

STAFF REPORT

IN CONSIDERATION OF ORDINANCE NO. 16-1371, FOR THE PURPOSE OF ADOPTING THE DISTRIBUTION OF POPULATION AND EMPLOYMENT GROWTH TO YEAR 2040 TO TRAFFIC ANALYSIS ZONES IN THE REGION CONSISTENT WITH THE FORECAST ADOPTED BY ORDINANCE NO. 15-1361 IN FULFILLMENT OF METRO'S POPULATION COORDINATION RESPONSIBILITY UNDER 195.036.

Date: August 29, 2016

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BACKGROUND

Federal and state laws (23 U.S. Code 134 and ORS 197.040, respectively) require Metro to prepare and update a transportation plan for its metropolitan planning area every 5 years. In accordance with these laws, an update of the Regional Transportation Plan (RTP) is currently underway with an intended adoption date of December 2018. This 2018 RTP will need to rely on a traffic analysis zone¹ (TAZ) Distributed Forecast of future population and employment.

In late 2012, Metro adopted the 2035 Distributed Forecast that was based on the 2035 Regional Forecast completed in 2009. However, due to recent significant events, the 2035 Distributed Forecast is out-of-date. These events include:

- Recovery from the Great Recession was slower and weaker than expected in the 2035 distribution.
- The City of Damascus voted to disincorporate in 2016, making the western portion of the area more likely to develop as part of Happy Valley and the eastern portion unlikely to develop for decades.
- Census data show demographic shifts that have implications for slower regional growth.
- Metro Council adopted a new regional (7-county MSA) forecast in the fall of 2015.

Metro responded to these events by producing the 2040 Distributed Forecast. That product is based on the 2040 Regional Forecast (adopted in 2015) and is designed to ensure that the 2018 RTP is based on the best available information and that the region's land use and transportation plans are consistent.

¹ The TAZ is the geographic unit that serves as the building block of Metro's primary forecasting tools (the travel demand model and MetroScope). The region is divided into 2,162 TAZs. These small subdivisions improve the accuracy of the travel demand model as well as all other aspects of transportation planning. The TAZ-level data also assists land use planners in updating comprehensive plans and zoning, and conducting other types of land use analysis, including neighborhood level analysis.

Oregon land use laws (195.025; ORS 195.036) require Metro to coordinate its regional population and employment forecasts with local governments inside the urban growth boundary for use in updating their comprehensive plans, land use regulations and other related policies. In accordance with this law, Metro coordinated with the local jurisdictions to conduct this Distributed Forecast update for use in the 2018 RTP.

The growth forecast distribution update process

This update was conducted more quickly than previous forecast distribution efforts (which have taken over two years) because it was able to build on the lengthy review conducted for the 2035 Distributed Forecast and the 2014 Urban Growth Report. During those processes, Metro conducted extensive technical engagement to establish the methodology used to identify the region's buildable land inventory (BLI). With this methodology already in place, Metro was able to focus regional coordination efforts on revisions to the base year population and employment counts and the existing BLI based on local knowledge.

The regional coordination of the updated forecast distribution included two main stages of local review.

The first stage involves Metro and local government staff working together to confirm the core inputs to the MetroScope model. These inputs include the 2015 base year numbers for population and employment as well as the buildable land inventory (BLI) that was completed as part of the 2035 Distributed Forecast. Local government staff reviewed these inputs and made revisions based on recent zoning changes, new developments or investments within their respective jurisdictions made since 2012. This review period extended from September 2015 to October 2015.

Metro staff completed modeling using the revised data from this first stage of local review and prepared the results into a draft distribution of population, households and jobs into the region's 2,162 TAZs. The local jurisdictions were then given approximately two months (from mid-November 2015 to mid-January 2016) to examine the TAZ-level results. Jurisdictions wishing to adjust the growth by TAZ (increase or decrease) assigned by the model worked with Metro to re-allocate that growth in a manner consistent with accepted regional figures adopted by the Metro Council.

Metro worked closely with a designated County Lead from each county throughout this second stage to ensure that all participating cities understood their roles and were able to complete their reviews by the deadline. Two additional meetings were held with individual County Leads to review results. With assistance from the County Leads, Metro was able to either accommodate each jurisdiction's proposed changes or negotiate a satisfactory revision where the full change could not be implemented.

In accordance with state law (ORD 195.036), Metro summarized the TAZ distribution (used in transportation modeling) into a jurisdiction-level distribution which is more understandable for local planning activities. In response to feedback from the Metro Technical Advisory Committee (MTAC) and Metro Policy Advisory Committee (MPAC), Metro staff and stakeholders refined this Distributed Forecast for greater accuracy using a revised method of apportioning population, households, and employment to the regional jurisdictions. The resulting product is the draft 2040 Distributed Forecast of population, households and employment to cities and counties in the Portland region.

Regional Planning Directors Involvement

Metro coordinated with regional planning directors throughout the Distributed Forecast update through the local review process. The names of the regional planning directors and leads who participated in this process are included in Attachment 1.

