

CLACKAMAS COUNTY BOARD OF COUNTY COMMISSIONERS

Study Session Worksheet

Presentation Date: January 20, 2015 **Approx Start Time:** ~~2:30~~^{2:00} **Approx Length:** 1 hour.

Presentation Title: County Role in Metro Urban Growth Boundary Decision.

Department: Admin, Counsel

Presenters: Dan Chandler, Nate Boderman

Other Invitees: Mike McCallister

WHAT ACTION ARE YOU REQUESTING FROM THE BOARD?

Direction on the following questions:

1. What should the County's role be in Metro's 2015 Growth Management Decision – Urban Growth Boundary Amendment?
2. Are there specific policy positions the County would like staff to carry forward in the next Growth Management Decision, particularly with respect to the Urban Growth Report?
3. Should the County continue to engage its partners in the possibility of an off-cycle UGB amendment?

EXECUTIVE SUMMARY:

Under State law, Metro is required to evaluate the Urban Growth Boundary every 6 years to assure that there is adequate land to provide a 20-year supply of land for housing. While not expressly required by statute, Metro also evaluates the need to provide a 20-year supply of employment land on the same schedule.

Metro prepares a forecast of population and employment growth for the region for the next 20 years, and evaluates the supply of available land.. The forecast is called the Urban Growth Report, or UGR.

If the Urban Growth Report shows a need for additional land, Metro adjusts the boundary to bring in additional land for housing or employment. Metro calls these decisions Growth Management Decisions, the common term however is UGB Decision.

Metro is not restricted to an 6-year cycle, and may amend the Urban Growth Boundary at any time. Metro has done a number of such "off-cycle" amendments in the past. A history of the location and timing of UGB amendments is at Attachment 2.

Metro is on track to make a Growth Management Decision in December of 2015. County staff, along with our representatives to Metro advisory committees (MTAC and MPAC) need direction on the County's role in the decision.

There are three key imperatives that effect the County's role in the UGB discussion:

- a. Title 11 of the Metro Code requires that a concept plan be in place prior to inclusion of any area in the Urban Growth Boundary.
- b. Title 11 strongly encourages (and may require) participation by adjacent cities in the both the concept planning process and the resulting concept plans. However, there is the possibility of an "out" if a case can be made that attempts to negotiate a concept plan have been unsuccessful and that it is necessary to bring additional land into the UGB to meet Metro's legal responsibilities. It also may be legally possible for the County to concept plan an area without City participation provided the County could ensure provision of urban services.
- c. Of Clackamas County's Metro cities, only Wilsonville has expressed any interest in a 2015 UGB amendment in Clackamas County – the Advance Road area.

Given these, there is little possibility that County efforts would lead Metro to include any additional land (beyond the Advance Road area) in the UGB for 2015.

However, a number of stakeholders have raised questions and concerns regarding the Urban Growth Report. Issues include the amount of land supply forecasted for Damascus, the amount of multi-family development projected in the City of Portland, and the results of the Residential Preference Survey, which Clackamas County partially funded. A link to the Urban Growth Report can be found here:

<http://www.oregonmetro.gov/public-projects/growth-management-decision/2014-urban-growth-report>

The possibility of an off-cycle amendment or a legislative "bargain" make it important that the Urban Growth Report accurately effect the land supply and demand in the regional generally, and for Clackamas County in particular. Therefore, even if there is little possibility of a UGB amendment in 2015, it will be important for the County to advocate for changes to the Urban Growth Report.

¹ Attachment 2 may be seen more clearly at:
http://www.oregonmetro.gov/sites/default/files/UGB_History.pdf

FINANCIAL IMPLICATIONS (current year and ongoing):

LEGAL/POLICY REQUIREMENTS:

A memorandum from Nathan Boderman, under separate cover, lays out the Title 11 legal requirements for concept planning.

However, even if it is legally possible for the County to prepare a legally-compliant concept plan, the chances that Metro would bring an area into the UGB without a willing city partner are slim at best.

With respect to the Urban Growth Report, Attachment 3 is a letter sent to Metro in October 2014, laying out the County's concerns, along with Metro's response. The projections for employment land in Damascus are very troubling, as those lands account for a significant percentage of Clackamas County's future supply.

Clackamas County's Border Cities

Six cities in Clackamas County abut the Metro Urban Growth Boundary and have nearby Urban Reserves:

- Wilsonville
- Tualatin
- Lake Oswego
- Oregon City
- Damascus
- West Linn

Milwaukie, Rivergrove² and Portland are effectively landlocked. Gladstone and Happy Valley are surrounded by either existing urban areas, or rural reserves.

