



# Meeting minutes

Meeting: **Metro Technical Advisory Committee (MTAC) meeting**

Date/time: Wednesday, July 17, 2024 | 9:00 a.m. to 12:00 p.m.

Place: Virtual video meeting via Zoom

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## **Members Attending**

Eryn Kehe, Chair  
Joseph Edge  
Carol Chesarek  
Victor Saldanha  
Tom Armstrong  
Erik Olson  
Aquilla Hurd-Ravich  
Anna Slatinsky  
Laura Terway  
Steve Koper  
Katherine Kelly  
Jamie Stasny  
Jessica Pelz  
Manuel Contreras, Jr.  
Gery Keck  
Natasha Garcia  
Nina Carlson  
Tom Bouillion  
Bret Marchant  
Nora Apter  
Preston Korst  
Brian Moore  
Erik Cole  
Mike O'Brien

## **Affiliate**

Metro  
Clackamas County Community Member  
Multnomah County Community Member  
Washington County Community Member  
Largest City in the Region: Portland  
Largest City in Clackamas County: Lake Oswego  
Second Largest City in Clackamas County: Oregon City  
Second Largest City in Washington County: Beaverton  
Clackamas County: Other Cities, City of Happy Valley  
Washington County: Other Cities, City of Tualatin  
City of Vancouver  
Clackamas County  
Washington County  
Clackamas Water Environmental Services  
Tualatin Hills Park & Recreation District  
Portland Public Schools  
NW Natural  
Port of Portland  
Greater Portland, Inc.  
Oregon Environmental Council  
Home Builders Association of Metropolitan Portland  
Prosper Portland  
Schnitzer Properties, Inc.  
Mayer/Reed, Inc.

## **Alternate Members Attending**

Kamran Mesbah  
Vee Paykar  
Faun Hosey  
Mary Phillips  
Ashley Miller  
Dan Rutzick  
Dakota Meyer  
Martha Fritzie  
Kevin Cook  
Theresa Cherniak  
Glen Bolen  
Kelly Reid  
Fiona Lyon

## **Affiliate**

Clackamas County Community Member  
Multnomah County Community Member  
Washington County Community Member  
City of Gresham  
City of Gresham  
City of Hillsboro  
City of Troutdale  
Clackamas County  
Multnomah County  
Washington County  
Oregon Department of Transportation  
Oregon Department of Land Conservation & Dev.  
TriMet

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Jerry Johnson  
Max Nonnamaker  
Ryan Ames  
Leah Fisher

Johnson Economics, LLC  
Public Health & Urban Forum, Multnomah County  
Public Health & Urban Forum, Washington County  
Public Health & Urban Forum, Clackamas County

**Guests Attending**

Adam Torres  
Bruce Coleman  
Eric Rutledge  
Harrison Husting  
Jan Tysoe  
Kevin Young  
Marc Farrar  
Randall Olsen

**Affiliate**

Clackamas County  
City of Sherwood  
City of Sherwood  
Clark County  
City of King City  
OR Department of Land Conservation & Development  
Metropolitan Land Group, LLC  
City of King City

**Metro Staff Attending**

Cindy Pederson, Eliot Rose, Eryn Kehe, Laura Combs, Marie Miller, Ted Reid, Thaya Patton

**Call to Order, Quorum Declaration and Introductions**

Chair Eryn Kehe called the meeting to order at 9:00 a.m. A quorum was declared. Introductions were made.

**Comments from the Chair and Committee Members**

Chair Kehe noted the August MTAC meeting has been moved one week later to August 28. Packet materials may be sent close to this meeting date, but hopefully in time for reading and preparation.

The MTAC September 18 meeting will be in-person with online option via Zoom. The meeting will be held in Metro Council Chambers starting at 9:00 a.m. There will be a vote taken at this meeting on the Urban Growth Management Decision with recommendation to MPAC.

