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Re: Appeal of DLCD Order 001816: Approval of Scappoose UGB Amendment

On June 14, 2012, DLCD issued Order 001816 approving all parts of the Scappoose UGB Amendment, Ordinance 816 dated April 18, 2011.

Mike Sheehan and Pat Zimmerman appeared at multiple City and County hearings and submitted written testimony at multiple hearings (Rec. 721,7251206, 1211,1263,1716,1726,etc.). This document is an appeal of DLCD’s Approval Order. It incorporates and restates the attached Objections filed with DLCD by them and 1000 Friends, and points out problems with the Department’s Order.

In the following, “Objection” refers to the numbered objections submitted by 1000 Friends, Feb. 23, 2012 and an Objection submitted by Michael Sheehan, Feb. 27, 2012; “Order” refers to DLCD’s Order 001876 mailed June 14, 2012.

Introduction

In February of 2012 a number of people filed objections to the UGB expansion proposal adopted by the City of Scappoose. These included Pat Zimmerman, Michael Sheehan, 1000 Friends and a number of others.

The EOA and other reports the city relied upon in making its decision were prepared by consultants which the city contended were not working for the city and were purportedly being paid by the developer who owns more than three quarters of the lands at issue. The reports prepared by the consultants justified inclusion in the Scappoose UGB of all or almost all of the lands proposed for inclusion by the developer.

The objections filed by Zimmerman, Sheehan, 1000 Friends and others challenged the factual basis for bringing into the city the large amount of land previously acquired by the major developer and
proposed for inclusion in the UGB. On June 14, 2012 the DLCD issued Order 001876 dismissing each and every one of the twelve objections filed. These Objections are attached and part of this Appeal.

What follows is an appeal of the Department’s decision dismissing all the objections in their entirety. Each objection is set forth below, the basis of the challenge is explained, and the remedy requested is set forth.

**Objection 1: Base Year Employment**

The EOA’s use of 2007 employment projections violates OAR 660-009-0010(5): “A jurisdiction's planning effort is adequate if it uses the best available or readily collectable information”. This Goal 9 Rule repeatedly says the estimates must be “reasonable”. OAR 660-025-160(2)(a) requires that the Commission determine whether “there is substantial evidence in the record as a whole to support the local government's decision.” Further, the decision violates Goal One, Citizen Involvement.

There are dueling charts and tables around this issue. But these facts are indisputable:

1. The final version of the EOA uses the 2003-2007 boom years to project Scappoose employment growth of 7.6% every year through 2030. (Rec. 93,95) However, the original EOA presented to the city’s Planning Commission forecasted a growth rate of only 6.7% (Rec. 550).

2. The Scappoose City Council requested an update to the employment forecast on Feb. 9, 2011 (Rec. 1331). At that time, current 2008-2018 employment forecasts from the Oregon Employment Dept. were available and had been submitted as testimony at a public hearing before the Council. (Rec. 1009)

3. In response to the City Council’s request both staff and the consultants submitted additional testimony, including a revised employment forecast rate, new employment tables and discussion. (Rec. 1331, 1333) They did not, however, use the current employment forecasts which were both readily collectible and best available.

Use of outdated OED forecasts to calculate base year employment increased the land need by up to 20% in some categories of employment.¹

In the Order, much has been made of the multiple factors and “significant latitude” allowable in projecting employment. But even it admits that “OAR 660-009-0015(1) requires that the review of trends be the principal basis for estimating future employment land uses”. (Order, pg. 5)

Further, the Order says that “The city made reasonable conclusions based on data that was available at the time the study was published”. (Order, pg. 6) This is simply not true. The Council asked for better information in Feb. 2011, when updated data was available, and did not receive it as described above.

The Order contends that the original publication date of the EOA (Feb. 2010, Rec.492), was the final, unalterable word on this issue. “…the rule does not require or imply that studies must be amended to

¹ See attached 2/23/12 1000 Friends objections, page 3
address data that becomes available in the middle of a study… The city made reasonable conclusions based on data that was available at the time the study took place”. (Order, pg. 6) But the Order’s portrait of a static EOA that did not change at all during the public process is erroneous. The city’s own consultants submitted new information after the study was completed, and those consultants also made revisions to the EOA during the public hearing process. As explained above, the employment forecast itself, which is the driver of the land need calculations, was revised. There is no reason that the city could not have made the required corrections to the base year calculation while it was making the other revisions.

There are also many good reasons why a city must consider new evidence gathered during the public process. Goal One, the foundation of Oregon Land Use Planning says: “…[citizens must] be involved in all phases of the planning process.” The department’s Order dismisses all citizen input and participation because it contends that preliminary studies do not have to be amended to address public testimony, no matter what is learned. Multiple testifiers submitted current, documented data. They were ignored and the Order supports this action, saying that “the rule does not require … that studies must be amended to address data that becomes available”. (Order, pg. 6) If citizen’s submittal of relevant data is irrelevant, what of Goal One?

The department’s conception of the planning process would allow local governments to prepare deeply flawed documents, and then ignore anything submitted into the record by claiming that the information presented by the public was not known to the study’s authors at the time the original version was prepared. Such a policy would render citizen’s input moot and irrelevant, and would encourage flawed decision-making.

**Remedy:** Remand the EOA with instructions to recalculate the baseline employment forecast using current (2010 – 2011) data.

**Objection 2: Historical Growth Trends**
The EOA violates OAR 660-009-0010(5), OAR 660-009-0015(1), Goal 2, adequate factual base, and is not supported by substantial evidence in the whole record, because the employment forecast is based on short-term boom years growth rates despite longer-term historical trends that are much lower.

The Order denying this Objection states: “Regarding Objection 2, the EOA does not base the employment projection solely on the historic period the objection alleges. The 2003-2007 employment trends are reported, but there is no indication that the adopted forecast is a mere projection of this trend as the objector contends.” (Order, pg. 7)

However, the Order’s contention (pg. 7) that the employment projections are valid because they are based on something other than the historical data presented in Table 25 is false. Page 27 of the EOA states "the historical growth rates and the state’s growth projections outlined in Figure 25 are used as baseline estimates to forecast the rate of employment growth by industry in this analysis.” Figure 25 “Historical Growth and Anticipated Regional Growth” shows 2003 – 2007 Average Annual Growth Rates for Scappoose and Region 1. (Rec. 93) The EOA itself directly contradicts the Order’s contention.

The EOA, quoted in the Order, then notes “From this starting point, the forecast utilizes the City of Scappoose historical growth rates by industry (Figure 25), interviews with State and local officials as well as the State of Oregon Region 1 projected growth rates by sector (Figure 25) to project employment through 2030”. (Rec. 94) As explained in more detail in the attached 1000 Friends objections, the actual
historical growth rates of both Scappoose and Region 1 do not support the city’s employment forecast decision.

The EOA does not contain any explanation as to what evidence was gained in the “interviews with State and local officials” nor does it explain why that evidence supports such profound deviations from the actual historical local and regional growth trends. An unsupported contention that undocumented interviews with State and local officials contravenes the data presented in the EOA’s own tables is not “substantial evidence.”

**Remedy:** Remand the EOA with instructions to revise the employment forecast downward in light of the most current (2011) Scappoose employment data and Portland MSA longer-term trends.

**Objection 3: Regional Growth and Scappoose Capture Rates**

The EOA violates OAR 660-009-0010(5), OAR 660-009-0015(1), Goal 2, adequate factual base, Goal 2, coordination, and is not supported by substantial evidence in the whole record, because it fails to make a reasonable determination of the expected regional growth Scappoose could capture, and because it improperly relies on capture of growth planned to occur within other jurisdictions.

The department’s Order has little to say on this Objection. In total it says: “The EOA does not use the employment forecast alone to calculate employment land need. It is only as part of the information leading up to a site needs based conclusion. Record at 21”. (Order, pg. 7) But neither the EOA itself nor the department’s Order explain what “site needs based conclusion” means. Furthermore, there is ample evidence that the employment forecast is the sole driver of the land need calculations.

The consultants create the land need figure from the employment projection using a series of spreadsheets. For example, Rec. 121-125 contains the five spreadsheets for the industrial land need determination. There is no consideration of a “site needs approach,” only a straightforward calculation of needed acreage from the employment forecast. Specifically, using the industrial land need determination as an example:

1. Step 1 copies the employment forecast from EOA Figure 26 (Rec. 95), uses an outside study to predict what percentage of each employment sector will use industrial space and applies that percentage, yielding the number of industrial jobs per sector. (Rec. 121)

2. Step 2 distributes those industrial jobs by building type (warehouse, general or tech/flex), and then calculates a weighted average of the space needed per job, for each sector. (Rec. 122)

3. Step 3 converts the space needed per job to the total space needed per sector. (Rec. 123)

4. Step 4 calculates the weighted floor area ratios per sector, by referring to an outside study. (Rec. 124)

5. Step 5 calculates total land need per sector, using the conclusions of Step 3 and Step 4. (Rec. 125)

Step 5’s total of 217.9 acres of industrial land need (the Medium Growth Scenario) exactly matches the net industrial acres shown in the EOA’s Figure 27 (Rec. 98). There is absolutely no evidence that any other factors, beyond the employment forecast and the simple parameters within the EOA’s spreadsheets, played a role in determining the land need.
1000 Friends’ 6-page testimony supporting this Objection is compelling and extensively documented. We restate all of those arguments in support of this appeal.

Remedy: Remand the EOA with instructions to revise the employment forecast downward, in light of the OED and Portland MSA employment forecasts, and the actual capture rates Scappoose has achieved.

Objection 4: **Effect of UGB Expansion on Scappoose Growth Potential**
The EOA violates OAR 660-009-0010(5), OAR 660-009-0015(1), Goal 2, adequate factual base, and is not supported by substantial evidence in the whole record, because it wrongly assumes that the proposed UGB expansion will cause a substantial increase in employment growth, beyond historical trends.

First, the department’s Order repeats the erroneous claim that the employment forecast is not the sole determinate of land need, and improperly dismisses the objection based on this claim without addressing the substantive issues raised.

This objection deals with a “chicken and egg” issue. Will the increase in available industrial lands result in massive, unprecedented growth in employment?

The city’s UGB expansion application contends that “The Council finds the employment growth figures reasonable in light of local historical growth trends, the regional context of the employment projection, and increased employment opportunities near the airport as a result of the proposed UGB expansion” (Rec. 23).

“Local historical growth trends” have been dealt with above. “Regional context of the employment projection” will be discussed below. Both are fraught with incomplete and erroneous data, negating their contribution to this issue.

“Increased employment opportunities near the airport as a result of the proposed UGB expansion” is left as the sole argument for expanding the UGB.

The problem with this argument is that there are already around 150 acres of industrial zoned, fully serviced (water, sewer, power, roads) land within the existing UGB next to the airport that has been vacant for many years. This land has been vacant through both boom and bust economic cycles. It has not been developed and no jobs have been created. There is no difference between the existing and proposed industrial lands, except perhaps ownership. Johnson Reid, consultants on this project, agree: “The availability of land doesn’t necessarily bring jobs…”. (Rec 1293)

Again, the Order dismisses this objection with few words, in this case circular: “The city’s intention is to deviate from the historic trend by providing more employment for its citizens” (Order pg. 7). Yes, they so intend, but there is no evidence in the record that these intentions are feasible, or that adding land correlates to adding jobs. The city’s “good intentions” are analogous to a person intending to lose 100 pounds in 30 days; while the desire may be earnest, that does not mean the hoped for results are feasible. It is not within the city’s power to simply “decide” to have a radically higher long-term jobs growth rate than it has ever experienced before.
**Remedy:** Remand the EOA with instructions to revise the employment forecast substantially downward, in accordance with Scappoose’s historic economic growth patterns, which are the best indicators of the city’s long-term economic prospects, given the lack of evidence to the contrary.

**Objection 5: The EOA's Employment Forecast is Dramatically Inconsistent With the Relevant Population Forecasts for Scappoose Without Adequate Justification:**

The EOA violates OAR 660-024-0040(1), Goal 2, adequate factual base, and is not supported by substantial evidence in the whole record, because the employment forecast is inconsistent with the adopted population forecast.

The Department's Order p.8 cites OAR 660-024-0040(5) for the proposition that “proportionality is not required” between the EOA's employment forecast and the population forecast for Scappoose. Yet this has to be taken in context with OAR 660-024-0040 (1) “The UGB must be based on the adopted 20 year population forecast . . .” The reasonable reading of 0040(1) and 0040(5) taken together is that the greater the divergence between the population forecast and the employment forecast, the stronger the justification has to be.

LCDC has made this clear in its order on the Woodburn UGB expansion:

> “The more a city’s land need for employment based on its analysis of economic opportunities and sites diverges from what would be predicted based solely on forecasted population and employment growth and employee-per-acre ratios, the more thoroughly the city will need to substantiate its economic opportunities analysis and resulting site needs.” LCDC Approval Order 11-WKTASK-001802, March 16, 2011.

The justification referred to by the Department in this case is to a Johnson Reid letter to the city. (Rec. 359-60). This letter defends the consultants’ wildly divergent employment forecast (7.6% p/a, i.e. doubling every ten years) versus the population growth rate of 2.0% per annum, by pointing out that this will happen to Scappoose “in light of the City’s geographic position within the Portland (OR)–Vancouver (WA) (PMSA).” (emphasis added). (Rec.359).

Yet Scappoose has always been located in the same location relative to Portland and Vancouver and has never had long term employment growth rates such as the ones put forth by the consultants.

Note also that a further justification set forth in the same Johnson Reid letter is that “Metro . . . has modeling that anticipates a substantial share (25%) of projected new employment growth will locate outside of the UGB they control, primarily to satellite communities such as Scappoose, North Plains, Newberg.” (Rec.359).

Note that there is no cite to what the “modeling” is that Metro “has.” No explanation of the assumptions used in the model. No suggestion as to what the model says specifically about Scappoose other than the “such as.”
Looking at the other side we see that using the consultant’s figures for job growth will mean that Scappoose will go from 2,425 jobs in 2010 with a population of 6,680 (0.36 jobs per resident) to a community in 2030 with 10,492 jobs with 10,022 residents. To have this happen 2.4 jobs would need to be created for every new resident coming to Scappoose. And of the workers holding the 10,492 jobs in Scappoose (keeping the same ratio of jobs to population) 64% (i.e. 1 - 0.36 = 0.64) = 6,700 would have to be commuters living elsewhere.

Place this in the larger context of the UGB proposal. Virtually all the lands proposed to be brought into the UGB had already been purchased by a major Portland developer. The funds to pay the consultants who prepared the EOA were apparently provided by the same developer. In order to justify the developer's investment, the numbers would have to be sufficient to justify bringing the lands acquired into the UGB. Also, except for several minor exceptions, the lands involved are adjacent to the Scappoose Airport with their proposed use to be airport related.

In sum, the justification for the divergence of the employment forecast from the adopted population forecast for Scappoose is very thin and lacks credibility while at the same time the divergence between the employment and jobs forecast is very large, requiring an especially clear and credible explanation.