PUBLIC/GOVERNMENTAL PARTICIPATION:

County and City Staff and elected officials have discussed city aspirations for the UGB and the Metro C4 subcommittee several times since late 2013, and, other than Wilsonville, City officials have not expressed any interest in UGB amendments for 2015.

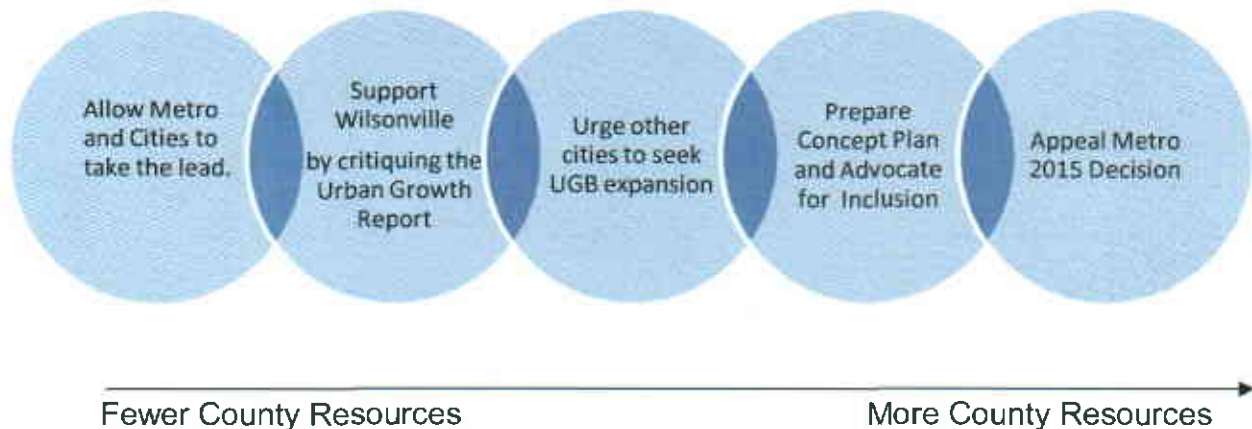
Property owners in several areas, particularly parts of Stafford have advocated for UGB inclusion on a regular and consistent basis.

OPTIONS AND RECOMMENDATIONS:

There is a continuum of potential County actions relative to the 2105 UGB decision.

² Three parcels at the southeast corner of Rivergrove may technically abut the UGB at the Tualatin River.

Options



Recommendation

With respect to the Urban Growth Boundary, staff recommends that the County do the following:

- a. Support the City of Wilsonville in its aspirations for the Advance Road area.
- b. Continue to advocate for changes to the Urban Growth Report, including:
 1. A realistic characterization of the growth potential for Damascus.
 2. A realistic projection of the potential for multi-family development in the City of Portland, and recognition of the public's preference for single-family homes.
- c. Continue outreach and efforts with our partners to gain support for an off-cycle amendment or potential legislative fix for employment land.

The first two issues are obviously tied together. The chief impediment to Wilsonville's aspirations is the Urban Growth Report's conclusion that the region had no need for additional land for housing or employment.

ATTACHMENTS:

1. Memorandum from Nate Boderman.
2. Map showing history of UGB Expansions.
3. Letters to and from Metro regarding the Urban Growth Report.

Fiscal Impact Form

RESOURCES:

Is this item in your current work plan and budget?

- YES
 NO

START-UP EXPENSES AND STAFFING (if applicable):

