

**Testimony of Metro Councilor Craig Dirksen
In Opposition to Senate Bill 716
Senate Committee on Environment and Natural Resources
April 6, 2015**



Job creation and economic development are of critical importance not only to the Portland metropolitan region, but to all of Oregon. The proponents of SB 716 claim they seek to advance job creation, but unfortunately the effect will be the exact opposite. SB 716 runs counter to state, regional and local land use policy, will dilute our region's efforts to create development-ready employment sites and will lead to more uncertainty and lawsuits. **We urge a no vote on this unnecessary and damaging bill and ask the Legislature to instead focus on supporting job creation efforts in our region and around the state by investing in infrastructure and programs to make the lands we already have development-ready.**

SB 716 is unnecessary and will not create more jobs

SB 716 allows counties to create new industrial reserves without any demonstration that these [those?] reserves are needed, and creates an expedited process for adding those lands to the urban growth boundary (UGB). However, our region's major challenge is not industrial land supply. There are already thousands of acres of land that are planned, zoned and protected for employment uses all across the region. The real challenge is finding ways to make the lands we already have development-ready.

Our region has spent significant time and effort to understand the state of our industrial lands. Metro's draft 2014 Urban Growth Report, completed with the input of a wide variety of public and private experts, identified **7,850 acres** of vacant or redevelopable industrial land inside Metro's UGB, including:

- 4,100 acres of vacant industrial land;
- 3,200 acres of redevelopable industrial land; and
- 550 acres of land in Washington County added to the UGB in 2014 under HB 4078 for industrial purposes.

These numbers only tell half the story because much of this land is not development-ready. That's why a coalition of public and private sector partners including Metro, the Port of Portland, NAIOP – the Commercial Real Estate Development Association, Business Oregon, the Department of Land Conservation and Development (DLCD), the Portland Business Alliance (PBA), and many local jurisdictions have completed two assessments since 2011 of the readiness of our region's industrial land, with a focus on large sites. Our 2014 assessment found 54 vacant or redevelopable sites of over 25 acres, far more than is likely to be needed to accommodate demand over the next two decades. These sites are in our existing communities, near potential employees and near needed infrastructure – ideal sites for job creation. However, only 14 of these large sites are development-ready now. Investments are needed today in critical transportation facilities and other infrastructure, in assembling sites owned by multiple owners, in cleaning up brownfields and mitigating wetlands.

Our region has worked hard to focus limited resources on readying these lands for employment growth. As an example, Metro's Community Development and Planning Grant program is funding work in Clackamas County and Washington County to identify ways to remove barriers to development of key industrial sites, and has funded other planning work for numerous industrial and employment sites around the region. Metro is investing Regional Flexible Funds to improve transportation access at multiple industrial sites, such as the Troutdale Reynolds Industrial Park improvements at I-84.

Adding more land to the UGB will not produce development-ready sites or industrial jobs – it will simply add more land that also requires substantial investment in infrastructure before becoming development-ready. In fact, adding more land would simply dilute our region’s ability to invest in priority job-creating sites.

SB 716 violates our region’s agreement on future growth

After many years of work with our residents, local elected officials, the business and agricultural communities and other interested parties to identify the best lands to look to for future growth in population and employment, Metro, Clackamas County, Multnomah County and Washington County designated urban and rural reserves in 2011. This collaborative process led to an outcome that, while not supported by all land owners, reflects the values of our residents and the planning goals and aspirations of our local governments. It also provides a template for a shared investment strategy, critical in the current environment of limited funding for infrastructure.

After years of building consensus, SB 716 would undermine the purpose of urban and rural reserves by putting rural reserves back on the table for development, and by allowing individual counties to unilaterally designate areas in urban reserves or rural reserves for future industrial development. A much broader set of regional stakeholders, including the cities that would be required to provide services, must be part of any discussion of which areas should be designated for industrial development and when they should be brought in to the UGB. The construct for these discussions already exists in our region under existing state law and should remain the rule.

SB 716 creates further uncertainty and will likely result in expensive, time-consuming litigation

By allowing counties to change urban and rural reserve designations without involvement of affected local jurisdictions or other parties, this measure would upend the highly collaborative and inclusive process that led to establishing reserves and a shared understanding of how and where our region might grow. Changing the reserves designations of land will create new problems and is likely to result in new appeals and lawsuits that will create further delays both for urban interests seeking to develop and for rural interests seeking certainty. The bill also directs to LCDC to adopt rules that run directly counter to existing state law and would be extremely controversial, resulting in time-consuming appeals and litigation. For example, the bill directs LCDC to adopt rules creating an expedited process for including new industrial reserves within the UGB without any review or analysis to document the existence of a regional need for industrial land. This directive would require not just new rules, but also revisions to Statewide Planning Goal 14. The bill also directs LCDC to adopt rules allowing the extension of urban services to a new industrial reserve without regard for whether it has been added to the UGB, thereby reversing decades of state and local land use laws that prohibit extension of sewer and water lines outside existing UGBs and requiring amendments to Statewide Planning Goal 11.

SB 716 runs counter to the values of our citizens

Oregonians take pride in our state. We cherish the sense of place that we’ve successfully guarded even as significant population growth has occurred. Time and time again, people in our region have told us that they want us to continue protecting the region’s quality of life. For example, in a poll a few years ago 80 percent of voters in our region agreed that over the next 25 years, building on all vacant lots and redeveloping all substandard buildings along commercial streets near their neighborhood is a reasonable choice to make so that less farm and forest land will have to be developed. Nearly two thirds said that “development should be where development is now – not by making farm and forestland available.”

These values and simple common sense have inspired our region to work together to focus efforts and resources on the thousands of acres of available industrial land we already have, to create jobs near where citizens live and to protect the farms and forests outside the urban area. **We urge you to reject SB 716 and instead join us in identifying additional ways to invest in the development of the thousands of acres of vacant and redevelopable industrial land we already have across our region.** Working together, we can provide the conditions for job creation, economic development, and a more prosperous future for the people of our state.

Thank you for the opportunity to testify today.