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February 26, 2013

To: Senate Committee on Rural Communities and Economic Development
State Capitol, 900 Court Street NE
Salem, OR 97301

Re: SB 250 – Oppose

Dear Chair Roblan and Committee Members:

Thank you for this opportunity to present testimony on SB 250. 1000 Friends of Oregon is a nonprofit, membership organization that works with Oregonians to support livable urban and rural communities, protect family farms and forests, and provide transportation and housing choice. 1000 Friends does not support SB 250.

Senate Bill 250 would allow cities to expand their urban growth boundaries (UGBs) for industrial use without application of key aspects of Oregon’s land use laws. However, the bill requires that to do so, a city must show the expansion is consistent with its local economic development projections that take into account:

- “(A) The economic base and the availability and suitability of land within its jurisdiction to support economic growth and activity;
 - (B) The cost and availability of materials and energy resources;
 - (C) The labor market;
 - (D) The availability of educational and technical training programs and other resources that support economic growth and activity;
 - (E) The location of the land relative to markets; and
 - (F) Other local, regional, national and international factors affecting economic growth and activity.
- (b) The public facilities plan developed under subsection (6) of this section.”

This is very similar to what a city must already do to justify expanding its UGB to bring in more industrial land. However, the bill does not include at least two elements of existing law that we believe are essential to a sensibly functioning economic development strategy:

- Demand: Current law requires cities to “identify the major categories of industrial or other employment uses that could reasonably be expected to locate or expand in the planning area based on information about national, state, regional, county or local trends.” OAR 660-009-0015(1). Cities must then estimate the amount of land needed for these industries over a 20-year period.

This makes sense. Otherwise, at least some cities will plan for industrial opportunities they hope will locate in their area, but might well be unrealistic, or many cities will plan for the same industrial opportunity when only one site is needed. Taking unneeded land into a UGB has

adverse economic repercussions both inside and outside of the UGB. The land use program (correctly) requires cities to ensure that land inside their UGBs is provided with the infrastructure necessary to eventually urbanize it. If land is unrealistically brought into a UGB, that is a waste of public monies. In addition, if that land is farm land, it will be either taken out of production, or less valuable crops not requiring large investments will be grown, thereby harming the agricultural economy.

SB 250 does not require an assessment whether there is a likelihood that the hoped for industry(ies) would locate in the area, nor is there any limit on the amount of land brought into a UGB.

- Site Characteristics /Location: Current law requires cities to identify the site characteristics needed by industries reasonable likely to locate in their area, and if there is not sufficient land inside the UGB meeting those characteristics, a UGB expansion should bring in land with those characteristics. OAR 660-009-0015(2), 660-009-0025(1), Goals 9 and 14. Again, this is a sensible requirement if the land is to be both used by and protected for the expected industrial use.

We believe that current law more comprehensively addresses the analysis a local government should undertake to identify a need for industrial land and to bring it into a UGB. However, we do support what we believe to be the intent behind the following language in SB 250 (page 2, lines 9-12), though we recommend strengthening it:

“(5) Land included within an urban growth boundary pursuant to subsection (4) of this section must be planned and zoned for industrial uses and may not be rezoned to a nonindustrial zoning classification within 10 years after the land is included within the urban growth boundary pursuant to subsection (4) of this section.”

This language appears to be an attempt fill in a critical gap in the state’s land use planning program for industrial lands – it ensures that land brought into a UGB for an industrial use is not quickly converted to another use. Commercial and residential development can almost always outbid industrial use for land. Yet commercial and residential uses are usually more flexible in the kinds of areas they can locate. On the other hand, many industrial uses, especially manufacturing, need flat land and key transportation facilities – site characteristics that cannot not easily be replaced, if at all. Many examples around the state exist of excellent industrial lands permanently lost to other uses. We support the above language as a step towards addressing the loss of industrial lands. However, we would add a requirement that after 10 years, the city be required to demonstrate a change in circumstances that justifies converting that land to other uses.

Thank you for consideration of our testimony.

Sincerely,



Mary Kyle McCurdy
Policy Director