



600 NE Grand Ave.
Portland, OR 97232-2736
oregonmetro.gov

**NOTICE OF URBAN GROWTH BOUNDARY AMENDMENT
METRO COUNCIL ORDINANCE NO. 23-1488**

Date: February 15, 2023

An amendment to the Metro urban growth boundary (UGB) became final on February 2, 2023. On that date, the Metro Council adopted Ordinance 23-1488, which is an amendment to the Metro regional UGB that adds approximately 490.6 acres of land to the UGB adjacent to the City of Tigard in exchange for removing a comparable amount of buildable land from two locations within Clackamas County.

You may review a copy of this decision at the Metro Regional Center, located at 600 NE Grand Avenue, Portland, Oregon 97232. Office hours are 8:00 a.m. to 5:00 p.m., Monday through Friday. You may also request a copy of the decision by contacting the Metro Planning Department at (503) 797-1562. Ordinance 23-1488 and its exhibits supporting the UGB amendment constitute over a thousand pages, and there may be a fee to cover copying costs if a complete hard copy is requested.

If you believe that the UGB amendment does not comply with applicable regulations, you may submit an objection to the Oregon Department of Land Conservation and Development (DLCD). An objection must include the following three elements:

1. Show how you participated in the UGB amendment process either by speaking at a public hearing or by submitting written comments about the proposal.
2. Explain your objection to the adopted amendment. Be as specific as possible, including what goal, rule, or statute you believe has been violated and why; and
3. Recommend a specific change that would resolve your objection.

Submit the objection in hard copy or via email to:

Attention: Periodic Review Specialist
Department of Land Conservation and Development
635 Capitol Street NE, Suite 150
Salem, OR 97301
E-mail: DLCD.PR-UGB@dlcd.oregon.gov

DLCD must **receive** the objection no later than 21 days from the date this notice was sent by the local government (the postmark date if received by US mail). Also please send a copy of the objection to Roger Alfred at the Office of Metro Attorney, 600 NE Grand Avenue, Portland OR 97232, or via email at roger.alfred@oregonmetro.gov.

If you have questions about DLCD's review of the Metro decision, please contact DLCD Regional Representative Laura Kelly at (503) 798-7587 or laura.kelly@dlcd.oregon.gov.

BEFORE THE METRO COUNCIL

FOR THE PURPOSE OF AMENDING THE)	ORDINANCE NO. 23-1488
URBAN GROWTH BOUNDARY TO)	
INCLUDE LAND ADJACENT TO THE CITY)	Introduced by Marissa Madrigal, Chief
OF TIGARD IN EXCHANGE FOR)	Operating Officer, with the concurrence of
REMOVING A SUBSTANTIALLY)	Lynn Peterson, Council President
EQUIVALENT AMOUNT OF LAND IN)	
CLACKAMAS COUNTY)	

WHEREAS, state law requires Metro to assess the capacity of the urban growth boundary (UGB) at least every six years and, if necessary, to increase the region’s capacity for housing and employment for the next 20 years; and

WHEREAS, Metro’s most recent growth management decision was made in 2018 when Metro adopted the 2018 Urban Growth Report (UGR) via Ordinance No. 18-1427, which forecasted population and employment growth in the region to the year 2038, inventoried the supply of buildable land inside the UGB, and added approximately 2,181 acres to the UGB in four locations adjacent to the cities of Hillsboro, Beaverton, Wilsonville, and King City; and

WHEREAS, in 2021 the City of Tigard submitted a proposal to the Metro Planning Department seeking to add approximately 490.6 acres of land known as River Terrace 2.0 to the UGB through Metro’s mid-cycle amendment process under Metro Code Section 3.07.1427; and

WHEREAS, the City of Tigard’s proposal includes a concept plan for River Terrace 2.0 that is consistent with Title 11 of the Metro Urban Growth Management Functional Plan and offers a full range of housing opportunities to meet the diverse needs of the people of Tigard while providing accessible parks and open spaces and a transportation system that treats all modes equally with biking and walking trails spread throughout the plan area; and

WHEREAS, the Metro Chief Operating Officer (COO) reviewed the City of Tigard’s proposal and issued her COO Recommendation on April 28, 2022, which recommends that the Metro Council adopt a proposed UGB expansion for River Terrace 2.0, but through a UGB exchange process rather than the mid-cycle amendment process; and

