

STATEMENT OF NEED AND FISCAL IMPACT

A Notice of Proposed Rulemaking Hearing or a Notice of Proposed Rulemaking accompanies this form.

Department of Land Conservation and Development

660

Agency and Division

Administrative Rules Chapter Number

Portland Metropolitan Area Land Use and Transportation Scenario Planning

Rule Caption (Not more than 15 words that reasonably identifies the subject matter of the agency's intended action.)

In the Matter of: Proposed adoption and amendment of OAR chapter 660, division 44.

Statutory Authority: ORS 197.040; Chapter 865 Oregon Laws 2009 (House Bill 2001) §37(8)

Other Authority:

Stats. Implemented: Chapter 865 Oregon Laws 2009 (House Bill 2001) §37(8)

Need for the Rule(s): The rules are needed because the Legislature through House Bill 2001 (2009) directed the Commission to develop and adopt rules guiding Metro and Portland area local governments in the selection and implementation of a preferred land use and transportation scenario. The rules are also needed to explain how Metro and local governments may meet greenhouse gas emission reduction targets that LCDC adopted by rule in May 2011, and to provide guidance and avoid confusion and uncertainty about how requirements for land use and transportation scenario planning required by HB 2001 are to be met in a manner that is consistent with other state planning requirements.

Documents Relied Upon, and where they are available: Memoranda prepared by Department of Land Conservation and Development (DLCD), and related documents prepared for the metropolitan scenario planning rulemaking advisory committee (RAC), which are available for inspection at the Department and are available through the Department's website at:

http://www.lcd.state.or.us/LCD/pages/meetings.aspx#metro_area_scenario_planning
http://www.lcd.state.or.us/LCD/pages/rulemaking_msp_2012.aspx

Fiscal and Economic Impact: Statutory provisions (ORS 183.335(2)(b)(E) and (G), ORS 183.540) require the agency to identify state agencies, units of local government and the public that may be economically affected by the adoption, amendment or repeal of a rule; to estimate that economic impact; and to consider other options for achieving the rule's substantive goals while reducing the negative economic impact of the rule on business.

The proposed rules, in combination with requirements of HB 2001, will result in fiscal costs to Metro and Portland metropolitan area local governments to conduct scenario planning and adopt changes to land use and transportation plans. The extent of these changes and cost depend on the preferred scenario selected by Metro and are difficult to estimate, but expected to be modest.

The proposed rules will result in economic and fiscal impacts for local governments, the general public and businesses when Metro and local governments implement the preferred scenario. Based on analysis done to date by Metro and ODOT, the department estimates that a preferred alternative is likely to include a shift in transportation spending and other public investments as well as other new or expanded programs that expand transportation options and promote land use patterns that reduce the need for vehicle travel. Overall, these effects of these actions are expected to be positive and would include:

- Reduced household transportation costs from reduced vehicle travel per capita and lower household vehicle ownership rates.
- Improved transportation system performance. Reducing per capita passenger travel will reduce demand on the transportation system and will help reduce traffic congestion, improve transportation system operation, including freight mobility.
- Reduced energy consumption from reduced vehicle travel.
- Increased public safety for the traveling public due to bike and pedestrian improvements and reduced vehicle travel.

The proposed rule should have limited effects on businesses because (1) it is directed primarily to Metro and area local governments; and (2) it is directed at reducing emissions from light vehicle travel, which are primarily passenger vehicles. Businesses would be affected by programs to reduce light vehicle travel by customers and employees of businesses. Overall, the

effect of the rule is expected to be positive, but effects will vary for individual businesses and will depend on the details of the preferred alternative selected by Metro, and implementing actions, which are not known at this time.

Other options for accomplishing the rule’s objectives are limited because the Legislature has directed the Commission to adopt rules guiding selection and implementation of a preferred scenario. The proposed rules include provisions which provide Metro and local governments flexibility to develop and select a preferred scenario that addresses local and regional needs as well as state greenhouse reduction goals.

Statement of Cost of Compliance:

1. Impact on state agencies, units of local government and the public (ORS 183.335(2)(b)(E)):

The principal effect of the proposed rule is to direct Metro to prepare and adopt a preferred scenario, and then for Metro and local governments adopt changes to regional and local plans to carry out the preferred scenario. The proposed rule is not likely to result in additional costs to Metro to complete preparation and adoption of a preferred scenario. The extent of additional planning costs to local government depends on the particular scenario that Metro selects. Based on Metro and ODOT work done to date to analyze alternative scenarios the department believes that a preferred scenario is likely to result in some additional planning cost to local governments. The proposed rule includes several features that are designed to minimize additional costs to local governments to implement preferred scenario, including :

- Direction to Metro to use existing plans to formulate a preferred scenario
- Integration of requirements for scenario planning into the existing process for plan implementation and updates
- Flexibility for Metro in establishing a schedule for local implementation

HB 2001 provides for reimbursement of costs local governments incur to conduct scenario planning. In addition, other state and federal funding programs are available to support local planning work that could help reduce these costs.

2. Cost of compliance effect on small business (ORS 183.336):

The proposed rules will not create any compliance costs for small businesses. The proposed rules do not apply directly to small businesses, and the conduct of scenario planning is not expected to result in additional requirements applicable to small businesses in the Portland metropolitan area.

How were small businesses involved in the development of this rule? Corky Collier of the Columbia Corridor Association, a business interest group, participated as a member of the Rulemaking Advisory Committee (RAC).

Administrative Rule Advisory Committee consulted? Yes. The Portland metropolitan scenario planning rulemaking advisory committee, appointed to advise the Commission on this rulemaking, has reviewed a draft rule, and has reviewed and commented on the Statement of Need and Fiscal Impact and Housing Cost Impact Statement.

	Casaria Taylor	
Signature	Printed name	Date