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To: UGB workgroup, industrial and commercial lands subcommittee

From: Tom Hogue, Policy Analyst
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Re: G9 safe harbors

The attached appendix presents items gleaned from the G9 Guidebook as a way of stimulating safe harbor discussions. They are derived from the guidebook, not the rule. Please do not interpret the items as recommendations. This was a useful exercise even though the first edition of the guidebook has known limitations such as perpetuating the 'beans in a jar' mythology.

In a nutshell, a G9 Economic Opportunities Analysis [EOA] is a local effort to identify suitable sites for likely opportunities. It should examine the quantity and quality of both the sites and the opportunities.

At risk of over simplifying, urban planning in Oregon is a local effort to fix the size and location of the UGB.

The main conundrum is to provide the mix of employment sites attractive to the real market forces at play without being misled by the notion that an acre of land is a fungible container of forecasted employees.

To be useful for economic development planning a safe harbor in division 024 should offer either an easy path to basic rule compliance based on common practice without having to repeat the same analysis city by city, or incentives to work towards desirable outcomes.

In addition, it's worth suggesting consideration of:

- Encouraging brown field redevelopment. Perhaps an employment land bonus, especially if it helps pay for clean up.
- Information from OECDD regarding demand, site suitability, site development trends and market factors.
- Large sites of statewide significance.

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APPENDIX A

These notes are derived not from the rule, but from the guidebook developed from the rule. They are either illustrations from DLCD's *Industrial and Other Employment Lands Analysis Guidebook*, my attempt to draw out underlying concepts or other suggestions, ideas and possible safe harbors inspired by something in the guidebook. Guidebook pages are in brackets [].

Note: These are not recommendations.

1. Reliance on state guidance, data and methods: local governments should be confident that they can use information from the state without ending up in LUBA. To enable more regional scale planning, this notion could be expanded to specifically allow local governments to use state published economic opportunities analyses as the basis of their employment land planning, especially for industrial land.

Simple language: As a safe harbor, local governments may rely on publications from the State of Oregon for data, methods and other factors that influence employment land need.

Alternate language: As a safe harbor, local governments may use the data and methods in publications from the State of Oregon to calculate employment land need, including but not limited to employment land planning guidebooks, employment forecasts, suitable employment site criteria and Economic Opportunities Analyses.

2. Encourage use of the Department of Employment regional employment forecast growth rate as the local safe harbor. This is already allowed by safe harbor 024-0040(8)(a)(A), but is seldom used [2-3].

As a safe harbor, local governments may use (sic) the county or regional job growth rate provided in the most recent forecast published by the Oregon Employment Department.

3. Allow a modest increase in the Department of Employment forecast, perhaps to encourage a particular policy goal [2-7].

As a safe harbor, local governments may use the Department of Employment county or regional 10-year employment forecast growth rate increased by X% as their local 20-year employment growth rate {if the local government is doing something desirable such as making investments in infrastructure, workforce housing and schools.}

4. Any safe harbor for employment density must identify gross or net density. May require different safe harbors for net to gross for types of employment lands. May also need safe harbor to establish percent satisfied by in-fill or redevelopment. Density examples from guidebook include [2-7, 2-11]:

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- Commercial 12-20
 - Light Ind 10-15
 - Heavy Ind 7-12
 - Industrial 8-12
 - Commercial 14-20
 - Institutional 6-10
5. The notion of absorption rate is imbedded but not explicit in the methodology. A safe harbor could allow a local government to use a recent history absorption rate for the city, county or region to construct a 20-year employment land need.
 6. A safe harbor could allow a city to choose another city in the region to use as a benchmark, and use its land base assumptions, scaled appropriately. [2-3]
 7. A safe harbor could allow a local government to increase or decrease its current capture rate of the regional employment forecast by some modest percentage such as 5%. [2-20]
 8. A safe harbor could establish the percentage of job growth not needing new or vacant land [2-27]. Perhaps 20% would be a fair efficiency / redevelopment assumption.
 9. A safe harbor could allow adding some modest factor to the employment forecast to account for the establishment or migration of home-based businesses.
 10. Safe harbors could establish a minimum feasible parcel size for a variety of employment uses, so the buildable inventory could exclude smaller parcels.
 11. Guidebook suggests a FAR analysis to get to land need. [2-12]
 12. Rule, guidebook and department practice allow land need adjustments for ownership and parcel pattern constraints, but offer no real guidance. [2-15]
 13. A safe harbor could establish the percentage of jobs likely to be in residential mixed use [2-28].
 14. Suggested ways to estimate land need from employment forecast [2-29]
 - Employees per acre
 - FAR analysis
 - Expert opinion
 - Missing is a clear way to rely on expert opinion. A safe harbor could be created to rely on a recommendation from OECDD.