

## PORTLAND, OREGON

Sam Adams, Mayor Nick Fish, Commissioner

Amanda Fritz, Commissioner Randy Leonard, Commissioner Dan Saltzman, Commissioner

January 11, 2010

President David Bragdon and Metro Councilors Metro Council Metro Regional Center 600 NE Grand Avenue Portland Oregon 97232-2736

RE: Testimony on Urban and Rural Reserves

Specific Reserve Designations for South NW Hills Area in Multnomah County Powerline/Germantown Rd./Lower Springville Road (County Map Areas 7a and 7b) Including Areas known as East Bethany and Bonny Slope East

Dear President Bragdon and Metro Councilors,

Thank you for allowing me the opportunity to share my position and recommendation on urban and rural reserve designations generally—and on the unincorporated NW Hills area of Multnomah County in particular.

First, on behalf of the Portland City Council, my fellow MPAC colleague Commissioner Amanda Fritz and I want to thank all of you for guiding the metro region to the final stages of an innovative and unprecedented land use planning initiative. This is ground-breaking planning work. If we get it right, our decisions will serve the region well for decades to come. We have been very impressed by your willingness to listen and respect diverse opinions as you deliberate.

The citizens serving on county Reserves Citizens Advisory Committees and staff also all deserve kudos for undertaking this pioneering effort. So many citizens, property owners and stakeholders deserve recognition. And we know each of you, as regionally elected officials, have played vital roles. In particular allow us to commend Multnomah County Commissioner Jeff Cogen for his dedicated work as Multnomah County's representative to the region's CORE-4. We also want to acknowledge Councilor Kathryn Harrington for her steadfast leadership as the Metro Council representative to CORE-4.

We share the values and objectives embodied in the COO's three pillars, and with these in mind, are asking the members of the CORE-4 to accept Portland's recommendations to the Reserves Steering Committee.

First, we should not lose sight that the region's investment strategy will have a huge effect on both the Reserves decision and the decision on the Urban Growth Boundary. We haven't factored in new investments and changes to financing mechanisms—such as additional Urban Renewal Areas along High Capacity Transit corridors or future streetcar alignments—and the impact those decisions can have on leveraging additional public and private investment that create vibrant and sustainable neighborhoods and business districts. Future public and private investments in freight movement and access to industrial areas will also need to be considered. Portland welcomes the opportunity in the coming months to explore new ideas for infrastructure funding.

Second, in terms of "urban" reserves, we should stay on the conservative side of the 40-50 year planning horizon. This means:

- 1. We should focus on 40 years;
- 2. We should focus on the bottom of the middle one-third of the forecast, and,
- 3. We should commit to revisit the urban and rural reserves every 20 years to recalibrate.

Our region is, for all intents and purposes, a living experiment in smart land-use planning. Following a very cautious approach is what any smart business would do in the face of so many uncertainties. Caution will minimize risks to our agricultural industry, our downtown cores, and our neighborhood communities. Being cautious will also avoid diluting Portland's redevelopment efforts and those of our neighboring cities.

Sometimes it is hard to imagine that the lifestyle of future generations will undoubtedly be very different from the lives we lead today, but how we plan today for our long term future has consequences. Over the next 20 to 40 years, the following trends are likely:

- Higher energy costs
- Carbon taxes or cap and trade regulations
- Only 20 to 25 percent of households will have 2 parents and kids at home.
- An aging population, with advanced health care needs and increased demands on services easily accessibly by walking or taking public transit

Portland is well-positioned to meet the demands that the future is sure to bring. Recent statistics show us that we have proven a strong track record of responding well to the marketplace and its demands over the past several years.

The city and the region's corridors as designated on the 2040 Growth Concept map hold great potential for redevelopment as investments in transit, bike, trails, sidewalks and pedestrian access improvements are made over time. Portland has over 50 miles of mainstreets and over 75 miles of corridors.

