1999-2001 Biennial Report

to the

Seventy-First Legislative Assembly

from the

Oregon Department of Land Conservation and Development

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Message from the Director

December 30, 2000

The last decade of the 20th century was very good to Oregon. It brought growth and prosperity to many parts of the state. Average incomes rose faster than the rate of inflation and brought Oregonians closer to where they stood before the recession of the late 80s and early 90s. The growth and prosperity offered many communities the opportunity to improve the livability of their towns. The Department of Land Conservation and Development helped these efforts with planning grants and technical assistance.

Dick Benner

But not all parts of Oregon shared this prosperity. The decade was hard on those communities heavily reliant upon Oregon's traditional natural resource-based industries. Shrinkage of supplies and markets closed wood products mills and factories in many towns. Depressed prices—following largely from increased international competition— hurt profits in many sectors of Oregon agriculture. Diminished fish stocks have forced curtailment of commercial and recreational fishing on the coast and the Columbia River. These events and others made life in many Oregon communities very difficult. Community leaders have been struggling to keep schools and Main Street shops open.

Can the Oregon land use planning program help these communities?

The land use program certainly cannot reverse the adverse effects of national and international forces. But the program can help communities prepare for the transitions they face in a world that gets smaller every day. This is particularly true if the agency works in close partnership with community leaders and state and federal community development agencies. This is where the Community Solutions Team (CST) comes in. CST is comprised of the directors of five states agencies. See www.communitysolutions.state.or.us.

For distressed communities, the Community Solutions Team is proving that the whole can sometimes be greater than the sum of its parts. For example, a planning grant from the Department of Land Conservation and Development to bring an industrial zoning code up-to-date can help a distressed community. But if the grant is made as part of a strategy that includes help from the Department of Economic and Community Development to improve the community's inventory of industrial land, and a low-interest loan from the Department of Environmental Quality to expand the capacity of a sewer system, the planning grant from DLCD goes much farther. This is one of the principal ideas behind the Community Solutions Team, which now has nine regional teams deployed across the state (see the Community Solutions Team) segment of this report for a fuller discussion).

Lakeview is a community that has suffered from reductions in timber harvest and depressed cattle and agricultural commodity prices. The city has decided to revitalize its downtown as part of an economic development strategy. The Community Solutions Team for the region offered to help by using the occasion of a repaving project on State Highway 140 (which serves as "Main Street" for Lakeview) to combine resources from the Oregon Department of Transportation and the other CST agencies to revitalize the downtown stretch of the highway. The work will soon be underway.

To complement efforts of the Community Solutions Team, our department established a planning grant program this biennium aimed directly at distressed communities – awarding close to $250,000. Once the new program received approval from the Legislative Emergency Board in the fall of 1999, the department began to make grants to communities on the list of "distressed communities" compiled by the Department of Economic and Community Development. The purpose of the program (called the "Community Readiness Grant Program") is to help make distressed communities better prepared to succeed at the economic development strategies they have chosen. Knowing that many distressed communities have small staffs, or sometimes no staff to prepare complicated grant applications, the department made the Community Readiness Grant Program simple. Often a letter from the community is enough to obtain a grant under the program. (Please refer to our Planning Grants web page at www.lcd.state.or.us.)

These new tools can help those Oregon communities bypassed by the prosperity of the 1990s get on the right track.

Introduction

With 1973's Senate Bill 100, Oregon's legislature established a strong statewide program for land-use planning. The program created a partnership in planning between the state and its cities and counties. It set standards, created an agency to administer them, and provided grants and technical assistance to help local governments meet those standards.

This report from the Department of Land Conservation and Development (DLCD) describes what Oregon's statewide planning program has accomplished during the 1999-01 biennium. Activities highlighted in the report are:

- Changes to LCDC rules following direction from the 1999 Legislature,
- Changes to LCDC goals and rules to improve the statewide planning program;
- Regional problem-solving and regional planning projects around the state;
- Participation in "regional partnerships" and other activities of the Community Solutions Team;
- Grants and technical assistance to cities and counties;
- Communications and outreach efforts;
- Periodic review of city and county comprehensive plans.

This report covers the 1999-2001 biennium (July 1, 1999, through June 30, 2000). It describes what the Department of Land Conservation and Development has been doing recently to meet the mandates of Senate Bill 100.

Managing Oregon's Statewide Program for Planning

The Department of Land Conservation and Development manages a statewide planning program that has one basic purpose: to protect Oregon's quality of life. The term may be difficult to define, but bountiful natural resources, livable communities, affordable housing, a robust economy, clean air and water, and efficient, low-cost public services come to mind.

Because Oregon's quality of life has all those components and more, the program to protect it is equally diverse. The program rests on a foundation of 19 statewide goals. They are mandatory standards to be met by cities, counties, special districts, and state agencies in planning and managing land use. The goals are located at our web site at www.lcd.state.or.us.

DLCD works closely with local governments and other state agencies to achieve the goals, using a variety of programs and activities. These are the tools of Oregon's statewide planning effort:

- Periodic review—working with cities and counties to update and improve their comprehensive plans.

- Plan amendment review—checking several thousand proposed amendments to local plans and ordinances.
- Help local governments—giving grants and technical assistance to cities and counties.
- "TGM"—a joint DLCD-Department of Transportation program to help cities deal with issues of Transportation and Growth Management.
- Regional problem solving—helping cities and counties work together with state agencies to develop solutions to regional land use problems.
- Community Solutions Team—working with teams of state agencies to help resolve difficult local or regional problems.
- Dispute resolution—working closely with Oregon's Dispute Resolution Commission to mediate disputes over use of land and natural resources.
- State agency coordination—ensuring that state programs comply with the goals and are compatible with local plans.
- Communications and public affairs— to enable legislators, planning professionals, the media and the public to have a better understanding of the mission, programs, policies and the complex workings of the agency.
- Coastal zone management—administering Oregon's federally funded coastal zone management program.
- Floodplain and natural hazards planning—serving as Oregon's federally designated agency to coordinate floodplain management in Oregon and help local governments address natural hazards.
- Oregon resource planning—implementing the state plan for Oregon's offshore resources.
- Research and policy development—refining statewide goals and rules and revising them to conform to new legislation.
- Citizen involvement—maintaining opportunities for citizen involvement in land-use planning.

The Land Conservation and Development Commission

Like most state programs in Oregon, the planning program is headed by a lay commission—the Land Conservation and Development Commission (LCDC). The commission was established in 1973. It has seven members, appointed by the governor and confirmed by the state's senate. Commissioners are appointed to four-year terms and can serve no more than two terms. The members do not receive a salary or employee benefits for their service on the commission.

Helping Cities and Counties through Communications and Technical Assistance

Oregon's land use planning program is a working partnership between the state and its cities and counties. To help Oregon's cities and counties maintain their comprehensive plans and adapt them to changing conditions, DLCD provides both grants and technical assistance. For example, the Department helps communities build strong planning programs through the use of:

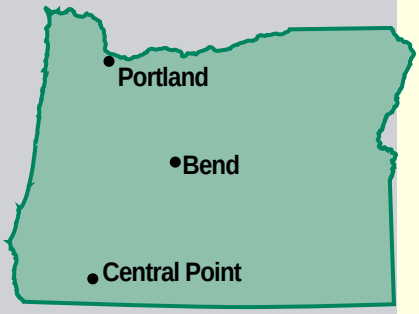
- community design charrettes,
- educational videos,
- educational forums,
- small group information exchanges,
- conference sponsorship and participation,
- cutting-edge technical resource publications, data bases and maps,
- technical assistance grants,
- one-on-one planning guidance, and field team assistance,
- a full new website of planning news and information,
- program news releases and information bulletins,
- press briefings and news broadcasts
- information and referral.

Grants to Local Governments

Financial help comes in the form of grants to inventory resources, write plans, implement plans and programs and conduct periodic reviews. During the first 25 years of the statewide planning program (from mid 1973 to mid-1999), cities and counties received some $37 million—over one half of DLCD's budget for this period.

During the 1999-01 biennium, DLCD continued to emphasize grant performance to help ensure that taxpayers receive high quality products in return for their investment in local planning. By the end of this biennium, local governments will have received about $3.5 million in grants from DLCD.

Technical Assistance



Technical assistance to cities and counties is one of DLCD's most important functions. By promptly responding to such requests the department seeks to prevent issues from becoming major conflicts. This helps to avoid lengthy litigation while saving time and expense by helping local governments make planning decisions on schedule.

DLCD assistance is provided by technical specialists based in Salem and by 10 regional representatives, with five who are stationed full time in the Bend, Medford and Portland field offices.

A considerable portion of department assistance is directed to small and medium size jurisdictions facing growth pressures whose limited staff and budget resources make it difficult for them to carry out their local and state planning responsibilities.