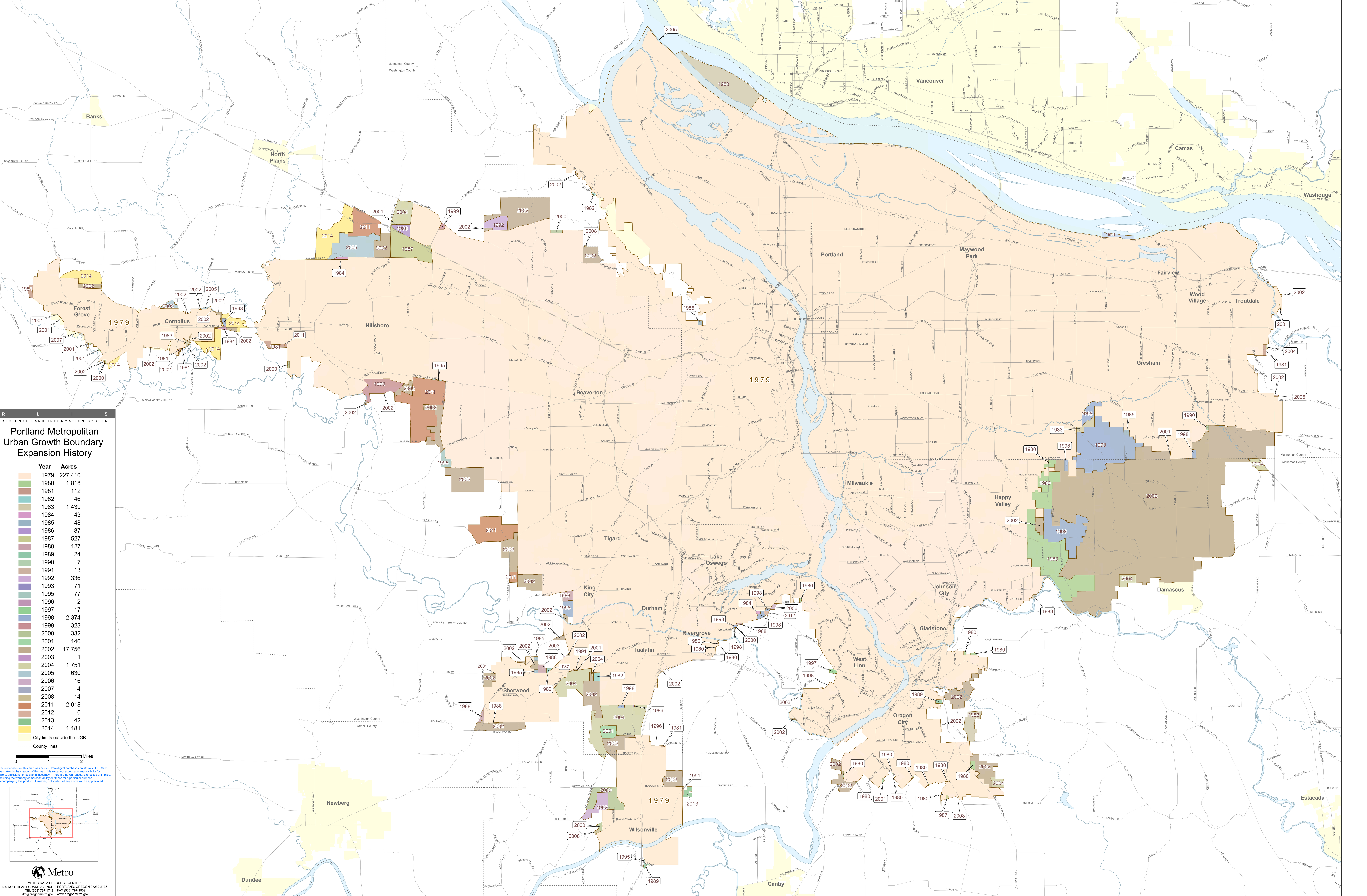
ONGOING OPERATING EXPENSES/SAVINGS AND STAFFING (if applicable):

ANTICIPATED RESULTS:

N/A

COSTS & BENEFITS:

Costs:							
	Item	Hours	Start-up Capital	Other Start-up	Annual Operations	Annual Capital	TOTAL
Total Start-up Costs							
Ongoing Annual Costs							
Benefits/Savings:							
	Item	Hours	Start-up Capital	Other Start-up	Annual Operations	Annual Capital	TOTAL
Total Start-up Benefit/Savings							
Ongoing Annual Benefit/Savings							

