIDE PLANNING GOAL 14

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Date: September 16, 2015

Prepared by: Ted Reid (503) 797-1768

### **INTRODUCTION**

#### **Purpose of the proposed legislation**

Proposed Ordinance No. 15-1361 is intended to fulfill Metro's responsibilities for managing regional household and employment growth as well as to memorialize other related recommendations made by Metro's Chief Operating Officer (COO).

### **TIMELINE**

#### **2014 Urban Growth Report**

Staff began technical engagement and peer review of the components of the Urban Growth Report (UGR) in early 2013. In July of 2014, staff released a draft UGR. Council accepted the draft UGR in December 2014, by Resolution No. 14-4582, also identifying topics for additional discussion in 2015.

#### **July 2015 Chief Operating Officer recommendation**

After the Council accepted the draft 2014 UGR in December 2014, the Metro Technical Advisory Committee (MTAC), the Metro Policy Advisory Committee (MPAC) and the Metro Council continued discussions of several topics identified during the Council's acceptance of the draft UGR. Those discussions concluded in June 2015 when the Council directed Metro's COO to make a recommendation on the Council's urban growth management decision. In July 2015, Metro's COO made her recommendations to the Metro Council. The COO recommendations are built on the analysis found in the 2014 UGR, additional policy discussions during early-to-mid 2015, and direction provided by the Metro Council in June 2015. Since the time that the COO recommendation was released, MPAC, MTAC and the Metro Council have discussed the recommendation.

#### **MTAC discussion**

MTAC discussed the topics of the UGR and the COO recommendation on a number of occasions from early 2013 onward. At its September 2, 2015 meeting, MTAC chose not to vote on a formal recommendation to MPAC. However, when asked, no MTAC members indicated that they had fundamental concerns about the draft ordinance. MTAC informally suggested an additional clause (see ordinance clause number seven) that would direct staff to provide, beginning in early 2016, updates to MPAC and MTAC on work programs and timelines accomplishing ordinance clause numbers three, four, five and six. MTAC's suggested edits to the text of draft Ordinance No. 15-1361 were passed on to MPAC for discussion.

### **MPAC recommendation**

MPAC discussed the topics of the UGR and the COO recommendation on a number of occasions from early 2013 onward. At its September 9, 2015 meeting, MPAC recommended<sup>1</sup> a version of Ordinance 15-1361 that includes MTAC's suggested clause number seven as well as deleting a portion of the third clause so that the initiation of a new UGR would not be contingent upon acknowledgement of urban and rural reserves. MPAC's recommended version of the ordinance is included in this legislative packet.

### **Metro Council direction at September 15, 2015 work session**

At its September 15, 2015 work session, the Council directed staff that it intends to base its urban growth management decision on the midpoint of the forecast range. Based on that direction, staff will finalize its analysis in the UGR and will draft legal findings for review by October 27, 2015. The proposed Ordinance No. 15-1361 includes formal adoption of a final UGR as well as legal findings.

The Metro Council directed staff to revise the proposed Ordinance No. 15-1361 so that clause five states "Metro will work with its regional partners to explore possible improvements to the region's growth management process." A version of this proposed ordinance is included in the public hearing materials.

### **Public comment period and public hearings**

In advance of the Metro Council's November 12, 2015 decision on Ordinance No. 15-1361, the Council will hold three public hearings on September 24, October 29 and November 5.

## **ATTACHMENTS**

Attachment 1: Ordinance No. 15-1361 and Exhibits A and B

## **ANALYSIS/INFORMATION**

### **1. Known Opposition**

Urban Growth Management decisions typically elicit a variety of views and this decision is no exception. Some business interest groups and some of the region's mayors have expressed concerns about the economic conditions and future housing mix forecast in the draft 2014 UGR. Some have expressed an opinion that Metro should request an extension from the Oregon Land Conservation and Development Commission for this urban growth management decision.

### **2. Legal Antecedents**

- Statewide Planning Goals 10 (Housing) and 14 (Urbanization)
- Oregon Revised Statutes 197.296, 197.299, and 197.303 (Needed Housing in Urban Growth Areas)
- Oregon Administrative Rules, Division 24 (Urban Growth Boundaries)
- Metro Regional Framework Plan, Chapter 1 (Land Use)
- Metro Urban Growth Management Functional Plan

### **3. Anticipated Effects**

Adoption of the proposed legislation would:

- Satisfy Metro's statutory requirements related to growth management; and,
- Provide direction to staff regarding work programs related to urban growth management.

### **4. Budget Impacts**

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<sup>1</sup> 11 votes in favor and 4 votes opposed.

Adoption of this ordinance would mark the closure of this urban growth management decision. Direction provided by Council will inform future staff activities related to urban growth management. At this time, however, budget estimates are not available.

**RECOMMENDED ACTION**

Staff recommends that Council adopt the version of Ordinance No. 15-1361 that incorporates edits made by the Council at its September 15, 2015 Council work session.

Materials following this page were distributed at the meeting.

