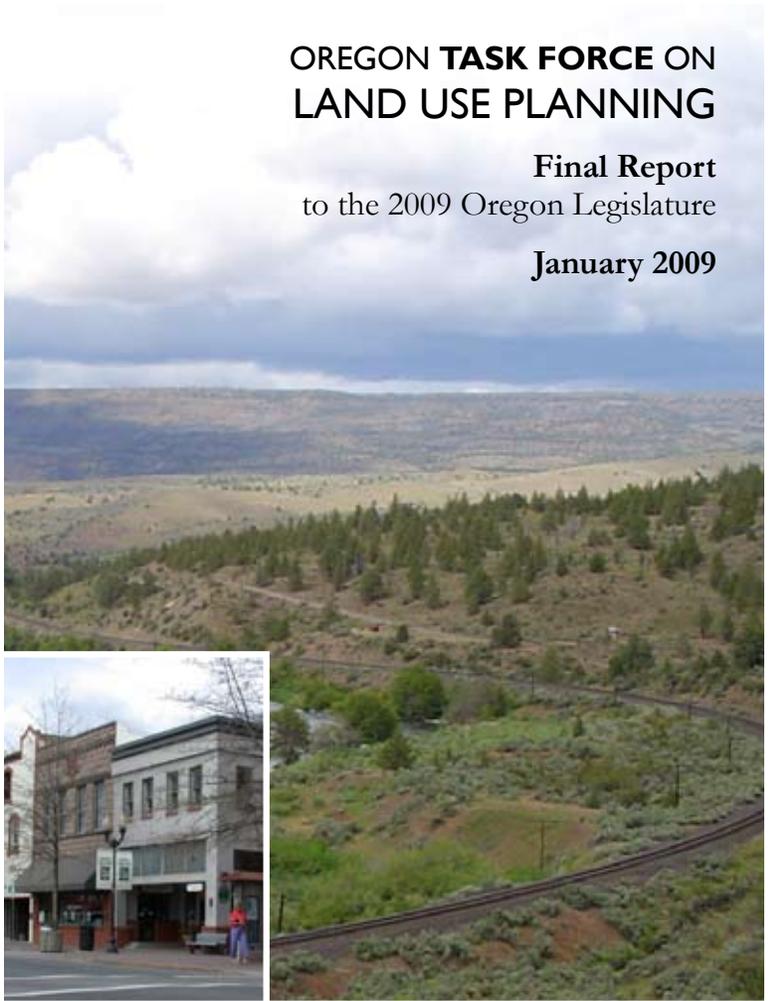
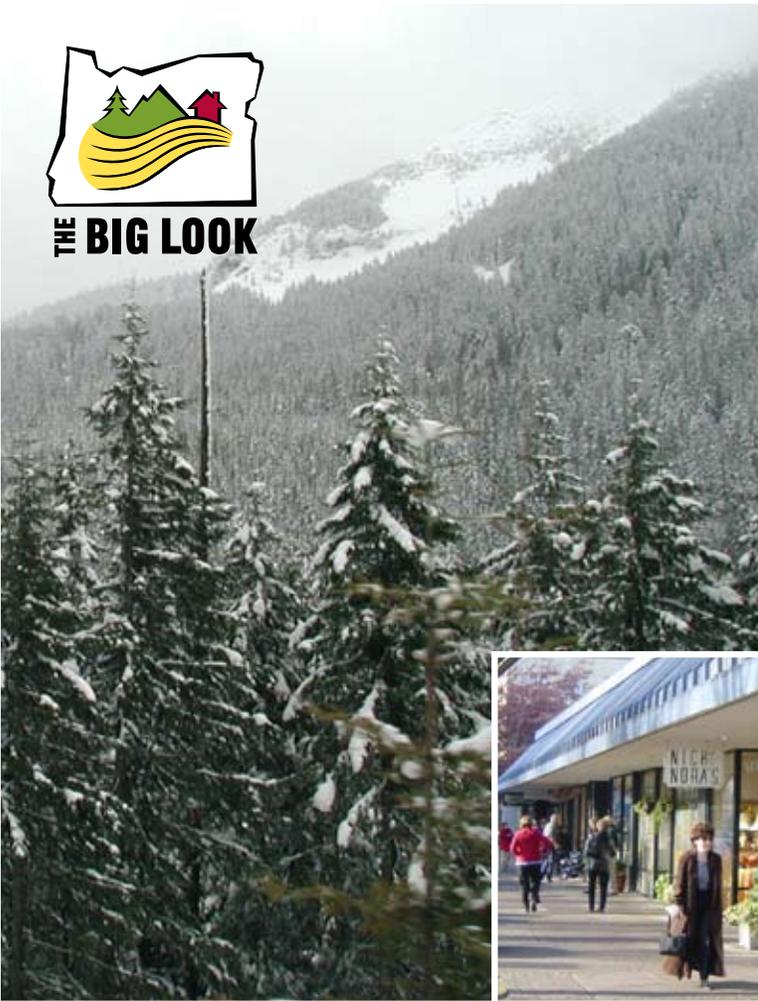




# OREGON TASK FORCE ON LAND USE PLANNING

Final Report  
to the 2009 Oregon Legislature  
January 2009





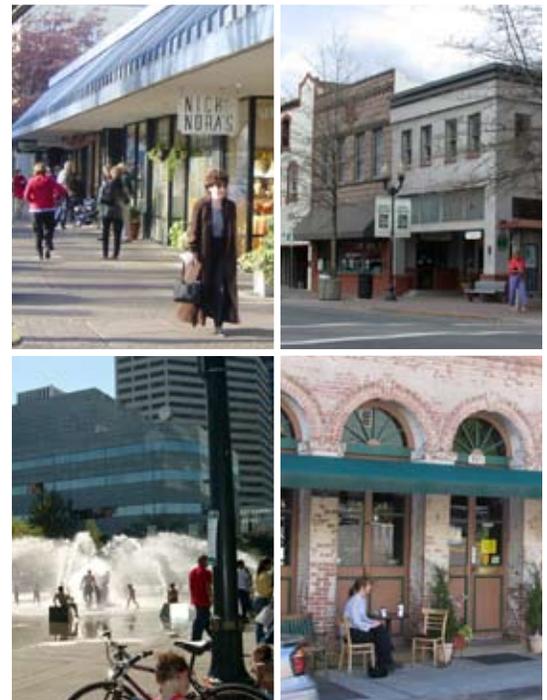
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## OREGON BIG LOOK TASK FORCE ON LAND USE PLANNING MEMBERS



### **Ken Bailey**

Vice President and Shareholder in Orchard View Farms, Inc. in The Dalles. Orchard View Farms grows, packs and ships premium fresh cherries for domestic and international sales. Ken grew up on the family farm and returned to farm after his graduation from Oregon State University with a B.S. in horticulture. Ken's service on community and industry boards includes: Oregon State Board of Agriculture, Mount Hood Economic Alliance, Wasco County Economic Development Commission, Wasco County Board of Adjustment (land use board of appeals), Wasco County Fruit and Produce League, National Council of Agricultural Employers, Oregon Farm Bureau and The Food Alliance Stewardship Council.

### **David Bragdon**

Became the Metro Council's first regionally elected President in January 2003 after first being elected to the council in 1998. Prior to his service on the council, David spent most of his career in the private sector, primarily in the international trade and freight transportation industry. He developed and administrated transportation strategies at Oregon-based companies such as Nike, Lasco Shipping Co. and Evergreen Airlines. He then worked for five years as the Port of Portland's marketing manager. A graduate of Harvard University, he lives in Southeast Portland.

### **Steve Clark**

President of the Portland Tribune newspaper and President and Publisher of Community Newspapers, a group of 19 weekly and monthly and community newspapers published in Multnomah, Washington and Clackamas counties. Steve is active in the region and the state in working to address and link livability, land-use, economic strategy and transportation issues and solutions. As a board member of the Westside Economic Alliance, he led the development of an economic strategy for Portland area's Westside. He is co-chair of the Oregon Business Council's efforts to expand the availability of land in Oregon for jobs. He is a member of the steering committee that has developed a Portland regional economic development strategy and chairs that effort's land use committee. He lives in Tigard.

### **Jill S. Gelineau**

A litigator who represents landowners in condemnation and land-use litigation, Jill represented the Dolan family in the Dolan v. City of Tigard trial following its remand from the United State Supreme Court. She has been a speaker at numerous conferences locally, nationally and internationally, primarily speaking on the topics of condemnation and land use. She recently participated in the rewriting of the chapter on Compensation in Nichols on Eminent Domain, the preeminent treatise in the field of condemnation law. She is a shareholder with Schwabe, Williamson and Wyatt, P.C. in Portland.

### **Judie Hammerstad**

In addition to her elected terms on the Lake Oswego School Board (1980-88), in the State Legislature (1987-88), and the Clackamas County Commission (1990-99), other government experience includes service on the Metropolitan Policy Advisory Committee, member of the Board of Directors for Portland State Institute, Portland Streetcar, Inc., and recent chair of Metro's Task Force on Measure 37. Her second term as mayor of Lake Oswego began on January 4, 2005 and expires December 31, 2008. Mayor Hammerstad has a Bachelor of Arts degree in history from the University of Oregon and is a retired teacher, education specialist and editor.

### **Wes Hare**

Albany City Manager who has served Oregon local governments since 1984, when he was elected to Eugene's Bethel School District board of directors. He has since worked as the city administrator or manager in Oakridge, La Grande and Albany. Wes earned a B.S. degree in political science and an M.S. in public administration from the University of Oregon following service in the United States Navy.

### **Cameron Krauss**

General Counsel for Swanson Group, Inc., a forest products company, headquartered in Glendale, Oregon. Along with handling the company's day-to-day legal issues, Cameron devotes a great amount of time to natural resource issues at the state and federal levels. This work includes land use. A native Oregonian born and raised in Grants Pass, Cameron received his B.S. in Fisheries and Wildlife from Oregon State University in 2001 and his law degree from the University of Oregon School of Law in 2004. He currently serves on the Board of Directors of Oregonians for Food and Shelter and the Executive Committee of the American Forest Resource Council.

### **Gretchen Palmer**

With a degree in elementary education from the University of Oregon, Gretchen taught pre-school for several years, owned and managed a restaurant, and then went to work full time as Secretary/Treasurer for Palmer Homes, a business she has owned with her husband for 25 years. She currently serves as Principal Broker for Palmer Homes Sales, Inc. She has lived in Central Oregon for nearly 30 years and worked extensively with the City of Bend on its Development Code Revision and been very active on the local, state and national levels of the National Association of Home Builders.

### **Mike Thorne**

A Pendleton rancher, Mike is the former Executive Director of the Port of Portland and CEO of the Washington State Ferry System in Seattle. He served in the Oregon Legislature from 1973 to 1991 and was a member of the committee that wrote the original Oregon land use planning act. He and his wife, Jill, reside in Pendleton and he is currently a member of the Board of Directors of StanCorp Financial headquartered in Portland.

### **Nikki Whitty**

Coos County Commissioner, 1998-present. Previously South Coast Area Manager for CCD Business Development Corporation. Also served in a variety of staff positions for legislators and other elected officials in Salem. Nikki is very active in local and state boards and commissions – currently serving as the Chair for Rural Development Initiatives, Chair of Jefferson Behavioral Health and Chair of the Association of Oregon Counties (AOC) District 4 consisting of Coos, Curry, Douglas, Jackson and Josephine Counties. She also serves on the Community Development Forum, the Governor's Oregon Solutions Team, the local Regional Investment Board and the Board of Directors for AOC.

## EXECUTIVE SUMMARY



In 2005, the Oregon Legislature and Governor Ted Kulongoski created the “Big Look” Task Force to review our state’s land use planning program. *The task force was charged with making recommendations to the 2009 Legislature on the following issues:*

- The effectiveness of Oregon’s land use planning program in meeting the current and future needs of Oregonians in all parts of the state;
- The respective roles and responsibilities of state and local governments in land use planning; and
- Land use issues specific to areas inside and outside urban growth boundaries.

We have considered these issues with the understanding that we expect as many as two million more residents in the next 25 years, and that our economy is now much more diverse and complex than when the land use program was initiated in 1973. Further, we learned that we also needed to address the mounting global warming challenges we face, and citizens’ views about expanded consideration of private property rights, equity and fairness.

After three years of extensive input from experts and citizens throughout the state, the task force has developed its findings and recommendations that are described in this report. *The primary conclusions reached by the task force are that:*

- Oregon needs a more flexible land use system, one that responds to regional variations rather than providing “one size fits all” standards.
- The state should foster greater regional cooperation among cities and counties to resolve land use planning issues collaboratively and efficiently.
- The state should coordinate planning for land use, economic development and transportation and clearly articulate what outcomes we are trying to achieve. The state also should develop systems to monitor how we are doing in achieving those outcomes, along with asking for feedback about what is and what is not working.
- Oregon’s land use system needs to be simplified to remove the complexity that has built up after 35 years of regulation so that ordinary citizens can understand the basics of the program.





