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MEMORANDUM

TO: Clackamas County Board of County Commissioners (BCC)
FROM: Dan Johnson, DTD – Director
RE: Metro Urban Growth Report – Draft Letter of Comment
DATE: August 13, 2024

REQUEST: This is a request for the board to consider submitting a letter of comment on Metro's 2024 Urban Growth Report.

BACKGROUND: Every six years Metro is required to assess whether there is enough land inside the urban growth boundary to support 20 years of job and housing growth. Metro has developed an Urban Growth Report (UGR) as a decision making tool that the Metro Policy Advisory Committee (MPAC) and Metro Council will use to guide the Urban Growth Management Decision, which determines whether the UGB will be expanded.

As part of the process Metro solicits applications from cities who are requesting an Urban Growth Boundary expansion. The City of Sherwood is the only city who applied for an expansion in this cycle.

Development of the UGR began last fall and has included multiple committees with county representation including the Metro Technical Advisory Committee (MTAC), Metro Policy Advisory Committee (MPAC) and Land Use Technical Advisory Group (LUTAG). Additional information and a link to the UGR are available at [2024 growth management decision | Metro \(oregonmetro.gov\)](https://www.oregonmetro.gov/2024-growth-management-decision)

The UGR is currently out for public comment. Staff has developed the attached DRAFT Letter of Comment for Board consideration. While there are a number of requests noted in the letter, of particular concern is the Metro's methodology related to industrial lands and the assertion there is sufficient lands to meet the regional need for the next 20 years.

RECOMMENDATION: Staff respectfully recommends the Board approves the comment letter on the draft UGR.

Respectfully Submitted,

Dan Johnson
Director

August 13, 2024

Metro Council
600 NE Grand Ave.
Portland, OR 97232

RE: Draft 2024 Urban Growth Report

Dear President Peterson and Metro Councilors,

Thank you for the opportunity to comment on the Draft 2024 Urban Growth Report (2024 UGR) and Sherwood West urban growth boundary (UGB) expansion proposal. We recognize that completing this report during these times of uncertainty is extremely challenging. The report acknowledges that while there may be slower projected population and employment growth, the on-going housing availability crisis and continual need for large lot employment land are factors that should not be minimized.

First, we urge the Metro Council to consider selecting the **high growth rate for both population and employment**. Planning for high growth will give jurisdictions the latitude not only to attract more investment opportunities in the region, but also to appropriately balance housing needs, land use, economic development, and transportation planning. Assuming low or baseline growth rates may result in unintended, adverse effects, by constraining local jurisdictions' ability to respond in real time to address population, employment, and housing requirements. It is also critical that findings within the 2024 UGR support necessary UGB expansion without forcing the removal of land from other locations.

As part of the Oregon Housing Needs Analysis (OHNA), the State will assign specific housing targets to individual jurisdictions beginning in 2025. This new paradigm for housing accountability necessitates consideration of the specific land need within individual jurisdictions rather than a singular focus on regional land supply. Selecting the high growth rate for both population and employment will create the best opportunity to meet the coming state-mandated housing targets and also will allow the region to be more responsive and proactive in attracting potential new employers.

Second, we do have concerns with **Metro's methodology that asserts that we have a surplus of industrial lands (nearly 6,000 acres) available inside the UGB to serve our region's need over the next 20 years**. We appreciate the supplemental industrial lands analysis, based on site criteria, that was developed as a part of the City of Sherwood's expansion request. However,

we believe that Metro’s methodology for determining industrial “buildable lands” is flawed because it does not consider key site criteria factors in developing the Buildable Lands Inventory. The 2024 UGR cites that of those 6,000 surplus acres, the average industrial parcel size is 3.8 acres, with a median industrial parcel size of 1.7 acres. Market factors indicate that firms seek parcels that are a minimum of 5 acres and are developable in 7 to 30 months or less. The lands that Metro is considering developable are not sufficient to meet the market need.

Clackamas County continually faces the challenges of not having an inventory of available and suitable employment land to support industry and employment for our workforce. While we know that the 2024 UGR decision is only one of many factors that influences the development of land, it is essential that this decision is made in a way to best support growth in all of our communities.

In closing, the Urban Growth Management Decision process is driven by legal obligations that do not always translate into market reality. Discussions about the future can begin with questions on whether the region has the right amount of land to support housing and job growth but they must not end with a simple yes or no answer. We are supportive of Metro Staff’s recent proposal to update the 2040 plan and look forward to the opportunity to develop a better approach to planning for a bright future for our region.

Sincerely,

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