Remedy: Remand the EOA with instructions to revise the employment forecast downward to correlate with a jobs-per-resident ratio that is no higher than the current Portland MSA ratio of 0.43, unless additional evidence is provided that substantiates a higher ratio.

Objection 6: Jobs on Residential Land and Objection 7: “Other Services” Jobs
The EOA violates Goal 2, adequate factual base, and is not supported by substantial evidence in the whole record, because it assumes that no new jobs will locate in residential areas, despite the inclusion of home business workers in the employment forecast, and because it assumes that 60% of the Other Services category of jobs will site on industrial land, despite evidence in the record that most of these jobs will site on non-industrial land.

These two Objections deal with the consultant’s errors in determining how much and what type of land is needed for various classes of projected employment.

The department’s Order denies these objections with one sentence: “The department finds that the quantity of land affected by home-based businesses and “other services” to be inconsequential”. (Order pg. 8) The numbers argue otherwise.

Each kind of job – Home businesses, commission workers, hair salons, dog groomers, car washes, Laundromats, etc. – is assumed to require a set amount of space (acreage) depending on the underlying zoning of the land. The EOA justifies the desired 380 acre UGB expansion by translating various categories of space-utilizing employment into needed acreage.(Rec. 122)

The problem arises in the consultants’ identification of jobs that they claim will need the industrial land in the proposed UGB expansion.
Specifically, they claim that all jobs not tracked through unemployment insurance (not “covered” employment) will locate on industrial or commercial land. This is nonsense, since according to the EOA, the non-covered employment includes all self-employed, sole-proprietors, commission workers, etc. The consultants increase the baseline 2007 employment by 777 jobs (32.1%), from 1,641 to 2,418 by including these workers. (Rec. 92 – 93) They then carry this increase through to their projected 2010-2030 increase in total employment of 8,068 jobs in Scappoose. (Rec. 95) This is a claim that 2,590 non-covered jobs (32.1%) will be located on industrial/commercial land.

Columbia County has a high proportion of home businesses, off the books work and other jobs not included in unemployment data. These jobs nearly always are located on residential land. By pretending that all of these jobs will locate on industrial land to be included in the UGB, the consultants have substantially inflated the employment predictions and hence, required acreage. If even 10% of Scappoose’s total jobs were home-based, that would represent an overestimation of more than 800 jobs requiring new employment land. At 20 employees per acre, that would be an overestimation of about 40 acres of UGB expansion. This is hardly “inconsequential.”

A second problem is the consultant’s allocation of a group of jobs categorized as “Other Services” by government agencies. The EOA presumes that 60% of jobs in this sector will require industrial land, but as explained in detail in the attached 1000 Friends objections, it is most likely that only 20% of these jobs would locate on industrial land – that is about 1/3 as many as claimed. The choice of whether to site these businesses on office versus industrial land is important, because the assumed job density for Other Services jobs on office land is 38 jobs per acre, almost twice the 18.5 jobs per acre density of Other Services jobs on industrial land.²

The EOA predicts a total of 1,481 new Other Services jobs (Rec. 69) and assumes that about 900 of these will need industrial land. As explained above, the evidence shows that only 1/3 of these would actually locate on industrial land. The EOA should be corrected to reclassify about 600 jobs as commercial instead of industrial. The practical effect of such a change would be a reduction in land need of about 16 acres (16 acres for commercial vs. 32 acres for industrial). Again, this is not “inconsequential.”

Remedy: Remand the EOA with instructions to determine the portion of the employment forecast that is due to home occupations, and revise the land need analysis to reflect that these jobs will not locate on commercial or industrial land. Remand the EOA with instructions to either demonstrate that the number of Other Services jobs assumed to need industrial land is supported by substantial evidence, or revise the calculations according to an analysis of the expected land needs of these businesses.

Objection 8: Claim with Respect to Needed Sites: The EOA violates OAR 660-009-0015(2), OAR 660-009-0005(11), Goal 2, adequate factual base, and is not supported by substantial evidence in the whole record, because there is no explanation of how the lot size site

² Per Exhibit 1.01 (Rec. 117) in Technical Appendix E to the EOA, Medium Scenario, 593 Other Services jobs are expected on office land. Exhibit 1.03 (Rec. 119) allocates 15.6 acres for these jobs, resulting in a gross job density of 38 jobs per acre. Exhibit 1.05 (Rec. 121) shows that another 889 Other Services jobs are expected on industrial land. According to Exhibit 1.09 (Rec. 125), these jobs will require 48.0 acres of land, for a gross job density of 18.5 jobs per acre. See also the chart on page 31.
characteristics were derived, and there is no substantial evidence demonstrating a need for large lots in any category.

The EOA claims that large tracts of land in the 10 to 50 acre range have to be added to the UGB.

When this issue was raised at the local level, by pointing out that EOA Exhibit 1.11 explicitly showed zero need for office or industrial parcels over 49,800 square feet, the EOA's consultant author responded by modifying the EOA by excising EOA Exhibit 1.11. A substitute analysis was never provided.

The Department rejects this objection on the grounds that Section VI of the EOA explains the assumptions regarding required site types and this analysis is supported by information in the technical appendix.” Rec. at 103-131.

Yet while section VI of the EOA provides a lot of general information about “development pattern types" and “FAR" ratios etc. it provides no information at all to explain or justify the claim that there is a need in Scappoose for large parcels in the 10 to 50 acre range. Similarly, while the materials in Record pages 103-131 cited by the Department provide a lot of general information on employment and businesses, they provide no information at all explaining or justifying the need for the three large industrial lot sizes averaging in the 10 to 50 acre range set forth in Figure 33 (Record 103).

Remedy: Remand the EOA with instructions to either remove the claimed need for 10+ acre sites, or provide additional evidence that supports the claimed need.

Objection 9: Scappoose Airport Runway Expansion: The EOA violates OAR 660-024-0040(1), Goal 14, Goal 2, adequate factual base, and is not supported by substantial evidence in the whole record, because it includes 50 acres for a runway expansion despite the adopted Airport Master Plan's conclusion that no runway expansion is needed during the 20 year planning period.

The proposed runway extension involves adding a major piece of property to the UGB. The Airport Master Plan is clear that there is no need for any extension of the runway. Nor is there any other evidence in the record justifying this major addition to the UGB.

The Department dismisses the objection on the grounds that “the objection does not state how the UGB amendment violates the cited goals and rules, but the Order does address “need.”

Yet OAR 660-024-0040(1), as referred to in line 1 of the objection, clearly says,

“The UGB must be based on the adopted 20 year population forecast for the urban area described in OAR 660-024-0030, and must provide for needed . . . public facilities . . . over the 20 year planning period consistent with the land need requirements of Goal 14 and this rule.”
The EOA sets forth that the 50 acre parcel for an expansion of the runway is needed, without stating the basis for that determination, especially in light of the fact that the Airport Master Plan says it is not needed. The Department's decision refers to six pages in the record where the “need” for the 50 acres to be brought into the UGB is supposedly manifested. A review of these cites show no explanation of the need for the land to be brought into the UGB.

Record 104 (last ¶) simply mentions that there was a proposal to extend the runway “during the process.”

Record 136 is a table which has a single line that says “Runway Extension 50 acres” but provides no justification.

Record 138 mentions that the Port is considering extending the runway, “potentially amounting to an additional 20% to 30% increase in length” but provides no explanation or justification of why the city has a “need” for the 50 acres to be brought into the UGB. Runways don't have to be in UGBs.

Record 261 tells us, “The draft Johnson-Reid EOA shows a need for the following employment categories,” and then on the next page lists “Runway Extension – reserve approximately 50 contiguous acres.”

Record 335 is a letter from the Port of St. Helens (owners of the airport) saying they support the work on the EOA and that “the plan is a good start in addressing some of the Port’s concerns regarding additional land for a future runway extension at the airport and additional land needs for aviation related growth.” But nothing on the “need” for the runway extension. And if the Port believes there is a need for the runway extension, how can it be that their own Airport Master Plan clearly states,

“The facility needs evaluation, which was completed earlier in this chapter, indicates that the runway's current length of 5,100 feet is sufficient throughout the planning period and will not consider additional runway length for the existing or forecast fleet mix.” (Airport Master Plan p.3-14).

Record 1305 is part of a city staff report. It doesn’t say anything about the city's “need” for the 50 acres in the UGB. It does say, however, “Staff recommends that the land south of the runway be included in the UGB regardless of whether the runway is extended or not, for the simple fact that inclusion in the UGB would allow the land to be annexed and thus subject to the City's land use regulations.”

Record 1316 is a page in another city staff report. The page contains no need justification for inclusion of the land for a runway expansion in the UGB.
Thus there doesn’t appear to be any need established for inclusion of the 50 acres in the UGB, other than the city’s interest in having control over the property as a general matter. Record 1305. And the Airport Master Plan explicitly says there is no need for such an expansion.

Moreover, it should be noted, a speculative letter of support from the Port about a possible runway expansion, that doesn’t include actual evidence of a bona fide 20 year need, does not prove a need. In order for a runway extension to occur, the master plan must be updated, it must include a forecast of future operations, the FAA must approve the whole thing, and it must survive a land use process including possible appeals. It is by no means proven that a runway expansion is needed. In fact, the actual planning process associated with a master plan update may again conclude that NO extension is needed.

**Remedy:** Remand the EOA with instructions to remove the 50 acres for runway expansion from the claimed land need.

**Objection 10: 40 Acres for Additional Hangars:** The EOA violates OAR 660-024-0040(1), Goal 2, adequate factual base, and is not supported by substantial evidence in the whole record, because it includes 40 acres for airplane hangar expansion that is intended to serve beyond the airport's 20 year planning period.

The Department dismisses the objection on the grounds that “The need is established in the City's EOA under Goal 9" citing the record at 104, 136-138, 262-263, 335, 1305, and 1316.

OAR 660-024-0040(1), as referred to in line 1 of the objection, clearly says,

> “The UGB must be based on the adopted 20 year population forecast for the urban area described in OAR 660-024-0030, and must provide for needed . . . employment . . . and public facilities . . . over the 20 year planning period consistent with the land need requirements of Goal 14 and this rule.”

The Airport Master Plan clearly shows that the 40 acres to the east of the runway proposed to be brought into the UGB by the EOA for hangar space are beyond the “need” set forth in the airport's 20 year planning period.

The Department again relies on the same six pages in the record where the “need” for the 40 acres to be brought into the UGB is supposedly manifested. A review of these cites show no demonstrated need for the 40 acres to be brought into the UGB.

Record 104 (last ¶) simply mentions the phrase “40-acres reserved for new Port hangar space” but provides no showing of “need.”
Record 136 is a table which has a single line that says “Hangar Reserve 40 acres” but provides no justification. Other than this single line on Record 136, there is no mention or explanation of the need for this additional 40 acres for future hangars in Record 136-38.

Record 262 just mentions 40 acres for hangar reserves. No explanation of “need.”

Record 263 is a table that has one mention of “40 Acres Hangars” but that is the extent of the discussion or explanation.

Record 335 is the letter from the Port with a seven word reference to “additional land needs for aviation related growth” but no mention at all of any need for 40 acres for hangars.

Record 1305 is a page in a city staff report and makes no reference at all to 40 acres for hangars.

Record 1316 is a page in another city staff report and makes no reference at all to the hangar issue.

Thus there doesn’t appear to be any need established for inclusion of the 40 acres in the UGB.

Moreover, DLCD claims that the hangars might be employment space, so that a need for airport uses doesn’t have to be established. But then if that’s the case, then the amount of OTHER employment land needs to be reduced, or else the city is double counting—given that it has already provided enough other land for 100% of the forecasted jobs . . . so the hangars isn’t needed for any of those jobs.

Remedy: Remand the EOA with instructions to remove the 40 acres for hangar expansion from the claimed land need.

Objection 11: The EOA violates OAR 660-009-0015(3), OAR 660-024-0050(1) and (4), Goal 14, Goal 2, adequate factual base, and is not supported by substantial evidence in the whole record, because its inventory fails to include all of the serviceable, industrially designated land already inside the UGB.

The DLCD Order includes an extensive table of land inventory record citations as part of their response to this Objection. (Order, following pg. 12) Oddly, the table column labeled “Identification and evaluation of relevant evidence that may undermine or suggest another conclusion” goes on to say “Do not include that evidence proposing different opinions, preferences or community objectives”. (There is a separate column for community objectives).

Perhaps inadvertently, at least three of the cited record items do contain “different opinions (and) preferences”. Written testimony from Lisa Smith on Sept. 9, 2010 contains an analysis of vacant and redevelopable land already in the UGB (Rec. 721 – 722). A further analysis, also from Lisa Smith, was submitted at the City Council public hearing on Dec. 6, 2010. She includes a list by tax lot of 152 acres currently in the UGB that were deemed “unsuitable” by the consultants but which are either vacant or redevelopable. (Rec. 1054 – 1056)
At Record 1211 - 1218, a letter submitted to a City Council hearing on Jan. 3, 2011 by Mike Sheehan brings up several issues around the selection and exclusion of suitable lands. He includes a map showing the location of erroneously excluded lands (Rec. 1226). Also in the Record, but not included in the Order’s chart, is testimony submitted by Pat Zimmerman on Jan. 3, 2011. (Rec. 1206 – 1208) It contests the criteria by which lands were excluded from the usable inventory. She points out that ALL of the land that was excluded from the consultant’s inventory of suitable lands has been placed in an Enterprise Zone. Since there are stringent restrictions on how many acres of land can be put in a Zone, the city and county would not include land not usable for development. The consultants have excluded lands that are in fact suitable for industrial and commercial development by the county and city’s own criteria.

A memo submitted to DLCD by the City’s lawyers (Jordan Ramis, May 9, 2012) attempts to dismiss this 1000 Friends objection by saying “Th(e) annotated map and accompanying objections were not provided in any recognizable form…during the public review process…1000 Friends asserts that 160 acres should be added to the industrial lands inventory based on an objection that was never presented…” As shown above, this is not true: at least four written submissions as well as verbal explanations relating to this Objection were provided as early as September 2010.

Finally, the Jordan Ramis letter also concedes that the city may have erred in excluding up to 54 acres of land that was classified as developed but which is actually still vacant. It is difficult to understand why the department’s Order defends a decision that the city itself has conceded was flawed.

**Remedy:** Remand the EOA with instructions to either include areas A through I in the inventory of vacant and re-developable industrial land, or provide additional evidence and findings clearly demonstrating why these lands cannot accommodate any new industrial development.

**Objection filed by Mike Sheehan: 20 Acres for a Possible Community College Facility:**

The EOAViolates OAR 660-024-0040(1), Goal 14, Goal 2, adequate factual base, and is not supported by substantial evidence in the whole record, because it includes 20 acres for a community college expansion without evidence that a bona fide need exists.

“The UGB must be based on the adopted 20 year population forecast for the urban area described in OAR 660-024-0030, and must provide for needed . . . public facilities . . . over the 20 year planning period consistent with the land need requirements of Goal 14 and this rule.”

The UGB expansion proposal includes 20 acres for a 20 acre PCC facility adjacent to the SE corner of the airport property. The record contains a letter from property owner Airpark Development, stating they have “structured a preliminary agreement with PCC for the purchase of 20 acres for a new “Columbia County Center” for the college. (Record 2020). (Emphasis added).

