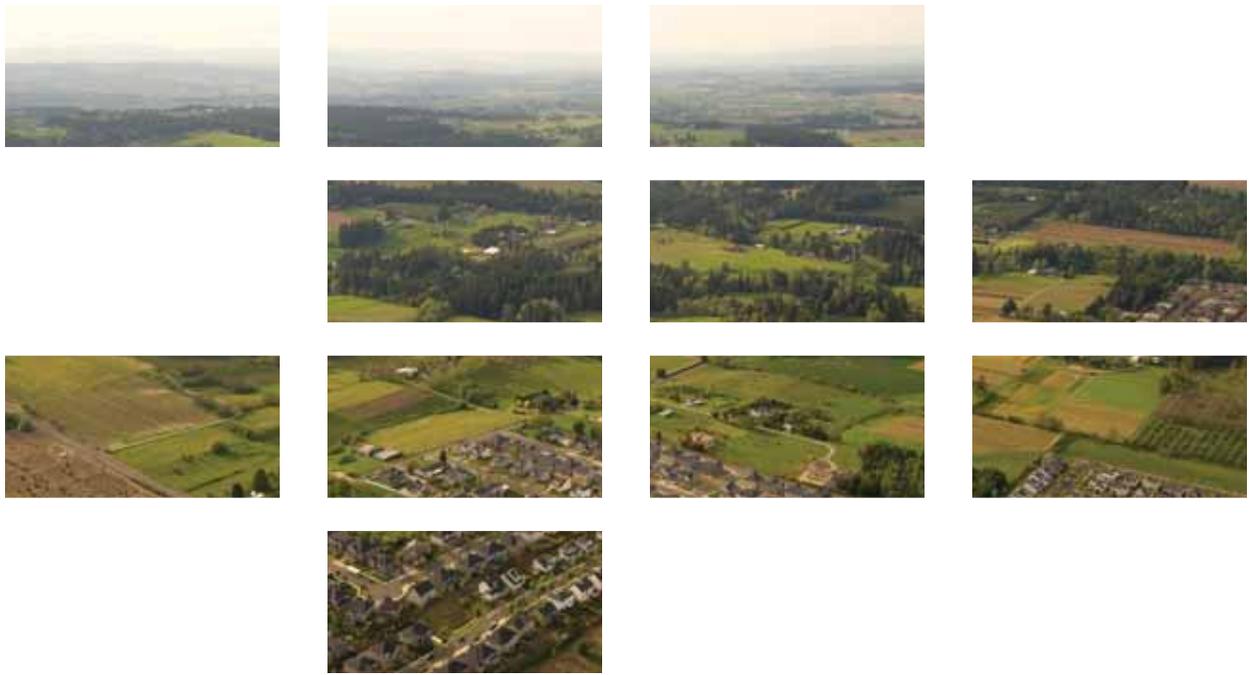


In 2007 at the request of Metro and its regional partners, the Oregon Legislature passed Senate Bill 1011, establishing a new framework for planning for urban growth in the Portland metropolitan region. Under this new system, Clackamas, Multnomah and Washington counties and Metro must determine together which lands outside the current urban growth boundary are best suited to accommodate urban development over the next 40 to 50 years and which lands should be off limits to development in order to protect their values as farms, forests and natural areas during that same period. Across the region, civic leaders are engaged in this unique process, considering the relationship of urban and rural lands and the desired shape of the Portland metropolitan region over the next several decades.

The three counties and Metro expect to reach agreements on a map of urban and rural reserves by the end of 2009. The counties will each designate rural reserves within their respective boundaries by amending their county land use plans. The Metro Council will designate urban reserves in spring 2010 by adopting the Urban and Rural Reserves ordinance which will amend the Regional Framework Plan and Metro's Urban Growth Management Functional Plan.

Table of contents

- Urban and rural reserves recommendation
- Draft reserves IGA adoption resolution (2009)
- Reserves adoption ordinance narrative (2010)



URBAN AND RURAL RESERVES

2009 – 2050/60

Chief Operating Officer Recommendation

September 15, 2009

Making the Greatest Place
Strategies for a Sustainable and Prosperous Region
A report from Metro's Chief Operating Officer

Section 3E – Urban and Rural Reserves

Table of Contents:

Introduction	1
Recommendations	8
Regional Reserves Designation Principles	9
Defining the Scale of Reserves	10
The Next Half Century	15

Appendices

3E - A	Reserve Area Assessments and Recommendations
3E - B	Urban and Rural Reserve Designation Factors
3E - C	Residential Range Methodology
3E - D	Employment Range Methodology
3E - E	Sample Reserves IGA Resolution
3E - F	Key Elements of Reserves Adoption Ordinance

Introduction

One of the best-loved features of the Portland metropolitan region is its remarkable interplay of wild places, urban spaces and fertile furrows. The rich soils and abundant rainfall of this region made it the destination of one of the greatest human migrations in history. Like those early settlers, residents and leaders over time have recognized our immense good fortune in living in this abundant setting, and they developed processes to protect and maintain our most treasured assets--our farms, forests and natural areas. Unlike so many growing urban areas across the country, we've honored our heritage by keeping our developed footprint relatively compact. Today, distinctive communities, spectacular natural areas and productive cultivated landscapes comprise the physical, social and economic fabric of our region. They are interwoven and give this place its unique character.

In addition to protecting lands from urbanization, over the years we've developed a deeper understanding of our relationship to the land. Forty or fifty years ago, few Oregonians were familiar with the natural history or ecological mosaic of their region or thought a great deal about the origin of products on their grocery store shelves. Today terms like "riparian" and "restoration" are part of our urban lexicon. The region's residents pooled their resources to purchase a network of publicly owned natural areas, securing for generations their access to outdoor romps, clean water, wildlife habitat and a bit of solace within a bustling metro area. And our commitment to locally harvested food is now a powerful and colorful icon of the culture of contemporary Portland area communities.

At the same time, our cities and towns have blossomed in ways we couldn't have imagined 40 to 50 years ago, in great part due to the context in which they reside. Communities across the region have recaptured the charm of their historic downtown shopping and dining districts. From First Tuesday in Hillsboro to First Thursday in the Pearl District, art exhibits, community fairs and farmers markets that are sprouting across the region display the exuberance of contemporary metro area urban life. Today we're a creative hot spot with a reputation for indie music, award winning wines and gourmet presentation of locally grown food. With the newly opened Green Line, MAX light rail links communities in a growing network of transit options that span the region. Our region attracts up-and-coming entrepreneurs who find kindred creative spirits here, sparking new businesses, new designs and new approaches to green building and development.

As our relationship to the land and our communities has evolved over time, so must our tools for maintaining those relationships. Oregon's land use system provides a process for incrementally accommodating an expanding population while protecting farms and forests. The system requires communities to do what they can to accommodate growth in their existing footprint before expanding out. In contrast to urban areas across the country, much of our success in maintaining livability and advancing sustainability can be traced to this system of compact urban centers nested in protected rural landscapes. Yet it has become clear that the system for considering the land needs of the region needs a bit of remodeling.

A central tenet of that system is the urban growth boundary surrounding the Portland metropolitan area, separating urban communities from rural lands. Metro is responsible for monitoring the growth boundary and every five years calculates how much acreage is needed to maintain a 20-year supply of land to accommodate projected urban growth. The boundary is expanded only when necessary to respond to that need.

Under this longstanding system, every five years the citizens of the region grapple with identifying areas for urban expansion. This five year timeframe keeps landowners at the edge of the boundary in limbo, never knowing whether or when their lands might be destined for urbanization. Farmland owners and farmers who lease land near the boundary have difficulty taking longer term actions such as investing in irrigation systems or drainage tile, converting to organic agricultural practices or planting vineyards or orchards. This pushes viable agricultural activities, many that sell to urban customers, farther and farther away from the urban area. At the same time the uncertainties inherent in this system make it difficult for cities to make smart investments in publicly owned and shared systems like streets, drinking water pipes, parks and sewage disposal facilities.

After Metro's last urban growth boundary decision, the region's leaders proposed a solution. As a result, in 2007, the Oregon Legislature approved Senate Bill 1011. This legislation enables the region to identify and designate areas outside the current urban growth boundary that are best suited for housing and employment over the next 40 to 50 years as urban reserves. SB 1011 also provides a new opportunity to identify areas that should remain working farms and forests or natural areas for at least the next 40 to 50 years.

What makes this system better?

In the past, when considering expanding the boundary, Metro was required by state land use laws to consider the quality of the soil above everything else. Protecting high quality farm soils is important and that system provided a way to decide where *not* to develop. But it didn't provide a method for determining where development might make sense—which attributes of the landscape are most conducive to supporting a flourishing urban community. For the first time the region has a formal method for considering what makes a good site for a city.

Factors for urban reserve designation identified in Senate Bill 1011 include:

- Can the land be developed at urban densities that make efficient use of existing and future infrastructure?
- Does the land have enough development capacity to support a healthy economy?
- Can water, sewer, schools, parks and other urban-level services be provided efficiently?
- Can the land accommodate a well-designed system of streets, trails and transit?
- Can the area be designed to preserve and enhance natural ecological systems?
- Is there enough land to accommodate a range of housing types?
- Can the area be developed while preserving natural landscape features?
- Can the area be designed to minimize conflicts with farms, forests and important natural features on nearby land, including adjacent rural reserves?

At the same time, the designation of rural reserves provides a means for protecting the region's most valuable, productive and financially viable farms and commercial forests from urban development. The rural reserves designation is also designed to prevent urbanization of the region's most significant natural features like wetlands, rivers and their floodplains, buttes and savannas and to use some of these features as natural boundaries to urban expansion.

Factors for rural reserve designation identified in Senate Bill 1011 include:

- Is the land in an area that is potentially subject to urbanization?
- Is the area capable of sustaining long-term agriculture or forestry operations?
- Does the area include:
 - natural landscape features such as natural hazards?
 - important fish, plant or wildlife habitat?
 - lands that protect water supply and quality?
 - features that provide a sense of place such as rivers or buttes?
 - lands that separate cities?
 - lands that provide access to recreational opportunities?

The full text of the urban and rural reserve designation factors contained in Oregon Administrative Rules is provided in Appendix 3E-B.

Instead of starting from scratch every five years to consider whether and how to expand the urban footprint, the reserves process provides a common sense approach and greater certainty for local governments, businesses and rural landowners. Metro will still consider the residential and employment needs of its citizens every five years and make sure there is a 20 year supply of buildable land, but in the future the lands considered for expansion will be those within urban reserves.

In addition to considering the land's attributes, the reserves process provides the means for taking a longer term view in determining the scale and location of urban expansion or conversely, of rural land protection. It provides the means for residents of the region to collectively agree to the desired scale of urban expansion over time, establishing a more deliberate focus on the future of existing communities.

What are urban and rural reserves?

Urban reserves will be designated by Metro on lands currently outside the urban growth boundary that are suitable for accommodating urban development over the next 40 to 50 years. Rural reserves will be designated by each county on lands outside the current urban growth boundary that are high value working farms and forests or have important natural features like rivers, wetlands, buttes and floodplains. These areas will be protected from urbanization for the next 40 to 50 years.

Urban and rural reserve designations will not change current zoning or restrict landowners' currently allowed use of their lands. They will provide greater clarity regarding the long term expected use of the land and allow both public and private landowners to make long term investments with greater assurance.

Some lands currently outside the urban growth boundary will remain without either rural or urban designation. These lands are likely to be areas where there is limited potential for urbanization or areas that are neither high quality farmland nor the highest priority for urban expansion.

How is the public involved?

The reserves planning process was designed to provide stakeholders with a variety of ways to express their desires for the region's future and influence the outcome of the reserves decisions. Every citizen of the region has representation at several levels of the process and many opportunities to review maps and reports, consult with staff and elected officials and share their views. Metro and the three counties are following a state-approved coordinated public involvement plan throughout the course of the entire reserves project.

When the process was launched in 2008, a regional Reserves Steering Committee was formed comprising representatives of the many land use interests in the region including officials from local cities, counties, state agencies and Metro, as well as representatives from a variety of businesses, the agriculture industry, and environmental and social advocacy organizations. The Reserves Steering Committee advises the three counties and Metro—the four jurisdictions that will make the reserves designations—and is co-chaired by their representatives, known as the Core 4. They are:

- Clackamas County Commissioner Charlotte Lehan
- Multnomah County Commissioner Jeff Cogen
- Washington County Chair Tom Brian
- Metro Councilor Kathryn Harrington

The steering committee has met monthly, reviewing work in progress, raising process questions, requesting information, providing insights and guidance and providing outreach to and feedback from their respective constituents. Each of the three counties has also established advisory committees to inform their respective county commissions of local concerns and priorities.

Additionally, at key points in the process, Metro and the three counties have jointly sponsored open houses across the region, inviting residents to learn how the process is progressing and express their desires to officials. The counties have each held public hearings to gain insights from citizens. Metro is holding public hearings as part of the release of this strategy and will hold additional hearings at stages in the decision process. Metro and the counties also have web sites that include opportunities for residents to provide comments electronically. The lines of communication are essentially open throughout the process. Email and letters are welcome at any time.

Timeline

Phase 1 November 2007- March 2008	Phase 2 April 2008 – August 2008	Phase 3 September 2008 – October 2009	Phase 4 November 2009 – December 2009	Phase 5 January 2010 – May 2010
Establish committees, project approach and public involvement process	Identify reserves study area	Analyze reserves study area	Recommend urban and rural reserves	Adopt urban and rural reserves
Milestones				
Agree on factors and process	Select reserves study area	Recommend preliminary reserves	Create intergovernmental agreements on reserves designations	Counties designate rural reserves; Metro designates urban reserves

What’s been done so far?

In September 2008, after consulting with residents of the region, the counties and Metro established a study area for the reserves project — roughly a five-mile-wide ring around the current urban growth boundary. The boundaries of the study area were adjusted to exclude lands outside the three metro-area counties (to reflect Metro’s limited authority under state law); the City of Sandy’s existing urban reserves; the Columbia Gorge National Scenic Area (which is already protected from urbanization under federal law); and to include areas extending out to neighbor cities such as Canby, Banks and Estacada. The study area is shown on page 6.

From autumn 2008 to spring 2009, the planning staff of the three counties and Metro analyzed these lands using the factors identified in Senate Bill 1011 to determine their suitability for either long term urban or rural uses. The three counties worked with their respective advisory committees and consulted with a variety of other stakeholders to create rough draft maps of urban and rural reserve candidate areas which they shared with the Regional Reserves Steering Committee and the public in April 2009. The Core 4 approved the candidate areas in May.

From May through September 2009, the counties continued to fine tune their recommendations for land suitability. Following public hearings, the three counties will make recommendations on land suitability in September. These recommendations will be presented to the regional Reserves Steering Committee on September 23.

A hallmark of the reserves process is its iterative nature. A multi-step screening process has been used to evaluate suitability, and more refined analysis is applied to lands at every step of the way. While the reserves designation process dwells in the arena of a broad regional system of land use, as lands are brought into the urban growth boundary there will be opportunity and necessity for more detailed local visions, plans and implementation.

How will decisions be made?

The regional Reserves Steering Committee will review the suitability analyses from each of the counties as a basis for crafting a recommendation for a regional reserves system. They will make their recommendation to the Core 4 in mid October. Their recommendation will be shared with the public at open houses across the region in late October and November where there will be opportunities for residents to express their views.

The Core 4 will use all of this information—the county suitability analyses and advisory committee recommendations, the regional Reserves Steering Committee recommendation and public comment—in their discussions with each other and with their colleagues. The Core 4 members will each act as an emissary from their respective commission or council as they work together to negotiate a final reserves map of the region. The counties and Metro anticipate reaching formal intergovernmental agreements in late 2009 that define the agreed-upon urban and rural reserves. A sample intergovernmental agreement is attached as exhibit 3E-E.

In spring 2010, the Metro Council will formally adopt urban reserves with a reserves ordinance that will amend the Regional Framework Plan and make changes to Metro's Urban Growth Management Functional Plan to implement new policy on reserves, including a requirement that concept plans be in place before any urban reserve is brought into the urban growth boundary. A draft of the key elements of this ordinance is attached as exhibit 3E-F. Likewise, the counties will each adopt rural reserves in spring 2010 by amending their respective county comprehensive plans.

Strategies for a Sustainable and Prosperous Region is intended to assist with this process by proposing a comprehensive strategy for this region's future. The next section outlines how the comprehensive strategy informs the reserves process and provides specific recommendations on the reserves policy decisions ahead.

Recommendations

This treasured place and the planet we inhabit face formidable challenges. Locally and globally, pressing issues require changing our thinking and planning for a future that will be significantly different from the past. How we respond to these challenges today will set the course for generations to come.

The urban and rural reserve process is our region's longest-range planning effort so the size, form and location of the chosen reserves will speak volumes about our aspirations for the future and our commitment to tackling the challenges ahead.

The region already has a long-range plan, the 2040 Growth Concept, which lays out our overall roadmap for the future. The 2040 Growth Concept acknowledges population growth as a fact of life and states the region's intention to incorporate that growth as much as possible into city and town centers, along transportation corridors and in employment areas. This approach protects existing single family neighborhoods, enhances community centers and main streets, increases the efficiency of public investments and avoids unnecessary development of farms, forests and natural areas. Our strategy represents the safest approach to an uncertain future because it is more sustainable, more livable and more fiscally responsible than urban sprawl and can reduce the region's carbon footprint. Therefore, reserves designations should above all reflect and support successful implementation of the 2040 Growth Concept.

In keeping with that goal these urban and rural reserve recommendations assume:

- The majority of our region's future growth will occur in existing centers, corridors and employment areas. This will be facilitated by an integrated set of investments and policy actions summarized in Chapters 1 and 2 of the Metro Chief Operating Officer's *Strategies for a Sustainable and Prosperous Region*. Land supply is only one tool to manage growth and develop communities; common sense and state law require other approaches to be exhausted before we resort to urbanization of farms, forests and natural areas.
- Development patterns will be different in the future as our economy responds to the global and local challenges listed above. Existing centers, corridors and employment areas will become more compact and vibrant, and new urban areas must be located, planned and developed to ensure they will stand the test of time.
- Farms, forests and natural areas will continue to be a cornerstone of this region's identity and economy for the next 50 years and beyond.

Local and Global Challenges Ahead

- *Climate Change*
- *Volatile Energy Costs*
- *Economic globalization*
- *Deteriorating infrastructure*
- *Population growth*
- *Shifting demographics*

These assumptions assist in selecting both urban and rural reserves and in defining the appropriate scale of urban reserves. Recommendations on each topic are included in this section.

Regional Reserves Designation Principles

To assist in the designation of urban and rural reserves, regional reserves designation principles are proposed, designed to focus consideration on the suitability of lands to accommodate future urban or rural uses. The desired outcome is quality reserves in the right places that have the highest potential for success. The following principles are recommended:

- Urban reserve designations should prioritize lands that have the potential to complement and strengthen *existing* communities. Examples could include the creation of new centers to provide existing residents with more accessible services and shopping or the addition of residential capacity to assist with successful development of existing downtowns or corridors.
- Urban reserves designations should support job creation and economic opportunity by providing for future urban growth boundary expansions onto suitable employment lands when economic need is demonstrated. This recommendation goes hand-in-hand with strategies recommended elsewhere in the *Strategies for a Sustainable and Prosperous Region* that prime industrial and employment lands must be protected and preserved for industrial development and that a “fast-track” UGB expansion process should be established to address important economic opportunities.
- Urban reserve designations should prioritize lands that can accommodate a compact urban form. Considering the major challenges facing us – from climate change to lack of infrastructure funding to demographic changes – areas added to the growth boundary in the future must be more efficient and high-performing. Communities that are ultimately built in reserves added to the urban growth boundary should provide a more complete array of services near where people live and make it easier for people to choose walking, transit and biking for everyday travel. The technical suitability analysis completed by the counties and Metro will inform each area’s potential for this.
- Reserve designations should provide for separation between the metropolitan region and neighbor cities (particularly Sandy, Estacada, Molalla, Canby, Newberg, Gaston, Banks, North Plains and Scappoose). This will ensure that these communities retain their distinct identity and the potential to grow in keeping with their own aspirations and state law.
- Not all land will be urban or rural reserve; some lands will have no designation. Reserve locations should be relevant to urbanization pressures. Lands with no designation will continue to operate under their current zoning regulations with no changes.
- Natural and man-made features will provide “hard edges” defining permanent boundaries between urban and rural landscapes. Conflicts between rural and urban

uses – ranging from traffic to dust to noise – frequently arise at the urban fringe and a logical, thoughtful consideration of ultimate urban form has the potential to minimize such problems in the future.

- Rural reserves should be chosen to protect the agriculture and forestry industries and important natural landscape features from future urbanization.

Defining the Scale of Reserves

The reserves process has purposefully focused on studying the suitability of lands outside the growth boundary for future urban and rural uses rather than on identification of an exact number of acres required for each. Our ability to forecast growth and development trends for the far future is limited and no mathematical formula or methodology is provided in state law or administrative rule for determining the scale of urban reserves. Thus, rather than debating decimal points the region has properly focused on the discussion of desired outcomes and policy and investment choices available to us.

However, once a set of suitable lands is identified, we must ensure that, together with lands inside the existing urban growth boundary, the urban reserves can be planned to accommodate estimated urban population and employment growth for 40 to 50 years beyond 2010. When designating urban reserves, Metro will specify the number of years for which the urban reserves are intended to provide a supply of land. Narrowing the range of “sufficiency” for urban reserves will provide focus to the regional reserves discussion and lead to final decisions. The range is defined by the answers to three questions:

- How many people and jobs should we plan for?
- How many of these people and jobs should we plan to accommodate within the existing urban growth boundary?
- How efficient will development be within urban reserves?

This analysis proposes answers to these questions based on the comprehensive roadmap laid out in the Chief Operating Officer’s *Strategies for a Sustainable and Prosperous Region*, the Regional Reserves Guiding Principles listed above and the technical methodologies used to analyze demand and capacity in the draft urban growth report (UGR). Technical memoranda detailing the application of the regional reserves guiding principles to the urban growth report’s methodology, extended over a 40/50 year timescale are attached to this report as Appendices 3E-C and 3E-D. The UGR (Section 3A of the *Strategies for a Sustainable and Prosperous Region*) contains much more information and discussion on many of the topics covered here.

An overview of the process to answer the questions above is presented in this section, beginning with population and employment growth forecasts. Metro released a Draft 2005-2060 Regional Population and Employment Forecast in May 2008 and updated it in April 2009. The current forecasts are included in the Chief Operating Officer’s *Strategies for a Sustainable and Prosperous Region* as an Appendix to the Draft Urban Growth Report. The forecast is based on national economic and demographic information, and is adjusted by Metro to account for regional growth factors. The forecast has been available for public comment for more than a

year and has been peer-reviewed to ensure all appropriate technical factors are considered. The forecast is presented as a range to encourage discussion of the factors influencing growth rates and the risks and opportunities of planning for various points within the range.

The base forecast covers the seven-county Portland-Beaverton-Vancouver Metropolitan Statistical Area. Table 1 lists the total growth in population and jobs expected for the entire seven-county area.

Table 1
7-County Population and Employment Forecast

	2050		2060	
	Low	High	Low	High
New residents	1,107,800	1,693,700	1,344,000	2,110,700
New jobs	497,200	1,153,300	608,300	1,382,800

It is estimated that there is a 90 percent chance that the rate of growth will fall within this forecasted range, but high confidence comes at the price of larger variability. The full scope of the range is important to consider in our planning work, but the large variability may make it more difficult to arrive at a reserves conclusion. Therefore, this report recommends that the range be further narrowed by focusing on the middle one-third of the forecast range (illustrated in Appendices 3E-C and 3E-D). This retains a range to work with but eliminates the more unlikely very low and very high growth forecasts. Table 2 lists the narrowed forecast range.

Table 2
7-County Forecast, 2007-2060, Narrowed to Middle One-Third

	2050		2060	
	Mid ⅓ low	Mid ⅓ high	Mid ⅓ low	Mid ⅓ high
New residents	1,428,300	1,563,700	1,729,800	1,907,400
New jobs	696,300	945,000	843,700	1,127,200

The next step is determining how many of these residents and jobs will be located within the Metro area and the capacity of the current urban growth boundary to accommodate that growth over the reserves timeframe. As noted above, the assessment used here is based on the methodologies identified in Metro’s Draft UGR. Approximately 62 percent of regional residential growth and 70 percent of regional employment growth is expected to be accommodated within the Portland metro area urban growth boundary.

Table 3 summarizes the residential and employment projections for the metro urban growth boundary over the reserves timeframe.

Table 3
New Dwelling Units and Jobs Within Portland metro area UGB, 2007 - 2050/2060

	2050		2060	
	Mid ⅓ low	Mid ⅓ high	Mid ⅓ low	Mid ⅓ high
New dwelling units	405,400	441,000	484,800	531,600
New jobs	515,300	699,300	624,300	834,100

The urban growth report contains a detailed assessment of the capacity of the urban growth boundary to accommodate growth over the next 20 years. A key finding is that city and county plans and zoning ordinances allow the creation of enough dwelling units and employment locations to accommodate the region’s forecasted growth. However, the analysis concludes that under current market conditions and the policies and financial structures in place today, the region is not likely to realize all of this capacity by the year 2030. We face a gap between the aspirations of local communities and market realities under current conditions. This gap has been confirmed by computer analysis using Metro’s market-based economic and land use model, *MetroScope*.

Our own experience – validated by computer modeling – tells us that we have tools that can close the gap. The region and local governments can turn potential capacity into actual development by focusing investments in existing communities and by taking complementary policy steps to ensure maximum utilization of the investments that are made.

All of the issues identified in the urban growth report apply to the reserves timeframe as well, although computer models are of little use when we look 40 to 50 years out in the future. Significant zoned capacity exists to accommodate regional growth but it is likely that not all of it will be realized. Therefore, assumptions must be made about what strategies will be used and what impact they will have on growth patterns in the future.

The Chief Operating Officer’s *Strategies for a Sustainable and Prosperous Region* calls for a coordinated investment and policy strategy to make regional and community goals a reality. If we use land inside the existing urban growth boundary efficiently before expanding, we can build great communities, proactively address the economic, environmental and demographic challenges ahead of us and protect valued farms, forests and natural areas. Therefore, this report assumes that we will increasingly focus our investments and growth inside the existing urban growth boundary over the 40 to 50 year reserves timeframe and increasingly use the zoning that cities and counties have put in place.

These strategies are expected to result in 70 percent to 80 percent of forecasted residential growth being accommodated within the existing urban growth boundary, and an even higher percentage of employment growth. The rest will need to be accommodated within future growth boundary expansions into urban reserves.

The final step in the process is to predict the efficiency of future growth outside today’s growth boundary. The reserves process was established to find lands suitable for development as “great communities” – areas that are, among other things, compact, walkable and cost-effective

to develop and maintain. Therefore, suitability findings should be directly related to an area's ability to accommodate compact, efficient development patterns. These areas should demonstrate the potential to develop effective and efficient internal transportation grids, connections to regional roads and highways, and other public works systems. In addition, these areas should include or be closely connected to downtowns, main streets and employment areas that residents can access conveniently and safely by walking, bicycling and transit.

Thus, just as our existing downtowns and main streets must accommodate more growth to achieve community aspirations, we must assume that development outside the existing urban growth boundary will be more compact and efficient in the future. This is the only reasonable tradeoff justifying expansions of urban development into farm and forest land. Technical analysis of the urban reserve candidate areas by county and Metro staff and policy discussions by citizens, stakeholders and elected officials has provided a great deal of information on this, discussed in detail in each county's suitability assessment.

