



business
oregon
where business grows



Oregon
Department
of Agriculture



Oregon Land Conservation
and Development



State of Oregon
Department of
Environmental
Quality

January 22, 2010

Metro Councilor Kathryn Harrington
600 NE Grand Avenue
Portland, OR 97232

Washington County Commission Chair Tom Brian
155 North First Avenue, MS-21
Hillsboro, OR 97124

Clackamas County Commissioner Charlotte Lehan
2051 Kaen Road
Oregon City, OR 97045

Multnomah County Commissioner Jeff Cogen
501 SE Hawthorne Blvd, Suite 600
Portland, OR 97214

Dear Core 4 Members:

On October 14, 2009, the nine Oregon state agencies involved in the urban and rural reserves planning effort as members of the Reserves Steering Committee submitted coordinated state comments to that committee. Today, we are writing to reaffirm our earlier comments, and to go formally on record before the Core 4 as it deliberates to a decision. Each of the undersigned state agencies asks that the attached comments be made a part of the Core 4's record.

The state agencies note that the proposed reserves maps that are currently being circulated for public comment differ in some respects from the agencies' collective recommendations. We wish to reaffirm our prior comments, while recognizing that they are general in nature and did not provide specific lines on a map. We also want to emphasize that the Core 4 decisions are not only critical to the region's economic growth, but have a direct impact on the entire economy of this state.

Finally, we wish to note our collective understanding that Metro and the counties intend that contemporaneously with the designation of reserves, Metro will be adopting amendments to its Urban Growth Functional Plan that will provide an important framework for future decisions about the circumstances under which lands within urban reserves will be added to the Metro urban growth boundary. In particular, we understand that the Functional Plan will require concept planning as a precondition to inclusion in the urban growth boundary, and that this planning will inform decision makers (public and private) about the projected costs and means of financing urban development as these lands are added to the region's urban area. We believe that it is extremely important that the Functional Plan amendments be adopted contemporaneously with the reserve designations, and ask that the region continue to coordinate with state agencies (as well as districts) on this important aspect of long-range planning for the region.

Thank you for the opportunity to comment. Please place this letter, as well as the attached letter dated October 14, 2009 into the record for the Core 4 proceedings.

Sincerely,



Richard Whitman, Director
Oregon Department of Land Conservation and Development



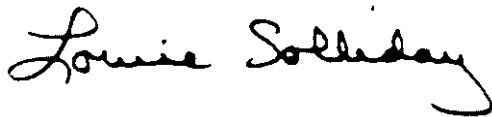
Katy Coba, Director
Oregon Department of Agriculture



Tim McCabe, Director
Oregon Business Development Department



Marvin Brown, Director
Oregon Department of Forestry



Louise Solliday, Director
Oregon Department of State Lands



Matt Garrett, Director
Oregon Department of Transportation



Dick Pedersen, Director
Oregon Department of Environmental Quality



Jeff Boechler
Watershed District Manager
North Willamette Watershed
Oregon Department of Fish and Wildlife



Phil Ward, Director
Oregon Water Resources Department



Oregon
Department
of Agriculture



Oregon Land Conservation
and Development



State of Oregon
Department of
Environmental
Quality

October 14, 2009

Metro Regional Reserves Steering Committee
Core Four
600 NE Grand Avenue
Portland, OR 97232

Re: State Agency Comments on Urban and Rural Reserves

Dear Reserves Steering Committee and Core Four Members:

The Oregon Departments of Agriculture, Forestry, Transportation, Business Development, Fish and Wildlife, Environmental Quality, Water Resources, State Lands, and Land Conservation and Development are pleased to provide the Reserves Steering Committee and the Core Four with our collective comments on the region's tentative proposals for urban and rural reserve designations. The region's ground-breaking effort to envision its long-term future management of urban and rural lands is an exciting experiment that is illustrating new ways to build great communities and lay the foundation for sustainable agriculture, forest management and natural resources protection.

In developing these comments, it is important to note that we are responding to *preliminary* recommendations from each of the three counties and from Metro staff. The counties and Metro have yet to make final decisions concerning either the amount or location of urban or rural reserves. We all appreciate the substantial work that has gone into this important effort, including countless hours of public involvement, and we recognize that the final product will continue to be refined and to evolve over the next few months.

The state agency comments focus on *state-level* interests in how the Portland Metro region will accommodate the projected 1.3 to 2.1 million additional people that will live and work in this area over the next fifty years. Other members of the Steering Committee, appropriately, will focus on regional and local considerations. Metro and the three counties will need to consider all three levels of interests in reaching their final decisions about urban and rural reserves.

Finally, each of the nine state agencies represented in the Reserves Steering Committee has a particular set of responsibilities and duties. These collective comments were not arrived at lightly, and reflect significant discussion and work to resolve competing policy interests and to provide Metro and the counties with clear, consistent recommendations. We have appreciated the opportunity to participate with others from the outset as you work to guide the region's long-term future.

I. General Comments

This section of the agencies' collective comments contains two parts: (A) our suggestions for key additional information or interim decisions that should be developed before final decisions are made; and (B) our high-level, policy-oriented comments that are not related to specific areas or locations.

A. Additional Information

The reserves effort has generated a substantial amount of analysis and information for decision-makers. Nevertheless, the agencies recommend that Metro and the counties develop or clarify the answers to certain key questions before making final decisions regarding urban and rural reserves.

1. Clarify What Period of Time Reserves Are Being Established For

Urban reserves must be designed to provide a supply of land needed for population and employment over a forty to fifty-year period. Rural reserves are protected from urban development for a period equal to the period used for urban reserves. Metro and the counties need to clarify what period they are planning for. There are important policy questions associated with this choice, and the agencies' recommendation on this question is provided below at page 3.