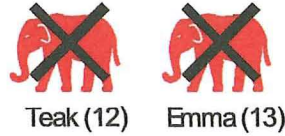


# Oregon Zoo's Forgotten Elephants

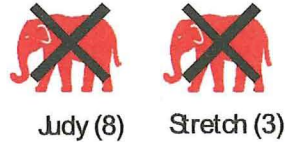
7 baby elephants died before their 1<sup>st</sup> birthday



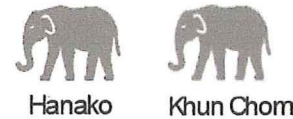
Sold to private buyers; dead



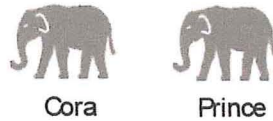
Sold to unspecified buyers; believed to be dead



Shipped to other zoos



Sold to Ringling Brothers Circus



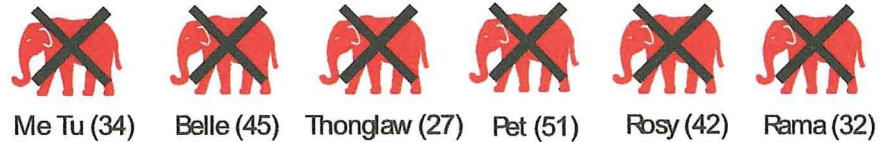
Shipped to other zoos; dead



Sold to circuses; dead



Euthanized at the Oregon Zoo



## Facts on the Oregon Zoo's Elephant Program

- Visitor counts peak whenever baby elephants are born
- Rape racks ('Elephant Restraint Devices') are used for forced breeding
- Packy has been forced to breed with his sisters – Hanako & Me-Tu
- Lily was owned by a rental company when born; was later sold to the zoo
- Sharp, painful bullhooks ('guides') are being used on the elephants

In the Oregon Zoo, Asian elephants die by age 17 on average. Packy, at 53, is the oldest, and suffers from tuberculosis. In the wild, they do not contract the disease, and live up to age 70.

## Help Stop Captive Breeding at the Oregon Zoo



Voice your opposition to the breeding program to:

Interim Zoo Director Teri Dresler

(503-220-2450) [teri.dresler@oregonmetro.gov](mailto:teri.dresler@oregonmetro.gov)

Metro Council President Tom Hughes

(503-797-1889) [tom.hughes@oregonmetro.gov](mailto:tom.hughes@oregonmetro.gov)





## Oregon Zoo's Elephant Breeding History

Elephant	Born	History	Age	Status
Packy	1962	Lives at the Oregon Zoo	53	Sick, tuberculosis
Me-Tu	1962	Shipped to LA Zoo (1967) Shipped to Oregon Zoo (1974)	34	Foot disease; Euthanized
Dino	1963	Shipped to Hawthorne Corp (date unknown) Shipped to Spokane Zoo (1968)	14	Dead
Hanako	1963	Shipped to LA Zoo (1976) Shipped to Tacoma Zoo (1976)	52	Alive
Cora	1965	Shipped to Brookfield Zoo (1965) Shipped to Ringling Brothers Circus (1968) Shipped to Ringling Retirement Facility (2010)	50	Alive
Teak	1966	Shipped to Morgan Berry (date unknown)	12	Euthanized
Droopy	1968		5 days	Dead
Tina	1970	Shipped to Vancouver Zoo (1972) Shipped to African Lion Safari (1989) Shipped to Vancouver Zoo (1990) Shipped to Tennessee Sanctuary (2003)	34	Dead
Judy	1970	Shipped to Vancouver Zoo (1972) Shipped to Wildlife Safari (1972) Shipped to unspecified location (1978)		Unknown/lost
Unnamed	1970		1 day	Dead
Gabriel	1972	Shipped to Circus Vargas (1973) Shipped to Lincoln Park Zoo (1973) Shipped to Circus Vargas (1974)	11	Dead
Stretch	1973	Shipped to unspecified location (1974)	3	Dead
Stoney	1973	Shipped to Ken Chisholm, Canada (1973) Shipped to Mike La Torres Circus (1975)	22	Dead; broke leg while performing a circus trick
Unnamed	1973		4 days	Dead
Emma	1973	Shipped to Viva Animales (1974) Shipped to San Jose Zoo (1974) Shipped to Busch Gardens (1975)	13	Dead
Unnamed	1976		2 weeks	Dead
Sumek	1978		6 weeks	Dead
Khun Chom	1978	Shipped to Dickerson Zoo, Missouri (1980)	37	Alive
Thongtrii	1979	Shipped to Chaffee Zoo, Fresno (1981)	14	Dead
Shine	1982	Lives at the Oregon Zoo	33	Alive
Sabu	1982	Shipped to Ringling Brothers Circus (1984) Shipped to Twin Falls Ranch (date unknown) Shipped to PAWS (2010)	30	Dead; arthritis in multiple joints from circus performances
Rama	1983	Shipped to Pt. Defiance Zoo, Tacoma (1984) Shipped to Portland Zoo (1988)	31	Dead; leg injury due to badly designed exhibit; TB
Prince	1987	Shipped to Ringling Brothers Circus (1988) Shipped to Two Tails Ranch (2010) Shipped to Ringling Elephant Center (2010) Shipped to PAWS (2011)	27	Alive
Unnamed	1991		1 day	Dead
Unnamed	1994		1 day	Dead
Rose Tu	1994	Lives at the Oregon Zoo	20	Alive
Samudra	2008	Lives at the Oregon Zoo	6	Alive
Lily	2012	Owned by Have Trunks Will Travel, a rental company, when born Bought by Oregon Zoo after a public backlash Lives at the Oregon Zoo	2	Alive

