

# NAIOP

COMMERCIAL REAL ESTATE  
DEVELOPMENT ASSOCIATION

OREGON CHAPTER

October 14, 2009

Metro/Reserves Steering Committee – Core Four Members

Kathryn Harrington, Metro Councilor

Charlotte Lehan, Clackamas County Commissioner

Jeff Cogen, Multnomah County Commissioner

Tom Brian, Washington County Chair

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Dear Reserves Steering Committee Core Four Members:

As the Reserves Steering Committee reaches its final recommendations, I wanted to reiterate the contributions, findings and aspirations of the Reserves Business Coalition, of which I've been a part for the past twenty months.

When the Regional Steering Committee was launched, Greg Specht, Craig Brown and I, working with the Portland Business Alliance, assembled a coalition of groups interested and involved in land use policy to support our efforts with the RSC. We've been convening, generally twice monthly, since January 2008. It's been a challenging timeframe, because many of our participants also have been trying to manage through the worst economic downturn of our lives.

Our participating groups include the **Portland Business Alliance, NAIOP, HBA, CREEC, ICSC, the Westside Economic Alliance, the Clackamas County Business Alliance, CAR, PMAR, SIOR and Business Oregon.** We've also reached out to broader set of major employers, land owners, and regional/national associations.

**How has the Coalition contributed to the Urban and Rural Reserves process?**

- **We began with constraints mapping.** We demonstrated that even within the 404,000-acre reserves study area, there was limited flat, dry land suitable for future employment-oriented development. We particularly identified land proximate to current Title 4 areas, and saw that our future "employment foundation land" was concentrated in Washington County and along the I-5 South corridor. We presented this data to the County reserves committees and to the RSC.
- **We offered a peer review of Metro's infrastructure study,** where we questioned the assumption that infrastructure costs more for development "on the edge" than for infill projects. Our analysis indicated that these costs vary widely project by project and a simple trend does not exist. Certainly there are examples of high-density, infill development that carried high infrastructure costs and ultimately has not been accepted by the market.

- **We sponsored peer reviews of the Urban Growth Reports** and called into question aggressive densification assumptions. The UGRs pertain to the 20-year growth boundary, but their message is being used to influence our reserve decisions: That we can fit a million more residents and a half-million more jobs within our current Urban Growth Boundary, if we assume new, major policy/infrastructure investment choices and expect ever-increasing densities in our neighborhoods and employment areas. We also echo concerns from Washington County jurisdictions that the UGR omits some industrial cluster analysis, including solar industry employment, which impacts land need forecasts and in turn, the need assessment for reserves.

Further, there is an assumption that critical, new employment sites can simply be added as needed through a separate, Metro-led process. This “just in time” concept has been rejected by companies, agencies and groups involved in siting new employers.

- **We supported the economic mapping projects led by Business Oregon, West Side jurisdictions and the Clackamas County Business Alliance**, demonstrating the thousands of new jobs and millions or billions of dollars of payroll and taxes that could be generated from well-selected Urban Reserve areas as those areas are developed over the decades to come. We contrasted that economic output with agricultural productivity data, illustrating the steep economic trade offs we make if well-located employment land is instead designated for rural use.
- **We cautioned the Counties and the RSC of the risk of roping off employment clusters and economic potential** if we propose “tight” Urban Reserves, then surround those urban areas with Rural Reserves, preventing future expansion if employment and population growth exceeds our expectations. Conversely, we argued that providing a more accommodating Urban Reserve supply represents a low-risk insurance policy – if we don’t need all Urban Reserve land, future leaders won’t bring it into the Urban Growth Boundary. Reserves are **not** a growth boundary decision, but future growth **potential** that will be decided by future regional leaders.
- **We communicated our business community aspirations.** Despite the diverse stakeholders in our Coalition and our economic crisis, our aspirations are clear:
  - Support a robust and growing job base for our residents.
  - Leverage our region’s urban planning talent to help provide for that economic growth - and to offset a cycle of viciously high unemployment and fiscal consequences.
  - Ensure that we designate land with the best qualities and locations for future expansion and that we efficiently use our infrastructure to generate economic prosperity, benefiting the entire region.
  - Ensure that our residents have a range of housing choices that they can afford in areas that are close to their employment.
- **And we have advocated for specific Urban Reserves recommendations:**
  - That all areas designated as “unconstrained” in the Coalition/Group Mackenzie mapping series be analyzed as potential Urban Reserves via factor review, as was done in Washington County.
  - Ensure that our reserves designations accommodate the mid- to high-end range of population and employment forecasts.
  - Support the Urban and Rural Reserve recommendations submitted by the Washington County Planning Directors, including potential industrial areas north of Highway 26 along West Union Road and employment land north of Forest Grove and Cornelius.
  - Support Multnomah County’s proposed reserve mapping, with the inclusion of the Urban Reserve area requested by the City of Troutdale.

- Support Clackamas County’s proposed urban and rural areas, including the area south of Sherwood, as well as modifications articulated by the CCBA, including designation or expansion of Urban Reserve areas in the I-5 South Corridor, the Stafford Triangle, and the Highway 26 corridor.

**Where is the Coalition now?** Frankly, our business leaders are confused. After two years of work with the RSC and the Counties, we believed that we had collectively reviewed and analyzed the statutory reserve factors and arrived at a set of potential Urban Reserves of about 47,000 acres. Coalition members were concerned that this conclusion itself assumed growth at or below the midpoint of forecasts. But in the past month, we’ve also received competing analysis from Metro asserting that approximately 21,000 acres of Urban Reserves are sufficient – less than half of our expectation.

**At this time the Coalition does not have any reconciliation of these vastly different findings** and has embarked on a broader outreach effort to communicate our work and recommendations. I believe that the health of our crippled regional economy – ironically one of the Urban Reserve factors – may rely in part on our reaching a reserves answer that we have already found.

**In fact, many on our Coalition now find ourselves looking back at maps of the Portland region 50 years ago** and contemplating what our region would look like physically and economically if we had implemented an overly-restrictive set of reserves in 1959. How would Washington County have grown? What would Tualatin, Rock Creek, or Aloha look like now? Would this region now support one of the world’s leading high-tech employment clusters? Could we have imagined the huge process facilities that semiconductor and photovoltaic manufacturing requires? Or the growth in sports apparel companies and their corporate campuses? Or the rise in prosperity and population that followed these industries, in turn supporting so many other local businesses, from restaurants to advertising firms to farmers’ markets?

**If you find these questions difficult to answer, then you can imagine what has motivated the Reserves Business Coalition these past two years.**

Thank you again for your support of our efforts to contribute to the reserves process.



Greg Manning,  
Reserves Steering Committee Member - Business

cc: Clackamas County Reserves Citizens Advisory Committee  
Washington County Reserves Coordinating Committee  
Multnomah County Citizens Advisory Committee  
Reserves Steering Committee  
Reserves Business Coalition