2. Identify the Major Variables that Lead to Differing Estimates of Urban Land Need

Metro and Washington County each have produced different estimates of urban land need over the next fifty years. Although we believe that the Metro COO and

Washington County estimates of land need are not all that far apart, we also believe that it would help the transparency of decision-making for Metro and/or Washington County staff to identify the major factors that lead to differing estimates of land need. In addition, Metro should clarify the assumptions used regarding housing and employment density in urban reserve areas. Clackamas and Multnomah Counties should also participate publicly in addressing the question of overall urban land need for the region.

3. Transportation Modeling

The counties and the Metro COO have used different methodologies to analyze transportation system feasibility and cost, making comparisons among the jurisdictions difficult to evaluate. The agencies strongly encourage Metro to do transportation modeling for proposed urban reserve areas, to analyze the performance of existing state highways and county and city transportation facilities, both within the existing UGB and outside the UGB in the Urban Reserve Study Areas. This would help identify significant problem areas and make adjustments in the final locational decisions for urban reserves. Metro and the Reserves Transportation Working Group performed an analysis of the feasibility and relative cost of developing a complete urban transportation system in the various candidate Urban Reserve Areas, but this analysis did not consider the capacity of existing rural facilities, nor the impact of additional growth on facilities within the current UGB.¹

4. Constrained Water Supply

Do the areas being proposed for future growth have the water supply capacity to support the proposed urbanization given likely competing environmental requirements, including the recovery of threatened and endangered fish species? One of the considerations in determining where regional growth should be encouraged is the long-term carrying capacity of different parts of the region in terms of water supply. This includes the sources of water (surface and ground water) and the infrastructure to provide the water. Do the likely service providers for the proposed new urban reserves have the ability to meet the projected water need/demand over the next 50 years without having to seek additional sources or volumes of water? Increased urban development creates demand for water use which commonly results in political pressure to “compromise” the instream water needs of fish to meet societal and economic demands for water. However, many of the streams currently supporting listed salmonid populations are already over-allocated, don’t meet water quality standards, or have very limited supplies of available water for future appropriation. There are differences

¹ To substitute for transportation modeling, ODOT conducted a simplified method to identify specific areas of concern. We identified facilities, both outside and inside the current UGB, that are experiencing and/or are forecast to experience capacity, safety, and/or geometric problems *without* any additional urban growth. Then we identified order of magnitude relative costs and feasibility of overcoming those existing problems. Presumably, if a transportation facility is already forecast to have capacity deficiencies, then plan amendments allowing additional urban growth relying on that facility would result in additional congestion and safety problems that will lead to the need for mitigation or create costs for the state and/or for local jurisdictions.

between different parts of the region in terms of the possible availability of additional water.

B. General High-Level Policy-Oriented Comments

1. The Time Frame for Urban and Rural Reserves

The state agencies strongly support using the lower end of the planning period authorized for reserves – e.g. forty years. We are facing a time of extraordinary uncertainty in how our communities and industries will evolve. A receding demographic peak, rapid globalization, immigration, climate change, and changes in energy pricing all may require that we be able to adapt more rapidly than we have in the past in terms of how we live, work and travel. Reserves require a balancing between the advantages of providing long-term certainty (for landowners, local governments, public and private investment) and the disadvantages of inflexibility if conditions change in unexpected ways.

Given the global and local uncertainties facing us (as reflected, in part, by the large ranges in Metro's population and employment forecasts) we believe the region should strike a balance that tends toward the risk management/flexibility end of the scale rather than locking up most of the lands on the periphery of the UGB for fifty years. An additional reason to plan for uncertainty is that this is the first time any government in the state (or nation) has set this type of long-term constraint on how it will manage surrounding lands. One way of providing for some flexibility is to set reserves for a forty-year period, and simultaneously plan to revisit whether additional reserves should be designated well before that forty-year period expires (a twenty or twenty-five year "check-in").

2. The Amount of Urban Reserves

The state agencies support the amount of urban reserves recommended by the Metro COO. That recommendation is for a range of between 15,000 and 29,000 acres. We believe that Metro and the counties can develop findings that, with this amount of land, the region can accommodate estimated urban population and employment growth for at least 40 years, and that the amount includes sufficient development capacity to support a healthy economy and to provide a range of needed housing types.

State law requires that Metro demonstrate that lands within the existing UGB cannot accommodate housing and employment needs before the UGB is expanded, even if the expansion is onto urban reserves. As a factual matter, almost all population and employment growth in the region in recent years has occurred on lands within the existing UGB (and not on lands recently added to the UGB). With the challenge of financing infrastructure likely to increase, national demographic trends that point toward an increasing emphasis on mixed-use land use patterns tied closely to alternate

transportation modes and cultural amenities, and the need to move toward settlement patterns that reduce greenhouse gas emissions by reducing automobile travel, the agencies support Metro's emphasis on redevelopment and infill.

State law allows for additional urban and rural reserves to be designated in the future if it turns out that the rate of absorption of land outside of the UGB is higher than expected. The converse is not true: once lands are designated as rural reserves they must remain in that status. Similarly, once lands are designated as urban reserves they are unlikely to be managed for the long-term investments needed for working farm or forest operations. All of these considerations counsel for Metro and the counties to designate an amount of urban (and rural reserves) toward the lower end of the range in which they have policy discretion.²

3. The Importance of Adequate Employment Lands

At the same time that the agencies encourage Metro and the counties to work toward the lower end of the range for the overall amount of urban reserves, we also wish to emphasize the need for an adequate supply of employment lands in the Metro *urban growth boundary*. The Metro region often 'seeds' traded-sector technologies and businesses that disperse throughout the state. Assuring that there is enough diversity in sites for such users to provide for varying needs (infrastructure, site specific characteristics, utilities, access to labor force, clustering near like employers, and market choice), is important to the long-term economic health of not only the region, but the entire state.