Examples of DLCD's wide-ranging communications and technical assistance efforts this biennium include:

- Development pursuant to HB 2406 (1999) of a statewide computerized rural lands database. Information will be displayed on countywide maps showing soil classifications, forestland capabilities, irrigated and cropland and existing plan and zone designations.
- Working with county officials and local landowners to help develop solutions to long-standing land use conflicts in the Powell Butte and Juniper Acres areas of Crook County.
- Publishing a comprehensive, user-friendly technical assistance guide for local governments to plan for the state's most important natural hazards (flooding, earthquakes, landslides, wildfire and coastal hazards).
- Publication of a guide to the new periodic review process, pursuant to Senate Bill 543.
- Assisting jurisdictions and agencies in Clatsop County prepare an updated Dredged Material Disposal Plan for the Colombia River Estuary.
- Providing funds to sponsor land use training for elected city and county officials, planning commissions and staffs in several rural Counties.
- Issuing a grant to the city of Tigard to help develop an open space and riparian district plan for the Washington Square Regional Center.
- Assisting the State Aeronautics Agency in the development of updated model airport planning ordinances.
- Participating on various regional community solutions teams to coordinate state agency plans and programs in addressing community development needs and problems.
- Helping economically distressed communities improve their comprehensive plans and ordinances to attract new business investments through DLCD's new Readiness Grants program.

Keeping Local Plans Up to Date

Oregon's statewide land use "plan" is really a network of 277 state approved city and county comprehensive plans. They reflect the interests of both the local communities and the state. As those interests change, so too must the plans. DLCD works with the cities and counties to keep their plans current. It also protects the state's quarter-century investment in planning by seeing that changes to local plans comply with the statewide planning goals and are coordinated with the programs of other state agencies.

Oregon continues to grow at a rapid pace and the growth is not limited to any one area. The fastest-growing areas include cities and

counties in Southern and Central Oregon, as well as the Willamette Valley. The challenge for such communities—and for the entire state—is how to reconcile the increasing pressures of population and economic growth with the limits of our natural and fiscal resources without compromising the quality of life that Oregonians treasure.

Fortunately, our statewide land-use program is designed to meet such challenges. It provides two ways to keep city and county plans working effectively and up-to-date, so that each plan continues to be the local framework for making sound land use decisions. These procedures are: periodic review and plan amendment review.

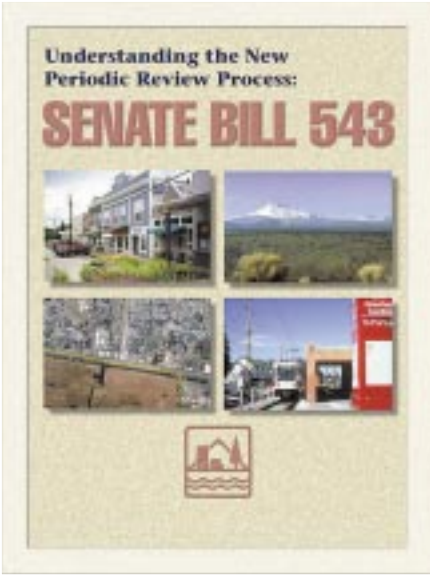
Under these processes, DLCD has two principle missions: 1) to assist local governments to improve their comprehensive plans, and 2) to monitor changes to plans to ensure that the local plans continue to comply with the statewide planning laws and goals.

Reasons for Periodic Review

Comprehensive plans contain the information, policies, and ordinances that guide local officials in making decisions about their communities. Those communities subject to periodic review use the process to evaluate and update their plans on a schedule established by statute. Although it is required by state law, cities and counties go through periodic review because it is essential for sound planning. Plans left to gather dust on a shelf soon lose their effectiveness

Periodic review gives communities a scheduled opportunity to examine the assumptions, conditions, and values on which the current plan is based. It is a time for a community to focus on its future—on broad issues like affordable housing, resource protection, growth management, and links between land use and transportation.

Periodic review also offers local governments and state agencies the occasion to ensure that their respective plans and programs are properly coordinated. For citizens who want to be involved in charting the course of their community's future, participation in periodic review is crucial.



Legislative Changes to Periodic Review

The original periodic review process was adopted by the legislature in 1981. In 1991, the law was revised and every city and county was directed to conduct periodic review of its comprehensive plan every four to ten years.

In 1999, through the passage of SB 543, the legislature modified periodic review again. The state land use program was directed to become more efficient by focusing periodic review on larger, fast growing local governments.

There were several reasons for this shift in emphasis:

- The legislature found that the existing process was costly for the state and local communities, particularly small rural cities and counties.
- The slow pace of periodic review completion meant that local plan and ordinance improvements were behind schedule.

- The legislature questioned whether the overall objective of periodic review—to update each of the state's 277 comprehensive plans on a fixed schedule—could be afforded at a time of reduced state and local funding for planning.
- DLCD's staff and grant resources were over extended. With so many local governments in periodic review, the department was finding itself providing a less-than-satisfactory level of service to every community, instead of providing a higher level of service to faster-growing local governments experiencing the greatest growth pressures.

With these points in mind, the legislature passed SB 543, which became effective on June 30, 1999. The bill's chief provisions include:

- Exempting cities under 2,500 in population and counties under 15,000 people from periodic review.
- Extending the timeline for those cities and counties required to go through periodic review. For cities whose population is 2,500 to 25,000 and counties of 15,000 to 50,000, the interval between periodic reviews is 5 to 15 years. Cities over 25,000 and counties over 50,000 must go through the process every 5 to 10 years.
- Local governments in periodic review are required to strive to complete their reviews within three years. DLCD will help achieve this requirement by ensuring that new local work programs do not contain more work tasks that can be accomplished in three years. Those jurisdictions already in periodic review will be urged to reduce their existing work programs.
- LCDC authority to grant time extensions for local governments to complete periodic review was limited to approving a single extension not to exceed 180 days. Those communities exceeding their extensions are subject to commission sanctions.
- DLCD was directed to concentrate its periodic review efforts and resources in four key areas related to managing urban growth: needed housing, employment, public facilities and transportation. To assist DLCD in meeting this emphasis, the state departments of Economic and Community Development and Housing and Community Services are directed by SB 543 to assist local governments when issues are raised which exceed the expertise, experience or staff capacity of DLCD.
- Lastly, LCDC was directed by the legislature to revise the statewide planning goals and implementing rules to expedite the completion of periodic review. Completed and ongoing commission actions to amend and streamline requirements dealing with rural residential areas, urban reserve planning, urbanization and natural hazards are all aimed at responding to this SB 543 requirement.

In December 1999, LCDC revised its periodic review rule to conform to SB 543.

In looking ahead to the 2001-03 biennium, DLCD's top periodic review priority will be the completion of the large number of work programs that were in place at the time SB 543 became effective.

Plan Amendment Review

Although periodic review tries to anticipate future needs and trends, unforeseen events occur that a community may not have adequately planned for. A plan amendment is the process by which a community can make unscheduled changes in details of an already approved comprehensive plan without revision the entire plan. By law, proposals to amend local plans (outside of periodic review) must be submitted to DLCD at least 45 days before the first evidentiary hearing at the local level (usually the planning commission).

Each year, DLCD receives and review many thousands of proposed plan amendments. A typical proposal "package" contains several amendments. For example, one package might contain proposals to amend a city's zoning ordinance, transportation plan, and public facilities plan—three amendments in all.

When DLCD receives a proposed plan amendment, the agency has three choices: a) let the proposal get adopted, without comment, b) suggest revision, or c) formally object to its adoption. When DLCD objects, the local government still can adopt the proposal, but DLCD may appeal the decision to the state's Land Use Board of Appeals (LUBA).

The department typically makes 15-20 such appeals each year. The department is able to settle the vast majority of issues simply by working with the city or county to ensure that the amendment in question will comply with the statewide goals.

Managing Urban Growth

Oregon's main policy tool "to provide for an orderly and efficient transition from rural to urban land use" is Statewide Planning Goal 14 (Urbanization). Its most important provision calls for urban growth boundaries (UGB's) to be drawn all around all cities. Such boundaries define the areas where cities plan to grow. A typical UGB lies some distance beyond a city's current corporate limits, thus including undeveloped "urban reserve" land that is expected to have urban development and services sometime in the future.

Each of Oregon's 240 cities has adopted a UGB. In combination with strong farmland zoning, these boundaries have controlled the kind of leapfrog development that has devoured so much farmland in places like southern California. However, sprawl is taking place inside urban growth boundaries. This threatens livability, is costly to serve with public facilities, limits transportation options, and results in the need to expand UGB's.

In 1998, LCDC directed staff to address several issues related to Statewide Planning Goal 14 (Urbanization)—sprawl inside urban growth boundaries and the urban growth boundary amendment process. During this biennium DLCD staff worked on these issues and developed proposed amendments to Goal 14 and related new administrative rules. The product, originally expected to be adopted by LCDC in mid-December

2000, has been developed with input from 10 hearings around the state, with the advice from a working group with representatives of cities, counties, metropolitan areas, development interests, and environmental interests, and after considerable deliberation by the Land Conservation and Development Commission. Due to uncertainty about the impacts of Measure 7 on local governments planning, LCDC has postponed its decisionmaking.

Integrating Transportation & Growth Management

The urban growth boundary has been widely acclaimed as a good way to control urban sprawl. It is, however, only a first step toward urban growth management. Addressing how land develops inside the boundary and how transportation systems serve development there is a vital next step.

The link between urban growth and transportation is very real. When urban growth sprawls across the land, one result is likely to be huge costs for new streets and highways. A single highway project, such as a new bypass, may cost tens of millions of dollars. Sound land use and transportation planning can greatly reduce such costs, thereby saving federal, state, and local tax dollars.

