



Metro | Agenda

Meeting: Metro Technical Advisory Committee
 Date: Wednesday, June 17, 2015
 Time: 10:00 a.m. to Noon
 Place: Council Chamber

Time	Agenda Item	Action Requested	Presenter(s)	Materials
10:00 a.m.	CALL TO ORDER Updates from the Chair		John Williams, Chair	
	Citizen Communications to MTAC		All	
	Urban Growth Management Decision: Planning within a Range Forecast <i>Purpose: Provide MTAC members with a preview and a comment opportunity for a discussion topic that will be on the June 24 MPAC agenda.</i>	Information / Discussion	Ted Reid, Metro	
Noon	Adjourn			

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2015 MTAC Tentative Agendas

<p>July 1</p> <ul style="list-style-type: none"> • Powell-Division Transit Action Plan and Action Plans for the Cities of Gresham and Portland • Clackamas and Washington County Industrial Land Readiness Projects 	<p>July 15</p>
<p>August 5</p> <ul style="list-style-type: none"> • Urban Growth Management Decision 	<p>August 19</p>
<p>September 2</p>	<p>September 16</p> <ul style="list-style-type: none"> • 2018 Regional Transportation Plan Update: Review draft work plan and engagement strategy • Regional Transit Plan: Review draft Regional Transit Vision • Urban Growth Management Decision: Review COO recommendation • Metro Equity Strategy
<p>October 7</p>	<p>October 21</p>
<p>November 4</p>	<p>November 18</p>
<p>December 2</p>	<p>December 16</p>

Parking Lot:

- Legislative Update
- Travel Options topic plan
- Tigard Tree Grove presentation
- Willamette Falls tour

Urban growth management decision topic paper: Planning within a range forecast for population and employment growth

Topic paper purpose

Policy makers have indicated an interest in further discussion of three topics raised in the draft 2014 Urban Growth Report (UGR). Thus far in 2015, the Metro Policy Advisory Committee and the Metro Council have discussed two topics:

- The likelihood of residential development in urban centers such as those in Portland.
- The likelihood of residential development in urban growth boundary expansion areas, including Damascus.

This topic paper is intended to frame policy dialogue about a third and final topic – how much household and job growth to plan for out of the range of forecast possibilities.

Background

The population and employment forecast used in the draft 2014 UGR underwent peer review by public and private sector economists and demographers and is consistent with other reputable forecasts such as those used by the State of Oregon. However, even with a peer review, some forecast assumptions will turn out to be incorrect over the next 20 years. For that reason, the forecast is expressed as a range, 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, the population and employment range forecast is expressed in terms of probability. The peer-reviewed baseline forecast (mid-point in the range) is Metro staff's best estimate of what future growth may be. The range is bound 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.

Documentation of the forecast can be found in Appendices 1a, 1b, 1c, and 1d of the draft 2014 UGR, available at: www.oregonmetro.gov/growth. Appendix 1b includes information about the accuracy of Metro's past forecasts.

What are some considerations regarding the household range forecast?

- There are about 620,000 households inside the UGB today.
- Over the 2015 to 2035 timeframe, the draft UGR includes a range of possible household growth:
 - Low growth forecast: 153,000 additional households inside the UGB.
 - Middle growth forecast: 197,000 additional households inside the UGB.
 - High growth forecast: 237,000 additional households inside the UGB.

- The draft 2014 UGR found that, even at the high end of the forecast range, new housing can be accommodated inside the existing UGB, in keeping with adopted city and county plans.
- Birth rates, death rates, and net migration rates are the three factors that affect the population forecast. These factors are fairly stable over time. Of these, migration rates are somewhat more challenging to predict and changes could lead to higher or lower growth in the range.
- Metro completes a new forecast at least every six years, providing the ability to reflect new trends or growth rates as they change over time.
- The Metro UGB is forecast to capture a greater share of the seven-county metropolitan area's residential growth (72 percent) than has occurred historically (62 percent). This is the result of several factors, including:
 - There are infrastructure, governance, and market challenges to producing housing in all locations, including in neighboring cities outside the Metro UGB, including Clark County, WA.
 - Job concentrations in the Metro UGB act as an attractor.
 - Demographic factors such as incomes and household sizes favor multifamily housing, which is more likely to be located in urban locations.
- Stronger economic growth increases the likelihood of infill and redevelopment as contemplated in adopted city and county plans. Generally, the multifamily share of new housing has increased during periods of economic growth.
- Policymakers have raised questions about development feasibility in UGB expansion areas, including Damascus and the likelihood of residential development in urban centers such as those in Portland. Compared to the mid-point growth forecast:
 - Under the low growth forecast, less household growth is expected to occur in almost all of the region's cities, including Portland and Damascus.
 - Under the high growth forecast, more household growth is expected to occur in almost all of the region's cities, including Portland and Damascus.

What are some considerations regarding the employment range forecast?

- Over the 2015 to 2035 timeframe, the draft UGR includes a range of possible employment growth:
 - Low growth forecast: 85,000 additional jobs inside the UGB.
 - Middle growth forecast: 260,000 additional jobs inside the UGB.
 - High growth forecast: 440,000 additional jobs inside the UGB.
- The forecast range for employment is wider than the forecast range for population and households since regional employment is more difficult to predict in a global economy. Unexpected events like the Great Recession, technological advances, international relations, and monetary policy can lead to big changes.
- The draft 2014 UGR found that at mid-point in the forecast range, there is no regional need for additional land for general industrial or commercial employment uses. At the high end of the forecast range, there is a deficit for general industrial and commercial land. Under all growth scenarios, there is an ongoing need to invest to make employment lands ready for job creation.

- Even at the high end of the forecast range, there is a regional surplus of large, vacant industrial sites (over 25 net buildable acres). Many of these sites need investments to make them ready for job creation.
- As with the population and households forecasts, Metro completes a new employment forecast at least every six years, providing the ability to reflect new trends or growth rates as they become clearer.

Policy questions

- What factors might lead population and household growth to exceed or fall short of the forecast mid-point?
- Policymakers have raised questions about development feasibility in UGB expansion areas, including Damascus and the likelihood of residential development in urban centers such as those in Portland. If there are remaining doubts about whether these areas will see the amount of growth forecast, do policymakers wish to consider a lower point in the range forecast? Or, is higher growth in other locations more likely? If so, where and why?
- Most people would like to see more jobs created in their communities. However, choosing a higher point in the forecast range won't cause that to occur. If a higher point in the forecast range is contemplated, what actions or investments will be made to encourage job growth?
- What are the risks and opportunities of planning for higher or lower growth in the forecast range?
 - Recognizing that the household and employment forecasts need to be coordinated, are there different risks and opportunities when planning for employment or housing growth?
 - Are there different risks when planning for land use, transportation, or for other infrastructure systems?
 - Who potentially bears the public and private costs and benefits associated with choosing a point in the range forecast?