While we want to use land as efficiently as possible, it's also of critical importance that we support job creation and economic opportunity and plan for sufficient employment land capacity for the long term. Some desirable employers may not choose to locate on redeveloped sites or to significantly adapt their facility designs to make use of a more compact site even over the reserves timeframe. The Draft Urban Growth Report contains a sophisticated new methodology for evaluating employment demand and capacity that was developed by E.D. Hovee & Company's consultant team. This work can be extended to the reserves timeframe to ensure we do provide sufficient land for employment opportunities in the future. The employment analysis concludes that sufficient capacity exists within the metro urban growth boundary to accommodate most forecasted employment growth, but that a long-range need for large lot industrial parcels should be accommodated within urban reserves.

In sum, this report recommends an increased focus on investment and growth within existing downtowns and main streets. This financially prudent approach will protect valuable farms, forests and natural areas while enhancing the livability of existing communities. The addition of land to existing communities via urban growth boundary expansions will be a key part of the region's long-term growth strategy as well, accommodating between 19 percent and 29 percent of future residential growth and key employment opportunities. Targeted urban reserves should be designated to accommodate healthy employment growth and to complement existing communities.

All of these goals can best be achieved by the adoption of urban reserves between 15,700 acres and 29,100 acres, depending on the chosen timeframe and growth rate assumptions. The suitability assessment and a discussion of the risks and opportunities of planning for different timeframes will inform the final decision on size of urban reserves.

Table 3: Recommended Regional Scale of Urban Reserves

11,300 acres	Residential	22,400 acres
4,400 acres	Employment	6,700 acres
15,700 acres	Total	29,100 acres

Although no numeric targets were created in the administrative rules for this, the region will also have to decide the scale of rural reserves. Rural reserve sizing and form should be guided by the proposed Regional Reserves Designation Principles outlined above and by the factors established in state statute and administrative rules.

Urban and Rural Reserve Designation Recommendations

With a sense of the appropriate scale of urban reserves in mind, the guiding principles defined above can be applied to the urban and rural reserve suitability maps to produce recommendations on the designation of urban and rural reserves. These Chief Operating Officer recommendations are designed to support regional decision-making and will inform discussions of the Regional Steering Committee, the county advisory committees and county commissions, the Metropolitan Policy Advisory Committee and the Metro Council.

The Metro Chief Operating Officer’s recommendations on reserves are divided into 14 geographic areas for simplicity and readability. In reality, of course, no such “hard lines” exist; it is important to consider urban and rural reserve designations as an entire regional system. The assessments and related maps, found in Appendix 3E-A, are based on the final recommendations from the three county advisory committees. Final suitability recommendations from each county were not available in time for use in this document. The dates of the latest information available for use in these assessments are shown on the index map.

These recommendations are made with respect for the work that has already been done by the many public officials and other parties who have been working for over a year to assess and designate reserves, and with the expectation that many, if not most, of these comments are generally consistent with the direction of that process.

The next half century

Reserve designations, in concert with the other aspects of Making the Greatest Place, will shape the Portland Metropolitan Region in profound ways, determining where we work, how we travel, where we shop, where we play and how we interact with neighbors. In particular, the reserves decision will convey to the next several generations how today's residents and their leaders envision the relationship between civilized, cultivated and natural landscapes of our region. Getting this right is no small feat but it is essential.

At this juncture, the process shifts from a county by county assessment of land suitability to a broader context that extends across the greater metropolitan region from the Coast Range to the Cascades and from Wilsonville to the Columbia. As we consider the interconnected physical, ecological and human activities across this vast area and across time we need to contemplate the following:

Scale: Senate Bill 1011 stipulates that urban reserves must include sufficient land to support a healthy economy and a range of housing types. It has not yet been determined what constitutes a sufficient system of reserves across the metropolitan area. Additionally, each reserve must be scaled to achieve these goals in relation to its adjacent existing urban community. This is strongly tied to their form and location.

Form and location: The arrangement of urban reserves in relation to existing communities and adjacent rural reserves is a critical aspect of establishing a system that will evolve as an efficient, pleasing and functioning land use pattern. The public has strongly expressed a desire to maintain a linkage between cities and the lands that produce their food and offer recreational opportunities. What shape and pattern of urban and rural reserves will best meet the needs of future citizens of the region?

Regional balance: The three metropolitan counties have proposed very different configurations of both urban and rural lands within their boundaries. The region's leaders must consider whether there is a greater likelihood of achieving regional goals by balancing lands for jobs and housing between the east and west sides of the urban area. Additionally, they must determine what scale and configuration of rural reserves provides the greatest certainty and best protection for farmers, forest land owners and for natural features around the region.

Alternatives to urban and rural designations: Some lands don't fit neatly into a category of urban or rural. This process has highlighted a number of communities where full scale urban development is inappropriate or impractical and where it is more appropriate to plan for a different scale of human habitation, be it the rural community, hamlet, village or town. It is conceivable that some future population growth can be accommodated within communities that do not desire and will not achieve full scale urbanization within the 40 to 50 year timeframe but would likely grow organically and serve as smaller scale rural centers during that period.

These are just a few of the important issues that will be tackled by stakeholders and policy makers in the coming months. We have an opportunity to set the course of this region for decades to come. This is the time for residents and leaders across the region to add your voices,

your insights, your passion and your knowledge to this dramatic process of shaping the future of this place we call home.

APPENDIX 3E-A

RESERVE AREA ASSESSMENTS AND RECOMMENDATIONS

The Metro Chief Operating Officer’s recommendations on reserves are divided into 14 geographic areas for simplicity and readability. In reality, of course, no such “hard lines” exist; it is important to consider urban and rural reserve designations as an entire regional system. The assessments and related maps are based on the final recommendations from the three county advisory committees. Final suitability recommendations from each county were not available in time for use in this document. The dates of the latest information available for use in these assessments are shown on the index map on page 2. Individual area maps are provided at the end of this appendix.

Reference is made in these recommendations to the several key background studies:

- *Identification of Metro Region Agricultural Lands and Assessing their Long-Term Commercial Viability*, produced by the Oregon Department of Agriculture. This report divided lands outside the Metro urban growth boundary into three categories (Foundation, Important and Conflicted) based on their ability to sustain commercial agricultural operations over the long term.
- *Natural Landscape Features Inventory*, produced by Metro. This study was intended to identify those natural landscape features that influence the sense of place in this region and can define future urban form.
- *Criteria for Consideration of Forestlands within Rural Reserves*, produced by the Oregon Department of Forestry. This report provided mapping and criteria to assist in the determination of what forestlands and natural resources should be included within rural reserves.

These studies, the suitability assessments completed by each county, and a wide variety of other information submitted as part of the reserves process to date to assist with suitability assessments are available through Metro’s Urban and Rural Reserves website: www.oregonmetro.gov/reserves.

Clackanomah Area

Context/Rural Status

This area east of the cities of Damascus and Gresham in Clackamas and Multnomah Counties is defined by SE Lusted Road on the north, SE Orient Drive/SE 312 Avenue on the east, the community of Boring on the south and the UGB on the west. According to the Agricultural Lands Inventory, the area is split between Conflicted agricultural land west of SE 282nd Ave and south of Highway 26 and Foundation agricultural land in the remaining portion of the area. The area includes the East Buttes natural landscape feature and is adjacent to Deep Creek Canyon.

County Reserves Study Status

The Multnomah County Citizen Advisory Committee (CAC) has recommended that there be no urban reserves in this area. The CAC also recommended that the following areas be designated as rural reserves: North of Sandy River from the existing UGB out 3 miles; and all the land south and west of the Sandy River.

The Clackamas County Policy Advisory Committee (PAC) has recommended 2,203 acres of this area for urban reserve designation under the state factors. The recommended area is defined by the UGB on the west and north, SE 282nd Avenue on the east, and Highway 212 on the south. This area is characterized by the forested steep buttes adjacent to the UGB in the west and a flatter area west of SE 282nd Avenue that contains rural residences dispersed throughout the area, the Boring Middle School, and small scale agriculture activities. The center portion of the area is currently within the Damascus city limits. Based on the PAC discussions, this land would be suitable for both residential and employment uses. The PAC has recommended that the majority of the land to the south and east be designated as a rural reserve with exception of some land along Highway 224.

Suitability Notes

- a) Some northwest and southwest portions of the study area north of the county line are suitable for future urbanization based on topography, future availability of urban services and the potential for residential or employment uses.
- b) Large portions of the study area below the county line are also suitable for future urbanization based on the same factors as (a) above plus good access to Highway 26.
- c) Some of the areas referred to in (a) and (b) above could be urbanized to make efficient use of public and private investments in Gresham's Springwater industrial area to support a healthy economy in East Multnomah County.
- d) The northern portion of Clackamas County could be designed with a well-connected system of streets, bikeway and trails that link to transportation options in Gresham.
- e) The areas referred to above for consideration of future urban uses must be carefully balanced with the designated Foundation agricultural land.
- f) The East Buttes are a defining landscape feature for the area.

Metro Chief Operating Officer Recommendation

Some selected acreage north of the county line and additional acreage south of the county line should be considered for inclusion within urban reserves to provide long-term housing and employment opportunities. Most of the land recommended by the CAC and a substantial portion of the land recommended by the PAC should be considered for rural reserves. The

specific amount and location of these reserves should be guided by the following considerations:

- While portions of the area north of SE Lusted Road are suitable for urbanization between creek areas, their location and surrounding land would isolate them from the existing UGB urban areas. There are relatively flat areas for development and roadways between Beaver Creek and the Sandy River area. These landforms, however, along with river tributaries would preclude a well-connected transportation system. Access to the area would be limited to a narrow corridor on the northwest side. This situation would result in limited opportunities for urban densities as well as mixed use and employment uses. For this reason, this area should not be considered as an urban reserve.
- Multnomah County staff has identified areas south of SE Lusted Road as suitable for urbanization. Some of the more close-in portions, west of 302nd, should be considered for urban reserves in order to complement the potential urban reserves along Hwy 26 south of the county line. Careful consideration must be given to the fact that there is no clear natural or man-made feature to define a reserve boundary line to the east.
- While recognizing that the south of SE Lusted area is designated as Foundation agricultural land, portions of it are also situated to take advantage of and enhance the existing Springwater employment area as well as optimizing the Hwy 26 corridor.
- South of the county line there is appropriate land for both residential and employment uses, the latter to complement the future build out of the Springwater industrial area and optimize transportation investments on Highway 26 and light rail in Gresham. There are few urban reserve study areas around the region that appear to be suitable for concentrated economic development and the region should seriously consider reserving such lands for future urbanization.
- Hwy 26 could serve as an urban edge or boundary to separate urban and rural lands. While recognizing that portions of the area west of Hwy 26 are designated as Foundation agricultural land, it is important to consider some of this area for urban reserves to both take advantage of the Hwy 26 corridor and support a future Boring center.
- The village of Boring could serve as a commercial center for an urban area.
- The significant natural landscape features, including the east buttes and Deep Creek, should be protected from urbanization.
- Recognize the guiding principle of separation of neighbor cities from the Metro, in this case the city of Sandy.

Damascus Area

Context/Rural Status

This area is defined generally by Hwy 212 on the north, N. Deep Creek on the east, the Clackamas River on the south and Hwy 224 on the west. This area is characterized by low density rural residential land, some forested parcels, a flat bench area near Deep Creek Elementary School that is in agricultural production and rolling hills that generally slope south to the Clackamas River that are composed of small-scale agricultural activities. A substantial portion of the area is currently within the Damascus city limits, including approximately 500 acres that is outside the UGB. According to the Agricultural Lands Inventory, almost the entire area is designated as Conflicted agricultural land, with a small portion in the southwest corner designated as Important agricultural land. The area includes the Clackamas River Bluffs and Deep Creek Canyon natural landscape features. According to the Forestry Lands Inventory, a significant portion in the central portion of the area is designated as Mixed Forest Agriculture.

County Reserves Study Status

The Clackamas County Policy Advisory Committee (PAC) has recommended 1,718 acres of this area for urban reserve designation under the state factors. Based on the PAC discussions, this land would be suitable for both residential and employment uses. The PAC has recommended that the majority of the land to the south and east be designated as a rural reserve with exception of some land along Highway 224.

Suitability Notes

- a) The eastern portion of the PAC-recommended area is very suitable for future urbanization based on topography, future availability of urban services and the potential for residential, mixed use or employment uses. Most of this area was identified in the Damascus Boring Concept Plan effort as an extension of the proposed town center to the north of Hwy 212.
- b) Inclusion of the portion of this area that is currently within the Damascus city limits would help promote the implementation of the city's initial comprehensive planning by optimizing the regional planning efforts in the process, providing a governance structure for urban services and meeting future housing and economic needs of the community.

Metro Chief Operating Officer Recommendation

The PAC-recommended acreage in this area should be considered for inclusion within urban reserves to provide long-term housing and employment opportunities. The land to the south and east should be considered for rural reserves consistent with the PAC recommendation. The specific amount and location of these reserves should be guided by the following considerations:

- Inclusion of the land east of SE 232nd Drive that has been identified through the Damascus Boring Concept Plan process as either an extension of the proposed town center, or as land supporting a future town center.
- Identification of edges or boundaries, such as Noyer Creek and N. Fork Deep Creek, which will provide a buffer between urban and rural lands.
- Protection of significant natural landscape features, including Deep Creek and the Clackamas River Bluffs.

Oregon City Area

Context/Rural Status

This area in Clackamas County is generally defined by the Clackamas River on the north, Ferguson Road on the east, Henrici Road on the south and the Willamette River on the west. According to the Agricultural Lands Inventory, most of this area is designated as Conflicted agricultural land, with some Important agricultural land designation along the southern boundary. The area includes the Abernethy Creek natural landscape feature and a portion of the Newell Creek feature. According to the Forestry Lands Inventory, portions of the north central section of the area are designated as Mixed Forest Agriculture, with a small portion of the southern section designated as Wildland Forest.

County Reserves Study Status

The Clackamas County Policy Advisory Committee (PAC) has recommended an urban reserve designation under the state factors on 1,443 total acres within three subareas. The three subareas are known as Northeast of Oregon City (1,228 acres), East of Oregon City (146 acres) and South of Oregon City (69 acres). The PAC recommends the following areas as rural reserves:

- A strip of land between the Clackamas River and generally Clackamas River Road.
- The Holcomb and Abernethy creek riparian areas.
- The Newell Canyon area around Hwy 213 and the area east of the Holly Lane corridor.
- The area south of the South of Oregon City subarea.

Northeast of Oregon City

This subarea is defined by the UGB and a line just east of S. Clackamas River Drive on the west, just south of S. Clackamas River Drive on the north, just west of South Beaton and South Hilltop roads on the east, and south of Pam Drive and the flatter area north of Holcomb Creek on the south. According to the Agricultural Lands Inventory, the entire area is designated as Conflicted agricultural land. The southern portion of the area includes a part of the Abernethy Creek natural landscape feature. According to the Forestry Lands Inventory, portions of the northeast and southern sections of the area are designated as Mixed Forest Agriculture. This area is made up of a series of flat, bench sections interspersed with creeks and their associated steeper slopes. Currently, it is a mix of rural residential with some agricultural activities mostly along the northern and northeastern boundaries.

Suitability Notes

- a) Portions of the upper Northeast Oregon City section are suitable for future urbanization based on topography, future availability of urban services and the potential for walkable neighborhoods between the creek canyon areas. While there is an existing rural road network that could serve as the backbone of an urban network, creek crossings present challenges for full connectivity between neighborhoods.
- b) Transportation connections to the larger urban area are limited by the Clackamas River and associated bluffs to the west and north, and the rural area to the east. This limits good access to the area from the southwest only and the impacted I-205/Hwy 213 interchange is problematic for accommodating a high volume of additional trips.

- c) While the southern portion includes a peninsula bench that may be suitable for urbanization, it is discontinuous with adjacent land to the east and west, as well as to the UGB to the south.

Metro Chief Operating Officer Recommendation

This subarea should not be considered for inclusion within urban reserves due to limited opportunities for urban densities, mixed use, and employment areas and limited transportation connections to the existing urban area.

East of Oregon City

This subarea is a narrow corridor along Holly Lane with the UGB to the north and south. It is concentrated around the spine of Holly Lane and varies from approximately 150 feet to approximately 800 feet on each side of that roadway. According to the Agricultural Lands Inventory, the entire area is designated as Conflicted agricultural land. This area includes the Abernethy Creek natural landscape feature. According to the Forestry Lands Inventory, the area does not include any identified forestry zones.

Suitability Notes

- a) Portions of the East of Oregon City section are suitable for future urbanization based on topography and the future availability of urban services.
- b) Holly Lane would serve as an important connection between northeast and southeast Oregon City which are already within the UGB.

Metro Chief Operating Officer Recommendation

The area from the Oregon City boundary on the west, including Hwy 213 and Newell Creek canyon, to the existing UGB on the east should be considered for inclusion within urban reserves. If the City deems Holly Lane important for long-term roadway connectivity for future urbanization, then this entire area should be included as an urban reserve due to Metro code 3.01.030(b)(2). This code section states that amendments to the UGB shall not result in the creation of an island of urban land outside the UGB or an island of rural land inside the UGB. The Abernethy Creek natural landscape feature should be considered for rural reserve designation. The specific amount and location of these reserves should be guided by the following considerations:

- Including the entire section of land between the Oregon City boundary of the west and east would provide for better north/south transportation connectivity.
- Protecting the Newell Creek riparian corridor.

South of Oregon City

This subarea includes three small sections along the southern boundary of Oregon City. According to the Agricultural Lands Inventory, the entire area is designated as Important agricultural land. These sections do not include a natural landscape feature. According to the Forestry Lands Inventory, the sections do not include any identified forestry zones. These sections are small, mostly flatter bench areas that extend from the southern boundary of Oregon City. To the south are steeply-sloped areas including tributary head-waters to Beaver Creek.

Suitability Notes

- a) The South of Oregon City bench sections are suitable for future urbanization based on topography and the future availability of urban services.
- b) Urbanization of these small areas would complement existing Oregon City neighborhoods directly to the north.
- c) The steep topography immediately to the south of these areas would serve as a natural buffer between Oregon City and rural lands.

Metro Chief Operating Officer Recommendation

These small bench areas should be considered for inclusion within urban reserves. Inclusion of these areas would serve as a logical extension of existing City neighborhoods. The land south of the bench areas should be considered for rural reserve designation consistent with the PAC recommendation. These reserves should be guided by the following considerations:

- Including land that can be urbanized with good transportation connectivity and availability of urban services from Oregon City immediately to the north.
- Providing a natural buffer between urban and rural uses as well as protecting tributaries to Beaver Creek, using the steep slopes immediately to the south.

Additional Metro Chief Operating Officer Recommendation

Based on the factors listed below, a limited area to the southeast of Oregon City should be considered for inclusion within urban reserves. The consideration should include an area centered on Henrici Road, from approximately Hwy 213 to Beavercreek Road, and extending to the natural topographic boundary to the south of the roadway. This potential reserve area should be guided by the following considerations:

- The area is contiguous to existing Oregon City urban services.
- The topography is well-suited for urban-level development, including transportation access and connectivity.
- Henrici Road forms the backbone of a transportation system that could accommodate urban uses and complement the City's east/west connections.
- The Agricultural Lands Inventory designates the area as Conflicted agricultural land.
- The Forestry Lands Inventory contains no designated forestry zones.
- The steep slopes to the immediate south would serve as a natural boundary and buffer between urban and rural uses.

Stafford Basin Area

Context/Rural Status

This area in Clackamas County is generally defined by I-5 on the west, Lake Oswego on the north, West Linn on the east and by a line extending from approximately Elligsen Road on the west to Pete's Mountain Road on the east. The According to the Agricultural Lands Inventory, the entire area is designated as Conflicted agricultural land, except for two small fingers of land along the southern boundary that are designated as Important agricultural land. This area also includes the Wilson Creek and Tualatin River natural landscape features. According to the Forestry Lands Inventory, there are no designated forestry zones except a small finger of land in the southeastern portion that is Mixed Forest Agriculture.

County Reserves Study Status

The Clackamas County Policy Advisory Committee (PAC) has recommended approximately 734 acres of this area for urban reserve designation under the state factors. Based on the PAC discussions, this land would be suitable for both residential and employment uses. The PAC has recommended that approximately 3,000 acres of land along the Tualatin River and in the vicinity of Wilson Creek be designated as a rural reserve. This diverse area is characterized by a variety of landscapes including flat areas between the Tualatin River and I-205, riparian areas with steeper slopes and rolling hills. Land uses include mostly rural residential with some farm activities, a small commercial node, as well as schools, parks and churches.

Suitability Notes

- a) The entire area is adjacent and accessible to existing and future planned public infrastructure including I-5, I-205 (recently designated as a regional priority corridor for high capacity transit) and four surrounding full-service cities.
- b) The I-205/Stafford Road interchange area is suitable for higher density and/or employment uses based on topography, availability of services and access to important transportation corridors.
- c) The remaining section north of the Tualatin River is a mix of areas that are suitable for urbanization and ones that are constrained by steeper slopes and creek riparian areas.
- d) The section south of I-205 is characterized by pockets that are suitable for urbanization and other areas that are more parcelized and feature topography ranging from mild slopes to those over 25 percent.

Metro Chief Operating Officer Recommendation

A more significant amount of land than has been recommended by the county should be considered for inclusion within urban reserves, notwithstanding the political challenges concerning governance. The specific location of these reserves should be guided by the following considerations:

- The suitability of sections of this area to provide employment uses for this regional subarea, leveraging existing transportation corridors, as well as providing for some mixed use and residential uses.
- The I-205/Stafford Road interchange area could help maintain and further enhance the local and regional economy through its strategic location along the I-205 employment corridor and close proximity to I-5. There is even a potential for a town center at this location.

- Consideration should be given for urban reserves south and southwest of I-205 to create support for the I-205/Stafford Road interchange center area.
- Ensure the protection of the Tualatin River and Wilson Creek riparian areas.

East Wilsonville Area

Context/Rural Status

This area in Washington and Clackamas Counties is adjacent to the City of Wilsonville and is generally defined by SW Frobase Road on the north, SW 45th Drive on the east, the Willamette River on the south and the UGB on the west. According to the Agricultural Lands Inventory, this area is designated as Important agricultural land with the exception of a small amount of land near SW 82nd Avenue and SW Frobase Road that is designated as Conflicted agricultural land. There are no identified natural landscape features or designated Forestry lands in the area.

Clackamas County Reserves Study Status

The Clackamas County Policy Advisory Committee (PAC) has recommended two areas for urban reserve designation under the state factors. The first area (143 acres) is east of Wilsonville, south of the county line and west of Stafford Road. This recommended area contains six parcels that are bisected by a stream that runs in a north-south direction through the center of the area. It is characterized by relatively flat open agricultural lands with a forested stream corridor and rural residences. A BPA power line runs through the lower portion of the area in a northwesterly direction. Based on the PAC summary information, this land would be suitable for residential uses. The second recommended area (264 acres) is also east of Wilsonville and bisected by SW Advance Road. The area is characterized by open agricultural lands with a couple of forested stream corridors and rural residences concentrated along SW 60th Avenue. This area also contains a BPA power line that runs through the upper portion of the area in a northwesterly direction. Based on the PAC summary information, this land would be suitable for residential uses. The PAC has recommended the area south and east of the urban reserve areas as rural reserves, with the exception of an undesignated arc of land directly east of the first area and south of SE Homesteader Road and north of SW Kahle Road. In addition, the PAC has recommended that the stream corridors within the urban reserves be designated as rural reserves as well as four parcels of West Linn Wilsonville School District property that are located adjacent to the UGB in the second area.

Suitability Notes

- a) The two Clackamas County areas are suitable for future urbanization based on topography and availability of appropriate service providers.
- b) Both of these areas could be designed to be walkable with a well connected system of streets, bikeways and trails that provide a range of housing types and connect to the existing urban fabric of Wilsonville.
- c) There is no natural boundary or edge to provide a buffer for the agricultural activities to the east.

Metro Chief Operating Officer Recommendation

These areas in Clackamas County should be considered for inclusion within urban reserves to provide additional long-term housing opportunities that will support the City of Wilsonville's desire to focus on infill and redevelopment to create a compact urban form and to address the City of Wilsonville's imbalance of jobs and housing. The city has indicated that they have a sufficient land supply for a period greater than 20 years, thus urban reserves in this area should be considered a long-term supply of land. The remaining land in this area should be considered

for rural reserves consistent with the PAC recommendation. The specific amount and location of these reserves should be guided by the following considerations:

- Identifying areas in which walkable, well connected residential development could occur in the long-term that will support the desired compact urban form of the City of Wilsonville.
- The identification of edges or boundaries is needed to provide a buffer between urban lands and the agricultural activities to the east.
- If the land adjacent to the West Linn Wilsonville School District property is included as an urban reserve, then the school property should also be included as an urban reserve.

Washington County Reserves Study Status

The Washington County Reserves Coordinating Committee (RCC) has recommended 424 acres in this area for urban reserve designation under the state factors. The recommended area is located north of the City of Wilsonville, north of the county line and south of SW Frobese Road. The area is characterized by gently rolling forested and open agricultural parcels, and includes a mobile home park. According to pre-qualified concept planning efforts undertaken by the City of Wilsonville, this area may be appropriate for residential and limited employment uses. The RCC did not recommend any rural reserve areas in this portion of Washington County.

Suitability Notes

- a) This area is suitable for future urbanization based on topography and availability of appropriate service providers.
- b) Portions of this area could be designed to be walkable with a well connected system of streets, bikeways and trails that provide a range of housing types and connect to the existing urban fabric of Wilsonville.
- c) The lands adjacent to SW Elligsen Road have the capacity to provide long-term employment opportunities.
- d) There is no natural boundary or edge to provide a buffer for the rural lands to the east.

Metro Chief Operating Officer Recommendation

This area in Washington County should be considered for inclusion within urban reserves to provide additional long-term housing and limited employment opportunities that will support the City of Wilsonville's desire to focus on infill and redevelopment to create a compact urban form. The city has indicated they have a sufficient land supply for a period greater than 20 years, thus urban reserves in this area should be considered a long-term supply of land. The specific amount and location of these reserves should be guided by the following considerations:

- Identifying areas in which walkable, well connected residential development could occur in the long-term that will support the desired compact urban form of the City of Wilsonville and provide long-term employment opportunities.
- The identification of edges or boundaries is needed to provide a buffer between urban and rural land.

To the degree the region decides to designate urban reserve areas south of I-205, coordination will be necessary with the City of Wilsonville during concept planning of the areas to ensure that infrastructure investments support both areas and to minimize any impacts one area may have on the other.

South Sherwood/West Wilsonville Area

Context/Rural Status

This area in Washington and Clackamas Counties is generally defined by the UGB on the north and east, the Willamette River on the south and the Washington-Clackamas County line and SW Ladd Hill Road on the west. According to the Agricultural Lands Inventory, the northern portion of the area is designated as Conflicted agricultural land, and the southern portion is Important agricultural land. The area includes the Tonquin Geologic Area natural landscape feature and is near the Parrett Mountain natural landscape feature. According to the Forestry Lands Inventory, the area generally associated with Coffee Lake Creek near Wilsonville and Mill Creek near SW Bell Road is designated as Mixed Forest Agriculture.