October 26, 2015

We, the undersigned scientists, conservationists, elephant care, animal welfare and policy experts, are strongly opposed to the proposed import of 18 elephants from Swaziland by the Dallas Zoo in Texas, Henry Doorly Zoo in Omaha, Nebraska, and the Sedgwick County Zoo in Wichita, Kansas, for the following reasons:

**1. The capture and removal of wild elephants for display in zoos is detrimental to elephants.**

The forcible capture and removal of wild elephants from their home ranges and social groups is archaic and unethical. Elephants do not thrive in zoos. Most fail to breed, and an astonishing number of zoo-born elephant calves die young. The overall infant mortality rate for elephants in zoos is a staggering 40 percent – nearly triple the rate of free ranging Asian and African elephants.<sup>1</sup> Those who reach adulthood often display behavioral abnormalities and die of diseases and disabilities caused by captive conditions, such as arthritis and foot disease. Published research shows that bringing elephants into zoos profoundly impacts their health and viability.

**2. There is no evidence to show that serious efforts have been made to keep the elephants in Africa.**

The Kingdom of Swaziland and the Dallas Zoo and its partners have offered no evidence that they have seriously explored options for relocation of the elephants to other parks or sanctuaries within Africa, nor on what basis other options were rejected – even though in situ relocation offers real conservation value, the promise of minimal harm and distress to the elephants, and the prospect of a natural life. Claims that poaching, habitat loss, and other threats justify relegating these elephants to a lifetime in captivity in a foreign environment are self-serving; used to justify the capture and exports of these animals.

**3. Threats to kill the 18 elephants unless permits are issued are unethical and represent outdated wildlife management practices.**

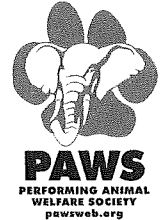
Culling as an approach to the management of elephants has been abandoned or put on hold in all countries in southern Africa for two decades. A ban was instituted in South Africa in 1995, and although the ban was lifted in principle in 2008, it has never been resumed, under the strength of public opinion. Other, non-lethal management alternatives, including water point management, corridor creation and translocation are now accepted as best practice. For Swaziland to kill elephants it has decided are surplus would be a return to practices now considered outmoded by modern wildlife managers. Sadly, the zoos are leveraging these threats to facilitate import of the elephants to the United States.

**4. The rationale behind the import – to create more room for rhinos – is highly questionable.**

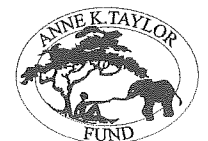
The "elephant range" in Swaziland consists mainly of two small fenced enclosures<sup>2</sup> comprising 6% and 19% of two fenced reserves (Hlane Royal National Park at 142km<sup>2</sup> and



The Nation's First  
Elephant Sanctuary



**AnimalsAsia**  
Until the cruelty ends



<sup>1</sup> Saragusty, J., Hermes, R., Göritz, F., Schmitt, D.L., & Hildebrandt, T.B. (2009) Skewed birth sex ratio and premature mortality in elephants. *Animal Reproduction Science*, 115:247–254

<sup>2</sup> Blanc, J.J., Barnes, R.F.W., Craig, G.C., Dublin, H.T., Thouless, C.R., Douglas-Hamilton, I., & Hart, J.A. (2007) *African Elephant Status Report 2007: an update from the African Elephant Database*. Occasional

Mkhaya Game Reserve at 65km<sup>2</sup>). These enclosures contain the country's populations of elephants, numbering 19 and 13 respectively in 2012.<sup>3</sup> Essentially, the Swaziland elephants, which were introduced as orphans from culls in Kruger National Park, South Africa, between 1986 and 1994<sup>4</sup>, are kept as a tourist attraction and symbol of national prestige. *Since the elephants and their localized impact on vegetation are confined to small areas, it is incorrect to claim that they pose any significant threat to other wildlife, which range more widely in the major portions of the reserves. There is no information publicly available on the numbers of rhinos in the fenced elephant areas, nor any documentation of supposed habitat competition.*

**5. Zoos are capturing and importing wild elephants to restock a dwindling zoo elephant inventory, not to conserve the species.**

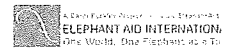
Despite proof of the systemic failures of zoo practices and policies affecting elephants, the zoo industry has become more resolute in seeking out nations abroad from which to plunder elephants to restock zoo exhibits. This practice is an unacceptable consequence of the unnatural conditions provided by zoos, and should not be allowed to continue.

This importation serves no credible conservation purpose. None of the elephants or their offspring will be returned to the wild, the gold standard of conservation. Instead, it is intended to replenish the zoo industry's dwindling African elephant population in the U.S.

Even if the zoos involved in the import would be successful in breeding the captured elephants, it still would not contribute to the conservation of the species. The view of the IUCN SSC Specialist Group for African elephants<sup>5,6</sup> is that captive breeding makes no effective contribution to conservation, and the group does not endorse the removal of African elephants from the wild for any captive use. Neither of the IUCN Red Data list entries for Asian or African elephants lists captive breeding as necessary conservation measures.