Such savings are the main reason why DLCD and the Oregon Department of Transportation (ODOT) entered into an agreement to deal with transportation planning and growth management. In 1993, using federal grants authorized by the Intermodal Surface Transportation Efficiency Act (ISTEA), the two agencies formed the joint Transportation Growth and Management (TGM) Program. TGM's mission is to foster integrated transportation and land-use planning that will enhance livability in Oregon's communities. During the current biennium, the TGM program was the recipient of the prestigious "Ahwahnee Award of Honor" presented by the American Institute of Architects and American Planning Association, California Chapters. The Ahwahnee Awards panel commented that they were impressed with the following program elements:

- The Oregon Transportation and Growth Management Program makes the importation link between transportation planning and land use planning.
- The program helps assure the most efficient use of state and local funds for infrastructure development.
- This funding is directed to locations that will help promote good land use and curb sprawl, and encourage compact development within UGB's.
- This comprehensive statewide program applies to all cities, reducing the competitive forces that can lead to poor land use decisions.

As the Governor's Office stated in November of 1999 when accepting the award at the national "Smart Growth" Conference:

"The State of Oregon accepts this distinction with pride. We've provided a tremendous opportunity for communities around the state to mesh transpor-

tation planning and land use planning. The cutting edge planning tools we're using now will be the tools of the future for many communities around the western states and the nation."

The TGM program provides non-regulatory technical assistance and grant funding for local communities. Total funding for the joint TGM program during the 1999-01 biennium is $11.2 million. Of that, about $9.9 million came from federal transportation funds and the remaining $1.3 million is from state general funds.

The TGM program offers four main services to Oregon communities: grants to local governments, Quick Response Teams, "smart development" code assistance, and educational outreach.

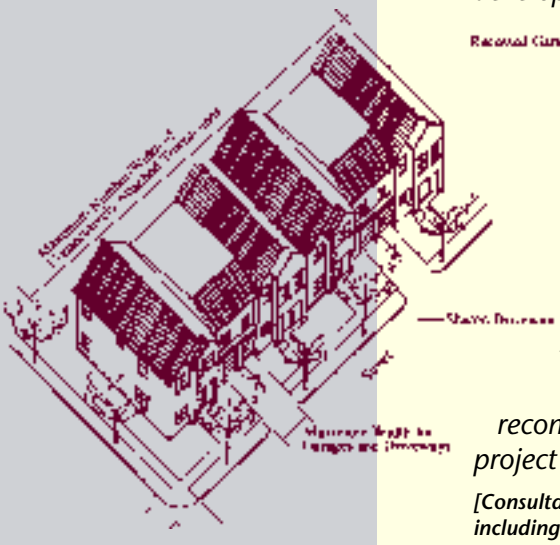
TGM Grants to Local Governments

During the current biennium, $6.2 million was budgeted for TGM grants. 76 grants have been awarded throughout the state. Cities, counties, special districts, and metropolitan planning organizations are eligible for funds to complete transportation and land use planning projects in three areas:

1. Local transportation system plans (TSP's) and implementing measures
2. Land use plan changes that help meet transportation needs
3. Urban growth management strategies.

Many of the TSP's and other planning grants funded by the TGM program are long range and will impact the shape of development in the years to come. However, some are having immediate impacts such as the one highlighted below:

"This developer and the community have truly embraced the smart development principles. After setting the stage with a TGM-funded transit-oriented development planning grant, plus TGM outreach workshops last biennium, our firm has continued to work with one of the Advisory Committee members on actual implementation. We have worked with our client to put together a master plan for a 200 acre mixed use project with over 1500 units including eight housing types. The project includes commercial office and retail space, a grade school and 40 acres of parks and open space. The developer has also supported our technical assistance to the City in order to re-write code provisions that help make this type of development a success. Final permitting is expected by the first of the year with groundbreaking scheduled for the spring of 2001.



After a recent visit and briefing on the project, Governor Kitzhaber recommended that it be profiled as an example of quality communities—a project other communities, and developers, can hopefully learn from!"

[Consultant referring to development implementing concepts initiated by a TGM planning grant including Central Point in RVCOG's "Transit Oriented Development Plan" last biennium]

The following listings provides examples of TGM grants to local governments in each of the three primary TGM grant categories:

Transportation System Plans (TSP's) assist local governments in meeting the requirements of the Transportation Planning Rule (TPR). *See details that follow on "Implementing the TPR."*

36 TSP and/or plans to refine and develop implementation strategies are underway this biennium. Examples from throughout the state include:

- City of Tualatin Transportation System Plan
- City of Lebanon Revisions to Land Use Plan

Regulations for Implementation of TSP

- Sunset Empire Transit District (NW Oregon) Transit Plan Update
- City of Mt. Angel Access Management Tool and Refinement Plan (Hwy 214)
- City of Depoe Bay Transportation System Plan
- Rogue Valley Council of Governments Transit Oriented Development (TOD) Implementation Plans for Phoenix and Central Point
- Lake, Sherman, and Wheeler Counties Transportation System Plans
- Malheur County Small Jurisdiction TSP Implementation (Cities of Jordan Valley, Adrian and Vale)

28 Alternative land use plans are underway utilizing TGM grant funds, including:

- City of Canby Downtown Plan
- North Portland Light Rail Station Areas
- City of Salem Alternative Land Use Scenarios ("Salem Futures")
- City of Florence Downtown Development Plan (Phase 2)
- City of Medford Evergreen/Front Street Couplet and In-Town Village Plan
- City of Umatilla Downtown Revitalization and Circulation Plan

12 urban growth management plans are underway, including:

- City of Albany Balanced Development Patterns
- City of Salem Industrial/Northgate Local Access and Circulation Study
- City of Keizer Infill Master Plan
- City of Ashland/Jackson County Urban Growth Management Agreement
- Umatilla Intra-County Joint Management Agreement Updates

Quick Response Teams

TGM's Quick Response Teams offer expert design assistance to help developers and communities make new developments more accessible for walking, cycling, and transit. Urban design consultants hired by the TGM program work with individual developers to refine and improve proposals for major projects such as subdivisions or planned unit developments. Consultants work with developers, local community officials and TGM staff to identify design changes that will meet the developers' needs and satisfy market demands. Recommendations often emphasize laying out streets to provide convenient access to neighborhood destinations like

schools, parks and shopping. They also are likely to emphasize pedestrian-friendly street design, by including trees, narrow street widths, adequate sidewalks, pedestrian-scale lighting, and access to transit.

Quick Response is a non-regulatory program that has been well-received by its clients. Developers and local officials alike praise it as an effective public-private partnership that helps make good development happen. $726,000 has been budgeted in the current biennium to provide Quick Response assistance upon request of local communities. Approximately 20 projects are anticipated this biennium. Those currently underway include assistance with:

- SE Medford's Village Center planning
- Clatsop Community College's planning for downtown Astoria campus
- Lebanon's downtown "Special Transportation Area (STA)" highway designation planning
- SE Portland's (REACH Community Development Corporation) Milwaukee Avenue parking and traffic management plan.

The following is typical of comments from participating developers and community representatives:

"With TGM's help a strong consensus was built among immediate neighbors and the neighborhood association, facilitating the support of elected officials… Because this is a small-scale redevelopment project it is generally perceived as non-threatening and at the same time has generated considerable excitement. We are experiencing considerable market interest in a project that has yet to break ground." [Private developer, City of Salem commenting on a Quick Response project.]

"Smart Development" Code Assistance

"Smart Development" refers to development that supports the state's land use and transportation goals and helps assure livable communities. Smart development:

- uses land and resources efficiently
- is located in cities or areas with full urban services
- mixes types of land uses
- encourages transportation choices and
- uses detailed, human-scaled design.

TGM's Smart Development Code Assistance provides services to local governments working to ensure their local development codes encourage smart development—rather than requirements that often may create barriers. $454,000 will be spent on Code Assistance during the current biennium, involving over 20 projects with local communities. Examples include:

- City of Fairview code audit and revisions based upon TGM "Model Development Code for Small Cities"

- City of Corvallis case studies to test proposed smart development code amendments
- City of Tillamook revisions to neighborhood zoning and development standards
- City of Lakeview smart development plan, code audit and amendments
- City of Boardman complete code audit and amendments

The Code Assistance Program is working with a Steering Committee of local government officials and developers to produce a new handbook: "Model Zoning Districts for Commercial Areas." This handbook, third in the series, will serve as a companion to the award-winning "Model Development Code and User's Guide for Small Cities" developed last biennium. Printing and distribution of the Model Code began during the fall of 1999 and has included posting on the TGM website to assist local governments in their ability to edit the proposed text to reflect the needs of their particular community. The "Infill and Redevelopment Code Handbook" has also been produced and distributed during the current biennium.

TGM Outreach

Outreach services to local communities are provided via workshops, print, video, and website materials, the Governor's Livability Awards and special events for target audiences. $385,000 will be spent during the current biennium to encourage and support "smart development" in communities throughout Oregon. The following comment from a local official highlights the level of interest from local communities:

> *"Thanks to all of you for your interest, support and the contribution you each made to the success of our 3-day event. Our citizens are inspired, enthusiastic and ready to take the next steps as a community to make their community a more creative, pedestrian friendly and welcoming place to live. The partnership with TGM, the urban renewal agency, our local charitable foundation, the planning commission, the Oregon Arts Commission, the school district and others allowed this event to be a success."*

A TGM Outreach project completed during the current biennium has been publication of the award-winning "Main Street…when a highway runs through it— A Handbook for Oregon Communities."

