



July 14, 2016

The Honorable John Ludlow, Chair, and
 Members of the Board of County Commissioners
 c/o Martha Fritzie, Senior Planner
 Development Services Building
 150 Beaver Creek Road
 Oregon City, OR 97045

RE: City of Wilsonville Comments on Clackamas County Rural Reserve Review 2016

Dear Chair Ludlow and Members of the Board of County Commissioners:

The City of Wilsonville opposes efforts to remove the “Rural Reserve” designation from the approximately 800-acre area of the French Prairie Rural Reserve now under consideration by the County. Wilsonville supports the original 2010 French Prairie “Rural Reserve” designation and opposes the County’s efforts to overturn a thorough, two-year-long public-input process that resulted in reserves agreements with Clackamas County, Metro and the City of Wilsonville to protect the high-value farmlands of French Prairie. The City’s support for the French Prairie Rural Reserve as currently designated and opposition to removing Rural Reserve designation from any portion is based on a number of public-policy positions and political realities.

1. Metro Region Has Surplus of Buildable Industrial Lands

The County claims a need for two thousand acres of additional employment lands, notwithstanding the fact that a review of Metro and county data shows no such need:

The greater Portland metro region has over 7,800 acres of designated, buildable *industrial* lands already located within the Urban Growth Boundary (“UGB”), composed of approximately 4,060 acres that are vacant and another 3,211 acres that could be redeveloped.

An extra approximate 4,793 acres of vacant or redevelopable *commercial* lands are already designated within the Metro UGB.

In total, the Metro region has approximately 12,064 acres of buildable industrial and commercial lands waiting for development or redevelopment already within the UGB.

THREE-COUNTY METRO REGION INDUSTRIAL LANDS INVENTORY ACREAGE			
Jurisdiction	Vacant	Redev.	TOTAL
Clackamas County			
Cities (UGB)	571	595	1,166
Unincorporated County (UGB)	95	142	237
Non-UGB Cities/County *	939		939
TOTAL	1,605	737	2,342
Multnomah County			
Cities	1,367	888	2,255
Unincorporated County	140	454	594
TOTAL	1,507	1,342	2,849
Washington County			
Cities	1,056	956	2,012
Unincorporated County	831	176	1,007
HB 4078 (2014)	550		550
TOTAL	2,437	1,132	3,569
GRAND TOTAL	5,549	3,211	8,760

*“Redev.” = Redevelopable industrial sites.

SOURCES: Metro 2015 UGR, Appendix 3 Buildable Land Inventory; Clackamas County, Employment Land Inventory, 2010.

Contrary to the assertions of a shortage, Clackamas County reports show an additional 939 acres of available vacant industrial land in rural areas of the County, outside the UGB, for a total of 8,760 acres in the three-county area, as illustrated on the table located on the preceding page.

2. County Employment Lands Study is Flawed, And Cannot Be Relied Upon to Guide Public Policy

The City finds the County's employment lands study referenced above, the *Clackamas County Non-Retail Employment Land Analysis* of December 2014, used non-standard economic calculations and proprietary data sources that could not be independently verified. The study reaches for aspirational, unrealistic employment projections to show an alleged demand for more employment land. This is even more so when a proprietary, 'internal model' is used that assumes unrealistically "very optimistic" high rates of growth.

The report ignores the fact that Clackamas County is part of a regional economy. Many people live and work in different counties, and that reality will not be solved by adding land to the UGB. The more specific the metro region is about land needs, the more it becomes a policy statement rather than a technical conclusion. The bottom line is that the region has a surplus of industrial land as illustrated by the table on the preceding page.

3. County's Position on Employment Lands at Odds with Stated Needs of Clackamas County Businesses

The *Clackamas County Economic Development Commission (EDC) Final Committee Report to Board of County Commissioners*, dated December 8, 2015, states that the "EDC, working through the outreach management of the Clackamas County Economic Development (CCED) Division, developed a program to contact 100 companies who [*sic*] make up the Target Business Outreach List...[which] is comprised of companies who [*sic*] fit within the County's [11] Key Clusters."