**6. The proposed import perpetuates poor conservation practices in Swaziland and promotes poor quality practices in other range States.**

In 2003, San Diego Wild Animal Park in California and Lowry Park Zoo in Florida purchased 11 elephants from the Kingdom of Swaziland. Swaziland claimed it had too many elephants, and unless the sale went forward these 11 elephants would be slaughtered. Swaziland and the zoos promised that the money paid for the animals would be used to improve the country's elephant conservation practices and policies. Despite this export, and with a total national population of 35 or fewer elephants,<sup>7</sup> Swaziland officials are again claiming the country has too many elephants and they are again threatening to kill elephants if the proposed sale to



Nonhuman Rights Project

Paper Series of the IUCN Species Survival Commission, No. 33. IUCN/SSC African Elephant Specialist Group, IUCN, Gland, Switzerland, vi+276pp.

<sup>3</sup> [http://www.elephantdatabase.org/preview\\_report/2013\\_africa\\_final/Loxodonta\\_africana/2013/Africa/Southern\\_Africa/Swaziland](http://www.elephantdatabase.org/preview_report/2013_africa_final/Loxodonta_africana/2013/Africa/Southern_Africa/Swaziland)

<sup>4</sup> <http://www.biggameparks.org/conserve/>

<sup>5</sup> Statement and resolutions on the role of captive facilities in in situ African elephant conservation, IUCN SSC African Elephant Specialist Group ([http://www.african-elephant.org/tools/pdfs/pos\\_captiv\\_en.pdf](http://www.african-elephant.org/tools/pdfs/pos_captiv_en.pdf)).

<sup>6</sup> Statement from the African Elephant Specialist Group of the IUCN Species Survival Commission on the removal of African elephants for captive use, IUCN SSC African Elephant Specialist Group. [http://cmsdata.iucn.org/downloads/pos\\_capvuse\\_en.pdf](http://cmsdata.iucn.org/downloads/pos_capvuse_en.pdf)

<sup>7</sup> Elephant Database, Provisional African Elephant Population Estimates: update to 31 Dec 2013 [http://www.elephantdatabase.org/preview\\_report/2013\\_africa\\_final/Loxodonta\\_africana/2013/Africa/Southern\\_Africa/Swaziland](http://www.elephantdatabase.org/preview_report/2013_africa_final/Loxodonta_africana/2013/Africa/Southern_Africa/Swaziland)



Dallas Zoo and its partners is thwarted.

The proposed killing of elephants to maintain small numbers in equally small compounds in Swaziland is not sound conservation, nor is exporting them for display in zoos. It is possible that the 2003 transaction, approved by the U.S. Fish & Wildlife Service, created an incentive for Swaziland to persist in its poor conservation approach.

We are also gravely concerned that sales of elephants, cloaked as conservation, wildlife management, or as "rescues," could encourage other countries to engage in this practice. We have already seen one Association of Zoos and Aquariums (AZA) accredited zoo attempt to disguise its purchase of African elephants from Namibia as a rescue, only to have the import exposed as a commercial transaction.<sup>8</sup> This fabrication was never publicly condemned by the AZA.

### 7. A rhino program in Swaziland does not justify the harm caused to the elephants by being captured and exported to zoos.

As noted in point #2 above, there is no evidence that rhinos are threatened by elephant habitat change in Swaziland. However, the principle of conserving another species, even if threatened by elephants' numbers, does not justify unconscionable conduct that includes tearing young elephants away from their mothers and social groups and incarcerating them for the rest of their lives. Contrary to the zoos' callous contention that the ends justify the means, we believe both endangered species deserve the best, most humane solution available.

### 8. The import is a business transaction.

The zoos involved in the proposed import have invested more than \$25 million in elephant exhibits and now they need elephants to fill them, despite the dire consequences for the elephants in question. Even a small percentage of those millions could make a significant and positive contribution toward the protection of African elephants in their home ranges. That the investment has already been made cannot at the same time be used as an argument for letting an unacceptable practice go forward.

the voluntary financial contributions from the three proposed U.S. destination zoos

**Conclusion** 90,000 USD annually for the next five years

In summary, the proposed importation has no single redeeming virtue. Certainly, this proposal will not provide any conservation benefit in the U.S. or Swaziland. The zoo industry's tired claim that commercial exhibition of elephants inspires Americans to take conservation action remains unproven and objectively unmeasured. And, for the 18 elephants targeted for importation, it is no exaggeration to conclude that they face a sad, uncertain future.

Elephants are highly intelligent, sensitive, and social. That they suffer in captivity is beyond serious debate. We should always strive for the best, most humane alternative for their care and survival. For the "Swazi 18" this means, at a minimum, remaining on the continent of their birth in conditions of safety and greatest practical freedom. We believe nothing less is acceptable. We call on the Kingdom of Swaziland and the zoos involved in the import to do

<sup>8</sup> "Namibia: No orphan elephants exported to Mexico." June 11, 2012.  
<http://allafrica.com/stories/201206111695.html>





what is in the best interests of these elephants and relocate them to a protected park or sanctuary in Africa.