Yet the record does not appear to contain any evidence to confirm Airpark Development’s claim, despite requests from the public for a letter from PCC stating they had definite plans to site a college there. (Record 700, 732). It is also unclear whether the “preliminary agreement” is binding
on PCC or merely tentative. Actual purchase may be dependent on future study and decision making by PCC.

There is also no evidence in the record quantifying the actual 20 year need for regional educational facilities. No school master plans are referenced. No evaluation of expected area PCC student growth is provided. There is no information about the remaining capacity in PCC’s existing facilities. And PCC has a history in Columbia County of closing local facilities. Therefore there is insufficient evidence to conclude that additional land is needed for a regional educational facility within the next 20 years.

The Department dismisses the objection on the grounds that “the record contains testimony as to the need and required site characteristics.” Citing Record 1465, 2020, 2027, and 2097-2101. And further that, “The department concludes that the city relied on testimony of economic development and other public officials for that evidence.” Citing Record 963, 1465, 1520, 2020, 2027, 2098, and 2100.

Yet a review of these cites show no demonstrated need for this 20 acre parcel:

Record 963 are comments by Senator Betsy Johnson before a city council meeting in 2010. In her testimony she says there is a very real possibility of a community college presence near the airport and that the chairman of the PCC board has reassured her of their commitment to come to Scappoose.

What the presence would be and when it would come about are not mentioned. Nor is there anything to demonstrate the “need.”

Record 1465 is part of Columbia County's findings on the UGB expansion. Finding 14 simply tells us what Appendix 5 says:

“The exact location of this institutional use may change within this future Airport Employment (AE) zoned area. This criterion has been satisfied.” (Emphasis added).

Record 1520 is part of the proceeding before the Columbia County Planning Commission. The only reference to the PCC 20 acres is the following:

“Commissioner Lee asked about Finding No. 14 – how does it relate to OAR 660-009-0025. Debbie explained that the cities and counties can authorize institutional uses on privately owned land as demonstrated in the NE Expansion Area's proposal for a future Portland Community College campus.”
Record 2020-1 is a two page letter from Airpark Development LLC, the owner of the bulk of the land involved in the expansion, giving his view of what may happen on the land:

“Airpark development has structured a preliminary agreement with PCC for the purchase of 20 acres for a new “Columbia County Center” for the college. The 20 acres is to be located within the area now being considered for inclusion into the UGB, on the east side of the airport runway. The college classrooms and facilities would have all of the public services required of such a structure, on the 20 acres. PCC is eager to provide the citizens of Columbia County with a general studies program at this location.” (Emphasis added).

Additionally, we are in a preliminary agreement with PCC to also purchase approximately 285 additional acres adjacent to the 20 acres, which will remain outside the proposed UGB boundary. This property, which will continue to fall under Columbia County jurisdiction, is proposed for what I generally will label a regional safety training center. However, it could be much more than that if the aspirations of many come to fruition. (Emphasis added).

The 20 acre location is important to PCC because of its proximity to the larger training site. PCC aspires to provide a certificate program for para-professionals, including training in emergency preparedness, homeland security and incident command. PCC currently operates fire training, criminal justice and EMS/EMT programs at their Cascade Campus, which has become overcrowded. The big picture envisions a possible western United States headquarters for an “Emergency Management Institute.” This vision is entirely possible at the airport location, given broad based support and political will.” (Emphasis added).

Record 2027 is newspaper article from the St. Helens Chronicle relating primarily to the possible purchase of the 280 acres outside the proposed UGB for a police training academy.

“PCC has said that it has the funds to purchase the land, but not the funds necessary to develop the training center. . . . The 280 parcel lies entirely outside the proposed UGB, but adjoins the 20 acre parcel, McEwen said. Buildings on the 20 acre parcel would provide classroom and support services for the 280 acre training site. . . . McEwen stressed the Portland Police Bureau is not currently active in the purchase process, but added, ‘It takes someone to take a tangible first step.’” (Emphasis added).

Record 2097-2101 is the agenda of the Columbia County Board of Commissioners meeting on October 26, 2011. There is no mention at all of the proposed inclusion of the 20 acre parcel in the UGB in this document, much less any discussion of the need for the 20 acres.
Thus the information referred to by the Department to justify dismissing the objection is almost all speculative about what the 20 acres could be used for—from a general studies program (but then why place it on the southeast corner of the airport very close to the runway—a dangerous and very noisy area with a large number of planes coming in and going out at close to ground altitudes?), a training site for para-professionals, a police training facility, or even some sort of homeland security center.

Note that the developers would like to tie the sale of the 20 acres to something else on an adjacent 280 parcel to be used for a police or national security facility. And note that Record 1460 cited by the Department, tells us that, “The exact location of this institutional use may change within this future Airport Employment (AE) zoned area.” (Emphasis added). So the use is hypothetical, the location of any such use is hypothetical, and no need has been shown, just various possibilities of what may happen on this 20 acre parcel or perhaps somewhere else around the airport if the developers’ dreams come true.

Note also the references to the larger 280 acre parcel (east of the 380 acre parcel currently being proposed for inclusion in the UGB) not being proposed to be included in the UGB. If that parcel can be developed as some kind of police or national security training facility without being in the UGB then where is the “need” to have the 20 acre parcel, also slated as a training facility, within the UGB?

In conclusion, there is no analysis or factual justification of the need for this 20 acre parcel to be included in the UGB.

Remedy: Remand the EOA with instructions to remove the 20 acres from the claimed land need.

CONCLUSION

We respectfully ask that you remand this decision with direction to require the actions specified under each Remedy.

Thank you for consideration of our comments.

Pat Zimmerman and Mike Sheehan
1000 Friends Objections

February 23, 2012

Larry French
Department of Land Conservation and Development
635 Capitol Street NE, Suite 150
Salem, OR 97301

Sent via e-mail to larry.french@state.or.us

Re: Scappoose Ordinance 816

The following are objections to Scappoose Ordinance 816, adoption date April 18, 2011. This ordinance:
a) adopts a Scappoose population forecast, b) adopts the City of Scappoose Economic Opportunities Analysis (EOA) dated January 10, 2010, c) makes numerous revisions to Scappoose’s land use code and comprehensive plan, and d) expands the Scappoose UGB by 378 acres. The ordinance was co-adopted by Columbia County on October 26, 2011, via the county’s Ordinance 2011-3. The notice of adoption was sent to DLCD on February 8, 2012.

1000 Friends of Oregon appeared at the Scappoose City Council hearing on January 3, 2011, and also submitted written comments at the city and county level (Rec. 985, 1260, 1729).

These objections are divided into the following sections:

I. EMPLOYMENT FORECAST
   Base Year Employment – Objection 1
   Historical Growth Trends – Objection 2
   Regional Growth and Scappoose Capture Rate – Objection 3
   Effect of UGB Expansion on Scappoose Growth Potential – Objection 4
   Consistency with Population Forecast – Objection 5

II. ALLOCATION OF EMPLOYMENT FORECAST
    Jobs on Residential Land – Objection 6
    “Other Services” Jobs – Objection 7

III. SITE CHARACTERISTICS – Objection 8

IV. AIRPORT EXPANSION
    Runway – Objection 9
    Hangars – Objection 10

V. INDUSTRIAL LAND INVENTORY – Objection 11

VI. CONCLUSION
I. EMPLOYMENT FORECAST

Introduction.

According to the *EOA*, page 32 (Rec. 98):

“Demand for industrial and office commercial land is a direct function of employment growth in industrial sectors that occupy this type of space. As a result, the projections of industrial and office demand are based on forecasted employment growth by industrial sector within the City of Scappoose.”

Accordingly, the *EOA*’s 20-year employment forecast forms the foundation of the commercial and industrial employment land need analysis; Exhibits 1.01 through 1.09 (Rec. 117-125) directly convert the employment forecast to land demand using a series of mathematical functions. We do not object to this forecast-based approach, which is consistent with OAR 660-009-0015(2)’s requirement that “[t]he economic opportunities analysis must identify the number of sites by type reasonably expected to be needed to accommodate the expected employment growth based on the site characteristics typical of expected uses.” (emphasis added)

However, we do object to the employment forecast itself. The unreasonably high forecast taints all work built upon it, including the land need analysis and UGB expansion. While Scappoose expects only 3,421 new residents over the next 20 years, the *EOA* predicts 8,068 new jobs. Public testimony has pointed out the implausibility of such an outcome, which would require 2.4 new jobs for every new resident, children, the aged and the disabled included. Currently, there is only 0.36 job for every Scappoose resident. While we understand the city’s desire to grow more jobs, the *EOA* must be based on facts and reasonable. Otherwise, adverse consequences will include dis-investment in existing lands inside the UGB, unnecessary expenditures of scarce resources to provide services to land that is not needed, and loss of productive farmland.

The *EOA* is plainly unreasonable when evaluated under many other relevant metrics. For example, the *EOA* claims that Scappoose, with just 0.3% of the total population in the 7-county Portland Metropolitan Statistical Area (MSA), will capture over 7% of all the manufacturing jobs created in entire MSA over the next 20 years. The *EOA* assumes Scappoose’s job growth will greatly exceed established historical trends, by proposing growth rates that are:

- 377% of the actual 2003-2009 Scappoose manufacturing growth rate (11.7% vs. 3.1%)
- 543% of the actual 1990-2010 Portland MSA total jobs growth rate (7.6% vs. 1.4%)
- 640% of Scappoose’s current MSA total jobs capture rate (1.6% vs. 0.25%)
- 3,650% of Scappoose’s current MSA manufacturing capture rate (7.3% vs. 0.2%)

Despite these anomalies, the city believes its employment forecast is reasonable. According to the *City of Scappoose City Council Findings (Findings)*, page 18 (Rec. 23), “The Council finds the employment growth figures reasonable in light of local historical growth trends, the regional context of the employment projections, and increased employment opportunities near the airport as a result of the proposed UGB expansion.” We object to each of these three flawed rationales for the forecast, for reasons discussed in detail below under Objections 2, 3 and 4. Objection 1 relates to errors in determining Scappoose’s current
baseline employment; Objection 5 identifies inconsistencies between the employment forecast and the population forecast.

**Base Year Employment.**

**Objection 1:** The *EOA* violates OAR 660-009-0010(5) and Goal 2, adequate factual base, by failing to utilize current data to determine the 2010 baseline employment in Scappoose.

The *EOA* starts with baseline Scappoose employment data from 2007, and then makes adjustments to bring the total forward to 2010. The *EOA*’s Figure 24 shows these adjustments, which include an average decrease of 1.7% per year for manufacturing jobs, apparently based on the 2007-2009 countywide employment trend. (Rec. 93)

However, 2009 data are available for Scappoose (Rec. 1748-9). Current data must be used to derive the 2010 jobs estimate, according to OAR 660-009-0010(5), which requires the use of “the best available or readily collectable information.” The 2007 and 2009 data as supplied by the Oregon Employment Department (OED) are reproduced below, along with resulting 2007-2009 AAGRs for the OED data, and 2007-2010 AAGRs assumed by the *EOA*:

<table>
<thead>
<tr>
<th>Sector</th>
<th>2007</th>
<th>2009</th>
<th>Actual AAGR 2007-20095</th>
<th>EOA’s AAGR 2007-20106</th>
</tr>
</thead>
<tbody>
<tr>
<td>Agriculture, Forestry, Fishing and Hunting</td>
<td>c</td>
<td>c</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Construction</td>
<td>71</td>
<td>56</td>
<td>-11.2%</td>
<td>-3.1%</td>
</tr>
<tr>
<td>Manufacturing</td>
<td>206</td>
<td>177</td>
<td>-7.3%</td>
<td>-1.7%</td>
</tr>
<tr>
<td>Wholesale and Retail Trade</td>
<td>406</td>
<td>395</td>
<td>-1.4%</td>
<td>reported separately</td>
</tr>
<tr>
<td>Transportation, Warehousing, and Utilities</td>
<td>64</td>
<td>69</td>
<td>3.8%</td>
<td>1.1%</td>
</tr>
<tr>
<td>Information</td>
<td>54</td>
<td>55</td>
<td>0.9%</td>
<td>-0.2%</td>
</tr>
<tr>
<td>Financial Activities</td>
<td>49</td>
<td>71</td>
<td>20.4%</td>
<td>-0.3%</td>
</tr>
<tr>
<td>Professional and Business Services</td>
<td>81</td>
<td>69</td>
<td>-7.7%</td>
<td>-0.2%</td>
</tr>
<tr>
<td>Education and Health Services</td>
<td>362</td>
<td>385</td>
<td>3.1%</td>
<td>1.1%</td>
</tr>
<tr>
<td>Leisure and Hospitality</td>
<td>221</td>
<td>213</td>
<td>-1.8%</td>
<td>-0.3%</td>
</tr>
<tr>
<td>Other Services</td>
<td>79</td>
<td>98</td>
<td>11.4%</td>
<td>2.0%</td>
</tr>
<tr>
<td>Public Administration</td>
<td>48</td>
<td>46</td>
<td>-2.1%</td>
<td>0.7%</td>
</tr>
<tr>
<td><strong>Total</strong>*</td>
<td><strong>1,641</strong></td>
<td><strong>1,634</strong></td>
<td><strong>-0.2%</strong></td>
<td><strong>0.1%</strong></td>
</tr>
</tbody>
</table>

* - data is suppressed to maintain confidentiality; distributed to other sectors
* * Total does include employment in Agriculture, Forestry, Fishing and Hunting
5 AAGR means “average annual growth rate”
6 Computation: (2009 jobs/2007 jobs)^(1/2) - 1

Although the *EOA*’s assumed overall job AAGR of 0.1% is close to the -0.2% actual AAGR, for most individual job categories, the *EOA*’s 2007-2010 AAGRs are not consistent with what has actually

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3 The *EOA* states the data is from 2006, but the consultant later acknowledged this was error; 2007 data was used. See Johnson Reid letter dated 8/16/11, page 5 (Rec. 2077): “the *EOA* refers to 2006 as the base year multiple times…the reference to ‘2006’ is an error in the text. The numbers…are from the year 2007…”
4 AAGR means “average annual growth rate”
5 Computation: (2009 jobs/2007 jobs)^(1/2) - 1
6 See *EOA* Figure 24 (Rec. 93)
happened, as demonstrated by the OED data. For example, while the EOA assumes job losses for manufacturing since 2006 were only 1.7% per year, the actual decrease in manufacturing jobs from 2007 to 2009 was much higher: 7.3% per year. Similar problems are evident in construction (-3.1% vs. -11.2%), finance (-0.3% vs. +20.4%), and other services (+2.0% vs. +11.4%).

If not corrected, these discrepancies will be transmitted through the entire planning period, and the 20-year land need will be overestimated by the same percentage as the base year overestimation. For example, if the 2007 manufacturing jobs are adjusted by the EOA’s assumed rate of -1.7% per year, the baseline 2010 manufacturing jobs total is 218. If adjustment is made using the actual rate of -7.3% per year, the baseline 2010 manufacturing jobs total is 183. This is about a 20% difference, and will result in a 2030 manufacturing jobs total – and associated land need – that is also about 20% higher. Such substantial differences cannot be ignored, and should be corrected.