Clackamas County Reserves Study Status

The Clackamas County Policy Advisory Committee (PAC) has recommended two areas for urban reserve designation under the state factors. The first area (1,803 acres) stretches from the Washington-Clackamas County line south of Sherwood, in a southeasterly direction to Wilsonville in the vicinity of SW Grahams Ferry Road and SW Boeckman Road. The southern edge of the area is defined by SW Tooze Road. This recommended area is characterized by rolling to relatively flat open agricultural lands with forested stream corridors and rural residences concentrated on SW Ladd Hill Road, SW Morgan Road and SW Grahams Ferry Road/SW Malloy Way. Based on the PAC summary information this land would be suitable for both residential and employment uses. The second recommended area is 63 acres in size and made up of four parcels on the south side of SW Wilsonville Road. The area contains two residences with the remainder of the land in agricultural production. Based on the PAC summary information this land would be suitable for residential uses. The PAC has recommended the area between the large urban reserve area and the county line to the north be designated as a rural reserve, along with area west of SW Ladd Hill Road and south of Corral Creek. In addition, the PAC has recommended the French Prairie area south of the Willamette River as a rural reserve.

Suitability Notes

- a) The northern Clackamas County area is suitable for future urbanization based on topography and availability of appropriate service providers; however, there are challenges related to transportation services in the general area that need to be addressed.
- b) Portions of this northern area could be designed to be walkable with a well connected system of streets, bikeways and trails, but connecting the entire area to the existing urban transportation system will be difficult due to the limited portion of the proposed urban reserve that is adjacent to Wilsonville.
- c) Metro policy, found in Metro code 3.01.030(b)(2), states that amendments to the UGB shall not result in the creation of an island of urban land outside the UGB or an island of rural land inside the UGB. Including the entire northern area would violate the direction of this policy by creating an island of rural land inside the UGB. Thus, if the entire area was deemed suitable for inclusion as an urban reserve, then all of the land between it and the current UGB would also need to be designated as an urban reserve.
- d) Urbanization in a portion of this area could support Sherwood's desire to be a complete community consistent with the 2040 Growth Concept by providing employment

opportunities to address the city's recent rapid residential growth, building upon the city's success in providing access to nature and recreational facilities, while preserving ecological systems within the area.

- e) The Tonquin Geologic Area provides a natural buffer between the majority of Wilsonville and the lands being considered for urban reserve status. There is not, however, an obvious natural boundary to the south of the northern area that provides an edge between urban and rural uses.
- f) The southern Clackamas County area is suitable for urbanization based on topography, availability of appropriate service providers, and the ability to design a walkable community with a range of housing types that can easily be connected to the existing urban fabric of Wilsonville.
- g) Metro's Grahams Oaks Regional Park is adjacent to the southern area, thereby providing recreational opportunities and trails connecting to the Villebois neighborhood of Wilsonville.

COO Recommendation

These two areas in Clackamas County should be considered for inclusion within urban reserves to help meet regional employment goals and to provide some additional housing opportunities for Sherwood and Wilsonville. The land south of Corral Creek should be considered for rural reserves. Consistent with the PAC recommendation, the French Prairie area south of the Willamette River should be considered for rural reserve designation. The specific amount and location of these reserves should be guided by the following considerations:

- The ability of the land to provide needed regional and local employment opportunities.
- Identifying the areas in which walkable, well connected residential development could occur that will support the compact urban form of the adjacent city.
- The identification of edges or boundaries that will provide a buffer between urban and rural lands.
- The protection of the Tonquin Geologic Area natural landscape feature.
- Coordination with the lands being considered in Washington County so an island of urban land outside the UGB or an island of rural land inside the UGB is not created.
- Prior to urbanization the region needs to address transportation capacity issues on Highway 99W and Tualatin Sherwood Road and consider the transportation improvements that were identified in the I-5 to 99W planning process.

Washington County

The Washington County Reserves Coordinating Committee (RCC) has recommended 531 acres in this area for urban reserve designation under the state factors. The recommended area is located between the cities of Sherwood and Tualatin, north of the county line. The area is characterized by forested and open parcels, some of which have been highly manipulated for industrial uses and flat lands along stream corridors owned by the federal government. The area includes a Tualatin Valley Fire and Rescue facility and the Tualatin Valley Sportsmen Club, which owns a significant portion of land in the center of the Washington County area. According to pre-qualified concept planning efforts undertaken by the Cities of Sherwood and Tualatin, this area may be appropriate for industrial uses. The RCC has recommended a very small area of land near Coffee Lake Creek as a rural reserve.

Suitability Notes

- a) Portions of the area between Sherwood and Tualatin are suitable for future urbanization based on topography and availability of appropriate service providers, however, there are challenges related to transportation services in the general area that need to be addressed.
- b) Redevelopment of the rural industrial uses currently in the area could provide employment opportunities that help balance Sherwood's recent rapid residential growth and maintain Tualatin's job-housing balance.
- c) Tualatin's Knife River area of interest, located west of SW Waldo Way and north and south of SW Tonquin Road, provides the opportunity to extend 124th Avenue to any future east west arterial roads, thereby making use of future public and private infrastructure investments and providing needed transportation improvements.
- d) U.S. Fish and Wildlife lands along Rock Creek may provide an edge between urban and rural lands while preserving the natural integrity of the stream corridor.

COO Recommendation

This area in Washington County should be considered for inclusion within urban reserves to help meet regional employment goals and local employment needs for the City of Sherwood. The specific amount and location of these reserves should be guided by the following considerations:

- The identification of suitable land that will support the local needs of the adjacent communities in providing needed employment opportunities and future transportation connections.
- The identification of edges or boundaries such as the National Wildlife Refuge lands that can provide a buffer between urban and rural lands.
- Prior to urbanization the region must address transportation capacity issues on Highway 99W and Tualatin Sherwood Road and consider the transportation improvements that were identified in the I-5 to 99W planning process.
- Coordination with the lands being considered in Clackamas County so an island of urban land outside the UGB or an island of rural land inside the UGB is not created.

West Sherwood Area

Context/Rural Status

This area in Washington County is generally defined by the Tualatin River in the north, the Washington and Clackamas County line on the east, the UGB and SW Parrett Mountain Road in the south and W Lebeau Road on the west. According to the Agricultural Lands Inventory, the northern area is designated as Foundation agricultural land, the western portion is Important agricultural land and the southern portion is Conflicted agricultural land. This area is near the Parrett Mt./Chehalem Mts. natural landscape features. According to the Forestry Lands Inventory, the northern portion of the area is designated as Mixed Forest Agriculture and the southeastern portion of the area, near the Washington/Clackamas County border is designated as Wildland Forest.

County Reserves Study Status

The Washington County Reserves Coordinating Committee (RCC) has recommended 2,969 acres in this location for urban reserve designation under the state factors. The recommended area is separated into two areas adjacent to the City of Sherwood. The main area to the west of the city stretches approximately one-half mile from the current UGB in the west and the south and is defined by the Tualatin River floodplain in the north and the UGB in the east. The area is a mixture of flat lands near the Tualatin River in the north and rolling hills in the middle and southern portions. The area is characterized by rural residences, forested parcels and smaller scale agricultural activities and has a power line running through the northern portion. A series of three small areas (totaling 122 acres) on the north side of the city, between the Tualatin River floodplain and the current city limits has also been identified as potential urban reserves. This small area is a mixture of forested and agricultural lands and also has a power line running through most of the three areas. According to pre-qualified concept planning efforts undertaken by the City of Sherwood, these areas may be appropriate for mostly residential development with dispersed mixed-use neighborhood centers, limited employment and a station community along a future High Capacity Transit (HCT) corridor. The RCC has recommended that the land adjacent to the south, west and north should be designated as a rural reserve with the exception of some land around Chicken Creek and Highway 99W south of the city.

Suitability Notes

- a) This area is suitable for future urbanization based on topography and availability of appropriate service providers, however there are some challenges related to transportation services that need to be addressed.
- b) Urbanization in this area should support Sherwood's desire to be a complete community consistent with the 2040 Growth Concept by preserving ecological systems, providing a range of housing types, building upon the city's success in providing access to nature and recreational facilities and providing employment opportunities to address the recent rapid residential growth the city has experienced.
- c) The Tualatin River provides a natural buffer to preserve the extensive agricultural lands to the northwest and the Tualatin River National Wildlife Refuge provides an edge for the city in the north. There is no natural boundary for providing an edge between urban and rural lands to west.

Metro Chief Operating Officer Recommendation

This area should be considered for inclusion within urban reserves to help Sherwood continue to develop into a Great Community and meet the goals of the 2040 Concept Plan. The land adjacent to the proposed urban reserve area to the south, west and north should be considered as a rural reserve consistent with the RCC recommendation. The specific amount and location of these reserves should be guided by the following considerations:

- The ability of the land to support the local aspirations of the adjacent communities in providing needed housing, mixed-use center-type services, a potential station community and employment opportunities to balance recent rapid residential growth.
- The opportunity to enhance transportation connections to support the Near Term Regional Priority for a High Capacity Transit (HCT) line on Highway 99W.
- The identification of edges or boundaries that will provide a buffer between urban and rural lands to the west and protect the Foundation agricultural lands in the north portion of the area.
- The protection of significant natural landscape features, including Parrett Mt.
- Prior to urbanization, the region needs to address transportation capacity issues on Highway 99W and Tualatin-Sherwood Road and consider the transportation improvements that were identified in the I-5 to 99W planning process.

Bull Mountain Area

Context/Rural Status

This area in Washington County west of Tigard is generally defined by Scholls Ferry Road on the north, the UGB on the east, the Tualatin-Sherwood Road on the south and the Tualatin River on the west. According to the Agricultural Lands Inventory, the entire area is designated as Foundation agricultural land. This area also includes the Tualatin River natural landscape feature. According to the Forestry Lands Inventory a swath of land running south from SW Scholls Ferry Road to the Tualatin River, west of SW Roy Rogers Road is designated as Mixed Forest Agriculture.

County Reserves Study Status

The Washington County Reserves Coordinating Committee (RCC) has recommended 1,560 acres in this location for urban reserve designation under the state factors. The recommended area is made up of two areas identified by the City of Tigard and one area identified by the City of King City as potential urban reserves. The two Tigard areas straddle SW Roy Rogers Road, north of SW Beef Bend Road and encompass 888 acres. They are defined on the east by the 2002 UGB expansion areas 63 and 64 and on the west by the Tualatin River floodplain. The area identified by King City (672 acres) is defined by SW Roy Rogers Road on the west, SW Beef Bend Road on the north, the UGB on the east and the Tualatin River on the south. This relatively flat area contains small farms, forested land and rural residences mostly concentrated near the UGB and SW 137th Avenue. According to pre-qualified concept planning efforts undertaken by King City and an initial planning study by Tigard, this area may be appropriate for residential development with dispersed mixed-use neighborhood centers and civic uses. In general, the RCC has recommended that the land adjacent to the west as well as the Tualatin River National Wildlife Reserve is designated a rural reserve.

Suitability Notes

- a) This area is generally suitable for future urbanization based on topography and availability of some services, however, there are challenges related to extending urban services through unincorporated lands to a significant portion of the area and the identification of a provider of potable water.
- b) Urbanization in this area should support the recent planning efforts for 2002 expansion area 63 & 64 by providing a walkable and well connected system of streets, bikeways, and recreation trails that complement the West Bull Mt. plan, in addition to preserving the natural resources and providing access to nature and recreational facilities.
- c) The Tualatin River provides a natural buffer to preserve the extensive agricultural lands to the west and the Tualatin River National Wildlife Refuge to the south.

Metro Chief Operating Officer Recommendation

The area identified as the Rural Element in the West Bull Mountain Concept Planning Area should be considered for inclusion within urban reserves. This area is defined by SW Roy Rogers Road to the west, SW Beef Bend Road to the south, the UGB to the north and SW 150th to the east. To the degree that Tigard and King City can resolve urban service and governance issues, the region could consider additional urban reserves in this area to the south and west. The remaining land in this area should be considered for rural reserve designation, consistent with

the RCC recommendation. The specific amount and location of these additional reserves should be guided by the following considerations:

- The ability of the land to support the local aspirations of the adjacent communities in providing needed housing, mixed-use center type services and recreation opportunities.
- The areas identified by Tigard, including the Rural Element in the West Bull Mountain Concept Planning Area, are not contiguous to the city, preventing near-term annexation. For this reason, any urban reserves in this area would need to be considered as a long-term supply of land.
- There are north-south and east-west transportation facilities in reasonable proximity that could support the Near Term Regional Priority for a High Capacity Transit (HCT) line along the Highway 99W corridor.
- The Tualatin River floodplain provides an edge or buffer between future urban lands and the Foundation agricultural lands to the west.
- The protection of significant natural landscape features such as the Tualatin River will support the nearby Tualatin River National Wildlife Refuge.

Cooper Mountain Area

Context/Rural Status

This area in Washington County is generally defined by Butternut Creek on the north, the UGB on the east, the Tualatin River on the west and Rood Bridge Road on the south. According to the Agricultural Lands Inventory, the entire area is designated as Foundation agricultural land. This area also includes the Cooper Mt. and Tualatin River natural landscape features. According to the Forestry Lands Inventory, a large swath of land heading west from Cooper Mountain to Clark Hill Road is designated as Mixed Forest Agriculture.

County Reserves Study Status

The Washington County Reserves Coordinating Committee (RCC) has recommended 7,367 acres for urban reserve designation under the state factors. The recommended area is defined by SW River Road on the west, SW Rosedale Road and the UGB on the north, the UGB on the east and Scholls Ferry Road on the south. This large area varies in topography from the hilltop terrain of Cooper Mountain that slopes west and south to relatively flat lands along SW River Road and SW Scholls Ferry Road. The area includes large scale agricultural operations, rural residences concentrated around SW Riggs Road, portions of SW Farmington Road and SW 175th Avenue, and active and inactive quarries. Numerous streams flow from the upland portion of the area, ultimately flowing into the Tualatin River. The area also includes Metro's Cooper Mountain Regional Park. According to pre-qualified concept planning efforts undertaken by the City of Beaverton, this area may be appropriate for mostly residential development with dispersed mixed-use neighborhood centers. The RCC has recommended that the land adjacent to the west and south be designated a rural reserve.

Suitability Notes

- a) The flatter southern and western portions of the RCC-recommended area are more suitable for future urbanization based on topography and minimally constrained land. These areas, however, also provide some challenges to urbanization due to distance from existing services, needed transportation improvements, and being adjacent to unincorporated urban areas.
- b) The lands adjacent to the existing urban areas are more constrained due to slopes and headwater stream areas that make it more difficult to develop a compact urban form with a well connected transportation system.
- c) The Tualatin River provides a natural buffer to preserve the extensive agricultural lands to the west and south. There is, however, no obvious edge or boundary prior to reaching the Tualatin River that could protect the Foundation agricultural lands to the east of the river.

Metro Chief Operating Officer Recommendation

Land in the vicinity of SW Scholls Ferry Road and SW 175th Avenue should be considered for inclusion within urban reserves to support the continued development of the Murray Scholls Town Center area. The remaining land should be considered for rural reserves based on the Foundation agricultural land designation. The specific amount and location of these reserves should be guided by the following considerations:

- Providing a limited amount of land to support the Murray Scholls Town Center through needed housing, commercial services and recreation opportunities.

- An edge or boundary will need to be identified to provide a buffer between urban and rural lands.
- The protection of significant natural landscape features, including Cooper Mt. and the Tualatin River.
- The protection of the large expanse of Foundation agricultural land near the Tualatin River.
- A significant portion of the urban land adjacent to the proposed urban reserve is in unincorporated Washington County. The County and its cities have agreed that future urban areas will be incorporated, thus any land that falls in this situation that is designated as an urban reserve should be considered a relatively long-term source of land supply.

South Hillsboro Area

Context/Rural Status

This Washington County area is defined by the Tualatin River to west, the Tualatin Valley Highway to the north, SW 209th Avenue to the east and SW Rosedale Road to the south. This flat area is characterized by large and medium scale agricultural activities interspersed with rural residences concentrated near SW River, SW Rosedale and SW Rosa Roads. Butternut and Gordon Creeks traverse the area prior to flowing into the Tualatin River. The Reserves Vineyard and Golf Club is located near the center of the area and a BPA power line runs in a north-south direction through the eastern portion of the area. According to the Agricultural Lands Inventory, the northern portion of the area is designated as Conflicted, with the remainder of the area designated as Foundation agricultural land. The western edge of the area is defined by the Tualatin River natural landscape feature. There are no designated Forestry lands in the area.

County Reserves Study Status

The Washington County Reserves Coordinating Committee (RCC) has recommended 2,330 acres in this area for urban reserve designation under the state factors. According to Hillsboro's pre-qualified concept planning efforts for this area, approximately 6 acres would be appropriate for employment uses and 1,258 for residential uses including Town and Neighborhood Centers. The remaining acreage would be dedicated to open space and roadways. The RCC has recommended rural reserve designations for the land immediately to the west and the land to the south is an additional urban reserve area.

Suitability Notes

- a) This area is very suitable for future urbanization based on topography, availability of appropriate service providers and access to important transportation corridors, although future north-south and east-west transportation improvements will be necessary to accommodate the expected growth in the area.
- b) This area can be designed to be walkable with a well connected system of streets, bikeways and trails, and can complement the nearby employment locations by providing additional housing opportunities as well as town center activities for the adjacent neighborhoods to the east, thus reducing the need to travel north for everyday services.
- c) This area would help ensure the continued successful implementation of the 2040 Plan through its ability to meet the Great Communities' characteristics including preservation of ecological systems, providing a range of housing types and governance.

Metro Chief Operating Officer Recommendation

This area should be considered for inclusion within urban reserves. The land to the west should be considered for rural reserves consistent with the RCC recommendation. The specific amount and location of these reserves should be guided by the following considerations:

- Inclusion of a significant amount of residential land in this location, combined with Hillsboro's desire to increase densities in downtown Hillsboro and the Tanasbourne/Amber Glen communities will help meet the city's desire to reduce the jobs to housing ratio.
- Its close proximity to major westside employment areas, including Intel's Aloha campus, may help reduce home-to-work vehicle miles traveled

- The Tualatin River provides an edge or buffer to the large expanse of Foundation agricultural land to the west.
- There is no natural edge to the south, thus the identification of an edge or boundary is needed to provide a buffer between urban and rural lands.

Cornelius/Forest Grove Area

Context/Rural Status

This area in Washington County is both north and south of Forest Grove and Cornelius and is generally defined by NW Kemper Road and NW Osterman Road on the north, the UGB in the east, the Tualatin River and SW Stringtown Road on the south and the UGB on the west. According to the Agricultural Lands Inventory, the entire area is designated as Foundation agricultural land. This area also includes the Tualatin River, Lower Gales Creek and the confluence of Dairy and McKay Creek natural landscape features. There are no designated Forestry lands in the area.

County Reserves Study Status

The Washington County Reserves Coordinating Committee (RCC) has recommended approximately 7,400 acres for urban reserve designation under the state factors. The recommended area is made up of two areas identified by the City of Forest Grove and three areas identified by the City of Cornelius as potential urban reserves. The 3,145 acre area to the north of Forest Grove is defined by NW Thatcher Road on the west, generally north of NW Purdin and NW Verboort Roads on the north, east of NW Martin Road on the east and the UGB on the south. The 37-acre area to the south of Forest Grove is adjacent to the Taylor Way Industrial Area and is defined by the Tualatin River floodplain. The 2,695 acre area to north of Cornelius is defined by NW Martin Road in the west (contiguous to the Forest Grove area), the vicinity of an eastern extension of NW Verboort Road on the north and the UGB on the east and south. The two areas to the south of Cornelius (320 acres and 1,203 acres) are defined by the city limits and the Tualatin River. This entire area is generally comprised of large scale agricultural activities interspersed with a few pockets of rural residences concentrated in the community of Verboort and north of Tualatin Valley Highway east of Cornelius. A number of streams pass through this flat area ultimately flowing into the Tualatin River. The area north of Cornelius also includes the Killarney West and McKay Creek Golf Courses. According to the Forest Grove and Cornelius pre-qualified concept planning efforts for this area, approximately 75% of the land would be dedicated to residential use and 25% dedicated to employment use. The RCC has recommended rural reserve designation on the land north of the recommended north urban reserve areas and south of the south urban reserve areas.

Suitability Notes

- a) This area is suitable for urbanization based on topography and the availability of appropriate urban service providers.
- b) This area can be designed to be walkable with a well connected system of streets, bikeways and trails to provide a range of housing types, employment opportunities and the preservation of natural ecological systems.
- c) The area includes some of the best agricultural land in the state. To the north of Cornelius and Forest Grove, there is a well-established agricultural community that is part of the Tualatin Valley Irrigation District, representing a significant investment in agricultural infrastructure and a key component for providing agricultural product flexibility. To the south are Foundation agricultural lands as well.
- d) Existing (and any future) transportation access points to the Hwy 26 corridor occur on rural roads that pass through the extensive agricultural land to the north, significantly

impacting the viability of the agricultural community. To improve such access would require considerable regional resources.

- e) Large scale urbanization in the area to the north may detract from implementing the 2040 Plan by placing thousands of households and jobs farther away from centers and transit corridors, thus increasing Vehicle Miles Traveled (VMT) and making it more difficult to support the recently adopted High Capacity Transit (HCT) corridor from Hillsboro to Forest Grove.

Metro Chief Operating Officer Recommendation

A limited amount of acreage adjacent to Cornelius and Forest Grove should be considered for inclusion within urban reserves to meet long term housing and employment needs. These areas should provide development opportunities to complement the existing Town Center and Main Street urban areas. Specifically, the area between Cornelius and Hillsboro to the south should be considered for urban reserves and Cornelius should determine the best use of this land in terms of residential or employment use. The identified employment area south of Forest Grove should be considered for an urban reserve as well as land south of NW Purdin Road and east of NW Thatcher Road. The remaining land in this area should be considered for rural reserves based on its Foundation agricultural land designation. The specific size and location of these reserves should be guided by the following considerations:

- Forest Grove has indicated they have enough residential zoned land within the current UGB to meet the demand for the next 20 years.
- Forest Grove and Cornelius have identified a significant amount of vacant job land within their UGBs to accommodate approximately 8,700 jobs. It is mostly small parcels, which is the type of parcel that is identified in their respective Economic Opportunity Analyses as most in demand to accommodate “spin off” users from Hillsboro’s “cluster anchor” target industry.
- Beyond Council Creek, there is lack of a hard edge or buffer to separate urban and rural uses on the north side of Cornelius and Forest Grove.
- The protection of the extensive block of Foundation agricultural land to the north of Forest Grove and Cornelius.
- The protection of significant natural landscape features, including the Tualatin River, Lower Gales Creek and the confluence of Dairy and McKay Creek natural landscape features.

North Hillsboro Area

Context/Rural Status

This area in Washington County is generally defined by the City of North Plains and the Portland and Western Railroad tracks on the north, NW Cornelius Pass Road and the UGB adjacent to NW Shute Road in the east, the UGB along NW Evergreen Road on the south and NW Glencoe Road on the west. According to the Agricultural Lands Inventory, the entire area is designated as Foundation agricultural land. This area also includes a minor portion of the Rock Creek Headwaters natural landscape feature. According to the Forestry Lands Inventory, there are some Mixed Forest Agriculture designated lands on the northern edge of the area.

County Reserves Study Status

The Washington County Reserves Coordinating Committee (RCC) has recommended approximately 8,150 acres of this area for urban reserve designation under the state factors. The recommended area is defined by Dairy Creek to the west from NW Evergreen Road to Highway 26, Jackson School Road to the west and north of Highway 26, existing roads and the Portland and Western Railroad to the north, Rock Creek to the east and the existing UGB to the south. This area is characterized by large scale agricultural activities interspersed with a few pockets of rural residences concentrated near the following intersections: Highway 26/NW Shute Road, NW West Union Road/NW Helvetia Road, NW West Union Road/NW Cornelius Pass and NW Evergreen Road/NW Glencoe Road. A number of streams traverse this flat area, ultimately flowing into McKay Creek at the western edge of the area. This area also includes Waible Reservoir. According to Hillsboro's pre-qualified concept planning efforts for this area, approximately 3,000 acres would be appropriate for employment uses and 3,100 acres for residential uses. The remaining acreage is dedicated to open space and roadways. The RCC has recommended rural reserve designations to land west of McKay Creek. The land directly north of the urban reserve designated land is undesignated, with some rural reserve designated land further to the north.

Suitability Notes

- a) This area is very suitable for future urbanization based on topography, availability of appropriate urban service providers and access to important transportation corridors.
- b) This area also contains large blocks of Foundation agricultural lands, although the agricultural activities on the lands south of Highway 26 are more impacted due to the adjacent urban lands on two sides and the heavily used roadways on all four sides.
- c) Urbanization of this area for employment purposes would help maintain and further enhance the local and regional economy through its strategic location along the Hwy 26 employment corridor; specifically to attract the "cluster anchor" industrial users that Hillsboro is targeting.
- d) Urbanization of this area would help ensure the continued successful implementation of the 2040 Plan through its ability to meet the Great Communities' characteristics including preservation of ecological systems, optimizing regional investments, governance and meeting future economic needs.

Metro Chief Operating Officer Recommendation

Land in this area most suitable for employment purposes should be considered for inclusion within urban reserves to provide key long-term employment opportunities. The remaining land

in this area should be considered for rural reserves based on its Foundation agricultural land designation. The specific amount and location of these reserves should be guided by the following considerations:

- The separation of neighbor cities from the Metro area, in this case North Plains.
- The protection of large areas of Foundation agricultural land, including land north of Hwy 26 and west of McKay Creek.
- The identification of edges or boundaries, such as McKay Creek and Highway 26 that will provide a long-term hard edge between urban and rural lands.
- Because of this lands suitability for long-term employment needs for a specific type of industrial user, preservation of the land for this “cluster anchor” sector of the economy will be necessary.

Cornelius Pass Area

Context/Rural Status

This area in Washington County is generally defined by NW Kaiser Road on the north, the county line on the east, Hwy. 26 on the south and NW Helvetia Road on the west. According to the Agricultural Lands Inventory, the area between Cornelius Pass Road and 185th Avenue is designated as Foundation agricultural land, with the remainder identified as Important agricultural land. This area also includes the Rock Creek natural landscape feature. According to the Forestry Lands Inventory, a small portion of the area east of NW 185th Avenue is designated as Mixed Forest Agriculture.

County Reserves Study Status

The Washington County Reserves Coordinating Committee (RCC) has recommended approximately 1,725 acres of this area for urban reserve designation under the state factors. The recommended area is defined by NW West Union Road on the south, NW 185th Avenue and the UGB on the east, the Washington/Multnomah County line on the east and north and Cornelius Pass on the west. The area is characterized by rolling hills, riparian areas along Rock Creek and its tributaries, and Holcomb Lake. Land uses include farms, rural residential and commercial. According to the Beaverton pre-qualified concept planning efforts for this area, approximately 542 acres would be appropriate for residential development centered on three mixed-use neighborhood centers. The RCC has also recommended that the land directly north of the urban reserve designated land be undesignated, with some rural reserve designated land further to the north.

Suitability Notes

- a) The lower portion of this area near NW West Union Road and NW 185th Avenue is more suitable for future urbanization based on topography and availability of urban services by appropriate service providers.
- b) Urban services extended to the North Bethany expansion area could effectively serve the lower portion of this area, thus providing for an efficient use of public and private infrastructure investments.
- c) This entire area is adjacent to unincorporated urban areas, thus the land must be considered a long-term supply due to the agreement between Washington County and its cities that future urban areas will be incorporated.
- d) Rock Creek provides an edge or boundary for the agricultural lands to the northwest.
- e) This area would help ensure the continued successful implementation of the 2040 Plan through its ability to meet the Great Communities' characteristics by providing a range of housing types, a system of streets, bikeways, and recreation trails that connect to adjacent neighborhoods, and the preservation of ecological systems.