Signed,

**Eve Lawino Abe, PhD**, Independent Wildlife Biologist

**Rosemary Alles**, Co-founder, March for Elephants-San Francisco; Core Strategist, The Global March for Elephants and Rhinos

**Rob Atkinson, PhD**, Former CEO, The Elephant Sanctuary in Tennessee

**Patricia Awori**, Pan African Wildlife Conservation Network

**Mark Bekoff, PhD**, University of Colorado, Boulder, Ecology and Evolutionary Biology

**Scott Blais**, Chief Executive Officer, Global Sanctuary for Elephants

**Carol Buckley**, Founder and President, Elephant Aid International

**Brian Busta**, Sanctuary and Elephant Manager, PAWS ARK 2000

**David B. Casselman, JD**, Founder and Director, Elephants in Crisis and the Cambodia Wildlife Sanctuary

**Jan Creamer**, President, Animal Defenders International

**Mark Deeble**, Wildlife Filmmaker (The Elephant Movie)

**Audrey Delsink**, PhD Candidate, Elephant Scientist

**Mona George Dill**, President, East Caribbean Coalition for Environmental Awareness (ECCEA)

**Andy Dobson**, Professor, Population Biologist and Ecologist, Princeton University and Santa Fe Institute

**Jamie Rappaport Clark**, President and CEO, Defenders of Wildlife

**Catherine Doyle, MS**, Director of Science, Research and Advocacy, Performing Animal Welfare Society

**Chris Draper**, Programmes Manager (Captive Wild Animals/Science), Born Free Foundation

**Philip K. Ensley, DVM, Dipl. ACZM**, Former Associate Veterinarian, Zoological Society of San Diego

**Vicki Fishlock**, Resident Scientist, Amboseli Trust for Elephants (Kenya)

**John Freeze**, Former Elephant Husbandry Supervisor, North Carolina Zoological Park

**Daniela Freyer**, Pro Wildlife

**Toni Frohoff, PhD**, Elephant Scientist, In Defense of Animals

**Francis Garrard**, Director, Conservation Action Trust

**Sofie Goetghebeur**, Co-founder, Elephant Haven, European Elephant Sanctuary

**John W. Grandy, PhD**, Executive Director, Pegasus Foundation

**Petter Granli**, Co-director, ElephantVoices

**Melissa Groo**, Elephant Researcher and Conservationist

**David Hancocks**, Former Zoo Director, United States and Australia

**Michelle Henley, PhD**, Elephants Alive

**Dale Jamieson**, Professor of Environmental Studies, New York University

**Dr. Trevor Jones**, Director, Southern Tanzania Elephant Program (STEP)

**Paula Kahumbu, PhD**, Chief Executive Officer, Wildlife Direct (Kenya)

**Lisa Kane, JD**

**Michael Kennedy, Campaign Director, Humane Society International (Australia)**

**Winnie Kiiru, PhD, Wildlife Biologist, Conservation Kenya**

**Rob Laidlaw, Chartered Biologist, Zoocheck**

**Phyllis C. Lee, PhD, Director of Science, Amboseli Trust for Elephants (Kenya), and Professor of Psychology, Behaviour and Evolution Research Group, University of Stirling**