The process began with two kickoff meetings. The first meeting, held in July 2015, convened the planning directors (or designated planning leads) from Clackamas, Multnomah, and Washington Counties. These County Leads acted as liaisons between Metro and the cities within their respective jurisdictions, providing technical guidance to city staff throughout the process and helping to coordinate the timely return of feedback. County Leads also conducted reviews on behalf of several smaller cities with limited planning capacity. The second meeting, held in August 2015, convened the project directors and designated leads from the cities of the region with the County Leads and Metro staff.

Each of these meetings reviewed the purpose, timeline, and instructions for the expedited review process. Based on feedback from the cities at this meeting, Metro revised its proposed timeline in order to provide additional time for review in order to accommodate staff shortages during the holiday season. This revised timeline is included in Attachment 2. Informational materials distributed at these meetings are included in Attachment 3. Technical documentation of the major assumptions and methodology for the model and Distributed Forecast apportionment are included in the Technical Documentation (Attachment 4).

Metro staff communicated with jurisdiction leads primarily via e-mail throughout the local review process. Metro also met with County Leads and cities as needed to coordinate reviews and provide guidance during the second review period. After making the revisions to the draft 2040 Distributed Forecast recommended by MTAC and MPAC, Metro again met with the County Leads to discuss the method used to implement those recommendations and discuss any questions regarding the final product.

Tables showing the draft 2040 Distributed Forecast of population, households and employment for the Portland region are included as Exhibit A.

Metro advisory committee involvement

The updated Distributed Forecast was first presented to the Metro Technical Advisory Committee (MTAC), and Transportation Policy Alternatives Committee (TPAC) in March 2016, and to the Metro Policy Advisory Committee (MPAC) in April 2016 for discussion and comment. Upon incorporating recommendations from these advisory committees, Metro returned to MTAC in July 2016 and received unanimous support for the revised 2040 Distributed Forecast. Metro then brought the revised 2040 Distributed Forecast back to MPAC in September 2016, which unanimously recommended that Council adopt it.

ANALYSIS/INFORMATION

1. Known Opposition

There is no known opposition to the 2040 Distributed Forecast. Metro staff was able to either incorporate local jurisdictions' suggested revisions in the baseline assumptions and distributions or come to agreement on modifications to those assumptions and distributions.

2. Legal Antecedents

Consultation conducted to prepare the 2040 Distributed Forecast satisfies Metro's coordination obligations under ORS 195.025 and 195.036. As requested by DLCD, staff proposes that the Metro Council adopt the 2040 Distributed Forecast by an ordinance that will be acknowledged by DLCD as part of Metro's planning documents in order to support future planning decisions by local governments that rely upon the population forecasts. State law requires cities and counties to adopt coordinated forecasts as part of their comprehensive plans.

3. Anticipated Effects

Adoption of the updated distribution of population and employment forecast will inform the 2018 RTP and ensure that the plan is based on the most recent data available. This localized data will also encourage local governments to use distribution information to conform their land use and transportation plans to regional policies adopted by the Metro Council. Delay of the adoption would delay the development of the 2018 RTP and may delay some local government activities that would be accomplished with the updated 2040 Distributed Forecast information. Note that a new Regional Forecast and Distributed Forecast will be prepared for the Metro Council's consideration as part of its anticipated urban growth management decision in 2018.

4. Budget Impacts

The FY 2015/2016 budget included resources for staff in the Research Center and the Planning and Development Department to work on this project.

RECOMMENDED ACTION

Staff recommends that the Metro Council accept and adopt the updated 2040 Distributed Forecast of population, households and employment which was completed in accordance with Metro's responsibilities on population coordination with local governments in the region to inform the 2018 RTP.

ATTACHMENTS

1. Local government and agency staff involved in process
2. Local review process timeline
3. Guidance documents for local review process
4. Technical Documentation

EXHIBIT

- A. 2040 Distributed Forecast of population, households, and employment.

Attachment 1

Local Review Contact List - 2015-2040 Distributed Forecast

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Attachment 2: Local review process timeline

Project Timeline	
July 30, 2015	Convene county coordination leads to review purpose, timelines and roles
Aug. 19, 2015	Convene city/county planning managers for overview of process and timelines
Sept. 15, 2015	Metro Council initial direction on point in range forecast
Sept. 11-Oct. 7, 2015	County leads convene meetings with city staff to confirm: 2015 base year jobs and population Buildable land inventory assumptions (BLI)
Oct. 12-Oct. 30, 2015	Metro staff complete modeling based on local review of base year numbers and BLI
Nov. 2 – Nov. 9, 2015	Metro staff prepares draft distribution results for local review
Nov. 10, 2015 – Jan. 15, 2016	County leads convene meetings with city staff to review draft distribution results
Jan. 19 – Jan 29, 2016	Metro staff finalizes distribution results based on local reviews
March 16 & April 13, 2016	Presentation of draft results to MTAC and MPAC, respectively
April – July, 2016	Metro produces more precise allocation in response to Advisory Committee feedback and coordinates with jurisdictions on revised draft distribution
July 10, 2016	MTAC approves revised draft distribution and recommends it to MPAC
Sept. 14, 2016	MPAC recommends revised draft distribution to Council.
Sept. 29 & Oct. 6	Scheduled 1 st and 2 nd reads of ordinance before Metro Council