Kelly Reid, Oregon Department of Land Conservation & Development, announced DLCD is hosting a regional conversation for Metro jurisdictions for OHNA rulemaking August 13th from 1-3PM. Email [housing.dlcd@dlcd.oregon.gov](mailto:housing.dlcd@dlcd.oregon.gov) if you want to attend but do not receive a zoom invite in the next few days. Two links were shared regarding First Rule Draft: Summary memo:

[https://www.oregon.gov/lcd/Housing/Documents/20240710\\_DLCD\\_First\\_Rule\\_Draft\\_Memo.pdf](https://www.oregon.gov/lcd/Housing/Documents/20240710_DLCD_First_Rule_Draft_Memo.pdf)

Draft rules:

[https://www.oregon.gov/lcd/Housing/Documents/20240717\\_DLCD\\_First\\_Rule\\_Draft\\_Matrix.pdf](https://www.oregon.gov/lcd/Housing/Documents/20240717_DLCD_First_Rule_Draft_Matrix.pdf)

**Public Communications on Agenda Items** – none given.

**Consideration of MTAC minutes June 26, 2024 meeting**

Chair Kehe moved to accept as written minutes from MTAC June 26, 2024 meeting.

**ACTION: Motion passed unanimously with three abstentions: Dan Rutzick, Brian Moore, Kevin Cook**

**EPA Climate Pollution Reduction Grant** (Eliot Rose, Metro) The presentation began with a description of the EPA Climate Pollution Reduction planning grants which are 4-year planning grants to create state and metropolitan area climate plans that focus on reducing greenhouse gases (GHGs), implementation-

ready actions, and alignment with federal and state climate funding sources. Metro is leading a grant for the 7-county Portland-Vancouver metropolitan statistical area. There are two rounds of planning, possibly two rounds of funding, with details provided. In addition to the Portland-Vancouver area, the states of Oregon and Washington have received planning grants. Metro coordinates with both states so that the resulting plans reflect state, regional, and local agency roles and responsibilities. The Climate Partners Forum has been the Steering Committee with this effort. They are interested in having other agency and non-agency partners for this next phase of the grant. Their next meeting is July 23. For more information on attending, you are encouraged to contact Mr. Rose.

The importance of the Climate Pollution Reduction grants was described with the implementation opportunities associated with them. The list of submitted CPRG implementation grant applications was shared. EPA plans to announce awards this summer. They received 10 times as many requests as they can fund. The Draft CCAP development timeline was given. We will continue to develop this timeline based on the input we hear at the next Climate Partners' Forum meeting on July 23 from 1:00-2:30 PM.

Comments from the committee:

Dan Rutzick noted seeing \$33 million allocated for transit to improve fuel efficiency. Washington was asking for Electrification Vehicles. Can you talk a little about how the decision was made to either purchase more EV for transit versus go for cleaner fuels and other upgrades. Mr. Rose noted we went through a screening process to select projects last time that was really driven by those implementation grants that EPA had posted. They released the notice of funding opportunity for those implementation grants. So they basically turned the planning process last time around into a pre-application process for those grants.

As we were doing that a lot of the factors that we considered were noted in the grant criteria, that a project already had to be reasonably detailed in its development. It had to be scalable to the region to look good through the lens of greenhouse gas reductions that EPA asked us to use in the application process. It also had to be a capital project because these were limited term grants that aren't going to fund ongoing operations and maintenance. Those were some of the factors that lead us to those transit projects, such as efficient one-time capital upgrades of equipment, which is much easier to fund through a grant than increasing service, which involves ongoing operating costs. The amount of planning work that TriMet and Metro have done to develop a transit signal priority plan for the region as well as preexisting work on trying to get to an EV fleet really positioned us to pursue those.

Mr. Rutzick noted curious if it sounds like down the road there could be, if there's grant funds available, acquisition of more electric fleet or electric bus fleet and other improvements that may be on the table. Mr. Rose noted there were two applications submitted. One was for electric bus fleet, it complimented some of the awards at TriMet because TriMet is trying to go 100% electric. They've applied to other programs, too. There are lots of EV applications but we did have an application for electric buses through the implementation grants. I believe there was \$20 odd million for the electric buses and around \$10 million for transit signal priority.