**Keith Lindsay, Member, Scientific Advisory Committee, Amboseli Elephant Research Project (Kenya)**

**Marlene McCay, Chairperson, Elephants Alive**

**Dr. Graham McCulloch, Director, The Ecoexist Project (Botswana)**

**Marcelle Meredith, CEO, National Council of SPCAs (South Africa)**

**Susan Millward, Executive Director, Animal Welfare Institute**

**Lindsay Morgan, Director, I Left My Heart in Kenya**

**Cynthia Moss, Director, Amboseli Elephant Research Project (Kenya)**

**Carney Anne Nasser, Legislative Counsel, Animal Legal Defense Fund**

**Dr. Katarzyna Nowak, Research Fellow, Durham University (UK) and University of the Free State (RSA)**

**Ellen C. O'Connell, Executive Director, Tusk USA**

**Michael O'Sullivan, Chairman and CEO, The Humane Society of Canada**

**Krystal Parks, MA, Founding Director, Pachyderm Power! Love in Action for Elephants**

**Bob Poole, Presenter and Wildlife Cinematographer**

**Joyce Poole, PhD, Co-director, ElephantVoices**

**Ian Redmond, OBE, Independent Wildlife Biologist, Founder, The African Ele-Fund**

**Richard G. Rhoda, PhD, Board Chair, The Elephant Sanctuary in Tennessee**

**Carter Ries, Co-Founder, One More Generation**

**Jim Ries, President, One More Generation**

**Olivia Ries, Co-Founder, One More Generation**

**Adam Roberts, Chief Executive Officer, Born Free Foundation**

**Jill Robinson MBE, Dr med vet hc, Hon LLD, Founder and CEO, Animals Asia Foundation**

**Johnny Rodrigues, Chairman, Zimbabwe Conservation Task Force**

**Kaori Sakamoto, Voice for Zoo Animals, Japan**

**Jen Samuel, Founder and President, Elephants DC**

**Julie Sherman, Executive Director, Wildlife Impact**

**Ed Stewart, President, Performing Animal Welfare Society**

**Victoria Stone, Wildlife Filmmaker (The Elephant Movie)**

**Peter Stroud, Former Zoo Director, Zoological Consultant, Member Asian Elephant Specialist Group**

**Anne Kent Taylor, Anne K. Taylor Fund**

**Sarah Uhlemann, International Program Director, Center for Biological Diversity**

**Will Travers, OBE**, President, Born Free Foundation

**Tony Verhulst**, Co-founder, Elephant Haven, European Elephant Sanctuary

**Stephen Wells**, Executive Director, Animal Legal Defense Fund

**Ellen Windemuth**, Chief Executive Officer, Off the Fence

**Kirsten Wimberger, PhD**, Zoologist

**Steven Wise, Esq.**, President, Nonhuman Rights Project

**Julie Woodyer**, Campaigns Director, Zoocheck

**Janice Zeitlin**, Chief Executive Officer, The Elephant Sanctuary in Tennessee

**Draft Environmental Assessment  
Dallas Zoo Management  
PRT-52849B**

**Prepared by:  
Kathleen Moore, Senior Biologist  
And  
Timothy Van Norman, Chief**

**Branch of Permits  
Division of Management Authority  
U.S. Fish and Wildlife Service**

**September 25, 2015**



**METRO COUNCIL MEETING**  
Meeting Minutes  
October 29, 2015  
Metro Regional Center, Council Chamber

Councilors Present: Council President Tom Hughes, and Councilors Carlotta Collette, Craig Dirksen, Kathryn Harrington, and Bob Stacey

Councilors Excused: Councilors Sam Chase and Shirley Craddick

Council President Tom Hughes called the regular council meeting to order at 5:34 p.m.

**1. CITIZEN COMMUNICATIONS**

**2. CONSENT AGENDA**

Motion:	Councilor Carlotta Collette moved to adopt items on the consent agenda.
Second:	Councilor Kathryn Harrington seconded the motion.

Vote: Council President Hughes, and Councilors Collette, Dirksen and Harrington voted in support of the motion. Councilor Stacey noted his absence on October 8<sup>th</sup> and abstained from that portion of the consent agenda vote, but voted in favor for the remaining items. The vote was 6 ayes for the October 15<sup>th</sup> Council Meeting Minutes and Resolution No. 15-4639 and 5 ayes for the October 8<sup>th</sup> Council Meeting Minutes (Stacey abstained), the motion passed.

**3. PUBLIC HEARING ON ORDINANCE NO. 15-1361**

Council President Hughes noted that this would be the second public hearing on Ordinance No. 15-1361 (the first was held September 24, 2015) and that the third and final public hearing would be held on Thursday, November 5. He added that the second reading of the ordinance, Council consideration, and vote would occur on Thursday, November 12. Council President Hughes introduced Metro staff, Ted Reid and Roger Alfred, to provide a brief presentation. Mr. Reid and Mr. Alfred noted that the Council had received updated materials at the dais and were available if there were any questions.

**Council discussion**

There were no questions for staff or Council discussion.

Council President Hughes opened the public hearing on Ordinance No. 15-1361.

**Mr. Herb Koss, Lake Oswego:** Mr. Koss provided testimony against the ordinance and Urban Growth Report (UGR), stating that he didn't believe that the UGR accurately reflected the housing



demand in the region and noting that he hoped that the Urban Growth Boundary process would be looked at next year regarding adjustments and/or expansions.

Seeing no further testimony, Council President Hughes gavelled out of the public hearing and noted again the upcoming schedule for the third public hearing.

**4. CHIEF OPERATING OFFICER COMMUNICATION**

Ms. Martha Bennett provided an update on the following events or items: October 31<sup>st</sup> Tour of Untimely Departures at Lone Fir Cemetery, MWESB Contracts workshop on November 3<sup>rd</sup>, and the member recruitment for Metro's Public Engagement Review Committee (PERC).

**5. COUNCILOR COMMUNICATION**

Councilors provided updates on the following meetings or events: brief report out on the RailVolution 2015 conference in Dallas, Texas and an update on the October 28<sup>th</sup> MPAC meeting.

**6. ADJOURN**

There being no further business, Council President Hughes adjourned the regular meeting at 5:52 p.m. The Metro Council will convene the next regular council meeting on Thursday, November 5, 2015 at 2 p.m. at the Metro Regional Center in the council chamber.

Respectfully submitted,



Alexandra Eldridge, Regional Engagement & Legislative Coordinator

**ATTACHMENTS TO THE PUBLIC RECORD FOR THE MEETING OF OCT. 29, 2015**

<b>Item</b>	<b>Topic</b>	<b>Doc. Date</b>	<b>Document Description</b>	<b>Doc. Number</b>
2.0	Minutes	10/08/2015	Council Meeting Minutes from October 8, 2015	102915c-01
2.0	Minutes	10/15/2015	Council Meeting Minutes from October 15, 2015	102915c-02
3.0	Handout	10/29/2015	Updated materials for Ordinance No. 15-1361: ordinance, exhibit A, exhibit B, staff report	102915c-03
3.0	Testimony	10/29/2015	Testimony from Herb Koss	102915c-04



Home Builders Association  
of Metropolitan Portland

November 5, 2015

The Honorable Tom Hughes  
Metro Council President  
600 NE Grand Ave.  
Portland, OR 97232

Chair Hughes and Members of the Metro Council,

On behalf of the over 1,400 members (representing over 10,000 employees) of the Home Builders Association of Metro Portland, please accept these comments and recommendations on proposed Ordinance 15-1361.

We appreciate the difficult job Metro has in managing our region's land supply. In our review of the recommendations and the Ordinance before the Council, we are pleased to see many challenges acknowledged that have been expressed by a number of organizations, many surrounding jurisdictions and MPAC. Issues like:

- how much has the recent severe recession impacted the region's growth over the last couple of years and is that going to change as we work our way out of its impacts;
- how do we balance people's needs and preferences in housing, and housing affordability, with our desire to protect farm and forestland;
- how can our region do a better job in allowing local jurisdictions who want more growth and have shown the ability to do it well to have better ways of achieving their goals; and especially,
- how can our region do a better job at creating higher income jobs and greater economic opportunities for all its residents?