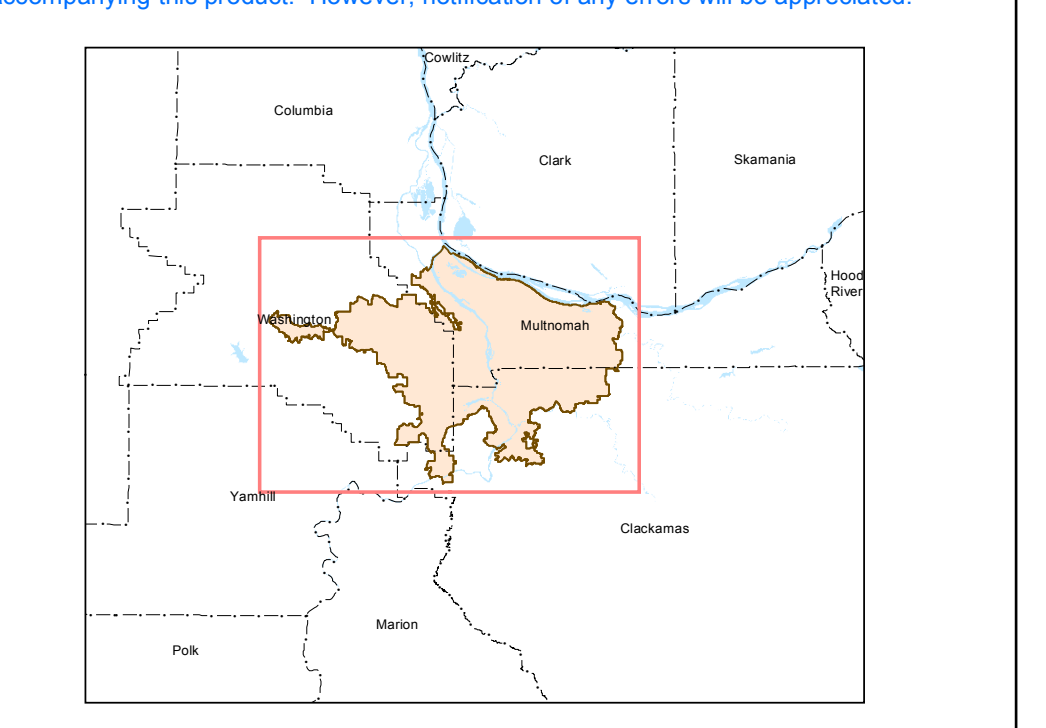


Portland Metropolitan Urban Growth Boundary Expansion History

Year	Acres
1979	227,410
1980	1,818
1981	112
1982	46
1983	1,439
1984	43
1985	48
1986	87
1987	527
1988	127
1989	24
1990	7
1991	13
1992	336
1993	71
1995	77
1996	2
1997	17
1998	2,374
1999	323
2000	332
2001	140
2002	17,756
2003	1
2004	1,751
2005	630
2006	16
2007	4
2008	14
2011	2,018
2012	10
2013	42
2014	1,181

City limits outside the UGB
County lines

0 1 2 Miles



Attachment 3 p1&6



BOARD OF COUNTY COMMISSIONERS

**PUBLIC SERVICES BUILDING
2051 KAEN ROAD | OREGON CITY, OR 97045**

October 20, 2014

Council President Hughes and Metro Councilors
Metro Regional Center
600 NE Grand Ave
Portland, Oregon 97232

Re: Clackamas County's need for employment land.

Dear President Hughes and Metro Councilors:

Since the adoption of the Metro Urban and Rural Reserves in 2010, it has become increasingly apparent that Clackamas County is short on land needed to provide jobs and economic development within our portion of the Metro area. The County is short on employment land today, and as things stand, the County has limited prospects to add land to the pipeline over the next 30-50 years.

Clackamas County has a critical shortage of large lot employment land in the Metro area.

As the Regional Industrial Site Readiness Study (2014) states:

The experience of state and regional economic development experts indicates that accomplishing our region's traded-sector industrial retention, expansion and recruitment strategy depends in part on . . . an adequate supply of well-located, market-priced and developable large industrial sites.

What is true for the region is also true for Clackamas County. The Regional Industrial Site Readiness Study shows that Clackamas County has very little large lot industrial land within the Metro Urban Growth Boundary.

The Draft Urban Growth Report (UGR) states that there is a regional need for between 8 and 34 large lot industrial sites between 2015 and 2035. And while the UGR notes that there are as many as 50 sites in the region there are only three available sites in metro Clackamas County from 25 – 50 acres, only one site over 50 acres and none over 100 acres. At the medium growth forecast, this means Clackamas County is at least several hundred acres short of its proportional share of large lot industrial land. When these four sites are gone, Clackamas County will have none at all. As matters stand today, there is virtually no prospect of Clackamas County adding large-lot industrial land for the foreseeable future.