Again, it is immaterial that the overall 2007-2010 job growth rate assumed by the EOA is close to the actual rate; the rates for individual job categories must also be correct. This is because the different business types demand different land and building types. For example, if financial services jobs are underestimated by 20%, while manufacturing jobs are overestimated by 20%, this will translate into an improper surplus of industrial land coupled with a shortage of commercial land. The overall amount of land need might also be skewed, because, for example, financial services can and generally do locate in multi-story office buildings, while some industrial uses require single-story buildings and use more land.

The manufacturing portion of Scappoose’s forecast is particularly important, since it is the driver of the remainder of the employment forecast. Pages 3 and 4 of the March 1, 2011 Johnson Reid letter explain that for every 500 manufacturing jobs, an additional 821 jobs are created (Rec. 1335-6). Thus, the 1,755 new manufacturing jobs projected by the EOA will result in 2,882 additional jobs; together these comprise 4,637 jobs, or 60% of the total new jobs forecast. If the baseline manufacturing jobs total is inflated by 20%, it could therefore translate into an improper overage of almost 1,000 additional jobs.

The author of the EOA, Johnson Reid, has suggested that since 2009 employment data was not yet available when they began work on the EOA in May 2009, the city and county are not obligated to revise the EOA in light of the 2009 data. However, the EOA was not completed until January 10, 2011, nearly two years after the consultants started their project; it should have been obvious to the consultants that changed circumstances were likely, and the EOA should have been updated prior to finalization. Further, it is to be expected that public hearings will reveal new data and information that may lead to revisions in a draft proposal; that is a primary purpose of Goal 1, Citizen Involvement. It is not reasonable to conclude that only the data known to the consultants, potentially years before the public has an opportunity to provide input, should be considered.

Remedy: Remand the EOA with instructions to recalculate the baseline 2010 employment estimate using the OED’s 2009 employment data for Scappoose.
Historical Growth Trends.

Objection 2: The EOA violates OAR 660-009-0010(5), OAR 660-009-0015(1), Goal 2, adequate factual base, and is not supported by substantial evidence in the whole record, because the employment forecast is based on short-term boom-years growth rates despite longer-term historical trends that are much lower.

As previously discussed, page 18 of the Findings states, “The Council finds the employment growth figures reasonable in light of local historical growth trends, the regional context of the employment projections, and increased employment opportunities near the airport as a result of the proposed UGB expansion.” (Rec. 23, emphasis added)

According to OAR 660-009-0015(1), “The economic opportunities analysis must identify the major categories of industrial or other employment uses that could reasonably be expected to locate or expand in the planning area based on information about national, state, regional, county or local trends. This review of trends is the principal basis for estimating future industrial and other employment uses…” The trend analysis should include a comprehensive examination of historical growth rates, and indeed, the EOA purports to do that.

Page 27 of the EOA states "the historical growth rates and the state’s growth projections outlined in Figure 25 are used as baseline estimates to forecast the rate of employment growth by industry in this analysis." (Rec. 93) However, closer inspection reveals that the "historical growth rates" used in the EOA are not bona-fide long-term trends, but rather are just the economic boom years of 2003-2007. These years are not valid indicators of future long-term trends, not only because four years is a very short period of time, but also because the economic conditions during that period were unusual and are not likely to be repeated.

At the top of page 11, the EOA states, "Oregon experienced exceptional employment growth between mid- 2003 and 2007." (Rec. 77) This four-year boom period is clearly seen on the EOA’s Figure 16, page 18, which is reproduced below. The EOA fails to consider the negative growth periods that bracket the 2003-2007 boom, focusing instead on just those four years.

![Figure 16: Year-over-Year Employment Growth in Columbia County, 2002-2009](source: Oregon Employment Department)
As previously noted, 2008 and 2009 OED employment data is available for Scappoose, and should have been considered by the EOA (Rec. 1748-9). While the 2003-2009 time period is also not truly “long term,” because it contains both economic boom and bust periods, it is more capable of informing a 20-year forecast than the incomplete 2003-2007 data.

As shown in Table 2 below, there are significant differences between the 2003-2007 trends reported in the EOA and the 2003-2009 trends supplied by the OED. The overall 2003-2009 job growth rate is only 60% of the 2003-2007 rate, and the 2003-2009 manufacturing job growth rate is only 35% of the 2003-2007 rate. The fluctuations in Scappoose job growth rates during the 2003-2009 period underscore the importance of looking broadly at historical trends, and not zeroing in on unusual periods of job growth or losses when gathering information for long-term forecasts. This is especially true in small job markets such as Scappoose, where the addition or loss of a dozen jobs can represent 10-20% of the entire job market in that sector.

### Table 2.

**Covered Employment in Scappoose Urban Growth Boundary (UGB)**

<table>
<thead>
<tr>
<th></th>
<th></th>
<th></th>
<th></th>
<th></th>
</tr>
</thead>
<tbody>
<tr>
<td>Agriculture, Forestry, Fishing and Hunting</td>
<td>c</td>
<td>c</td>
<td>-</td>
<td>-</td>
</tr>
<tr>
<td>Construction</td>
<td>66</td>
<td>56</td>
<td>-2.7%</td>
<td>5.6%</td>
</tr>
<tr>
<td>Manufacturing</td>
<td>147</td>
<td>177</td>
<td>3.1%</td>
<td>9.0%</td>
</tr>
<tr>
<td>Wholesale and Retail Trade</td>
<td>342</td>
<td>395</td>
<td>2.4%</td>
<td>Reported separately</td>
</tr>
<tr>
<td>Transportation, Warehousing, and Utilities</td>
<td>48</td>
<td>69</td>
<td>6.2%</td>
<td>7.6%</td>
</tr>
<tr>
<td>Information</td>
<td>25</td>
<td>55</td>
<td>14.0%</td>
<td>-4.2%</td>
</tr>
<tr>
<td>Financial Activities</td>
<td>53</td>
<td>71</td>
<td>5.0%</td>
<td>5.9%</td>
</tr>
<tr>
<td>Professional and Business Services</td>
<td>73</td>
<td>69</td>
<td>-0.9%</td>
<td>15.8%</td>
</tr>
<tr>
<td>Education and Health Services</td>
<td>337</td>
<td>385</td>
<td>2.2%</td>
<td>1.8%</td>
</tr>
<tr>
<td>Leisure and Hospitality</td>
<td>161</td>
<td>213</td>
<td>4.8%</td>
<td>9.6%</td>
</tr>
<tr>
<td>Other Services</td>
<td>47</td>
<td>98</td>
<td>13.0%</td>
<td>13.3%</td>
</tr>
<tr>
<td>Public Administration</td>
<td>40</td>
<td>46</td>
<td>2.4%</td>
<td>5.7%</td>
</tr>
<tr>
<td><strong>TOTAL</strong></td>
<td>1,339</td>
<td>1,634</td>
<td><strong>3.4%</strong></td>
<td><strong>5.6%</strong></td>
</tr>
</tbody>
</table>

- data is suppressed to maintain confidentiality; distributed to other sectors

* Total does include employment in Agriculture, Forestry, Fishing and Hunting

Source: Oregon Employment Department, QCEW
Provided by: Charlie Johnson, Senior Economic Analyst, (503) 947-1268

Another job estimation tool is the U.S. Census Bureau’s “On The Map” tool; it has Scappoose employment data going back to 2002. While the data inputs driving this tool are different than those used by the Oregon Employment Division, the trends reflected are similar. A printout generated by the tool7 corroborates the OED’s 2003-2009 trends; the data are summarized in the below Table 3. First, over the longer term, overall job growth is less than half the 2003-2007 trend. Second, over the longer term, manufacturing jobs were shed overall, despite a very high growth rate from 2003-2007.

### Table 3.

7 “Scappoose UGB Employment Per U.S. Census ‘On The Map’ Tool 2002-2009” (Rec. 1750-4)
Perhaps the best proof that it is inappropriate to rely on the 2003-2007 boom years for long-term forecasting is the profound difference between the actual Region 1 2003-2007 growth rates and the OED’s Region 1 forecast for 2008-2018 (Rec. 1009). The below Table 4 contains a tabulation of the actual 2003-2007 AAGRs and the forecasted AAGRs, for both Region 1 as a whole (as forecasted by OED), and for Scappoose (as forecasted by the EOA). Also shown is the percentage that the forecasted AAGRs bear to the 2003-2007 actual AAGRs; this demonstrates the relationship between the two.

Table 4.

<table>
<thead>
<tr>
<th></th>
<th></th>
<th></th>
<th></th>
<th></th>
<th></th>
<th></th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>OVERALL</strong></td>
<td>2.8%</td>
<td>0.9%</td>
<td>31%</td>
<td>5.6%</td>
<td>7.6%</td>
<td>136%</td>
</tr>
<tr>
<td>Construction</td>
<td>7.4%</td>
<td>0.8%</td>
<td>10%</td>
<td>5.6%</td>
<td>4.7%</td>
<td>84%</td>
</tr>
<tr>
<td>Manufacturing</td>
<td>0.3%</td>
<td>-0.6%</td>
<td>from gain to loss</td>
<td>9.0%</td>
<td>11.7%</td>
<td>130%</td>
</tr>
<tr>
<td>Wholesale Trade</td>
<td>6.0%</td>
<td>1.0%</td>
<td>16%</td>
<td>8.5%</td>
<td>8.5%</td>
<td>100%</td>
</tr>
<tr>
<td>Retail Trade</td>
<td>2.1%</td>
<td>1.2%</td>
<td>59%</td>
<td>3.9%</td>
<td>6.1%</td>
<td>156%</td>
</tr>
<tr>
<td>T.W.U.</td>
<td>0.6%</td>
<td>0.5%</td>
<td>82%</td>
<td>7.6%</td>
<td>9.4%</td>
<td>124%</td>
</tr>
<tr>
<td>Information</td>
<td>-0.2%</td>
<td>-0.3%</td>
<td>50% loss</td>
<td>-4.2%</td>
<td>0.5%</td>
<td>from loss to gain</td>
</tr>
<tr>
<td>Financial Activities</td>
<td>2.2%</td>
<td>0.8%</td>
<td>35%</td>
<td>5.9%</td>
<td>5.9%</td>
<td>100%</td>
</tr>
<tr>
<td>Professional &amp; Business</td>
<td>7.0%</td>
<td>1.5%</td>
<td>21%</td>
<td>15.8%</td>
<td>12.8%</td>
<td>81%</td>
</tr>
<tr>
<td>Education &amp; Health</td>
<td>2.7%</td>
<td>2.7%</td>
<td>98%</td>
<td>1.8%</td>
<td>4.4%</td>
<td>244%</td>
</tr>
<tr>
<td>Leisure &amp; Hospitality</td>
<td>3.8%</td>
<td>1.1%</td>
<td>30%</td>
<td>9.6%</td>
<td>6.7%</td>
<td>70%</td>
</tr>
<tr>
<td>Other Services</td>
<td>4.0%</td>
<td>0.7%</td>
<td>17%</td>
<td>13.3%</td>
<td>10.7%</td>
<td>80%</td>
</tr>
<tr>
<td>Public Administration</td>
<td>2.4%</td>
<td>0.6%</td>
<td>24%</td>
<td>5.7%</td>
<td>5.7%</td>
<td>100%</td>
</tr>
</tbody>
</table>

# As reported by EOA's Figure 25 (Rec. 95)
* OED forecast: (%Change + 1)^(1/10) - 1 (Rec. 1009)
Ψ As reported by EOA's Figure 26 (Rec. 95)

Note that in every category of employment, the OED’s forecasted 2008-2018 AAGR is less than the actual 2003-2007 AAGR, in many cases markedly so. For example, the 0.8% AAGR forecasted rate for construction is only 10% of the actual 7.4% AAGR seen from 2003-2007. Manufacturing went from a 0.3% per year increase during 2003-2007 to a forecasted 0.6% per year loss of jobs over the coming decade. This demonstrates that professional state forecasters do not rely on the 2003-2007 growth rates as indicators of future long-term trends. That would not be a professionally acceptable methodology.

The right side of the chart shows how the EOA’s long-term forecast compares with the actual Scappoose job growth from 2003-2007. In contrast to the OED's forecast, the EOA carries forward the boom-years growth rates to the long term forecast. In most categories, Scappoose’s 20-year forecast is either equal to the 2003-2007 actual growth rate, or is even higher, in some cases markedly so. Only in a few sectors is the long-term forecast AAGR lower than the 2003-2007 AAGR, and even then the reduction from the boom-years
rate is not nearly as great as in the OED's forecast. For example, the OED forecasts construction growing at only 10% of the boom-years rate, while the EOA forecasts construction growing at 84% of the boom-years rate. OED's overall Region 1 job growth rate for 2008-2018 is only 31% of that seen from 2003-2007. By comparison, the EOA predicts that Scappoose's future growth will be 136% of that seen during 2003-2007, some of the best years on record.

The EOA’s reliance on the 2003-2007 boom years is error; an inquiry into longer-term trends is needed to inform a 20-year forecast. Since there are no available employment data specific to Scappoose prior to 2002, it is necessary to examine the long-term trends in a larger geographic area. Page 28 of the EOA states that “Scappoose is highly influenced by Portland economic trends,” so consideration of the long-term Portland MSA historical job growth rate is a relevant and important inquiry (Rec. 94). In 1990, there were 726,818 jobs in the Portland MSA. In 2010, there were 965,500 jobs, yielding a 1.4% AAGR from 1990-2010. By contrast, the EOA predicts a 7.6% AAGR for Scappoose. This is not reasonable; moreover, the conclusion lacks substantial evidence.

To summarize, the EOA forecasts an overall jobs growth rate that is 543% of the actual 20-year Portland MSA growth rate (7.6% vs. 1.4%). The EOA also forecasts a manufacturing growth rate that is 377% of the actual Scappoose 2003-2009 manufacturing jobs growth rate (11.7% vs. 3.1%). These extreme deviations from established trends were made without adequate analysis, explanation, or evidentiary support.

The EOA’s overreliance on the 2003-2007 boom years, combined with its failure to give comparable weight to 2002, 2008 and 2009 Scappoose data and longer-term Portland MSA data, is contrary to OAR 660-009-0010(5), which requires use of "the best available or readily collectable information.”

OAR 660-009-0015(1) requires that a valid trend analysis be the primary means of estimating future employment uses. The EOA’s approach violates Goal 2’s requirement for an adequate factual base for this trend analysis; a reasonable fact finder would not discount relevant long-term trends, and rely instead on a four-year period recognized by the EOA as "exceptional" to determine a 20-year forecast.


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8 According to OED staff, see email from Charles Johnson (Rec. 1748)
9 See page 119 from the September 2009 Metro document “20 and 50 year Regional Population and Employment Range Forecasts.” (Rec. 1758)
10 See “Portland-Vancouver-Hillsboro MSA Annual Average Nonfarm Employment.” (Rec. 1760)
11 Calculation: (965500/726800)^(1/20)-1 = 1.4%
Regional Growth and Scappoose Capture Rate

Objection 3: The EOA violates OAR 660-009-0010(5), OAR 660-009-0015(1), Goal 2, adequate factual base, Goal 2, coordination, and is not supported by substantial evidence in the whole record, because it fails to make a reasonable determination of the expected regional growth Scappoose could capture, and because it improperly relies on capture of growth planned to occur within other jurisdictions.