4. Spillover Effects

While the agencies believe the amount of urban reserves recommended by the Metro COO is (or can be made) sufficient to accommodate long-term population and employment growth, we also wish to emphasize that great care is needed to assure that the region continues to capture at least the same share of population and employment growth in the larger seven-county surrounding area that it has historically (that appears to be the assumption in the 50-year forecasts being used by Metro). That care translates into a long-term commitment to fund and manage efficient urban growth within the existing regional UGB and any lands added to the UGB. If the region fails to take the measures needed to accommodate growth, population and employment will overflow into surrounding areas (primarily Clark County and the I-5 South Corridor), that would put tremendous pressure on transportation infrastructure and likely move neighboring cities further toward a bedroom-community character (a result that is undesirable for many different reasons).

² We recognize that the range recommended by the COO already is below the amount identified by Washington County.

Spillover effects are already taking place and putting pressure on the transportation infrastructure due to urban growth expansions in areas that were ill-suited to urban growth (Damascus being the most prominent example). OBDD is concerned that the metro area will lack in large-lot industrial properties if the low end of the COO urban reserves is adopted. These factors could lead to significant spillover and undermine the regional UGB along with the significant infrastructure investments in the region.

5. The Amount of Rural Reserves

The state agencies believe that too much land is proposed as rural reserves in the current, preliminary, recommendations from the counties. Rural reserves are intended “* * * to provide long-term protection for large blocks of agricultural land and forest land, and for important natural landscape features that limit urban development or define natural boundaries of urbanization.” Rural reserves are appropriate for lands that are under threat of urbanization. They prevent urban-density development, but they do not provide additional protection for natural resources, and they should not be applied to agricultural or forest lands that have a low likelihood of urban development. In general, the approach used by Clackamas County is consistent with how the agencies believe rural reserve designations should be used (to “steer” urban development away from or toward particular areas, rather than as a blanket treatment of everything that is not an urban reserve).

6. Equity and Efficiency Concerns in Deciding Where and How the Region Will Grow (Population and Employment)

Metro has a responsibility to allocate land needs by geographic area within the region to meet long term needs for population and employment. We understand that this responsibility is complicated by the reserves process. Metro and the counties should first achieve consensus on how much lands the region will need for population and employment, and then (separately) decide how those lands should be allocated between the three counties. In making these regional-scale decisions, Metro and the counties need to keep both housing equity (Goal 10) and employment (Goal 9) considerations (including the aspirations of individual communities) in mind as well as fiscal equity and environmental justice in determining how to distribute urban reserve areas across the region.

Each county should address housing equity and employment considerations by having some reconciliation of the supply and demand for housing and employment uses as part of their submitted analysis. Metro has done this on a macro level, but should supply the counties with the adequate tools to address these issues on a sub-regional basis.

A related concern is that different parts of the region will grow at different rates. If the differences are substantial and sustained, Metro and the counties should anticipate revisiting reserve designations in twenty to twenty-five years to adjust reserve designations and policies to respond to such trends and to correct regional imbalances.

7. Measures to Implement Urban Reserves

The agencies appreciate Metro's formulation of clear "Strategies for a Sustainable and Prosperous Region." We strongly support the concepts of "making the most of what we have" and setting higher thresholds for serviceability of lands prior to their inclusion within the Urban Growth Boundary (UGB). ODOT requests that preparation of Interchange Area Management Plans (IAMP) be an integral part of any Concept Plans for Urban Reserve areas that encompass existing rural interchanges (or that generate a need for a new interchange). ODEQ urges municipalities to consider adopting or expanding current regional watershed plans to guide development in environmentally sustainable ways, and minimize impacts on streams and rivers.

8. Minimizing the Transportation-Related Costs of Growth

The Regional Transportation Planning process has shown that even within the current Metro UGB, transportation needs far outweigh ODOT's and local jurisdictions' ability to fund them. It is important that the amount of urban reserves be limited to only the amount that is necessary, and that these lands be located strategically so as to:

- a. Maximize efficient use of existing and planned state and local transportation facilities,
- b. Reduce reliance on state highways by maximizing the ability to provide for a well-connected multi-modal local transportation network, and
- c. Minimize the need for additional highway improvements.

9. Assuring that New Development Will Support State and Local Transportation Systems

Metro, the cities and the counties should assure that they collectively have mechanisms in place to assure that new development will contribute to local systems and state highway improvements that are needed to serve the new development. This includes bringing the existing highways up to urban standards, adding bike lanes and sidewalks, improving geometric and safety deficiencies, grade-separating intersections on expressways, widening arterials to 4 lanes plus turn lanes, and widening freeways to 6 lanes plus auxiliary lanes.