Clackamas County also has a very limited supply of other non-retail employment land. We know this from previous studies and mapping efforts. We also know this from talking to our employers and industries who tell us that they would like to expand in Clackamas County, but have nowhere in the County to expand to. Given infrastructure constraints, a divided community and the long lead time for

development, the City of Damascus is unlikely to produce any significant employment in the next 20 years. In fact Damascus' current plans seem focused more on home occupations and backyard manufacturing than providing land for larger employers or traded-sector companies. It may be important for other jurisdictions to focus on land readiness; but Clackamas County has little land to get ready today, and virtually none in the 20-year pipeline.

Alone among the Metro Counties, Clackamas County has still not recovered jobs lost in the great recession.

Clackamas County lags far behind the rest of the region in recovering jobs lost in the recession. While Multnomah and Washington Counties have recovered all of the jobs lost in the recession, Clackamas County has recovered only 60%.ⁱ As of last winter, we were still 10,000 jobs behind where we were at the start of the recession. We recognize that there are multiple factors at play, but if we are to recover, let alone accommodate growth, we need more land, and our land supply is governed by others.

One consequence of this slow recovery is that there is growing poverty in Clackamas County. While the poverty rates in Portland are still higher, rates in suburbs like Clackamas County are growing far faster than they are in the urban core. According to the Brookings Institution, between 2000 and 2011 poverty rates in Clackamas County cities like Oregon City, Tualatin and Milwaukie have risen at two to three times the rate of poverty in Portland.ⁱⁱ 17,240 Clackamas residents live in extreme poverty. Close to six thousand of them are children under 18 years old.

From 2007 to 2012, the percentage of children in the North Clackamas School District on free or reduced lunches increased by 36%.ⁱⁱⁱ In some schools, the rate of children on free or reduced price lunches is greater than 75%.^{iv}

The lack of places to grow jobs places inordinate pressure on our transportation system.

It is a well-accepted premise in the Metro region that we should place jobs close to housing. While it is true that a jobs/housing balance is not a panacea, it is also true that a better job/housing balance provides residents with the climate-responsible choice to live closer to work. In fact much of the region's greenhouse gas reduction strategy is aimed at forcing people to make such choices. Clackamas County lags well behind the other two metro counties in the balance between jobs and housing. Combined with low wages, this places inordinate pressure on the regional transportation system as County residents leave for better-paying jobs elsewhere.

Composite data from several studies this year found that the Portland area is now among the 10-worst cities in the country for traffic congestion.^v The Urban Mobility Report, prepared by Texas A & M University found that, in terms of the likelihood of severe rush hour delays, Portland had the 6th worst traffic in the country.^{vi} That same study estimates that congestion causes 500 million pounds of CO2 emissions in the Portland area annually.

Without employment land to increase the tax base, Clackamas County will lack the ability to keep up with the increased costs of keeping our citizens safe, healthy and secure.

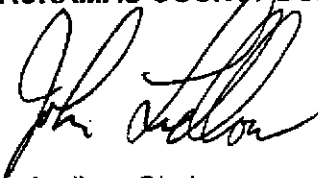
The lack of adequate job-producing land places the county's future at risk. Simply put, with constitutional property tax limitations and a slow-to-recover economy, the only way the county will be able to continue to provide critical services to its vulnerable residents is through growth, particularly in employment land, which provides a double benefit: fewer people need services, and county resources increase through additional assessed value. Improving "readiness" for industrial land in other counties will not meet Clackamas County's needs.

While it may not be true everywhere that more land means more jobs, it is clear that no land equals no jobs. If Clackamas County is to have an economic future beyond serving as a declining bedroom community, connected to the larger region by declining infrastructure, we need your assistance.

In closing, we disagree with the Urban Growth Report in that there are urgent local needs in Clackamas County that are masked by a purely regional assessment.

Sincerely:

CLACKAMAS COUNTY BOARD OF COMMISSIONERS



John Ludlow, Chair
On Behalf of the Clackamas County Board of Commissioners



Paul Savas, JPACT Representative
Commissioner



Martha Schrader, MPAC Representative
Commissioner

cc: Metro Policy Advisory Committee
Joint Policy Advisory Committee on Transportation

¹ http://www.oregonlive.com/money/index.ssf/2014/02/clackamas_county_a_distant_third_in_tri-county_recovery_oregon_the_economy.html

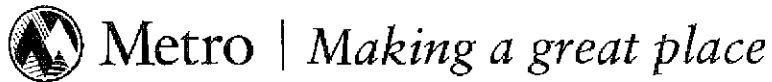
² http://www.oregonlive.com/tualatin/index.ssf/2013/05/tualatin_oregon_city_and_beave.html

