

**KATE BROWN**  
**GOVERNOR**



April 6, 2015

The Honorable Chris Edwards  
Senate District 7  
900 Court St NE, S-417  
Salem, OR, 97301

The Honorable Arnie Roblan  
Senate District 5  
900 Court Street NE, S405  
Salem, OR 97301

Re: Senate Bill 716

Dear Senators Edwards and Roblan:

This afternoon, the Senate Environment and Natural Resources Committee is scheduled to hear SB 716, authorizing each of the three metro-area counties to urbanize a site of up to 500 acres for employment-related uses. I am writing to express concerns regarding the introduced version of this legislation. I understand that amendments to the bill *may* be forthcoming, but our office has not yet seen them, and as of 5 pm yesterday, no amendments were posted on the Legislative Information Service site.

The fundamental concern with SB 716 is that, as written, it undermines the very carefully crafted process for urban growth boundary amendments in the Portland metro area, and as a result threatens to destabilize the land use program in the most populous region of our state. In 2007, the Oregon legislature authorized the urban reserve program. The primary purpose of that program was to develop a long-term regional consensus on where growth would, and would not, occur. Metro, the three metro-area counties, and the state, invested thousands of hours and millions of dollars to complete that effort, as did thousands of metro-area citizens. The result was a decision supported by all three counties and Metro to designate 28,256 acres of urban reserves, containing enough land for the region's growth for the next 50 years.

As you know, in 2013, following an opinion by the Oregon Court of Appeals to send the reserves back to the region, primarily for Washington County to correct errors in its findings, the legislature worked with all three counties, Metro, and affected cities to craft a consensus fix to the court's decision. That consensus fix resulted in the addition of a large area of land (1,190 acres) to the regional urban growth boundary in Washington County, mainly for large industrial uses. In addition, the legislation expanded the quantity to urban reserves – lands available to be added to the urban growth boundary in an expedited process.

SB 716 would authorize individual counties in the Portland metro area to by-pass the regional government and the urban reserves program, and designate urban areas for employment uses unilaterally. Further, the bill would allow urban uses on high-value farmland, including rural reserves. The whole point of rural reserves was to provide certainty to Oregon's agricultural industries that certain lands would remain in farm use over the long term, incentivizing continued investments and protecting farms from conflicts. In 2007, SB 1011, establishing the reserves program, passed the legislature with solid bipartisan support, including the support of many sponsors of SB 716.

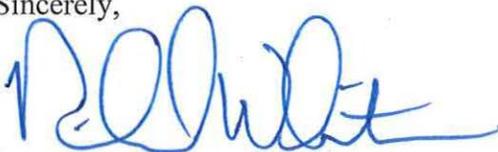
In addition to these process concerns and the fundamental destabilizing of the metro urban growth boundary and both urban and rural reserves, I want to make sure that you are aware of the following substantive issues with this bill.

1. The amount of large-lot industrial land that the bill authorizes is far greater than the long-term regional demand, according to the most recent regional forecast (up to 1,500 acres authorized, compared to a need of at most 400 acres).
2. The uses authorized include warehousing and other low job producing uses. The requirement for 6 jobs per acre on only 50 acres of each 150 to 500-acre site is at the *very* low end of any type of employment use.
3. The bill sets up a likely situation where the designation of these sites by the counties would prevent other employment lands from being added to the metro urban growth boundary for several decades. That is because Metro must demonstrate a need for employment land to add it to the regional UGB. Once these sites are added to the UGB, they likely would absorb all of the regional land need for employment land for quite some time, freezing other areas out.

In 2007, the legislature and the Portland metro region made a commitment to show where the region would, and would not, grow over the next fifty years. SB 716 throws that approach out before it has even been fully implemented.

Oregon has enacted several laws in recent sessions facilitating the development of regionally significant industrial areas. The state also authorized an expedited process to site large industrial uses of statewide significance in 2011, through SB 766. SB 716 addresses an issue that already was addressed in that earlier legislation, and does so in a way that seriously threatens the foundation of the Portland metro planning program. A concept like that reflected in SB 716 should only be advanced if there is a strong regional consensus and an identified problem that requires legislative intervention. Neither appears to exist with regard to SB 716.

Sincerely,



Richard M. Whitman  
Natural Resources Policy Director