Nina Carlson asked when you speak about energy efficiency for housing what does that really mean? Mr. Rose noted as far as the applications that went in, we really focused on envelope upgrades primarily. Things you could do to a building to envelope windows to make a building retain more energy rather than losing heat, losing cool through the windows. We also included particularly in the retrofits for existing housing was general funding for maintenance that supports energy efficiency. Because what we found when talking with Energy Trust is they have specific money to install heat

pumps and other energy efficient equipment in people's houses. The state was going to continue to fund those programs. So we decided not to focus on heat pumps and HVAC equipment because that's already being funded and applied for. But what we learned is that those improvements often require structural changes to a home just to be able to carve out the space or the support for a heat pump and that couldn't be funded through the current monies. So we put in supplemental funding to enable those other HVAC improvements to proceed.

Mr. Rose showed a chart in the presentation titled CCAP vs. PCAP: Key Differences. Glen Bolen asked if the greenhouse gas targets listed are different than what we already have at the regional level? Or the state level? Mr. Rose noted it is different in so far as EPA is asking us to produce a multi-sector target. Right now we only have a state target. We have state multi-sector targets for Oregon and for Washington and they're a little different. So I think rather than trying to have a policy conversation about what target we go for when we have a Bi-State Metro area that makes that kind of coordination a little tough, I've asked the consultant team to at least start by recommending advisory targets that helps us understand as a region if the Washington side met Washington targets and the Oregon side met Oregon targets what would that mean for our emissions? I don't think we'll be asking people to adopt no targets so much as trying to provide more information about what it would mean for our Metro area to meet those different state level targets across all sectors.

**Draft Urban Growth Report (UGR)** (Ted Reid, Metro) Chair Kehe announced that the Draft Urban Growth Report was published last week. We're here today to give you an update on that report. The project timeline was provided. A review of the community and committee engagements were given. Housing results from the report were given with demand scenarios and housing types.

Ted Reid provided information from the report on employment land. A review was given on the factors on converting jobs to acres. The report summarized category results for industrial and commercial land. The land gap analysis for each were given for low growth forecast, baseline growth forecast, and high growth forecast. Large site industrial needs were shown on a map. The Statewide Semiconductor Taskforce highlights were given. The Sherwood West employment land analysis was given.

Metro Council will consider two policy options:

1. No expansion. Sufficient capacity inside the UGB. Conclude that there is adequate capacity inside the UGB for housing and jobs
2. Expansion. Insufficient capacity inside the UGB. Expand the UGB to add the Sherwood West urban reserve area as proposed by the City of Sherwood

Consider conditions of approval:

- to help achieve a certain housing mix or number of housing units
- to preserve employment land with unique site characteristics for industrial and flex uses that cannot be found elsewhere in the UGB

Comments from the committee:

Jerry Johnson had a question about the work from home. Can you provide more detail on how the work from home hybrid issue was addressed. Mr. Reid noted basically we looked at the current rates of work from home, what they've been over the last several years, where they seem to be settling post pandemic, sector by sector. As well as looking at work from home we looked at hybrid work and came up with essentially some assumptions that affect demand for office space specifically. So not every sector but office demand.

Mr. Johnson noted trying to see if information is available on Metro's website. We'd like to prepare some input in the public comment period. It's easier to respond if we have more detail about the technical approach being used throughout this. Mr. Reid provided a link to the Urban Growth Report: <https://www.oregonmetro.gov/public-projects/2024-growth-management-decision> In addition the link to the relevant appendix that describes this employment demand analysis was provided: <https://www.oregonmetro.gov/sites/default/files/2024/07/09/2024-UGR-Appendix-3-Employment-land-demand.pdf>

Nina Carlson noted with the economic development lens it would be interesting to see what that number of acres available would be if you took out tier three and took out anything under five acres. Because in economic development if you don't have at least five acres and you're not at least tier two you are not even in the ball game. We might as well not count that. I appreciate the work you have done and the thoughtfulness on the Sherwood expansion. But that area has absolutely no transit and that's a concern for considering an area for huge industrial use when we don't have sidewalks, maybe one bus line two miles away. I am concerned when you talk about the Portland Business Alliance when looking at them for your economic resource. Portland doesn't technically have a lot of vacant land. It is typically in Clackamas and Washington Counties who have the large industrial parcels that need some help to be developed. It's concerning that your key business organization wasn't in one of those counties.

