



Oregon

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April 6, 2015

To: The Honorable Senator Chris Edwards, Chair
Senate Committee on Environment and Natural Resources

From: Jim Rue, Director
Department of Land Conservation and Development

Regarding: Senate Bill 716

This bill would allow Clackamas, Multnomah and Washington Counties to each designate one “large-lot industrial reserve” of 150 to 500 acres adjacent to the Metro urban growth boundary (UGB). The bill defines large-lot industrial reserve as predominantly flat, with access to transportation or freight infrastructure, and where development can be expedited without significant delay related to environmental or other developmental constraints. The bill would change the “priority of land” considered when and if Metro amends the UGB; land designated industrial reserves would be first priority along with urban reserves.

The bill would significantly change existing state land use policy regarding urbanization in the Metro area and would potentially result in the re-designation of prime agricultural land for large-lot industrial use, including high-value farmland that is currently designated and protected as rural reserves. In addition, while existing statutes regarding designation of urban and rural reserves provide a joint authority by agreement, so that both a county and Metro may mutually designate urban reserves, this bill would provide authority to counties alone for designation of industrial reserves, requiring only “coordination” with Metro. Moreover, this bill would allow these industrial reserves to include land that is, today, intended as “rural reserves,” areas that were established by Metro and Metro area counties to ensure 50-year protection for the most significant farm, forest, and other natural resource areas.

The department has been closely engaged in conversations about the regional land supply and we understand that there has been frustration with the length of the process to designate long term land supply. However, the department has significant concern that SB 716 would establish a new process and begin yet another round of regional conversations about very long-term land needs at the edge of the region. Such conversations require considerable local and state resources that, in the department’s opinion, take away focus on important near-term planning needs. The original legislation in 2007 that authorized Metro area governments to engage in a coordinated public process to consider 50-year land needs – Urban and Rural Reserves – was enacted in order to help the region once and for all settle its long term boundaries. The Metro area has a long history of contentious debate about its boundaries, and most often this concerns land at the very edge of the 20-year urban growth boundary that would probably not be needed in the near-term. Attention to the 20-year boundary – as well as the 50-year boundary – has diverted local,

regional and state planning resources that would be better spent in attention to near-term development of the region, including 5-7 year needs for roads and other public facilities, connectivity, affordable housing, and community planning. Today, eight years after the urban and rural reserves legislation took effect, the region is still working to complete its consideration of its 50-year needs. While that consideration is well-along and the end is in sight, the department is concerned that this new legislation that would establish still another, different process for consideration of even more long-term land supply for the region.

We note that the bill requires the Land Conservation and Development Commission (LCDC) to adopt rules to implement the new law. These rules must allow Metro to expand the Metro urban growth boundary into an industrial reserve if a county finds a “critical need” for such land. The rules must allow the extension of urban services to land in the industrial reserve before the land is included in the urban growth boundary. These are significant policy issues and as such (similar to the year-long rulemaking LCDC conducted in 2008 regarding the Metro urban and rural reserves) this new rulemaking would also be complex and very likely it would be contentious, requiring staff and other DLCD expenses.

Thank you for considering this testimony. If you have questions, please contact Bob Rindy, DLCD Legislative Coordinator, 503-934-0008, or email at bob.rindy@state.or.us.

Copy: Richard Whitman, Governor’s Office
Greg Macpherson, LCDC Chair