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**Comments before the Urban Rural Reserves Steering Committee
By Jeff Stone, Director of Government Relations
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As the representative for the entirety of agriculture, it is important to recognize that this sector includes wine, farm, nursery, food processors and forestry interests. All are in the natural resource family but have very different needs and hydraulics of an urban and rural reserve process.

The process needs to bring certainty

In 2007, the Oregon Legislature passed Senate Bill 1011 - which embodied a leap of faith - daring to take a new look at the tools to provide certainty for urbanization and agriculture for an extended period of time. Setting Urban and Rural reserves were but one step and we supported it. The OAN continues to believe that providing reasoned places to grow reduces the pressure to urbanize high producing agricultural land. Agriculture is not a "default" place to urbanize - rather is an economic engine that is viable and a sustainable industry. The action passed by the 2007 is our generation's Senate Bill 100. It could have profound impacts on how urban and rural lands coincide or collide. Earlier this month I testified before the State House Agriculture Committee regarding the process we have dedicated 19 meetings and 22 months of work. I suggested to the committee that this process be given the opportunity to render a recommendation before jumping to a conclusion about outcomes and fairness.

What the promise and faith of SB 1011 really comes down to is certainty. It is certainty about what we want our communities to look like, where we grow and urbanize, where we place the value of the agricultural sector - the very sector that provides food and clean air for our citizens. It is through this prism of certainty that we can and must do better in looking at the next 50 years and chart out a new path, one that provides jobs, housing and livability.

This effort is also about planning. Much has been made about if the urban and rural reserve 40-50 year outlook is appropriate. I contend that it is. You look at different planning cycles for agriculture and it becomes clear. Crops such as strawberries, wine and rhododendrons take between 1-7 years to plant and bring to market. Shade trees can take between 7-15 years; stands of forests can be 40 years. Certainty for production over that life cycle of a plant is essential.

Land designations need to be a blend of healthy, necessary and fair

The Nursery and Greenhouse industry is uniquely situated to speak to the pressures of urbanization and the role of agriculture since the members I represent are both urban and rural. We are a traded sector, a natural cluster, and hopefully a voice of reason on an issue that at times devolves into emotion or becomes an academic process that is detached.

The natural resource community is not monolithic. For example, there are nursery members who wish to be brought into urban reserves in Washington County at the same time the Washington County Farm Bureau has made a passionate plea for not taking prime agricultural land out of production. We have niche markets emerging with local food sheds along with a growing global food demand that may place a greater burden for this geographic area to produce.

One clear issue stands out as a major concern to the agricultural community - undesignated lands. This land designation may in fact have a destabilizing effect on agricultural production. Speculation for future urbanization outside of an urban reserve could create greater uncertainty and the opposite effect that the creators of urban and rural reserves intended.

We are truly blessed to have the type of agricultural production we have in the Willamette Valley. Hundreds of crops, the best farm land, from Boring to Eugene cut a swath of premier nursery production. Many on this committee has heard the phrase "foundational agricultural land" - well just outside the UGB boundary is J Frank Schmidt & Son - the largest shade tree grower in America. Without success in this process, it is just a matter of time before they are urbanized.

As one of the associations that passed the legislation that created this body, we were careful not to assign acre numbers to urban and rural reserves. It would have been a disservice to this process and the many viewpoints represented around the table. However, they need to be a blend of lands that are necessary and fair. This is why restricting the number of undesignated lands requires a healthy discussion of what the correct level of urban and reserves are needed for the region to prosper.

Let's lay all the cards on the table. The nursery industry is inextricably tied to the success of homebuilding. Homebuilders use

our plant material in their landscaping and the free fall drop in that market has impacted my industry. The Oregon Homebuilders Association recently told me that their membership could be down as much as 30%. That is staggering and mirrors what we see nationally. The nursery and greenhouse industry may see, over a two year period, sales from \$1 billion annually drop \$300 million. So my point is that we have every interest in creating certainty for the urban environment. We have many nurseries that are inside and outside urban centers.

We just heard a stirring speech from Hillsboro Mayor Willey. It was passionate about the need to make sure we do not foreclose our future - to allow for industries to create jobs. I agree with Mayor Willey. I like the mayor's example of the jobs being created by Solar World and the need to make sure that employers like this are attracted to the region. Solar World, it is worth noting, reused an existing building and is a great example of using existing infrastructure.

Agricultural land is employment land

As land is being designated for industrial or commercial design through the urban reserve process, it is important to hold cities and counties accountable for that design. We have seen far too often that lands reserved for industrial use are converted to other priorities. Often these lands are identified due to their proximity to transportation corridors and services. These lands are predominantly agricultural lands.

As we hear from the industrial community, the same tenants are true for agriculture - clusters are needed and a critical mass of production is essential for economic survival. The decision makers in the urban and rural reserves process need to remember that agricultural land is employment land. These lands are not just flat lands waiting for a suitable use; rather it is already in use providing commerce and jobs. That makes a decision of land designation a choice. This is an important distinction because the choices being made are real and have short and long term ramifications.

As this committee has circled the maps, evaluating foundational lands versus suitability factors - we have never stated that changing the use in an area is replacing one type of employment with another. That discussion needs to begin and be an honest assessment of community values and needs.

Recommendations to the Core of 4

I appreciate the preliminary report delivered by the Core of 4 of where seems to be some tentative agreement around urban and rural reserves. There are areas that agriculture may differ - predominately in Washington County and parts of Clackamas County that reach into foundational agricultural lands.

Over the next several months I would encourage you to consider the following:

- **State agency comments:** It is my view that the letter put together by the state agencies highlighted many of the challenges and opportunities facing the region. Richard Whitman is correct in noting that just because an area is designated a rural reserve - it does not mean it is protected from development. In fact rural residential can still convert farm land - so the designation does not lock up farm and forest lands as many would think.
- **Rural Reserves need a common denominator:** Much of the discussion during our numerous meetings has focused on urban reserves and there appears to be a wide array of definitions and reasoning for rural reserve designations. Rural reserves should not be a defacto environmental overlay (such as riparian areas, a wildlife refuge, flood plains etc) and should focus on areas that are under threat of development.
- **Implementation is critical:** It is important to get the urban and rural designations correct. If areas that meet standards for both urban and rural reserves are listed as undesignated, it will create unintended consequences and destabilize the certainty that is essential. If the metro region does not get the reserve process correct, it is likely we will see a fix in the 2011 State Legislative Session.

Conclusion

Issues for agriculture include the right to farm, enhancing production in a way that is environmentally sensitive, economically viable and has access to water and transportation corridors. Regardless of if an area is designated as urban and the conversion to non farm use takes time, we need to acknowledge that there is a cost to change over land for development.

Foundation lands, which we find throughout the rich farm land in the Willamette Valley, deserve consideration for protection. The Urban-Rural Reserves process should result in greater efficiency of

land use and ensuring that conversion of urban reserve land meets a standard of delivering industrial land.

We must together seek balance and recognize the impact and consequences of our actions. The OAN will continue its good faith effort to assist you in shaping the form of the state we both love.

Thank you for your time and attention.