10. The Cost of Redevelopment and Infill

High density urban redevelopment and infill will not be inexpensive. Public infrastructure and development costs for South Waterfront's first phase totaled \$195 million with an estimated price tag of another \$145 million for its second phase. Metro has indicated that urban renewal and other funding mechanisms (TIF's, assessments) will be needed to meet objectives for accommodating growth within the existing UGB. Brownfield redevelopment funding and related partnerships are also available resources to communities. The agencies are supportive of redevelopment and infill, but the costs

associated with refill can be substantial and should be weighed against the costs of expanding into the urban reserves. Metro and the counties are required to adopt measures to implement urban reserves; these measures should include provisions to assure that infrastructure requirements and costs (and cost allocations) are detailed *before* lands are included in the regional UGB so that clear market signals are sent, and so that land prices appropriately reflect the costs of development. Required planning for infrastructure, public facilities and environmental protection before these areas are brought into the UGB will also help assure that only those lands that can add significantly to the regions' ability to accommodate population or employment needs are added to the UGB.

11. Urban Reserves That Include Wetlands and Other Aquatic Resources

Metro, the counties, and property owners should understand that urban reserve designations will not allow development involving wetlands or other waters to avoid state (Removal-Fill Law) and/or federal (Clean Water Act Section 404) wetland/waterway requirements to analyze practicable alternatives to avoid and minimize impacts to wetlands/waters. An urban reserve designation does not assure that the lands are developable. A cursory review by DSL staff indicates that up to 15 percent of the proposed Washington County urban reserve land is on mapped hydric (wetland) soils. While such mapping is certainly not definitive for the presence of jurisdictional wetlands and other waters, it does suggest that a sizeable portion of the urban reserve land will be subject to future discretionary reviews by DSL and the Army Corps of Engineers that may result in approval or denial of specific developments. Developments that are allowed in such areas will be subject to compensatory mitigation that may have the effect of further reducing the net developable land yielded from particular urban reserves.

The agencies encourage the counties and Metro to be explicit in their documentation and public outreach as to how important natural resource features that are included in urban reserves will remain protected for the future. This comment is not intended to advocate for less urban or more rural designations, rather, it is offered to make clear that not all urban reserves will be developable.

12. The Economic Importance of Rural Reserves for Forestlands

One purpose of the reserves process is to retain large blocks of forestlands in forest use so that future Oregonians, including urban residents, will continue to benefit from the wide range of environmental, economic, and social values forests provide. The demand for forest ecosystem services (specifically: recreation, carbon sequestration, passive-use values such as biodiversity, and water quality) is often constrained by the availability of healthy forest environments that support or provide these services. Maintaining and enhancing Oregon's forests' non-commodity contributions to state and local economies, communities, and Oregon's quality-of-life are very important to all Oregonians and recognized as important nationally. However, these values are often

taken for granted because they are not generally traded in markets. As such, they have no "price" and are therefore seemingly provided for free. Caution is needed in the Metro reserves process not to overlook or underestimate forest ecosystem service values.

As urban growth boundaries move closer to wildland forests and mixed forest and agricultural lands, there may be accelerated pressure outside the UGB for the in-filling of structures. Such outcomes can result in disincentives for continued investments in forest management and should be minimized whenever possible. Dividing the forest into smaller parcels and adding dwellings (with or without urbanization) can displace wildlife through habitat fragmentation, increase conflicts between residential and commercial forestry uses, decrease incentives to encourage forest land retention (such as forest land tax status), increase the cost of fire protection, incentivize further development pressure by an increasing disparity between forest land development property values versus timber values, and reduce the economic benefits of commercial timber production. Rural reserves should be considered as a tool to avoid this type of "halo" effect.³

II. Comments on the Location of Urban and Rural Reserves

The Metro Chief Operating officer's recommendations on urban reserves divided the region into 14 geographic areas. After providing general comments about the location of urban and rural reserves, the agencies are providing area-specific comments organized to correspond to those 14 areas. In a final section, the agencies also provide comments concerning lands that should remain with their existing rural designations (and not be designated as either an urban or a rural reserve).

A. General Comments on the Location of Urban Reserves

1. General Comments on the Location of Urban Reserves: Transportation Issues

It is important to designate urban reserves that can be designed to provide a complete local/regional multimodal transportation system and where the state highways either have the capacity to serve additional trips, are already planned to be improved, and/or are not excessively expensive to upgrade to urban standards in a manner consistent with the RTP Systems Development and Systems Design Concepts.

³ ODF encourages Metro and the counties to more carefully consider the economic contributions of the forest products sector to the region's economy and the potential effects of future development and urbanization on the viability of the forest products sector.

ODOT's analysis shows that the highways least suitable to accommodate additional trips and most expensive to improve, are I-5 South, especially the segment from OR 217 to south of the Willamette River, and I-205, especially the segment from the Stafford Interchange to the Sunrise/OR 212/OR 224. Both I-5 and I-205 require corridor refinement plans to identify feasible solutions. Because of the presence of the Willamette River and the lack of bridge connections other than the I-5 Boone Bridge, it would be extremely difficult and expensive to provide a network of local multimodal transportation system connections between areas south of the Willamette River and the rest of the urban area.

A significant difference between I-5 and I-205 is that I-5 is already 6 lanes and thus is considered "complete" by RTP standards, whereas I-205 South is 4 lanes and hence the planned (but not funded) facility calls for widening to 6 lanes.

US 26 West is constrained by congestion at the I-405 tunnel and the limited opportunities and large potential costs to improve that segment, but the costs of widening US 26 to 6 lanes and reconstructing a number of interchanges and overpasses at the edge of the current UGB are smaller than the costs of improving I-5 and I-205.

TV Highway is already at 5 lanes and congested. Access management has proven to be difficult to implement, and opportunities to build a local network to reduce reliance on the highway are limited due to the presence of the railroad in close proximity.

OR 213 and OR 212 are both forecast to fail to meet the Oregon Highway Plan mobility standards even when widened to 5-lanes. Topography and the presence of natural resources limit opportunities to build a complete local transportation network in the area served by OR 213. The City of Damascus is in the process of developing a complete multimodal transportation system plan for the area now served primarily by OR 212.