The Big Look Task Force is not recommending an overhaul of our state’s land use system, but instead a series of strategic adjustments designed to improve the program for all Oregonians. We are mindful of the current challenges before the legislature, but believe that important public policy issues, such as improvements to the land use system, can be discussed and evaluated now and prioritized for implementation and investment in phases.

## LEGISLATIVE RECOMMENDATIONS IN THE DRAFT TASK FORCE LEGISLATION

Primary recommendations from the task force are to:

### *Adopt four guiding principles as a framework for land use planning in Oregon*

The task force recommends adopting four principles as a guiding framework for the land use system. These principles do not replace the existing 19 statewide land use planning goals, but instead collectively describe the outcomes the land use system should achieve. *The principles are to:*

- **Provide a healthy environment**
- **Sustain a prosperous economy**
- **Ensure a desirable quality of life**
- **Provide fairness and equity to all Oregonians**

### *Foster regional land use planning*

Existing statutory provisions that give cities and counties some incentives for regional land use planning issues should be strengthened significantly. By working collaboratively, cities and counties can be more efficient and do more to achieve their shared goals and strategic outcomes for the future than is possible on their own.

### *Allow counties to develop regional criteria for designating farm and forest lands, if they also protect important natural areas and assure that development is sustainable*

Counties should be allowed to propose specialized rules to decide what lands are designated as farm or forest land. The draft legislation would require counties that use regional criteria to set limits on any new uses to assure that development is consistent with the carrying capacity of the lands. In addition, counties would be required to review, update, and institute protections for important natural areas.

### *Reduce complexity*

The Land Conservation and Development Commission (LCDC) should appoint a work group to undertake a comprehensive but policy-neutral review and audit of state’s land use planning statutes and rules. The purpose of this review is to simplify the legal structure of the land use program so that it is understandable to average Oregonians. This will help ensure effective citizen participation and decision making.





### *Strategically plan for a sustainable Oregon*

The task force recommends that key state agencies develop an integrated strategic plan, which includes updated benchmarks, performance measures, and monitoring systems. The strategic plan should coordinate state land use, transportation, economic development and other key planning efforts such as global warming and water policy. The state strategic plan should be regularly updated to ensure it matches Oregonians' values and priority outcomes as they evolve over time.

## **OTHER RECOMMENDATIONS IN THE BIG LOOK FINAL REPORT**

In addition, the task force recommends other important steps:

### *Improve citizen participation*

The task force recommends that the Department of Land Conservation and Development (DLCD) develop techniques and guidelines to improve citizen participation in land use planning and in specific land use decisions.

### *Improve infrastructure finance*

The task force recommends that the state examine existing state prohibitions on local options for financing infrastructure that's needed to support new growth. In addition, the state should evaluate the long-term implications of current property tax limitations, particularly as they relate to new development. These limitations make it difficult for most communities to assure that new development pays an appropriate share of the cost of public facilities and services needed to serve that development.

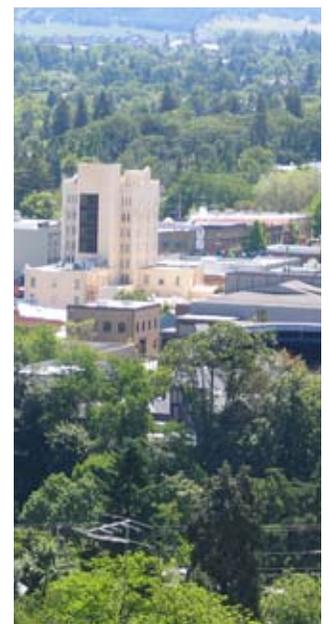
### *Addressing climate change*

The Global Warming Commission and the Transportation Vision Committee have made important recommendations to the governor regarding the role our land use system can play in reducing greenhouse gas emissions and in adapting to climate change. These recommendations and several other possible amendments to existing land use tools deserve careful and thorough consideration by LCDC.

### *Planning for a vibrant economy*

The state should continue and expand its program for certified industrial sites and develop safe harbors for urban growth boundary expansions that meet strong employment criteria. It's also important to develop methods to prevent or limit rezoning of industrial lands into retail or residential uses except where there are significant public benefits.

Our state land use program has played an important role in helping communities direct their futures and will continue to do so. At the same time, we have seen a period of significant controversy in the land use system, and there are substantial future challenges posed by predicted population growth, constraints on public financing, environmental protection, climate change, and limited resources.





The Big Look Task Force recommendations provide a framework for responding to these challenges. In light of our current economic situation, the task force prioritized and designed these recommendations so they can be implemented over a period of time, as resources become available.

In this period of substantial economic turmoil, now is the time to lay the foundation for adjusting to our land use system so that the state can continue to create quality communities and a high quality of life.

The task force expresses its sincere thanks to Governor Kulongoski and members of the state legislature for this opportunity to serve the citizens of Oregon. We offer our continued support as the legislature considers and prioritizes implementation of these recommendations.



## INTRODUCTION



### HISTORY OF THE BIG LOOK TASK FORCE

The 2005 Oregon Legislature passed Senate Bill 82, establishing the Big Look Task Force. The governor and the legislature created the task force to carry out a comprehensive review of Oregon's statewide land use planning system and to make recommendations to the 2009 Legislature.

The task force began by meeting throughout the state to hear testimony from elected officials, interest groups, public agencies, and citizens regarding their views of the land use system. Initially, the task force broke into six "working groups" to gather further information.

*The groups focused on the following areas of land use consideration:*

- **Benefits and burdens**
- **The economy**
- **Growth management**
- **The roles of state and local government**
- **Citizen involvement**
- **Infrastructure, finance and governance**

Each work group developed a list of potential issues, as well as a work plan for analyzing those issues. The task force also collectively reviewed comparisons of Oregon's land use system with land use programs in Washington, Maryland, Colorado, California, Florida, New Jersey and other states.

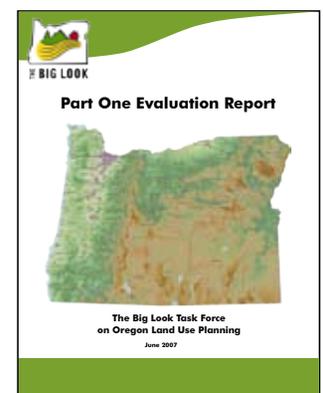
### PRELIMINARY REPORT

The task force completed a report of its "Preliminary Findings and Recommendations" in July 2007. That report identified 11 initial findings and conclusions, and a series of broad alternatives that summarized the task force's preliminary work and set general direction for its second phase of effort.<sup>1</sup>

*The 11 preliminary conclusions were:*

1. **Oregon's land use system has protected agricultural and forest lands.**
2. **Oregon has contained urban sprawl and managed growth better than have most states.**
3. **Oregonians generally support land use planning, but they also believe strongly in private property rights.**

<sup>1</sup> The "Preliminary Findings and Recommendations" of the Big Look Task Force are available at: [http://centralpt.com/upload/301/2528\\_BigLook\\_stakeholderbrochure.pdf](http://centralpt.com/upload/301/2528_BigLook_stakeholderbrochure.pdf)





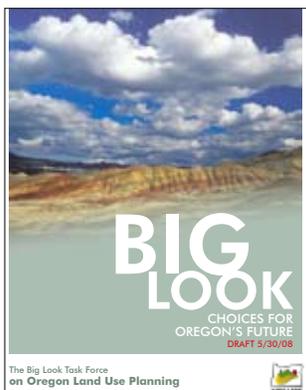
4. Oregon's land use program is more often viewed as a regulatory program than as a resource for jurisdictions. And there is a perceived lack of coordination and strategic alignment between Oregon's land use agency – the Land Conservation and Development Commission – and other state agencies and local governments.
5. The program has become a complex mix of statute, case law, amendments, administrative rules and specific exceptions. The perceived “one size fits all” approach does not adequately recognize our state's diverse landscapes, economies and values.
6. The land use system should reflect distinct differences between the high growth and low growth areas of the state.
7. Exclusive farm use zoning (EFU) is inflexible, and can only be amended by the legislature.
8. Oregon will be challenged to finance and maintain the infrastructure needed to accommodate the growth of 1.7 million more Oregonians projected by the year 2035.
9. Oregon should be a leader in adopting best practices such as providing more incentives, more flexibility and a higher recognition of the role that market forces play in shaping development patterns.
10. Oregon does not have a strategic method for understanding the values of Oregonians, particularly as those values shift or change over time.
11. Most Oregonians share a few basic principles that, when properly balanced in the state planning system, will help create a sustainable Oregon.

### PRELIMINARY RECOMMENDATIONS

After reconvening in early 2008, the task force completed an analysis of its preliminary conclusions along with the work from the six working groups and consolidated this information into the following main areas of preliminary recommendations. In May of 2008, the task force issued a briefing booklet for the public and interest groups summarizing key issues and the preliminary recommendations. The task force then held more than 40 meetings to obtain feedback on those preliminary recommendations.

*Those preliminary recommendations addressed the following areas:*

- **Guiding principles for the land use program** – Articulate what outcomes our land use program should achieve.
- **Complexity in the system** – Conduct a comprehensive review and audit of our land use laws and regulations to reduce complexity and clarify the system so that ordinary Oregonians can understand and participate in it.
- **Regional planning** – Assist urban and emerging urban areas to meet their housing, economic development, environmental, financial and other goals through regional problem solving.
- **Farm, forest and natural areas** – Allow regions to establish specialized rules for what lands are designated as farm or forest land, while also protecting natural areas and limiting rural development to sustainable levels.





- **Develop and maintain a state strategic plan** – Integrate state land use, transportation, and economic development programs by developing an integrated strategic plan. As part of this effort, the Department of Land Conservation and Development (DLCD) should develop performance standards to measure progress toward achieving the state’s goals and benchmarks. Accompanying these benchmarks will be a comprehensive monitoring program.

## PUBLIC ENGAGEMENT

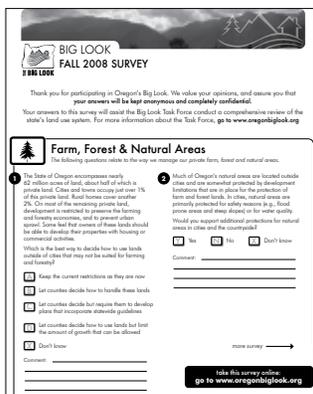
In the summer and fall of 2008, the task force focused its efforts on a comprehensive public engagement process to get feedback from citizens and organizations about possible changes to Oregon’s land use system. *This effort included:*

- **A concentrated public outreach** to involve citizens in the decision-making process to help the task force determine best options available for improvements to the state’s land use system. (August–October 2008):
  - **A statewide newspaper insert.** The task force produced a 12-page color insert as a general public invitation to a series of statewide town hall meetings and as an introduction to relevant land use topics. Nearly 500,000 newspaper inserts were distributed in more than 32 different newspapers throughout the state.
  - **Press release and press packet.** Press releases and packets were distributed to television, radio, and newspaper contacts throughout the state—resulting in more than 20 newspaper articles in papers throughout the state, television and radio coverage, and an hour-long program on Oregon Public Broadcasting. Media outreach also included e-blast messages to hundreds of stakeholder groups, grassroots organizations and citizens.
  - **Updated design and content for the oregonbiglook.org Web site.** Complementing other outreach strategies, the Big Look project Web site was updated with design improvements, extensive new content, a media center, and the posting of a documentary film about the Big Look. The Web site became a central source for information on the town hall meetings, topic areas, and background on the project. Peak Web site activity during this period ballooned to several hundreds hits a day, with a one-day high of 542, and more than 5,000 visits for the month. Since the beginning of 2008, the Web site has had more than 43,000 visitors.
  - **A documentary film** – *The Big Look: Examining Oregon’s Land Use Laws.* An Oregon filmmaker was commissioned to produce a 28-minute film reviewing Oregon’s current land use system, the Big Look project and differing perspectives from Oregonians about our land use laws. The documentary includes footage gathered from interviews with Oregon farmers, foresters, developers, politicians, conservationists, housing advocates and Big Look Task Force members. It was shown at each town hall meeting as an introduction to the issues. The film can be viewed on the Big Look Web site and may be shown on public television stations later this winter.





