

IN CONSIDERATION OF ORDINANCE NO. 23-1488, FOR THE PURPOSE OF AMENDING THE URBAN GROWTH BOUNDARY TO INCLUDE LAND ADJACENT TO THE CITY OF TIGARD IN EXCHANGE FOR REMOVING A SUBSTANTIALLY EQUIVALENT AMOUNT OF LAND IN CLACKAMAS COUNTY

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Departments: Planning, Development and Research  
Meeting Date: 1/19/23

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Presenter(s): Andy Shaw, Ted Reid  
Length: 45 minutes

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### **ISSUE STATEMENT**

The City of Tigard submitted a proposal for a residential urban growth boundary (UGB) expansion that would add approximately 491 acres to the UGB in a concept-planned area known as River Terrace 2.0. The Metro Council has indicated that it intends to complete a UGB exchange that would maintain the amount of buildable land inside the UGB by adding the River Terrace 2.0 area to the UGB while also removing a comparable amount of buildable land in Clackamas County that has not demonstrated readiness for development.

### **ACTION REQUESTED**

Consider adoption of Ordinance No. 23-1488, which would complete a UGB exchange.

### **IDENTIFIED POLICY OUTCOMES**

The intended outcome of the UGB exchange process is that Metro fulfills its regional urban growth management responsibilities with a continued focus on efficient land use and readiness for urbanization.

### **POLICY QUESTION(S)**

Does the Council wish to complete a UGB exchange to add River Terrace 2.0 to the UGB?

### **POLICY OPTIONS FOR COUNCIL TO CONSIDER**

The Council may consider completing a UGB exchange.

### **STAFF RECOMMENDATIONS**

Staff recommends that the Council adopt Ordinance No. 23-1488.

### **STRATEGIC CONTEXT & FRAMING COUNCIL DISCUSSION**

#### **Background on Tigard expansion proposal**

The City of Tigard is a consistent and dependable regional partner in its forward-looking approach to housing planning. Tigard has been at the vanguard of allowing middle housing that serves residents and the region well. Tigard has proposed a well-planned UGB expansion that includes middle housing in the River Terrace 2.0 urban reserve area.

### Overview of the UGB exchange process

The UGB exchange would entail adding the River Terrace 2.0 area to the UGB and removing a comparable amount of buildable land in locations that are unlikely to develop as previously expected. This approach is consistent with Metro's focus on city readiness in its growth management decisions. It recognizes that Tigard is ready for growth while some other areas that were added to the UGB in the past have not resulted in housing and may not for decades to come. Ultimately, adding land to the UGB can only help us address our housing shortage if it develops in a thoughtful, predictable way. Tigard has demonstrated that it is ready to develop River Terrace with a mix of middle housing types that makes efficient use of land.

This UGB exchange approach also holds us to the core principle of only adding to the overall size of the UGB when there is a regional need for additional 20-year land supply. This highlights an important distinction that guides our work: the difference between a present day housing shortage and long-term land shortages. State law requires us to focus on the latter when considering whether to add more land to the UGB. Our ability to provide the Council with several possible exchange areas that are inside the UGB but are not progressing towards providing housing emphasizes this need to focus on land readiness.

The exchange process is allowed under state law, but Metro has never used this process. The UGB exchange process has been used successfully in a few other jurisdictions around the state, most recently by the City of Sutherlin in 2018 and the City of Dayton in 2022.

### **BACKGROUND**

At an April 28, 2022 work session, COO Madrigal presented her recommendation to address Tigard's UGB expansion proposal through a UGB exchange. At that work session, Council directed staff to return with a proposed approach to identifying UGB exchange candidates.

Staff presented that proposed approach at a June 14, 2022 work session. This approach included mapping buildable lands in unincorporated areas inside a one-mile buffer within the UGB, followed by consultation with local jurisdictions and special districts. Through that consultation, staff developed its understanding of the planning and development status of these areas. Areas that were further along in their readiness were removed from consideration and areas that lacked readiness were advanced for further discussion.

At a September 15, 2022 work session, Council discussed preliminary UGB exchange candidates and possible considerations for narrowing those options. The Metro Council directed staff to narrow the UGB exchange options as proposed.

Metro's COO presented her recommendations to the Metro Council on October 20, 2022. Concurrently, Metro opened a public comment period on the COO recommendations. To date, Metro has received fewer than 15 written comments. Those comments are varied and do not indicate a consistent theme aside from a general desire for communities to not change (both in areas proposed for removal from the UGB and in the River Terrace 2.0 area). Some commentors

expressed general support for or opposition to the exchange. Some supported removing areas from the UGB. Others were opposed to removing specific areas from the UGB. Finally, some comments expressed opposition to adding River Terrace 2.0 to the UGB.