WHEREAS, Oregon law authorizes UGB land exchanges to amend the UGB without requiring a new analysis of 20-year regional capacity where land is added to the UGB in one location while a substantially equivalent amount of buildable acreage is simultaneously removed in another location; and

WHEREAS, after receiving the COO Recommendation, the Metro Council directed Metro Planning Department staff to prepare a proposed approach for identifying properties inside the existing UGB that are the preferred candidates for being removed through the proposed UGB exchange; and

WHEREAS, Metro staff created a process for identifying potential exchange candidates that mapped buildable lands in unincorporated areas within a one-mile buffer inside the UGB, followed by consultation with the relevant local jurisdictions and special districts to determine which areas are being planned for future development and which areas are not; and

WHEREAS, after removing lands from consideration that have some level of development readiness, Metro staff presented the remaining land exchange options to the Metro Council at its meeting on September 15, 2022, and discussed potential considerations that could be applied for further narrowing of the UGB exchange areas; and

WHEREAS, the Metro Council endorsed staff's proposal to narrow the remaining options by applying a number of considerations to the remaining areas, including the amount of time property has been in the UGB, parcelization, whether an area was added to the UGB for a special purpose, and the existence of environmental features; and

WHEREAS, based on direction provided by the Metro Council and the Metro Policy Advisory Committee (MPAC) regarding the considerations for UGB exchange areas, on October 20, 2022, the Metro COO issued a recommendation to the Metro Council identifying three options for potential removal from the UGB that apply those considerations and also meet the applicable state law requirements; and

WHEREAS, on November 9, 2022, MPAC voted to recommend that the Metro Council approve a UGB exchange that would allow the addition of the River Terrace 2.0 area to the UGB to provide additional housing options to the region while removing the area identified as "Option 3" in the COO Recommendation, which includes two exchange areas, one in the area formerly known as the City of Damascus and one adjacent to the northeast part of Oregon City; and

WHEREAS, on November 22, 2022, the Metro Council also endorsed the COO's "Option 3," and directed staff to move forward with removal of those areas from the UGB through the exchange process while adding the River Terrace 2.0 area adjacent to the City of Tigard; and

WHEREAS, since the COO Recommendation on April 28, 2022, Metro staff have undertaken a significant amount of public engagement with local jurisdictions and stakeholders regarding the proposed UGB exchange and the areas proposed for removal from the UGB; and

WHEREAS, the addition of River Place 2.0 will add approximately 490.6 gross acres and 346.5 buildable acres of urban reserve land to the UGB and provide a diversity of housing types including single detached dwellings and middle housing types such as accessory dwelling units, duplexes, triplexes, quadplexes, cottage clusters, courtyard units and rowhouses; and

WHEREAS, removal of the areas identified in Exhibits A-3 and A-4 to this ordinance will remove approximately 571.8 gross acres and 351.5 buildable acres from the UGB in areas that are unlikely to be ready for development in the next 20 years; and

WHEREAS, utilizing the UGB land exchange process to provide the region with additional housing in the location proposed by the City of Tigard is consistent with Metro's policy to only add land to the UGB where a city has demonstrated readiness for development and a detailed plan for housing, transportation, parks and other infrastructure; and


WHEREAS, as required by Statewide Planning Goal 14, Metro staff evaluated other areas in the region designated as urban reserves for possible addition to the UGB based upon their relative suitability under the Goal 14 locational factors and the related Metro Code factors; and

WHEREAS, the Metro Council held a public hearing on this ordinance on January 19, 2023; now therefore

THE METRO COUNCIL ORDAINS AS FOLLOWS:

1. The UGB is amended to add and remove the areas as shown on Exhibit A, attached and incorporated into this ordinance; a detailed map of the River Terrace 2.0 area is at Exhibit A-2 and detailed maps of the areas being removed are at Exhibits A-3 and A-4.
2. The conditions set forth in Exhibit B, attached and incorporated into this ordinance, are applied to the UGB expansion areas.
3. The Urban Growth Boundary and Urban and Rural Reserves Map in Title 14 of the Urban Growth Management Functional Plan, attached and incorporated into this ordinance as Exhibit C, is amended to reflect the UGB amendments shown on Exhibit A.
4. The Findings of Fact and Conclusions of Law attached as Exhibit D to this ordinance are hereby adopted to explain how this ordinance is consistent with state law and applicable Metro policies, and to provide evidentiary support for this decision.
5. The Metro COO and planning department staff are directed to work with the City of Tigard toward providing 2040 Planning and Development Grant funding to assist the city with its comprehensive planning of the River Terrace 2.0 area.