In presenting the Oregon Chapter, American Planning Association award, the reviewers commented:

> *"The project overcame a considerable challenge by developing a handbook that is understandable for use by the public and comprehensive for government use. The handbook has a "cookbook" format, describing in one chapter the "Recipe for Success" for creating a healthy downtown. Another chapter outlines the ingredients for a successful street system and the design of roadways, pedestrian facilities, and compatible land uses to create vibrant streetscapes.*
>
> *The Main Street Handbook has succeeded in its goal to develop a hands-on tool for local communities. By using a little "home cooking," cities can use*

TGM
TRANSPORTATION AND GROWTH MANAGEMENT

it to design main street highways as places that are attractive and functional from many points of view: pedestrian, smooth traffic flow, economic vigor and high quality of life. For the contribution to the state of the practice in Oregon, the OAPA is pleased to confer this award for Professional Achievement in Planning."

Implementing the TPR and Oregon Highway Plan

Since 1993, DLCD has been working closely with ODOT and local governments to implement a Transportation Planning Rule (TPR). This administrative rule, winner of a national award from the American Planning Association, guides coordination of transportation of land use planning by the state and local governments in order to meet Oregon's long-term transportation needs.

The TPR emphasizes planning that provides choices to help Oregon avoid the traffic congestion, pollution and livability problems experiencing in other fast-growing regions of the country.

Key provisions in the rule call for larger and faster growing cities and counties to do the following:

- Plan an adequate system of roads and streets to support development called for in community plans
- Plan for a network of local streets to avoid overloading state highways with local traffic and to make walking, cycling, and transit more convenient
- Revise zoning ordinances to make new development more bike-, pedestrian-, and transit-friendly
- Allow residential streets to be more narrow in order to create more livable, people friendly neighborhoods and help reduce development costs
- Change land-use plans so they will discourage strip commercial development and encourage more efficient use of existing transportation facilities.

Exemptions for Smaller Communities

In December 1999, LCDC amended the TPR to allow cities under 10,000 population to seek exemptions for the TPR. Amendment allows smaller cities and counties that are not facing significant growth or transportation issues to defer transportation planning several years or until the next time they undergo periodic review.

Larger Metropolitan Areas Step Up Efforts

Local governments in the state's four metropolitan areas—Portland, Salem, Eugene, and Medford—comprising two-thirds of the state's population—face complicated transportation problems—problems that will be expensive to solve, no matter what we do.

These problems are getting worse, in part, because current land use plans allow for a continuation of highway and auto-oriented development patterns. To help address this problem, the TPR directs metropolitan areas to rethink their land use and transportation plans by working together. In response to the TPR, cities and counties in metropolitan areas are now evaluating –and in some cases starting to implement—changes to land use patterns and transportation plans. Generally these new plans call for development of compact, mixed-use centers and neighborhoods; patterns

of development that make possible for people to drive less to meet daily needs.

The objective is well-planned neighborhoods where people can conveniently walk to nearby parks, schools and shopping. Well-planned employment and retail centers include supporting services, such as restaurants and shops, and have convenient transit service. Making these pieces of the urban fabric fit together requires much more careful, detailed and well-coordinated planning—so that streets are laid out and land uses are arranged so that all modes of travel are convenient.

1999 Oregon Highway Plan

In 1999, the Oregon Transportation Commission adopted a new, updated Highway Plan to guide ODOT's actions in planning and managing the state's highways. A key part of the plan calls for improved coordination with local governments, to better address state highway needs through local land use and transportation planning. ODOT will work with cities and counties to apply "highway segment designations" that will match up highway design and operation with local planning and zoning.

The "special transportation area" or STA designation, for example, is designed to support local efforts to revitalize downtowns and "main streets" by making the highway more "pedestrian friendly." The STA designation is applied through a joint planning process between ODOT and local governments. Basically, local governments make sure that their local plans and zoning support compact development patterns and provide a good network of local streets for local circulation. In turn, ODOT agrees to manage the highway through downtown to slow traffic and provide for improvements that support business development and pedestrian circulation—such as on-street parking, sidewalk and street crossing improvements. Efforts to implement the plan are underway across the state through development, refinement and update of local TSP's.

Neighborhood Streets Project

Neighborhood streets serve multiple and at times competing needs. Balancing the needs of these various users often creates challenge and controversy in local communities. Decisions regarding design features, such as the width of streets, the length of blocks, the location of nearby services, etc, all contribute to the livability and function of the street system.

Most neighborhood residents expect

- a quiet street that connects rather than divides a neighborhood
- a street that they can walk along and cross easily and safely
- a street that vehicles seldom, if ever, travel faster than 25 mph.

Other street users, including garbage collectors and emergency service providers, expect a place they can safely and efficiently access to perform their jobs.

During the current biennium, TGM has undertaken a project for collaborative policy development of "Neighborhood Streets Design Guidelines." A group of stakeholders was assembled to represent fire and emergency response personnel, service providers, developers, transportation engineers and planners, public works officials, city officials, and representatives from advocacy groups. The project was undertaken to "Develop consensus and endorsement by stakeholders on a set of flexible guidelines for neighborhood street designs for new developments that result in reduced street widths." A final report and set of guidelines is anticipated by January 2001.

Protecting Farm and Forest Lands

Development approvals for dwellings, uses and land divisions on farm and forest lands during the first year of the 1997-99 biennium continue to reflect the influence of changes to state laws and LCDC rules enacted since 1993. Data in DLCD's latest farm and forest report appears to generally reinforce approval trends noted in recent years. For example, the number of new "farm dwellings" has remained relatively steady, while the number of non-farm dwellings continues to decline.

On the forest side, the number of new houses on forest land has also remained steady. Dwellings not directly associated with forest management (i.e., lot-of-record and forest template dwellings) comprise the vast majority of all dwelling approvals on forest lands.

Oregon's rapid population and economic growth remains very strong in some regions, so it is unlikely that these trends are the result of a lessening of demand for rural living opportunities. Rather, the declines of development activity on the state's resource lands appear to be the direct result of the revisions made to farm and forest land laws and rules enacted over the last four years.

Agricultural and Forest Land Goals

The 1997 National Resource Inventory shows that the rate of conversion of farm and forest lands has slowed and that the acres of the better quality (prime) lands have decreased. Statewide Planning Goal 3, Agricultural Lands, defines agricultural land and requires counties to adopt exclusive farm use zoning to preserve them. State law, Goal 3 and the LCDC's Goal 3 rules (OAR Chapter 660, Division 33) establish standards for dwellings, uses and land divisions in farm zones. More than 16 million acres are currently zoned as farm land. A similar amount of land is covered by the farm value property tax assessment program.

Goal 4, Forest Lands, defines forest lands and requires them to be zoned for timber management and other forest uses. Some 9 million acres of private land have been zoned as forest land. Standards for dwellings, uses and land divisions on forest lands are provided in state statutes, Goal 4 and in the commission's Goal 4 rules (OAR Chapter 660, Division 6).

Protecting Farm and Lands is Vital for Oregon's Economy

Back in 1974, when Goals 3 and 4 were originally adopted by LCDC the principal reason for enacting such strong state land use policies was economic. The same is true today.

Agriculture and wood products are two of Oregon's largest industries. Figures released by the state Department of Agriculture reports that the value of all agriculture production in 1997 was just under $3.4 billion. The wood products industry is an equally important force in the state's economy, despite a declining supply of timber.

Commercial farming and forestry require large supplies of land. However, both industries are seriously affected by the loss of land for other uses and from conflicts and complaints from nearby land owners who are not engaged in farm and forest activities.

This is why protecting these valuable resource lands is so important to Oregon's economic strength and stability. A failure to limit harmful developments would impose higher costs on farmers, timber managers and taxpayers. Probably the biggest concern for the future of our farm and forest lands is the fact that such lands are also viewed as areas for rural home sites. Despite stricter laws and rules, the competition between resource production and residential use continues to be one of the most difficult issues facing the rural side of Oregon's statewide planning program.

Monitoring Development on Farm and Forest Lands

The land use approval data summarized in this report comes from Oregon's 36 counties. County planning departments are required to give DLCD periodic review reports about dwellings, uses and land divisions occurring in farm and forest zones. The legislature adopted this reporting requirement in the late 1980's. Before that, state and local officials often were poorly informed when it came to evaluate land use policies and laws. The reporting system currently in effect (along with other sources) provides the information needed to review existing policy and regulations and make timely, appropriate adjustments.

However, the current reporting system extends only to farm and forest zones. The state's ability to better assess the effect of surrounding development on resource lands would be enhanced significantly if counties were required to report on rural development patterns in areas adjacent to farm and forest lands.

Lot of Record Dwellings

The current statutory standards for "lot of record" dwellings on farm and forest lands were established to recognize individual or family ownerships that existed prior to LCDC's acknowledgement of most county comprehensive plans (January 1, 1985). This policy was enacted to provide a measure of equity for owners of resource land whose dwelling opportunity was limited by subsequent zoning actions by local officials in order to comply with Goals 3 and 4.

Nonfarm Dwellings

While the statewide approvals have decreased since 1997, the vast majority of nonfarm dwellings being approved are on less productive lands in eastern and southern Oregon. Because the ability to site a nonfarm dwelling in the Willamette Valley is very limited, the number of new nonfarm dwellings in the valley is quite small.

