

Coalition *for a* Prosperous Region

**Clackamas County
Business Alliance**

**Columbia Pacific
Building Trades
Council**

**The Commercial Real
Estate Association
(NAIOP)**

**East Metro Economic
Alliance**

**Portland Metropolitan
Association of
Realtors®**

**Portland Business
Alliance**

**Westside Economic
Alliance**

April 30, 2012

Mr. Larry French
Periodic Review Coordinator
Department of Land Conservation & Development
635 Capitol Street NE, Suite 150
Salem, OR 97301

Subject: Comments on April 19, 2012, Department's Report on Metro
Capacity and UGB Ordinances (the "UGB Amendment")

Dear Mr. French,

The Coalition for a Prosperous Region (CPR) is a consortium of business, residential and labor organizations that includes the Clackamas County Business Alliance, Columbia Pacific Building Trades Council, East Metro Economic Alliance, Oregon Chapter of NAIOP (the Commercial Real Estate Development Association), Portland Metropolitan Association of Realtors®, Portland Business Alliance, and Westside Economic Alliance. CPR objected to the UGB Amendment, and this letter is CPR's response to the April 19, 2012, Department's Report on Metro's UGB Amendment.

CPR submitted objections to the adoption of Metro Ordinance No. 10-1244B on February 23, 2011. At that time, the coalition noted that it did not believe the ordinance provided sufficient housing and large-lot industrial land to meet future demand. CPR continues to believe that Metro's 330-acre projection will not be sufficient to respond to economic development and job growth opportunities and, ultimately, will result in a reduced job capture ratio for the metropolitan area.

At the same time, CPR does not believe the remand recommendation in the staff report is the appropriate remedy for addressing this shortfall. On the contrary, remanding the ordinance on the grounds identified in the staff recommendation will further penalize the region's economy and threaten job growth by delaying the development of needed industrial sites even further. Reconsideration on the issues identified in the staff report is unlikely to change the ultimate outcome but will require months, perhaps years, of what essentially amounts to additional busy work. Meanwhile, the region may well miss the next expansionary business cycle.

The staff objection fails to acknowledge the enormity of the task faced by Metro in developing a UGB expansion recommendation under new and evolving rules. Although CPR disagrees with the ultimate result, it believes that Metro conducted the process appropriately and the methodology it used is sufficient to, at a minimum, meet the burden of proof to support the recommendation. While it believes there should be adjustments to Metro's methodology for calculating the need for additional industrial lands, CPR believes those adjustments should be made prospectively so as

not to effectively leave the region even further short of needed industrial sites than it already is.

For these reasons, CPR recommends the following:

- LCDC approve and acknowledge the addition of 330 acres in North Hillsboro for large industrial sites and, at the same time, direct Metro to add the remaining 340 acres (of the 670-acre UGB expansion in North Hillsboro requested by the city of Hillsboro) to the UGB for additional large industrial sites in the next 5-year review of the Metro UGB to be completed in 2014. During the interim, DLCD and Metro can work to refine the methodological nuances that, while unlikely to change the ultimate outcome, staff feel are needed to address their concerns.
- LCDC approve Metro's recommended expansion for housing, which is expected to experience shortages in the next two years, and direct DLCD staff and Metro to review the methodology and assumptions for the housing component of future UGB recommendations to ensure that projected density assumptions are reflective of market reality.

Together, these actions will accommodate the need for increases in housing and industrial land availability in the short term, address the need for additional employment and housing lands in the longer term, acknowledge the sufficiency of the just-completed process and ensure that Metro's methodology is acceptable to staff in future UGB decisions.

If, despite Metro's extensive record and analysis, LCDC finds that remand is appropriate, CPR requests that LCDC provide extremely explicit instructions on precisely what actions must be taken to address any perceived evidentiary or interpretational flaws and an expeditious timeline for responding. Otherwise, we are concerned that this overdue effort to revisit the 20-year land supply will fall into the same lengthy pattern of multiple appeals and delays that have stymied Woodburn, McMinnville and similar jurisdictions for years.

Thank you for considering our comments.

Sincerely,

A handwritten signature in black ink, appearing to read 'Drake Butsch', with a stylized flourish extending to the right.

Drake Butsch
President, Coalition for a Prosperous Region