Metro Chief Operating Officer Recommendation

The area near the intersection of NW 185th Avenue and NW West Union Road should be considered for inclusion within urban reserves. Rural reserve consideration should be given to Foundation agricultural land that connects to the larger expanse of Foundation agricultural land north of Highway 26. The specific amount and location of these reserves should be guided by the following considerations:

- Urban reserves in this location should complement the adjacent neighborhoods and commercial areas by providing multi-modal transportation connections and recreational opportunities along natural resource corridors.
- Protection of the Foundation agricultural land to the northwest that connects to the larger expanse of agricultural land that is north of Hwy 26 and west of Cornelius Pass Road.
- The land to the south and east of the proposed urban reserve is unincorporated Washington County. The county and its cities have agreed that future urban areas will be incorporated, thus any land in this area designated as an urban reserve should be considered a relatively long-term source of land supply until the City of Beaverton is in a position to annex the area.

West Multnomah County Area

Context/Rural Status

This area in Multnomah County is generally defined by NW Germantown Road on the north, NW Skyline Blvd on the east and the Washington/Multnomah County line on the west and south. The area is characterized by forested hills sloping in a westerly direction, bisected by stream corridors with interspersed locations of farmland and rural residences. According to the Agricultural Lands Inventory, the majority of this area is designated as Conflicted agricultural land with the exception of a small amount of land around NW Germantown Road and NW Kaiser Road that is designated as Important agricultural land. This area also includes portions of the Rock Creek Headwaters natural landscape feature. According to the Forest Land Inventory, this area includes some Wildland Forest between NW Springville Road and NW Thompson Road.

County Reserves Study Status

The Multnomah County Citizen Advisory Committee (CAC) recommended no urban reserve areas in this location. The CAC also recommended that all of the land in the Northwest Multnomah County study area be a rural reserve, with the exception that a strip of land along Multnomah Channel be undesignated. Multnomah County staff has recommended a small 80-acre urban reserve area east of the 2002 UGB Expansion Area 93 (Bonny Slope). The intent of this small urban reserve area is to connect Area 93 to the City of Portland. County staff also recommends that the remainder of the area be rural reserve, with the exception that an area east of the North Bethany project area (in Washington County) be undesignated.

Suitability Notes

- a) Multnomah County does not provide urban services, thus these services would need to be provided by the City of Portland or Washington County, making the majority of this area difficult to serve.
- b) In general, the area is not suitable for creating a walkable well-connected community served by streets, transit, trails and bikeways, with the exception of a small relatively flat area north of NW Springville Road at the county line.
- c) As a result of Multnomah County not providing urban services, planning and development of Area 93 has been delayed for a number of years. Including additional land to the east of this area will provide the opportunity for a more efficient development pattern that can be more efficiently and cost effectively served with public services as well as an opportunity to preserve and enhance the natural ecological systems in a more comprehensive manner.

Metro Chief Operating Officer Recommendation

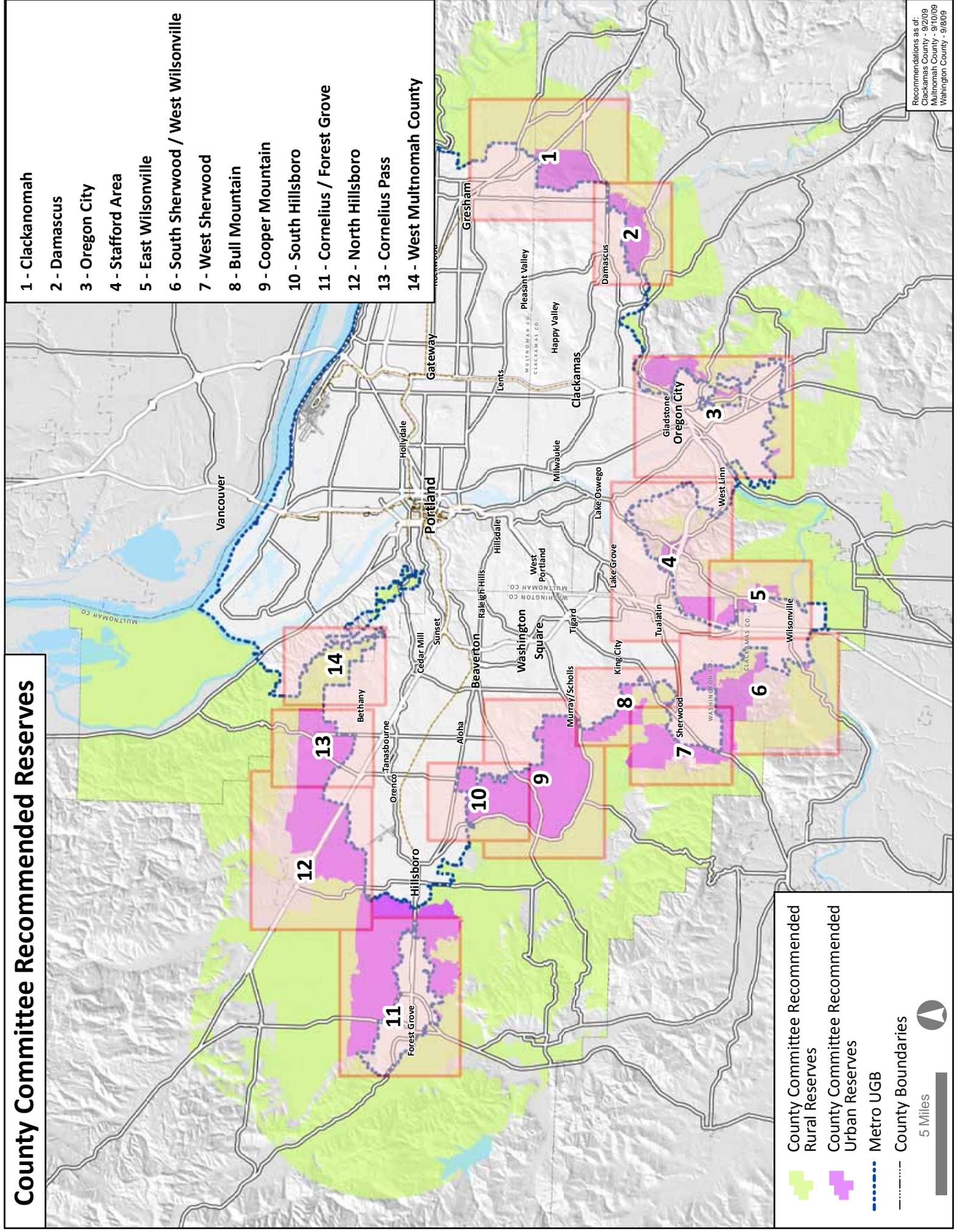
The remaining portion of Area 93, including the “star” shaped area along NW Thompson Road, should be considered for inclusion within urban reserves to assist in the planning and development of the western portion of Area 93 that was included in the UGB in 2002. Rural reserve consideration should be given to the identified significant natural landscape feature within the area, as well as Sauvie Island.

This area also represents an opportunity for the region to consider how to deal with “problematic landscapes” with mixed topography, relatively low agricultural value and interspersed habitat of high value. Similar areas exist in other parts of the region, including

areas already inside the UGB, such as Damascus. The opportunity is to provide for other housing choices and to get private development to help finance public acquisition of natural resources. However, the region should consider this opportunity only if Multnomah and Washington Counties and the City of Portland agree to work out the delivery of urban services and of governance and only if the Metro Council places conditions on the urban reserve to ensure achievement of the opportunities presented.

County Committee Recommended Reserves

- 1 - Clackanomah
- 2 - Damascus
- 3 - Oregon City
- 4 - Stafford Area
- 5 - East Wilsonville
- 6 - South Sherwood / West Wilsonville
- 7 - West Sherwood
- 8 - Bull Mountain
- 9 - Cooper Mountain
- 10 - South Hillsboro
- 11 - Cornelius / Forest Grove
- 12 - North Hillsboro
- 13 - Cornelius Pass
- 14 - West Multnomah County



■ County Committee Recommended Rural Reserves
■ County Committee Recommended Urban Reserves
- - - - Metro UGB
- - - - County Boundaries
 5 Miles

Recommendations as of:
 Clackamas County - 9/2/09
 Multnomah County - 9/10/09
 Washington County - 9/8/09

Clackanomah

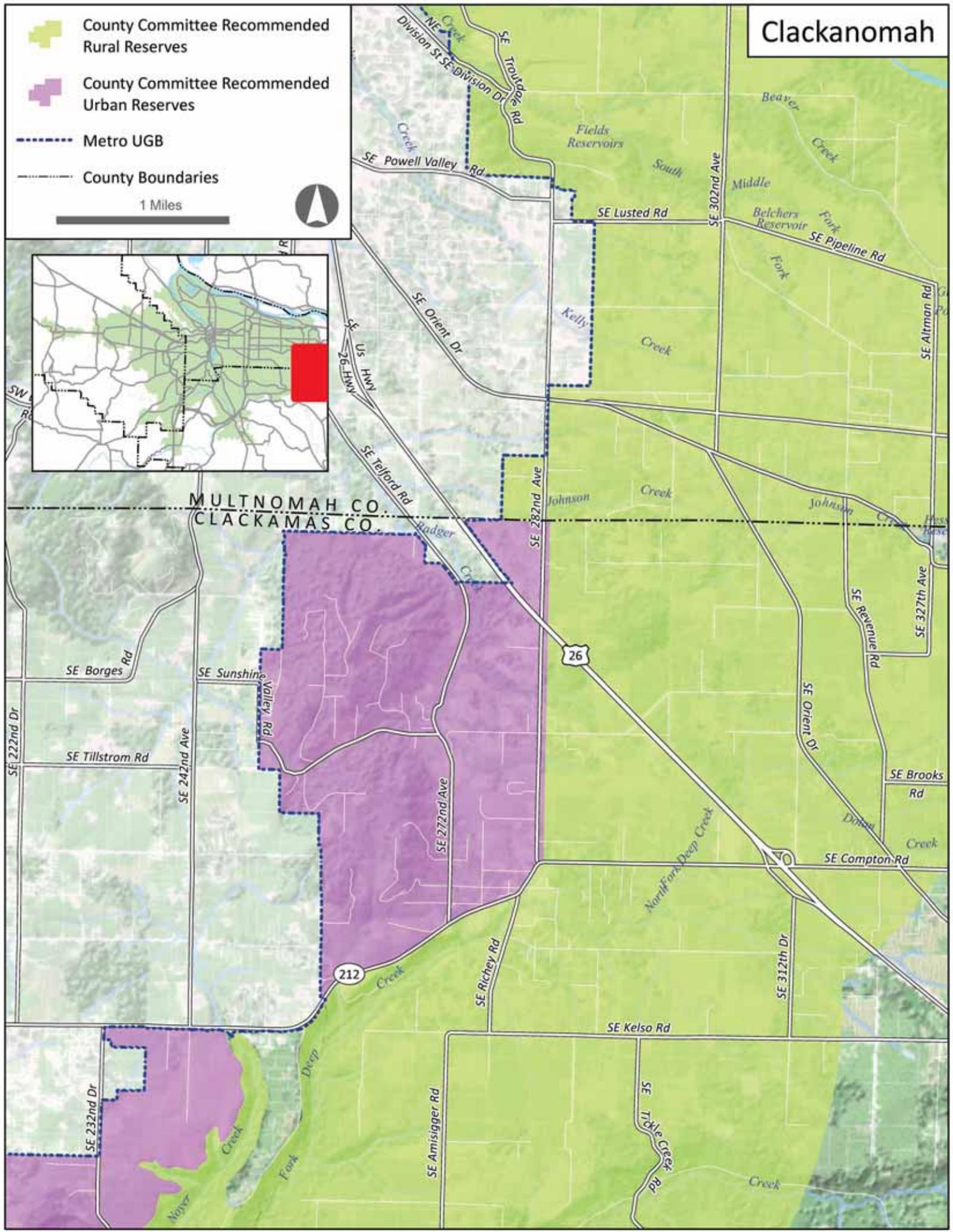
-  County Committee Recommended Rural Reserves
-  County Committee Recommended Urban Reserves

-  Metro UGB
-  County Boundaries

1 Miles



MULTNOMAH CO.
CLACKAMAS CO.

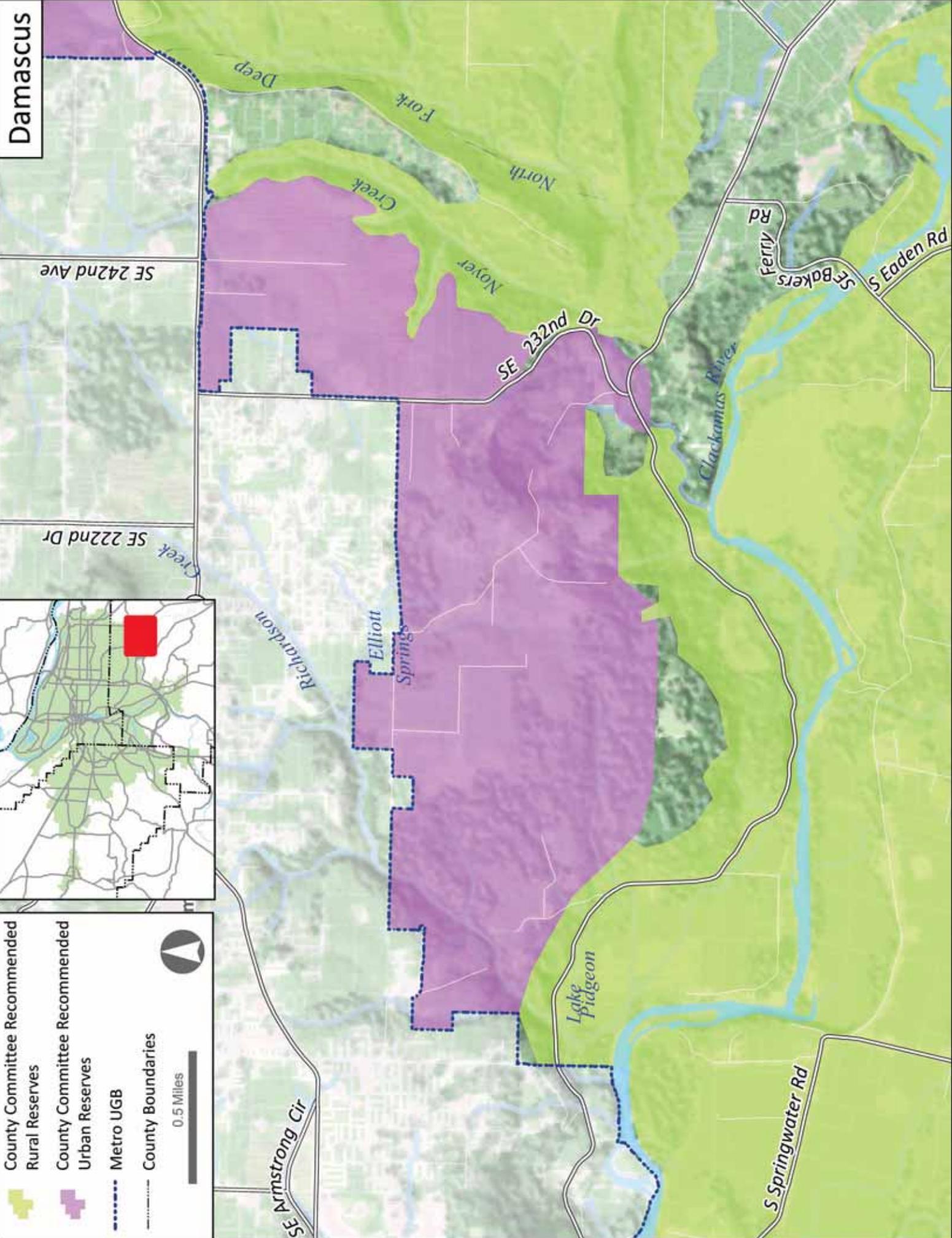


Damascus

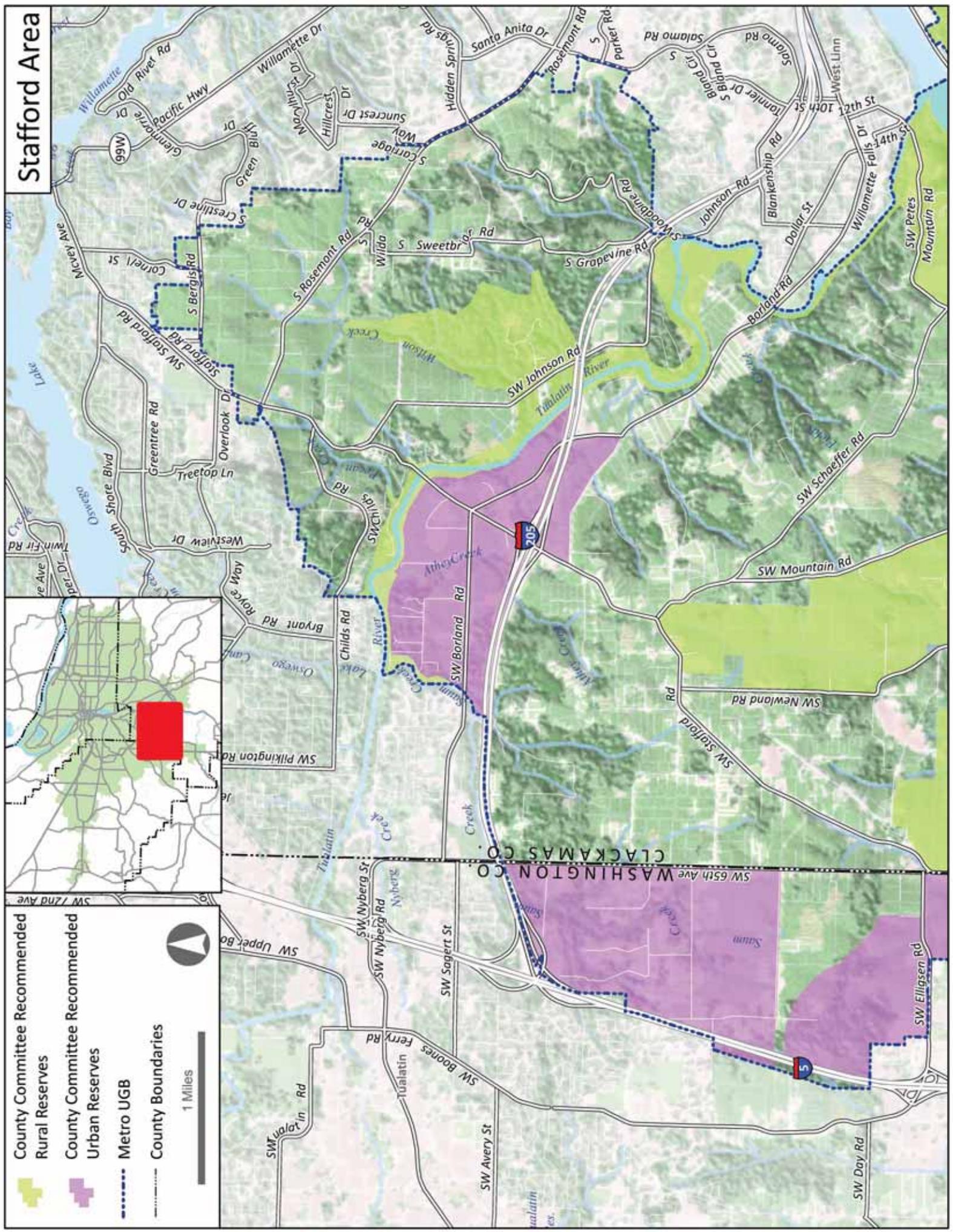
- County Committee Recommended Rural Reserves
- County Committee Recommended Urban Reserves
- Metro UGB
- County Boundaries



0.5 Miles



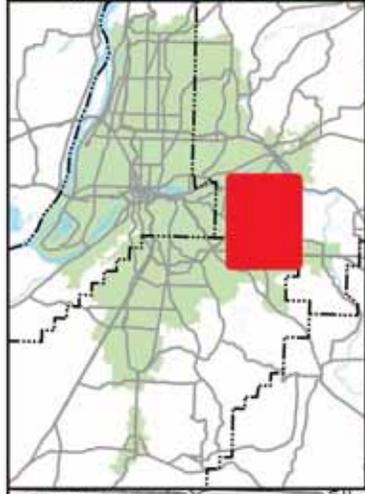
Stafford Area



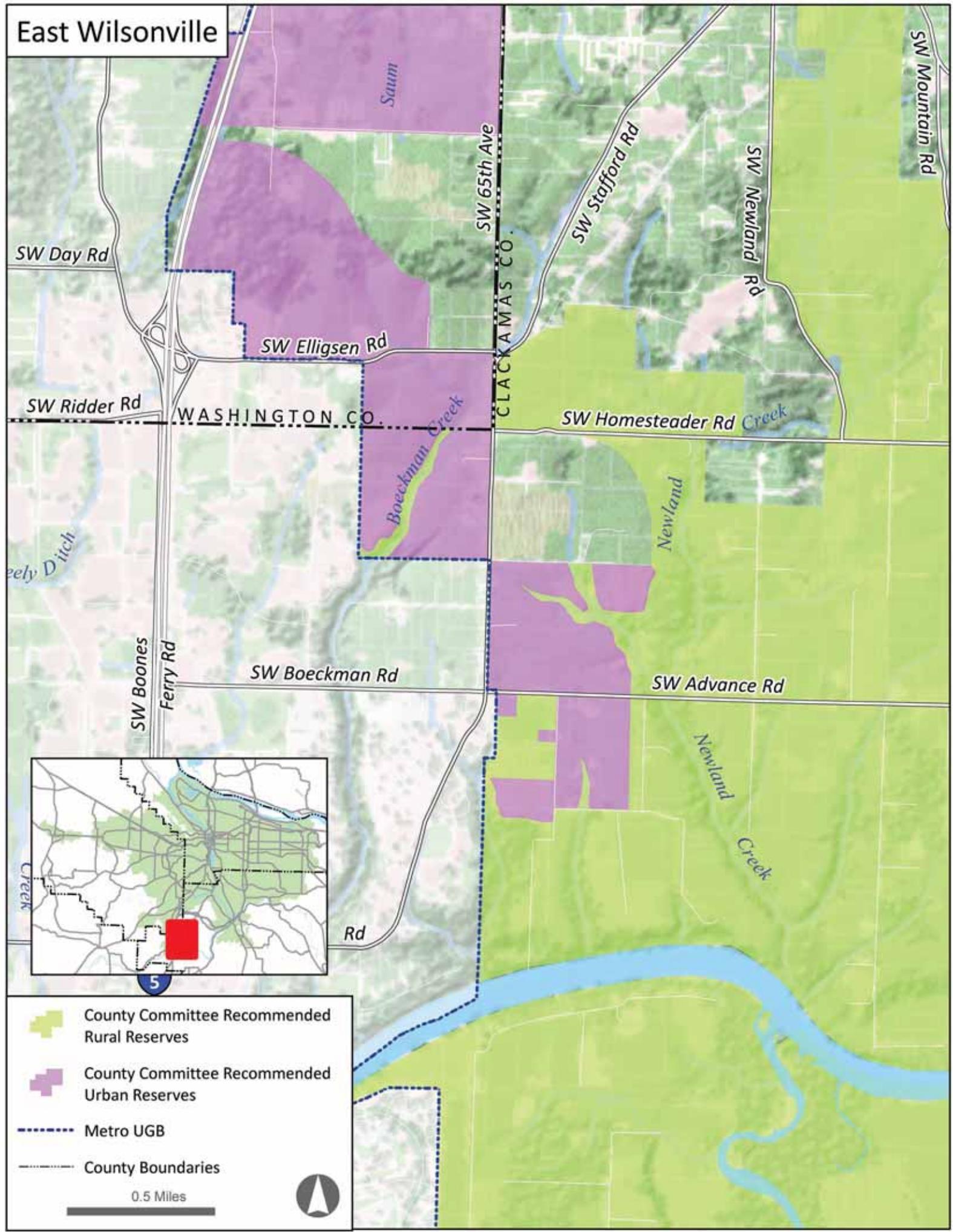
-  County Committee Recommended Rural Reserves
-  County Committee Recommended Urban Reserves
-  Metro UGB
-  County Boundaries



1 Miles



East Wilsonville



-  County Committee Recommended Rural Reserves
-  County Committee Recommended Urban Reserves
-  Metro UGB
-  County Boundaries