2. General Comments on the Location of Urban Reserves: Floodplains and Stream Corridors

One significant locational issue for the counties and Metro is whether urban reserves should include floodplain areas and larger stream corridors. Some of the proposed urban reserves in Washington County include relatively large floodplain areas (e.g. along the Tualatin River, lower Dairy Creek, etc.). Clackamas County generally has worked to place larger stream corridors within rural reserves.

As a general matter, the state agencies believe that larger floodplain areas that are on the periphery of the urban area should *not* be included in urban reserves and that, instead, they should be used as a natural boundary between urban and rural areas to the extent possible. Although some development in floodplains may be possible, the overall amount of development likely to occur in floodplains does not justify their inclusion in urban reserves.

Washington County and Clackamas County appear to have taken very different approaches toward certain stream corridors. In Washington County, the preliminary urban reserves overlay or abut several current or potential salmonid-bearing streams such as Tualatin River, McKay Creek, Dairy Creek, Storey Creek and Rock Creek. In Clackamas County, the preliminary designation map generally recommends important stream corridors for rural designation (e.g., Clackamas River, Clear Creek, and Abernathy Creek). These differing approaches may lead to some confusion as to what the region's intent is regarding future stream/riparian area protections. The state agencies recommend the counties agree on a consistent approach that makes it clear to the public that important stream corridors will be protected.

3. General Comments on the Location of Urban Reserves: Water Supply Issues

The state requests that an analysis of water supply capacity be completed for each proposed urban reserve prior to its inclusion with an urban growth boundary to determine if urban development will conflict with resource protection or water supply issues. The analysis would include an assessment of the following factors:

- a. Identification of the current water service provider who will provide water to the new urban area;
- b. The total supply of water currently available to that service provider (i.e. currently available through certified/proven water rights);
- c. Of the total amount of water currently available, the amount of water currently unused by the provider that could be directed to serve the new urban area;
- d. Based on the size of the area and projected population and commercial/ industrial development, how much water is projected to be needed to serve the area when it is fully developed;
- e. If a deficit exists between the current water available (per existing water rights) and the projected total water demand when the area is fully developed, where does the service provider envision the additional water will be obtained?
- f. Identification of potential impacts to the quality of current drinking water supplies (such as the Clackamas River) in proposed Urban Reserves.

The current analysis of "service capacity" seems to be largely focused on whether site characteristics (e.g. topography) allow for the physical infrastructure to be put in place to service an area. It does not appear that an analysis has been completed yet to determine if the water is available to meet the needs of the additional urban growth being proposed for these areas over the very long-term.

4. General Comments on the Location of Urban Reserves: Impacts to Regional Water Quality

Urban Reserves are proposed in several water quality limited watersheds, such as the Tualatin and Clackamas Rivers. Urbanization will have multiple negative impacts to the

water quality of streams and rivers. Increased sanitary wastewater discharges will have an impact on the receiving rivers, and the location and nature of the discharges can substantially alter the nature of these impacts. Increases in impervious surfaces create stormwater runoff that can impact water bodies through an increase in pollutants and changes to stream flows. In addition, the conversion of former agricultural lands can mobilize legacy herbicides and pesticides in soils, sending these toxics in the watershed into streams, rivers, and other aquatic resources. New discharges requiring a permit will need to be coordinated in advance with ODEQ. These potential effects can be greatly mitigated through coordinated implementation of watershed plans and permits.

5. General Comments on the Location of Urban Reserves: Suitability for Industrial Development

Generally, to meet the regions' needs for long-term needs for industrial development, urban reserves should include lands that have:

- Clustering potential with competing and complimentary industries
- Multi-modal potential (rail/port)
- Good access to labor force
- Minimal slopes (10% max)
- Superior utility infrastructure (electric, water, gas, telecom)
- Access to major interstates, with I-5 being the most desirable
- Adequate Market Choice.

B. General Comments on the Location of Rural Reserves

1. General Comments on the Location of Rural Reserves: Threat of Urbanization

Regardless of whether their purpose is to protect agriculture lands, forest lands, or important natural features, rural reserves are not designed (or intended) to protect these lands from all threats – rather rural reserves are to protect these lands from *urbanization*. Proximity of land to the UGB is a measure of the degree to which lands are “subject to urbanization.” Many of the areas identified by the counties as potential rural reserves are detached from the UGB, and in some instances (particularly in Washington County) are located a great distance away. These lands are not threatened with future urban development, and should not be designated as rural reserves. Rural reserves are not a tool to be used to supplement or replace existing tools that are either in place or that are available to counties to “protect” rural lands from rural residential development and other rural uses that may conflict with agriculture, forestry, or natural resources. Proximity to major transportation corridors, interchanges, known “aspirations” and past actions further informs the analysis of areas “subject to urbanization”.

Washington County appears to be using the “subject to urbanization” factor to downgrade the importance of protecting some agricultural lands. This has led to a band of agricultural lands located around cities in Washington County being rated lower for protection as rural reserves. The ODA mapping of foundation and important agricultural lands took into account the implications of urbanization on the long-term viability of agricultural land. A great deal of foundation land shares an edge with an existing UGB. This was not accidental, such lands were reviewed and determined to be viable as agricultural lands over the long term with appropriate protection.

It is somewhat puzzling to observe how Washington and Clackamas County are applying the threat of urbanization factor to reserves. Washington County has designated most rural lands within the study area that are not proposed as urban reserves as rural reserves beyond three miles from the existing Metro UGB.