The region has selected two new priorities for future HCT extensions along the Powell Corridor and the Barbur/99W Corridor. Both of these present significant redevelopment potential by supporting the market to redevelop key opportunity sites to transit and pedestrian-friendly uses. The Portland Streetcar Framework has identified over 70 miles of near term and long range potential streetcar corridors. The city's track record of strategic transportation investments and incentives has the potential to leverage public and private redevelopment along these corridors. Our nation's leaders have taken notice—and shown a willingness to have Portland serve as a national model by making a commitment to significant funding contributions. When coupled with local and regional investments, the corridors are likely to contribute significantly to the vitality of neighborhoods, business districts, and sustainable communities that Portlander's desire.

Finally, it is essential to the health of the region and Portland's industries and industrial sites to maintain and grow a healthy working harbor. We are committed to cleaning up, over time, our brownfield sites, and consolidating and assembling adjoining parcels to provide larger sites. Opening up huge tracts of otherwise excellent agricultural land for industry, when we have land with services already in the UGB, doesn't make sense from a regional investment point of view. The vast majority of our jobs are created through the growth of small businesses. We need to nurture and retain those companies while attracting others.

The City of Portland staff in the Bureau of Planning and Sustainability (BPS) staff has participated in the Urban and Rural Reserves process since the legislation passed in 2007. Portland also served on the regional Reserves Steering Committee. As Mayor, I designated Susan Anderson, BPS Director and Bob Clay, Supervising Planner, to represent Portland. My planning staff worked very closely with the Multnomah County planning staff and the county Citizens Advisory Committee (CAC) to provide information on land use, transportation and urban service suitability. At my direction and with the help of the City's Planning and Development Directors Team, city planning staff also convened the city's urban service provider bureaus to analyze the feasibility, costs and benefits of providing urban services to several locations in the NW Hills—and to weigh these against the city's many priorities.

In part, because of this internal and external collaboration with the county, we can say the city is largely in agreement with most all of the recommendations before you. Within Multnomah County, adjacent to Portland' boundary, there is only one area—the NW Hills South Area (County Map 7a and 7b) where we differ from the county staff recommendation. Let me highlight those reasons:

The areas in question are in Suitability Area 7b, and also contain areas known as East Bethany and Bonny Slope East/East Laidlaw Road.

## 1. Multnomah County NW Hills, including East Bethany - County Map 7a and 7b

At this time, and based on city staff evaluation of the reserves suitability criteria, the City of Portland recommends this area be designated rural. We conclude that the suitability criteria support a rural designation over either an urban or no designation.

The City of Portland recommendation for this area is the same as the recommendation by the Multnomah County Citizens Advisory Committee and the County Planning Commission. All the NW Hills area should be designated rural.

We believe a "no designation" is an incorrect interpretation under the law's purpose. A "no designation" is too uncertain and too ambiguous. Without a rural designation it leaves lands threatened by adjacent urbanization—and subject to disinvestment and speculation.

More specifically, a "no designation" does not meet the statutory purpose statement envisioned in SB 1011 and contained in Administrative Rule (OAR 660-027-0005). The statute and rule call for either protecting lands, for their farm, forest, natural systems or natural landscape features value, or designating them as future urban to meet future urban land needs. The City of Portland believes this means that where lands meet the rural reserve criteria—and these areas do—and where these outweigh the urban criteria, then there is an affirmative obligation to designate those lands as rural. Only a rural designation can "limit urbanization" and "define the natural boundaries of urbanization." Urban and rural designations were meant to work together to help ensure livable communities, including the protection of the natural landscape features that define the region for its residents. A "no designation" does not work together to achieve this end and leaves as an open

question a decision that is called for by the statutory purpose and rule. Relevant language in the purpose statement states in part,

"...Rural reserves under this division are intended to provide long term protection for large blocks of agricultural or forest land and for natural lands cape features that limit urban development or define natural boundaries of urbanization." (Emphasis added)

The natural landscape features that extend westerly from Forest Park are without a doubt one of this region's premier regional natural landscapes features. The western hillside flanks of Forest Park include vegetated riparian streams, wildlife habitat, and corridors for ecological and scenic connectivity. These are regionally significant features in themselves. The northwesterly stair-step county line purposely follows the toe of the Forest Park hillside portion of the Tualatin Mountains. When taken together with the County line, and coupled with the same boundary as a major power line easement, it divides the North Bethany concept plan area and Lower Springville Road/East Bethany properties in ways that both "limit urbanization" and "define natural boundaries of urbanization." Both an Oregon Court of Appeals ruling (Case A122246 and A122444; 9/08/05) and a Metro Ordinance (No. 02-987A, page 9; 12/12/02) reached similar conclusions based on findings of fact concerning the North Bethany expansion area eastern boundary.