- **Town hall meetings.** Eleven (11) town hall meetings held throughout the state were attended by nearly 1,400 Oregonians. At these interactive meetings, participants were able to learn more about land use issues, and discuss potential changes, and provide written responses to the Big Look statewide public opinion survey.
- **Meetings in a box.** Town hall meeting materials were made available to those interested in hosting this “home version” of the meeting. The meeting kit was made available through notification in all other of the engagement efforts. About 60 groups and individuals around the state requested the kit and hosted these informal meetings with their friends, neighbors or constituents.
- **Statewide public opinion survey.** A survey was developed to gauge public support for various policy issues under consideration by the task force. The survey was completed by about 1,800 people who participated in the town hall meetings, visited the Big Look Web site and participated in the “meetings in a box.” The results were tabulated and provided to the task force as representative of the opinions of Oregonians who pay attention to land use issues and attend public meetings. These findings are discussed in the appendix of this report.
- **Statewide statistical survey.** The task force commissioned Davis, Hibbitts and Midghall, a public opinion research firm, to conduct a statistical survey of more than 840 Oregonians, who accurately portray the demographic make up of the state in terms of race, income breakdown, geographic distribution, and spectrum of urban to rural lifestyles. The results of this survey were compared to the more self-selective results from the public opinion survey described above.



- **A final, all-day, facilitated roundtable meeting** with 26 interest groups representing a broad spectrum of concerns on land use issues. This discussion provided a thorough review of the issues and draft legislation, with a focus on solutions and compromises to be carried forward as proposed legislation. (October 2008)
- **Final legislative recommendations** that were included in a draft legislative concept. (November 2008)
- **Preparation of a final report** outlining the task force’s legislative and non-legislative recommendations. (December 2008)

The findings of the statewide public opinion survey, statewide statistical survey, meetings with stakeholder groups, and the 11 town hall meetings are summarized in each of the following nine chapters of this report.

### EVALUATION OF SELECTED ASPECTS OF OREGON’S LAND USE PROGRAM

In the summer of 2008, the Institute for Natural Resources at Oregon State University completed a review of selected aspects of the state’s existing land use planning





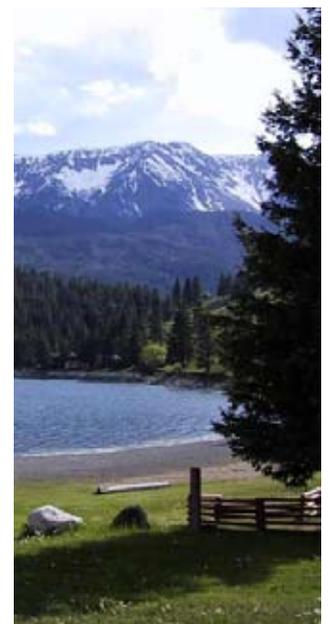
program.<sup>2</sup> The report concluded that the program has been effective in achieving many of the goals originally established for the program when statewide land use planning was conceived in the early 1970s. The report found that the land use system has preserved agricultural lands and limited the conversion of forest lands to other uses. In total, 89 percent of the non-federal resource lands in western Oregon and 97 percent in eastern Oregon have remained in resource uses since the mid-1970s. No other state has come this close to preserving farm and forest lands.

The report also finds that urban growth boundaries have led to downtown revitalization, a decrease in residential racial segregation, increased use of alternative transportation modes in urban areas, and higher levels of personal income and retail activity. In addition, while urban growth boundaries have resulted in higher land values, studies have not clearly associated UGBs with higher housing prices. The report also found that between 1982 and 1997, Oregon had the lowest level of land converted to urban uses of all states studied (a rate of 0.43 percent, with Colorado second at 0.62 percent).

These findings, by and large, reinforce the preliminary conclusions of the task force that the state's land use program has been successful in achieving many of its original objectives. While Oregon's land use system can count many successes, policy makers and citizens have concerns with how our system will address future challenges such as significant population growth, infrastructure finance, economic recovery and climate change. Some have concerns that certain farm and forest lands were mislabeled. Many believe the state should do more to protect important natural areas through the land use program.

### RELATED PROPOSALS BY OTHER ADVISORY BODIES

Some of the topics and issues reviewed by the task force were also examined by other state groups: the **Revenue Restructuring Task Force**, the **Transportation Vision Committee** and the **Global Warming Commission**. Each of these groups has made recommendations that relate to land use issues. Given the timing of these efforts, the Big Look Task Force has been unable to fully evaluate the work of these groups. Nevertheless, the task force wants to underscore that all of these groups see the direct linkage among land use, transportation, public finance, and environmental priorities. Given the close connection among these issues, the task force recommends that policy makers review and consider the reports from these groups collectively.



<sup>2</sup> *The Oregon Land Use Program: An Assessment of Selected Goals*. Oregon State University, Institute for Natural Resources, Corvallis, Oregon, August 2008.



## CHAPTERS AND RECOMMENDATION CATEGORIES



- 1 GUIDING OREGON'S LAND USE SYSTEM
- 2 PLANNING FOR REGIONAL INITIATIVES
- 3 PROTECTING FARM, FOREST AND NATURAL AREAS
- 4 REDUCING COMPLEXITY
- 5 STRATEGIC PLANNING FOR A SUSTAINABLE OREGON
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- 9 PLANNING FOR A VIBRANT ECONOMY

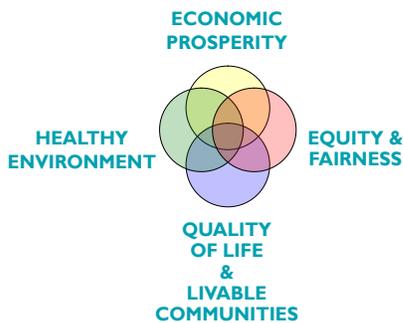




## CHAPTER ONE: GUIDING OREGON'S LAND USE SYSTEM

As part of its initial work in evaluating the state land use system, the task force assessed the underlying and unifying purposes that should guide our state program going forward. *From this, the task force identified four guiding principles that describe the outcomes that Oregonians want our state's land use program to achieve:*

- Provide a healthy environment
- Sustain a prosperous economy
- Ensure a desirable quality of life
- Provide fairness and equity to all Oregonians



### PROBLEM STATEMENT

The task force also examined Oregonians' underlying values in terms of what they want for their state and their community. The task force reviewed data from recent polls and other studies of Oregonians' opinions and values. It found both confusion about what our current land use system is trying to achieve, as well as broad consensus about what it should be working toward.

*Based on the data and analyses, the task force reached the following conclusions concerning Oregonians' values:*

- Oregonians strongly support environmental protection
- Oregonians strongly support sustaining and building a prosperous economy
- Oregonians want a high quality of life and to create livable communities
- Oregonians believe that the land use system must have fair and equitable processes and outcomes

With respect to the fourth value listed above, Oregonians have a strong belief in the value of private property rights. In many cases, people hold apparently contradictory beliefs: that the state should protect land for farm and forest



uses, while also supporting an individual's right to use land without government interference. It is important to understand that these contradictory values are not the result of different factions or special interest groups disagreeing with one another; instead, they are internal conflicts within many Oregonians. In the future, Oregon's planning system should more explicitly recognize private property rights and develop specific ways to balance that value with others.

### LEGISLATIVE RECOMMENDATIONS

#### *Adopt a set of guiding principles as an overarching framework for the Oregon land use planning system*

While there are many definitions for goals, the task force searched for principles that were more outcome-based and would be understood and supported by a large majority of Oregonians. The task force developed a simpler set of principles that have both broad support and represent a clearly defined outcome. Section 1 of the task force legislation would adopt these principles as an overarching framework for Oregon's land use planning system.

#### *The four guiding principles:*

- **Provide a healthy environment;**
- **Sustain a prosperous economy;**
- **Ensure a desirable quality of life; and**
- **Provide fairness and equity to all Oregonians.**

The guiding principles do not replace the existing 19 statewide land use planning goals. Instead, they provide a set of principles that must be considered when the land use goals and their implementing rules are altered.





## CHAPTER TWO: PLANNING FOR REGIONAL INITIATIVES

Regional planning is a process where multiple jurisdictions collaborate to find solutions to their common concerns.

While Oregon's land use system has accomplished much, the practice of planning is largely focused within individual local governments. In some cases, the practice of growth management planning has resulted in fractionalized local governments focusing almost exclusively on local planning and issues. Consequently, growth management has been closely tied to local land use tools such as the comprehensive plan.

This local emphasis is counter to the fact that in an increasingly regional and global society, cities and communities no longer function as entities unto themselves. Cities and counties function as regions – interdependent both socially and economically. In many parts of the state, people conduct their lives as regional citizens who live, work and play in multiple communities with little regard to jurisdictional boundaries. Since the form of settlement and commerce in many areas in Oregon and the world extends beyond local government boundaries, land use planning will be most effective if it takes place within a region-wide context.

During the past few decades many areas in the nation, both large and small, have engaged in various forms of regional planning. While rarely regulatory in nature, these plans provide a regional point of view and a forum where various parties can discuss and develop cooperative ventures to address regional challenges. A notable example is the Blueprint planning process in California, which grew out of local initiatives to create regional plans in the four large metropolitan areas of Southern California, the Bay Area, San Diego and Sacramento. The state has since embarked on a process to encourage and reward regional efforts in other



parts of California. There are many other regional planning successes in the United States, often based on explicit state encouragement.

### OREGON'S EXISTING PRACTICES IN REGIONAL COLLABORATION

Regional planning in Oregon has had varying levels of success. Metro, the three-county regional government in the Portland metropolitan area, has been successful in providing a framework for neighboring cities and counties to work together. Metro has a home rule charter, authority over the regional UGB, and over some aspects of land use and transportation planning. Cities within Metro continue to have their comprehensive plans acknowledged by the state, but also must comply with Metro's functional plans and regional goals as well. Metro uses regional planning to address issues such as maintenance or expansion of the regional urban growth boundary, development of transportation systems, open space protection and provision of recreational facilities.

Other jurisdictions around the state also have successfully coordinated plans and services. Counties generally are responsible for land use coordination. In a few areas, UGBs are shared, but there is no regional government with full authority to plan for them. Metropolitan planning organizations (MPOs) have the responsibility to prepare transportation plans for larger metropolitan areas in the state but have limited authority to address land use.

### REGIONAL PROBLEM SOLVING

Regional Problem Solving (RPS) is an existing set of statutes intended to encourage multiple jurisdictions to work together to resolve land use planning problems that cross jurisdictional lines. While the application and success of RPS in Oregon has been limited, its overall intent is to provide incentives for regional planning by authorizing more flexibility to cities and counties that use a regional approach. The most prominent example of RPS in Oregon is the Greater Bear Creek Valley RPS project. The Bear Creek effort, which seeks to establish coordinated urban reserves to guide long-term growth in that region, has been hampered by a number of ambiguities in existing state statutes.

A primary issue with the RPS process is how much flexibility should be given to local governments that participate in regional problem solving. Specifically, should cities and counties participating in RPS be freed from the requirement to comply with the details of all applicable LCDC administrative rules? What about the broad policies of LCDC goals? Should cities and counties be able to ignore those policies as well if they are acting as a coordinated region?





### PUBLIC COMMENTS: ON REGIONAL INITIATIVES

Throughout the course of the project, the task force heard from local governments and both business and environmental groups about of the need to promote more regional collaboration and planning. They recommended that the state land use planning system do more to help local governments plan cooperatively to address common challenges such as transportation, open space and natural resource protection, adequate housing, and economic development.



For example, Metro formulates a regional urban growth boundary and its corresponding growth capacity requirements. When Metro calculates a 20-year supply of buildable land, it can consider the blended capacity of all the cities and unincorporated counties within the urban growth boundary (UGB). Some individual cities have far less and some far more than a 20-year supply of buildable land, but the region is judged as a whole. Under an RPS process, other areas of the state could develop regional solutions to planning problems that cross jurisdictional boundaries.

Current state statutes that authorize regional problem solving are limited in scope and contain confusing and conflicting requirements that make them difficult to utilize. In addition, the statutes are unclear whether all local governments must agree to a plan developed through an RPS process. Unanimity can be difficult to achieve in practice, and sometimes can result in governments negotiating for advantages that are beyond the scope of the regional planning issue. Clarifying who must participate in an RPS process (and what the advantages are of doing so) will help encourage local governments to use this tool, and to take on more efficient regional approaches to planning problems that span jurisdictional lines.

### PROBLEM STATEMENT

While the current state RPS process has shown some promise, it has had limited success because it requires unanimous agreement among local governments and because the incentives to undertake regional approaches are not strong enough.

*The key problems include the following:*

- **There should be a better structure to allow governments to cooperate in regional planning. The decision-making structure should ensure that all necessary parties are involved, but should provide for a realistic decision making structure where something less than a unanimous decision is permitted**
- **The state should give more flexibility to cities and counties that use an RPS process, by evaluating LCDC goal compliance at a regional level rather than on a jurisdiction-by-jurisdiction basis.**



## LEGISLATIVE RECOMMENDATIONS

### *Expand the authority and incentives for regional planning*

Sections 10–11 of the task force’s proposed legislation expand the authority and incentives for regional problem solving and allow more flexibility for local governments that work together as a region. Regional planning could be used to complete planning for economic development purposes using the resources available within multiple communities. For example, communities could plan together to provide industrial land supply, infrastructure development, and housing – and also to find a fair means for sharing the costs and benefits.