The agencies believe that the Clackamas County approach is generally more appropriate unless there is a specific showing of threat or urbanization for an area beyond three miles from the existing UGB or some other specific reason to use a rural reserve to guide the pattern of urbanization in a neighboring community (e.g., lands south of Estacada, across the Clackamas River).

At the same time, intact forestlands in the Gales Creek Canyon area northwest of Forest Grove, the Chehalem Mountains area, and the area northwest of Forest Park should be protected from urbanization through rural reserve designations. Urbanization in these areas would create environmental and economic conflicts.

2. General Comments on the Location of Rural Reserves: Factors

At times counties have indicated that the rural reserve factors in OAR 660-027-0060 are a "guide" for where rural reserves should be located. The counties and Metro need to be careful to base their decisions on the factors set forth in state statute and rule. These are not “guides” that can be considered along with other policy preferences. While there is much weighing and balancing involved in determining the appropriate designations, the factors set forth in rule can’t be skirted in order to achieve other desired policies.

3. General Comments on the Location of Rural Reserves: Blocks and Patterns of Agricultural Lands

The factors in OAR 660-027-0060(d)(A)-(C) need to be more carefully considered in determining the location of rural reserves. With respect to irrigation, there seems to be too much reliance on whether or not lands are located within irrigation districts. Many high-value crops are grown in the region without irrigation. Irrigation typically is not needed for several key crops (grass seed, legume seeds, hay, grapes once established, etc.). We also note that Washington County ranks lands within water-restricted areas lower. Agricultural lands with water rights in these areas should be protected (not

identified for urbanization) since they have a supply of water, and additional supplies will not likely be available. The Wildland Forest Inventory should not be used as a tool to measure the value of land for agriculture. This inventory appears to devalue most of the agricultural lands that ODA determined to be Foundation Agricultural Lands (e.g., such lands are shown as 5.99-6.76 on the county's scale). These lands are the heart of Washington County agriculture. This inventory should not be used to evaluate lands for agricultural value. A separate measure of forestry and a separate measure of natural features could be combined to determine where they overlap, but each characteristic should not be used to measure the value of another.

It appears that Washington County has given greater weight to viticulture lands when compared to other agricultural lands. This tends to devalue the bulk of the county's non-viticulture agricultural land base located in the Tualatin Valley. ODA strongly agrees that viticulture lands are an important part of the region's agriculture base. However, they do not provide the wider range of options for agriculture as do lands on the valley floor, and viticulture products do not rank higher in total value than other products grown in the county, such as nursery products, seed crops, fruits and nuts.

Washington County indicates in its report that areas of high parcelization were rated comparatively low for agricultural value, and that areas where a majority of tax lots are less than 35 acres are considered "parcelized." This 35-acre threshold is not a reasonable standard for parcelization and does not reflect the nature of farms comprised of constituent parcels and the practice of renting and leasing lands. Furthermore, the county states that it uses residential dwelling density as an indicator. This is problematic, as this analysis makes no distinction between farm dwellings and nonfarm dwellings.

4. General Comments on the Location of Rural Reserves: Blocks and Patterns of Forest Lands

ODF's spatial analyses focused on identifying forest lands within the reserves scoping area and highlighting forested areas still retaining "wildland" forest character (defined as forestlands with fewer than five existing structures per square mile) and "mixed forest and agricultural" lands (defined as intermixed forest and agricultural lands with fewer than nine existing structures per square mile). Long term retention of these two classes of forest land are viewed by the Department of Forestry as critical to maintaining forest environmental benefits such as wildlife habitat, water quality, and carbon sequestration and to maintain economically viable private ownership of productive commercial forest lands. Commercial forest land management may be more sensitive to the market signals provided by reserve designations due to the long rotation/investment periods involved. As a result, it may be more appropriate to include forest lands further from existing urban growth boundaries where there is already some evidence of large-lot residential conversion in order to send a clear market signal.

5. General Comments on the Location of Rural Reserves: Most Recent Data

Metro staff recently provided a presentation to the MURR Steering Committee concerning recent changes in the Natural Resources Inventory to incorporate new data layers and improve the accuracy of data. The agencies recommend that the counties utilize these data in making their final proposals for rural reserves.

C. General Comments on the Location of Rural Lands (Lands Not Designated as Urban or Rural Reserves)

Retaining the existing planning and zoning for rural lands (and not applying a rural or an urban reserves designation) is appropriate for lands that are unlikely to be needed over the next forty years, or (conversely) that are not subject to a threat of urbanization. In addition, it is appropriate to assure that neighboring cities not within the Metro boundary each have some undesignated rural lands at their periphery in order to allow them to determine the location and extent of future urbanization.

D. Specific Comments on Proposed Reserves, By Area

1. Clackanomah and East Multnomah County Areas

The state agencies generally support the recommendations of Multnomah County for rural reserves in the East County area, except that they should generally be limited to areas within three miles of the existing UGB unless there is a specific threat of urbanization that they are responding to. The area around Barlow High School (south of Lustad Road to 302nd) could be included in an urban reserve or left with its existing rural zoning due to existing development patterns. Similarly, to align with Clackamas County, the area west of 287th (perhaps including land on both sides of that roadway) could be included in an urban reserve or left with its existing plan and zone designations.

In the Clackamas County portion of this area, the state agencies support the Metro Chief Operating Officer's (COO's) recommendation and the county's preliminary recommendations for both urban and rural reserves. This is one of the four areas in the region with lands closest to existing and planned transportation investments with superior access to labor force. At the Boring interchange on US 26 East ("Heidi's Corner"), an interchange area management plan (IAMP) will be needed to maintain separation between Sandy and the Metro UGB, and to ensure that urban development does not spill across US 26 to the east or south.