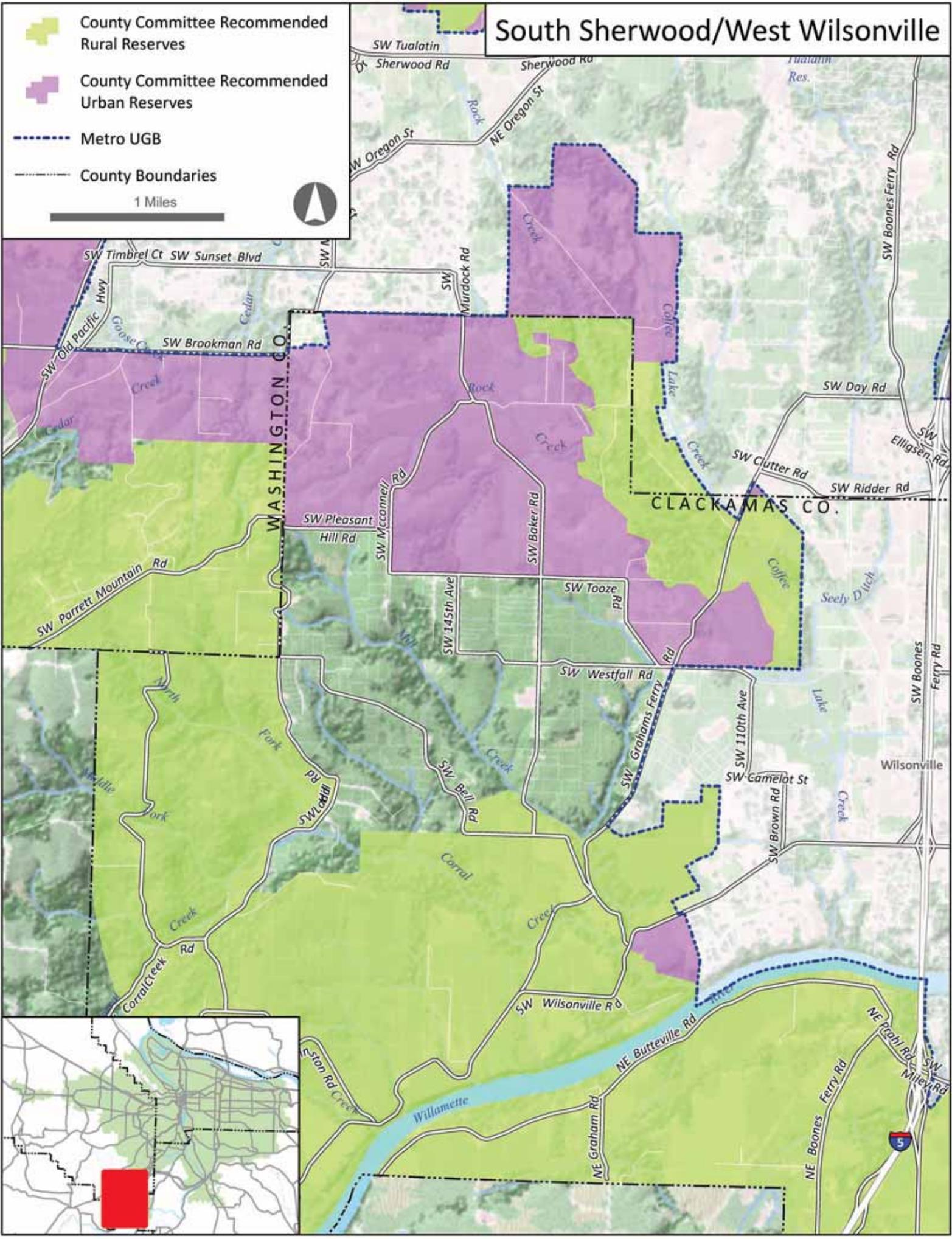
0.5 Miles



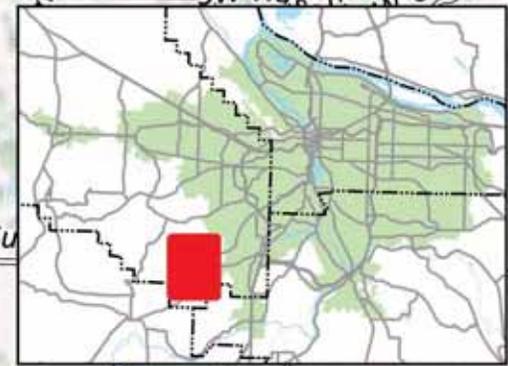
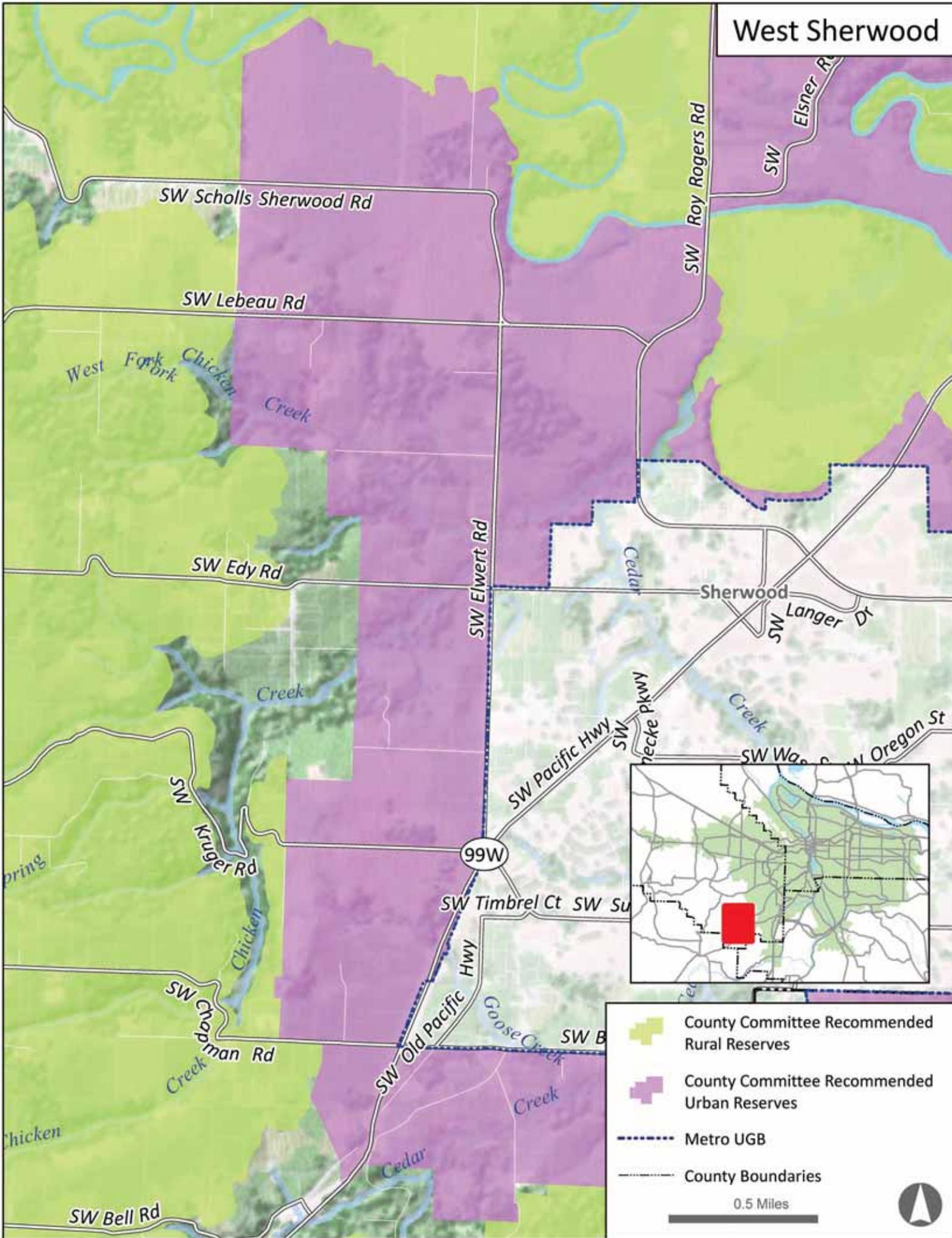
South Sherwood/West Wilsonville

-  County Committee Recommended Rural Reserves
-  County Committee Recommended Urban Reserves
-  Metro UGB
-  County Boundaries

1 Miles



West Sherwood

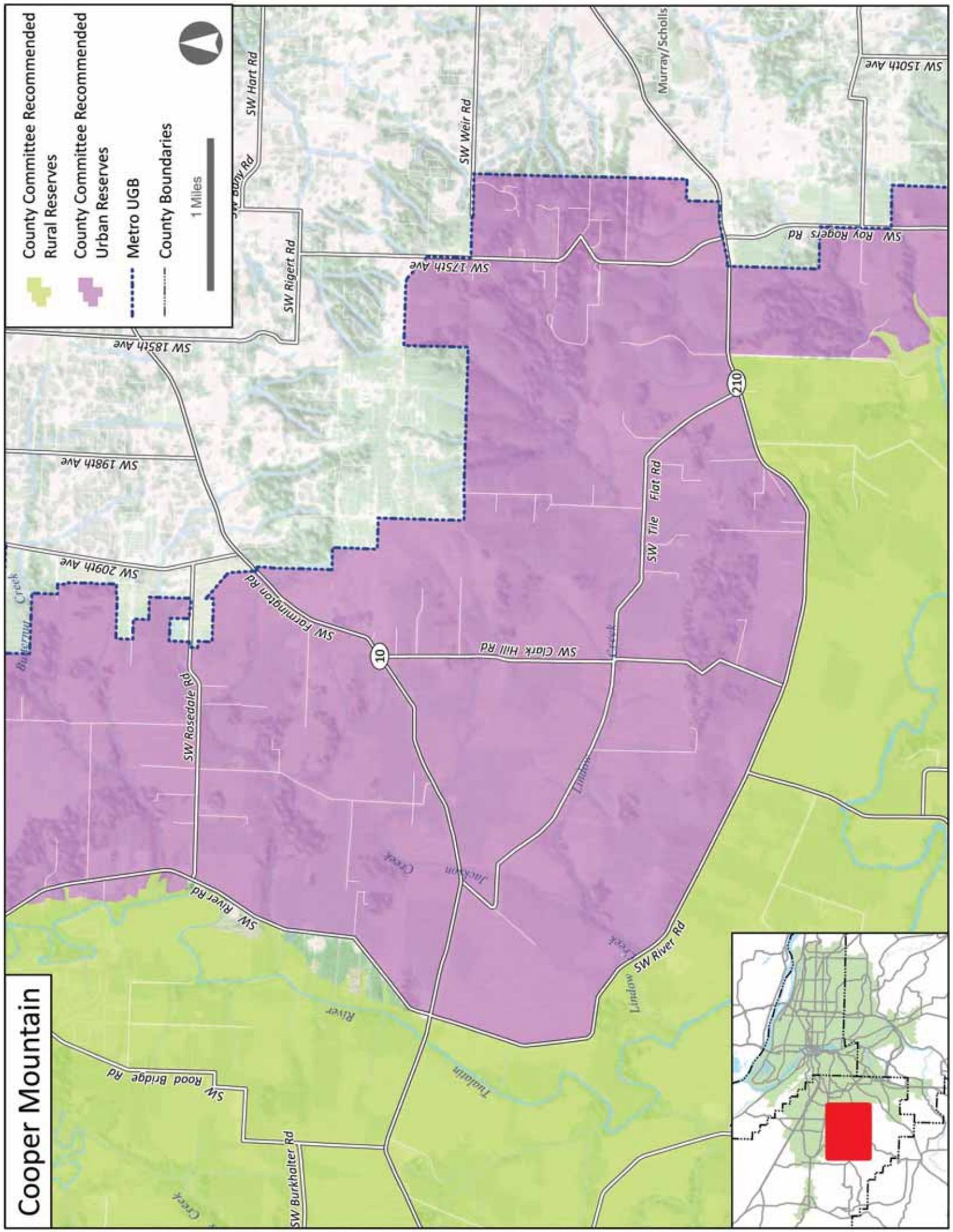


- County Committee Recommended Rural Reserves
- County Committee Recommended Urban Reserves
- Metro UGB
- County Boundaries

0.5 Miles



Cooper Mountain



South Hillsboro

W Baseline Rd

SW Cornelius Pass Rd

Brookwood Ave

8

SW Tualatin Valley Hwy

SW 209th Ave

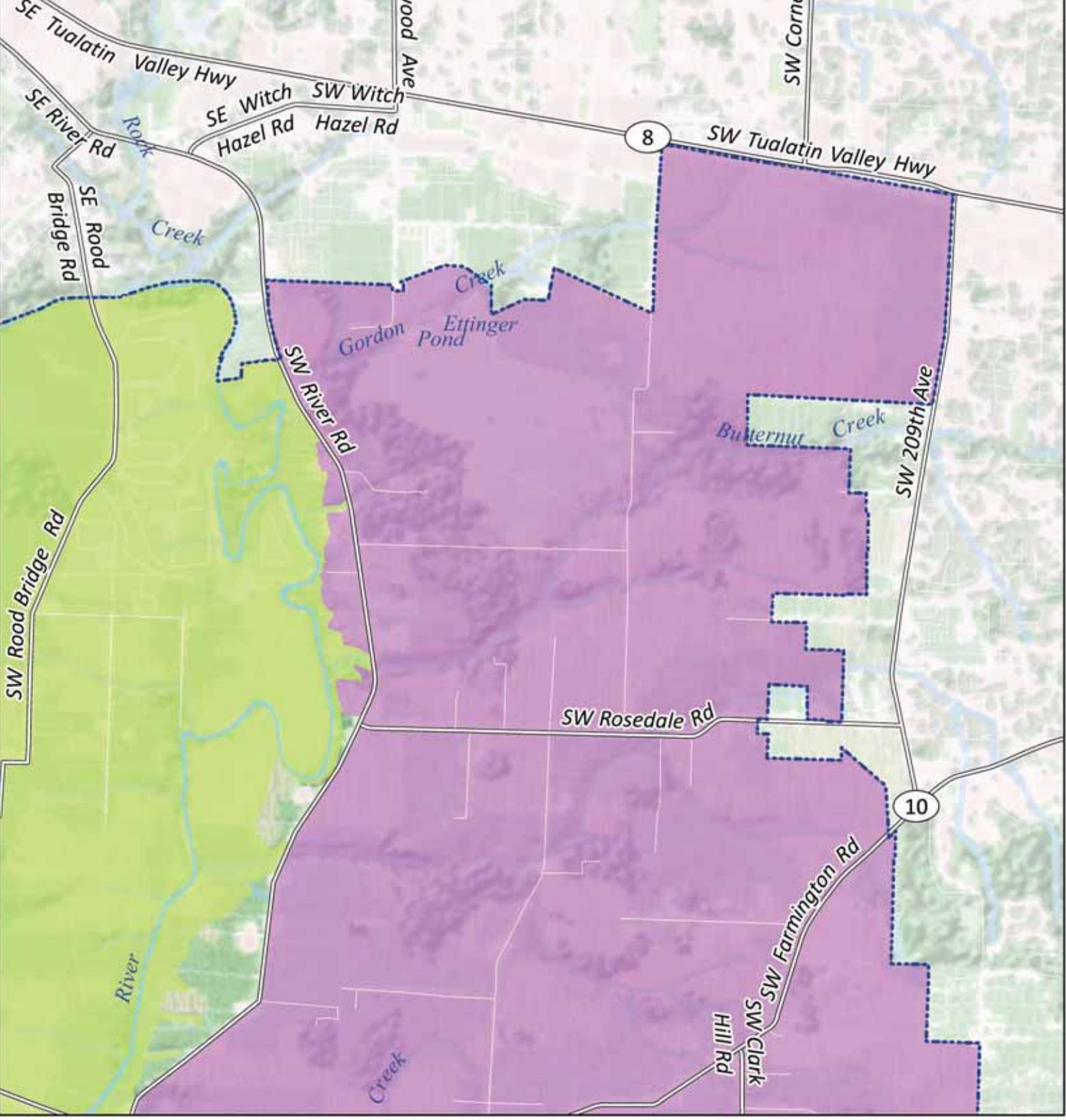
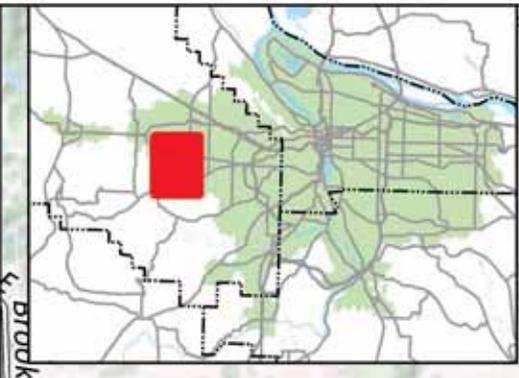
SW Rosedale Rd

10

SW Farmington Rd
SW Clark Hill Rd

-  County Committee Recommended Rural Reserves
-  County Committee Recommended Urban Reserves
-  Metro UGB
-  County Boundaries

0.5 Miles



Cornelius/Forest Grove

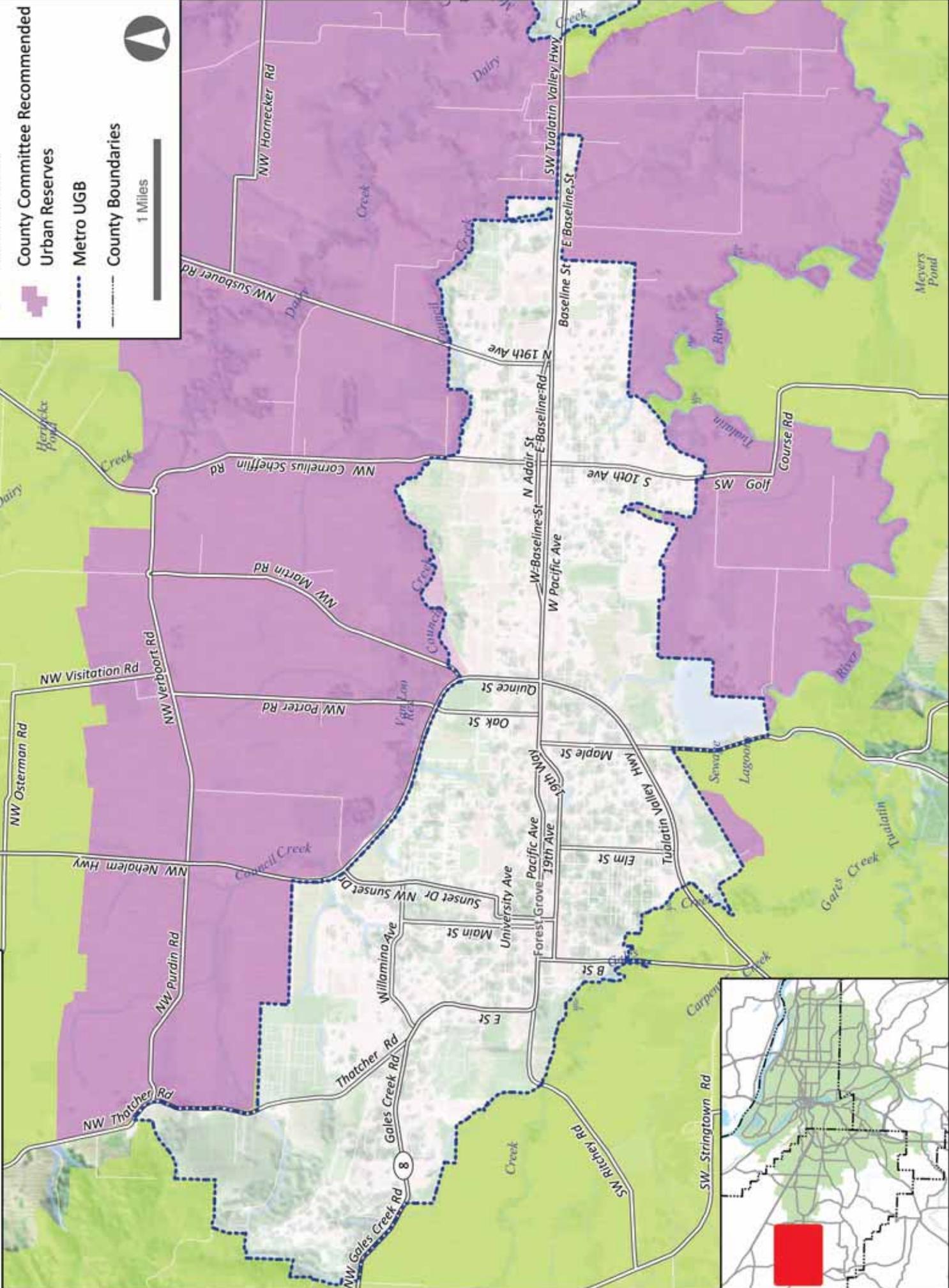
County Committee Recommended Rural Reserves

County Committee Recommended Urban Reserves

Metro UGB

County Boundaries

1 Miles

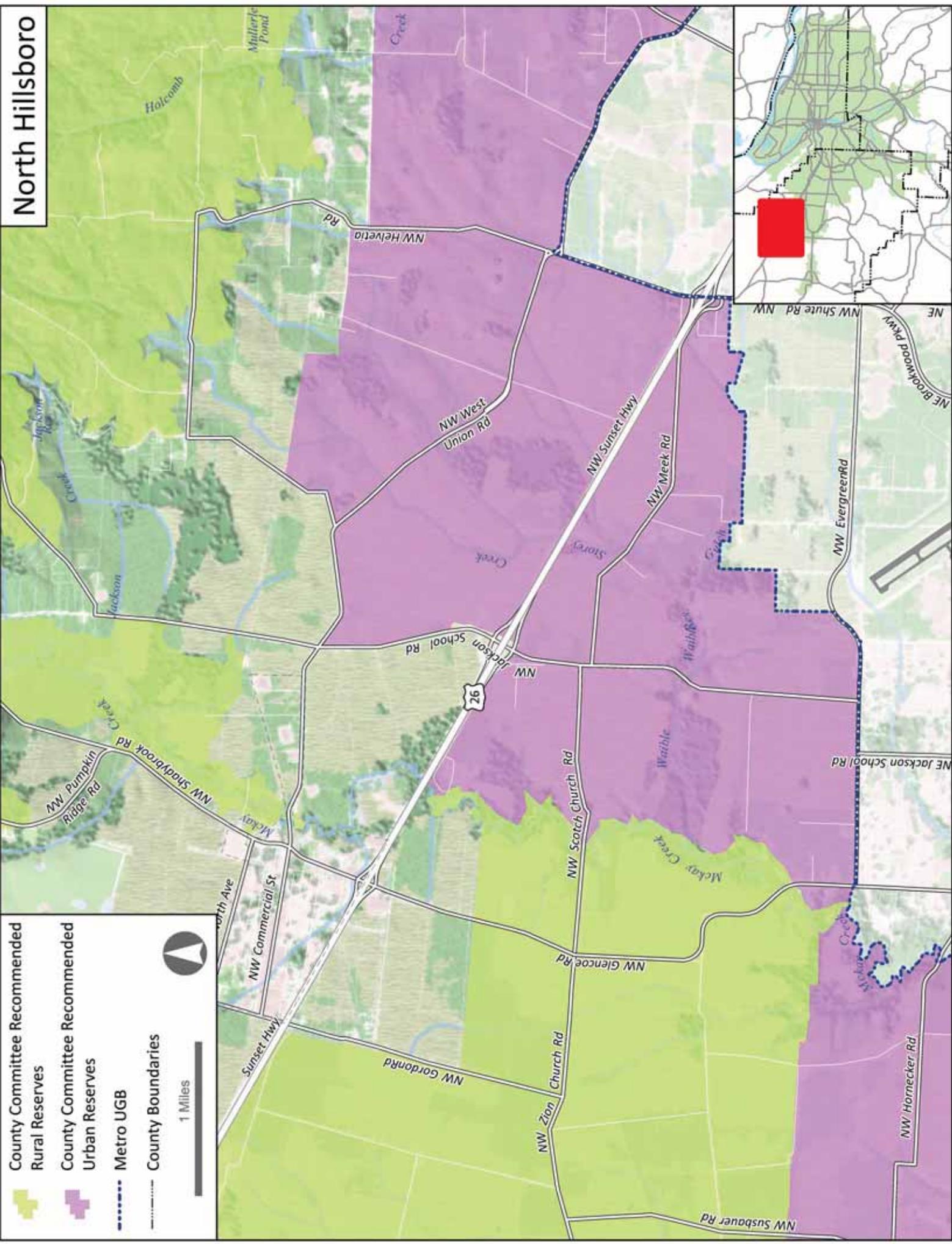


North Hillsboro

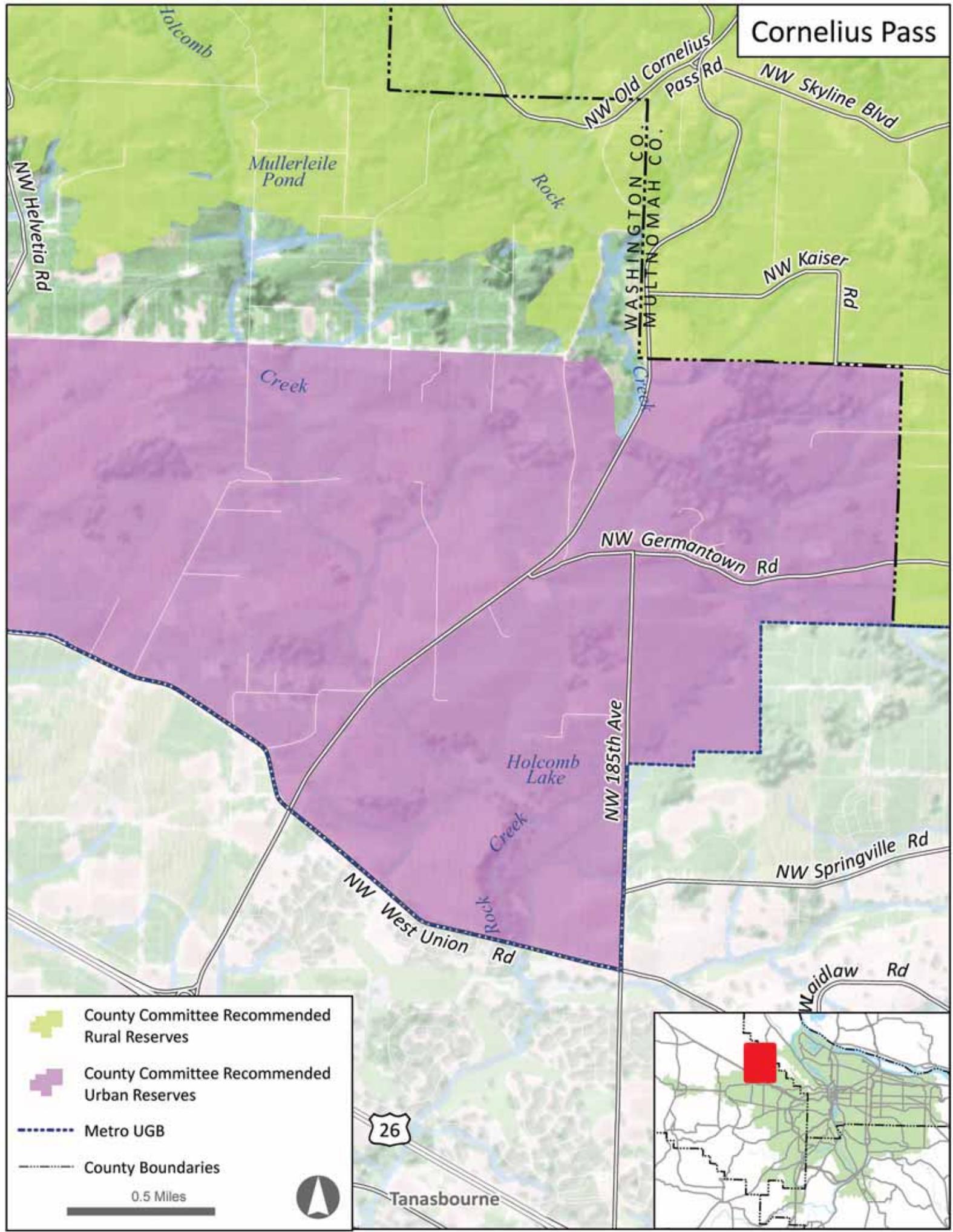
- County Committee Recommended Rural Reserves
- County Committee Recommended Urban Reserves
- Metro UGB
- County Boundaries



1 Miles

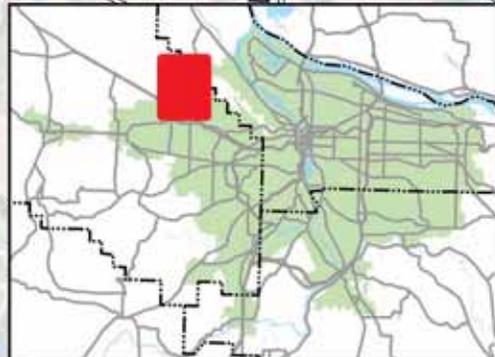


Cornelius Pass

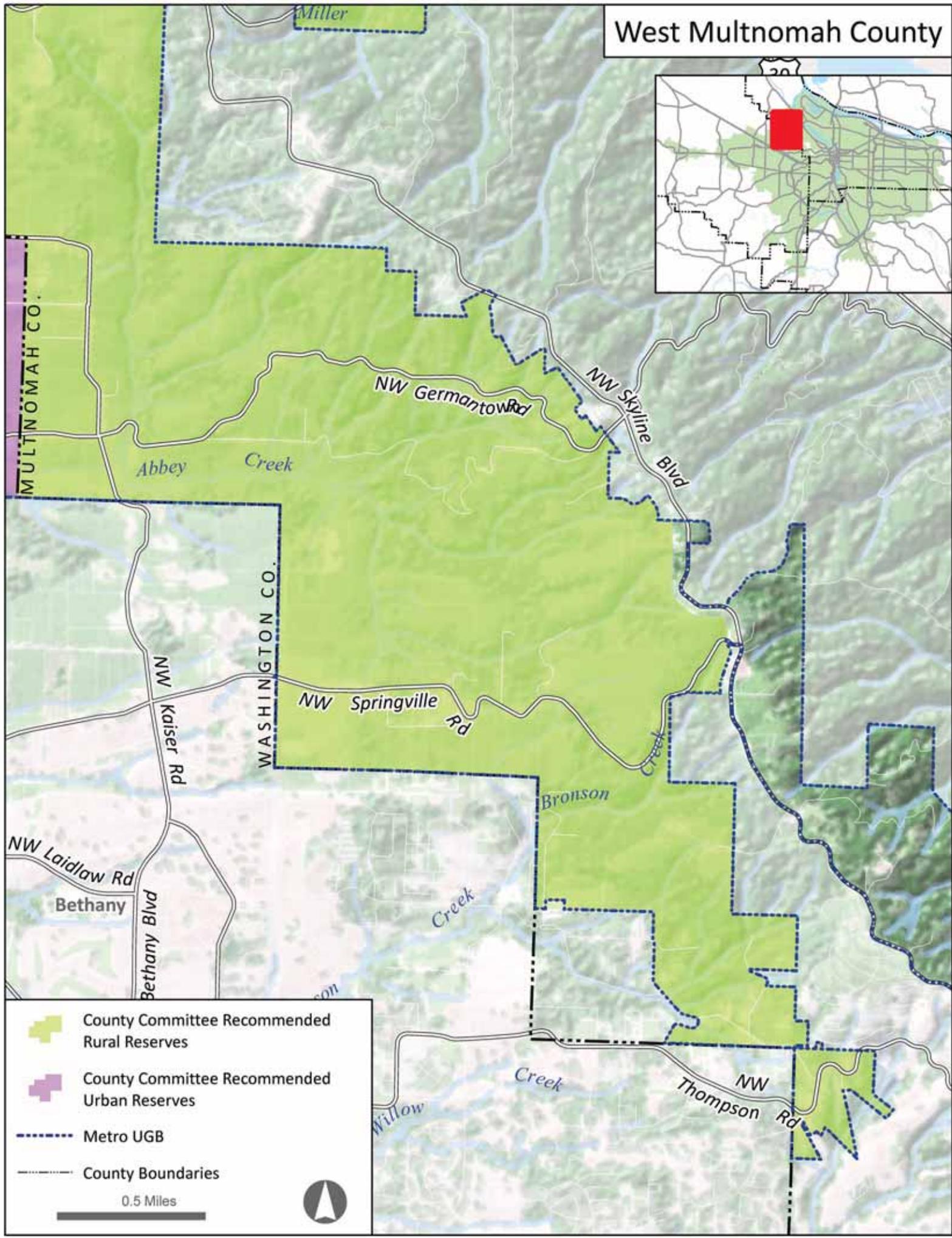
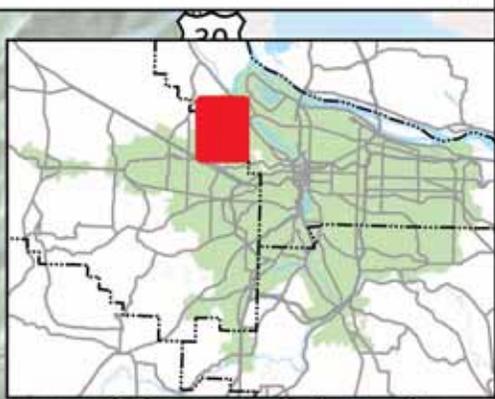


-  County Committee Recommended Rural Reserves
-  County Committee Recommended Urban Reserves
-  Metro UGB
-  County Boundaries

0.5 Miles



West Multnomah County



-  County Committee Recommended Rural Reserves
-  County Committee Recommended Urban Reserves
-  Metro UGB
-  County Boundaries

0.5 Miles



APPENDIX 3E-B

URBAN AND RURAL RESERVE DESIGNATION FACTORS – EXCERPTED FROM OREGON ADMINISTRATIVE RULES DIV. 027.