Dwellings in Forest Zones

State law provides for three principle dwelling opportunities in forest zones. These opportunities are largely non-discretionary which means that individual applications can be quickly reviewed and processed by local planning officials. Forest dwelling opportunities have been designed to recognize the varying levels of productivity between eastern and western Oregon forest lands. One dwelling opportunity (commonly referred to as a "template dwelling") can be approved depending upon the level of existing development in the area. Continued implementation of the current standards has resulted in a slight decline of dwellings located in forested areas of the state.

Land Divisions in Farm and Forest Lands

State laws and LCDC rules are designed to ensure that newly created parcels on farm and forest lands remain commercially viable. These are considered to be the most important methods for preventing the loss of the resource land base. Generally, current standards for land divisions require an 80-acre minimum parcel size for land in farm and forest zones and 160 acres in rangelands.

As a result about 83% of all new farm and forest related parcels created in the 1998-1999 reporting periods were greater than 80 acres in size.

As authorized by the statutes, counties also have the opportunity to demonstrate to LCDC that a lower minimum parcel size is appropriate to continue commercial resource enterprises. No counties have sought to use this "go-below" provision during this biennium.

New Farm Dwellings

The latest data on farm dwelling approvals continue to show that LCDC's rules are making a difference. Previous requirements had allowed hundreds of new farm dwellings to be approved each year, at a time when the number of farms in Oregon was declining.

Update on Administrative Rules

In early 2000, LCDC amended its farm and forest rules to reflect the changes enacted by the 1999 legislature to ORS 215. These rule revisions added six new uses and established further limitations on the approval of new parcels for nonfarm dwellings. In addition, the commission clarified its rules based on several recent LUBA and appellate court decisions. These changes involved the approval of lot-of-record and nonfarm dwellings, public and private parks and composting facilities.

In April 2000, LCDC adopted amendments to its forest lands rules (OAR Chapter 660, Division 6). The revisions were in response to HB 2450 authorizing the siting of youth camps in lands zoned forest and mixed farm/forest. Key provisions of the new rules include a method to establish permanent facilities for youth camping, protecting surrounding resource lands and setting different acreage standards for youth camps between eastern and western Oregon.

Emerging Issues

Several new and continuing questions have arisen about uses allowed in farm and forest zones. These issues include interpretation of the new review standards adopted by the 1999 Legislature (HB 2865-ORS 215.275) applicable to “utility facilities,” “transmission towers,” “rural fire protection services,” and disposal of treated sewage and wastewater.

Protecting Oregon's Natural Resources

Salmon Recovery: The Oregon Plan for Salmon and Watersheds

The department has continued throughout the biennium to participate in the Oregon Plan for Salmon and Watersheds. Although funding provided in the 1997-1999 biennium for the Healthy Streams Partnership (HSP) grant program was not renewed in 1999, the department has continued to provide technical assistance to jurisdictions that received HSP grants or which have begun work under Goal 5 to adopt programs to protect wetlands and riparian areas. Using EPA funds, DLCD and DEQ jointly developed a "Water Quality Model Code" intended to be a companion to the TGM program publications related to "Smart Growth." This guide was designed primarily to be used by small cities with limited capability to improve their local plans to protect water quality and aquatic habitat. In late 1999, department staff presented an "Aquatic Habitat Conservation Framework" to the Commission. The framework lays out four paths—Water Quality, Floodplain Management, Aquatic Habitat Protection, and Estuary Management—all of which provide a foundation for developing a land use and growth management strategy to protect salmonids.

In early 2001, the department will convene a multi-interest work group to review the framework and develop an "Aquatic Habitat Conservation Strategy." Finally, the coastal division has successfully competed for two NOAA Coastal Services Center Fellowships, which have, over the past four years, has had two fellows devoted to developing the Dynamic Estuary Management Information System (DEMIS), a GIS-based analysis and management tool for estuarine resources. DEMIS will become especially useful when watershed councils begin to incorporate estuarine resources into watershed assessments.

Conserving Resources Under Goal 5

In June 1996, LCDC completed one of its most complex policy projects ever undertaken. This was the review and amendment of Statewide Planning Goal 5 and its administrative rules. This review was the subject of numerous public hearings, subcommittee meetings and uncounted hours of work by commissioners, DLCD staff, local governments and state agency representatives and interested parties.

Goal 5 encompasses more than a dozen resource categories, including wildlife habitat, historic places, aggregate sites and groundwater areas. Initially adopted by LCDC in 1974, Goal 5 sets out how cities and counties are to plan and zone land to protect resources listed in the goal.

The original goal and rules (OAR 660, Division 16) established a five-step planning process. The changes adopted by LCDC in 1996 didn't alter that process. Instead, the new revisions give clearer direction about how local governments are to plan for individual resources. For some resources, the amendments offer cities and counties a choice: use a new expedited "safe harbor" option, or follow the standard five-step process.

For other resources, jurisdictions are directed to use the standard process or rely on existing state or federal programs. For open space and scenic views, jurisdictions may decide not to plan for these resources at all under Goal 5.

LCDC's action in 1996 did not require local governments to start over in their planning for Goal 5 resources. The goal and rule revisions recognized local work already done, while establishing new procedures to be followed in the future. In general, the new Goal 5 process becomes applicable for local governments in their next periodic review or when they amend their current plans and ordinances via the post-acknowledgement plan amendment process. The only exception is for historic resources where the new Goal 5 changes became effective immediately upon adoption in order to conform to the "owner-consent provision" enacted by the 1995 legislature.

What has been the result since the new Goal 5 requirements became effective four years ago? Since the fall of 1996, the department has taken steps to require local governments that are beginning periodic review to address Goal 5 in their work programs. However, the fact that many of the state's larger cities and most counties were in periodic review at the time the Goal 5 revisions were adopted means that they will not be expected to address the new requirements until their next periodic review. In the meantime, the department has found that several jurisdictions have enacted innovative plan amendments outside of periodic review using the new Goal 5 process. A good example of this work is in the area of riparian resources where the new Goal 5 rule establishes a "safe harbor" option to facilitate compliance with this requirement.

Mineral and aggregate resources continue to be the most contentious Goal 5 category. The difficulty and level of conflict experienced by local governments in the planning, siting and expansion of aggregate (gravel) operations was one of the principle reasons behind the Land Conservation and Development Commission's decision to undertake its review of Goal 5.

The new rules significantly altered the process for dealing with aggregate sites. The rules now include more specific guidance in making plan amendments to add sites to a local government's aggregate inventory and for determining the appropriate level of protection given to operations from surrounding conflicting uses. Local jurisdictions, where the new rules apply, have begun processing plan amendments for a number of important aggregate sites.

Cultural Resources and Goal 5

During the process of revising the Goal 5 rule, the state's tribal government asked the commission to postpone treatment of cultural resources. The tribal governments were collaborating with the Governor's Office at the time on the development of an executive order on "government-to-government" relations. Now that the executive order has been issued, the tribal governments have asked the commission to address cultural resources. Such work will be dependent upon the availability of budget resources from the Legislature.

Goal 5 and SB 543

As a result of SB 543, a large number of the state's smaller sized jurisdictions are no longer required to go through periodic review. Owing to this change, it will likely be necessary for LCDC in 2001-03 to amend the Goal 5 rule to provide for compliance by those cities and counties exempt from periodic review.

Reducing Risks and Costs of Natural Hazards

A vital component of Oregon's planning program is Statewide Planning Goal 7: "To protect life and property from natural disasters and hazards." The goal calls for local comprehensive plans to include inventories, policies and ordinances to guide development in hazard areas thereby reducing losses from flooding, landslides, earthquakes and wildfires. These local hazard programs were put to the test in 1996 and 1997 when major flooding occurred in Oregon. As a result of the 1996 event, 27 of the state's 36 counties were declared a presidential disaster and damages totalled over $285 million. Sound planning was a major factor in reducing the damage and losses from these floods. According to the Federal Emergency Management Agency (FEMA), Oregon saves about $10 million a year in flood losses averted because of strong land use planning. These savings far exceed the state's annual cost run to the entire statewide planning program.

Although Goal 7 covers all natural hazards, floodplain management has been a major focus. DLCD manages Oregon's participation in the National Flood Insurance Program (NFIP) through an agreement with FEMA. Oregon has 255 cities and counties that are subject to flooding. All have adopted floodplain ordinance management, making Oregon's rate of community participation in NFIP the highest in the nation. DLCD continues to work with communities to maintain their eligibility in the NFIP and to help them reduce flood insurance premiums for their residents through the Community Rating System (CRS). There are currently 14 CRS communities in Oregon.

In addition to managing the floodplain program, DLCD supports local government efforts to address other natural hazards. DLCD activities include providing technical assistance during periodic review and post acknowledgement plan amendments, offering grants to local governments, conducting training and workshops and distributing model hazard ordinances that can be adopted by cities and counties.

In response to the 1996 and 1997 floods, Governor Kitzhaber issued an executive order directing the Department of Land Conservation and Development Commission to evaluate Goal 7. The review, funded by FEMA, is examining the hazards planning process in Oregon, evaluating the effectiveness of Goal 7 and making recommendation for improving the goal's implementation. The first phase of the Goal 7 review, conducted by the University of Oregon's Community Planning Workshop,

included several important recommendations for strengthening hazard planning a the local level:

- Provide up-to-date information and additional technical assistance to local governments
- Improve communications between local jurisdictions and state agencies
- Offer hazard training programs to local officials and planners
- Develop a statewide "All Hazards Prevention Plan"
- Prepare a "Hazards Planning Workbook" for local governments

In June 1999, LCDC directed the department to pursue a two-track approach on natural hazards. First, the department was asked to develop a technical assistance guide for local governments on natural hazards. The second track was to undertake development of amendments to Goal 7, including a possible Goal 7 rule.