### *LCDC provides review and approval in regional planning and problem solving programs*

Sections 12–14 of the task force legislation give LCDC specific rule authority to require additional controls if needed. Approval of plan or regulation amendments done through regional problem solving will be based, in part, on regional circumstances identified in those plans, and the legal standard of conforming “on the whole” to the statewide planning goals.

### *Expand the use of transfer of development rights in regional problem solving*

Section 15 of the task force legislation provides that participants in a regional problem solving process may authorize the transfer of development rights from non-conforming lots or parcel to areas within or adjacent to an urban growth boundary. Transfer of development right programs under this section may cross jurisdictional lines. This is intended as another incentive for a county to work with one or more cities to resolve planning problems caused by non-conforming lots and parcels on rural lands.





## CHAPTER THREE: PROTECTING FARM, FOREST AND NATURAL AREAS

Two of the primary reasons for establishing Oregon's land use system were the desire to preserve working farms and forest operations and to limit inefficient sprawl. Recent research indicates that Oregon's program has been relatively successful in achieving both of these goals relative to other states. Nevertheless, there is continuing sentiment in some parts of the state that our land use policies do not adequately recognize differing conditions in different regions, either in terms of what lands are needed for farming or for forestry, or in terms of growth pressures. Some counties also report that their mapping of farm and forest lands is not accurate.

The classification of lands for farm or forest uses is a key foundation of Oregon's land use planning system. Although owners of farm and forest lands receive property tax incentives for these uses, landowner discontent can arise if the lands are not economically productive for those uses and non-farm and non-forest uses are limited or prohibited. The farm economy also is in a continual state of evolution, with the types and amounts of land needed for production changing over time. Lands that may have been economically viable for growing one crop or for a particular type of livestock when the land use system was first conceived may no longer support the same kind of economic base. In other areas, some lands considered low quality 20 years ago are now home to highly successful agriculture uses, such as vineyard operations. This perceived disconnect has created discord and resentment that the state land use system is too inflexible, and that farm and forest designations are too focused on soil types rather than what lands are functionally necessary or important for agriculture or forestry.



### HOW THE SYSTEM WORKS

Oregon's land use system aims to preserve the state's agriculture and timber economies primarily by preventing other uses of lands designated for farm or



forest use. Farming and forestry are maintained through regulatory designations that restrict the use and division of lands to uses and sizes associated with, compatible with, and at a scale needed for agriculture and harvesting timber. Farm and forestry uses also are encouraged through property tax deferral programs that provide well more than \$100 million in incentives for property owners every year to keep their lands in farm or forest use.

**HOW LANDS ARE DESIGNATED**

Protection of farm and forest lands is specifically addressed in the Statewide Planning Goals 3 and 4, as well as in state statutes. Implementation of the goals and state laws is performed through county comprehensive plan and zoning designations. The division of these lands is restricted to preserve lands in larger blocks, as resource industries historically have operated at a large scale. State standards for what lands qualify as farm land – and for restrictions on land divisions – do vary among different parts of the state, specifically with differing criteria to reflect the different growing conditions of western and eastern Oregon, as well as for range lands. State statute largely controls land divisions of farm and forest lands, and restricts of farm lands. LCDC goals and rules control what lands are designated for farm or forest use and complement statutory controls over land divisions and uses.

Lands classified for farm or forest use are known as “resource lands.” Other rural lands (outside of urban areas) are typically designated for low-density residential uses. LCDC goals and rules limit the amount of residential use of these lands, but generally allow development of rural residential areas at a density of 5 or 10 acres per dwelling unit. LCDC rules also allow rural unincorporated communities at higher densities. A few counties, Klamath County in particular, have established “non-resource” lands. Of the state’s 62 million acres of land, 27.7 million acres are privately owned (not federal, state, or tribal land). Farm and forest uses (and farm/forest) occupy 93.6 percent of these privately-owned lands.

**FARMLAND CLASSIFICATION**

Farmland is classified in terms of soil productivity, as measured under the U.S. Natural Resources Conservation Service (NRCS) Soil Capability Classification System. In western Oregon, lands with class I-IV soils are classified as farmland. In eastern Oregon, lands with Class I-VI soils are considered farmland, with some exceptions. State statutes generally prohibit divisions of farm land into parcels below 80 to 320 acres, depending on the characteristics of the land and whether it is in western or eastern Oregon.

**93% OF PRIVATELY OWNED LANDS ARE DESIGNATED FOR FARM AND FOREST (AND FARM/FOREST). THIS REPRESENTS ROUGHLY HALF OF THE STATE’S 62 MILLION ACRES.**

SEE TABLE 1 ON THE NEXT PAGE.





**TABLE I: LAND USE PLANNING DESIGNATIONS FOR PRIVATE LANDS IN OREGON**

OREGON'S PRIVATE LANDS PLAN DESIGNATIONS	ACRES	%	
Farm	15.5 million	55.8	<b>93.6</b>
Forest	8.2 million	29.7	
Farm/Forest	2.3 million	8.1	
<hr/>			
Rural Residential	890,116	3.2	<b>6.4</b>
Non-resource Lands	105,000	0.4	
UGBs	781,836	2.8	
<hr/>			
<b>TOTAL</b>	<b>27.7 MILLION</b>	<b>100</b>	

Source: Oregon Department of Land Conservation and Development "Oregon's Statewide Land Use Planning Program". <http://www.oregon.gov/LCD/publications.shtml>

**FORESTLAND CLASSIFICATION**

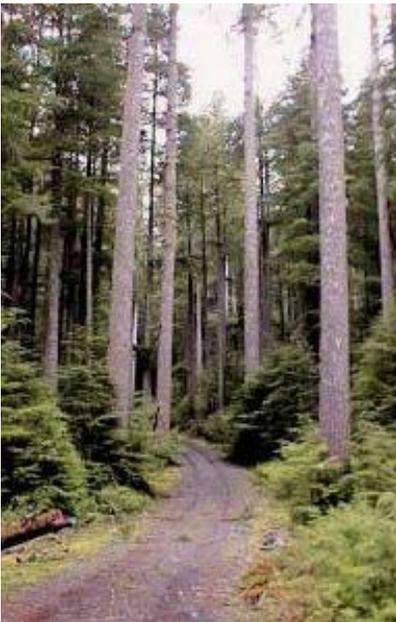
Forestlands were first classified according to the capacity of the land to produce timber, again according to NRCS data. LCDC goals and rules restrict allowable uses to cultivating and harvesting timber and certain compatible uses (such as recreation, timber processing, or other activities that serve timber activities). State statutes require counties to apply a minimum lot size of 80 acres in forest zones.

**CURRENT ECONOMY**

Farm and forest lands represent a significant portion of Oregon's land and income base. They also provide key ecosystem services, such as clean water, wildlife habitat and open space. They also represent important tourist destinations and are the foundation of Oregon's unique beauty.

According to the Institute for Natural Resources (The Oregon Land Use Program: An Assessment of Selected Goals, Oregon State University, 2008), income from all agriculture related components (inputs, production, processing, transportation, warehousing and wholesale trade) totaled \$12 billion in 2006. About 50 percent of the value of Oregon's agricultural production (in 2007) could be attributed to the Willamette Basin. Agriculture is a key traded sector, ranking first in the volume of goods shipped out of state and third in the value.

According to the Oregon Department of Agriculture, the culture of farming has evolved over the past few decades. At present, nearly 70 percent of Oregon's 40,000 farms are part-time or "lifestyle" operations. These farms are generally



made up of fewer than 50 acres and have annual sales of less than \$10,000. They are often referred to as hobby farms. Some are operated as organic farms and have a strong and growing connection with consumers, primarily in urban areas.

Forestland generates about \$12.6 billion annually to the state’s economy, about seven percent of the gross state product (www.oregonforests.org). Forestry products and services employ more than 85,000 people directly in Oregon and are essential to Oregon’s rural communities.

**CHANGE IN PREDOMINANT LAND USES**

As shown in Tables 2 and 3, data from recent reports prepared by the Oregon Department of Forestry illustrate that the rate of change from agricultural and forest land uses to urban and rural residential uses has slowed dramatically in both western and eastern Oregon since the beginning of the state land use system. The rate of change has slowed particularly since the mid 1980s, when county land use plans were approved by the state and after 1993 when additional state standards were put in place.

*These data and trends are summarized in the following two tables.*

**TABLE 2. DOMINANT LAND USES OF NON-FEDERAL LANDS IN CENTRAL AND EASTERN OREGON, 1975, 1986 AND 2001**

DOMINANT LAND USE	THOUSAND ACRES			% ANNUAL CHANGE	% ANNUAL CHANGE	TOTAL % CHANGE
	1975	1986	2001	1975-1986	1986-2001	1975-2001
Wildland Forest	3,349	3,329	3,307	-0.06%	-0.04%	-1%
Wildland Range	9,362	9,228	9,153	-0.15%	-0.05%	-2%
Mixed Forest/ Agriculture	146	138	131	-0.61%	-0.27%	-10%
Mixed Range/ Agriculture	708	715	729	0.07%	0.14%	3%
Intensive Agriculture	3,743	3,798	3,796	0.12%	0.01%	1%
Low-Density Residential	262	348	423	2.87%	1.26%	62%
Urban	57	72	88	2.34%	1.36%	54%
<b>TOTALS</b>	<b>17,628</b>	<b>17,628</b>	<b>17,628</b>			

<sup>3</sup> *The Oregon Land Use Program: An Assessment of Selected Goals*, Institute for Natural Resources, August 2008, pages 51-52. The conclusions regarding Goal 4 (Forest Lands) are less definitive, but suggest that the land use program has reduced the amount of residential development that would have otherwise occurred on forest lands. Id., at 72-73.

THE INSTITUTE FOR NATURAL RESOURCES REACHED THE FOLLOWING CONCLUSIONS CONCERNING STATEWIDE PLANNING GOAL 3 (AGRICULTURAL LANDS) IN ITS RECENT ASSESSMENT:<sup>3</sup>

“Our review of existing data and literature pertaining to Goal 3 suggests that Oregon’s land use planning system has been successful in preserving agricultural lands for agricultural uses. Areas of concern identified in the literature include spatial variation in the program’s performance, with better success in western Oregon than in eastern Oregon, where significantly more resource land (especially rangeland) has been developed.”





**TABLE 3. DOMINANT LAND USES OF NON-FEDERAL LAND AREA IN WESTERN OREGON, 1973, 1982 AND 2000**

DOMINANT LAND USE	THOUSAND ACRES				% ANNUAL CHANGE			TOTAL % CHANGE
	1973	1982	1994	2000	1973-1982	1982-1994	1994-2000	1973-2000
Wildland Forest	7,335	7,238	7,200	7,197	-0.1%	0.0%	0.0%	-2%
Intensive Agriculture	2,076	1,967	1,943	1,924	-0.6%	-0.1%	-0.2%	-7%
Mixed Forest/ Agriculture	832	791	775	774	-0.5%	-0.2%	0.0%	-7%
Low-Density Residential	518	704	751	753	3.5%	0.5%	0.0%	45%
Urban	317	378	407	430	2.1%	0.6%	0.1%	36%
<b>TOTALS</b>	<b>11,078</b>	<b>11,078</b>	<b>11,078</b>	<b>11,078</b>				

Table 2 and 3 Source: Oregon Department of Forestry, *Land Use Change on Non-Federal Land in Western Oregon, 1973-2000*; Oregon Department of Forestry, *Land Use Change on Non-Federal Land in Eastern Oregon, 1975-2001*.

**NATURAL AREAS**

The purpose of Oregon Statewide Land Use Planning Goal 5 is to “protect natural resources and conserve scenic and historic areas and open spaces.” However, Goal 5 generally is a process-oriented goal that leaves decisions about which resources are significant and what significant natural resources should be protected up to local governments. Outside of urban areas and on lands designated for farm or forest use, Goal 5 is even less prescriptive concerning what resources should be evaluated and considered for protection.<sup>4</sup> Most directly, Goal 5 does not regulate farm or forest practices, which are addressed through regulatory programs of other agencies. In part, this framework was in recognition of the relatively low level of development allowed on farm and forest lands.

As a result, any program change to reevaluate farm and forest land designations and to allow other uses on rural lands raises the potential for conflict between those newly allowed uses and natural areas or resources that counties previously did not protect.

More recently, the Oregon Department of Fish and Wildlife has completed the Oregon Conservation Strategy (2006), which analyzes conservation needs and

<sup>4</sup>For a detailed discussion of this subject see *No Place for Nature: The Limits of Oregon’s Land Use Planning Program in Conserving Fish and Wildlife Habitats in the Willamette Valley*, Defenders of Wildlife, 2001.





strategies by ecoregion and identifies key statewide conservation issues. The Oregon Conservation Strategy provides one framework for considering the relationships between the natural environment and land use policy.