The report further states: "EDC and CCED staff met with 105 businesses over a 9 month period. This final report includes Key Findings and Recommendations from the EDC based on the feedback from the businesses contacted. *Key issues that rose to the top were workforce, transportation, financing.*" [emphasis added].

Another way of stating the conclusions above is that the top priorities for businesses in Clackamas County, as identified by the businesses themselves, are: 1) Workforce Development; 2) Access to Capital; and 3) Improved Public Transit.

None of the 109 businesses interviewed in the EDC report identified "employment lands" or the need for new "employment lands" as a business issue of concern. The EDC report makes no mention of a business indicating a need for "employment lands," which supports a conclusion that "employment lands" are not a key issue of concern for Clackamas County businesses.

Rather than continue to waste public resources to pursue objectives based on political considerations, the City respectfully suggests that the County focus on helping businesses with the above three issues that businesses have identified as the most critical. Doing so would have a considerably greater economic impact to the County's benefit.

4. Summary of Problems with Proposals for Urbanization South of Wilsonville

In Joint State Agency Comments on the Metro Urban and Rural Reserves process, dated October 14, 2009, page 17, seven state agencies unanimously found that urbanization immediately south of the Willamette River and Wilsonville was detrimental public policy and explicitly supported a Rural Reserve designation for French Prairie:

“ODOT, ODA, DLCD, OWRD, DEQ, ODFW, and DSL support the preliminary recommendation from Clackamas County to designate lands south of the Willamette River (French Prairie) as a rural reserve. The reasons for a rural reserve designation include: threat of urbanization, high suitability for agriculture, very significant transportation limitations (Boone Bridge capacity and no alternate river crossing, poor multimodal connectivity), poor suitability for urbanization (services and distance to existing population), and concerns about encouraging urban development moving south along I-5 into prime agricultural lands.”

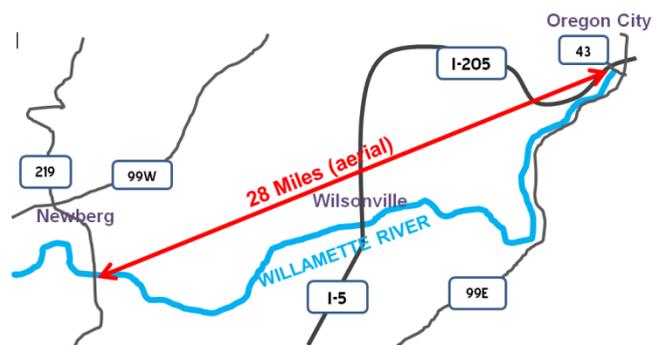
5. Significant Transportation Limitations: *Detrimental Impacts to Commerce*

“Huge” Transportation Costs: In an April 6, 2009, joint state agencies (ODOT, ODA, DLCD, ODFW, and ODF) letter to the Metro Reserves Steering Committee, ODOT indicated that the South Metro I-5 corridor and Boone Bridge were at maximum traffic-handling capacity, and that the cost to increase capacity was “huge,” or “over \$500 million.”

ODOT states in this letter (page 3) that: “The analysis shows that the highways least suitable to accommodate additional trips and most expensive to improve, are... I-5, especially the segment from Or 217 to south of the Willamette River.”

Commuter and Freight Traffic Overload: The I-5 Boone Bridge reaches peak traffic-carrying capacity during normal commute times and on many other occasions; adding new traffic generators on a congested highway further harms the movement of freight and conduct of commerce in the metro region and to areas further south, including Woodburn, Salem and Albany areas.

No Alternate River Crossing: The I-5 Boone Bridge is the only crossing over the Willamette River for a more than a 28-mile span, as the crow flies, between Oregon City Hwy 43 and Newberg Hwy 219, resulting in a highway bottleneck without alternate routes. Placing additional traffic generators in the vicinity of the bridge increases reliance on the bridge for short, local trips, further restraining traffic flow and mobility while increasing the likelihood of freeway incidents that can result in major traffic tie-ups.



I-5 Boone Bridge Carries More Freight than “CRC”: The I-5 Boone Bridge carries nearly as much vehicle traffic as the I-5 “CRC” Interstate Bridge (only 4% less), but one-third (33%) more freight trucks, making this bridge a critical transportation link for commerce. Freight traffic that is split between the CRC and the Glenn Jackson Bridge, via I-205 converge at the Wilsonville I-5 Boone Bridge over the Willamette River.