³ <http://www.nclack.k12.or.us/cms/lib6/OR01000992/Centricity/Domain/12/AnnualReportFinal.pdf>

⁴ www.nclack.k12.or.us/cms/lib6/.../April%202013%20Newsletter.pdf

⁵ <http://www.newgeography.com/content/004369-composite-traffic-congestion-index-shows-richmond-best>

⁶ http://blog.oregonlive.com/commuting/2013/02/portland_traffic_stressful_and.html



BOARD OF COMMISSIONERS

BCC, PK, DC
NOV 19 2014

November 17, 2014

Chair John Ludlow and Commissioners
Clackamas County Board of Commissioners
2051 Kaen Road
Oregon City, OR 97045

RE: Clackamas County's need for employment land

Dear Chair Ludlow and Clackamas County Commissioners:

Thank you for your comments on the draft Urban Growth Report and Clackamas County's employment land. We agree that the economic outlook in Clackamas County is troubling. Clackamas County is an important part of our region and we welcome the opportunity to discuss how we can strengthen our existing partnership with regards to economic development.

As you know, Metro has already been a close partner to Clackamas County on several economic development efforts. The Sunrise Corridor highway project, which leveraged state, regional and local funds to address a critical freight route, is under construction. Another example is the Willamette Falls Legacy project, which promises to reinvigorate downtown Oregon City, allow access to one of our state's most important natural features, and create hundreds of jobs in the county. Clackamas County and Oregon City have led the master planning for the site and Metro has been working on securing easements for public access and helped obtain \$5 million in state lottery funding to get the site ready for redevelopment. We look forward to realizing our shared vision for this site.

Our region's growth, likewise, stems from a shared vision: accommodate growth and strengthen our economy by focusing development in existing centers in corridors, while preserving natural areas and our agricultural industry. We have been successful in this approach, as the vast majority of development has occurred within the original 1979 UGB.¹ In the current draft Urban Growth Report, city and county planners helped us to identify 1,232 acres of vacant land and 1,828 acres of potentially redevelopable land for job creation already in the UGB in Clackamas County.

We can't rest easy though. The regional industrial land inventory, along with Clackamas County's own industrial land study, funded by a Metro grant, provides insights into the kinds of actions that are needed to create jobs in key employment sites. Examples include lot aggregation, infrastructure provision, and brownfield clean-up. As with Willamette Falls, we continue to be interested in partnering with Clackamas County and other local jurisdictions to make ready those sites already within the UGB and in close proximity to existing roads and services.

As you know, in order to make future growth decisions more predictable and better connected to existing communities, the three counties and Metro agreed upon urban and rural reserves to guide possible UGB expansions over future decades. These reserves were not created to provide each county with a "proportional share" of land, but instead to identify the most strategic places for growth around the region and give local jurisdictions, including Clackamas County, a leg up in planning and preparing for service provision in possible UGB expansion areas.

If Clackamas County is interested in adding employment land to the UGB, there are concrete steps to explore those possibilities, the first being the identification of the land the county would like to see added. Given past challenges of successfully realizing development in many UGB expansion areas, the Metro Council established policies and standards for considering new UGB expansions to ensure these areas are planned before an expansion decision is made.

Once the county has identified specific lands, Metro can continue to partner with the county in its concept planning. In the last few years, Metro has distributed more than \$14 million through our Community Planning and Development grant program, to support local concept planning projects for areas inside and outside of the UGB. Many jurisdictions have received planning grants, including the cities of Damascus, Lake Oswego, and West Linn. The grant program also supported joint planning work for the cities of Wilsonville and Tualatin. We would welcome additional planning grant applications for employment land in Clackamas County. Once planning of a site is complete, it can be considered for inclusion in the UGB in a future growth management decision.


Large lot employment lands are critical in attracting major traded sector industries and the jobs that accompany them, but they are not the only economic development opportunity available to the county. While each of the three counties in our region have different topographical and other conditions that require different strategies for economic development, all of our region's communities can focus on growing and retaining companies already here. A recent study noted that less than two percent of jobs created in metropolitan areas are attracted from outside of their region, while the vast majority of job growth occurs through entrepreneurship and the expansion of existing companies.ⁱⁱ Non-profit organizations like Main Street Oregon City help make Clackamas County an attractive place to start a business.