Finally, development in the East Buttes area (west of SE 272nd Ave) should be precluded or otherwise conditioned to protect the values of this natural feature.

2. Damascus

The state agencies support both the county's and the COO's recommendations for this area. In particular, lands that are already within the City of Damascus should be included within urban reserves. However, the agencies also support leaving Noyer Creek and Deep Creek as rural reserves. It is important to note that OR 212 is forecast to fail to meet mobility standards even when widened to 5-lanes. Topography, infrastructure costs, and the presence of natural resources limit opportunities to add significant housing or employment capacity in this area.

For the area included within an urban reserve, there are a number of natural features that should be protected during urban development. Specifically, special consideration should be provided to protect the values and functions of Richardson Creek, Noyer Creek and Deep Creek where these features exist within the urban reserve.

3. Oregon City

The state agencies generally support the COO recommendations (including Henrici Road). The bench lands located along the southern Oregon City UGB should be included as urban reserves. The Northeast Oregon City subarea (Forsythe/Holcomb) should be included *only* if needed to reach overall regional housing land targets or regional balance. It is important to note that OR 213 is forecast to fail to meet mobility standards even when widened to 5-lanes.

Urban development should be excluded from Newell Creek Canyon to protect this important natural feature.

4. Stafford Area

The state agencies support the COO's recommendations for the Stafford area, specifically including the recommendation to increase the amount of urban reserves relative to the initial recommendation from Clackamas County (the agencies would tend to include even more lands than the COO appears to recommend). This is one of the four areas in the region with lands closest to existing and planned transportation investments, and with superior access to the regional labor force (if I-205 is widened, or HCT is extended along I-205). As a result, it is particularly well-suited for long-term employment purposes. A larger area is recommended for inclusion recognizing the significant transportation costs (widening I-205 to six lanes, interchange improvements) that would be required in the long term. North of I-205, carefully-designed conditions should be included to protect the areas within the Tualatin River floodplain (and significant associated drainages, e.g. Wilson Creek) for their natural resource and wildlife values.

The vicinity of the Stafford interchange on I-205 should be included within the UGB only if an interchange area management plan (IAMP) is developed. Any new Town Center

or Station Community designations consider the barrier effect of the freeway itself, and reduce reliance on the freeway and the freeway interchange for internal circulation and short trips. Concept Plan(s) should provide for internal multimodal circulation and connectivity within the concept plan area, within any proposed new mixed use centers, and to the existing Town Centers of Wilsonville, Tualatin, West Linn, and Lake Oswego.

5. East Wilsonville

The state agencies support the recommendations of the Metro COO regarding urban reserves and rural reserves in this area.

6. South and West Wilsonville/South Sherwood

South Wilsonville

ODOT, ODA, DLCD, OWRD, DEQ, ODFW, and DSL support the preliminary recommendation from Clackamas County to designate lands south of the Willamette River (French Prairie) as a rural reserve. The reasons for a rural reserve designation include: threat of urbanization, high suitability for agriculture, very significant transportation limitations (Boone Bridge capacity and no alternate river crossing, poor multimodal connectivity), poor suitability for urbanization (services and distance to existing population), and concerns about encouraging urban development moving south along I-5 into prime agricultural lands.

Oregon Business Development Department supports leaving the portion of the French Prairie area along I-5 and Highway 99 undesignated, to provide more flexibility in the event that additional large employment sites are needed in the region over the long term.

West Wilsonville/South Sherwood (Clackamas County)

The agencies support the COO recommendations for this area (both for urban and rural reserves).

West Wilsonville/South Sherwood (Washington County)

The agencies support the COO recommendations for this area (urban reserves). There are significant transportation issues associated with this area over the long term (Highway 99W and Tualatin-Sherwood Road) that will limit its ability to provide significant employment opportunities until resolved.

7. West Sherwood

Generally, the state agencies do not support including the areas due west of King City suggested as urban reserves in the COO and Washington County recommendations.

Generally the areas west of Sherwood suggested as urban reserve by the COO and Washington County should not be included, except for the southern portion of this area west of Highway 99 bisected by Kruger Road. Specifically, Tualatin River floodplain and riparian habitat north of SW Lambeau Road, west of SW Roy Rogers Road, and east of SW Elwert Road should be included in the adjacent rural reserve proposed north of the Tualatin River.

The areas described above should be “undesigned” rural lands.

Rural reserves more than three miles from the existing UGB should not be included unless there is some specific threat of urbanization. Lands along Highway 99, southwest of Sherwood, should be included in rural reserves.

8. Bull Mountain

The state agencies support the COO’s recommendations for this area. Rural reserves more than three miles from the existing UGB should not be included unless there is some specific threat of urbanization.

9. Cooper Mountain

The state agencies support the COO’s recommendations for this area. Due west of the Murray Hill Center, only the eastern portion of the proposed urban reserves area south of Weir Road should be included as an urban reserve. The remainder of the lands should be designated as rural reserves. Rural reserves more than three miles from the existing UGB should not be included unless there is some specific threat of urbanization.

10. South Hillsboro

ODOT, Oregon Business Development Department, DLCD, OWRD, DEQ, ODFW, and DSL agree with the recommendations of Washington County and the Metro COO for this area, although foundation agricultural lands in the southwestern portion should be included only in the event necessary to meet regional needs.