Mr. Reid noted I believe you heard me referencing the regional industrial site readiness work where over the years PBA has been a partner on that work, along with the Port of Portland and others. We've been reaching out to a variety of interest business groups over the course of this work. You were mentioning we shouldn't count certain sites that are too small or not development ready. I appreciate the comment. It's important in terms of how we think about more immediate economic development opportunities. However, for the purpose of growth management we're looking out 20 years at our long-term land supply. This is something that we need to do. We need to count these sites with the knowledge that they require additional action and investment to make them development ready. Fundamentally this is about our land supply and whether we have enough of it. Regarding transit or lack of that's the case with many areas currently in the urban growth boundary. Certainly with any potential expansion area they will require investment to support population employment growth.

Carol Chesarek noted looking at table 11 on page 34 of the report. It's basically existing housing needs. I'm assuming that these are three different categories of numbers but if you added them up and we could have a magic wand today and create these units when everybody in the region that needed a house could have one. I'm assuming that's what it is. I have some follow up questions. I couldn't figure out where these numbers were used in the following analysis in the report. I was also curious about whether these were much higher numbers than we've had historically. I don't know that we've looked at the homelessness housing need before. So if it may be new but it would be interesting to know. How are we making any progress relative to five years ago? How do these number compare to the governors? Do we need that many estimates?

Chair Kehe noted this is a new state requirement. This is the first urban growth management decision where we are required to count current housing needs. That includes under production and an estimation of housing needs for those who are houseless currently. This first reason why different from the governor's numbers is that they're more recently taken, and we point in time taken for this year. Mr. Reid noted you were asking where in the analysis those number go from table 11. In subsequent table 14, for instance, in the Urban Growth Report Summary the reference to future needs as well as

those existing needs. That's where those existing needs pop up again, in the calculation of overall housing needs. As noted, this is a new requirement that was added to the statute in 2019. This is our first time looking at not only future needs but existing. Yes, this is both the historic backlog of under production as well as housing for people experiencing houselessness. We are using similar methods to what the state has been using and the same consultant team. Their work is still in progress. The governor's goal is based on some older numbers so we think ours is more updated, generally consistent with the work the state is doing.

Michael O'Brien noted we've talked before about urban growth expansion and the potential for swapping out less useable and within the UGB. I'm wondering if that is considered expansion, or it that can be labeled under just trades and how you would approach that. If making an expansion to get all the housing we need, how close are we in terms of understandable need in the 20-year window versus the capacity of the urban growth boundary currently. Is it close? Is it far away?

Chair Kehe noted we've used the trade once in the past. It's a new process and it can be done outside of this six-year cycle. That's one of the things that make it special. I think you could use a trade in this six-year cycle, but one of the unique things about the cycle and what we have to do every six years is a complete analysis of demand and capacity and look at whether the existing UGB has the capacity to accommodate the growth we anticipate for the future. A swap doesn't require that. A swap can simply be done having an equal amount of land that comes out of the growth boundary and comes in. It's more flexible and makes sense to occur outside of this process where we're doing all the analysis to figure it out.

Mr. O'Brien noted my concern would be that we decide to expand the urban growth boundary without taking out stuff that's unusable and replacing it with usable land. Chair Kehe noted that's not a standard part of the process. It wasn't set up that way by the state originally. But we found a way to create an option for that going forward that we can use. If you saw the final slide, the date, depending on how you look at those scenarios in terms of industrial and commercial growth, or how you look at the appraisal of housing needs and what the housing needs of the future population will be, you can find either a need to expand the growth boundary or not. That is where the public discussion will occur and MPAC will make a recommendation to the Council and the Council will decide what they think the right data and information the right decision is.

Jessica Pelz noted you were talking about the baseline forecast as the most typical and likely. But we've been hearing from some of the mayors on the west side and our commission's discussion that maybe our policy direction should be trying to go for the high growth rates in both to guide more investment opportunity, land decisions, policy around growth, and maybe making some more opportunity available as a way to balance that and bring in more growth. That is something we've been hearing on our end. Is that a policy direction that staff is looking into and could potentially recommend to Metro Council? That will be in the letter from our Board of Commissioners they approved yesterday. My other question is about how this relates to the Oregon Housing needs analysis and that the forecast chosen by Metro Council will be informing the housing, what is the target number of housing needs and the allocations that everyone will be required to meet in the Metro area.