660-027-0050

Factors for Designation of Lands as Urban Reserves

Urban Reserve Factors: When identifying and selecting lands for designation as urban reserves under this division, Metro shall base its decision on consideration of whether land proposed for designation as urban reserves, alone or in conjunction with land inside the UGB:

- (1) Can be developed at urban densities in a way that makes efficient use of existing and future public and private infrastructure investments;
- (2) Includes sufficient development capacity to support a healthy economy;
- (3) Can be efficiently and cost-effectively served with public schools and other urban-level public facilities and services by appropriate and financially capable service providers;
- (4) Can be designed to be walkable and served with a well-connected system of streets, bikeways, recreation trails and public transit by appropriate service providers;
- (5) Can be designed to preserve and enhance natural ecological systems;
- (6) Includes sufficient land suitable for a range of needed housing types;
- (7) Can be developed in a way that preserves important natural landscape features included in urban reserves; and
- (8) Can be designed to avoid or minimize adverse effects on farm and forest practices, and adverse effects on important natural landscape features, on nearby land including land designated as rural reserves.

Stat. Auth.: ORS 195.141; ORS 197.040.

Other Auth.: Statewide planning goals (OAR chapter 660, division 15).

Stats. Implemented: ORS 195.137 to ORS 195.145.

Hist.:

660-027-0060

Factors for Designation of Lands as Rural Reserves

(1) When identifying and selecting lands for designation as rural reserves under this division, a county shall indicate which land was considered and designated in order to provide long-term protection to the agriculture and forest industries and which land was considered and designated to provide long-term protection of important natural landscape features, or both. Based on this choice, the county shall apply the appropriate factors in either section (2) or (3) of this rule, or both.

(2) Rural Reserve Factors: When identifying and selecting lands for designation as rural reserves intended to provide long-term protection to the agricultural industry or forest industry, or both, a county shall base its decision on consideration of whether the lands proposed for designation:

(a) Are situated in an area that is otherwise potentially subject to urbanization during the applicable period described in OAR 660-027-0040(2) or (3) as indicated by proximity to a UGB or proximity to properties with fair market values that significantly exceed agricultural values for farmland, or forestry values for forest land;

(b) Are capable of sustaining long-term agricultural operations for agricultural land, or are capable of sustaining long-term forestry operations for forest land;

(c) Have suitable soils where needed to sustain long-term agricultural or forestry operations and, for agricultural land, have available water where needed to sustain long-term agricultural operations; and

(d) Are suitable to sustain long-term agricultural or forestry operations, taking into account:
(A) for farm land, the existence of a large block of agricultural or other resource land with a concentration or cluster of farm operations, or, for forest land, the existence of a large block of forested land with a concentration or cluster of managed woodlots;
(B) The adjacent land use pattern, including its location in relation to adjacent non-farm uses or non-forest uses, and the existence of buffers between agricultural or forest operations and nonfarm or non-forest uses;
(C) The agricultural or forest land use pattern, including parcelization, tenure and ownership patterns; and
(D) The sufficiency of agricultural or forestry infrastructure in the area, whichever is applicable.

(3) Rural Reserve Factors: When identifying and selecting lands for designation as rural reserves intended to protect important natural landscape features, a county must consider those areas identified in Metro's February 2007 "*Natural Landscape Features Inventory*" and other pertinent information, and shall base its decision on consideration of whether the lands proposed for designation:

(a) Are situated in an area that is otherwise potentially subject to urbanization during the applicable period described OAR 660-027-0040(2) or (3);

(b) Are subject to natural disasters or hazards, such as floodplains, steep slopes and areas subject to landslides;

- (c) Are important fish, plant or wildlife habitat;
 - (d) Are necessary to protect water quality or water quantity, such as streams, wetlands and riparian areas;
 - (e) Provide a sense of place for the region, such as buttes, bluffs, islands and extensive wetlands;
 - (f) Can serve as a boundary or buffer, such as rivers, cliffs and floodplains, to reduce conflicts between urban uses and rural uses, or conflicts between urban uses and natural resource uses;
 - (g) Provide for separation between cities; and
 - (h) Provide easy access to recreational opportunities in rural areas, such as rural trails and parks.
- (4) Notwithstanding requirements for applying factors in OAR 660-027-0040(9) and section (2) of this rule, a county may deem that Foundation Agricultural Lands or Important Agricultural Lands within three miles of a UGB qualify for designation as rural reserves under section (2) without further explanation under OAR 660-027-0040(10).

Stat. Auth.: ORS 195.141; ORS 197.040.

Other Auth.: Statewide planning goals (OAR chapter 660, division 15).

Stats. Implemented: ORS 195.137 to ORS 195.145.

APPENDIX 3E-C

TECHNICAL METHODOLOGY USED TO DEFINE THE REGIONAL SCALE OF RESIDENTIAL LANDS WITHIN URBAN RESERVES

Overview

The reserves process has purposefully focused on studying the suitability of lands outside the growth boundary for future urban and rural uses rather than on identification of an exact number of acres required for each. Our ability to forecast growth and development trends for the far future is limited and no mathematical formula or methodology is provided in state law or administrative rule for determining the scale of urban reserves. Thus, rather than debating decimal points the region has properly focused on the discussion of desired outcomes and policy and investment choices available to us.

However, once a suitable set of lands are identified, we must ensure that, together with lands inside the existing urban growth boundary, the urban reserves can be planned to accommodate estimated urban population and employment growth for 40 to 50 years beyond 2010. When designating urban reserves, Metro will specify the number of years for which the urban reserves are intended to provide a supply of land. Defining the range of “sufficiency” for urban reserves will provide focus to the regional reserves discussion. The range is defined by the answers to three questions:

- How many people and jobs should we plan for?
- How many of these people and jobs should we plan to accommodate within the existing urban growth boundary?
- How efficient will development be within urban reserves?

Metro’s draft urban growth report contains a detailed description of the methodologies used to analyze residential and employment capacity and demand at the 20-year time scale. These same concepts can be applied to the 40-50 year time scale to inform reserves decision-making. The purpose of this appendix is to explain how the UGR’s methodologies were applied at the 40-50 year time scale to define a range of urban reserves sufficient to satisfy state law and administrative rules.

In addition to detailed data and technical analysis, the draft urban growth report contains extensive discussions of broad-scale social, economic, and demographic trends, performance reporting, and other pertinent information that inform the use of forecasts and assist with development of policy options and choices. This appendix does not attempt to replicate those discussions; the reader is encouraged to refer to the full urban growth report for this information.

Residential Demand

The following assumptions were made to determine a range of demand for residential urban reserves. For more information and discussion of the individual components, please refer to the draft urban growth report.

- **Forecast.** This analysis uses the seven-county residential forecast issued by Metro in May 2008, revised in April 2009 and contained as appendix 3B-4 of the Chief Operating Officer’s Recommendation. The forecast is presented as a range to encourage discussion of the factors influencing growth rates and the risks and opportunities of planning for various points within

the range. The forecasts cover the seven-county Portland-Beaverton-Vancouver Metropolitan Statistical Area. Table C-1 lists the total population growth expected for the entire seven-county area.

Table C-1
Seven-County Residential Forecast, 2007-2050/2060*

	2007	2050		2060	
		Low Range	High Range	Low Range	High Range
Total residents	2,175,000	3,372,200	3,959,000	3,609,300	4,376,000
New residents	-	1,197,200	1,784,000	1,434,300	2,201,000

*2007 is used as the base year in the residential analysis to match the most recent buildable lands data on the supply side.

This results in a range of uncertainty of approximately 1,000,000 residents (2060 high forecast minus 2050 low forecast) for the reserves process. It is estimated that there is a 90 percent chance that the rate of growth will fall within this forecasted range, but high confidence comes at the price of larger variability. The full scope of the range is important to consider in our planning work, but the large variability may make it more difficult to arrive at a reserves conclusion. Therefore, this report recommends that the range be further narrowed by focusing on the middle one-third of the forecast range (see Figure C-1). This retains a range to work with but eliminates the more unlikely very low and very high growth forecasts. Table C-2 lists the resulting narrowed forecast. In the table, “mid ⅓ low” and “mid ⅓ high” refer to the bottom and top, respectively, of the middle third of the total forecast range.

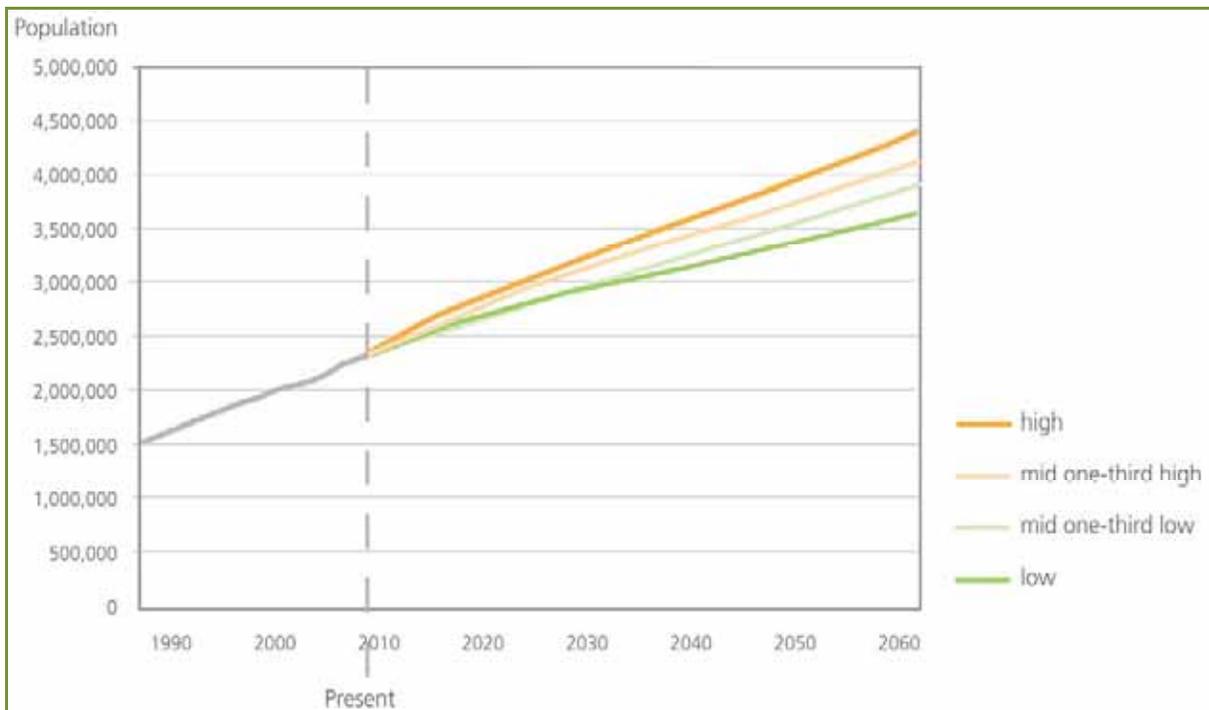


Figure C-1: Seven-county population forecast

	2007	2050		2060	
		Mid ⅓ low	Mid ⅓ high	Mid ⅓ low	Mid ⅓ high
Total residents	2,175,000	3,603,300	3,738,700	3,904,800	4,082,400
New residents	-	1,428,300	1,563,700	1,729,800	1,907,400

The resulting range is now under 500,000 residents.

The next step is to translate the population forecast into households and determine how many of those households we must plan for within the Metro urban growth boundary.

- **Household Size.** Household composition is expected to change over time as family sizes decrease and the average age of the population increases, making single-person households more prevalent in the future. This analysis uses the household size estimates from Metro’s forecast, which decline from 2.57 persons/household in 2000 to 2.44 persons/household in 2030 and beyond.
- **Capture Rate.** The capture rate is the percentage of seven-county growth that is expected to locate within the Metro urban growth boundary. Capture rates have varied over time and will vary in the future based on policy and investment actions. This analysis utilizes a capture rate of 61.8 percent as recommended in the UGR.
- **Vacancy Rate.** This is the percent of dwelling units that need to be vacant at any given moment to allow people to move from residence to residence. This analysis utilizes a vacancy rate of four percent as recommended in the UGR.

Table C-3 summarizes the dwelling unit demand range within the Metro urban growth boundary for the reserves timeframe based on the components described above.

	2050		2060	
	Mid ⅓ low	Mid ⅓ high	Mid ⅓ low	Mid ⅓ high
New households	630,800	775,700	754,300	827,100
New households captured within UGB (61.8%)	389,800	424,000	466,200	511,100
Add 4% vacancy rate	15,600	17,000	18,600	20,400
Total dwelling unit demand	405,400	441,000	484,800	531,600

Thus, the total demand for new dwelling units within the reserves time frame ranges from 405,400 to 531,600 using the middle third of the forecast.

Residential capacity

The following assumptions were made to determine how much growth will be accommodated within the existing urban growth boundary. As with the demand analysis, please refer to the draft urban

growth report for additional detail and discussion of the individual components. It's important to note that throughout this analysis, no upzoning is assumed beyond what's in current local government zoning ordinances and comprehensive plans. All of the capacity is based on current zoning and comprehensive plans, even though a significant amount of upzoning will likely take place around the region over the next 50 years.

- **Vacant land capacity.** The amount of vacant land within the urban growth boundary is determined by an extensive analysis conducted by Metro with significant participation and comment by local governments. The most recent analysis reflects conditions in 2007. The urban growth report contains extensive documentation and discussion of the various calculations used in this analysis. This reserves analysis makes the following assumptions:
 - *Gross-to-net calculations.* The amount of vacant land inside the UGB is calculated based on manual measurements of aerial photos and GIS data. The most recent inventory (July 2007) identified 44,800 acres of vacant land within the urban growth boundary. However, not all of this land can be built on, so the UGR deducts land area for a variety of reasons, from public ownership to environmental regulations to expected street right-of-way. This converts land supply from gross acreage to net buildable acres. The UGR found there is a net vacant buildable acreage inventory of 6,400 residential acres and 1,000 acres zoned for mixed-use.
 - *Zoned capacity.* This analysis uses the UGR assessment of maximum housing capacity for single family and multi-family zoned lands of 63,600 units.
 - *High density multi-family feasibility.* The UGR deducts 18,600 high-density units from the vacant land supply based on computer model results indicating certain types of units will not be market feasible by 2030. Additional policy and investment actions can make these units market feasible. In keeping with the focused investment strategy outlined in the *Strategies for a Sustainable and Prosperous Region*, this analysis assumes that over a 40 to 50 year timeline these vacant multi-family units will develop. Therefore these 18,600 dwelling units are not deducted from the reserves capacity analysis.
 - *Residential development in mixed-use districts.* As in the UGR, this analysis adds 29,100 residential units that are expected to be built in mixed-use areas such as downtowns.
 - *Single-family underbuild.* Underbuild refers to physical constraints not deducted at the beginning that make practical development of 100 percent of zoned capacity unlikely. This analysis mirrors the UGR in assuming a 5 percent loss (2,300 units) within the existing growth boundary due to underbuild.
 - *Title 3 and 13 "add backs."* Land was deducted from the original inventory due to environmental overlays and regulations. However, a reduced level of development can take place on these lands. This analysis mirrors the UGR in adding back 19,400 units to account for this level of development.
 - *Platted single-family lots under 3/8 acre.* As in the UGR, an assumption is made that the 8,800 existing vacant lots under 3/8 acre will not be subdivided into higher density housing even if zoning would allow it.
 - *New urban areas.* Areas added to the UGB after 1997 (such as North Bethany, Damascus and Pleasant Valley) are separated from the gross vacant land supply to acknowledge the fact that they have yet to receive urban zoning densities. The most current concept

plan designations are used in the UGR to determine a residential capacity of 48,000 dwelling units in these areas. In the UGR half of this capacity is considered to be not market feasible before 2030 due largely to lack of urban infrastructure. In the reserves analysis all of the capacity in new urban areas is counted. Clearly the region can and should deliver this infrastructure and complete these communities in the next 40 to 50 years. This assumption is supported by the focused investment strategy outlined in the *Strategies for a Sustainable and Prosperous Region*.

As summarized in Table C-4, vacant residential and mixed-use lands within the existing UGB are expected to accommodate 166,600 dwelling units over the reserves timeframe.

Table C-4
Metro UGB vacant land residential capacity in existing UGB
2007-2050/2060

Factor	Dwelling units
Base capacity of vacant land	63,600
Add residential development in mixed use districts	29,100
Subtract single family underbuild	-2,300
Add capacity on Title 3 and 13 lands	19,400
Add platted lots under 3/8 acre	8,800
Add capacity in new urban areas	48,000
Total vacant land capacity	166,600

- Redevelopment and infill (“refill”).** Residential capacity within the existing UGB is based not just on the zoned capacity of vacant buildable land, but also on the amount of redevelopment and infill (collectively called “refill”) that is likely to occur. In some locations, the zoned capacity may exceed the current market feasibility of development. The amount of market-feasible infill potential can be increased if governments take policy actions and make targeted public investments.

Refill rates are expressed as a share of residential development. From 1997 to 2006 the annual residential refill rate varied from 15.6 percent to 34.2 percent, meaning that between 15.6 and 34.2 percent of all residential development in the region took place through either redevelopment or infill. Refill predictions are informed by a variety of sources, described more completely in the UGR. Taking into account past refill rates, future shifts in demographics and housing preference, scenario results and our region’s stated policy objectives, it is estimated that *current* policy direction and investment trends would produce an average refill rate of 33 percent through the year 2030.

However, the *Strategies for a Sustainable and Prosperous Region* calls for the region to focus and enhance our investments in the future, stimulating growth in downtowns and along main streets while minimizing our contributions to climate change and protecting farms, forests, and natural areas. Metro has completed computer simulations that project refill rates well over 40 percent through the application of additional policies and investments in downtowns and main streets. The region should assume that such investment strategies will be implemented, leading

to increased redevelopment and infill in these areas, expressed in this analysis as refill rates higher than historic levels.

Informed by historic trends and projections of the future, this analysis assumes an average residential refill rate of 40 percent for the reserves timeframe (i.e., through the reserves timeframe 40 percent of forecast population growth is anticipated to be accommodated via infill and redevelopment within the existing urban growth boundary).

Table C-5 summarizes the application of the residential capacity factors to the reserves timeframe.

	2050		2060	
	Mid ⅓ low	Mid ⅓ high	Mid ⅓ low	Mid ⅓ high
Total dwelling unit demand	405,400	441,000	484,800	531,600
Total capacity of vacant land	166,600	166,600	166,600	166,600
% of residential growth accommodated on vacant lands	41%	38%	34%	31%
Add 40% refill	162,200	176,400	193,900	212,600
% of residential growth accommodated within existing UGB (refill + vacant)	81%	78%	74%	71%
Dwelling units accommodated within urban reserves	76,600	98,000	124,300	152,400
% of residential growth accommodated within urban reserves	19%	22%	26%	29%

Efficiency of development within urban reserves

The final step in determining a residential acreage range for urban reserves is to estimate the number of acres required to accommodate the projected number of dwelling units. The following assumptions apply:

- Gross-to-net conversion.** This analysis assumes a standard set of deductions to estimate the net buildable land area for urban reserve areas, similar to that used in the UGR and in recent concept planning efforts around the region. 40 percent of gross land area is assumed to be non-buildable due to environmental restrictions, public ownership, and similar factors. This leaves 60 percent of the total as the “gross buildable” land area. Not all of this will be used for housing units however, so 25 percent of this gross buildable area is then deducted to account for required street right-of-way, parks and school areas, and other deductions. The remainder (45 percent of the original gross area) is the “net buildable” area and is the basis for calculating dwelling unit capacity in the next step. These assumptions can be refined in the reserves process once specific areas are identified as urban reserves; areas of high suitability may tend to require fewer deductions than the average.
- Average dwelling unit density.** This analysis assumes that over a 40 to 50 year timeframe urban growth boundary expansions will develop with a more compact, efficient form in response to

market demands, environmental change, policy and investment choices and other factors. This will mirror and support increased efficiencies inside the UGB in downtowns and along main streets. An average density of 15 units/net buildable acre reflects this assumption while allowing for variations over time and across different geographies.

This is the last step in developing a residential acreage range for urban reserves. As summarized in Table C-6, the acreage estimates range from 11,300 acres to 22,400 acres depending on the timeframe chosen and the point in the range forecast that is used. It should be noted that if the full forecast range is used (rather than the recommended middle third) this range expands to 5,900 to 29,400 acres.

	2050		2060	
	Mid ⅓ low	Mid ⅓ high	Mid ⅓ low	Mid ⅓ high
Dwelling units accommodated within urban reserves	76,600	98,000	124,300	152,400
Net buildable acres required at 15 units/acre	5,100	6,500	8,300	10,100
Gross acres required	11,300	14,400	18,400	22,400

APPENDIX 3E-D

TECHNICAL ASSUMPTIONS MADE TO NARROW THE SCALE OF EMPLOYMENT LANDS FOR URBAN RESERVES

Overview

The reserves process has purposefully focused on studying the suitability of lands outside the growth boundary for future urban and rural uses rather than on identification of an exact number of acres required for each. Our ability to forecast growth and development trends for the far future is limited and no mathematical formula or methodology is provided in state law or administrative rule for determining the scale of urban reserves. Thus, rather than debating decimal points the region has properly focused on the discussion of desired outcomes and policy and investment choices available to us.

However, once a suitable set of lands are identified, we must ensure that, together with lands inside the existing urban growth boundary, the urban reserves can be planned to accommodate estimated urban population and employment growth for 40 to 50 years beyond 2010. When designating urban reserves, Metro will specify the number of years for which the urban reserves are intended to provide a supply of land. Defining the range of “sufficiency” for urban reserves will provide focus to the regional reserves discussion. The range is defined by the answers to three questions:

- How many people and jobs should we plan for?
- How many of these people and jobs should we plan to accommodate within the existing urban growth boundary?
- How efficient will development be within urban reserves?

Metro’s draft urban growth report contains a detailed description of the methodologies used to analyze residential and employment capacity and demand at the 20-year time scale. The urban growth report’s employment analysis was developed by a consultant team led by E.D. Hovee & Company, LLC. The Hovee team reviewed global, national and local trends, conducted focus groups with employers, analyzed recent job location data, updated and categorized the region’s employment and industrial land inventory and developed a new employment demand paradigm.

In addition to detailed data and technical analysis, the draft urban growth report contains extensive discussions of broad-scale social, economic, and demographic trends, performance reporting, and other pertinent information that inform the use of forecasts and assist with development of policy options and choices. This appendix does not attempt to replicate those discussions; the reader is encouraged to refer to the full urban growth report for this information.

The concepts developed for the urban growth report can be applied to the 40-50 year time scale to inform reserves decision-making. However, there are many good reasons to believe that our region’s economy will change between 2030 and 2060. For this reason, this fall the region should consider whether different assumptions are appropriate when considering our economy more than 20 years from now.

This appendix lists the assumptions used to extend the employment capacity analysis to the reserves timeframe and summarizes the demand and capacity analysis. It includes a memo from E.D. Hovee &

Company with recommendations on the assumptions to be used in extending the employment demand analysis to the reserves timeframe.

Employment Demand

As noted above, this report generally extends the assumptions for 2030 to the reserves timeframe. However, in several areas these assumptions were modified in consultation with Eric Hovee of E.D. Hovee & Company, LLC. Options considered and modifications made are discussed in a memo from Eric Hovee that is attached to this appendix, and summarized here. For more information and discussion of the individual components, please refer to the draft urban growth report.

- Forecast.** This analysis uses the seven-county employment forecast issued by Metro in May 2008, revised in April 2009 and contained as appendix 3B-4 of the Chief Operating Officer’s Recommendation. The forecast is presented as a range to encourage discussion of the factors influencing growth rates and the risks and opportunities of planning for various points within the range. The forecasts cover the seven-county Portland-Beaverton-Vancouver Metropolitan Statistical Area. Table D-1 lists the total growth in jobs expected for the entire seven-county area.

