

OREGONIANS IN ACTION

April 6, 2017

Oregon State Senate
Environment and Natural Resources Committee
Oregon State Capitol
Salem, OR 97301

Re: Senate Bill 432

Chair Dembrow and Members of the Committee:

Thank you for the opportunity to testify in support of Senate Bill 432. Senate Bill 432 is an important bill, giving eight small (in population) non-growing rural Oregon counties the ability, at their choosing, to temporarily opt out of the statewide land use planning goals until they can begin to grow. The bill applies to the following eight counties – Harney, Malheur, Baker, Wallowa, Grant, Sherman, Gilliam, and Wheeler Counties.

SB 432 is patterned after Washington's Growth Management Act (GMA), a set of laws enacted by the Washington State Legislature in 1990, nearly twenty years after Oregon enacted Senate Bill 100 (1973), which created our statewide, centralized land use system. Having the benefit of witnessing Oregon's struggles to implement SB 100, the Washington Legislature reached a compromise on its GMA. The compromise allowed Washington's small, non-growing counties to opt out of GMA compliance, and continue to retain local land use planning authority.

Of Washington's 39 counties, 10 have opted out of GMA compliance. They are scattered throughout the state. In December, 2014, Perry Huston, Planning Director for Okanogan County, one of the ten Washington counties which had opted out of GMA compliance, appeared before the Senate Rural Communities Committee and testified about his experience with the GMA. Prior to becoming planning director, Mr. Huston was a commissioner in Kittitas County, a Washington county that was subject to the GMA. That experience allowed Mr. Huston a unique perspective – being an elected commissioner in a GMA county, and a planning director in a non-GMA county.

As Mr. Huston testified, there is no difference in development patterns between the GMA counties and the non-GMA counties. Crossing the boundary from Kittitas County to Okanogan County, one will not see a difference in growth. The growth patterns in the non-GMA counties, to the extent there is growth, are not different than growth patterns in the GMA counties. This is the proper comparison for SB 432.

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Oregon's rural counties, especially in Eastern Oregon, have had monumental economic struggles. In multiple presentations, economists have noted that Oregon's rural counties suffer from high unemployment rates, poverty rates that greatly exceed those in urban areas, and dim prospects for the future. Trying to pinpoint a single cause for this is impossible, likely because there is not a single cause, but rather a multitude of reasons.

What we do know, however, is that the eight counties that SB 432 would apply to are not thriving, and are nothing like the counties in Oregon that are attempting to manage growth. The growth statistics bear this out. Attachment A to this letter illustrates the change in population for each of the eight counties between 1950 and 2012. What is striking about the chart is that six of the eight counties are smaller in population today than they were in 1950. In other words, while Oregon as a state has added over 2.3 million new residents in the last 60 years, the eight counties combined have added just 3,000 new residents in the same time period, and six of the eight counties have shrunk. While it took 60 years for the eight counties combined to add 3,000 residents, it takes approximately one month for the Portland metropolitan area to add the same number of residents.

At the extreme of this problem is Wheeler County. In 1950, the population of Wheeler County was 3,313. As of 2012, the population of Wheeler County is 1,424, a decline by nearly 60% in the last 60 years. It is not just Wheeler County, however. Baker, Grant, Wallowa, Sherman, and Gilliam Counties are all smaller today than they were in 1950, and Sherman and Gilliam counties have lost 20% and 30% of their populations, respectively.

Moreover, the lack of population in the eight counties is staggering. Combined, the total population of all eight counties is approximately 73,000 people. That's for all eight counties. By contrast, the population of Medford is approximately 78,000 people. Medford occupies nearly 26 square miles of land. The eight counties subject to this bill occupy nearly 35,000 square miles of land, over 1/3 of the state's total area.

What all this means is that Oregon has a significant area with extremely low population, plagued by high unemployment and poverty, and struggling. To make matters worse, these areas are not growing, meaning that new industry is not locating there, and the few students left are migrating elsewhere, not by choice, but by the necessity to find work. It is truly the emptying out of a significant part of our state. This is not healthy, and makes it harder for existing residents to survive, as the population ages, services become more difficult to obtain and to pay for, school enrollments shrink, and generations of people leave, never to come back.