Mr. Reid noted this will be Metro Council's prerogative based on advice they get from the Metro Policy Advisory Committee and where they land from all of this work, whether they want to plan for higher growth. I think top of mind for them will be adopting our higher forecast doesn't make that happen. I think they will probably think about what actions would be required to achieve higher employment

growth, aside from adopting a higher number in the Oregon Housing Needs analysis work. The way that law lines things up is basically that as the state is setting housing targets for cities and counties and setting housing need allocations for cities and counties, they refer to Metro's adopted regional forecast. That will be the upshot of this, that what gets adopted by the Metro Council will be a reference point for the state. They're not bound to use it, particularly as we move into year 1,2,3,4 or 5 out from now, and the state is going to be setting those targets every year. They're going to need to consider additional information but it is a basis for what they use.

Tom Armstrong wanted to pick up on some of the other points that have been made. I agree we need more information about table 11 and the historic underproduction. In the appendices there's lots of good information about the methodology, but there aren't data tables to show each of those steps. We tried to reproduce that and couldn't come up with the 15,000 number and think you may be missing the substandard housing step in all of that. I think there's more data. It's similar to Mr. Johnson's comment on the employment side. Nowhere in here do I find how many jobs we're planning for inside the UGB. There's discussion of the MSA employment forecast and some sector breakdowns, then all of a sudden, we're talking about acres, so we're missing some data steps to show the work.

Regarding Ms. Pelz's comments, is it the high growth or low growth? I think it's a real mistake you're framing this question, do we or don't we expand the UGB. Mr. Reid just touched on all of these assumptions and everything that goes into the growth forecast that has implications for other planning processes. We're setting up future work. It goes into the transportation model. It goes into all of these other processes and the economic development planning. I think there needs to be a little more time in talking about what are we planning for. There's good information about the mix of housing. There's no equity analysis, no equity analysis tied to the Sherwood West plan about who it's going to serve and how they are going to house the people that will work in the hospitality industry. I think the same could be said on the employment forecast. I know that employment forecast breaks out by sector. Whos' that likely to serve? Issues like that make it too narrow in only talking about do we or don't we need to expand the UGB because these decisions have implications in other policy forums that Metro is responsible for.

Chair Kehe thanked Mr. Armstrong for his suggestions about additional work that could stem from this UGR. Its ultimate purpose is the decision about the urban growth boundary. You've brought up some good points about what additional work could happen in the future.

Dan Rutzick agreed that obviously Sherwood West being the sole UGB expansion request, which is important, but local governments rely on these forecasts for so many other things. I looked to the appendix for data and wasn't seeing it. I think what would be helpful in just some of the conversations I've heard lately is when there's available 6,000 acres of industrial land, how many of that are greater than five acres or less. Five to 10, 10 to 25. I appreciate Metro calling out the large lot industrial which I believe is 25 acres and larger. It's helpful to understand how many medium sized parcels between the five acres and 25 are out there. I look forward to the final draft version of the UGR where more data brought to bear. A question I had regarding the deficit of land for commercial, is that a trend that's ever showed up with a low baseline or high forecast in the past?

Mr. Reid noted not recalling us coming to that conclusion in the past. I think it's partially a result of starting out with a small number of acres of commercial land is our capacity. Just under 500 acres you'll recall, and despite a slow down in population growth and related to that job growth, and despite

having high office vacancy rates and more work from home, if we look out 20 years this is where we end up with the numbers a slight deficit.

I do think that some of this needs a little more context. Some of this may be a product of how we've conducted the modeling for the capacity analysis. For instance, we have a number of mixed use, residential zones and in our modeling of redevelopment the proforma model essentially says what is going to win out. Is it going to be a residential development type or commercial? In many instances it was the residential that was winning out. We generated residential capacity out of that modeling and not commercial.

The other thing to keep in mind is if we truly did have this kind of deficit under the high growth forecast, we'd probably get more redevelopment. Some of this is just the consequence of modeling and needing to simplify a more complex economy to come to these numbers. The answer to the question on number of sites under five acres is in Appendix Six.