### PROBLEM STATEMENT

Throughout the course of its work, the task force heard from a large number of farm and forestry organizations, conservation groups, economic development experts, public agencies and citizens about the state's regulations and practices governing farms, forests and natural areas. While there is wide support for continued preservation of farms and forests and significant interest in developing new programs to designate and conserve natural areas and resources, a number of issues with the current system have been raised. These issues have more to do with fine-tuning the system than with a substantial re-orientation of how we manage rural lands. Nevertheless, the issues continue to be the source of much friction in the system, and should be addressed in order to avoid future instability.

*The task force identified the following primary issues:*

- **Some farm and forest lands are either non-productive or cannot otherwise reasonably be defined as farm and forest. As a functional matter, what constitutes productive farm or forest land varies in different regions of the state to a greater degree than is reflected in current goals or statutes. Lands should be re-designated for other rural uses if they can't reasonably be used for farm or forest uses.**
- **If lands are re-designated for other rural uses, current limits on development are inadequate to assure that the types and intensities of uses are consistent with the carrying capacity of the land and other resource constraints. In addition, if lands are re-designated, critical habitats and other important natural areas also need to be reevaluated, as new uses may lead to new conflicts. Natural areas and habitats that did not need particular protection when land uses were limited to farming or forestry may need protection if other uses are allowed.**

### LEGISLATIVE RECOMMENDATIONS

The recommendations developed by the task force for farm, forest and natural areas provide a framework for counties to reevaluate their current farm and forest land designations by developing region-specific criteria for what lands should continue to be classified in this manner. The criteria, which must be based on the functional characteristics of the farm and forest industries in those areas, must be proposed by two or more counties and must be approved by the state. Such criteria would more accurately distinguish areas that are suitable for farming or forestry.



### PUBLIC COMMENTS: ON PROTECTING FARM, FOREST AND NATURAL AREAS

Of all the topics discussed by the task force, the **regulations, preservation and planning of farms, forest and natural areas generated the highest volume of input during the town hall meetings** in the fall of 2008.

**Respondents to the statewide public opinion survey generally support a system with continued statewide land use controls and regulations.**

Among the general public, 60 percent of survey respondents' support using public funds to protect farms and forests, and 65 percent favor additional protections for natural areas.

In addition, a 2005 statewide survey (issued by Conkling, Fiskum & McCormick for the Oregon Business Association) found that as many as 67 percent of Oregonians believe that "protecting the rights of property owners" is "very important" to our land use system and processes.





Once a regional definition is in place, a single county may opt to reevaluate the lands in the county, but only if the county also develops appropriate limits on the type and level of development that may occur on lands that are rezoned to assure that uses are consistent with the long-term carrying capacity of the lands. In addition, as part of their reevaluation, a county must also review and revise (as necessary) its designation of important natural resources and areas and build on its program to protect such areas.

*Establish regional criteria authorizing two more counties to petition for the reevaluation of farm and forest land designations*

Section 6 of the task force legislation authorizes two or more counties to petition for an amendment to Statewide Planning Goal 3 (Agricultural Lands) or 4 (Forest Lands). The petition would be required to contain the counties' proposed criteria, and their proposal for what region the criteria should apply to (which will normally be an area larger than the two counties). The region should reflect an area where the farm and/or forest industries, related practices, and important land forms for the industries, are relatively uniform. The petition is reviewed by the LCDC, based on statutory criteria that include:

- soils
- the land needs of current and future agricultural and forest uses
- the importance of the lands to agricultural and forest operations on nearby lands
- the availability of water
- existing land use patterns
- existing agricultural and forestry land use patterns
- the health of the economic infrastructure supporting farm and forest uses and
- climate change<sup>5</sup>

The petition review must be coordinated with all affected local governments, as well as the Oregon Departments of Agriculture and Forestry. There must be at least one public hearing in the region where the new criteria would apply.

*Allow counties to update their plan and zoning map farm and forest designations based on the regional criteria approved by the LCDC*

Section 7 of the task force legislation states that once the new regional criteria are approved by LCDC, a county in that region may review its plan and zoning map designations using the new criteria. Counties may conduct this

<sup>5</sup> A complete discussion of analyses and procedures for assessing climate change impacts is presented in Chapter 7.





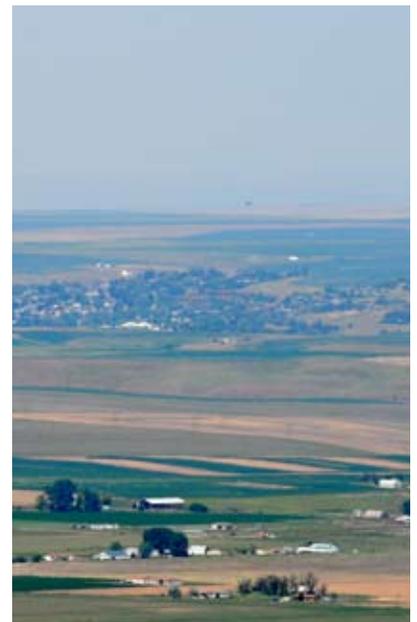
review in cooperation with other counties – on a regional basis. Any map changes adopted are reviewed by LCDC in coordination with the Oregon Departments of Agriculture and Forestry and other local governments that may be affected by the changes.

*Require the identification of natural areas and set specific limits on the development of rural lands when counties want to reevaluate farm and forest designations*

Under Section 8 of the task force legislation, if a county chooses to reevaluate its farm or forest map designations it also must (as part of its reevaluation) analyze the lands it is reviewing to determine if they contain ecologically significant natural areas or resources and, if so, decide what lands are the highest priority for protection. The county also must adopt limitations on uses of lands that are rezoned as other rural lands – based on LCDC rules that are designed to assure that the type, location and pattern of development is rural in character and to ensure that rural land development doesn't interfere with development of nearby urban areas. In addition, the LCDC rules must be designed to avoid conflicts with farm or forest uses and avoid adverse effects on: water quality and water supply; energy use, transportation facilities, habitat, fire risk or costs of fire suppression, the cost of public facilities or services, or other adverse fiscal effects on a local government. Together, these criteria are intended to ensure that the development allowed on other rural lands is sustainable from a local, regional and state perspective. Finally, any additional residential development that is authorized generally should be clustered.

*Require counties to establish programs for the protection of natural areas if they choose to rezone farm and forest lands*

In Section 9 of the legislation, counties that choose to rezone farm and forest lands using the new regional criteria must also develop programs to protect ecologically significant natural resources or areas. LCDC must consider the adequacy of the county's program in determining whether to approve rezoning of farm or forest lands, but LCDC may not establish new regulatory requirements to protect such resources or areas. County measures may include market-based incentives, such as conservation easements and transfer of development rights, to conserve lands of ecological importance.





### NON-LEGISLATIVE RECOMMENDATIONS

*DLCD should develop Geographic Information System (GIS) based tools, assessment guidelines, protocols and model protection techniques to assist counties with a multi-faceted review of farm, forest, non resource, and other land inventories*

DLCD should coordinate with the Oregon Department of Fish and Wildlife in this work.

*DLCD should authorize the transfer and/or purchase of development rights to preserve farm, forest, and natural areas.*

DLCD should support the legislation authorizing the transfer of development rights or the purchase of development rights as a non-regulatory method to preserve farm and forest lands for those uses, as well as to protect important natural resource areas.

*DLCD should develop a statewide land trust with incentives for the preservation of farm, forest, and natural areas*

DLCD should work with other state and federal agencies to develop a statewide land trust for preserving farm, forest and natural areas with incentives for landowners such as tax credits or deductions. DLCD and other state agencies also should develop a system to coordinate land preservation efforts among private land trusts, including a central registry and monitoring system for conservation easements.





## CHAPTER FOUR: REDUCING COMPLEXITY IN THE LAND USE PLANNING SYSTEM

After 35 years, the state’s land use planning system is in need of a policy-neutral audit and comprehensive review. With each passing year, new requirements and exemptions have been added to the state’s land use system through legislative action as well as administrative rule-making. The end result is a land use system of growing complexity that produces tremendous benefits, but is weighed down with years of complex amendments and cross references that make the system unapproachable for many citizens.

### PROBLEM STATEMENT

Many citizens believe that our land use system is unnecessarily complex, limiting their ability to be involved in decision-making. Across the state in meetings with the task force, citizens and local governments expressed frustration in trying to participate in long-range land use planning efforts as well as decisions about specific developments.

Additionally, some citizens complained about the expense of appeals. Some commented on the need for the state to boost its education efforts to help both the public and decision-makers better understand how the state’s land use laws work and how individuals can play a productive role in land use planning processes. Many noted the need for land use policies to be communicated in clearer, more concise language that is easy to understand.

Planning practitioners are also frustrated with the interaction between planning statutes and administrative rules. The general consensus is that too many provisions have been placed in statute, which are difficult to adapt over time, and where there is no immediate ability to vary requirements to reflect differing conditions in different regions.



### PUBLIC COMMENTS: ON REDUCING COMPLEXITY

When the task force approached interest groups to gauge their support regarding a state audit, most groups were very supportive. Some groups see the audit as a tool to potentially offer more flexibility within the state’s land use system by identifying and eliminating unnecessary steps and detail.





### STATEWIDE PUBLIC OPINION SURVEY COMMENTS:

A sampling of comments taken from many of the 1800 respondents to the statewide public opinion survey indicates that the public perceives Oregon's land use system as overly complex:

*"I do think land use laws are very complex which scares a lot of people off. You need a certain level of education just to participate."*

*"(Need) easier to understand language."*

*"Simplify the process."*

*"Appeal process to land use rules should have a clear process and be available to land owners. Goals of state and exceptions process too rigid and inflexible."*

*"Increase (the) use of local media to inform public; streamline processes, simplify laws."*

*"Use layman language in summaries and provide workshops and forums—do not rely on email, websites, which do not fully explain ramifications of proposals."*

Addressing the complexity of our land use system must be paired with improved education and citizen involvement efforts. These are important issues addressed in Chapter 9, Re-Engaging Oregonians in Land Use Planning.

### LEGISLATIVE RECOMMENDATIONS

*Appoint a work group to conduct a policy-neutral review and audit of the state's land use planning system.*

In Section 18 of the legislation, the task force recommends the creation of a work group by the LCDC to conduct an impartial review and audit of state's land use planning system and goals. The work group should be comprised of analysts and evaluators representing various disciplines to pursue a policy-neutral review and evaluation. The audit should identify the major policies that should be contained in state statute, and those policies that can be placed in a statewide planning goal or rule to reduce complexity and increase flexibility. After a technical review is completed, the work group should involve a broader range of interests, including legislators, to conduct a final review prior to submitting a proposal for legislation to assure that the outcome is balanced in policy terms.



## CHAPTER FIVE: STRATEGIC PLANNING FOR A SUSTAINABLE OREGON

The task force found that state agencies should do more to coordinate land use priorities with economic development strategies and transportation and public infrastructure investment policies. While not endorsing one specific approach, the task force believes there is value in learning from the coordination of land use planning and investment strategy practiced in other states such as Maryland's Strategic Planning process and Washington's Growth Management Act. A state-level system to update the land use system regularly to reflect changes in societal values and visions for our communities is highly desirable. Updates to our land use system should be integrated with similar state planning efforts for transportation, infrastructure and economic development.

Repeatedly, over the course of its work, the task force observed that a major area of concern and complaint about the land use planning system is that it is difficult to assess its effects and its costs and benefits. Existing measures do not do an effective job tracking performance or communicating the expected outcomes of specific policies to the public or to decision-makers.

The task force has found that there are continuing limitations in capacity for local governments to implement the state land use system. A study by William Jaeger at Oregon State University found that Oregon counties have relatively low levels of staffing available to carry out land use planning compared to other western states. Given the complexity of Oregon's land use system and the degree to which counties must meet state requirements, the level of support is remarkable and has implications for any significant effort for future innovations in land use.





### PUBLIC COMMENTS: ON STRATEGIC PLANNING

While the statewide public opinion survey did not include questions about the analytical capability of the DLCD, or how well state agencies coordinated their efforts toward land use goals, participants at town hall meetings and stakeholder group meetings often commented on these issues.

Some citizens lacked confidence about whether state agencies are coordinating their efforts, citing instances where they attended briefings and/or hearings by individual agencies that could have been combined with meetings of other state agencies.

In addition, some stakeholders stated that local jurisdictions lack the technical capability needed to prepare land use plans, and suggested that DLCD play a larger advisory and data/plan development role in such areas.



### PROBLEM STATEMENT

The state has not invested in the tools or systems to enable DLCD to monitor the state's performance in achieving desired policy outcomes. What data the DLCD does have is organized around statutory reporting requirements put in place many years ago. In addition, some goal processes do not direct particular outcomes, making measuring performance difficult. State agencies and local governments do not have adequate staffing, research, and data management for land use planning, making it difficult for government to make informed decisions about adjustments to existing programs as well as new initiatives.