We also appreciate that Metro acknowledges it needs to accelerate its next review cycle to better determine housing trends and needs based on data following the Great Recession, as well as other factors. And we appreciate that Metro is committed to finalizing the urban and rural reserve designations in Clackamas and Multnomah Counties, while also adopting MPAC's recommendation that the accelerated review cycle not be contingent on whether this finalization occurs due to related political ambiguities.

As we have stated previously, our concerns with the results of the Urban Growth Report results have been centered around several key items: 1) An unprecedented projected long-term shift in housing mix to apartments and condos; 2) the assumption of low homeownership rates that don't reflect economic recovery and demographic trends; and 3) the combined affects that an incorrect supply of housing types, increased demand and lack of land supply will have on housing affordability.

In fact, since our initial comments last year, the City of Portland has declared a Housing Crisis. In addition, the very infill and redevelopment the Urban Growth Report calls for is meeting stiff

resistance, resulting in additional regulations, fees and process uncertainties. Many of these will further limit increased density and drive housing costs even higher.

Since the UGR was released in 2014, we have also seen a significant increase in housing development in towns outside of Metro's UGB. As we predicted, not providing for needed housing units within the UGB is pushing many families to the edge of our region, into towns outside of our Metro area as well as Clark County, to find the housing they want and can afford.

While the Council's intentions to examine these issues and trends further and accelerate the next UGR analysis are honorable, we're not convinced that a new review will be enough.

The Metroscope model is a useful planning tool, but we believe it is being used in a way different from past reviews, different from how other jurisdictions around the State conduct their analyses, and that appears to inadequately address Goal 10 needed housing requirements.

Unlike Goal 10 as implemented elsewhere across the State, the UGR analysis holds the current buildable land supply and capacity as fixed and solves for how future residents will adapt to a static capacity that is overwhelmingly high-density, multifamily units in Portland. Unsurprisingly, household demand is effectively forced to choose multifamily dwellings in Portland (assuming they are even available and are at price or rent levels people can afford). It is our understanding that Metroscope, as it is currently being used, cannot mathematically reach a "zero capacity" solution. The mathematical impossibility of finding insufficient housing capacity of any type should be viewed as inconsistent with the methodology and intent of housing capacity analysis and need reconciliation laid out by ORS 197.296.

This became further evident when Metro revised its draft Urban Growth Report to lower the assumption for housing units in Damascus. Instead of creating a need for more land for similar housing units, the report model simply assumed some demand would be pushed outside the region, some demand would be picked up by increased density in urban areas, and some demand would be met by an uncertain future Urban Growth Boundary decision. None of these results seem consistent with the Goal 10 requirement that there is an availability of housing units within the UGB that are at appropriate price ranges and allow for flexibility in housing location, type and density.

We remain extremely concerned that Goal 10 needed housing requirements are not being considered with this UGR. We don't see how, given the way Metroscope is now being used, that a better understanding of housing preferences, nor potential newer data showing development patterns closer to traditional ones than the extreme shift Metro is currently projecting, will result in any change to the outcome three years from now.

If Metro intends to stand by the UGR and its Ordinance and wants to plan in the best interests of the region, we ask that Metro amend its ordinance to include the following:

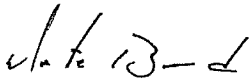
- **Direct staff to provide an examination of our concerns that the Metroscope model as currently used solves demand based on a fixed capacity and can therefore not reach a "zero capacity" solution, and whether this meets Goal 10 needed housing requirements.**
- **Create policy that requires a 5-7 year supply of buildable land in addition to a 20 year supply of buildable land.** The 20 year supply allows areas like Damascus, or areas that require voter annexation but which have repeatedly not been annexed, to be

kept as phantom inventory due to the uncertainties in political processes over a long horizon. In order to address housing demand and affordability, we need to make sure there is a short-term supply of housing in addition to a 20 year supply.

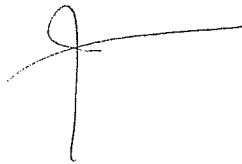
- **Provide tangible leadership from the Metro Council and Staff on political issues that would prevent assumed development and planning from taking place.** For example, when a city like Portland seeks to impose a huge tax on redevelopment or makes other regulatory changes that would affect the density assumptions or costs to achieve projected development, Metro should use its political power to oppose those policies. When anti-growth contingents use voter annexation as a way of preventing the very growth that Metro and our region have planned for, Metro should lead legislative efforts to provide other options to achieve planned outcomes.

In the spirit of our working together to provide solutions rather than just concerns or criticism, we offer up the preceding recommendations for consideration. We also stand ready to continue to support the work directed by Metro in items 3 through 7 of its ordinance.

Respectfully,



Nate Bond  
Board President



Jim Standing  
Government Relations Chair



East Metro  
Economic  
Alliance

November 2, 2015

Metro Council  
600 NE Grand Ave  
Portland, OR 97232

**RE: Urban Growth Boundary**

Dear President Hughes and Metro Council:

On September 10, 2015, Metro Councilor Shirley Craddick spoke to the East Metro Economic Alliance (EMEA) Board Members regarding the "Recommendations of the Metro Chief Operating Officer" to not expand the Urban Growth Boundary. We appreciate all the hard work that went into this recommendation and Councilor Shirley Craddick's efforts to share this information and seek input from our Board. As an organization, we have notable concerns that we strongly recommend be addressed as a part of the Urban Growth Boundary decision to be made later this year.