Jamie Stasny wanted to acknowledge all the hard work and efforts on this to be transparent. I also acknowledge the unique analysis that was done to look at the industrial land in Sherwood, and I echo some of the other comments that have been made from Washington County about the need to show your work a little bit more. As said before, this process is strictly driven by the legal obligations that Metro has. It doesn't always translate to market reality. Do we have the right land in the right places with the right characteristics and the right infrastructure to attract the businesses that we need? Do we have the right land that's usable for housing? I know that this process isn't designed to consider that in the same way, but I wonder if the update to the Metro 2040 plan that is coming will create an opportunity for us to talk about what our vision is for the future, and making sure there's not just enough land but we have the right land and we're being intentional about creating these opportunities and we're not being too restrictive.

I want to ask a specific question. We are curious about table nine in the UGR about capacity. It's on page 32 of the Urban Growth Report. We're curious where these numbers are coming from and how they might relate to the numbers in appendix two. We're also curious how they relate to the calculation in table 15. What capacity numbers are you using to calculate the capacity deficit slash surplus?

Chair Kehe responded to the first part. I'm glad you brought up this topic. We absolutely are constrained by what the legal requirements of this are. Everyone is right that whether land actually can be developed into something is different than whether land is vacant and zoned as something we all not know that to be true. But the state law asks us to look at land that's vacant and zoned for property, and it does not allow us to look at land that's vacant and zoned for property, and it does not allow us to look at costs or infrastructure allocations. There are a lot of limitations around this process, but that doesn't mean that this process and information provided show a lot of vacant industrial land in our region, zoned vacant industrial land. How do we support the economic needs of our region by putting our focus on supporting changes to either that, providing the kind of land that we need, putting investments into moving lands from one tier to another congregating lands. Once we dig into the 2040 regional vision, we have an opportunity to set a direction on this and do some more work in that area. Once we dig into the functional plan, we can talk about these and make changes as needed.

Ted Reid noted the table nine and the Urban Growth Report summary is a very simplified version of more information from that appendix two. It's lumped together a number of sources of information

from that appendix two. You'll recall from past presentations how we've talked about different sources of capacity, whether it's vacant land, redevelopment, land concept plan areas. You'll find a lot more detail in appendix two about how those sources of capacity breakout into different housing types. But then table nine is just sort of compiled with a lot of information which may be challenging to draw linkage there.

Ms. Stasny noted I think simple math would be helpful to show us the equation. People wading through all this are not able to recreate the numbers and the answers that you're getting. That would be helpful as we're trying to describe this and inform our elected officials who are wanting to understand how you're getting to those answers.

Nina Carlson noted it would be important to have general costs to remediate/improve a Tier 3 site to a higher level. As in, if costs are too high to do this, it will practically never be developed, as it won't pencil out. Costs have to be included for us to make informed decisions. I realize a lot of that stuff is site specific but just to have an honest conversation about this we need people to understand what that might look like. Because if something is just too expensive to remediate, plus the amount that commercial property and industrial property has increased it's not going to be developed because it will not pencil out. If something is not going to pencil out, we need to say these are tier three, but to bring them to tier two they're effectively non-usable in this market. I think cost details matter and context matter and cost is a bit context. I think that's maybe where we need to go back to the legislature or write some policy for some legislation that helps expand upon this that allows you some more flexibility to take things out or put things in based on the context.

Chair Kehe provided a link in the chat to some work Metro did a few years ago on the industrial site readiness project. <https://www.oregonmetro.gov/industrial-and-employment-land> Perhaps this could be referred to and maybe updated. To your point, I want to focus everyone on the work that Mr. Reid talked about in the very specific analysis done on the Sherwood site and how this analysis is being used to make a case for this expansion in Sherwood for industrial land based on the need for sites of a certain size. I think that's a place to dig into the URG and understand what the analysis is saying and how we're using this approach to support an expansion request.

Kevin Young noted I haven't reviewed the entire report, but I'm wondering if there's discussion of utilizing some of the underutilized office space in the region to meet commercial needs. That would likely be a lot cheaper to retrofit than conversion to residential uses. As I hear the need for commercial space I wonder if there's some consideration for repurposing maybe some of that office space for commercial uses, which is likely to be a bit more easily done than conversions to residential, which is another thing that people have been talking about. I recognize not all office space is necessarily attractive for commercial uses. However, I think there might be some opportunities there. Is that something that's been explored or something you might consider?