In August, DLCD released the technical hazards guide. The guide has been specifically designed for Oregon communities and contains specific sections on the state planning program, legal issues and separate chapters on five hazard categories: flooding, landslides, coastal hazards, wildfire and seismic hazards. The guide includes extensive references to state and federal agencies and will also be released in a CD-ROM format.

During the summer of 2000, DLCD began work on possible amendments to Goal 7. Statewide hearings were held in October and possible adoption by LCDC is tentatively scheduled for March 2001.

Managing Oregon's Coastal and Ocean Resources

Ocean Planning

Oregon continues to be a national leader in state ocean resource conservation. Oregon's interest in the ocean extends seaward at least three nautical miles (or further if offshore rocks or islands provide a more seaward point for measurement). Known as the "Territorial Sea," this 1200 square-mile area is under state jurisdiction and contains important components of the marine ecosystem that are of ecological as well as economic importance to Oregon. The Territorial Sea is an important component of the Oregon coastal zone.

Oregon has an active Ocean Resources Management Program created by the 1991 legislature (ORS 196.405). This program includes the Ocean Policy Advisory Council (OPAC) in the Office of the Governor, a Territorial Sea Plan adopted by the Council in 1994, and a variety of activities carried out by DLCD staff to support the Council, coordinate with and support other state agencies, and carry out other program work, as specified in ORS 196. The Department uses a mix of federal Coastal Zone Management grant funds and state general funds to support the Ocean Program work.

The Department obtained supplemental federal funds for ocean planning and management including special funds to support work by the Oregon Department of Fish and Wildlife to inventory valuable kelp-reef and other near shore rocky-bottom ocean areas and to assist the Oregon Parks and Recreation Department in providing on-site interpreters during busy summer seasons at key rocky intertidal habitat areas. In addition, the Ocean Program staff continued to lead a federally funded, multi-year regional marine research program through its third and fourth years.

The Ocean Program worked on a number of major issues during the biennium.

Accommodating submarine telecommunication cables on the ocean floor.

DLCD staff worked closely with the Governor's Office, the Ocean Policy Advisory Council, the Division of State Lands, the fishing industry, and various cable companies to develop workable goals, policies, and procedures for approving cable routes across the Oregon Territorial Sea to avoid or minimize conflicts with Oregon's fishing industry. New policies were adopted by the OPAC in the state's Territorial Sea Plan and the State Land Board adopted new regulations. Oregon's approach is receiving global attention as a common sense process for accommodating a new ocean use.

Revising Statewide Planning Goal 19, Ocean Resources

At the direction of the Land Conservation and Development Commission, DLCD staff worked with the OPAC and others to prepare the first changes in Goal 19, Ocean Resources, since it was adopted in 1977. These amendments were derived from previous work of the OPAC in reviewing and revising a comprehensive set of ocean policies for adoption in the Territorial Sea Plan.

Researching Marine Ecosystems

The agency's ocean program staff initiated and continues to lead, along with Washington Sea Grant and the National Marine Fisheries Service Northwest Fisheries Science Center, a multi-year, regional marine research program funded by the National Ocean Service's Coastal Ocean Program. The Pacific Northwest Coastal Ecosystems Regional Study (PNCERS) has now carried out three seasons of field research in estuaries and the near shore ocean to determine how the ocean conditions affect estuaries on a regional scale. PNCERS also carried out research into the economic and social values that people in the region place on estuarine resources and potential effects on ecosystem conditions. DLCD receives special federal funds to carry out program administration functions through a cooperative agreement with the Department of Environmental Quality. Research funds are routed from NOAA NOS directly to Washington Sea Grant at the University of Washington.

Researching Near shore Rockfish

Ocean program staff participated in a special working group created by the Coastal States Organization and the National Ocean Service to identify ways that NOAA/NOS research could help state coastal management programs. As a result, the DLCD ocean program staff have worked closely with the California ocean program staff, NOAA/NOS, resource agencies in Oregon, California, and Washington and others to develop a West Coast Near shore Rockfish Research Program to improve the information base needed by coastal state fishery managers to prevent depletion of near shore reef fish resources.

Environmental reporting

Ocean program staff participated in the preparation of marine and estuarine studies in the "Oregon State of the Environment Report 2000" published by the Oregon Progress Board in September 2000. DLCD staff are also actively participating in the coastal and ocean component of a nationwide ecosystem health report being prepared by the H. John Heinz III Foundation in Washington D.C.

Coastal Hazards

The Coastal Division has a long-term strategy to improve Oregon's response to coastal hazards based on a series of recommendations made by the Coastal Natural Hazards Policy Working Group in 1994. During the past two years, dramatic episodes of ocean shore erosion, property loss and road closures provided stark evidence of the need to continue this course of action. The department has moved to develop a sound scientific and factual basis for understanding coastal hazards, and tools for using this information to mitigate the risk hazards pose to coastal communities and property owners. These activities included:

- Developing an oceanfront construction setback methodology and model ordinance.
- Completing a pilot Littoral Cell Management Plan, and making the process and resources available for use in other jurisdictions.
- Preparing technical assistance bulletins and providing direct training to local planning departments on the development and use of Littoral Cell Management, the ocean shore setback methodology, and implementation of the model ordinance.
- Acquiring and incorporating the use of new technologies and research methods that improve our ability to identify areas prone to chronic and catastrophic hazards and assessing the potential risks associated with development in those areas.

One of the primary means of improving our ability to address coastal hazards has been the introduction of Littoral Cell Management Planning, which the department has developed as a GIS based tool that local jurisdictions can use to plan for a variety of hazards on a long term area-wide basis. The Littoral Cell Management Planning process provides local governments with a process to assess, inventory and map coastal hazards, combining that information with other important factors to develop a predictable strategy that can be incorporated into their comprehensive plans. The department completed a pilot project demonstrating this system for the Newport area. Since then the department has worked with Clatsop and Tillamook Counties on littoral cell plans for selected areas, and initiated a new plan for a littoral cell that includes parts of Coos and Curry County including the City of Bandon. Based on these successes, the department was awarded the services of a special Coastal Fellow from the National Oceanic and Atmospheric Administration (NOAA) to assist in local littoral cell management planning work.

The department has worked closely with the research community to study the effects of coastal hazards and to develop and improve its methodologies for assessing their impacts. That work has involved the participation of private sector coastal geologists and consultants in reviewing and testing methods for measuring and modeling erosion. The department has worked closely with the NOAA Coastal Services Center and the Washington Department of Ecology on pioneering the use LIDAR – a new airborne technology for mapping contour elevations along the coast. This technology has provided the state with extremely high quality data on beach slope and profile changes, without the need for costly on-site surveys.

The department has also initiated an ongoing process for coordinating with other agencies, including OPRD and DOGAMI and local governments, to systematically and routinely address hazard issues through planning and permitting activities.

Coastal Access

The department, with a special grant from NOAA Coastal Services Center, recently completed the "Ocean Shore Coastal Access Inventory." This inventory was performed by the department for use by OPRD and local jurisdictions, as well as being a valuable resource to the recreational public. The project is an Arc View GIS based map and inventory of all the coastal access sites along the ocean shore. The inventory is being provided to local jurisdictions so that they may update the Goal 17 Coastal Shore lands section of their comprehensive plan inventories. The same inventory, which includes information on the ownership, management, types of facilities, recreational uses, photos and other useful data, is also on the Internet at http://www.inforain.org/access.htm.

A preliminary analysis of the data indicates that the total number of access sites has remained relatively stable since the previous inventory was conducted in the late 1980's. However, there is some evidence that road-end right of way access points are being vacated and lost. Local verification of the data and a formal analysis of the data are underway.

Coastal Dynamic Estuary Management Information System (DEMIS)

During the '99-'01 biennium, DLCD expanded upon a pilot information management project for estuaries that had been initiated in the '97-'99 biennium. The project is referred to as the Dynamic Estuary Management Information System (DEMIS).

The goal of DEMIS is to aggregate and improve access to estuary information in Oregon through the use of Geographic Information System (GIS) technology. The pilot DEMIS project developed a functioning system for managing digital estuarine information. The '99-'01 expansion phase of the DEMIS project implemented this system in five estuaries: Coos Bay, Coquille, Nehalem, Siletz and Siuslaw.

The result is that estuarine managers, local officials, watershed councils and interested citizens have access to an aggregated DEMIS "library" comprised of the unique digital information layers for each of the five estuaries and related watersheds. The assembled DEMIS libraries are available at no cost in CD-ROM format, and are distributed with free GIS viewing software. The information layers assembled on each CD comprise a range of resource topics relating to estuary planning and restoration.

During the next biennium, the DEMIS project will be expanded to new estuaries, and will transition from CD-ROMs to a web-based platform as part of DLCD's Coastal Atlas project. In this new format, we anticipate that interested parties will be able to preview specific layers online before downloading, or simply create multi-layer maps via a web browser. Implementation of this assistance technology will further enhance local estuary managers' timely access to and use of current and historic resource information for decision making.