Poor Multimodal Connectivity: The French Prairie region is composed primarily of narrow, farm-to-market county roads without shoulders or sidewalks and not designed for traffic circulation common to urban areas. The area is not served by transit services and is not bike or pedestrian friendly, lacking urban-type infrastructure for multi-modal connectivity. Again, the only Willamette River crossing is the I-5 Boone Bridge.

6. French Prairie Rural Reserve Area Has Poor Suitability for Urbanization: *Absence of Costly Urban Infrastructure*

Distance from Population Centers Forces Commuting: The French Prairie area lacks urban services and is distant from population centers and standard private commercial and public urban services. All of the foregoing makes the area a weak candidate for urbanization and attempting to make it such would result in significant additional traffic generation and unfunded public infrastructure costs.

Lack of Available Water: The City of Wilsonville's water capacity south of the river is fully used by Charbonneau. ODOT has prohibited any additional conveyance devices on the I-5 Boone Bridge. The City's water distribution plan calls for providing capacity to planned industrial developments in North Wilsonville, where pipes were over-sized to accommodate the Coffee Creek Correctional Institution and planned future urbanization within the City's Metro UGB areas, including Coffee Creek, Basalt Creek and Frog Pond, and Metro's Urban Reserve areas, including Advance and lands west of Wilsonville. Wilsonville has no plans or desires to provide any water to the area at issue.

Current and future water capacity is scheduled for use by Wilsonville, Sherwood, Hillsboro and other northern communities served by the Tualatin Valley Water District. Neither the Oregon Water Resources Department nor Marion County are permitting new groundwater wells that further draw-down the aquifer that is used primarily to support the region's agricultural industry. Ground water in the Northern Willamette Valley is known for high concentrations of minerals, including arsenic, that make domestic use difficult.

Lack of Waste-Water Treatment Capacity: The City of Wilsonville's 2009-10 \$45 million expansion in capacity for the wastewater treatment is already allocated to existing and planned new developments, including the 1,000-acre Coffee Creek and Basalt Creek industrial areas, and the 500-acre Frog Pond/Advance residential areas, and an additional 300 acres of adjacent urban reserves. Given the existing commitments, there is no surplus capacity available and Wilsonville resources will not be made available for the County's proposed industrial redevelopment.

Expensive, Difficult Area to Provide Waste-Water Treatment Services: A "Sewer Serviceability" study conducted by Clackamas County and Metro during the Urban and Rural Reserves process found in 2009 that the French Prairie area would be "difficult" to provide waste-water treatment services, which implies expensive infrastructure costs. In any case, taxpayer funds should not be diverted to convert prime, unserved farmland into other urban-level uses for the benefit of a select few real-estate speculators.

No New Wastewater Outfalls: The Oregon Dept. of Environmental Quality is not permitting any new wastewater outfalls on the Willamette River, thereby producing a major hurdle for proposing any new wastewater treatment facilities.

7. French Prairie Offers High Suitability for Agriculture: Oregon's Best "Foundation" Farmland

French Prairie soils are some of the best in Oregon and the world and should be conserved for domestic food security and economic diversification purposes. French Prairie soils were formed over millennia by 10 major "Missoula Floods" that inundated the Willamette Valley, depositing multiple layers of organically rich silt on the lower watershed regions of the North Willamette Valley that compose the French Prairie region.

In the Oregon Dept. of Agriculture report on *Identification and Assessment of the Long-Term Commercial Viability of Metro Region Agricultural Lands*, January 2007, the French Prairie subregion is described on page 34 as:

"Excellent soils, available water, well established infrastructure and large parcels that block up and dominate the land use pattern. This subregion has all the elements for maintaining and expanding viable, commercial agricultural. *This subregion, combined with the Clackamas Prairies and East Canby subregions, is one of the most significant agricultural areas in the state.*" [emphasis added]

The report on page 34 goes on to list several issues of concern that could negatively impact agricultural operations in the French Prairie area:

"The Willamette River currently provides an excellent buffer and edge between urban land uses and the intensive commercial agriculture that predominates south of the river. *A long-term potential threat to agriculture in this subregion relates to urbanization and expansion of the Metro UGB south of the river. This has been highlighted of late due to speculative discussions about development in, around and between the I-5 interchange at Charbonneau, the golf course and the airport.* Strong consideration needs to be given to providing more certainty and long-term protection to agricultural production in this area. We believe that development of a permanent or "hard" edge at the Willamette River and coordination between Metro and north valley cities on future growth and urbanization are key considerations." [emphasis added]

8. "Jumping" the Willamette River Is Detrimental to Top-Producing Agriculture Area: Lack of a Natural Barrier Facilitates Urban Sprawl

As is noted above by the Oregon Department of Agriculture in the *Identification and Assessment of the Long-Term Commercial Viability of Metro Region Agricultural Lands*, January 2007, "The Willamette River currently provides an excellent buffer and edge between urban land uses and the intensive commercial agriculture that predominates south of the river."

In addition to increased critical mobility congestion along I-5, urbanization of 800 to 1,200 acres of prime, foundation farmland in the greater French Prairie region of Canby and Wilsonville would result in displacing the existing agricultural operations and disrupting the larger French Prairie agriculture cluster that make significant contributions to the Oregon economy, especially to Clackamas, Marion, Yamhill and Washington counties, which are among the top agricultural producers in the State.

The Oregon Dept. of Agriculture has indicated that a majority of farm sales from Marion County, Oregon's number-one value agricultural producer, originate from the French Prairie region.

County gross farm and ranch sales: 2014 (ODA, Oregon Agriculture: Facts & Figures, July 2014)

<u>Rank</u>	<u>County</u>	<u>Value</u>	
1	Marion	\$ 639,326,000	TOTAL OREGON AG VALUE: \$5,480,802,000 Percent of Clackamas, Marion, Yamhill and Washington counties of Total State Value: 28%
5	Clackamas	\$ 343,514,000	
7	Washington	\$ 292,044,000	
9	Yamhill	<u>\$ 269,839,000</u>	
	TOTAL	\$ 1,544,723,000	

**9. Negative Economic Impacts to Planned Developments:
*Devaluing Substantial Public and Private Investments Already Made***

Harm to Existing and Planned Private and Public Industrial Expansion Investments: Many local jurisdictions have been working for years with Metro, the Port and private developers to bring to market a portion of the buildable 7,800 acres of designated industrial employment lands that are vacant or slated for redevelopment. Already, both area governments and private developers have invested millions of dollars in planning and developing industrial parks in locations like Wilsonville, Tualatin, Canby, Woodburn and Salem that are recovering from the Great Recession and seeking to address high commercial/industrial vacancy rates.

Bringing online the proposed additional industrial development is inappropriate and unfairly competes with public and private investments already made and planned, harming these investments and investors. Adding more acreage diminishes the value of existing acreage and diverts private and public capital from existing and planned developments, thereby diluting the market’s capacity to develop designated industrial lands for employment.

Unfair Competition with Coffee Creek and Basalt Creek Industrial Areas: The cities of Tualatin and Wilsonville, Washington County, Metro and ODOT have invested over \$10 million in planning and building for urbanization of the rural, unincorporated region located near Sherwood, Tualatin and Wilsonville, including making key investments in capacity improvements to existing highways and roads.

The 1,000-acre Coffee Creek and Basalt Creek Regionally Significant Industrial Areas have nearly a decade of planning, consensus-building and in-place infrastructure investments already sized and built to host planned industrial developments for over 4,000 new jobs. These areas were specifically studied, analyzed and designated through Metro and State public-approved processes as the most suitable locations to fill regional needs for industrial development. Wilsonville has no intention of providing resources in any form to compete with areas that the City has already invested in for future urban development.

Lack of Certainty Deters Private and Public Capital Investment: The Urban and Rural Reserves process was designed to provide certainty to many stakeholders, including both private- and public-sectors, regarding the future disposition of land-use of specific areas for a 40- to 50-year period. This level of certainty for calculating long-term investments applies to both urban development interests as well as rural agriculture enterprises. Creating uncertainty regarding future land-uses deters investments with long-term beneficial economic impacts.