Mr. Reid noted we did handle the excess office space in a couple of ways. You mentioned conversions to residential and that's a conclusion that we came to as well with support from EcoNorthwest, that it is challenging to do that conversion to residential. You can find that analysis of office to residential conversion in appendix two attached to the Urban Growth Report. You were mentioning repurposing of commercial space or office space specifically. The way we looked at that was described as a flowchart, how we move from an employment forecast to demand for acres. One of the steps there is looking at our current excess office vacancy rates. Our assumption is that over time those vacant spaces will be absorbed by the market. That's a step that along with way that we take to deduct from future office

demands, recognizing that it's going to get repurposed by the market. Asked to clarify, you're saying that your assumption is that surplus office space will be absorbed over time in the future as future office space? Mr. Reid agreed. We work towards a healthier vacancy rate over the coming years. I think it's around 7% office vacancy rate over time that those vacant spaces get absorbed by the market.

Jerry Johnson noted that some of the industrial sites we work on Goal Nine with work around state. One of the more damaging issues in what we call phantom sites, which are sites that are on an inventory that are truly unsolvable. It'd be great if you could take them out of the Urban Growth Boundary because they'll never going to develop because of the cost factors to get those things done. But they still sit on the inventory and we're down to the last 10% of our inventory. Those represent a larger proportion than they do otherwise. I do have trouble reconciling the finding that we have a surplus of industrial land when I'm seeing industrial land prices go through the roof. Typically, in economics you go by behavior in the market, and it may be just a shortage of good industrial land sites which is making the land sites go through the roof which may also speak to the quality of what's remaining in the inventory. It seems there's a mismatch between our inventory and our market demand.

Tom Armstrong asked what is driving the commercial land deficit? Is it office, retail, or institution healthcare? That's the sort of detail that's missing. Or I can't find it in the appendices. That will inform the decision making about what do we do. It's not just added 200 acres of hospitality in Sherwood. Will that solve the problem when we need healthcare land. That's the kind of detail we need to see to inform that decision making.

Mr. Reid noted in the documentation you can find appendix one. That's the documentation of the regional employment forecast. You'll see the details about growth by sector. In the Urban Growth Report summary as well on page 48 you can find a breakout by sector of job growth. The sectors that are at the upper end there are professional business services, education, health, retail trade. You begin to see what's driving some of that commercial demand. Mr. Armstrong noted it not enough because when you go to the other table and you look at the retail trade, half of the retail trade winds up on the warehouse and distribution, because that's where Mr. Yee has slotted the sort of Amazon fulfillment centers. Again, it's hard to make that lease. It's hard to make the leap from a table like table 19 to we have a deficit of commercial land.

Jessica Pelz noted Mayor Rose asked about the slope as assumption and whether that will be addressed, and that it would obviously affect the amount of needs shown as well, that industrial land should be held to different slope assumption than residential. Mr. Reid noted we have been looking into the question posed. The mayor's question is what our capacity would look like for industrial land if we had a stricter threshold for steep slopes. So we did look into this using a 7% slope threshold. You'll remember that our capacity was just under 6,000 buildable acres for industrial land. If we reduce our threshold to 7% we lose about 1,300 acres of that. So we end up at 4,700 acres of industrial land still in excess of the baseline demand forecast by about three times. What I take from that is that generally speaking local jurisdictions zone lands industrial because of their site characteristics because they generally tend to be fairly flat. We're sort of working on the margins a little bit when we change some of these threshold definitions.

Ms. Pelz thinks this is backed up by goal nine. I think the administrative rules allow for site suitability. Every individual jurisdiction has an EOA and I looked at Sherwood's and they are saying 5% for investor land. So I think there's some justification to use local EOA's that are supported by goal nine. Mr. Reid

agreed, there's not definitive threshold that's outlined in the laws. The assumption we've been using was one that was reviewed by our land use technical advisory group last year. Again, we sent out the preliminary results of inventory for local review. So the 6,000 acres is the consequence of reviewing methods and results at this point and is primarily vacant and infill land, no so much redevelopment land. These are real parcels that underwent local review.

Joseph Edge noted there is a bullet point on here as an option for under commercial lands, finding that there's a deficit and adopting the high employment growth forecast where a policy option for Metro Council is to add thousands of additional acres of urban reserves that lack a concept plan or city support to the UGB. I realize this is unlikely but what would that look like? Do we not have a policy that new lands brought into the UGB need to be planned by a city, they need to be annexed into the city, and administered by the city once urbanized?