#### MPAC recommendation

MPAC has discussed the UGB exchange topic on five occasions over the last few months. At its November 9, 2022 meeting, staff presented a review of the three exchange options from the COO recommendation, summarized through the lens of the previously-discussed considerations (see table below). Options 1, 2, and 3 all include unincorporated land in Clackamas County that was added to the UGB 20 years ago but has not progressed in its readiness for development. All three options include land in the former City of Damascus. Option 3 also includes land in the Park Place area outside of Oregon City.

Consideration	Option 1	Option 2	Option 3
Planning infrastructure and development readiness	Low readiness	Low readiness	Low readiness
Time in UGB	20 years	20 years	20 years
Parcelization	High	High	High
Property owner wishes	Possible interest in removal	Possible interest in removal	Possible interest in removal
Number of areas	1	1	2
Added to UGB for special purpose	No	No	No
Environmental features (e.g., slopes and riparian areas)	Low	Low	Some low, some high
Jurisdiction's position	No city - former Damascus; Clackamas County opposed, particularly along Hwy 212	No city – former Damascus; Clackamas County opposed	Oregon City supportive; No city - former Damascus; Clackamas County opposed

Possible appropriateness for UGB exchange
Less
More

*\* Determinations are somewhat subjective, but attempt to reflect the priorities expressed by policy makers*

On November 9, 2022, MPAC voted on a recommendation to the Metro Council. In that recommendation, a majority of MPAC members expressed a preference for Option 3 (as depicted in the October 13, 2022 COO Recommendation) for completing a UGB exchange that would enable the addition of the River Terrace 2.0 area to the UGB to provide the region with additional housing options.



June 22:	MPAC
June 23:	Gresham Chamber of Commerce
July 20:	Westside Economic Alliance
August 2:	Clackamas County Business Association
August 17:	Metro Technical Advisory Committee
August 24:	MPAC
September 8:	Damascus Community Planning Organization
September 21:	Metro Technical Advisory Committee
September 21:	Clackamas County Board of Commissioners
September 28:	MPAC
October 5:	Oregon City Board of Commissioners
October 13:	Home Building Assoc. of Metropolitan Portland
October 17:	Washington County Coordinating Committee
October 26:	MPAC
November 1:	Washington County Board of Commissioners
November 9:	MPAC
December 1:	Washington County Planning Directors

#### Public notices

On December 5, 2022, Metro staff sent postcards to all owners of property in the areas proposed for removal from the UGB as well as property owners in the River Terrace 2.0 Urban Reserve. These postcards provided notice of the Metro Council's January 19, 2023 public hearing. Since the Council expressed a desire to keep its exchange options somewhat flexible, owners of additional properties to the south of Hoffmeister Rd. in the former City of Damascus also received postcards notifying them of the proposed UGB exchange. Postcards that went to owners of properties in areas proposed for removal from the UGB also included information about a January 5, 2023 virtual townhall.

On December 28, 2022, Metro staff sent postcards to all residents within one mile of the proposed River Terrace 2.0 UGB expansion area. These postcards notify residents of the availability of a [report on the possible impacts](#) of the expansion on existing neighborhoods. This report is required under Metro code. The postcards also provide notice about the Metro Council's January 19, 2023 public hearing.

#### Townhalls for owners of property in areas proposed for removal from the UGB

Metro staff arranged for and held two townhall meetings. On January 4, 2023, Metro hosted an in-person townhall at the Harmony West campus of Clackamas Community College. Details for the in-person event were not available at the time notice postcards were sent to property owners, but Metro advertised the in-person townhall on its website and through relevant community planning organizations. Not counting Metro staff or Council, three people attended the in-person townhall meeting. Two attendees were Clackamas County commissioners who expressed opposition to land being removed from the UGB in Clackamas County. A third attendee was an employee of the Homebuilding Association of Metropolitan Portland and

expressed the organization's general support for adding River Terrace 2.0 to the UGB through an exchange.

Metro staff held a virtual townhall on the evening of January 5, 2023. This townhall was advertised on postcards sent to owners of property in areas proposed for removal from the UGB. The townhall was also advertised on Metro's website. Approximately 20 people attended the townhall. At the outset of the meeting, attendees were polled to understand who was in attendance. No attendees indicated that they owned property in the areas proposed for removal from the UGB. Attendees asked questions regarding the legal and policy basis for the UGB exchange, implications for possible funding such as transportation and housing funding, and about Metro's efforts to engage Clackamas County. Attendees also asked broader questions about Metro's approach to growth management and the process for local jurisdictions to propose UGB expansions.

#### **ATTACHMENTS**

None

[For work session:]

- Is legislation required for Council action? ☒ Yes   ☐ No
- If yes, is draft legislation attached? ☒ Yes   ☐ No
- What other materials are you presenting today? PowerPoint