As previously discussed, page 18 of the Findings states, “The Council finds the employment growth figures reasonable in light of local historical growth trends, the regional context of the employment projections, and increased employment opportunities near the airport as a result of the proposed UGB expansion.” (Rec. 23, emphasis added) Page 17 of the Findings notes, “…much of Scappoose’s potential is due to external factors related to its proximity to the Portland metro area and Hillsboro.” (Rec. 22)

Goal 9 encourages analysis of regional trends. OAR 660-009-0015(1) notes that cities are “strongly encouraged to analyze trends and establish employment projections in a geographic area larger than the planning area and to determine the percentage of employment growth reasonably expected to be captured for the planning area....”

However, despite the decision’s clear reliance on regional trends, the EOA does not make a reasonable, realistic correlation between the various regional employment forecasts and the EOA’s very ambitious assumptions. For example, OED’s Region 1 forecast (Rec. 1009) projects a 0.9% region-wide employment growth rate; the EOA assumes a 7.6% Scappoose employment growth rate. On page 28, the EOA dismisses this discrepancy, claiming that "[i]t could also be argued that it is inappropriate to apply Region 1 forecasts to the City of Scappoose....Scappoose is highly influenced by Portland economic trends and it is far more appropriate to consider Scappoose’s future employment growth in terms of expected Portland area trends..." (Rec. 94) The implication is that the Portland employment projections are much higher than the Region 1 forecast, thus justifying the EOA’s radical departure from the reasonable Region 1 forecast.

However, the EOA does not actually provide the Region 2 Portland-area forecast; a participant later supplied it. The below table demonstrates a high degree of correlation between the OED’s Region 1 and Region 2 forecasts, as well as with the longer-term 7-county Portland MSA forecast prepared by Metro. In many sectors, the Portland-area Region 2 forecast is actually lower than the Region 1 forecast, such as construction, retail, education & health, and financial. If anything, the Region 2 and Portland MSA forecasts provide substantial evidence that the EOA’s forecast is unreasonably high.

Table 5.

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12 See Record 1009-11
There are significant differences between the overall AAGRs of the two OED forecasts, which are 0.9% and 1.0% per year, and the 7.6% per year Scappoose forecast in the EOA. This is about 8 times the rate predicted by OED for either Region 1 or 2. The differences in certain employment classifications are even higher. For example, while the OED predicts an annual loss of manufacturing jobs in both Regions 1 and 2, the EOA predicts an 11.7% per year increase. The OED’s forecasts have historically been on the high side; the record contains no evidence that the current OED forecast is unreasonably low, or that such a large departure from the current OED forecast is warranted.

There are also significant differences with Metro’s 20-year forecast. Even under Metro’s most optimistic “High” scenario, the proposed Scappoose AAGR is 4 times the high-end forecasted rate for overall job growth in the Portland MSA (7.6% vs. 1.9%). The proposed manufacturing rate is 1,300% of the Portland MSA’s high-end rate (11.7% vs. 0.9%). Again, the decision does not allege that Metro’s forecast is incorrect, nor does it provide evidence that Scappoose’s growth rates will be that much higher.

After 1000 Friends of Oregon initially objected to the proposed 7.6% overall growth rate, consultant Johnson Reid wrote a letter dated March 1, 2011, which is attached to the decision as Appendix 7B (Rec. 359), and which is quoted on page 18 of the Findings (Rec. 23) as follows:

“As a stand-alone estimate, ignoring the City’s regional context, we would agree that this rate of growth would be implausible to assume. The projections are defensible though in light of the City’s geographic position within the Portland-Vancouver Principal Metropolitan Statistical Area (PMSA).”

The letter goes on to say that it is reasonable to assume that over the next 20 years, Scappoose will capture 1.7% of the roughly 500,000 jobs added to the Portland MSA. However, no evidence is provided that this is

<table>
<thead>
<tr>
<th></th>
<th>OED’s REGION 2 FORECAST 2008-2018 AAGR*</th>
<th>OED’s REGION 1 FORECAST 2008-2018 AAGR*</th>
<th>PORTLAND MSA “LOW” FORECAST 2010-2030 AAGR#</th>
<th>PORTLAND MSA “HIGH” FORECAST 2010-2030 AAGR#</th>
<th>EOA’s SCAPPOOSE FORECAST 2010-2030 AAGR</th>
</tr>
</thead>
<tbody>
<tr>
<td>OVERALL</td>
<td>1.0%</td>
<td>0.9%</td>
<td>1.5%</td>
<td>1.9%</td>
<td>7.6%</td>
</tr>
<tr>
<td>Construction</td>
<td>0.2%</td>
<td>0.8%</td>
<td>-0.3%</td>
<td>2.1%</td>
<td>4.7%</td>
</tr>
<tr>
<td>Manufacturing</td>
<td>-0.3%</td>
<td>-0.6%</td>
<td>0.1%</td>
<td>0.9%</td>
<td>11.7%</td>
</tr>
<tr>
<td>Wholesale Trade</td>
<td>1.0%</td>
<td>1.0%</td>
<td>1.7%</td>
<td>1.7%</td>
<td>8.5%</td>
</tr>
<tr>
<td>Retail Trade</td>
<td>0.7%</td>
<td>1.2%</td>
<td>0.6%</td>
<td>1.1%</td>
<td>6.1%</td>
</tr>
<tr>
<td>T.W.U.</td>
<td>0.5%</td>
<td>0.5%</td>
<td>2.0%</td>
<td>2.0%</td>
<td>9.4%</td>
</tr>
<tr>
<td>Information</td>
<td>0.4%</td>
<td>-0.3%</td>
<td>2.0%</td>
<td>2.6%</td>
<td>0.5%</td>
</tr>
<tr>
<td>Financial Activities</td>
<td>0.4%</td>
<td>0.8%</td>
<td>1.8%</td>
<td>2.0%</td>
<td>5.9%</td>
</tr>
<tr>
<td>Professional &amp; Business</td>
<td>1.6%</td>
<td>1.5%</td>
<td>1.9%</td>
<td>2.8%</td>
<td>12.8%</td>
</tr>
<tr>
<td>Education &amp; Health</td>
<td>2.0%</td>
<td>2.7%</td>
<td>2.8%</td>
<td>3.0%</td>
<td>4.4%</td>
</tr>
<tr>
<td>Leisure &amp; Hospitality</td>
<td>1.1%</td>
<td>1.1%</td>
<td>1.8%</td>
<td>1.9%</td>
<td>6.7%</td>
</tr>
<tr>
<td>Other Services</td>
<td>0.7%</td>
<td>0.7%</td>
<td>2.7%</td>
<td>3.0%</td>
<td>10.7%</td>
</tr>
<tr>
<td>Public Administration</td>
<td>0.9%</td>
<td>0.6%</td>
<td>0.9%</td>
<td>0.9%</td>
<td>5.7%</td>
</tr>
</tbody>
</table>

* OED forecast: (%Change + 1)^(1/10) - 1 (Rec. 1009-11)
# See “Metro Forecast Compilation” (Rec. 1763)

13 See "Forecasting a Long Term Trend: Historical Analysis of the Oregon Employment Department’s 10-year Industry Employment Projections" prepared by OED, dated June 2011 (Rec. 1764-5)
feasible or reasonable. It appears the tacit argument is that since there is a large reservoir of job growth in
the Portland MSA, the small amount of jobs that would need to come to Scappoose in order to achieve the
proposed 7.6% growth rate isn’t enough to be worth arguing about. When considered in a vacuum, 1.7%
might seem like a small, achievable number. However, that figure looks different when considered in
the context of Scappoose’s small size compared to the entire Portland MSA, which has over 2 million
residents:

<table>
<thead>
<tr>
<th></th>
<th>2010 Population</th>
</tr>
</thead>
<tbody>
<tr>
<td>Portland MSA</td>
<td>2,226,000</td>
</tr>
<tr>
<td>Portland MSA Outside Metro Boundary</td>
<td>890,400</td>
</tr>
<tr>
<td>Scappoose</td>
<td>6,680</td>
</tr>
</tbody>
</table>

Scappoose comprises just 0.3% of the Portland MSA’s population, yet the EOA assumes it will capture
1.7% of the MSA’s jobs. Scappoose makes up 0.8% of the population located within the MSA, but outside
the Metro boundary, yet “[t]he employment forecast in the EOA reflects a 7.0% to 9.5% share of the
growth assumed to be captured outside of the Metro UGB.”17 Evidence is lacking for these claims.

Evaluation of actual Scappoose capture rates shows that the EOA’s assumptions go far beyond historic
trends, and are not realistic, especially for manufacturing. The EOA claims that Scappoose, despite
comprising only 0.3% of the total population in the Portland MSA, will capture over 7% of all the
manufacturing jobs created in the MSA over the next 20 years. As shown below, this capture rate is 35
times higher than Scappoose has currently achieved.

<table>
<thead>
<tr>
<th></th>
<th>2010 Actual</th>
<th>2030 Projected</th>
<th>2010-2030 Growth (computed)</th>
</tr>
</thead>
<tbody>
<tr>
<td>Portland MSA Total Jobs</td>
<td>965,500尤</td>
<td>1,475,900尤</td>
<td>510,400</td>
</tr>
<tr>
<td>Scappoose Total Jobs</td>
<td>2,425尤</td>
<td>10,493尤</td>
<td>8,068</td>
</tr>
<tr>
<td>Scappoose Total Jobs Capture Rate</td>
<td>0.25%</td>
<td>1.6%</td>
<td></td>
</tr>
<tr>
<td>Portland MSA Manufacturing Jobs</td>
<td>106,700尤</td>
<td>130,800尤</td>
<td>24,100</td>
</tr>
<tr>
<td>Scappoose Manufacturing Jobs</td>
<td>215尤</td>
<td>1,970尤</td>
<td>1,755</td>
</tr>
<tr>
<td>Scappoose Manufacturing Jobs Capture Rate</td>
<td>0.20%</td>
<td>7.3%</td>
<td></td>
</tr>
</tbody>
</table>

It is doubtful that the other communities in the Portland MSA would agree with the EOA’s unspoken claim

14 2010 Census (Rec. 1766)
15 40% of Portland MSA total, per page 101 of Metro’s “2009 – 2030 Urban Growth Report” (Rec. 1747)
16 PSU estimate (Rec. 1767)
17 March 1, 2011 letter from Johnson Reid (Rec. 359), also quoted in Findings, page 18 (Rec. 23)
18 See “Portland-Vancouver-Hillsboro MSA Annual Average Nonfarm Employment” (Rec. 1760)
19 See Record 1758-9, “Base” scenario, Q4 option. However, the medium growth scenario may be too high, since the actual
Portland MSA 2010 employment of 965,500 is closer to the “Low” 2010 jobs figure (926,200) than it is to the “Base” 2010
figure (1,040,100).
20 According to the EOA, Figure 26. As discussed in Section I above, we contend this figure is too high. (Rec. 95)
21 Ibid.
22 “Portland-Vancouver-Hillsboro MSA Annual Average Nonfarm Employment” (Rec. 1760)
23 Page 120, “20 and 50 year Regional Population and Employment Range Forecasts,” Q4 option (Rec. 1759)
24 According to the EOA, Figure 26 (Rec. 95)
25 Ibid.
that they will not grow as quickly because Scappoose will siphon off a much larger share of the total Portland MSA manufacturing jobs than in past years. Other cities in the Portland MSA, such as Newberg, have aggressive job creation programs and clearly intend to vigorously compete for their share of Portland MSA job growth.

The EOA does not acknowledge the magnitude of the job shift from other, competing communities that would have to occur for its ambitious predictions to come true. The following chart compares the difference between Scappoose’s actual and projected capture rates for overall job growth and for the manufacturing subset. Even when examining only the portion of the Portland MSA job growth that is expected to locate outside the Metro boundary, the EOA still projects a manufacturing capture rate for which there is no evidentiary basis: 19 times higher than the current capture rate.

Table 8.

<table>
<thead>
<tr>
<th></th>
<th>2010 Actual</th>
<th>2010-2030 Growth</th>
</tr>
</thead>
<tbody>
<tr>
<td>Portland MSA Total Jobs Outside Metro</td>
<td>193,100&lt;sup&gt;26&lt;/sup&gt;</td>
<td>132,704&lt;sup&gt;27&lt;/sup&gt;</td>
</tr>
<tr>
<td>Scappoose Total Jobs</td>
<td>2,425</td>
<td>8,068</td>
</tr>
<tr>
<td>Scappoose “Outside” Total Jobs Capture Rate</td>
<td>1.3%</td>
<td>6.1%</td>
</tr>
<tr>
<td>Portland MSA Manufacturing Jobs Outside Metro</td>
<td>21,340&lt;sup&gt;28&lt;/sup&gt;</td>
<td>9,176&lt;sup&gt;29&lt;/sup&gt;</td>
</tr>
<tr>
<td>Scappoose Manufacturing Jobs</td>
<td>215</td>
<td>1,755</td>
</tr>
<tr>
<td>Scappoose “Outside” Manufacturing Jobs Capture Rate</td>
<td>1.0%</td>
<td>19.1%</td>
</tr>
</tbody>
</table>

Significantly, Table 8’s analysis is consistent with Metro’s expectation that outlying areas will experience higher manufacturing capture rates than in the past. Despite the fact that areas outside the Metro boundary currently hold just 20% of the total manufacturing jobs in the Portland MSA, it is expected that these outside areas will capture roughly 43% of future Portland MSA industry. This does mean more jobs for outlying areas such as Scappoose, but not nearly to the level envisioned by the EOA. The above Table 8 uses this higher 43% capture rate to compute the number of Portland MSA jobs available to outside areas, not the current 20% rate. However, even with this increase, Scappoose would have to capture a share of these “outside jobs” that is least 19 times larger than it has to date. There is a lack of substantial evidence supporting this conclusion.

As previously discussed, the manufacturing portion of Scappoose’s forecast should be examined closely, since it is the driver of the remainder of the employment forecast, according to the March 1, 2011 Johnson Reid letter (Rec. 1335-6). If Scappoose adds “outside” manufacturing jobs at the same capture rate it enjoys now, 1.0%, this would yield about 92 new jobs by 2030, a realistic increase of at least 43% from current levels. However, the EOA claims Scappoose will add 1,755 new manufacturing jobs, 19 times as many as could be expected based on current “outside” MSA capture rates. This is not reasonable.