	2007	2050		2060	
		Low Range	High Range	Low Range	High Range
Total jobs	1,037,000	1,537,300	2,193,400	1,648,400	2,422,900
New jobs	-	500,300	1,156,400	611,400	1,385,900

*2007 is used as the base year in the employment analysis to match the residential analysis.

This results in a range of uncertainty of almost 900,000 jobs (2060 high forecast minus 2050 low forecast) for the reserves process. It is estimated that there is a 90 percent chance that the rate of growth will fall within this forecasted range, but high confidence comes at the price of larger variability. This full scope of the range is important to consider in our planning work, but the large variability may make it more difficult to arrive at a reserves conclusion. Therefore, this report recommends that the range be further narrowed by focusing on the middle one-third of the forecast range (see Figure 1). This retains a range to work with but eliminates the more unlikely very low and very high growth forecasts. Table D-2 lists the resulting narrowed forecast. In the table “mid ⅓ low” and “mid ⅓ high” refer to the bottom and top, respectively, of the middle third of the total forecast range.

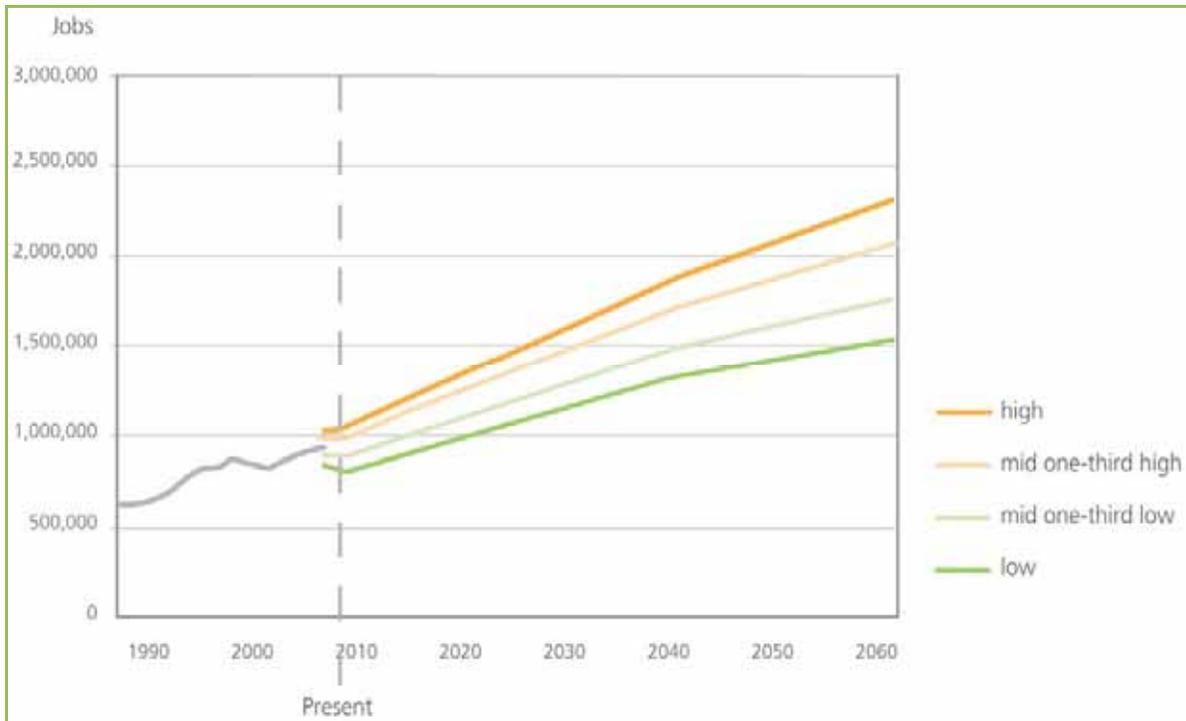


Figure D-1: Seven-county employment forecast

Table D-2
7-County Employment Forecast, 2007-2050/2060, narrowed to middle one-third

	2007	2050		2060	
		Mid ⅓ low	Mid ⅓ high	Mid ⅓ low	Mid ⅓ high
Total jobs	1,037,000	1,733,300	1,982,000	1,880,700	2,164,200
New jobs	-	696,300	945,000	843,700	1,127,200

The resulting range is now less than half of the full range, a variation of approximately 430,000 jobs.

The next step is to determine how many of those jobs we must plan for within the Metro urban growth boundary.

- **Sector forecast.** Employment growth rates are forecast for a number of employment sectors. Over time, growth rates will vary among sectors as the national and regional economy changes. The sector mix is generally extrapolated forward from 2030 to 2060 consistent with the trends identified in the urban growth report.
- **Capture rate.** The capture rate is the percentage of seven-county growth that is expected to locate within the Metro urban growth boundary. Capture rates have varied over time and will vary in the future based on policy and investment actions. In the employment analysis conducted in the urban growth report, capture rates are projected separately for a variety of industry sectors, adding up to an overall projected capture rate from 2010 to 2030 of 73 percent (low growth forecast) and 75 percent (high growth forecast). This report assumes that capture rates will drop 5 percent after 2030, based on an overall trend observed since the 1980s and reflecting the reality that employment to population ratios are likely to move towards balance

throughout the region (the residential capture rate is projected to be approximately 62 percent). Table D-3 summarizes the capture rate assumptions through 2050/2060.

	2050		2060	
	Mid ⅓ low	Mid ⅓ high	Mid ⅓ low	Mid ⅓ high
New jobs	696,300	945,000	843,700	1,127,200
<i>New jobs captured within the UGB</i>	<i>515,300</i>	<i>699,300</i>	<i>624,300</i>	<i>834,100</i>

Therefore, over the reserves timeframe, the region should plan to accommodate between 515,300 and 834,100 new jobs within the Metro urban growth boundary.

- Allocating jobs to building type.** Forecasted jobs are assigned to one of six building types, based on recent trends and professional expertise. The building type in which jobs are located could change over time as the real estate market matures, land prices increase and technologies shift. Based on a review of national literature and the business outreach conducted as part of the development of the urban growth report, there is a general expectation that industrial activity will continue to shift from general industrial space for production to R&D and administration/marketing, indicating greater utilization of office space. These trends are reflected in this analysis by reducing the percentage allocation of space allocated to general industrial and warehouse building type uses by 10 percent for the construction, manufacturing, wholesale, transportation/warehouse/utilities and information sectors. The reductions in space are instead assigned to office and flex building types.
- Building square footage per employee.** Space needs are determined by applying a square foot per employee calculation that varies by building type and by geography. These calculations were revised in the draft urban growth report based on input from local jurisdictions. *MetroScope* outputs have suggested generally increasing densities over time. Consequently the employment analysis has been adjusted to reflect an overall density increase per employee of about 5 percent between 2030 and 2060.
- Floor area ratios by building type.** Increased floor area ratios (FARs) have been identified as a key policy choice that could reinforce this region’s sustainability advantage but that might involve tradeoffs for some traded sector industries that have other location options inside or outside the region. Consequently, this analysis assumes an approximate 20 percent increase in FARs from 2030-2060 for new development in the central city, corridors, regional centers and town centers, consistent with an overall strategy of enhancing efficiency and employment density in these areas. To reflect concerns heard from industry experts about industrial employment, no increase in FAR is presumed in Title 4 Regionally Significant Industrial Areas or in added UGB lands to accommodate large lot uses.

Except as noted above, all other factors included in the urban growth report’s employment demand methodology have been consistently applied to the reserves timeframe. The sum total of all the calculations is presented in Table D-4.

Table D-4
Employment demand in acres, 2007-2050/2060

	2050		2060	
	Mid ⅓ low	Mid ⅓ high	Mid ⅓ low	Mid ⅓ high
Total industrial demand (acres)	1,900	5,800	2,800	6,400
Total non-industrial demand (acres)	4,000	5,100	5,000	5,700

Employment capacity

The following assumptions were made to determine how much employment growth will be accommodated within the existing urban growth boundary. As with the demand analysis, please refer to the draft urban growth report for additional detail and discussion of the individual components. It's important to note that throughout this analysis, no upzoning is assumed beyond what's in current local government zoning ordinances and comprehensive plans. All of the capacity is based on current zoning and comprehensive plans, even though a significant amount of upzoning will likely take place around the region over the next 50 years.

- Buildable employment and industrial land within the UGB.** The urban growth report includes a thorough analysis of the buildable land supply within the UGB, and the analysis has been reviewed and supplemented by local governments. The inventory includes tax lots characterized as vacant or partially vacant. Deductions from this supply were made to account for environmental protections, steep slopes and future streets. Following this, the remaining land was divided into six tiers based on development readiness. For the UGR's 20-year timeframe, some of the land in the lowest tiers was deducted from the available capacity to build a "low supply" scenario. However, it is assumed that over 40 to 50 years, all vacant industrial and employment lands will become development-ready.
- New urban areas.** As in the residential analysis, all of the employment capacity available in new urban areas (areas added to the UGB after 1997, such as North Bethany, Damascus and Pleasant Valley) is assumed to be available on the reserves timeframe. Capacity estimates are based on the most current concept plan designations. In the UGR half of this capacity is considered to be not market feasible before 2030 due largely to lack of urban infrastructure. In the reserves analysis all of the capacity in new urban areas is counted. Clearly the region can and should deliver this infrastructure and complete these communities in the next 40 to 50 years. This assumption is supported by the focused investment strategy outlined in the *Strategies for a Sustainable and Prosperous Region*.
- Refill rates.** Employment capacity within the existing UGB is based not just on the zoned capacity of vacant buildable land, but also on the amount of redevelopment and infill (collectively called "refill") that is likely to occur. As the region continues to mature a general increase in refill rates is anticipated. Application of a flat refill rate would likely understate actual refill activity as the metro area transitions towards an increased proportion of developed to greenfield sites. Consequently in this analysis a 5 percent increase in refill rates in the outer ring of subareas is assumed after 2030.
- Market subarea demand and supply.** The Draft UGR shows that the region's capacity on vacant lands is not always located where employment demand is projected to be. The analysis at the

20-year timeframe is supported by computer simulations which are not of use in the longer timeframe of the reserves project. However, potential mismatches in capacity and demand at the 20-year timeframe highlights the role that both refill and targeted UGB expansions will play in the future. The region is committed to distributing both the benefits and burdens of growth equitably around the region, and employment opportunities are a critical part of that mix. Over the reserves timeframe we should assume that policy and investment decisions are made to support existing employment areas in all parts of the region.

Table D-5 summarizes the application of the employment capacity factors to the reserves timeframe.

	2050		2060	
	Mid ⅓ low	Mid ⅓ high	Mid ⅓ low	Mid ⅓ high
Total industrial demand (acres)	1,900	5,800	2,800	6,400
Industrial capacity within UGB (acres)	12,703	12,703	13,346	13,346
Total non-industrial demand (acres)	4,000	5,100	5,000	5,700
Non-industrial capacity within UGB (acres)	9,245	9,245	10,302	10,302

Based on this analysis, the UGB contains adequate capacity to accommodate overall employment growth in the reserves timeframe, even in the mid-high forecast. However, one key issue remains, regarding providing lots over 25 acres for larger users. This issue was analyzed in the draft urban growth report. It is likely that single-tenant and multi-tenant employment users in this size range will need to be largely accommodated on vacant buildable lands because redevelopment and infill (refill) appears to be a more likely source of capacity for smaller lot needs. It is impossible to predict with any certainty the number of large lot users expected to come to this region 50 years from now, so this analysis proposes an extension of the analysis described in the UGR. The 20-year UGR analysis shows a rough match between supply and demand for large lots, so it is reasonable to assume that much of the region’s large lot supply in the reserves timeframe would come from urban reserves. A reasonable extension of historical demand informed by future growth estimates suggests that approximately 100 acres per year would be appropriate over the reserves timeframe, equating to 2,000 acres for the period 2030 – 2050 and an additional 1,000 acres for 2050 – 2060. No adjustments are made for the higher or lower forecast due to the uncertainty surrounding these numbers and the similarity between need projections identified in the UGR.

Large lot employers represent a significant opportunity to diversify and support the regional economy. Therefore, suitable lands with a net buildable acreage between 2,000 and 3,000 acres should be identified for urban reserve designation. As noted elsewhere in the Chief Operating Officer’s recommendation, these lands should be protected to ensure they are used for this vital regional economic need, and a fast-track UGB expansion process should be considered to allow quick response to important economic opportunities.

Efficiency of development within urban reserves

The final step in determining an employment acreage range for urban reserves is to estimate the number of acres required to produce the net buildable acres illustrated in Table D-5. The following assumptions apply:

- **Gross-to-net conversion.** This analysis assumes a standard set of deductions to estimate the net buildable land area for urban reserve areas, similar to that used in the UGR and in recent concept planning efforts around the region. 40 percent of gross land area is assumed to be non-buildable due to environmental restrictions, public ownership, and similar factors. This leaves 60 percent of the total as the “gross buildable” land area. Not all of this will be developed however, so 25 percent of this gross buildable area is then deducted to account for required street right-of-way, parks, and other deductions. The remainder (45 percent of the original gross area) is the “net buildable” area and is the basis for calculating the urban reserve acreage range. Note that these assumptions can be refined in the reserves process once specific areas are identified as urban reserves; areas of high suitability may require fewer deductions than the average.

This is the last step in developing a employment acreage range for urban reserves. A range of employment land between 4,400 and 6,700 acres is recommended by application of these methods, as summarized in Table D-6.

	2050		2060	
	Mid ⅓ low	Mid ⅓ high	Mid ⅓ low	Mid ⅓ high
Net buildable acres required	2,000	2,000	3,000	3,000
Gross acres required	4,400	4,400	6,700	6,700

E. D. Hovee & Company, LLC

Economic and Development Services



MEMORANDUM

To: John Williams, Metro
Dennis Yee, Metro

From: Eric Hovee

Subject: Employment Options for Urban Reserves Process

Date: September 14, 2009

This memorandum is intended to outline options that might be considered to address employment growth and associated industrial/commercial building and land needs as part of the urban reserves process for the Portland Urban Growth Boundary (UGB) to 2050/60.

Options are considered within the context of observed employment and development trends together with the adopted *2040 Growth Concept* to discourage unnecessary urban sprawl and make more efficient use of land. This “reduced footprint” approach is also consistent with an objective to invest for improved land utilization within the existing UGB before expanding outside as needed for additional employment land area.

Specific topics covered by this memorandum are:

- Metro Employment Range Forecasts
- UGB Capture Rates
- Converting Jobs to Building Types
- Building Square Footage per Employee
- FARs by Building Type (or Design Type)
- Refill Rates
- Vacant Land Capacity

For each topic, key elements of the current forecast analysis with the preliminary 2030 employment Urban Growth Report (UGR) are outlined. This is followed by a review of options suggested for consideration with employment reserves over a time horizon of 40-50 years that is at least twice that of the UGR 2030 forecast period. With each topic, a recommended approach is also noted, concluding with summary identification of revisions actually being proposed by Metro staff for this portion of the urban reserves analysis.

METRO EMPLOYMENT RANGE FORECASTS (BY SECTOR)

Current 2030 Forecast. Metro's 20 and 50 Year forecast report provides a low to high job forecast range. Employment sector allocations are based on a combination of Global Insight projections and past trend / location quotient (LQ) extrapolation. My understanding is that the Metro Chief Operating Officer's recommendation for the employment UGR will be for the mid-range forecast to 2030.

A base case employment forecast extending beyond 2040 to 2050/60 is generated using a fixed employment-to-population (e-p) ratio of 0.51. It is noted that the e-p ratios to 2040 vary quite a bit depending on the forecast range (low-medium-high) and year considered. The 0.51 ratio projected beyond 2040 is just above the peak reported historical experience of 0.505 (in 2000).

2050/60 Options. There are a variety of options that could be considered as offering the potential effect of altering employment footprint for the region, such as:

- Moving to the lower side of the forecast range, whether as an explicit policy objective or to reflect a lower e-p ratio (depending in part on age mix of population).
- Revise the mix of employment in out-years, for example, to further reduce expected industrial job growth – moving more into alignment with national employment projections.
- More focused attention on self-employed and telecommuters, especially if this portion of the workforce were to be identified as an increasing share of total employment.

Recommended Approach. While a case might be made for any of these options, the approach suggested with the 40/50-year reserves analysis would be to focus on retaining the *mid-range forecast (to 2060) as is*. This is for reasons including:

- Consistency with the mid-range approach being recommended for the 2030 UGR.
- Speculative nature of other options that might be considered (as for an increased share of self-employed / telecommuters).
- Policy preference to err on the side of offering flexibility to accommodate more traded sector industrial activity (an option not possible if not covered by the reserves analysis)
- Ability to deal with reduced shares of some employment sectors in the UGB by varying capture rates (per the added discussion with the next section of this analysis).

Revisions Made. The Metro/Hovee employment spreadsheet model has now been extended to 2060 utilizing the 2060 mid-range forecast. Individual sectors are generally extrapolated forward at an annual job growth rate of 0.85% from 2040-2060, but with industry sector adjustments made to reflect industries viewed as having stronger or weaker long-term growth potentials based on factors including observed growth rates, anticipated demographics and changing regional competitive advantage. When summed, the individual employment sectors add to the previously prepared regional 2060 mid-range employment control total.

UGB CAPTURE RATES

Current 2030 Forecast. Projected UGB capture rates have dropped somewhat from about 83% of PMSA employment from 1983-2000 to 82% (2010-15/mid-scenario) and then to 79% (2015-30). These overall projected UGB capture rates are calculated based on weighted industry-specific capture rates.

Capture rates increase somewhat with the low scenario (as more of lower total regional growth stays in the UGB) and less with the high scenario. As noted by the UGR report, detailed industry trending of historical industry-specific capture rates is not easily accomplished due to the change from SIC to NAICS job classifications, making long-term assessment of industry-specific trends more challenging.

2050/60 Options. Looking beyond 2030, UGB capture rate options would appear to include:

- Holding industry-specific rates at the same levels as projected with the UGR to 2030.
- Dropping the overall job capture rate by 4-5% points, continuing what appears to be the *within UGB* job erosion trend since about the 1980s. Industry specific ratios could be adjusted down by this overall adjustment or varied individually (as noted below).
- Dropping UGB capture ratios to better balance employment-population (e-p) ratios throughout the region – reflecting both increasing regional travel congestion and possible regional/local policy priorities for reduced commute travel times or more balanced local jurisdiction fiscal capacities. *Note:* The projected Metro UGB population capture rate is 61.8% with the preliminary residential UGR. This is about 16-18% points below the UGB employment capture rate projected with the employment UGR at 78-80%.
- Reducing industry-specific capture rates differentially, to reflect already lower capture and presumed more rapid continued reduction for some industrial activities (such as manufacturing, transportation/warehouse/utilities and construction). This approach also assumes that functions such as finance and management that are more highly centralized remain so. A similar argument might be applied to wholesale trade (the industrial sector with the highest existing UGB capture rate) *Note:* this industry-specific approach might also be combined with other options as noted above.

Recommended Approach. Drop the UGB employment capture by at least 4-5% points and consider further reduction to also reflect improved jobs-housing balance in and out of the UGB. Also apply more rapid reductions to industrial sectors with already lower rates of UGB capture.

While there is no perfect formula, a simple solution that addresses this combination of possible approaches would be an across the board 10% point UGB capture reduction across all industry specific capture rates. For example, in this scheme the manufacturing UGB capture rate would drop from 81% to 71% while finance drops from 92% to 82%.

Revisions Made. Based on further discussion with Dennis Yee, the Metro UGB share was dropped by 5.0% points for every NAICS sector. This reflects observed trends including some added impetus for improved jobs-housing balance across the non-UGB portions of the PMSA.

ALLOCATING JOBS TO BUILDING TYPES

Current 2030 Forecast. The preliminary employment UGR maintains constant allocations both near term (to 2015) and longer term (to 2030). This is accomplished by a matrix indicating the proportion of employment by industry allocated to each of six building types (office, institution, flex/business park, general industrial, warehouse, and retail).

2050/60 Options. While there is little detailed quantitative data that we are aware of on this topic, there is a general expectation that industrial activity remaining in the U.S. (especially manufacturing) will continue to shift from general industrial space for production to R&D and admin/marketing, with greater utilization of office space.

These trends are supported by national literature and Portland metro area results of focus group and interview research conducted by our firm with key business and industry groups. Also noted is that, with the exception of larger users, more industrial firms can generally be expected to be occupants of multi-tenant flex/business park space.

Recommended Approach. For purposes of a reduced footprint reserves scenario (beyond 2030), suggested is an approach that might involve:

- Consider reducing the percentage allocation of space allocated to general industrial and warehouse building type uses by in the range of 10% to potentially as much as one third (33%). This reduction would be applied to the construction, manufacturing, wholesale, TWU, and information sectors – for which 40%+ of space is currently allocated to general industrial and warehouse uses.
- Assigning one-half of the reduction in manufacturing and information space allocation noted above to office space use, the other half to flex/BP. Assign one-quarter of the reduction in construction, wholesale and TWU to office, the other three-quarters to flex/BP.

Revisions Made. Changes to the spreadsheet model have been made at the lower end of the range considered – reducing general industrial allocations 10% for the uses as indicated above.

BUILDING SQUARE FOOTAGE PER EMPLOYEE

Current 2030 Forecast. The May UGR draft provides square foot per employee estimates that are varied by building type and by geography (central area, inner ring, outer ring). Input data has been revised based on input from local jurisdictions, in large measure to account for what are perceived as differences between the three ring geographies. These ring-to-ring variations are especially pronounced for general industrial, warehouse/distribution and flex space.

With both the UGR report and more recent revisions made by Dennis Yee, input assumptions currently are held constant across the near term (to 2015) and longer term (to 2030) time periods.

2050/60 Options. Research conducted with the employment and economic trends analysis indicates that there appear to be somewhat conflicting space utilization forces at work for most of the building types considered. Whether building square footage required to house the typical employee increases or decreases depends on how these countervailing forces play out and also may vary with the specific mix of businesses within a particular building type (especially for industrial uses). This is a topic for which more detailed Metro data monitoring capability in the future will become of increased importance – if changing employment land needs are to be more effectively understood and monitored over time.

Recommended Approach. In the absence of other clear and compelling data, a suggested approach would be to slightly increase the density factors as currently provided with the preliminary UGR, also reflecting modifications that local jurisdictions have researched to provide.

Note: A building type for which current space utilization factors with the UGR seems somewhat odd is flex/BP. In theory, flex space densities should be about mid-way between those of office and general industrial/distribution space as flex typically reflects a mix of these other uses. From this standpoint, the outer ring figure of 990 square feet per employee seems particularly high as a sustainable long-term average. It may reflect categorization of building space as flex/BP that would be considered as general industrial in other locales. If there were to be a change made, it might be to reduce this more to the 600-650 square foot per employee range for the 40-50 year time horizon. In exchange, the general industrial density might be increased from the 600 to 800 square feet per employee.

Revisions Made. MetroScope outputs have suggested generally increasing densities over time. Consequently, the employment spreadsheet indicates an overall increase of about 5% between 2030 and 2050/60 (rounded to the nearest 25 square feet per employee). The density hierarchy has also been rationalized so that building square footage per job for General Industrial now exceeds that of Flex/BP which also exceeds that of Office across each of the three ring geographies.

FARs BY BUILDING TYPE

Current 2030 Forecast. The May UGR varied floor area ratios (FARs) by building type, subareas and design type – but resulting FARs were then held constant across the near term (to 2015) and longer term (to 2030) time periods. Based on private business sector input, the retail FARs have been revised down, with lower rates now indicated for 2010-15 than for the 2015-30 time frame.

2050/60 Options. With the employment and trends analysis completed for Metro (and accompanying presentations), we have consistently discussed increasing FAR as both a potential opportunity and challenge for the future – especially in the out-years beyond the forecast horizon of the 2030 UGR. Experience from 2000-2006 provides clear evidence of increased employment FARs for urban design types but, to this point, not for Title 4 industrial-related design types.

Increased FARs have been identified as a key policy choice that could reinforce this region's sustainability advantage but that might involve tradeoffs for some traded sector industries that have other location choices whether in or outside this metro region. Also noted is a wide range of opinion regarding the desirability and feasibility of increasing employment development density that was heard from the business focus groups conducted in late 2008/early 2009.

With initial modeling for FARs as part of a possible *policy driven* option (in March), we initially tested assumptions of an approximate 45% increase in FARs for urban design types and 30% increase in industrial (Title 4) design types by 2050/60. Note that base year figures for some building/subarea/design types have since been ratcheted down, so that the 2050/60 FARs in many cases would not be as great as initially modeled.

With the Portland EOA, economic modeling reflected an approximately 34% increase for Central City office FAR, 16% in other FARs outside of industrial districts (in five year increments) through 2035. FARs for industrial areas of the Willamette-Columbia (and residential areas) were not increased over time but held constant.

Options that might be considered for the 40-50 year time frame of the reserves analysis include:

- Holding FARs at maximum 2030 UGR levels (as revised per retail input by Dennis Yee).
- Increasing FARs across the board by a constant amount – as an absolute or % bump.
- Increasing FARs more selectively, by building, subarea ring, and/or design type. *Note:* Key challenges are parking assumptions for commercial and urban design types, land banking & buffers/campus setting for flex / industrial uses or Title 4 lands.

Recommended Approach. An approach similar to but somewhat modified from our initial modeling is suggested for consideration, specifically:

- An approximate 20% - 40% increase in FARs from 2030-60 for new development with all urban design types (including central area, corridors, regional and town centers)
- A 10% - 20% increase in FARs for new development with the Title 4 industrial, and employment design types (and also the 'other' category)
- No increase in the Title 4 RSIA areas, with these lower FARs also targeted for added UGB lands to accommodate large lot uses (and associated early year land banking to also support future expansion needs of these large lot employers).

Note: The chart attached at the end of this memo illustrates resulting FARs at the *lower end* of the range indicated by building, subarea and design type. For industrial buildings, relevant notes are that outer ring FARs go to 0.26, a figure that is eminently achievable for most uses but may require greater build-out and less area for open space buffers, outside storage and extensive landscaping on-site.

For commercial uses, a good bellweather is provided by retail on corridors which now goes to an FAR range of 0.36 - 0.42. This reflects a modest transition still generally accommodated with at-grade parking but at somewhat reduced ratios and/or on-street parking.

Similar FARs are noted for office use with outer ring FARs; inner ring FARs go to 0.60 which may require that some portion of parking for new development be provided with structures, depending on transit availability to support reduced parking ratios.

Revisions Made. Changes to the employment spreadsheet model have been made at the lower end of the range recommended for consideration – for a 20% increase in FAR for urban design types over the 2030-50/60 time frame, a 5% increase for Title 4 industrial and employment designations, and no increase for Title 4 RSIA areas (per the chart attached as an appendix to this memorandum).

REFILL RATES

Current 2030 Forecast. The May preliminary UGR report references refill rates that are outputs of the MetroScope, estimated at 24% for industrial and 45% for non-industrial uses. Detailed data with the economic model reflects a comparison of refill rates suggested by E. D. Hovee economic modeling together with MetroScope results. A *potential* refill category is also included as part of the Metro employment capacity analysis, illustrating the effects of essentially doubling the MetroScope refill outputs.