Coastal Information System

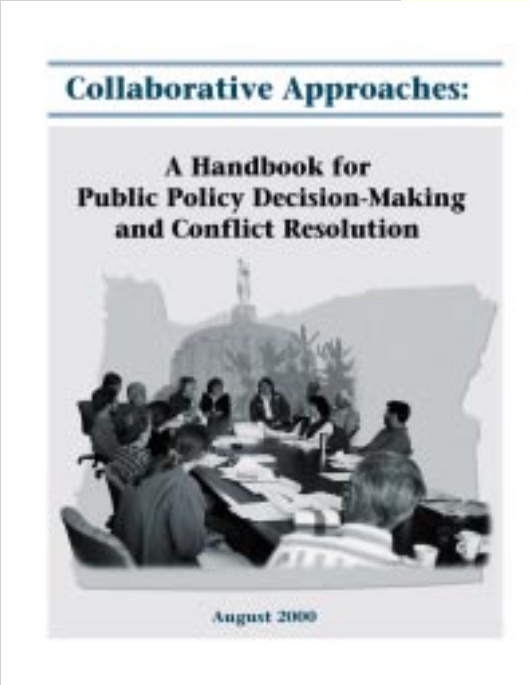
The department has initiated a special project to develop a digital Coastal Management Information System, to serve the needs of local governments, state agencies, researchers and the public. The purpose of the system is to close the technology gap that prevents local jurisdictions and state agencies from obtaining and using information and software tools that can improve their efficiency and quality of service. The department is utilizing a series of focus groups and surveys to determine the needs and capacity of prospective users, and is conferring with a variety of private, non profit and other GIS and Internet service providers on the design of the system. The long term objective is to be able to serve data sets to the public over the internet, using interactive mapping and query tools, while customizing interfaces, links and access to the specific data for local jurisdictions.

The system will incorporate vast quantities and types of existing content such as maps inventory data and other information, and will include: retrievable data archives, GIS or script based decision support and analysis tools, internet and CD ROM based data distribution. Initially, the system will incorporate the data and tools developed through littoral cell management planning efforts, DEMIS, the Coastal Access Inventory, the recently digitized Estuary Plan Book, and PNCERS. The project is being funded and supported through a special Joint Project Agreement with NOAA Coastal Services Center, as a pilot project for a regional decision support system, and for transfer to other coastal states.

Resolving Conflicts

Oregon established a small and innovative Public Policy Dispute Resolution Program in 1990. Its purpose is to promote collaborative approaches and the use of mediation to resolve public policy issues. The program was the result of a joint effort by the Governor's office, the Dispute Resolution Commission and the Department of Land Conservation and Development. A grant from the National Institute for Dispute Resolution provided funding for early mediation efforts and agency training.

In 1997 the Legislature approved the expansion of the state program to serve agencies outside the Natural Resource area. Funding from court filing fees helps support four coordinators dealing with issues in diverse areas of state government. These coordinators serve Human Services, Community Development, General Government and Natural Resource agencies. The Natural Resource Coordinator is housed within the Department of Land Conservation and Development, but serves dispute resolution needs of 13 agencies and a number of commodity commissions.



A fundamental function of government is the orderly management of conflict and the resolution of disputes. For most of these controversies, state government has effective administration processes in place to constructively manage the hundreds and thousands of conflicts that routinely come before agencies. There are times, however, when the resolution of conflict is costly and inefficient. This can be particularly true in complex public policy disputes involving numerous issues, layers of governmental involvement and many interests. In these cases and other types of disputes, the most efficient and satisfactory resolution of the conflict may be found through the development and implementation of a collaborative program solving strategy such as mediation, negotiated rule making and facilitated policy dialogues. Unfortunately, not all agencies have the expertise or experience to design and implement collaborative problem solving processes and those that do, do not systematically share the knowledge with other agencies.

The Public Policy Dispute Resolution Program is intended to help agencies look more broadly at their dispute resolution needs, provide technical assistance on how and where to procure dispute resolution services and help agencies maintain the best possible practices of dispute resolution service while being mindful of the laws, policies and regulations that shape the state. The overall purpose of the program is to establish an integrated and coordinated program to help state agencies and the public to resolve contentious public policy issues through use of proven collaborative problem solving techniques and processes wherever appropriate. The overall goals for the state's dispute resolution activities are:

- Decrease the costs of resolving disputes;
- Increase agency efficiency;
- Increase public and agency satisfaction with the process and results of dispute resolution. (ORS 183.502 (7)).

The 1999 Legislature provided DLCD $200,000 for dispute resolution grants. During the first 15 months of the biennium, 30 grants have been awarded for a variety of dispute resolution efforts. In addition to the grants, the Natural Resource Coordinator has provided training, assistance, outreach and dispute resolution services to many state agencies, local governments, public officials and citizens and other interests that have direct interaction with state government. The Coordinator can provide advice on collaborative approaches for working with non-agency stakeholders, the appropriate use of mediation or other interest-based negotiations, analysis of agency decision-making structure in order to avoid process issues that increase conflict, advice or assistance in obtaining services from qualified professional mediators or facilitators, and assistance in providing or obtaining training for agency personnel.

For example, in a longstanding dispute about riparian issues at Indian Ford Creek, stakeholders had reached an impasse. After several land-use appeals they decided to enter into mediation. At the conclusion of the process, the parties reached agreement over issues and established a land trust in the county. The Deschutes County Principal Planner observed that, "the process was an unexpected success."

Agencies served by the Natural Resource Coordinator include:

- Department of Agriculture
- Colombia River Gorge Commission
- Department of Environmental Quality
- Department of Fish and Wildlife
- Department of Forestry
- Department of Geology and Mineral Industries
- Land Use Board of Appeals
- Department of Land Conservation and Development
- Division of State Lands
- Marine Board
- Department of Parks and Recreation
- Department of Water Resources
- Forest Resources Institute
- Commodities Commission

Mediation and collaborative public policy techniques have many advantages over litigation and traditional governmental regulatory approaches. Although not appropriate for all agency programs or policy issues, the appropriate use of these tools can significantly improve efficiency and effectiveness of government. Some advantages are:

- It is fast. Disputes typically can be settled in far less time than litigation.
- It is cost efficient. Fast settlement means fewer legal expenses.
- It is less adversarial. It focuses on solutions rather than blame.
- It provides mutual settlement of conflicts that maximize satisfaction for all.
- It focuses on real issues rather than technical or legal points.
- It is voluntary, giving increased control to stakeholders for process and outcomes.

Helping Oregon's Economy

When asked what Oregon's planning program is all about, many people reply with just one word: "conservation." It's true that conserving farmland, forest lands, and other natural resources is an important part of that program. But the conservation side of planning in Oregon is only half of the equation. The other half is a set of strong policies for economic development. That half often gets overlooked, because conservation issues are more controversial and draw more attention. Oregon's policies for economic development through land-use planning are among the strongest in the nation. They are a vital part of a program built on the idea of maintaining an appropriate balance between conservation and development.

At the center of these policies is Statewide Planning Goal 9, "Economic Development." The goal calls for local governments to provide "an adequate supply of sites of suitable sizes, types, locations, and service levels for a variety of industrial and commercial uses." Under that mandate, every city in Oregon has analyzed its need for industrial and commercial lands for the next two decades and has planned and zoned enough land to meet those needs. These lands for business and economic activity become a resource—a resource protected in much the same way as farm or forestlands.

The application of Goal 9 in the late 1970's and early 1980's dramatically increased the amount of land planned and zoned for industrial development. Having that supply of land helped this state to become a highly acclaimed center for high-tech development in the 1990's.

Planning for economic development continues to be a vital element of Oregon's statewide planning program. One example of recent activity under Goal 9 is found in Josephine County. There, DLCD has been working closely with county officials to refine the county plan's provisions for industrial uses in several rural development centers—rural areas that already have some industrial development and that have the potential for more. DLCD is funding this rural economic development planning as part of a $285,000 grant to Josephine County for a pilot regional problem-solving project, now in its second phase. Not yet complete, the project is heading toward a unique solution to a difficult set of problems—infrastructure, transportation, and others—surrounding the county's most important large-tract industrial area: Merlin/North Valley.

Some people see land-use planning as a process for stopping development. In Oregon, however, planning has worked to enhance economic development, in many ways by:

- providing clear and objective rules for development;
- ensuring adequate supplies of buildable land for business, industry, and housing:
- protecting those lands from other, incompatible uses;
- cutting red tape and streamlining the processing of permits;
- maintaining the livability that attracts people and industry to Oregon.

Coordinating Programs of State Agencies

Twenty-six state agencies besides DLCD have programs that affect land use. An important aim of Oregon's statewide planning program is to ensure that such efforts are "coordinated"—that they are consistent with the statewide planning goals and compatible with local comprehensive plans. LCDC completed the task of reviewing and "certifying" (approving) these 130 state-agency programs in March, 1993.

But certification has not brought an end to coordination. DLCD continues its work with other state agencies to develop a more fully coordinated statewide planning effort. Governor Kitzhaber has put a high priority on such coordination, as demonstrated by his creation of the "Community Solutions Team" in 1995.

Oregon's Community Solutions Team

The purpose of the Community Solutions Team (CST) is to coordi nate state agency programs, investments and actions with state and local growth management objectives. The team works to develop cooperative relationships among diverse community interests—local governments, businesses, and other stakeholders—to help communities successfully manage growth. See CST web site at www.communitysolutions.state.or.us.