While state agencies do attempt to coordinate their efforts associated with land use matters, more work should be done to assure cost-effective investments while also meeting state and local community goals. Finally, economic development efforts and decisions about transportation improvements can still be better integrated with the land use planning system.

### LEGISLATIVE RECOMMENDATIONS

*LCDC will develop a state strategic plan together with other Oregon boards, commissions and agencies*

Section 19 of the task force legislation states that the state should develop and maintain a system for achieving and monitoring the performance of the state land use system.

- **Section 19 states the state should develop an integrated strategic plan that includes, but is not limited to, coordination of land use, transportation, economic development, and other key economic and community objectives.**
- **Section 20 states the Oregon Progress Board and DLCD work together to review and revise Oregon benchmarks relating to the state and local land use system, and develop corresponding performance standards to measure progress toward achieving the statewide planning goals.**

### NON-LEGISLATIVE RECOMMENDATIONS

*Enhance the analytic capabilities and resources of DLCD to be responsive to changing conditions and to monitor progress toward meeting performance standards established by the strategic plan*

In particular, DLCD needs a GIS system containing demographic, land use, natural resource and other data sets that influence planning. The agency also needs in-house analytical staff to properly inform decision-makers including those at LCDC. In addition, all land use mapping, comprehensive plans and land use regulations submitted by local jurisdictions to DLCD should be systematically organized in one database in order to monitor the conditions in each jurisdiction as well as the state as a whole.



*State agencies involved in land use, transportation and economic development should work together with the governor's Economic Revitalization Team (ERT) to develop an integrated strategic plan*

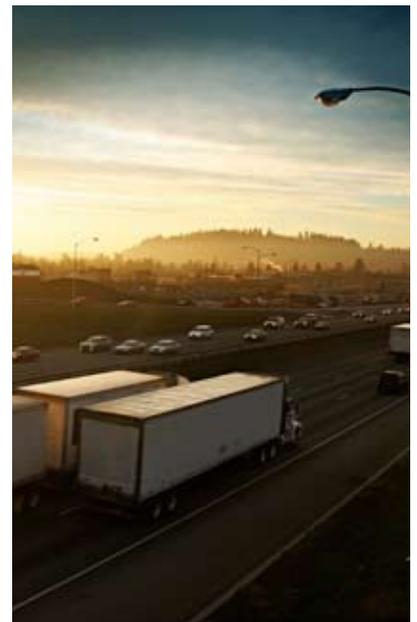
The state strategic plan should address how to maximize the state's limited transportation and infrastructure funds, while supporting sustainable and efficient patterns of urban development, environmental protection, and other societal goals. State agencies involved should be DLCD, Oregon Department of Transportation, and Oregon Economic & Community Development Department.

*DLCD should work with the Oregon University System and local governments to develop goal-specific performance measures and the means to monitor performance over time*

DLCD should revise its current performance measures to develop appropriate outcome-based metrics for each statewide planning goal. As part of this effort the state should identify and support the reporting and monitoring necessary to track performance over time.

*The state should consider increasing support to local land use planning efforts if it wishes to maintain Oregon's system of state goals implemented by local governments*

The land use system depends on local governments to implement both state-level policies and each community's own particular land use priorities and vision. Relative to other states, Oregon's land use system is poorly funded at both the state and local levels. As resources are available, the state should invest in adequate funding for land use planning.





## CHAPTER SIX: IMPROVING CITIZEN PARTICIPATION

Goal 1 of Oregon’s Statewide Land Use Planning Goals directs local governments to establish programs to ensure that citizens are involved in land use planning. State statutes require notice of land use plan changes and of land use decisions. The statutes allow public testimony before decision-makers and provide for a relatively fast, non-judicial appeals process. Generally, the program has been successful in ensuring citizens have the opportunity to participate in land use decisions. The program provides relatively quick land use decisions and offers a relatively high level of predictability for property owners.

For most citizens, participation in land use planning is something that gains importance only when a particular proposed development has a direct effect on where they live or work. Citizens may not understand how abstract planning policies can affect their lives or their community. They may have little interest in attending a hearing, serving on a committee, or otherwise getting involved until they see signs of development in a nearby vacant lot or at a favorite location. By then, the main planning decisions have often been made, and they are left frustrated and upset with their inability to affect the system.

Even if citizens want to get involved in local, regional or statewide planning processes, they often find the system’s procedures complex and intimidating. The Big Look Task Force has identified the need for better citizen access and involvement in all public planning processes as an important element to the long-term success of the statewide land use planning system.

### PROBLEM STATEMENT

The level of citizen participation in local efforts to adopt or amend land use plans is limited to a small percentage of our communities. People are most likely to become involved when there is a decision on a land use application that may directly affect them or their family. In some circumstances, the ability to appeal decisions has been limited. The task force heard that while citizen



participation efforts continue to require a substantial amount of time in the planning process, a smaller number of people is involved in those efforts. In quasi-judicial hearings on land use applications, decision-makers are constrained in what they can consider, and the ability of citizens to affect decisions is limited. As a result, citizens often spend their time and effort speaking to issues or policy decisions that have already been made when a plan policy or designation was adopted – with the result that their testimony is irrelevant and unproductive. This mismatch between when broader policy issues are decided, and when citizens are confronted with specific proposals that directly affect them, creates frustration for everyone and often results in appeals that are really directed at decisions that were made years earlier.

### NON- LEGISLATIVE RECOMMENDATIONS

The task force recognizes the critical importance of effective citizen participation in ensuring a functional statewide land use planning system. The task force chose to recommend administrative efforts to improve the citizen participation process using the following goals and strategies.

#### *Encourage local governments to use electronic mail and other forms of electronic communication to the public regarding land use issues and pending actions*

Local jurisdictions can use supplemental forms of electronic notification to distribute more information more quickly. These tools should supplement but not replace traditional print and U.S. Postal Service notification.

#### *LCDC should develop techniques and guidelines to improve citizen participation in land use decisions on specific applications*

Specifically, the task force recommends LCDC pursue the following strategies:

- For land use applications that may have a significant impact on community quality of life, encourage pre-application meetings between the applicant, local individuals, and groups
- Provide additional resources for applicants, local governments, and community organizations to mediate land use disputes and avoid winner-take-all outcomes
- Develop guidelines for public engagement activities appropriate for different types of public processes so that jurisdictions can ensure that the right level and type of public input is available
- Provide education to the public regarding how to participate in a productive way in land use processes
- Reduce barriers to meaningful participation in land use decisions.

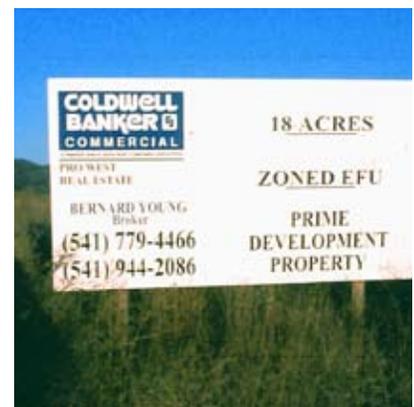


### PUBLIC COMMENTS: ON IMPROVING CITIZEN PARTICIPATION

The task force heard testimony both about unproductive citizen participation and various barriers to meaningful participation. Barriers include prohibitive appeals costs, complicated and complex land use processes and procedures, a lack of certainty for property owners, and frustration in trying to influence land use decisions and developments.

Many noted the need for land use policies to be communicated in clearer, more concise language that is easy to understand. Others commented on the need for the state to boost its education efforts in order to help both the public and decision-makers better understand how the state's land use laws work and how individuals can play a productive role.

Finally, some expressed frustration over the ability of individuals and organizations not directly affected by a decision to appeal the decision.





*DLCD should help local governments improve citizen participation adopting and amending land use plans*

Specifically, the task force recommends DLCD encourage local governments to employ the following techniques:

- Conduct early engagement with community organizations in land use planning efforts
- Provide town hall meetings, community forums and public workshops on key issues
- Use informal planning workshops and charrettes to allow citizens to visualize the specific outcome resulting from particular planning choices
- Use e-mail and “e-blasts” to inform citizens about land use planning efforts
- Use Web sites with frequent updates, RSS feeds etc.
- Review notice requirements to focus notification efforts on decisions where public input is most likely to be meaningful.





## CHAPTER SEVEN: IMPROVING INFRASTRUCTURE FINANCE

Infrastructure and land use planning are inextricably linked. Oregon's future prosperity will depend on how we manage key challenges associated with our roads, water, wastewater and other utilities. Our ability to manage urban growth boundaries, provide land for new employment areas, and design high-quality communities throughout the state depends on having the appropriate infrastructure so we can grow where we want at a price the market will bear.

### HISTORY OF FEDERAL ASSISTANCE FOR INFRASTRUCTURE

The infrastructure funding gap is part of a national problem that has grown during the past 30 years. In the 1970s, federal grants financed 75 percent of water and wastewater project costs and 80 percent of transportation projects. In the 1980s, Congress reduced these grants, placing more responsibility on state and local governments. By the 1990s, federal funding sources were further reduced and converted from grants to loans. This created even more of a financial burden for state and local governments, which had to pay more for water and wastewater projects in order to meet environmental and other regulatory requirements.

### THE STATE'S ROLE IN FINANCING INFRASTRUCTURE

State funding for infrastructure is provided through road taxes (i.e., state gas taxes, vehicle registration fees, and weight-mile taxes), bond measures, user fees and state lottery dollars. With respect to roads, Oregon's taxes and fees for a passenger vehicle amount to 31.7 cents per gallon, compared to a range of 59.9 cents per gallon to 121.8 cents per gallon for the six neighboring western states after accounting for additional fees (such as ad valorem and sales taxes) assessed in those states.<sup>6</sup> The largest of these revenue sources – 24 cents per gallon state gasoline tax – has remained unchanged since 1992. Together with increasing fuel



<sup>6</sup> *Western States Automobile Tax Comparison 2008*, ODOT Office of Financial and Economic Analysis, February 2008, [http://www.oregon.gov/ODOT/CS/EA/reports/Western\\_States\\_Tax\\_Comparison\\_2008.pdf](http://www.oregon.gov/ODOT/CS/EA/reports/Western_States_Tax_Comparison_2008.pdf)



efficient automobiles, Oregon's gasoline tax has experienced a dramatic decline in purchasing power, while the costs for maintaining and building roads, sidewalks, transit systems, and other transportation infrastructure has increased at a higher rate than the overall rate of inflation.<sup>7</sup>

Other infrastructure finance tools available to state government also have not increased at the rate of inflation. And with many of the user fees for water and wastewater systems dedicated to new growth, the state has been unable to adequately maintain older systems.

Oregon's existing statewide Planning Goal 11 for public facilities and services contains requirements for local governments to plan for and provide infrastructure. The goal requires cities with a population of more than 2,500 to develop a public facilities plan as part of their comprehensive land use plan. The public facilities plan describes the water, sewer and transportation facilities required to support the land uses designated in the acknowledged comprehensive plan. The plan is designed to ensure that adequate services will be available to growing communities. Implementation measures for infrastructure suggest that local governments develop capital improvement plans and then use a variety of other land use tools to guide development in urban areas. These rules and guidelines provide a foundation for Oregon communities in planning for infrastructure needs, but do not address funding or implementation.

More specifically, the Transportation Planning Rule requires that if land use development (either through a comprehensive plan, plan amendment, land use regulation, etc.) would result in the transportation system being unable to meet its intended function, that either the plan be modified or the intended function of the transportation system be downgraded to allow for worsening performance conditions (i.e., higher levels of congestion).

### **LOCAL JURISDICTION'S ROLE IN PROVIDING INFRASTRUCTURE**

In Oregon, urbanization usually occurs within the limits of an incorporated city. Cities often provide public facility services (sewer, water, and storm drainage) as well as public safety services (police and fire). However, in some areas special districts provide one or more services, and hundreds of thousands of Oregonians live in urban areas that are not incorporated but served by special service districts. In truth, the emerging urban areas of the state have a mosaic of services provided by a variety of city, county and special service governments.

<sup>7</sup> *Data Digest*, Associated General Contractors of America, November 2007, <http://stopthenchometicks.blogspot.com/2007/11/construction-inflation-higher-than-cpi.html>





### CURRENT INFRASTRUCTURE FINANCE TOOLS

Several infrastructure financing mechanisms could be available to counties, incorporated cities and a wide array of special purpose districts that operate both within and outside incorporated cities. Primary tools include property tax, water and sewer fees, real estate transfer tax, construction excise tax, system development charges, gas tax, vehicle registration fees, tax increment financing, jurisdictional revenue sharing, and federal and state grants and loans.

During the past two decades, funding available to local jurisdictions to fund infrastructure has changed. Due to a number of ballot measures, property tax rates were frozen, resulting in a more limited tax base. Water and sewer fees must relate directly to costs incurred by those services. The local authority to adopt a real estate transfer tax was repealed in 2007. Other fees, such as system development charges, are limited by the state. As a result, infrastructure finance options have been seriously constricted.