The county line in this location also meets the Metro Council's Guiding Principles for Urban and Rural Reserves Analysis and Designation adopted March 29, 2009 as Resolution No. 09-4101, Exhibit A. Principle # 5 states, "Natural and made-made features will help establish hard edges." The stair-step county line and the power line are man-made, and the broader regionally significant natural landscape features constitute logical or intuitive edges to urbanization in the long term. There is no other better long term, permanent and "hard-edge" boundary in the area. When reserve analysts consider the multiple factors taken together that make great communities, we believe the obvious conclusion is a rural designation.

During the course of the reserves process, city service providers met to consider the reserve factors and evaluate the NW Hills area. The group concluded that there were insufficient reasons to designate the area urban. Let me summarize seven of those concerns:

a. Governance: There is a very difficult and long-standing challenge of governance in this area, which remains unresolved. Multnomah County has not provided or coordinated urban services for development for more than 25 years, since the passage of Resolution A in 1983. No municipal government has made an affirmative commitment to serve. Metro's own study in 2006, titled *Great Communities*, used the NW Hills as a test area. That study found the same governance circumstances lacking and the natural landscape features and environmental attributes compelling conditions that would limit urban productivity. Rural roads to Portland from this location are steep, narrow and unsafe for urban commute volumes and are too expensive and impractical to improve. This area raises all the same cost and service delivery issues as have been found virtually impossible to resolve in Bonny Slope West (Area 93).

Let's not condemn a few small patches of low suitability landscape east of the county line to the same ambiguous fate by leaving this land undesignated. These relatively small areas are part of the broader mosaic of a regionally significant natural landscape features extending from Forest Park. b. Suitability: Setting aside governance, and even if Portland or other provider(s) could serve a small portion the area cost-effectively, there is a question as to whether this is a priority location to meet long-term future housing and community development needs given the areas natural landscape features. We think given this location's context with Forest Park and its important natural landscape features and attributes, a "rural" designation is warranted. We think that when combined with the city and region's many other priorities, that on balance, it is not the right location at this time. We think the county line together with the Powerline easement location makes development west-to-east into Multnomah County impractical and the potential development impacts to adjoining natural features of Forest Park significant.

Portland is committed to build upon the legacy of Forest Park and over time, acquiring key parcels through the Metro Greenspaces program and city contributions. The city has not seen convincing evidence that residential development of the type contemplated will generate enough revenue to contribute to additional land purchases for open space adjacent to Forest Park.

- b. Unknown urban service liability and maintenance obligations: The city is also concerned about off-site transportation costs and impacts through portals into Portland. Our Portland Bureau of Transportation staff (PBOT) has expressed major reservations about future service liability costs for maintenance. City transportation staff is likewise concerned about off-site SDC contributions required for additional Washington County north-south collectors such as the extension of NW Saltzman Road for example. Residential development that straddles Lower Springville Road would almost certainly require major off-site road improvements. Development in this area will contribute to additional traffic on rural routes to Portland; roads that pass through environmentally sensitive areas that already have traffic congestion, safety problems, and are virtually impossible to improve in a way that handles additional volumes of urban commute traffic. Portland has an extensive and growing backlog of infrastructure needs and maintenance and an obligation to residents in existing centers, corridors and employment areas.
- c. Impacts from traffic and development on Forest Park: Our Parks Bureau staff has raised concerns over environmental impacts to Forest Park. There is concern over impacts from traffic and development on nearby Forest Park, environmentally sensitive areas, stream corridors, wildlife habitat and natural landscape features.