1. We agree a revised approach to planning needs to occur. Our concern is the outcomes of past plans have not materialized and time, people, business preferences, and the region's ability to create sound policy and deliver on intentional goals have all changed. As a region we must be intentional in our outcome and maintain flexibility in order to meet the changing needs of our fast-growing region.
2. As you move the planning effort to the next level, we support the creation of a committee that would include the cities, business owners, experts, and stakeholders to work with Metro. As an east-county stakeholder for economic advocacy, EMEA would like to be an active member on this committee. As EMEA works at the intersection of business, government, education and nonprofits, we are more than happy to make recommendations about others who may be good participants for this committee, especially as it relates to East Metro representation.
3. Regional goals are important, but understanding the abilities and needs of the sub-regions (cities/counties) to meet the regional goals is critical to the region's success. The next update should plan/assume growth on the sub-regional level so those areas can create the appropriate policies, infrastructure requirements, funding priorities, safety and other needs to match the region's plan.
4. Current litigation has impacted the region's ability to enact effective growth strategies. We need to get the litigation behind us so we can move forward to create a growth plan all of us can believe in.
5. With so many new changes as noted in the report by the Chief Operating Officer, we agree a new review should be completed within the next three years. This also will help the region maintain flexibility with the hope that current litigation is resolved in the next two years. This will give the region more time to collect and interpret new data.

I want to thank you and the council for your time and attention. We look forward for a resolution of our concerns, and being engaged as this process moves forward. If there is an opportunity for input from East Metro or any of our member or area partners, please let me know.

Thank you very much for your time and consideration.

Best regards,

  
Jarvez Hall, MBA  
East Metro Economic Alliance Executive Director  
PO Box 422 Gresham, OR 97030  
**Email:** [ExecutiveDirector@EastMetro.org](mailto:ExecutiveDirector@EastMetro.org)  
**Phone:** (503)912-8898





133 SW Second Ave, Suite 201 • Portland, OR 97204 • (503) 497-1000 • fax (503) 223-0073 • [www.friends.org](http://www.friends.org)

Southern Oregon Office • PO Box 2442 • Grants Pass, OR 97528 • (541) 474-1155 • fax (541) 474-9389

Willamette Valley Office • PO Box 51252 • Eugene, OR 97405 • (541) 520-3763 • fax (503) 223-0073

November 3, 2015

Metro President Tom Hughes  
Metro Council  
600 SE Grand Ave  
Portland, OR 97232

Re: 2015 Urban Growth Boundary decision

Dear President Hughes and Metro Councilors:

1000 Friends of Oregon supports the recommendation of the Chief Operating Officer that the Metro Council not expand the regional urban growth boundary in 2015. As demonstrated in the COO's recommendation, there is no need for additional land in the UGB for any purpose.

A decision to not expand the UGB is a victory for the region's residents. It means that rather than continuing to pay for new roads and pipes to subsidize sprawling, expensive developments at the region's edge, taxpayers can see their money go towards repairing the roads we already have, providing safe sidewalks and bikeways, and investing in existing vacant and underused lands for new jobs. It means the region can reduce air pollution and come closer to meeting its climate goals, because residents will have choices in how to get around and not need to drive as much or as far. And driving less saves every resident thousands of dollars a year - money families can spend on housing. It means that rather than paying for sprawl, cities can focus on investing in strategies to preserve and provide affordable housing, and the region can invest in expanding transit.

A decision not to expand the UGB now, but instead to consider the UGB in 2018, is also a significant opportunity for Metro. Metro and the region's residents, cities, and counties will be able to combine into one time frame several significant projects, using an integrated set of tools to achieve multiple bottom lines in Metro's Climate Smart Communities, Active Transportation Plan, Regional Transportation Plan, Equity Housing Plan, and UGB decision.

Finally, it allows Metro the opportunity to integrate for the first time into its major land use and transportation decision-making a true fiscal impact analysis of the life cycle costs of the infrastructure investments required for different development patterns, and to integrate that analysis into its decisions. As many studies and experiences from urban areas of all sizes around the country, and here in Oregon, have shown, the historic failure of local governments to analyze and save for the long-term maintenance and operation cost of roads, pipes, fire stations, and more has resulted in deteriorating infrastructure, costly repair backlogs, and municipal fiscal crises. Today, the Metro area faces a shortfall of billions of dollars just to meet the capital costs of the infrastructure needed for the plans we already have on the books.

The flip side of that coin has been the failure to use the existing land supply and infrastructure more efficiently, including providing more density in the centers and corridors of our region where people clearly want to live and where the lack of sufficient housing is contributing to the lack of affordable housing.

We recommend that the Metro Council close out this UGB decision in 2015 with no expansion, but instead make a significant commitment to spend the next several years focused on ensuring every community in the region has more affordable housing for all, increased transit service, safe and accessible sidewalks and bikeways, and more economic opportunities where people already live.

Thank you for consideration of our comments.

A handwritten signature in cursive script that reads "Mary Kyle McCurdy".

Mary Kyle McCurdy  
Policy Director