The decision attempts to justify the excessively large forecast with a claim that growth currently planned to

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<sup>26</sup> 20% of total, per page 34 of Metro’s “2009-2030 Urban Growth Report.” (Rec. 1745)

<sup>27</sup> 26% of total, Ibid., page 33 (assumed average of “Low” and “High” capture rates). (Rec. 1744)

<sup>28</sup> 20% of total, Ibid., page 34. (Rec. 1745)

<sup>29</sup> 43% of total, Ibid., page 33 (assumed average of “Low” and “High” capture rates). (Rec. 1744)
occur inside the Metro UGB will instead occur in Scappoose, because Metro will fail to expand its UGB to accommodate future industrial demand. Page 18 of the Findings states:

"If the Metro area does not expand its UGB, the implication for Scappoose is that there will be some spillover demand for large industrial sites within the UGB, giving Scappoose an opportunity to capture considerable spillover growth from the Portland metro area. As Scappoose is not part of Metro’s jurisdiction, but is part of the Portland regional economy, the City is well placed to provide the large land types that Metro has limited." (Rec. 23, emphasis added)

Page 17 of the Findings claims "Metro’s recently prepared Urban Growth Report and associated research reveal an undersupply of large industrial lots in the Metro region." (Rec. 22) However, this is not actually true in all categories. The below table, taken from page 86 of the referenced Metro Urban Growth Report 2009-2030, shows that in fact there is an oversupply of large lots in the 25-50 acre range, even under the "high growth" scenario (Rec. 1746).

<table>
<thead>
<tr>
<th>Lot size (acres)</th>
<th>Lots available</th>
<th>High growth lot demand</th>
<th>Low growth lot demand</th>
</tr>
</thead>
<tbody>
<tr>
<td>25 to 50</td>
<td>37</td>
<td>27</td>
<td>17</td>
</tr>
<tr>
<td>50 to 100</td>
<td>9</td>
<td>16</td>
<td>11</td>
</tr>
<tr>
<td>100 plus</td>
<td>4</td>
<td>5</td>
<td>5</td>
</tr>
</tbody>
</table>

Despite Metro's oversupply of between 10 and 20 lots in the 25-50 acre range, the EOA claims that this "shortage" will cause Scappoose to experience unprecedented growth. After 1000 Friends of Oregon initially objected to the EOA’s characterization of the Metro land supply, Johnson Reid responded with a letter on January 7, 2010, stating the following:

“Part of the disparity between the EOA and the Metro UGR cited is in how buildable industrial land is quantified. Much of the Metro area's remaining large lot supply is severely constrained from a development perspective, and while counted towards meeting requirements it is effectively not available to the market. As an example, Metro's large-lot inventory includes sites such as West Hayden Island, which likely has a decade of entitlement work before any industrial use can be considered, and allowable uses will likely be very limited.” (Rec. 1296)

Even if this conclusory statement is accepted as true, it does not prove that Metro will fail to serve these lands during its 20-year planning period. It is normal for some land in a 20-year supply to be unserved at the beginning of the 20-year period. It is immaterial that West Hayden Island may take a decade to come online, when Metro’s planning horizon extends to 2030. The land that Scappoose proposes to bring into the UGB is also unserved, and may remain so for quite some time.

In addition, the condition of Metro’s land supply has already been factored into forecasted capture rates, as discussed above. Metro believes that areas outside the Metro boundary will capture 43% of future manufacturing growth, despite a current share of only 20%. This change may well be due to the concerns
Johnson Reid expressed about the quality of Metro’s land supply. However, as detailed by the above Table 8, even assuming this dramatic increase in manufacturing job capture by outlying areas, Scappoose would still need to attract a 1,900% larger share of this “outside” growth than it has in the past. This is not a reasonable assumption, and lacks substantial evidence to support it.

It is also not reasonable to assume that Metro will fail to remedy any bona fide land shortages that develop. In fact, after Scappoose adopted the EOA, the Metro Council approved a UGB expansion in Hillsboro of over 300 acres, specifically for large-lot industrial development (Rec. 2033-72). Metro is required by law to evaluate its UGB every 5 years. If Metro identifies a need for additional large lots, additional UGB expansions will likely occur over the next 20 years.

The EOA is based on what may happen “if the Metro area does not expand its UGB.” But that is not what has actually happened, and that assumption is not a reasonable basis for planning. LUBA has held that if a city located outside the Metro UGB wishes to plan to capture growth currently anticipated to occur within the Metro UGB, then it must specifically coordinate that desire with Metro and the affected units of government within the Metro UGB. 1000 Friends of Oregon v. City of North Plains, 27 Or LUBA 372 (1994). That has not occurred in this case; Scappoose therefore may not assume it will capture any part of the employment growth planned to occur inside the Metro UGB.

To summarize, the EOA’s forecast claims that Scappoose, with just 0.3% of the total population in the Portland MSA, will capture over 7% of all the manufacturing jobs created in the 7-county MSA over the next 20 years. The EOA assumes that Scappoose employment will grow at:

- 760% of OED’s Region 1 & 2 forecasted total jobs growth rate (7.6% vs. 1.0%)
- 400% of the Portland MSA’s forecasted “high range” total jobs growth rate (7.6% vs. 1.9%)
- 1,300% of the MSA’s forecasted “high range” manufacturing growth rate (11.7% vs. 0.9%)
- 640% of Scappoose’s current MSA total jobs capture rate (1.6% vs. 0.25%)
- 3,650% of Scappoose’s current MSA manufacturing capture rate (7.3% vs. 0.2%)
- 469% of Scappoose’s current MSA “outside” total jobs capture rate (6.1% vs. 1.3%)
- 1,910% of Scappoose’s current MSA “outside” manufacturing capture rate (19.1% vs. 1.0%)

These extreme deviations from adopted regional forecasts and established capture rate trends were made without adequate analysis, explanation or evidentiary support. In addition, the decision violates Goal 2’s coordination requirements because it assumes that Scappoose will capture growth currently planned to occur inside the Metro UGB, and possibly other jurisdictions as well, without coordinating with those jurisdictions.

OAR 660-009-0015(1) requires that a valid trend analysis be the primary means of estimating future employment uses. When cities choose to analyze and rely upon regional trends, as Scappoose has done, the rule further directs cities to “determine the percentage of [regional] employment growth reasonably expected to be captured for the planning area....”

The EOA’s approach violates Goal 2’s requirement for an adequate factual base for this regional trend analysis; a reasonable fact finder would not assume that Scappoose’s future capture rates will be many times higher than they currently are, based on the information in the whole record.

**Remedy:** Remand the EOA with instructions to revise the employment forecast downward, in light of the
OED and Portland MSA employment forecasts, and the actual capture rates Scappoose has achieved.

**Effect of UGB Expansion on Scappoose Growth Potential.**

Objection 4: The *EOA* violates OAR 660-009-0010(5), OAR 660-009-0015(1), Goal 2, adequate factual base, and is not supported by substantial evidence in the whole record, because it wrongly assumes that the proposed UGB expansion will cause a substantial increase in employment growth, beyond historical trends.

As previously discussed, page 18 of the *Findings* states, “The Council finds the employment growth figures reasonable in light of local historical growth trends, the regional context of the employment projections, and increased employment opportunities near the airport as a result of the proposed UGB expansion.” (Rec. 23, emphasis added) Put differently, the *Findings* assume that the high forecast is justified because Scappoose is being “held back” by a lack of serviced industrial land; once more land is added to the UGB, employment growth will increase far beyond historic levels. According to page 17 (Rec. 22):

“The ability of Scappoose to attract employers depends on its ability to provide basic urban infrastructure to sites meeting the following criteria:

- Large acreage, best if a mix of sizes is available, ranging from 50 to 200 acres
- Flat topography
- Regular shape, such as a square or rectangle
- No environmental contamination
- Free of wetlands
- Industrially zoned
- Direct access to Highway 30, along an uncongested road with no tight turns
- Direct freight rail access
- Airport”

The EOA’s foundational assumption is that once Scappoose adds land meeting these criteria, industrial growth will take off, resulting in growth rates much higher than the city has ever experienced. However, there is already a substantial amount of industrial and commercial land in Scappoose that is sitting unused, despite having nearly all of these special qualities. Per the *Findings*, page 13, “…more than half of Scappoose’s existing employment sites are serviced and ready for development in the short-term,” and “…private landowners are actively marketing several parcels inside the UGB.” (Rec. 18)

The below charts are taken from page 4 of the January 14, 2010 Winterbrook Planning memo titled "Scappoose Draft Vacant and Potential Redevelopment Lands," which is attached to the decision as Appendix 1 (Rec. 257).
The following map on the left is taken from the decision’s Map C (Rec. 253). The aerial photo is taken from the Winterbrook inventory, attached as Appendix 1 to the decision, Map 4 (Rec. 265).

<table>
<thead>
<tr>
<th>Size</th>
<th>Number of Tax Lots</th>
<th>Total Topo-Suitable Acres</th>
</tr>
</thead>
<tbody>
<tr>
<td>1 to 5 Acres</td>
<td>3</td>
<td>9</td>
</tr>
<tr>
<td>5 to 20 Acres</td>
<td>5</td>
<td>54</td>
</tr>
<tr>
<td>20 to 40 Acres</td>
<td>1</td>
<td>30</td>
</tr>
<tr>
<td>40 Acres +</td>
<td>1</td>
<td>60</td>
</tr>
<tr>
<td>Totals</td>
<td>10</td>
<td>153</td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>Size</th>
<th>Number of Lots</th>
<th>Total Topo-Suitable Acres</th>
</tr>
</thead>
<tbody>
<tr>
<td>1 to 5 Acres</td>
<td>15</td>
<td>14</td>
</tr>
<tr>
<td>5 to 20 Acres</td>
<td>3</td>
<td>17</td>
</tr>
<tr>
<td>20 to 50 Acres</td>
<td>0</td>
<td>0</td>
</tr>
<tr>
<td>50 Acres +</td>
<td>0</td>
<td>0</td>
</tr>
<tr>
<td>Totals</td>
<td>18</td>
<td>31</td>
</tr>
</tbody>
</table>

The area with black hatching on the left map is the existing industrial area proposed for continued use as airport-related employment land (the proposed expansion area is solid purple). The aerial map on the right shows this same area, with vacant industrial land outlined in purple. Re-developable industrial land is shown with purple hatching. It also appears that there is another large unused industrial area just north of the 60-acre parcel, which for unknown reasons was not counted by the Winterbrook inventory. As shown on Figures 1-4 of the Scappoose UGB Infrastructure Report, Appendix 3 to the decision, water, sewer, storm drainage and major collector street infrastructure already serve this entire area (Rec. 308-311). The area also has direct access to the airport.

The record shows there are ample building opportunities in every category of industrial land, and also quite a bit of commercial land. Of particular interest is the vacant 60-acre industrial site, which is unconstrained and in a single ownership. The site, along with most of Scappoose’s other industrial sites, is ready to
develop, yet stands unused. It is also large, flat, regularly shaped, free of wetlands, and has direct access to Highway 39 and the airport – the same characteristics the EOA claims are needed to attract industry.

As shown by the above Winterbrook charts, there are at least 153 acres of serviced industrial land (we believe the total is actually higher, as discussed in Section IV below). At the EOA’s average industrial density of 14.3 employees per acre, this land would accommodate 2,188 new industrial jobs, more than ten times the number of industrial jobs currently located in Scappoose. Most of this land is held in large lots, including one 30-acre parcel, and one 60-acre parcel. And again, all of this land is already served with collector roads and utilities, according to the city’s own planning documents.

This large supply of serviced, available land is evidence that Scappoose is not being “held back” by lack of raw land. It is not reasonable to conclude that adding more of this same kind of land to the UGB would materially increase historical business development or job creation rates. The Findings’ conclusion that there will be “increased employment opportunities near the airport as a result of the proposed UGB expansion” is unfounded.

**Remedy:** Remand the EOA with instructions to revise the employment forecast substantially downward, in accordance with Scappoose’s historic economic growth patterns, which are the best indicators of the city’s long-term economic prospects, given the lack of evidence to the contrary.

**Consistency with Population Forecast.**

**Objection 5:** The EOA violates OAR 660-024-0040(1), Goal 2, adequate factual base, and is not supported by substantial evidence in the whole record, because the employment forecast is inconsistent with the adopted population forecast.

OAR 660-024-0040(1) provides in part: “The UGB must be based on the adopted 20-year population forecast for the urban area described in OAR 660-024-0030, and must provide for needed housing, employment and other urban uses such as public facilities, streets and roads, schools, parks and open space over the 20-year planning period consistent with the land need requirements of Goal 14 and this rule.”

The adopted 20-year population forecast provides a 2030 forecast for Scappoose of 10,022, an increase of 3,342 people from the 2010 population of 6,680. Despite this modest population increase, the EOA predicts a 2030 job total of 10,492, an increase of 8,067 new jobs from the 2010 total of 2,425 jobs.

In order for the proposed employment forecast to occur, 2.4 new jobs would need to be created for every new resident – children, the aged and the disabled included (8,067 new jobs for 3,342 new residents). This seems highly improbable; currently, there is only 0.36 job for each Scappoose resident (2,425 existing jobs for 6,680 existing residents).

The ratio of jobs-per-resident is a common measure of employment density. Most urban areas have considerably fewer jobs than residents, since many people cannot work due to age, disability, life situation, or other factors. The below Table 9 compares three jobs-per-resident ratios: the Portland MSA, Scappoose

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30 **EOA** page 31 (Rec. 97)
31 Columbia County Ordinance 2009-7, co-adopted by the challenged decision (Rec. 215)
32 According to the **EOA** page 29, Figure 26 (Rec. 95)
in 2010, and Scappoose in 2030 under the county-adopted population forecast and the proposed employment forecast.\(^{33}\)

<table>
<thead>
<tr>
<th></th>
<th>Population</th>
<th>Jobs</th>
<th>Jobs-Per-Resident</th>
</tr>
</thead>
<tbody>
<tr>
<td>Portland MSA 2010 Actual</td>
<td>2,226,000</td>
<td>965,500</td>
<td>0.43</td>
</tr>
<tr>
<td>Scappoose 2010 Actual</td>
<td>6,680</td>
<td>2,425</td>
<td>0.36</td>
</tr>
<tr>
<td>Scappoose 2030 Forecast</td>
<td>10,022</td>
<td>10,492</td>
<td>1.05</td>
</tr>
</tbody>
</table>

The data show that the current jobs-per-resident ratio in Scappoose is 0.36 – somewhat less than the 0.43 ratio seen in the Portland MSA as a whole. There is no evidence to support that in 20 years, Scappoose’s ratio will undergo a dramatic change from 0.36 to 1.05 jobs-per-resident.

Instead of providing evidence that the shift in jobs-per-resident ratio was reasonable, the EOA’s authors claimed that they expected Scappoose to grow much faster than predicted by the adopted population forecast: "employment growth is expected to outpace population growth considerably based on two factors: reliance on a modest population growth forecast, and the City’s strong economic growth policies...based on the actual historical growth rate in Scappoose, there is reason to conclude that the coordinated projection may be somewhat low." (Rec 799-800)

It is instructive to calculate the population growth Scappoose would have to experience, in order to keep its jobs-per-resident ratio within actual observed limits while also fulfilling the proposed employment forecast. Even at the higher Portland MSA average ratio of 0.43 jobs-per-resident ratio, it would require a 2030 Scappoose population of 24,400 people.\(^{34}\) This is a population increase of 17,720 new residents, more than five times the modest increase of 3,342 people predicted by the adopted 2030 population forecast.