### PROBLEM STATEMENT

In the coming decades, Oregon's population is projected to grow by another 1.7 million people. Federal funding once available for public improvements has declined dramatically. Although some new federal funds may be made available by the new federal administration, those moneys are likely to be targeted to maintenance and other efforts that can be undertaken with little or no lead time rather than on long-term planning and development of infrastructure. Long-term, sustainable financing for our state and local infrastructure is needed to be successful in creating viable communities that can absorb growth while maintaining the quality of life that gives Oregon an advantage over many other parts of the country.

While the amount of additional land likely needed for urban areas during the next 50 years is relatively small – between 40,000 and 120,000 acres – providing urban services to newly urbanized areas will be problematic as evidenced by recent expansions in a number of communities. This problem arises from limitations we have placed on the local authority to raise revenues. These limitations now mean that tax revenues are no longer able to pay for the corresponding infrastructure and services needed in most communities.

Added to the fiscal burden of paying for needed facilities and services is the burden of dealing with deferred maintenance and replacement of aging systems. According to a report from the Oregon Economic and Community





### INFRASTRUCTURE FUNDING PROBLEMS

Several communities in Oregon have faced issues in infrastructure funding. In North Bethany, a recent addition to the Metro Portland urban area, there was insufficient funding for the \$300 million to \$400 million of infrastructure needed for the new lands.<sup>10</sup> The new city of Damascus faced a similar (but even larger) infrastructure deficit. A recent state study found that Oregon cities had identified \$10 billion in infrastructure needs over the next ten years.<sup>11</sup> Meeting these infrastructure needs poses a significant challenge.



Development Division, Oregon's water and wastewater infrastructure needs (including storm water) total nearly \$4.5 billion during the next 10–15 years to remain safe and environmentally sound.<sup>8</sup> Of that, \$2.9 billion (64 percent) will be needed to accommodate new development, population growth, and job creation and retention. The report estimates that Oregon's local governments have the financial resources to pay for about 44 percent of the cost, leaving a significant funding gap.

In terms of transportation, the Oregon Department of Transportation reports that during the next 25 years demand for roads will increase by 40 percent, while the buying power of motor fuel tax revenues will decline by 40–50 percent due to inflation.<sup>9</sup>

Oregon and other states have sought alternate financing methods to replace the loss of federal funds for infrastructure. These include system development charges, urban renewal and tax increment financing, increased user fees, and public-private partnerships. However, a number of possible alternative sources are not permissible under current state law. Going forward, Oregon will face difficult choices directly through some combination of lower service standards, requiring development patterns that minimize costs, and/or a combination of property tax reform or higher taxes and fees.

### LEGISLATIVE RECOMMENDATIONS

*Prioritize state infrastructure funding on projects that support efficient development patterns*

Section 16 of the task force legislation states that state decisions regarding infrastructure funding should consider the efficiency of the development patterns that the infrastructure will support, along with other existing criteria.

<sup>8</sup> Report to the Legislature: *Water and Wastewater Infrastructure Needs: 2007 Infrastructure Inventory Results*, Oregon Economic and Community Development Department, adopted by the Oregon Economic and Community Development Commission Appendix J, 2007 <http://www.oregon.gov/ECDD/CD/inventory/2008inventorylegreprt.shtml>

<sup>9</sup> Presentation by Matthew Garrett, Director of Oregon Department of Transportation, to Big Look Task Force, December 12, 2007

<sup>10</sup> Minutes of 8/21/2007 meeting of the Washington County Board of Commissioners: Testimony by Brent Curtis, Planning Division Manager

<sup>11</sup> Report to the Legislature: *Water and Wastewater Infrastructure Needs: 2007 Infrastructure Inventory Results*, Oregon Economic and Community Development Department, adopted by the Oregon Economic and Community Development Commission Appendix J, 2007 <http://www.oregon.gov/ECDD/CD/inventory/2008inventorylegreprt.shtml>



*Ensure that in the future, lands added to urban growth boundaries will be annexed to cities when they urbanize*

Section 17 of the task force legislation requires that cities agree to annex lands before they are added to an urban growth boundary. The purpose of this requirement is to ensure it's clear who will govern lands that will become urban in the future. This also would designate who is responsible for planning and financing the infrastructure (including transportation) improvements necessary to make efficient development occur. Cities may well elect and contract to have service districts provide particular services, particularly where they can do so more cost-effectively, but it should be clear what government entity has overall responsibility.

**NON-LEGISLATIVE RECOMMENDATIONS**

*Consider eliminating state preemptions of local finance options*

The state should review existing limitations on local mechanisms and options to raise revenue for infrastructure. The primary revenue sources for cities – property taxes, franchise fees, state shared revenues – are declining, and use of some of revenue sources is restricted e.g., property taxes, transient lodging taxes, and systems development charges. Other revenue sources – including beer, wine and liquor taxes; cigarette and tobacco taxes; construction excise taxes; and the real estate transfer tax – have been preempted by the legislature. Eliminating the local preemption on the real estate transfer tax would allow the largest revenue impact, if utilized, without requiring a constitutional amendment. For example, a 1/10th of one percent real estate transfer tax in Washington County generates approximately \$6 million to \$7 million per year. If that same rate were used across the state, it would generate \$30 million annually. The task force recognizes that there are other considerations involved, but the example of a real estate transfer tax would be an important source of revenue to finance future infrastructure needs.



**PUBLIC COMMENTS:  
ON IMPROVING  
INFRASTRUCTURE FINANCE**

To gauge the public's thoughts on infrastructure finance options, the task force asked questions in a statewide public opinion survey regarding whether new development should pay for the cost of infrastructure or if these costs should be shared by the public. Nearly 70 percent of respondents believe that new construction should pay for the roads, transit, sewers, water systems, and parks that support urban growth.

However, in another question respondents indicated strong preference for shared responsibility between private developers and public investment to support infill development in existing urban area. These findings differ somewhat from statements made by several of the stakeholder groups that asked the Big Look Task Force to break the current barriers to infrastructure financing.





## CHAPTER EIGHT: ADDRESSING CLIMATE CHANGE

### OREGON GREENHOUSE GAS REDUCTION TARGETS

In 2007, the Oregon Legislature adopted House Bill 3543 that required the following targets for reductions in greenhouse gas emissions:

- **By 2010, arrest the growth of Oregon’s greenhouse gas emissions (including, but not limited to CO<sub>2</sub>) and begin to reduce them, making measurable progress toward meeting the existing benchmark for CO<sub>2</sub> of not exceeding 1990 levels.**
- **By 2020, achieve a 10 percent reduction below 1990 greenhouse gas levels.**
- **By 2050, achieve a “climate stabilization” emissions level at least 75 percent below 1990 levels.**

Scientific consensus now exists that greenhouse gas accumulation due to human activities is contributing to global warming with potentially serious consequences. International and domestic climate policies generally seek to limit the temperature increase from climate change by cutting greenhouse gas emissions by 60–80 percent below 1990 levels.

In Oregon, about 34 percent of greenhouse gas emissions occur from transportation. Reducing transportation-related emissions depends on what is often described as a three-legged stool: one leg related to improving vehicle fuel economy, one leg related to reducing the carbon content of transportation fuels, and the third leg to reducing the amount of driving or vehicle miles traveled (VMT) in personal vehicles. Another 36 percent of emissions occur from electricity consumption (residential, commercial and industrial) and residential heating. Land use plays an important role both in affecting transportation-related emissions as well as residential heating and electricity consumption.

Although vehicle efficiency is expected to increase along with fuels, a growing population is likely to push greenhouse gas emissions higher unless we also change our land use patterns to encourage people to use alternative modes of



travel (transit, bicycle and walking), and to shorten trips where automobiles are used. Oregon already has reduced its per capita use of automobiles (as measured by vehicle miles traveled), and leads the nation in this regard. However, much more must be done to achieve to the state greenhouse gas reduction targets recently recommended by the governor and enacted by the legislature.

The state's land use system will play a critical role in the state's ability to meet these greenhouse gas reduction targets. More than 100 rigorous empirical studies have established that more compact development can reduce vehicle miles traveled by 20 percent to 40 percent over more dispersed forms of development.<sup>12</sup> Models show that if VMT increases, it may cancel out the benefits of planned increases in fuel efficiency.

### ADAPTING TO CHANGING CONDITIONS

Adapting to the consequences of climate change is another critical land use planning challenge. The state, together with local jurisdictions, must consider how to protect communities from the potentially increased environmental hazards and impacts related to sea-level rise, coastal storms and erosion, modified flood hydrographs, increased stress on levees, wildfire risks, and growing demands for water supply.

### CARBON REDUCTION BENEFITS OF OUR CURRENT LAND USE SYSTEM

The fundamental elements of our state's land use program – the emphasis on protection of farm and forest uses outside of cities, and the containment of growth and development within compact urban areas – produces tremendous greenhouse gas emission benefits. Controls that encourage most of our growth to occur within compact urban areas tend to reduce the travel distance and time between where we live and work. Higher densities also make alternative modes of transportation economically feasible in larger urban areas – further reducing private vehicle use.

LCDC's Transportation Planning Rule (TPR) wants to ensure that Oregon's transportation system supports a pattern of travel and land use in urban areas that avoids the air pollution, traffic and livability problems faced by other areas of the country. The rule aims to improve the livability of urban areas by promoting changes in land use patterns and transportation systems that make it more convenient for people to walk, bicycle, or use transit, and drive less to meet their daily needs. From the outset in 1993, the TPR required larger communities to develop and implement measures to reduce VMT. Since the TPR was adopted,

<sup>12</sup> *Growing Cooler: The Evidence of Urban Development and Climate Change*, Urban Land Institute, page 6, <http://www.smartgrowthamerica.org/documents/growingcoolerCH1.pdf>



#### PUBLIC COMMENTS: ON ADDRESSING CLIMATE CHANGE

Throughout the task force's work, climate change has been a recurring issue for interest groups and the public in general. At hearings, town hall meetings, through comments on surveys, many individuals and organizations call for a statewide approach that includes specific land use benchmarks for carbon reduction. Some groups favor a statewide approach to climate change mitigation, but are concerned that new regulations could harm economic development.





### PORTLAND'S GREEN DIVIDEND

One recent study by CEOs for Cities found that Portland area residents save a total of \$2.6 billion because of the city's land use and transportation policies. For example, the city's median commute is four miles shorter than the national average, and there are corresponding high rates of transit and bike use. The cost savings are pumped into the local economy resulting in what the report calls "Portland's Green Dividend." As Oregon responds to climate change, documenting the benefits to the local economy will be as important as the benefits to the environment.



per capita VMT has been essentially flat in Oregon – with a small but significant decline beginning in about 2002.

A recent analysis of multiple studies comparing mixed-use neighborhoods with low-density sprawl found that doubling density, mix of uses, and street connectivity can reduce per capita VMT by 33 percent. State and local governments can reduce VMT through the following land use planning techniques:

- **Supporting transit-oriented development that places residents close to transit lines and provides them with safe access to those lines.**
- **Creating and implementing incentives for VMT – or greenhouse gas – reductions in local governments' comprehensive plans.**
- **Evaluating development proposals that have major transportation impacts for greenhouse gas emissions effects and potential means to avoid or mitigate such effects.**

### PROBLEM STATEMENT

Although Oregon already has oriented its land use program toward efficient urban development and reduced VMT, we need to do more. We need to encourage rapidly growing areas of the state to plan for development patterns that decrease overall drive distances and times and that reduce energy consumption in buildings. The task force believes our state land use system must continue to promote development choices that can reduce dependence on the automobile through infill and redevelopment, maximizing carbon sequestration in rural areas, improving public transportation options, and by making necessary goods and services accessible and convenient.

### NON-LEGISLATIVE RECOMMENDATIONS

*LCDC should carefully consider the Global Warming Commission recommendations*

At the same time that the task force conducted its review of Oregon's land use system, the legislature and the governor convened the Oregon Global Warming Commission. The Global Warming Commission presented LCDC with the following recommendations:

- **Cooperate with the Global Warming Commission, the Oregon Department of Transportation and other agencies and jurisdictions to set greenhouse gas (GHG) targets and benchmarks for use by local governments**
- **Assure that carbon impact is considered in local government rezoning decisions**

- Cooperate with sister agencies, and their governing boards and commissions, to clarify responsibilities for incorporating climate considerations into state policies, programs and regulations
- Incorporate adaptation recommendations to help Oregon prepare for the impacts of climate change
- Extend/expand on Oregon’s success at reducing GHGs in urban and in rapidly growing areas
- Encourage rural development patterns that contribute to meeting Oregon’s greenhouse gas reduction goals while helping rural Oregon adjust to energy price increases
- Define lands of statewide significance to include areas necessary for renewable energy production and transmission, and employ a more flexible planning system to assist Oregon in its transition to a low-carbon energy economy
- Provide guidance and incentives for reforestation/afforestation in local land use plans that result in effective carbon sequestration.