Just as the Metro region seeks to affirm the planned Urban and Rural Reserves, SB 716 for example would have allowed “the counties to redesignate or undesignate land already designated as urban reserve or rural reserve.” Changing reserves designations would result in scrambling a great deal of work completed and underway by both local governments and private investors.

Substantial public input and government resources over a three-year period went into designating the reserves, and this work should not be cavalierly undone.

Changing already-designated reserves creates further uncertainty and the likelihood of new appeals and lawsuits that cause additional delays for both urban interests seeking to develop land and agricultural interests seeking to invest in farming. Creating certainty for all of these stakeholders to invest was the positive goal of the reserves process.

10. Designating More Farmland as Industrial Fails to Address the Real Problem: *Development Requires Substantial Private and Public Resources*

The core issue that the Metro region faces is *not* a lack of designated industrial lands; rather, it is a *lack of resources* available to address the substantial costs of bringing already properly designated industrial land into productive use. Adding acreage to the UGB as “industrial” does not create development or jobs. To the contrary, such action would dilute the available resources for development plans and projects already underway but delayed or stalled due to lack of available resources.

11. Dangerous Precedent: *Special Interests Versus Public Interests*

Poor Public-Policy Precedent: Rewarding rural land speculators by allowing unjustified up-zoning to increase land value sends a message to the public and development community that some can achieve more favorable treatment outside existing rules and regulations that others have been required to abide by gaining political favors.

The City suggests that a more productive course of action would be to work with area cities to encourage the Oregon Legislative Assembly to actuate industrial-development programs that were created in the 2013 session but never funded. As a primary beneficiary of income tax produced by high-wage industrial jobs, the state has a direct interest in supporting local governments to bring designated but undeveloped employment lands already in the UGB to market.

See-Saw Policy-Making Furthers Lack of Government Credibility: When both the general public and investors observe government making a decision one day and then reversing the decision another day, especially if the reversal benefits land speculators who have made significant campaign contributions to elected officials, government suffers an enormous loss of credibility that further alienates citizens and creates a confusing, uncertain investment climate.

Denigrating of the Public Involvement Process: Residents of Clackamas County took a keen interest in the outcome of the two-year-long Metro process to determine the prime locations for Urban and Rural Reserves in the county. A grassroots, citizen-composed Policy Advisory Committee established by the Board of Commissioners held well-attended work sessions throughout the county. The Rural Reserve designation of the French Prairie area approved by the County at several levels, including the Planning Commission and the County Commission; subsequently the designation was unanimously approved by the ‘Core Four’ and Metro. A later challenge to this decision by the owners of the Langdon Farms Golf Course was rejected on every count by the Oregon Court of Appeals. Further, the Court confirmed that the County had used the correct process and had properly applied the ‘factors’ in arriving at that decision. Cavalierly over-riding a popular citizen-driven process and decision upheld by the courts harms the very fabric of a democracy.

More recently, residents of the greater Wilsonville area, including hundreds that would be directly impacted by the proposed change, came out in mass on June 28 at the County's Reserves "open-house event" in Wilsonville to object to the County's proposed redesignation of the French Prairie land. We hope you agree that those residents who are your constituents must be heard and cannot be ignored, who again are repeating similar sentiment as in 2009-10: Protect all of the French Prairie Rural Reserve.

Based on all of the foregoing, the City of Wilsonville respectfully urges the Board of County Commissioners to make no changes to the designated Rural Reserves and to complete timely the reserves process so that Clackamas County may have designated Urban reserves that can accommodate development in those areas that the region has agreed are appropriate for urbanization. Thank you for your time and consideration.

Sincerely,



Tim Knapp, Mayor
Wilsonville City Council
City of Wilsonville, Oregon

cc: City of Wilsonville City Council
City of Wilsonville Planning Commission
Clackamas County Economic Development Commission
Clackamas County Planning Commission
Clackamas County Coordinating Committee (C-4)
Metro Council
Area State Legislators
Wilsonville Chamber of Commerce
Clackamas County Business Alliance
Westside Economic Alliance