Mr. Reid noted there is a Metro Council policy to only expand the urban growth boundary. If a city has concept planned an urban reserve, there's a subsequent clause there unless the council finds that regional needs that can't be addressed by the proposed expansions. I think your question is fundamentally about what it means to plan for higher growth if we don't have an appropriate policy response in terms of a place for that growth to happen. I think that's a good question that should be part of that discussion. If there is a desired plan for higher growth forecast, what would we do to achieve that higher growth, not just aside from adopting a higher forecast, what would we do collectively to urbanize those areas.

Mr. Edge asked does that just fall on the counties to handle that or is it saying there'd be a negotiated process that would likely not just leave it to the county but hand it to a city? Mr. Reid noted we haven't gotten that far. I suspect that there would be a serious conversation about whether repeating some of the past decisions of adding land without having a city lined up to urbanize it is a good path to take.

**Adjournment**

There being no further business, meeting was adjourned by Chair Kehe at 11:05 a.m.

Respectfully submitted,



Marie Miller, MTAC Recorder

Attachments to the Public Record, MTAC meeting July 17, 2024

Item	DOCUMENT TYPE	DOCUMENT DATE	DOCUMENT DESCRIPTION	DOCUMENT No.
1	Agenda	7/17/2024	7/17/2024 MTAC Meeting Agenda	071724M-01
2	MTAC Work Program	7/10/2024	MTAC Work Program as of 7/10/2024	071724M-02
3	Draft minutes	6/26/2024	Draft minutes from MTAC June 26, 2024 meeting	071724M-03
4	Draft Report	6/9/2024	Draft 2024 Urban Growth Report	071724M-04
5	Appendix 1	March 2924	Appendix 1 – 2024 Regional Economic Forecast	071724M-05
6	Appendix 1A	February 8, 2024	Appendix 1A: 2024-2044 regional population, household, and employment forecast: Expert panel review summary	071724M-06
7	Appendix 2	June 28, 2014	APPENDIX 2 – 2024 BUILDABLE LAND INVENTORY (BLI) AND CAPACITY ESTIMATES	071724M-07
8	Attachment A	June 2024	Attachment A: Documentation of Predictive Development/Redevelopment Model	071724M-08
9	Attachment B	April 22, 2024	Attachment B: Residential Readiness Task 5: Office-to-Residential Conversion Potential	071724M-09
10	Appendix 3	N/A	APPENDIX 3 – 2024 REGIONAL EMPLOYMENT LAND DEMAND METHODOLOGY	071724M-10
11	Appendix 4	N/A	APPENDIX 4 – EMPLOYMENT TRENDS	071724M-11
12	Appendix 5A	N/A	Appendix 5A: residential development indicators	071724M-12
13	Appendix 5B	N/A	Appendix 5B: Demographic indicators	071724M-13
14	Appendix 6	N/A	Appendix 6: Employment land site characteristics	071724M-14
15	Appendices 7 and 7A	N/A	Appendices 7 and 7A: Goal 14 and Metro Code locational factors analysis of urban reserves	071724M-15
16	Appendix 8	N/A	APPENDIX 8 – Housing Needs Analysis (HNA)	071724M-16
17	Appendix 8A	July 8, 2024	Appendix 8A: METRO RESIDENTIAL READINESS – TASK 8 EXISTING HOUSING NEEDS	071724M-17

<b>Item</b>	<b>DOCUMENT TYPE</b>	<b>DOCUMENT DATE</b>	<b>DOCUMENT DESCRIPTION</b>	<b>DOCUMENT No.</b>
18	Appendix 9	June 2024	Appendix 9: Sherwood West UGB Assessment	071724M-18
19	Appendix 10	December 2022	Appendix 10: METRO RESIDENTIAL READINESS PROJECT – TASK 4: HOUSING MARKET FILTERING	071724M-19
20	Presentation	July 17, 2024	Comprehensive Climate Action Plan Kickoff	071724M-20
21	Presentation	July 17, 2024	Urban growth management: Draft Urban Growth Report	071724M-21