2050/60 Options. Available for consideration are options to:

- Maintain existing MetroScope/Hovee based refill rates as applied for the UGR to 2030 (though continued application of the existing rates to 2050/60 may well understate actual refill activity, especially if the Metro area continues to transition toward an increased proportion of developed to Greenfield sites).
- Re-run the MetroScope model assuming 2050/60 employment and reduced footprint assumptions (and apply new outputs – if feasible).
- Increase refill rates for the 2030-50/60 period (to better reflect continued maturation of the metro area urbanized environment and Metro policy objectives)
- Transition to the approach of the recently completed Portland Economic Opportunities Analysis (EOA), which essentially calculates refill as a *residual* – as needed to balance supply with demand.

Recommended Approach. Ideally, anticipated refill rates could be adjusted up to reflect added refill beyond 2030 consistent both with an increasingly mature metro region (having a larger proportion of already developed sites) and reduced footprint policy objectives. Consequently, a preferred approach would be to re-apply MetroScope (if this can feasibly be re-run in the time frame needed). If re-running MetroScope is not possible within the time frame available, a back-up alternative would be to adjust refill rates up somewhat from the current UGR forecast (20 years) for the 40/50 time horizon of the urban reserves process.

Revisions Made. Changes made involve a 5% increase in outer ring refill rates, with no change to higher refill rates already applied for central and inner rings (as compared with refill rates in the 20-year preliminary employment UGR).

VACANT LAND CAPACITY (LAND TIERS ANALYSIS)

Current 2030 Forecast. The preliminary UGR capacity analysis places strong reliance on Tier A/B sites near term (through 2015/20), with increased reliance on Tiers C-G post-2020. Input data from local jurisdictions has resulted in increases to the vacant land inventory that will be incorporated in a revised final UGR.

2050/60 Options. Application of the input assumptions related to employment range, UGB capture, job/building type allocations, FARs and refill rates can be expected to substantially affect the comparison of employment demand versus need. However, it is still likely that increasing reliance will be placed on providing required infrastructure for both existing and new urban areas (brought into the UGB since 1997) to meet anticipated demand, especially in the 20-50 time period important for the urban reserves analysis.

While perhaps not directly required for the quantitative portion of this reserves analysis, increased attention to subarea marketability may be important for credibility with the public review process. This assurance is needed with respect to potential viability of as yet undeveloped areas already in the UGB and in establishing criteria or guidelines for employment reserves that might be considered for eventual UGB addition.

Even with the preliminary employment UGR (focused on a shorter 20-year time horizon), concern has been expressed by jurisdictions and private sector reviewers with subarea projections that may not coincide with market subareas that have been the recent focus of greatest employment growth. These questions may be amplified by the longer-term 40-50 year look for suitable urban reserves.

Recommended Approach. Whether included directly within the reserves analysis or as a supplemental report, it is suggested that discussion of employment reserves more explicitly address topics including:

- Funding options and strategic approach for bringing employment infrastructure on-line in advance of or in synch with employment and associated land demand.
- More detailed analysis of subarea demand / supply gaps – including a strategy for how shortages are most appropriately addressed by subarea and/or demand might be shifted to subareas with excess capacity (including discussion of cluster agglomeration and siting issues – as for high tech and distribution).
- Threshold criteria for adding employment UGB (related to items such as site and infrastructure suitability and funding capacity, priority for accommodating not easily predicted large lot/large employer needs, and triggers for UGB inclusion/development).

Revisions Made. No changes made to spreadsheet model. Topics identified above may be addressed in Metro narrative accompanying the quantitative outputs with a final urban reserves report.

APPENDIX. RESERVES ANALYSIS FAR ASSUMPTIONS (2030-2050/60)

Illustrated by the chart on the next two pages are FARs that would be associated with:

- 20% FAR increase across urban design types (Central City, Corridors, Regional Center, Town Center)
- 5% FAR increase for Title 4 types (Industrial, Employment) plus Other
- No FAR increase for RSIA designated lands

INDUSTRIAL BUILDINGS								
Subareas	Regional			Town	RSIA	Industrial	Employment	
	Central	Corridors	Center	Center			ment	Other
Central	1.20	0.60	-	0.72	0.50	0.53	0.50	0.53
Inner Westside	-	0.36	0.72	0.72	-	0.32	0.32	0.32
Inner North & East	1.20	0.36	0.72	0.72	0.25	0.32	0.32	0.32
Inner Clackamas	-	0.36	0.72	0.72	0.25	0.32	0.32	0.32
Inner I-5	-	0.36	0.72	0.72	-	0.32	0.32	0.32
Outer Westside	-	0.36	0.60	0.60	0.25	0.26	0.26	0.26
East Mult Co	-	0.36	0.60	0.60	0.25	0.26	0.26	0.26
Outer Clackamas	-	-	-	0.60	0.25	0.26	0.26	0.26
Outer I-5/205	-	0.36	0.60	0.60	0.25	0.26	0.26	0.26

WAREHOUSE DISTRIBUTION BUILDINGS								
Subareas	Regional			Town	RSIA	Industrial	Employment	
	Central	Corridors	Center	Center			ment	Other
Central	1.20	0.60	-	0.72	0.50	0.53	0.50	0.53
Inner Westside	-	0.36	0.72	0.72	-	0.32	0.32	0.32
Inner North & East	1.20	0.36	0.72	0.72	0.25	0.32	0.32	0.32
Inner Clackamas	-	0.36	0.72	0.72	0.25	0.32	0.32	0.32
Inner I-5	-	0.36	0.72	0.72	-	0.32	0.32	0.32
Outer Westside	-	0.36	0.60	0.60	0.25	0.26	0.26	0.26
East Mult Co	-	0.36	0.60	0.60	0.25	0.26	0.26	0.26
Outer Clackamas	-	-	-	0.60	0.25	0.26	0.26	0.26
Outer I-5/205	-	0.36	0.60	0.60	0.25	0.26	0.26	0.26

FLEX BUILDINGS								
Subareas	Regional			Town	RSIA	Industrial	Employment	
	Central	Corridors	Center	Center			ment	Other
Central	1.20	0.60	-	0.72	0.50	0.53	0.50	0.53
Inner Westside	-	0.36	0.72	0.72	-	0.32	0.32	0.32
Inner North & East	1.20	0.36	0.72	0.72	0.25	0.32	0.32	0.32
Inner Clackamas	-	0.36	0.72	0.72	0.25	0.32	0.32	0.32
Inner I-5	-	0.36	0.72	0.72	-	0.32	0.32	0.32
Outer Westside	-	0.30	0.60	0.60	0.25	0.26	0.26	0.26
East Mult Co	-	0.30	0.60	0.60	0.25	0.26	0.26	0.26
Outer Clackamas	-	-	-	0.60	0.25	0.26	0.26	0.26
Outer I-5/205	-	0.30	0.60	0.60	0.25	0.26	0.26	0.26

OFFICE BUILDINGS

Subareas	Central	Corridors	Regional Center	Town Center	RSIA	Industrial	Employment	Other
Central	7.20	1.80	-	1.20	1.00	1.05	1.00	1.05
Inner Westside	-	0.60	1.80	0.72	-	0.53	0.53	0.53
Inner North & East	4.80	0.60	1.80	1.20	0.30	0.53	0.53	0.53
Inner Clackamas	-	0.60	1.20	0.72	0.30	0.53	0.53	0.53
Inner I-5	-	0.60	1.80	0.72	-	0.53	0.53	0.53
Outer Westside	-	0.42	1.20	0.72	0.35	0.37	0.37	0.37
East Mult Co	-	0.42	1.20	0.72	0.35	0.37	0.37	0.37
Outer Clackamas	-	-	-	0.72	0.35	0.37	0.37	0.37
Outer I-5/205	-	0.42	1.20	0.72	0.35	0.37	0.37	0.37

RETAIL BUILDINGS

Subareas	Central	Corridors	Regional Center	Town Center	RSIA	Industrial	Employment	Other
Central	1.20	0.60	-	0.72	0.50	0.53	0.50	0.53
Inner Westside	-	0.40	1.00	0.60	-	0.37	0.35	0.37
Inner North & East	1.20	0.40	1.00	1.00	0.30	0.37	0.35	0.37
Inner Clackamas	-	0.40	1.00	0.60	0.30	0.37	0.35	0.37
Inner I-5	-	0.40	1.00	0.60	-	0.37	0.35	0.37
Outer Westside	-	0.36	0.46	0.40	0.30	0.32	0.31	0.32
East Mult Co	-	0.36	0.46	0.40	0.30	0.32	0.31	0.32
Outer Clackamas	-	-	-	0.40	0.30	0.32	0.31	0.32
Outer I-5/205	-	0.36	0.46	0.40	0.30	0.32	0.31	0.32

INSTITUTIONAL BUILDINGS

Subareas	Central	Corridors	Regional Center	Town Center	RSIA	Industrial	Employment	Other
Central	7.20	1.80	-	1.20	1.00	1.05	1.00	1.05
Inner Westside	-	0.60	1.80	0.72	-	0.53	0.53	0.53
Inner North & East	4.80	0.60	1.80	1.20	0.30	0.53	0.53	0.53
Inner Clackamas	-	0.60	1.20	0.72	0.30	0.53	0.53	0.53
Inner I-5	-	0.60	1.80	0.72	-	0.53	0.53	0.53
Outer Westside	-	0.42	1.20	0.72	0.35	0.37	0.37	0.37
East Mult Co	-	0.42	1.20	0.72	0.35	0.37	0.37	0.37
Outer Clackamas	-	-	-	0.72	0.35	0.37	0.37	0.37
Outer I-5/205	-	0.42	1.20	0.72	0.35	0.37	0.37	0.37

APPENDIX 3E-E

SAMPLE INTERGOVERNMENTAL AGREEMENT RESOLUTION

Attached is a sample resolution that would be used to formalize the Metro Council's approval of an intergovernmental agreement between Metro and a county to designate urban and rural reserves in that county. If consensus can be reached on urban and rural reserves among all four partner jurisdictions, the Council would approve three such resolutions, one with each county. Approval of intergovernmental agreements is scheduled for December 2009.

BEFORE THE METRO COUNCIL

FOR THE PURPOSE OF APPROVING AN)	RESOLUTION NO. 09-XXXX
INTERGOVERNMENTAL AGREEMENT)	
BETWEEN METRO AND _____)	Introduced by Chief Operating Officer
COUNTY TO DESIGNATE URBAN RESERVES		Michael Jordan with the Concurrence of
AND RURAL RESERVES IN THE COUNTY		Council President David Bragdon
AND AUTHORIZING THE COUNCIL		
PRESIDENT TO SIGN THE AGREEMENT		

WHEREAS, Metro and Clackamas, Multnomah and Washington Counties have declared their mutual interest in long-term planning for three-county area for which they share land use planning authority in order to ensure the development of great communities within the urban growth boundary surrounded by prosperous farms, ranches, woodlots, forests, and natural resources and landscapes; and

WHEREAS, the 2007 Oregon Legislature enacted Senate Bill 1011, codified at ORS 195.137 to 195.145 (“the statute”), at the request of the four governments and many other local governments and organizations in the region and state agencies, to establish a new method to accomplish the goals of the four governments through long-term planning; and

WHEREAS, the statute authorizes Metro to designate Urban Reserves and _____ County to designate Rural Reserves in that county to accomplish the purposes of the statute, which are consistent with the goals of the two governments; and

WHEREAS, the Land Conservation and Development Commission (“LCDC”) adopted rules to implement the statute on January 25, 2008, as directed by the statute; and

WHEREAS, the statute and rules require the four governments to work together in their joint effort to designate reserves and to enter into formal agreements between Metro and each county to designate reserves in a coordinated and concurrent process prior to adoption of ordinances adopting reserves; and

WHEREAS, Metro and _____ County sought and received comments on the preliminary analyses of suitability of land for designation of land for urban reserves and rural reserves from the Reserves Steering Committee, Metro’s Metro Policy Advisory Committee, _____ County’s Policy Advisory Committee, reserves partner governments _____ County and _____ County, other local governments in the region, state agencies and public, private and non-profit organizations and citizens at numerous open houses and public hearings; and

WHEREAS, Councilor Kathryn Harrington, Council Liaison to the partner counties for Urban and Rural Reserves, has proposed an Intergovernmental Agreement (IGA) between Metro and _____ County that proposes the designation of particular urban and rural reserves and the adoption of specific policies; and

WHEREAS, the proposed IGA has the support of all three partner counties and has been coordinated with proposed IGAs between Metro and _____ County and Metro and _____ County; now, therefore,

BE IT RESOLVED that the Metro Council

1. Accepts the proposed Intergovernmental Agreement between Metro and _____ County, attached to this resolution as Exhibit A, as a final proposal for designation of urban and rural reserves to be adopted by ordinance in 2010, and authorizes the Council President to sign the agreement on behalf of Metro.
2. Directs the Chief Operating Officer to submit the proposed final urban and rural reserves and the proposed policies to implement the reserves for public hearings leading to a decision to adopt urban reserves and implementing policies in 2010.

ADOPTED by the Metro Council this __ day of December, 2009.

David Bragdon, Council President

Approved as to form:

Daniel B. Cooper, Metro Attorney

APPENDIX 3E-F

KEY ELEMENTS OF 2010 URBAN AND RURAL RESERVES ORDINANCE

The Reserves Ordinance will designate urban reserves to accommodate long-range (40-50 years) population and employment growth. The ordinance will also adopt a map that shows the location of both urban reserves adopted by the Metro County and rural reserves adopted by Clackamas, Multnomah and Washington Counties. It will also adopt Council policy on urban and rural reserves to be amended into the Regional Framework Plan. The Chief Operating Officer recommends a conservative approach to reserves to reflect the great difficulty predicting growth or development trends over such a long period of time.

New Strategies

Strategy 1: Measure Performance of Investments and Tools and Use Lessons Learned from Performance

The Chief Operating Officer recommends that the Council:

- Monitor the performance of urban reserves to determine whether they contribute to achievement of the Outcomes the region seeks for Centers and Corridors
- Monitor the performance of rural reserves to determine whether they contribute to the success of agriculture and forestry in the great metropolitan region.

Strategy 2: Invest in Our Centers, Corridors and Employment Areas

The Chief Operating Officer recommends that the Council:

- Commit Metro to conceptual planning of designated urban reserves, prior to their inclusion in the UGB, to determine the appropriate providers of urban services and appropriate cities to govern the areas
- Seek the agreement of the three counties to collaborate in conceptual planning in the Intergovernmental Agreements leading to designation of urban reserves.

Strategy 3: Use Tools to Direct Growth to Centers, Corridors and Employment Areas

The Chief Operating Officer recommends that the Council:

- Given the inherent uncertainties of very long-range planning, designate an amount of urban reserves adequate for the more conservative end of the 40-50-year reserves planning period
- Designate urban and rural reserves that will provide long-term protection for the agricultural and forest industries of the greater region

- Ensure that designated urban reserves include an ample supply of land suitable for industrial use adjacent and nearby the existing UGB
- Designate as urban reserves lands that will help existing Centers and Corridors achieve our desired Outcomes or lands that are suitable to become new Centers and Corridors that will achieve the Outcomes
- Be mindful in the designation of urban reserves to protect an opportunity for neighbor cities outside the UGB to maintain their identities separate from the Metro area and achieve their own aspirations.



Metro | *People places. Open spaces.*

Clean air and clean water do not stop at city limits or county lines. Neither does the need for jobs, a thriving economy and good transportation choices for people and businesses in our region. Voters have asked Metro to help with the challenges that cross those lines and affect the 25 cities and three counties in the Portland metropolitan area.

A regional approach simply makes sense when it comes to protecting open space, caring for parks, planning for the best use of land, managing garbage disposal and increasing recycling. Metro oversees world-class facilities such as the Oregon Zoo, which contributes to conservation and education, and the Oregon Convention Center, which benefits the region's economy.

Metro representatives

Metro Council President – David Bragdon

Metro Councilors

Rod Park, District 1

Carlotta Collette, District 2

Carl Hosticka, District 3

Kathryn Harrington, District 4

Rex Burkholder, District 5

Robert Liberty, District 6

Auditor – Suzanne Flynn

[www.oregon**metro.gov**](http://www.oregonmetro.gov)

Metro

600 NE Grand Ave.
Portland, OR 97232-2736

503-797-1700

BEFORE THE METRO COUNCIL

FOR THE PURPOSE OF APPROVING AN) RESOLUTION NO. 09-XXXX
INTERGOVERNMENTAL AGREEMENT)
BETWEEN METRO AND CLACKAMAS) Introduced by Chief Operating Officer
COUNTY TO DESIGNATE URBAN RESERVES Michael Jordan with the Concurrence of
AND RURAL RESERVES IN THE COUNTY Council President David Bragdon
AND AUTHORIZING THE COUNCIL
PRESIDENT TO SIGN THE AGREEMENT

WHEREAS, Metro and Clackamas, Multnomah and Washington Counties have declared their mutual interest in long-term planning for three-county area for which they share land use planning authority in order to ensure the development of great communities within the urban growth boundary surrounded by prosperous farms, ranches, woodlots, forests, and natural resources and landscapes; and

WHEREAS, the 2007 Oregon Legislature enacted Senate Bill 1011, codified at ORS 195.137 to 195.145 (“the statute”), at the request of the four governments and many other local governments and organizations in the region and state agencies, to establish a new method to accomplish the goals of the four governments through long-term planning; and

WHEREAS, the statute authorizes Metro to designate Urban Reserves and Clackamas County to designate Rural Reserves in that county to accomplish the purposes of the statute, which are consistent with the goals of the two governments; and

WHEREAS, the Land Conservation and Development Commission (“LCDC”) adopted rules to implement the statute on January 25, 2008, as directed by the statute; and

WHEREAS, the statute and rules require the four governments to work together in their joint effort to designate reserves and to enter into formal agreements between Metro and each county to designate reserves in a coordinated and concurrent process prior to adoption of ordinances adopting reserves; and

WHEREAS, Metro and Clackamas County sought and received comments on the preliminary analyses of suitability of land for designation of land for urban reserves and rural reserves from the Reserves Steering Committee, Metro’s Metro Policy Advisory Committee, Clackamas County’s Policy Advisory Committee, reserves partner governments Multnomah County and Washington County, other local governments in the region, state agencies and public, private and non-profit organizations and citizens at numerous open houses and public hearings; and

WHEREAS, Councilor Kathryn Harrington, Council Liaison to the partner counties for Urban and Rural Reserves, has proposed an Intergovernmental Agreement (IGA) between Metro and Clackamas County that proposes the designation of particular urban and rural reserves and the adoption of specific policies; and

WHEREAS, the proposed IGA has the support of all three partner counties and has been coordinated with proposed IGAs between Metro and Multnomah County and Metro and Washington County; now, therefore,

BE IT RESOLVED that the Metro Council

1. Accepts the proposed Intergovernmental Agreement between Metro and Clackamas County, attached to this resolution as Exhibit A, as a final proposal for designation of urban and rural reserves to be adopted by ordinance in 2010, and authorizes the Council President to sign the agreement on behalf of Metro.
2. Directs the Chief Operating Officer to submit the proposed final urban and rural reserves and the proposed policies to implement the reserves for public hearings leading to a decision to adopt urban reserves and implementing policies in 2010.

ADOPTED by the Metro Council this ___ day of December, 2009.

David Bragdon, Council President

Approved as to form:

Daniel B. Cooper, Metro Attorney

BEFORE THE METRO COUNCIL

FOR THE PURPOSE OF APPROVING AN) RESOLUTION NO. 09-XXXX
INTERGOVERNMENTAL AGREEMENT)
BETWEEN METRO AND MULTNOMAH) Introduced by Chief Operating Officer
COUNTY TO DESIGNATE URBAN RESERVES Michael Jordan with the Concurrence of
AND RURAL RESERVES IN THE COUNTY Council President David Bragdon
AND AUTHORIZING THE COUNCIL
PRESIDENT TO SIGN THE AGREEMENT

WHEREAS, Metro and Clackamas, Multnomah and Washington Counties have declared their mutual interest in long-term planning for three-county area for which they share land use planning authority in order to ensure the development of great communities within the urban growth boundary surrounded by prosperous farms, ranches, woodlots, forests, and natural resources and landscapes; and

WHEREAS, the 2007 Oregon Legislature enacted Senate Bill 1011, codified at ORS 195.137 to 195.145 (“the statute”), at the request of the four governments and many other local governments and organizations in the region and state agencies, to establish a new method to accomplish the goals of the four governments through long-term planning; and

WHEREAS, the statute authorizes Metro to designate Urban Reserves and Multnomah County to designate Rural Reserves in that county to accomplish the purposes of the statute, which are consistent with the goals of the two governments; and

WHEREAS, the Land Conservation and Development Commission (“LCDC”) adopted rules to implement the statute on January 25, 2008, as directed by the statute; and

WHEREAS, the statute and rules require the four governments to work together in their joint effort to designate reserves and to enter into formal agreements between Metro and each county to designate reserves in a coordinated and concurrent process prior to adoption of ordinances adopting reserves; and

WHEREAS, Metro and Multnomah County sought and received comments on the preliminary analyses of suitability of land for designation of land for urban reserves and rural reserves from the Reserves Steering Committee, Metro’s Metro Policy Advisory Committee, Multnomah County’s Citizens Advisory Committee, reserves partner governments Clackamas County and Washington County, other local governments in the region, state agencies and public, private and non-profit organizations and citizens at numerous open houses and public hearings; and

WHEREAS, Councilor Kathryn Harrington, Council Liaison to the partner counties for Urban and Rural Reserves, has proposed an Intergovernmental Agreement (IGA) between Metro and Multnomah County that proposes the designation of particular urban and rural reserves and the adoption of specific policies; and

WHEREAS, the proposed IGA has the support of all three partner counties and has been coordinated with proposed IGAs between Metro and Clackamas County and Metro and Washington County; now, therefore,

BE IT RESOLVED that the Metro Council

1. Accepts the proposed Intergovernmental Agreement between Metro and Multnomah County, attached to this resolution as Exhibit A, as a final proposal for designation of urban and rural reserves to be adopted by ordinance in 2010, and authorizes the Council President to sign the agreement on behalf of Metro.
2. Directs the Chief Operating Officer to submit the proposed final urban and rural reserves and the proposed policies to implement the reserves for public hearings leading to a decision to adopt urban reserves and implementing policies in 2010.

ADOPTED by the Metro Council this ___ day of December, 2009.

David Bragdon, Council President

Approved as to form:

Daniel B. Cooper, Metro Attorney

BEFORE THE METRO COUNCIL

FOR THE PURPOSE OF APPROVING AN) RESOLUTION NO. 09-XXXX
INTERGOVERNMENTAL AGREEMENT)
BETWEEN METRO AND WASHINGTON) Introduced by Chief Operating Officer
COUNTY TO DESIGNATE URBAN RESERVES) Michael Jordan with the Concurrence of
AND RURAL RESERVES IN THE COUNTY) Council President David Bragdon
AND AUTHORIZING THE COUNCIL
PRESIDENT TO SIGN THE AGREEMENT

WHEREAS, Metro and Clackamas, Multnomah and Washington Counties have declared their mutual interest in long-term planning for three-county area for which they share land use planning authority in order to ensure the development of great communities within the urban growth boundary surrounded by prosperous farms, ranches, woodlots, forests, and natural resources and landscapes; and

WHEREAS, the 2007 Oregon Legislature enacted Senate Bill 1011, codified at ORS 195.137 to 195.145 (“the statute”), at the request of the four governments and many other local governments and organizations in the region and state agencies, to establish a new method to accomplish the goals of the four governments through long-term planning; and

WHEREAS, the statute authorizes Metro to designate Urban Reserves and Washington County to designate Rural Reserves in that county to accomplish the purposes of the statute, which are consistent with the goals of the two governments; and

WHEREAS, the Land Conservation and Development Commission (“LCDC”) adopted rules to implement the statute on January 25, 2008, as directed by the statute; and

WHEREAS, the statute and rules require the four governments to work together in their joint effort to designate reserves and to enter into formal agreements between Metro and each county to designate reserves in a coordinated and concurrent process prior to adoption of ordinances adopting reserves; and

WHEREAS, Metro and Washington County sought and received comments on the preliminary analyses of suitability of land for designation of land for urban reserves and rural reserves from the Reserves Steering Committee, Metro’s Metro Policy Advisory Committee, Washington County’s Reserves Coordinating Committee, reserves partner governments Multnomah County and Washington County, other local governments in the region, state agencies and public, private and non-profit organizations and citizens at numerous open houses and public hearings; and

WHEREAS, Councilor Kathryn Harrington, Council Liaison to the partner counties for Urban and Rural Reserves, has proposed an Intergovernmental Agreement (IGA) between Metro and Washington County that proposes the designation of particular urban and rural reserves and the adoption of specific policies; and

WHEREAS, the proposed IGA has the support of all three partner counties and has been coordinated with proposed IGAs between Metro and Clackamas County and Metro and Multnomah County; now, therefore,

BE IT RESOLVED that the Metro Council

1. Accepts the proposed Intergovernmental Agreement between Metro and Washington County, attached to this resolution as Exhibit A, as a final proposal for designation of urban and rural reserves to be adopted by ordinance in 2010, and authorizes the Council President to sign the agreement on behalf of Metro.
2. Directs the Chief Operating Officer to submit the proposed final urban and rural reserves and the proposed policies to implement the reserves for public hearings leading to a decision to adopt urban reserves and implementing policies in 2010.

ADOPTED by the Metro Council this ___ day of December, 2009.

David Bragdon, Council President

Approved as to form:

Daniel B. Cooper, Metro Attorney

2010 UGB Urban and Rural Reserves Ordinance

The Reserves Ordinance will designate urban reserves to accommodate long-range (40-50 years) population and employment growth. The ordinance will also adopt a map that shows the location of both urban reserves adopted by the Metro County and rural reserves adopted by Clackamas, Multnomah and Washington Counties. It will also adopt Council policy on urban and rural reserves to be amended into the Regional Framework Plan. The Chief Operating Officer recommends a conservative approach to reserves to reflect the great difficulty predicting growth or development trends over such a long period of time.

New Strategies

Strategy 1: Measure Performance of Investments and Tools and Use Lessons Learned from Performance

The Chief Operating Officer recommends that the Council:

- Monitor the performance of urban reserves to determine whether they contribute to achievement of the Outcomes the region seeks for Centers and Corridors
- Monitor the performance of rural reserves to determine whether they contribute to the success of agriculture and forestry in the great metropolitan region.

Strategy 2: Invest in Our Centers, Corridors and Employment Areas

The Chief Operating Officer recommends that the Council:

- Commit Metro to conceptual planning of designated urban reserves, prior to their inclusion in the UGB, to determine the appropriate providers of urban services and appropriate cities to govern the areas
- Seek the agreement of the three counties to collaborate in conceptual in the Intergovernmental Agreements leading to designation of urban reserves.

Strategy 3: Use Tools to Direct Growth to Centers, Corridors and Employment Areas

The Chief Operating Officer recommends that the Council:

- Given the inherent uncertainties of very long-range planning, designate an amount of urban reserves adequate for the more conservative end of the 40-50-year reserves planning period
- Designate urban and rural reserves that will provide long-term protection for the agricultural and forest industries of the greater region

- Ensure that designated urban reserves include an ample supply of land suitable for industrial use adjacent and nearby the existing UGB
- Designate as urban reserves lands that will help existing Centers and Corridors achieve our desired Outcomes or lands that are suitable to become new Centers and Corridors that will achieve the Outcomes
- Be mindful in the designation of urban reserves to protect an opportunity for neighbor cities outside the UGB to maintain their identities separate from the Metro area and achieve their own aspirations.

DRAFT