Metro is working to grow these types of organizations with our Enterprising Places program, which provides grants for storefront improvements and marketing. We anticipate

distributing more than \$200,000 to small business in communities like Milwaukie, Gladstone, and Oregon City. Already in Oregon City, storefront and other improvements have helped drive new businesses and customers to Main Street. We welcome the opportunity to partner with you to explore how these funds could be used more broadly in Clackamas County.

Over the next year, Metro will be working with you and partners across the region to prepare for our growth management decision late in 2015. While we plan to accept a draft Urban Growth Report next month as a basis for our discussion over the next year, the report will remain in draft form. We look forward to partnering with Clackamas County in managing our growth while creating strong regional economy.

Sincerely,



Tom Hughes
Metro Council President
On behalf of the Metro Council

¹ Metro, "2014 Urban Growth Report, Revised Draft," September 2014.

² Jed Kolko, "Business Relocation and Homegrown Jobs, 1992-2006," Public Policy Institute of California, 2010.



MEMORANDUM

Stephen L. Madkour
County Counsel

TO: Dan Chandler, Strategic Policy Administrator

FROM: Nate Boderman, Assistant County Counsel

DATE: January 14, 2015

RE: Planning for New Urban Areas

Kimberley Ybarra
Kathleen Rastetter
Chris Storey
Scott C. Ciecko
Alexander Gordon
Amanda Keller
Nathan K. Boderman
Christina Thacker
Assistants

Analysis: The purpose of this memo is to summarize Metro's requirements under its Urban Growth Management Functional Plan (UGMFP) for planning for areas to be brought in to Metro's Urban Growth Boundary (UGB). The relevant sections of Metro's regulations have been attached to this memo.

Title 11 of Metro's UGMFP is the relevant section which provides guidance for long-term planning for the urban reserve areas. 3.07.1110(A) requires a county and any city likely to provide governance or an urban service for a particular area, in conjunction with Metro, to develop a concept plan for the urban reserve **prior to** its addition to the UGB¹. The area of the urban reserve and the timeline for completion of any concept plan must be jointly determined by Metro, the county, and the city or cities affected by the expansion. See Attachment, Page 1. According to subsection (B) of the rule, the concept plan should achieve certain outcomes, including but not limited to:

- Planning for a mix and intensity of uses that will make efficient use of the public systems and facilities;
- Support for pedestrian and bicycle travel;
- A range of housing types;

¹ This requirement does not apply to minor adjustment to the UGB, which typically include adjustments to site roads and to make the UGB boundary consistent with property lines or natural features. Minor adjustments are not used to add land to the UGB to satisfy housing or employment needs.

- Sufficient employment opportunities;
- A well-connected system of parks, natural areas and public open spaces; and
- Protection of natural ecological systems and important natural landscape features².

3.07.1110(C) sets forth the specific requirements for what is to be included in a concept plan. These rules require the affected city and county to agree on the following at the concept plan phase:

- The general location of any residential, commercial, industrial, institutional and public uses proposed for the area with sufficient detail to allow estimates of the cost of the public systems;
- The general location of proposed sewer, park and trail, water and stormwater systems and transportation facilities;
- The proposed connection to these facilities;
- Preliminary estimates of the costs of the systems and facilities, as well as proposed methods to finance those systems and facilities; and
- The general location of water quality resource areas, flood management areas and habitat conservation areas.

Depending on the uses to which the urban reserve area will accommodate, the concept plan may also require the affected city and county to further analyze housing needs, or to further assess employment land opportunities and provide protection of large tract employment land. The requirements listed above represent only a portion of what 3.07.1110(C) requires the affected city and county to include in a concept plan. A full list of the requirements is set forth on pages 3-5 of the Attachment.

In the event the affected city and county cannot agree on the specific elements to be included in the concept plan, the rules provide Metro an opportunity to unilaterally add the area to the UGB. 3.07.1110(C)³ provides: “[i]f the local governments responsible for completion of a concept plan under this section are unable to reach agreement on a concept plan... then the Metro Council may nonetheless add the area to the UGB if necessary to fulfill its responsibility under ORS 197.299 to ensure the UGB has sufficient capacity to accommodate forecasted growth.” See Attachment, Page 5. While the affected city and county are necessary participants where a concept plan is

² See Attachment Pages 2-3.

³ This appears to be a typo in the code- most likely intended to be identified as Subsection (E).

involved prior to the addition of urban reserve to the UGB, Metro has the ability to proceed without the participation of either under the rules.