ODA supports designating the portion of this area located south of Butternut Creek as a Rural Reserve. As pointed out in the analysis provided in the ODA report to Metro, Butternut Creek and the adjacent golf course would provide a good edge and buffer between the urban area and a large area of foundation agricultural land. Urbanization beyond this “buffer” presents serious issues relating to the long-term integrity of the larger agricultural area located south of the current urban growth boundary (see *Identification and Assessment of the Long-Term Commercial Viability of Metro Region Agricultural Lands, Oregon Department of Agriculture, January 2007, page 48*).

11. Cornelius/Forest Grove

The state agencies generally concur with the COO recommendations for this area. Urban reserves should provide a (limited) long-term land supply for both the cities of Cornelius and Forest Grove. For Cornelius, there are lands to the south and southeast of the city that are outside of the 100-year floodplain that are appropriate for an urban reserve designation. In addition, the area between Hillsboro and Cornelius, north of Baseline/Tualatin Valley Hwy and east of Susbauer, should be included as well.

For Forest Grove, the area bounded by Thatcher, Purdin and Highway 47 should be studied further for possible designation as an urban reserve.

Intact forestlands in the Gales Creek Canyon area northwest of Forest Grove should be protected from urbanization through rural reserve designations where subject to the threat of urbanization (generally within three miles of the existing UGB). Lands within the Tualatin River (and associated streams) floodplain also should be used as a natural boundary, and designated as a rural reserves where there is threat of urbanization, along with lands to the north of Council Creek, and lands to the south of Forest Grove along Highway 47.

Rural reserves for areas here that are a significant distance from the existing UGB don't appear to meet the factors in the rule for designation of rural reserves (except along Highway 47), and generally there is too much land designated as rural reserves in this area.

12. North Hillsboro

The state agencies agree that (with one exception) most of the area north of Highway 26 should not be designated as an urban reserve.⁴ One exception is the area to the northwest of the Shute Road interchange (where additional transportation investments are anticipated). An Interchange Area Management Plan (IAMP) should be prepared during concept planning and adopted at the time this land is considered for inclusion in the UGB to ensure that surrounding land uses are preserved for the intended industrial use, based on the capacity of the interchange.

The area north of Highway 26 to the west of Helvetia and east of Jackson School roads should be designated rural reserves to form a "hard edge" to the boundary in this important agricultural region, except for area just east of the City of North Plains, which could remain "undesigned". In addition, the land south of Highway 26 in the vicinity of North Plains should be designated rural reserve (rather than current proposal as "undesigned") in order to steer urbanization for North Plains north of Highway 26.

⁴ Business Oregon supports a larger urban reserve designation in this area as needed to support long-term economic growth in key industries that are crucial to the state's economy.

The areas south of Highway 26 in the triangular shaped area bordered on the south by (approximately) Meek Road (and then by Waibel Creek further to the west) should be designated rural reserve to form a hard edge to that region, primarily due to significant agriculture lands and in part to reflect the fact that the Jackson School Road interchange and the road itself are designed to handle only rural levels of traffic.

The agencies agree that the area south of the triangle described above (i.e., north of Evergreen to Meek Road and then Waibel Creek extending McKay Creek to the west) should be urban reserve, as recommended by the County and the COO (and as identified in Hillsboro's concept plan), primarily to provide additional employment lands in this part of the region. However, the floodplain and riparian habitats associated with McKay Creek and Waibel Creek should receive protection during urban development.

13. Cornelius Pass

The agencies concur with the Metro COO's recommendations for this area.

14. West Multnomah County

The agencies agree with COO recommendations for this area. Agricultural and forest lands that are under threat of urbanization and that have high wildlife habitat value (including Sauvie Island and non-industrial forest lands linking Forest Park to larger blocks of wildland forest to the northwest as a wildlife migration corridor) should be designated as rural reserves. It is in the best interests of the state, Metro, the affected counties and urban residents to provide these landowners with economic incentives to continue investing in forest management rather than converting these lands to non-forest uses.

The corridor between the Multnomah Channel and Highway 30 is currently recommended as "undesignated." The rationale against rural reserve designation is, in part, the extent of wetlands and potential flooding that likely limits the footprint of development. The agencies are concerned that even with these development limitations, because of the proximity to Highway 30, there is a high long-term threat of urbanization. At the same time, the substantial aquatic habitat values and transportation access concerns suggest that this area be designated as a rural reserve.

Thank you for this opportunity to help Metro and the three Metro area counties determine how and where its residents will live and work during the next forty to fifty years. Our collective goal is to assure that the region's future is a sustainable one that best achieves livable communities, and that assures the viability and vitality of the agricultural and forest industries and protection of the important natural landscape features that define the region for its residents.

Sincerely,



Richard Whitman
Director
Oregon Department of Land
Conservation and Development



Matt Garrett
Director
Oregon Department of Transportation



Katy Coba
Director
Oregon Department of Agriculture



Dick Pedersen
Director
Oregon Department of Environmental
Quality



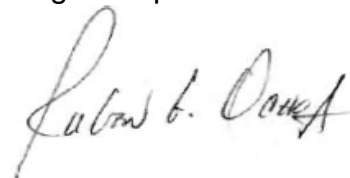
Tim McCabe
Director
Oregon Business Development
Department



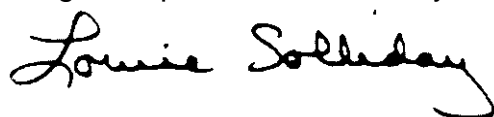
Roy Elicker
Director
Oregon Department of Fish and Wildlife



Marvin Brown
Director
Oregon Department of Forestry



Ruben Ochoa
Water Policy Analyst
Oregon Water Resources Department



Louise Solliday
Director
Oregon Department of State Lands