This large inconsistency between the adopted population forecast and the proposed employment forecast means that the UGB evaluation does not comply with OAR 660-024-0040(1)’s requirement that "[t]he UGB must be based on the adopted 20-year population forecast for the urban area described in OAR 660-024-0030." While there is no requirement that population and employment forecasts match each other in growth rates, there must be evidence to support both forecasts and any deviation. As the Land Conservation and Development Commission stated in it order concerning the City of Woodburn’s UGB expansion:

"The more a city’s land need for employment based on its analysis of economic opportunities and sites diverges from what would be predicted based solely on forecasted population and employment growth and employee-per-acre ratios, the more thoroughly the city will need to substantiate its economic opportunities analysis and resulting site needs."\(^{35}\)

The city’s decision fails to meet LCDC’s standard.

\(^{33}\) Data taken from this letter’s Tables 6 and 7, and Record 97 and 95.

\(^{34}\) 10,492 jobs for 24,400 residents = 0.43 jobs-per-resident

\(^{35}\) LCDC Approval Order 11-WKTASK-001802, March 16, 2011.
Remedy: Remand the EOA with instructions to revise the employment forecast downward to correlate with a jobs-per-resident ratio that is no higher than the current Portland MSA ratio of 0.43, unless additional evidence is provided that substantiates a higher ratio.

II. ALLOCATION OF EMPLOYMENT FORECAST

Jobs on Residential Land.

Objection 6: The EOA violates Goal 2, adequate factual base, and is not supported by substantial evidence in the whole record, because it assumes that no new jobs will locate in residential areas, despite the inclusion of home business workers in the employment forecast.

Page 26 of the EOA notes that OED employment data reports “covered employment” only, those jobs tracked through unemployment insurance (Rec. 92). The EOA states that "[b]ecause this data omits a significant portion of the workforce who are not covered (i.e. sole-proprietors, self-employed, commission workers) the estimates must be revised to reflect true employment. Estimates from the Bureau of Economic Analysis (BEA) indicate that in 2006 [sic]36 covered employment accounted for approximately 67.9% of total employment in Columbia County, with individual estimates reported by broad sector." Accordingly, the EOA increased the OED-reported 2007 employment levels from 1,641 jobs to 2,418 jobs.

The problem arises because the EOA fails to later take into account that some of the forecasted future jobs will locate on residential land. If the EOA is going to make the assumption that one-third of all jobs are sole-proprietors, self-employed, or commission workers, then that assumption must be carried through the land need analysis. The EOA wrongly assumes that all new jobs will need industrial or commercial land, with no new jobs located in residential areas, despite the inclusion of home workers in the employment forecast. This is an internal inconsistency that overestimates the overall land need.

After this concern was raised at the local level, the EOA’s author responded that “[t]he EOA analysis adjusts the ‘covered employment’ numbers to estimate non-covered employment as well, such as sole proprietorships and the self employed. Not all of these are home occupation businesses.”37 We agree that “not all” of the non-covered jobs are home occupations. However, implicit in the consultant’s response is an admission that some of them are; these should be properly accounted for by assuming those jobs will locate on residential land.

Remedy: Remand the EOA with instructions to determine the portion of the employment forecast that is due to home occupations, and revise the land need analysis to reflect that these jobs will not locate on commercial or industrial land.

“Other Services” Jobs.

Objection 7: The EOA violates Goal 2, adequate factual base, and is not supported by substantial

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36 As previously discussed, the correct year is 2007. See Johnson Reid letter dated 8/16/11, page 5: “the EOA refers to 2006 as the base year multiple times…the reference to ‘2006’ is an error in the text. The numbers…are from the year 2007…” See also footnote 2 to Figure 23 that accompanies the quoted text, which confirms the data are from 2007 (Rec. 2077).

evidence in the whole record, because it assumes that 60% of the Other Services category of jobs will site on industrial land, despite evidence that most of these jobs will site on non-industrial land.

In Exhibit 1.05 in Technical Appendix E to the EOA, the “Other Services” sector accounts for the second largest total number of new jobs allocated to industrial land, comprising 889 of the 3,112 new industrial jobs (Rec. 121). This number is so high because the EOA presumes that 60% of jobs in Other Services sector will require industrial land.

However, allocating 60% of the Other Services jobs to industrial land is not reasonable because that sector consists primarily of businesses that do not use industrial land. The OED Region 1 employment forecast and detailed breakout for Other Services (Rec. 1016-18) show that regionally, most employment growth in this sector is expected in businesses that generally prefer a non-industrial location.

Of the new jobs expected in the OED’s Region 1 forecast for the Other Services category, 1,300 are “personal and laundry services” such as hair salons, dog groomers, photofinishing, dry cleaners, etc. There is no evidence that these businesses need industrial locations; if they need good visibility and convenient access for customers, they may locate primarily in commercial areas. Region-wide, another 1,500 jobs are with “membership associations and organizations” such as churches, advocacy groups, and business associations like the Chamber of Commerce. These are office jobs. Together, these two categories comprise almost 60% of the new Other Services jobs forecasted by OED for Region 1.

The remaining 2,000 Other Services jobs in the Region 1 forecast involve “repair and maintenance.” Of these, about half are automotive maintenance, and most of the others are repair shops for household items like shoes, garden equipment, electronics and furniture. There is no evidence that these jobs need industrial locations. Even quasi-industrial uses like auto repair may prefer a commercial location with good visibility. A reasonable assumption might be that no more than half of these 2,000 jobs would use industrial land.

Summing together the three sub-categories of Other Services land, it appears that up to 3,800 of the total Other Services jobs in Region 1 may site on non-industrial land, roughly 80%, and the remaining 1,000 jobs will site on industrial land, roughly 20%. The EOA, by contrast, assumes that in Scappoose, 60% of the Other Services jobs will instead site on industrial land – three times the reasonable assumption based on Region 1 data.

The choice of whether to site these businesses on office versus industrial land is important, because the assumed job density for Other Services jobs on office land is 38 jobs per acre, almost twice the 18.5 jobs per acre density of Other Services jobs on industrial land.38

Remedy: Remand the EOA with instructions to either demonstrate that the number of Other Services jobs assumed to need industrial land is supported by substantial evidence, or revise the calculations according to an analysis of the expected land needs of these businesses.

38 Per Exhibit 1.01 (Rec. 117) in Technical Appendix E to the EOA, Medium Scenario, 593 Other Services jobs are expected on office land. Exhibit 1.03 (Rec. 119) allocates 15.6 acres for these jobs, resulting in a gross job density of 38 jobs per acre. Exhibit 1.05 (Rec. 121) shows that another 889 Other Services jobs are expected on industrial land. According to Exhibit 1.09 (Rec. 125), these jobs will require 48.0 acres of land, for a gross job density of 18.5 jobs per acre. See also the chart on page 31.
III. SITE CHARACTERISTICS

Objection 8: The EOA violates OAR 660-009-0015(2), OAR 660-009-0005(11), Goal 2, adequate factual base, and is not supported by substantial evidence in the whole record, because there is no explanation for how the lot size site characteristics were derived, and there is no substantial evidence demonstrating a need for large lots in any category.

The EOA’s Figure 33 lists the amount of each type and size of site supposedly needed through 2030 (Rec. 103). A portion of this figure is reproduced below; this objection pertains to the site types marked in red.

<table>
<thead>
<tr>
<th>Demand Projections</th>
<th>Typical Acreage</th>
<th>Sites</th>
<th>Gross Acres</th>
</tr>
</thead>
<tbody>
<tr>
<td>Large</td>
<td>&quot;%&quot;</td>
<td>1</td>
<td>14.5</td>
</tr>
<tr>
<td>Medium</td>
<td>&quot;%%&quot;</td>
<td>1</td>
<td>9.7</td>
</tr>
<tr>
<td>Small</td>
<td>&quot;%&quot;</td>
<td>11</td>
<td>56.3</td>
</tr>
<tr>
<td></td>
<td>%</td>
<td></td>
<td></td>
</tr>
</tbody>
</table>

The record contains no explanation for how these figures were derived, and no substantial evidence demonstrating an actual need for large lots in any category. Page 16 of the Findings includes a conclusory statement that site characteristics are “based on Johnson Reid’s expertise…” but does not cite any evidence that supports Johnson Reid’s conclusions (Rec. 21). LUBA has held that unsupported expert opinion does not constitute evidence.\(^{39}\)

Instead, the record contains substantial evidence that there is in fact no need for any lots over 5 acres in both the industrial and office categories. The following chart is taken from page 39 of the EOA, where it is described as identifying "archetypal site requirements" for small, medium and large office and industrial businesses (Rec. 105). Note that these classifications for office and industrial building site sizes and needed acreage ranges correlate exactly with the more detailed breakouts found on pages 41-45 (Rec. 107-11).

\(^{39}\) Palmer v. Lane County, 29 Or LUBA 436 (1995).
The data needed to translate this chart into Scappoose-specific land needs is found in Exhibit 1.11 of the Technical Appendix to the original EOA, in a table titled "Projected Distribution of Demand By Size of Space, Scappoose, Oregon." (Rec. 608) It is reproduced below. Note that there is no demand shown from industrial users needing more than 19,800 square feet of space. Instead, the entire Scappoose demand is from users that, according to the above chart, typically need only small industrial sites of 0.5 to 5.0 acres. Similarly, Exhibit 1.11 demonstrates that there is no need for office sites larger than 3.0 acres, because there is no projected demand from firms needing more than 49,800 square feet of space.

Taken together, these two tables show that the EOA itself demonstrates no need for industrial or office sites larger than 5 acres. This evidence is in direct conflict with the EOA’s unsupported conclusion that large tracts of land must be added to the UGB to provide 10- to 50-acre sites.
When this issue was raised at the local level, the EOA’s author responded by excising the above Exhibit 1.11 from the EOA, claiming it was “erroneous.” (Rec 1299) However, no other evidence was supplied to explain the need for the 10- to 50-acre sites. Further, the EOA’s remaining exhibits still correlate perfectly with the excised Exhibit 1.11. For example:

Net New Office Demand shown on excised EOA Exhibit 1.11 (Rec. 608) .................. 1,043,169 sf
Net New Office Demand shown on remaining EOA Exhibit 1.02 (Rec. 118) .............. 1,043,169 sf

Net New Industrial Demand shown on excised EOA Exhibit 1.11(Rec. 608) .............. 2,352,110 sf
Net New Industrial Demand shown on remaining EOA Exhibit 1.07 (Rec. 123) ......... 2,352,110 sf

The purpose of the excised Exhibit 1.11 was to break down office and industrial land demand according to the space requirements of the expected new businesses. Significantly, despite the removal of this analysis on the claim that it was “erroneous,” no revised analysis was submitted. The lack of countervailing evidence, combined with the exact correlation between the removed material and the remaining exhibits, provides strong evidence that the excised Exhibit 1.11 was not truly “erroneous.”

One may wonder whether the EOA’s proposal to add large parcels to the UGB is based on a plan to provide small sites within larger "office park" or "industrial park" models. However, there is no identified need for either industrial or office business parks in the EOA. The EOA does discuss an “Airpark Business Park” model, but 53.8 acres for this use are already provided as a separate land need, per Figure 33 (Rec. 103). There is a claimed need for five additional large sites, in addition to the 53.8-acre airpark development, without any evidence that these sites are needed for office and/or industrial parks, or for any other uses.

Even if there were an established need for large office or industrial parks, this would still not warrant narrowing the focus of UGB expansion locations solely to large parcels. The typical reason for including a large site in a UGB expansion is because a single large user requires this. Business and industrial parks are very different, and typically are made up of many lots clustered together. These developments are akin to residential subdivisions, in that they are often planned as one project, but ultimately are sold off piecemeal to unrelated parties. Clustering for a business or industrial park can be done on a site made up of smaller parcels, and so would not trigger the need to add large parcels to the UGB.

Finally, the EOA’s discussion titled “Factors That Affect Site Selection” on page 48-50 is not material to Scappoose’s situation (Rec. 114-6). Johnson Reid evaluated a “small sample” of lead sheets from “fairly large employers” that “do not represent a comprehensive review of all recruitments” and that “do not show site requirements for all firms…” (pg 48) In other words, the samples evaluated were narrowed to include only large manufacturers requiring large sites, and the results are not representative of a valid cross-section of the potential market for sites.

In addition, many of these firms had requirements that Scappoose cannot meet, and are therefore unsuitable comparisons. For example:

Rail. Some firms needed rail, however, the EOA does not provide any rail served sites. Others cannot be close to rail due to vibration; however, rail is in close proximity to the proposed UGB expansion area.

I-5 Access. Some firms needed to be within 5 miles of I-5; Scappoose is much farther away.
Electricity. “Many of the firms have large electricity demands.” We could find no evidence in the record that Scappoose’s infrastructure is suitable for these businesses.

Water. Some firms had very high water needs. We could find no evidence in the record that Scappoose’s infrastructure is suitable for these businesses; indeed, the infrastructure analysis attached to the decision as Appendix 3 shows that Scappoose does not have the ability to provide more than minimal water and sewer services to new employers (Rec. 282-317).

Due to the narrow sampling and failure to exclude employers who would not consider Scappoose since their specific needs cannot be met, the “Factors That Affect Site Selection” discussion is merely a hypothetical analysis of a narrow subset of large manufacturers who have shopped the entire state of Oregon for large sites. It is statistically invalid and cannot form an accurate basis for determining specific large lot land needs in Scappoose.

**Remedy:** Remand the *EOA* with instructions to either remove the claimed need for 10+ acre sites, or provide additional evidence that supports the claimed need.

### IV. AIRPORT EXPANSION

The *EOA*’s Figure 33 lists a 50-acre expansion for extension of the airport’s runway, and a 40-acre expansion for additional public hangar space (Rec. 103). A portion of this figure is reproduced below.

<table>
<thead>
<tr>
<th>Public Uses</th>
<th>Special Uses</th>
<th>1</th>
<th>40.0</th>
</tr>
</thead>
<tbody>
<tr>
<td>Hangar Reserve</td>
<td>Runway Extension</td>
<td>1</td>
<td>50.0</td>
</tr>
<tr>
<td>PCC Campus</td>
<td></td>
<td>1</td>
<td>20.0</td>
</tr>
<tr>
<td><strong>SubTotal</strong></td>
<td></td>
<td><strong>3</strong></td>
<td><strong>150.0</strong></td>
</tr>
</tbody>
</table>

We object to inclusion of both the 50 acres for future runway extension and the 40 acres for future public hangar expansion, because the airport’s adopted master plan does not show that there is a bona fide need for these facilities within the 20-year planning period.

**Runway.**

**Objection 9:** The *EOA* violates OAR 660-024-0040(1), Goal 14, Goal 2, adequate factual base, and is not supported by substantial evidence in the whole record, because it includes 50 acres for a runway expansion despite the adopted airport master plan’s conclusion that no runway expansion is needed during the 20-year planning period.