SB 432 is not an instant fix to these problems. Land use is but one of many factors leading to the decline in rural populations. But SB 432 will give counties the ability to control at least one aspect of growth in their communities. The bill is not prescriptive – it does not mandate that counties opt out of the state goals – that decision is their choice. Nor is it permanent – once a county begins to grow, it is required to comply with state land use goals. Nor does it abolish planning in the eight counties – each county is required to adopt and maintain a comprehensive plan and a zoning ordinance, just like existing law. And

the opt out provisions will never apply to Oregon's growth areas or counties with larger (more than 50,000) populations. The bill is a rural Oregon bill, designed to help Eastern Oregon economies.

A common theme in the Capitol for the past few sessions has been helping Oregon's struggling rural economies. This bill is a small step in demonstrating that there is actual meaning behind those sentiments.

Opponents of the bill are likely to raise a host of reasons why this bill should not be passed. I refer to these reasons as the "parade of horrors." At the top of the list will be such things as sprawling subdivisions, unbridled growth, wanton destruction of every last acre of farm and forestland, willy-nilly development without regard to infrastructure, dangerous development in hazard areas, destruction of natural habitat, and the list goes on. If there's a "horrible" to ponder, it will be breathlessly announced as coming right behind the adoption of SB 432.

The problems with the "parade of horrors" arguments are many. First, and most frustratingly, they paint a cartoon version of the locally elected officials who will continue to plan if SB 432 is enacted. These local elected officials are bright, capable, and want what's best for their communities. In that regard, they are no different from each of you. Elected by their constituents to represent their interests, county officials have no intent of committing the horrible acts that opponents will accuse them of committing.

It is in no way a slight to either LCDC or DLCD to say that the locally elected officials in these eight counties have a better sense of the needs and desires of their local communities than the state agency does. And all eight counties have a capable land use planner with the ability to guide the commission as they weigh their options.

Second, the historic growth patterns belie the "parade of horrors" arguments. In the 25 years prior to the enactment of SB 100, the eight counties affected by SB 432 weren't growing. After the enactment of SB 100 in 1973, the eight counties have not grown. In other words, it does not appear that there will be unbridled growth if these eight frontier counties are left to their own planning. It didn't happen before, and it won't happen now. The state's planning system was created as a means to manage new growth. When there isn't any growth, as we've seen in the eight counties, what is there to manage?

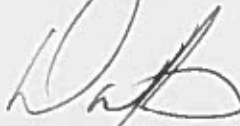
Third, it appears that a common belief amongst the most ardent advocates of SB 100 is that Oregon land use laws are the only thing that is stopping sprawling growth. Not only is that claim patently false, but it completely ignores the economy. In order to attract the private investment needed to create growth, there needs to be the expectation that the investment will yield a return. The eight counties impacted by SB 432 are rural and located far from Oregon's major metropolitan areas. In most cases, they lack the infrastructure needed for large scale development, and do not offer the amenities (hospitals, shopping, restaurants, entertainment etc.) that attract other development, particularly residential. The notion that a "California developer" will subdivide Wheeler County because he can (or that Wheeler County would allow this to occur) is ridiculous. Without a market, there will be no development.

And finally, the “parade of horrors” arguments share a common theme – that growth, by its very nature, is inherently bad. If SB 432 were enacted, and somehow Wheeler County attracted a new industry, created new jobs, and built a few homes, why is that bad? Frankly, if that happens, then we ought to have a party at the Capitol.

As indicated above, SB 432 does not recreate the wheel. It takes an existing law (the GMA opt out provisions from Washington state) and incorporates it to Oregon. It will not end planning in the eight counties it applies to – counties are still required to plan. It does not end the involvement by LCDC in those eight counties – the commission can still play an advisory role and offer technical support and expertise to the eight counties, and once growth occurs, if ever, the county will be required to opt back into the state goals. What it does do, however, is give counties one additional tool to grow their economies, at no cost to the state. For these eight counties, that is paramount.

Please support SB 432. Thank you for the opportunity to comment.

Very Truly Yours,

A handwritten signature in black ink, appearing to read 'D. Hunnicutt', written in a cursive style.

David J. Hunnicutt
President

GROWTH RATES 1950 – 2012

	<u>1950</u>	<u>2012</u>
Harney County	6113	7212
Malheur County	23223	30630
Baker County	16175	15909
Wallowa County	7264	6821
Grant County	8329	7317
Wheeler County	3313	1424
Sherman County	2271	1732
Gilliam County	2817	1953
TOTALS	69559	72998
Medford Oregon	17305	77677