The concept of generating excess revenues from residential development to acquire off-site park and open space land near Forest Park while interesting, met with great skepticism in light of expected on-site development costs and off-site transportation costs in particular.

d. Meeting Regional Housing Needs: There can be no mistaking that Portland and Multnomah County cities have historically accommodated a large share of population growth in the region. This residential development has included some of the highest overall densities and a range of needed housing types, including some of the region's most cost-burdened households. Portland is an unfinished city. Through infill and redevelopment Portland has accommodated 36% of all housing starts in the region over the past 15 years. Portland expects to continue to accommodate a large share of the region's growth in a sustainable development pattern, largely served by transit.

Staff analysis finds that the city has significant zoned and planned development capacity in its many centers and corridors to accommodate change that is accompanied by a focused investment strategy. Current zoning has capacity for an additional 140,000 households today without a single parcel re-zoned. The Portland Plan, the city's Comprehensive Plan update, will test and further refine how the city changes overtime. The Portland Plan update has generally not focused on the having to meet the regions, or its own, urban land needs in any unincorporated areas of the NW Hills. Portland has enormous capacity and a redevelopment track record over the past 30 years. Together with the capacity in Gresham and other cities in Multnomah County, we believe the county's city's are doing more than their part to meet regional growth obligations over the next 40-50 planning horizon.

Washington County has proposed very large amounts of land for "urban" designation, including additional areas to the west of the North Bethany Concept Plan which we believe would, if needed, be more suitable if Metro finds additional land is needed. Given the aforementioned challenges, and unknown costs and benefits, from Portland's perspective, the properties east of North Bethany appears to offer lower urban productivity value to meet urban land needs compared to existing centers and corridors — and compared to urban designations proposed in locations adjoining North Bethany to the west.

- e. Food Security: While East Bethany does not contain "foundation" agricultural land, urbanization could adversely affect farm operations on surrounding "important" and "conflicted" agricultural lands. Given their proximity, these lands are likely to be increasingly important to the city and region for food security reasons.
- f. Portland has committed investment priorities elsewhere: As mentioned, Portland has extensive aspirations and infrastructure investment needs in its centers, corridors and employment areas—where it will accommodate a large growing number of households and jobs—and more benefits to more people in the future.

Should any properties east of North Bethany area become either "urban" or "undesignated," we urge you to recommend that Metro mediate a resolution to governance preferably between cities. Such an agreement would specify who provides municipal urban services in a way that is both cost-effective and within an existing city. A similar sub-regional agreement already exists for areas south of HWY 26 between Portland, Beaverton and Washington Counties; Metro Urban Services Boundary Ordinance #96-665C adopted March 6, 1997.

## 2. Bonny Slope East/East Laidlaw Road -

Multnomah County retained the City of Portland and several subcontractor consultants to prepare a Concept Plan for Bonny Slope West. The purpose was to fulfill a UGB expansion decision made by Metro in 2002.

After a very collaborative process between county and city staff and consultants, Portland has concluded it is not cost-effective for the city to provide or coordinate urban services to this location, and accordingly recommends "Bonny Slope East"—also known as East Laidlaw Road area—be designated as "rural."

In closing, let us remind you that making investments in our many existing centers, corridors and employment areas will be far more cost-effective than trying to pay for services and build new roads in relatively small, lower density residential enclaves; enclaves that are located in a difficult

geography, amid resource values and significant natural landscape features. Portland can deliver far more benefit for its citizens and citizens of the future, if we focus on producing more housing and employment opportunities that create sustainable neighborhoods and business districts within our region's already urbanized borders.

Commissioner Fritz and I look forward to seeing this important milestone become successful. Its success will help cement our long-standing regional partnership and continue our legacy as a national leader in planning innovation.

We appreciate the opportunity for public comment and applaud your leadership and the wisdom and foresight of this process. The legacy we have inherited from those who preceded us is our region's greatest asset. Building on that asset to plan for our region's green future is the legacy we leave for the generations to follow.

Best regards,

Mayor Sam Adams

Commissioner Amanda Fritz

City of Portland

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Portland City Council

Susan Anderson, BPS, City of Portland

Joe Zehnder, Chief Planner, City of Portland

Portland Planning and Development Directors

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