The team's members are the directors of five state departments: Transportation, Economic Development, Environmental Quality, and Land Conservation and Development. Together, they coordinate their growth management-related activities, protect taxpayers' investments in state facilities, and target locally identified growth management issues. Pilot projects in Portland and Malheur County have helped the team develop effective ways to work together, cut red tape, and aid local communities.

Program Integration

In early 1996 the Community Solutions Team created a task force to study how to make interagency coordination permanent. The task force was asked to recommend to the CST ways in which ongoing agency programs and actions can reinforce growth management objectives. Made up of representatives from the five CST agencies and local governments, the task force had three main objectives:

1. to focus on programs that affect community development;
2. to analyze community development mechanisms, procedures, and programs; and
3. to design and implement one or more models for local/state collaboration.

The task force presented its report to Governor Kitzhaber and the CST in December 1996. Directors were given assignments for implementation. From this work came a new approach for delivery of the state's community development services to local governments—regional field teams.

Regional Field Teams and Program Coordination

In December 1997, the Community Solutions Team organized their field staffs into six regional field teams. Today, nine regional teams are deployed across the state. See map of the regions at the CST web site "http://www.communitysolutions.state.or.us" www.communitysolutions.state.or.us. Each team is composed of the field staffs of the five agencies. The teams coordinate their efforts and work with local governments in the regions to ensure that their programs and activities reinforce one another and local goals. Potential conflicts are identified and addressed early on. This is a new approach and the results the agencies hope for are:

- better reconciliation of local and state interests,
- more effective and efficient delivery of state service;
- and better relations between local and state government.

The regional teams also collaborate with the newly emerging "regional partnerships" (four have been established to date) in response to the "New Directions" recommendations from the Interim Work Group on Economic Development chartered by the legislature in SB 5501.

Other examples of program coordination and integration:

- The Ocean and Coastal Management Program Coastal Public Access project, funded by a special competitive federal grant from NOAA, has been conducted in conjunction with Oregon Parks and Recreation Department, other state agencies, and local governments, among others. The project has created a database and Geographic Information Systems (GIS) inventory of coastal shore land access points. The GIS products will be used as tools to improve the management of public access sites by state agencies and local governments and will also be available over the Internet. This sophisticated coastal inventory includes pedestrian, vehicle, and visual access elements, and incorporates site-specific information on location, name, ownership, access type, management characteristics, facilities, landscape features, and services. The project will be conducted in two phases, first focusing on coastal beaches and then shore lands of estuaries, rivers, and lakes.

Funding for Oregon's Planning Program

Because Oregon's statewide planning program covers such a wide range of goals, many people assume that the agency that runs that program must be quite large. In fact, however, the opposite is true. In terms of both its budget and staff, the Department of Land Conservation and Development is among the smallest of all state agencies.

DLCD's budget amounts to less than one tenth of one percent of state government's total budget. Likewise, DLCD's staff of 64 constitutes less than one tenth of one percent of state government's total work force.

DLCD's legislatively approved budget for the current biennium (1999-01) is $16,029,119. The three main sources are: General Fund $8,982,998; Other Fund $2,797,356; and Federal Funds $4,248,765. DLCD's main source of revenue is the state's general fund. DLCD does not administer any permit programs and thus does not generate any revenue from permit fees.

Oregon's Citizen Involvement Advisory Committee (CIAC)

Citizens of Oregon often ask how they can participate in the statewide land-use planning program. The system, after all, is complex and can be cumbersome and intimidating. The CIAC operates in part to provide a regular forum where citizens around the state can share their experiences and find information. The Committee is supported in this effort by a small Communications Program of the Department that seeks to help citizens and professionals alike find easier ways to access planning information, to demystify planning and legal processes, and to foster an effective interaction with the Department and its public policy decision-making body—the Land Conservation and Development Commission (LCDC).

Citizen participation is a hallmark of Oregon's planning program. Each city and county plan includes a citizen involvement program that describes how the public can participate in each phase of the planning process. Local governments must periodically evaluate their efforts to involve citizens, and, if necessary, update their programs. These requirements are established in Goal 1, Citizen Involvement.

ORS 197 established the state's Citizen Involvement Advisory Committee (CIAC) to advise the Land Conservation and Development Commission and local governments on matters pertaining to citizen involvement. CIAC is a permanent committee established by this statute. CIAC is an advisory body. It has no explicit or implied authority over any local government or state agency. It does not set policy or review local land use plans or decisions.

The Citizen Involvement Advisory Committee has seven members, one from each of Oregon's five congressional districts and two chosen at large. CIAC members are unpaid volunteers.

Committee members are appointed to two-year terms by the Land Conservation and Development Commission. The Committee chair is elected by the committee's members for a term of one year. The committee meets quarterly in Salem.

During the 99-2001 Biennium, CIAC members actively participated in the legislative session by supporting efforts to protect citizens from strategic lawsuits against public participation. Members have also provided important guidance to citizens groups wishing to have a greater voice in planning discussions. A new guide to citizen-initiated enforcement orders has been distributed widely, and is now available on the Internet.

Regional Problem Solving

In February 1995, the Oregon Legislature enacted HB 3482, which authorized a regional approach to solving land-use problems in various parts of the state. The act emphasizes collaborations as a way to bring about agreements for solving regional problems. It calls for local governments, state agencies, citizens, and affected organizations to work together to address land-use problems that transcend city or county boundaries. The hallmarks of the regional problem solving process are the following:

- It is locally initiated and voluntary. There is no mandate from the state to engage in this process.
- It is regional. It offers a method to tackle land-use problems that involve more than one city, county, or special district.
- It is collaborative. It involves state agencies with local governments at each step of the process. State agencies do not come in at the end to assert state interests.
- It allows solutions "outside the box." If all participants agree on a solution to the land-use problems, LCDC can approve it even if it does not conform in every respect to the LCDC rules (the solution must conform to the purposes of the goals).

The Legislature removed a "sunset clause" in 1999, making regional problem solving a permanent element of the state land use program. DLCD established a March 1, 1996 deadline for the receipt of the first project proposals. Following a staff technical review, 13 project proposals were forwarded for further policy review by the directors of key state agencies. DLCD then selected the final four pilot projects.

The Emergency Board approved DLCD's funding request for the four selected project proposals in the spring of 1996. Following is a brief overview of each project and report on its progress.

Clatsop County (Clatsop Plains)

This pilot project was designed to address current and future development conditions on the Clatsop Plains, a coastal area between the cities of Seaside and Warrenton. Its focus was on development outside the urban growth boundaries and its effects on groundwater, coastal lakes and streams flowing out of the Coast Range. After a promising start, the county, due to staff changes and concerns raised by citizens, decided to suspend further work on the Clatsop Plains project.

Deschutes County (LaPine Sub-basin)

This project involves water quality, wildfire habitat, and infrastructure problems associated with the existence of over 15,000 rural lots platted before current statewide planning laws in the LaPine Sub-basin. There are some 8,400 residences in the area, leaving approximately 6,600 undeveloped lots. In phase 2, participants have identified a preferred solution. It calls for establishment of a new village area, joining LaPine and Wickiup Junction. Action by Congress made a tract of federally owned land available to the county for this solution. The solution adopted will provide mechanisms for owners of unbuildable, undeveloped lots in hazardous areas to transfer their development rights to the new village. LCDC approved the county's project, including needed plan and ordinance amendments, in August 2000.

Josephine County

This project deals with rural development issues in five areas of the county, several suffering from economic downturns. The project will yield new land-use plans for these rural communities, including Merlin/North Valley, Wolf Creek, Sunny Valley, and several hamlets in the Illinois Valley. The project includes efforts to resolve conflicts between aggregate extraction and other uses in the Applegate Valley.

The project has identified collaborative solutions for the Wolf Creek and Sunny Valley areas. Despite successful effort to reach agreement between Grants Pass and Josephine County on services to county land inside Grants Pass urban growth boundary, a solution for the growth issue in Merlin/North Valley is still being developed.

Action on the remaining elements in the Josephine County project is expected in the coming biennium.

Polk County

In this pilot project, Polk County, Yamhill County, the city of Willamina, and the Confederated Tribes of the Grande Ronde are wrestling with growth spurred by development and expansion of the Spirit Mountain Casino complex. The principal issues are transportation on Highway 18, housing and amenities for casino-complex workers, infra-

structure, and water quality. The participants have identified a preferred solution that calls for a combination of rural and urban development. New expansion information from the Confederated Tribes is causing the working group to recalculate assumptions. DLCD has awarded the county a grant to complete work on the project in the spring of 2000.

Jackson County (Bear Creek Valley)

In this project, Jackson County along with seven of its cities, are addressing a range of growth management issues in the Bear Creek Valley. Building off of earlier regional planning work called, "Our Region," the project has begun with the formation of various policy, technical and citizen committees. Key state agency participants in the project so far include DLCD, Transportation, Agriculture, and DEQ. The project is being managed by the Rogue Valley Council of Governments.

Lane County (Region 2050)

In this project, Lane County and ten incorporated cities along with ten unincorporated communities have joined together to develop a common growth management strategy for the southern Willamette Valley. The strategy seeks to establish an integrated plan dealing with efficient urban growth, balancing jobs and housing, protecting resource lands and providing adequate public facilities and services. Early work in the project is focusing on developing "profiles" for each of the participating communities. The project is being managed by the Lane Council of Governments.