There is no evidence to support the claimed need; the 2004 *Airpark Master Plan Update for Scappoose Industrial Airpark (Airpark Plan)* concludes there is no need for runway expansion. Portions of the plan are included in the record; we have attached the entire plan for convenience. Page 3-14 states, “The facility needs evaluation...indicates that the runway's current length of 5,100 feet is sufficient throughout the planning period and will not consider additional runway length for the existing or forecast fleet mix.”
can find nothing else in the record or findings that establishes a bona fide need for a runway expansion.

**Remedy:** Remand the *EOA* with instructions to remove the 50 acres for runway expansion from the claimed land need.

### Hangars

**Objection 10:** The *EOA* violates OAR 660-024-0040(1), Goal 2, adequate factual base, and is not supported by substantial evidence in the whole record, because it includes 40 acres for airplane hangar expansion that is intended to serve demand beyond the airport’s 20-year planning period.

The *Airpark Plan* relies on a 20-year forecast that predicts based aircraft will increase from 140 to 195 planes, an increase of 39% over the planning period.\(^{40}\) Hangar space must be provided for a portion of these based aircraft; the 20-year requirements are shown in the *Airpark Plan’s* Table 3D on page 3-11, reproduced below. Note that there is no need shown for additional executive hangar space, and a slight decrease in the need for conventional hangar space. The only need shown is for additional T-hangar space, and some associated maintenance area. Over the 20-year planning period, the overall need for hangar space increases by about 52,000 square feet.

\begin{table}[h]
\centering
\begin{tabular}{|c|c|c|c|c|}
\hline
 & \multicolumn{4}{c|}{Future Requirements} \\
 & \textbf{Currently Available} & \textbf{Current Need} & \textbf{Short-Term} & \textbf{Intermediate Term} & \textbf{Long-Term} \\
\hline
\textbf{Aircraft to be Hangared} & & & & & \\
T-hangar Positions & 130 & 144 & 158 & 181 \\
Executive Hangar Positions & 120 & 128 & 138 & 152 \\
Conventional Hangar Positions & 5 & 8 & 9 & 13 \\
\hline
\textbf{Hangar Area Requirements (s.f.)} & & & & & \\
T-hangar Area & 129,900 & 141,600 & 149,000 & 160,100 & 176,000 \\
Executive Hangar Area & 31,200 & 13,200 & 20,400 & 21,600 & 30,000 \\
Conventional Hangar Area & 40,800 & 12,000 & 20,400 & 27,600 & 40,800 \\
Total Maintenance Area & 30,300 & 26,000 & 26,500 & 31,400 & 37,000 \\
\hline
Total Hangar Area (s.f.) & 232,200 & 192,800 & 218,300 & 240,700 & 284,300 \\
\hline
\end{tabular}
\end{table}

Section 4 of the *Airpark Plan* contains a map titled “Airport Layout Plan” which details planned improvements. Below is an annotated clipping from the Layout Plan showing just the hangar improvements. Identification of each improvement was done using the included key (not shown on the clipping). Approximate sizes of the improvements were identified using references found on page 3-16 and the included scale (also not shown). Red portions show hangars that will be located inside the current airport boundary (and UGB). Blue portions show hangers that would be located outside the UGB.

\(^{40}\) See Table 2H on Page 2-13 of the *Airpark Plan*. This forecast was also approved by the Federal Aviation Administration and the Oregon Department of Aviation; see page 2-1.
The combined capacity of the red-labeled hangers is approximately 62,000 square feet – more than is needed to meet the identified 20-year demand. What, then, is the purpose of the blue-labeled improvements? The Airpark Plan explains that in fact, the hangar construction laid out in the plan is intended to provide additional capacity, above and beyond that required to meet the 20-year need.\footnote{As noted earlier, the Airpark Plan relies on a 20-year forecast that predicts based aircraft will increase from 140 to 195 planes, an increase of 55 planes over the planning period. However, the hangar improvements are actually based on a much higher, speculative growth scenario that envisions an increase to 309 planes – an increase of 169 planes, more than three times as many as the adopted 20-year forecast predicts. See Airpark Plan page 3-16: “While the proposed hangar developments for Scappoose Industrial Airpark exceed the projected demand in the long term, additional factors were considered. For instance, the selected forecast, which was a mid-range forecast, assumes 195 based aircraft by the end of the planning period. However, the high end of projected based aircraft was also examined and yields as many as 309 based aircraft by the end of the planning period, which would warrant additional aircraft storage.” Since this high-end growth scenario is not the Airpark Plan’s selected forecast, it does not represent the actual 20-year need. There is also no evidence that actual growth at the airport since adoption of the Airpark Plan has exceeded the adopted forecast.}

Many of the blue-labeled hangers provide additional executive and conventional space, but as noted above, there is actually no additional need for either of these over the entire 20-year period. There is also no need for the blue-labeled T-hangar space, because T-hangar space needs can be fully met on land already inside the UGB, via the red-labeled improvements. We can find nothing in the record that establishes a bona fide need for the blue-labeled hangars expansions. We are unsure that even the red-labeled hangars are truly needed; comparison of the Layout Plan and the aerial photo attached to the decision as Appendix 1, Map 4...
shows that to date, the airport has declined to construct any of the new T-hangars described in the Airpark Plan (Rec. 265).

Although the Airpark Plan considers additional improvements that might be needed under an alternate growth scenario that greatly exceeds the adopted 20-year based aircraft forecast, the UGB cannot be expanded to accommodate those additional contemplated improvements. UGB expansions must be based on identified 20-year needs.²

**Remedy:** Remand the EOA with instructions to remove the 40 acres for hangar expansion from the claimed land need.

V. INDUSTRIAL LAND INVENTORY

Objection 11: The EOA violates OAR 660-009-0015(3), OAR 660-024-0050(1) and (4), Goal 14, Goal 2, adequate factual base, and is not supported by substantial evidence in the whole record, because its inventory fails to include all of the serviceable, industrially designated land already inside the UGB.

The below aerial photo is taken from the January 14, 2010 Winterbrook Planning memo titled "Scappoose Draft Vacant and Potential Redevelopment Lands," which is attached to the decision as Appendix 1, Map 4 (Rec. 265). It illustrates the EOA’s inventory of vacant and re-developable industrial sites: vacant land outlined in purple, and re-developable land denoted with purple hatching. Together, ten sites totaling 153 acres were inventoried.

The photo is also annotated with yellow borders around five areas (labeled A through E) that we contend should have been included in the vacant industrial land inventory, and with pink borders around four areas (labeled F through I) that we contend should have been included in the re-developable industrial land inventory. The improperly excluded areas appear to contain at least 130 acres of serviceable, industrially designated land.

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² OAR 660-024-0040(1) provides in part: “The UGB must be based on the adopted 20-year population forecast for the urban area described in OAR 660-024-0030, and must provide for needed housing, employment and other urban uses such as public facilities, streets and roads, schools, parks and open space over the 20-year planning period consistent with the land need requirements of Goal 14 and this rule.” The term "public facilities," as it is used in Goal 14, includes transportation facilities. *Concerned Citizens v. Jackson County*, 33 Or LUBA 70 (1997).

Additionally, OAR 660-024-0040(7) provides in part: “The determination of 20-year land needs for transportation and public facilities for an urban area must comply with applicable requirements of Goals 11 and 12, rules in OAR chapter 660, divisions 11 and 12, and public facilities requirements in ORS 197.712 and 197.768.” OAR 660-013-0040(5)(a) and (b) require that expansion of existing airport uses be based on “the projected needs for such uses over the planning period” and “economic and use forecasts supported by market data.”
All of these areas are inside the UGB, are designated for industrial use, and are already served with water, sewer, storm drainage and major collector street infrastructure.\footnote{See Figures 1-4 of the \textit{Scappoose UGB Infrastructure Report}, Appendix 3 to the decision (Rec. 308-311).}

The decision does not explain why vacant areas A through E should be excluded from inventory. The \textit{Airpark Plan} specifically designates area A for development as an industrial park;\footnote{From page 3-17 of the \textit{Airpark Plan}: “Immediately adjacent to Scappoose Industrial Airpark, the Port of St. Helens owns approximately 20 acres of land that has been identified as having potential for expanded business development. \textit{***}A Master Plan for Scappoose Airpark’s Industrial Business Park was completed by CIDA in April 2001 and outlined a number of alternatives. The selected plan (Plan G)…was accepted by the Board of Commissioners and the Port of St. Helens \textit{***} As shown on Exhibit 3C, Plan G proposes a number of buildings for industrial use…” The referenced Exhibit 3C, and the Layout Plan in Chapter 4, both show the entire Area A covered with future industrial buildings.} it designates Area C for expansion of existing private businesses.\footnote{The Airpark Plan’s Layout Plan shows this area designated for expansion of Oregon Aero and Sherpa Aircraft.} Areas B and D contain several large, serviced industrial parcels.
Area E is in the process of being reclaimed; the northern pond is already filled in and there is no evidence to indicate that the remainder will not be reclaimed as well, within the 20-year planning period. Below is an aerial photo of Area E (Rec. 827).

Developed areas F through I were also excluded without adequate reasons. Page 3 of the Winterbrook memo attached to the decision as Appendix 1 states, “Winterbrook assumed that non-vacant Industrial tax lots 5 acres or larger, with residential or farm improvements, would qualify as likely to redevelop during the planning period.” (Rec. 256) But this is not a valid screening test to determine the likelihood of re-development. Size alone is not sufficient to dismiss developed parcels without further explanation.

In fact, Winterbrook’s re-development test is almost identical to the definition of “vacant land” under OAR 660-009-0005(14)(b): “Equal to or larger than five acres where less than one half-acre is occupied by permanent buildings or improvements.” It is apparent from the above aerial photo that areas F through I are only sparsely developed with improvements. Winterbrook’s analysis method likely misidentifies land as re-developable that is actually “vacant” under Goal 9, while failing to identify re-developable land that is in parcels smaller than five acres.

Under OAR 660-009-0005(1), "Developed Land" is “non-vacant land that is likely to be redeveloped during the planning period.” Additional analysis, such an evaluation of the age, extent, type and value of the improvements, is needed before conclusions may be drawn about the redevelopment potential of the parcels in areas F through I. Depending on the outcome of such an analysis, these areas may be found likely to re-develop over the 20-year planning period.

**Remedy:** Remand the EOA with instructions to either include areas A through I in the inventory of vacant and re-developable industrial land, or provide additional evidence and findings clearly demonstrating why these lands cannot accommodate any new industrial development.
VI. CONCLUSION

We respectfully ask that you remand this decision with direction to:

• Recalculate the baseline 2010 employment estimate using current data.

• Revise the employment forecast downward, in light of:
  a) Previously unconsidered 2002, 2008 and 2009 Scappoose employment data
  b) Portland MSA historic trends
  c) OED and Portland MSA employment forecasts
  d) Historical Scappoose employment capture rates
  e) Existing vacant industrial land capacity in Scappoose
  f) Conflict between employment forecast and adopted population forecast

• Properly account for home occupations.

• Properly allocate Other Services jobs to commercial and industrial land categories.

• Remove claimed need for 10+ acre sites, or provide additional evidence to support.

• Remove the 50 acres for runway expansion from the claimed land need.

• Remove the 40 acres for hangar expansion from the claimed land need.

• Include areas A through I in the inventory of vacant and re-developable industrial land, or provide evidence that these lands cannot accommodate any new industrial development.

Thank you for consideration of our comments.

Sincerely,

Mia Nelson
for 1000 Friends of Oregon
220 East 11th Avenue, Suite 5
Eugene, OR 97401

Attachment: 2004 Airpark Master Plan Update for Scappoose Industrial Airpark

cc: Anne Debbaut, DLCD, anne.debbaut@state.or.us
    Brian Varrichione, City of Scappoose, brianvarrichione@ci.scappoose.or.us
February 27, 2012

Sent via e-mail to larry.french@state.or.us
And by first class mail on February 27, 2012

Larry French
Department of Land Conservation and Development
635 Capitol Street NE, Suite 150
Salem, Oregon  97301

Re: Scappoose Ordinance 816

Dear Mr. French:

The following are my objections to Scappoose Ordinance 816, adoption date April 18, 2011. This ordinance: a) adopts a Scappoose population forecast, b) adopts the City of Scappoose Economic Opportunities Analysis (EOA) dated January 10, 2010, c) makes numerous revisions to Scappoose’s land use code and comprehensive plan, and d) expands the Scappoose UGB by 378 acres. The ordinance was co-adopted by Columbia County on October 26, 2011, via the county’s Ordinance 2011-3.

I testified orally and in writing during the proceedings leading to adoption of this ordinance, including but not limited to the following: a) the Scappoose Planning Commission hearings held on September 9 and September 23, 2010, b) the Scappoose City Council hearings held January 3 and April 4, 2011, c) the Columbia County Planning Commission hearing on June 6, 2011, and d) the Columbia County Board of Commissioners hearing on July 27, 2011 (Rec. 2274-5).

In addition to reiterating all of the objections and remedies listed on the 1000 Friends of Oregon objections dated February 23, 2012, I make the following additional objection:

The EOA violates OAR 660-024-0040(1), Goal 14, Goal 2, adequate factual base, and is not supported by substantial evidence in the whole record, because it includes 20 acres for a community college expansion without evidence that a bona fide need exists.

OAR 660-024-0040(1) provides in part: “The UGB must be based on the adopted 20-year population forecast for the urban area described in OAR 660-024-0030, and must provide for needed housing, employment and other urban uses such as public facilities,
streets and roads, schools, parks and open space over the 20-year planning period consistent with the land need requirements of Goal 14 and this rule.”

The UGB expansion proposal includes 20 acres for a new campus for Portland Community College (PCC). The record contains a letter from property owner Airpark Development, stating that they have “structured a preliminary agreement with PCC for the purchase of 20 acres for a new ‘Columbia County Center’ for the college.” (Rec. 2020)

I am not sure this is true, since the record does not appear to contain any corroborating evidence to confirm Airpark Development’s claim, despite requests from the public for a letter from PCC stating that they had definite plans to site a college here, and general skepticism regarding the claimed need (Rec. 700, 732). It is also unclear that the “preliminary agreement” referenced by Airpark Development is binding on PCC, or merely tentative. Actual purchase may be dependent on future study and decision-making by PCC.

However, even if it were proven that PCC has made a binding commitment to purchase this land, this would not establish that the site is needed to meet a genuine 20-year need for educational facilities. An institution may choose to consider property acquisitions for facilities that serve needs beyond the 20-year horizon.

The proposal makes no effort to quantify the actual 20-year need for regional educational facilities. No school master plans are referenced. No evaluation of expected PCC student growth is provided. There is also no information about the remaining capacity in PCC’s existing facilities. Therefore, there is insufficient evidence to conclude that additional land is needed for a regional educational facility within the next 20 years.

**Remedy:** Remand the EOA with instructions to remove the 20 acres for school expansion from the claimed land need, or provide additional evidence that clearly demonstrates the need.

Thank you for consideration of my comments. Please feel free to give me a call if you have questions.

Yours truly,

Michael F. Sheehan

cc: Anne Debbaut, DLCD, anne.debbaut@state.or.us
Brian Varrichione, City of Scappoose, brianvarrichione@ci.scappoose.or.us
Todd Dugdale, Columbia County, todd.dugdale@co.columbia.or.us