*LCDC should carefully consider the Transportation Vision Committee recommendations*

The governor’s Transportation Vision Committee has included related recommendations in its report. Those recommendations include:

- Provide state funding and technical support for amending land use and transportation plans to reduce greenhouse gases, and require metropolitan planning organizations (MPOs) and affected local governments to do so. ODOT and DLCD should support and assist MPOs in developing accurate models for estimating the amount of car and light truck travel in each metropolitan commuting area under different future land use and transportation scenarios.
- Develop a least cost transportation planning model for use by the state, MPOs and local governments. The model should incorporate environmental costs, including greenhouse gas emission constraints. Such a model should become a tool for selection and development of plans and projects.
- Study national “best practices” for improving decision-making and delivery of metropolitan transportation services.

### DEVELOPING RURAL PARTNERSHIPS IN CARBON SEQUESTRATION

Through an innovative Oregon Climate Trust (OCT) project, the Deschutes River Conservancy recruits and pays area landowners to plant native trees along denuded riparian habitat. The project results in the carbon emission reduction equivalent of taking more than 46,000 cars off the road for a year.

Landowners enter legally binding agreements to plant and maintain trees for at least 50 years and receive compensation funded from the purchase of OCT offsets. As the trees grow they sequester carbon, rehabilitate trout habitat, improve water quality, and present a new model for addressing climate change through rural economic partnerships on resource lands.





*LCDC should pursue additional strategies to reduce greenhouse gas emissions*

In addition to the Global Warming Commission and Transportation Vision Committee recommendations, the task force recommends that LCDC consider the following for the larger metropolitan areas in the state:

- Incorporate jobs/housing/transportation balance in evaluating amendments to urban growth boundaries.
- Document reductions in greenhouse gas emissions resulting from existing statewide land use planning provisions including:
  - Goal 10 provisions for cities to provide a range of housing types (e.g., by requiring cities to plan for workforce and lower income housing)
  - Goal 9 provisions for cities to plan for economic opportunities for their citizens
  - Goal 14 provisions encouraging communities to use land within existing urban areas to accommodate population growth.

*LCDC and DLCD (along with the Oregon Departments of Forestry and Agriculture) also should promote and expand carbon sequestration programs as a means of encouraging rural land uses to be maintained, and for natural areas and resources to be preserved*

This also may be a means of stimulating economic development in rural areas through market-based preservation efforts such as transfer of development rights and carbon trading.





## CHAPTER NINE: PLANNING FOR A VIBRANT ECONOMY

As this report is being prepared, Oregon is following the rest of the nation into a period of difficult economic conditions, with a rapidly increasing unemployment rate and high rate of home foreclosures. Although Oregon export industries, particularly in the agricultural sector, have held up relatively well through the slowdown of the past year, growth in those industries is now slowing due to changing economic conditions.

Land use planning can create constraints on economic growth if adequate lands are not made available and planned for changing economic conditions and employment growth. In addition, land use planning can play a positive role in fostering a healthy economy by encouraging efficient and desirable development patterns that reduce public facility and service costs, attract a skilled workforce, and ensure adequate housing near employment centers.

While the statewide land use system and local comprehensive plans include provisions for an adequate land supply for employment uses, it has only been in recent years that significant attention has focused on the role of land use planning in economic development.

Oregon's economy is still relatively tied to its natural resource base. The agriculture and forest products industries have maintained and, in some cases, improved their prosperity. However, the importance of other sectors of the

**TABLE 4. MANUFACTURING \$ OUTPUT AS A PERCENT OF GROSS STATE PRODUCT**

	2003	2005	% CHANGE
Oregon	14.7%	18.8%	27.9
Washington	8.8%	9.5%	8.0
California	11.2%	9.7%	-13.4

*Source: Bureau of Economic Analysis, Gross State Product Estimates, 2003 and 2005*





### **PUBLIC COMMENTS: ON PLANNING FOR A VIBRANT ECONOMY**

Stakeholder groups discussed the economic effects of our land use regulations in great detail. Most wished to continue to preserve farm and forest land but believed that ancillary uses, or uses that would not have significant impacts on those lands, be permitted to ensure the continued economic productivity of farms and forests for commercial purposes.

Affordable housing was mentioned by multiple groups as a significant challenge to our ability to guarantee the workforces we'll need in the future. Finally, the certified industrial lands program was generally noted as a success, but one that needs additional land in its inventory to meet future manufacturing needs.



economy has mushroomed. Oregon continues to have a higher share of its economic base in manufacturing than most other western states (see Table 4). This is important because, like the agriculture and forest products industries, manufacturing is a “traded-sector” industry that also brings new income and wealth into the state.

There are important and growing linkages between urban and rural economies. For example, the ability to build, maintain and operate an international marine system on the Columbia River is economically feasible by exporting agricultural and mineral products. As a result of these facilities being built, Oregon urban and rural industries together are contributing to a global economy.

Similarly, while the air passenger services into Portland are based largely upon serving the critical mass of the Portland area, the rural economy benefits by having the ability to ship high-value agriculture products nationally and internationally. The urban areas provide important professional services and markets to rural industries, such as legal, financial, health care and retailing. And rural Oregon provides a highly desirable set of recreational amenities for urban residents, making the aesthetic quality of the state one of its most attractive features.

The foundation for these and other economic successes, as well as our future prosperity, is a direct result of our land use planning system’s objectives and strategies.

### **PROBLEM STATEMENT**

The task force heard from a number of sources that Oregon suffers from a relative lack of large industrial sites for new manufacturing companies.

Expanding urban growth boundaries to accommodate new employment growth can be very time-consuming, putting the land use planning process out of synch with global economic trends and cycles.

When lands are planned for industrial uses, the absorption rate is often slower than for other uses with a higher land value, leading to pressure to convert such lands to retail and residential uses. In some areas of the state the conversion has led to shortages of industrial lands and has created transportation impacts that reduce the desirability of remaining industrial lands.

### LEGISLATIVE RECOMMENDATIONS

The recommendations for economic development developed by the task force are included in the legislative recommendations for Protecting Farm, Forest and Natural Areas (Chapter 3) and Strategic Planning for a Sustainable Oregon (Chapter 5). For example, under the proposed legislative criteria for designation of farm, forest and natural areas, rezoning of those lands, and/or limiting development on those lands, LCDC will consider whether those changes meet or adversely affect local and state economic development objectives. Similarly, the legislative recommendations for strategic planning must be based, in part, on economic trends and desired economic outcomes, including the development of performance standards that compare the costs and benefits of land development strategies.

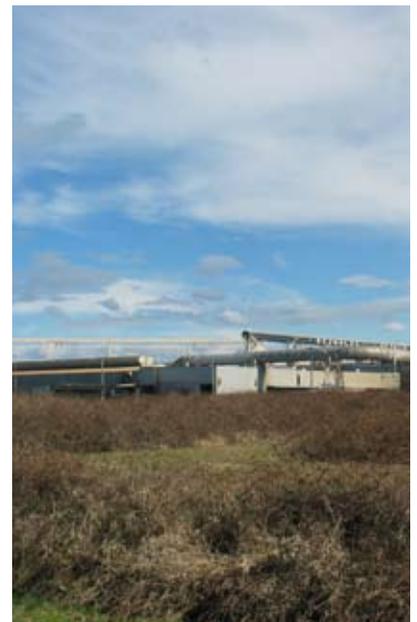
### NON-LEGISLATIVE RECOMMENDATIONS

#### *Use contingency planning*

Urban growth management in Oregon relies on long-range forecasts of people, housing and jobs to shape comprehensive plans. Unfortunately, the accuracy of long range forecasts suffers from the myriad of possible unanticipated future events. The task force recommends that communities preparing long range plans (including comprehensive plans, transportation system plans, plan amendments, etc.) develop multiple reasonably accurate scenarios for accommodating growth. With contingency planning, policies and short-term actions can be identified for the most plausible or developing scenarios. This would give cities and counties the flexibility they need to avoid reliance on a single long-range plan based on a relatively narrow set of assumptions.

#### *Update and expand the Certified Industrial Sites Program*

The task force believes the Oregon Certified Industrial Site program has had significant success in providing an inventory of “shovel-ready” industrial sites that the state and local governments and private entities can market. Although many of the most readily developable sites have been identified, the state and local governments need to continue to update and maintain an adequate inventory of sites over time. The program also should focus on redeveloping sites within existing urban areas.





*Develop additional safe harbors for urban growth boundary expansions*

LCDC should continue to explore and experiment with the creation of “safe harbors” by rule for expansions of urban growth boundaries to meet employment land needs. A “safe harbor” is a specific policy direction or optional course of action that may be followed to ensure compliance with a related regulatory process. Safe harbor expansions should include performance standards to assure that planned employment benefits are achieved.

*Set limits on the conversion of key industrial lands*

Goal 9 contains some limits on rezoning of industrial lands; however, the task force recommends that LCDC (in conjunction with OECDD and ODOT) explore additional limitations. These would protect important industrial lands that are of regional or state significance due to their location or unique advantage for employment from conversion to other uses.



## AFTERWORD

Throughout the three years of policy review, discussion, and consideration of Oregon's land use planning system, the Big Look Task Force learned many lessons about how Oregon can update its system to meet future needs.

The task force also developed insight into the difficulty that task force committees commissioned by the state often face in approaching their charge. In particular, the task force learned there is a significant need for a charter to guide the work of future citizen committees and task forces. The absence of specific guidelines for analyzing, evaluating and making recommendations can delay the substantive work of support staff and the task force and negatively affects the quality of the work.

The task force therefore recommends that the Department of Administrative Services, in consultation with appropriate representatives from the Oregon University System, develop a model charter for future task force/citizen committee groups to include the following:

- **Statement of purpose**
- **Staffing level and budget**
- **Analytic model and tools**
- **Citizen involvement standards and methods**
- **Other processes and procedures as identified by Department of Administrative Services and the Oregon University System**

The task force believes that instituting a charter to guide the approach and scope of work of future task force committees will improve the quality and depth of their recommendations.



## ACKNOWLEDGEMENTS



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### STAKEHOLDER GROUPS

1000 Friends of Oregon	Oregon Association of Realtors
Associated General Contractors	Oregon Business Association
Associated Oregon Industries	Oregon Environmental Council
Association of Oregon Counties	Oregon Farm Bureau
Central Oregon Cities Association	Oregon Forest Industries Council
Coalition for a Livable Future	Oregon Homebuilder's Association
Confederated Tribes of the Grand Ronde	Oregon League of Conservation Voters
Confederated Tribes of the Siletz	Oregon League of Women Voters
Confederated Tribes of the Umatilla Indian Reservation	Oregon Nursery Association
Coquille Tribes	Oregon Shores Conservation Coalition
County Planning Directors	Oregon State Bar Association
Cow Creek Band of Umpqua Indians	Oregon Sustainability Commission
Defenders of Wildlife	Oregon Tourism Commission
Global Warming Commission	Oregon Transportation Commission
Goal One Coalition	Oregon Trout
Housing Alliance	Oregon Winegrowers' Association
Land Conservation and Development Commission	Oregonians in Action
Land Watch Lane County	Port of Portland Staff
League of Oregon Cities	Portland Audubon Society
League of Women Voters	Portland Business Alliance
Metro	Special Districts Association
Metropolitan Policy Advisory Committee	The Nature Conservancy
Metropolitan Technical Advisory Committee	Urban Greenspaces Institute
Oregon Chapter of the American Planning Association	Westside Economic Alliance
Oregon Association of Nurseries	



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The following supplemental materials are available on the Big Look Web site, [www.oregonbiglook.org/finalreport](http://www.oregonbiglook.org/finalreport).

## **WHO IS THE BIG LOOK (members of the task force)**

### **EVALUATION REPORT FROM 2006-2007**

- **WORK GROUP SUMMARIES**
  - Benefits and burdens work group
  - Economy work group
  - Growth management work group
  - Role of state and local government work group
  - Citizen involvement work group
  - Infrastructure, finance and governance work group
- **RESEARCH ON OTHER STATE LAND USE SYSTEMS**
- **GOALS, VALUES AND LEADERSHIP ASSOCIATED WITH BIG LOOK TASK FORCE MISSION**
- **FORECASTS**

### **JULY 2007 PRELIMINARY FINDINGS AND RECOMMENDATIONS REPORT**

### **MAY 2008 STAKEHOLDER BRIEFING BOOKLET**

### **JULY 2008 STAKEHOLDER COMMENTS SUMMARY**

### **FALL 2008 PUBLIC ENGAGEMENT PROGRAM**

- **PUBLIC ENGAGEMENT REPORT (SHORTENED VERSION NOW ONLINE)**
  - Task force meetings, web site, video, newspaper, press packets, press releases
  - Copy of survey
  - Public survey results
  - Scientific survey results
- **OREGON BIG LOOK: EXAMINING OREGON'S LAND USE LAWS DVD**
- **NEWSPAPER INSERT**