ADOPTED by the Metro Council this 19th day of January 2023.



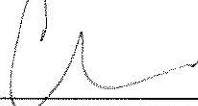
Lynn Peterson, Council President

Attest:



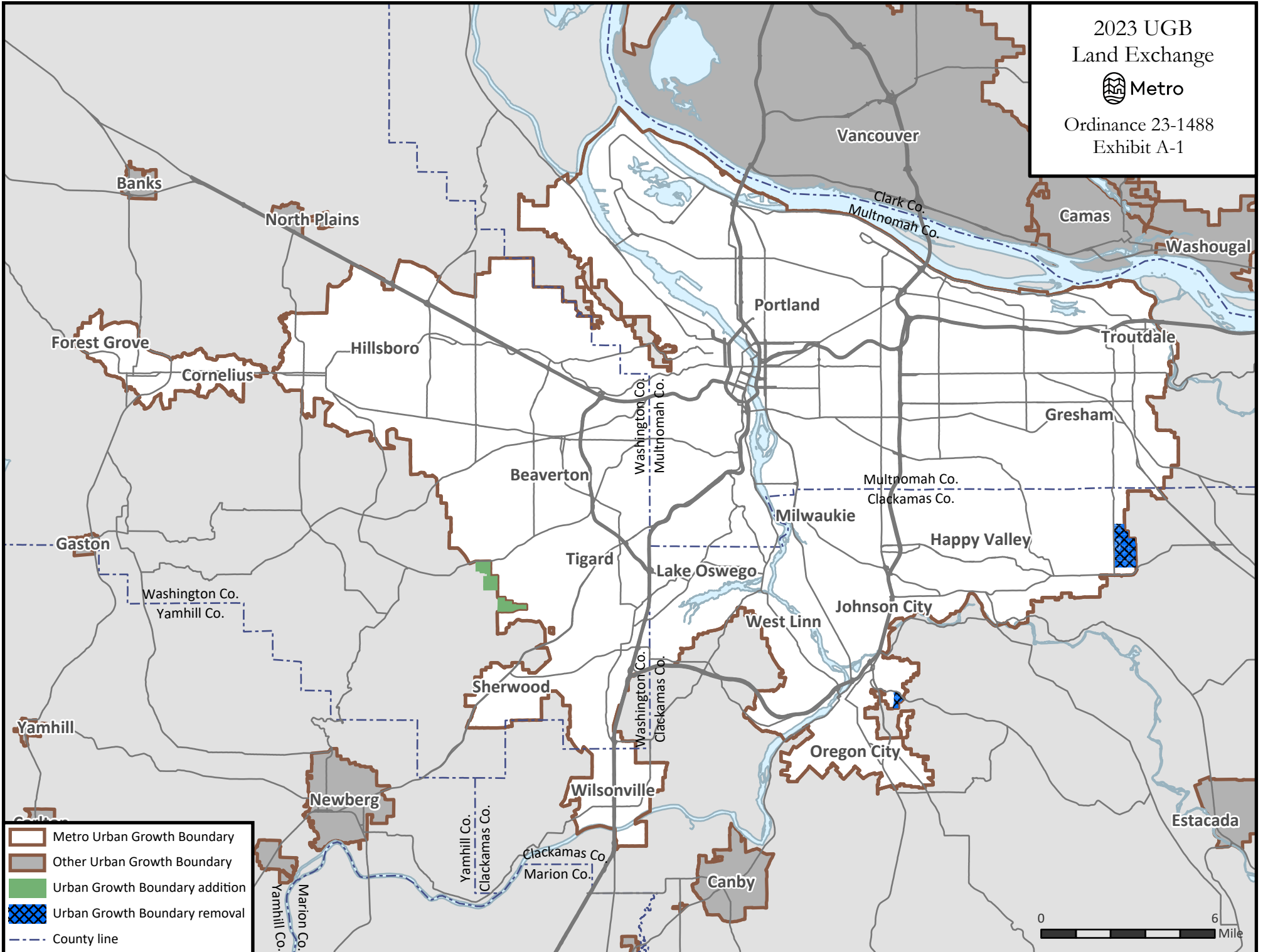
Connor Ayers, Recording Secretary

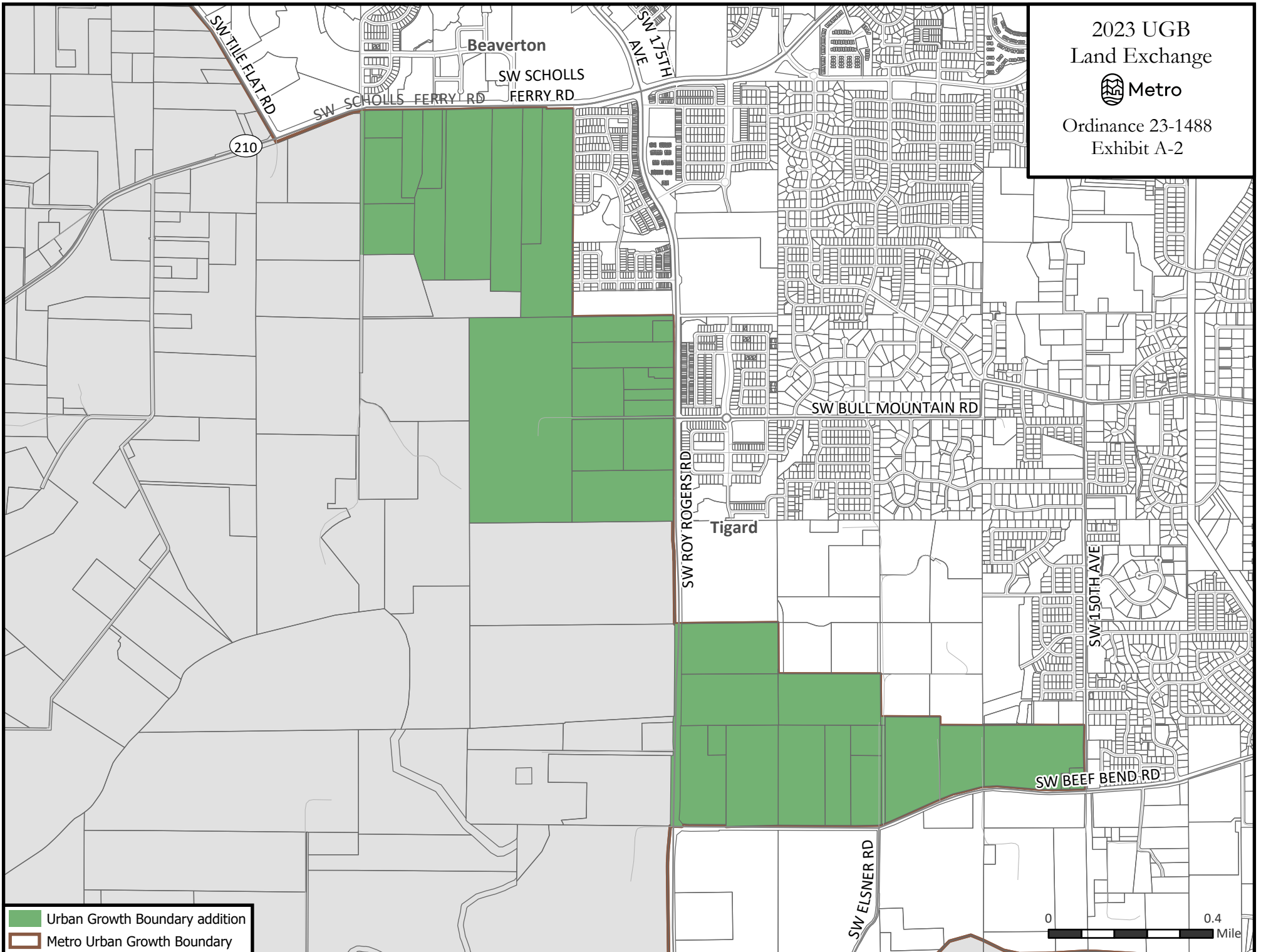
Approved as to Form:



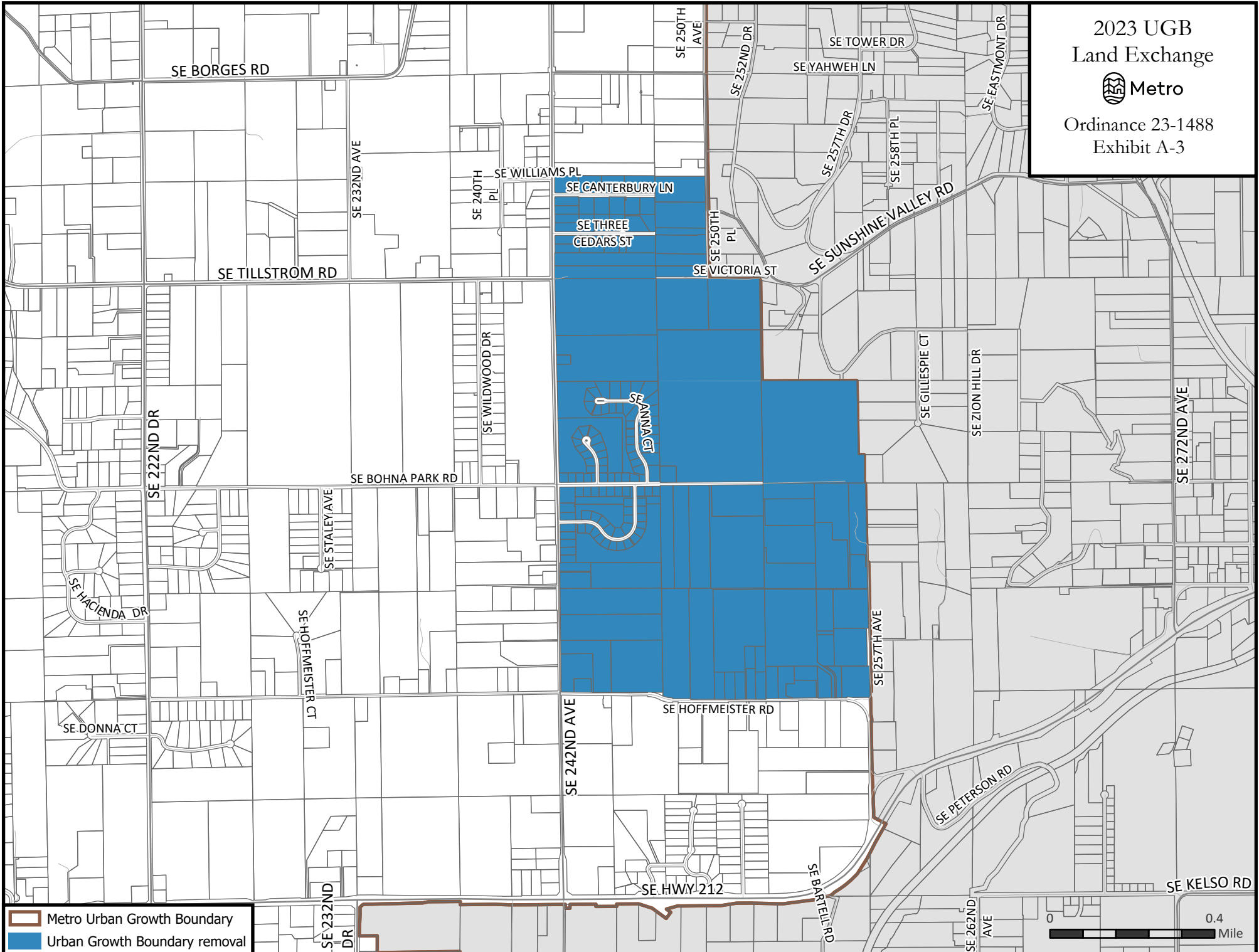
Carrie MacLaren, Metro Attorney

2023 UGB
Land Exchange
 Metro
Ordinance 23-1488
Exhibit A-1





2023 UGB
Land Exchange
 Metro
Ordinance 23-1488
Exhibit A-3



2023 UGB
Land Exchange
 Metro
Ordinance 23-1488
Exhibit A-4

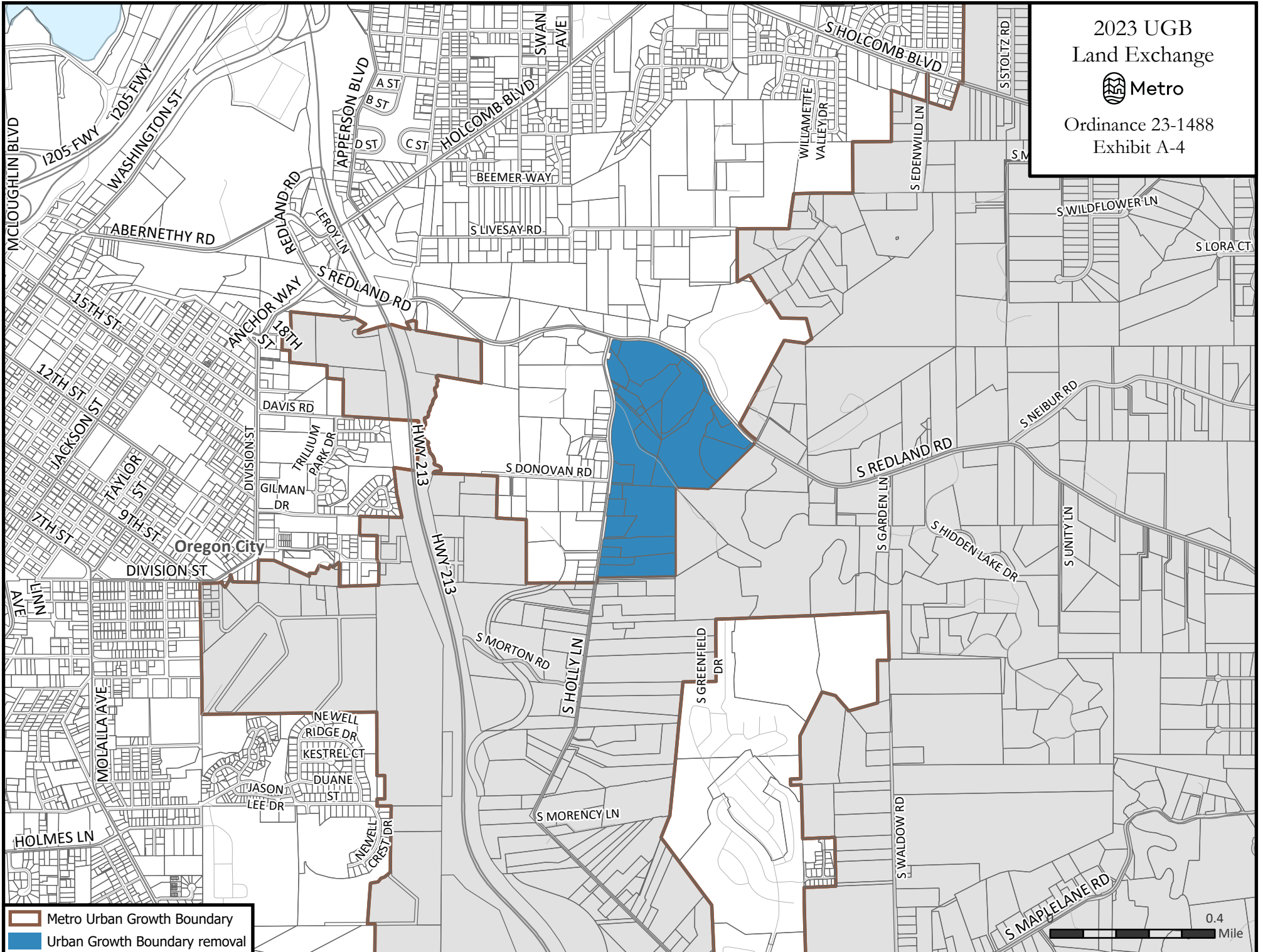


Exhibit B to Ordinance No. 23-1488

Conditions of Approval on Land Added to the UGB

A. Comprehensive planning in the area added to the UGB:

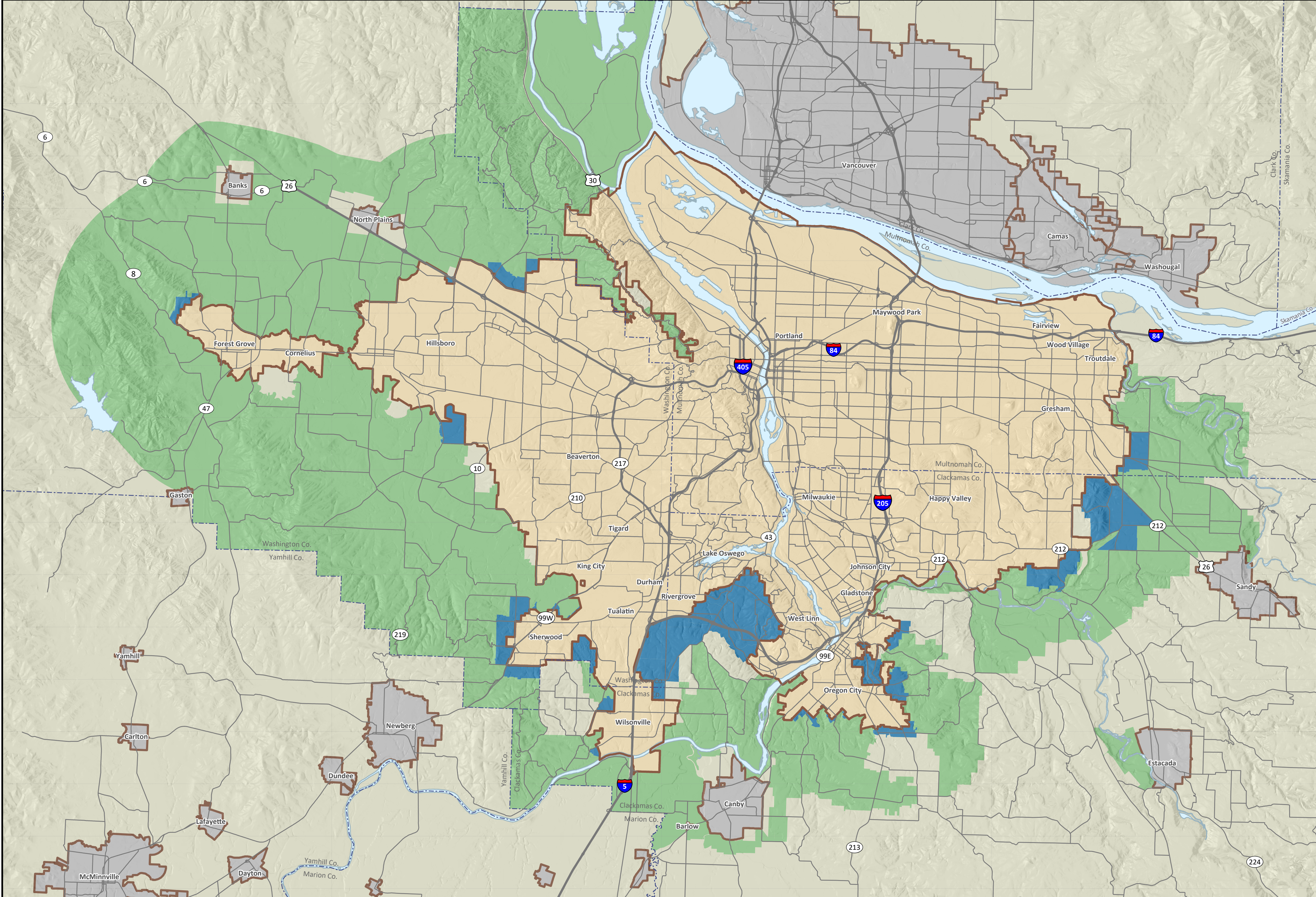
1. Within four years after the date of this ordinance, the City of Tigard (city) will complete comprehensive planning consistent with Metro code section 3.07.1120 (Planning for Areas Added to the UGB).
2. As the city conducts comprehensive planning for the expansion areas, it will address how its plans implement relevant policies adopted by Metro in the 2014 regional Climate Smart Strategy regarding: (a) concentrating mixed-use and higher density development in existing or planned centers; (b) increasing use of transit; and (c) increasing active transportation options. The city shall coordinate with the appropriate county and transit provider regarding identification and adoption of transportation strategies.
3. As the city conducts comprehensive planning for the expansion areas, it will regularly consult with Metro Planning and Development staff regarding compliance with these conditions, compliance with the Urban Growth Management Functional Plan, compliance with applicable state law, and use of best practices in planning and development, and community engagement. To those ends, the city will include Metro staff in advisory groups as appropriate.
4. At the beginning of comprehensive planning, the city will develop – in consultation with Metro – a public engagement plan that encourages broad-based, early and continuing opportunity for public involvement. Throughout the planning process, focused efforts will be made to engage historically marginalized populations, including people of color, people with limited English proficiency and people with low income, as well as people with disabilities, older adults and youth.

B. Additional requirements:

1. The city will plan for at least 3,000 homes in the River Terrace 2.0 area being added to the UGB.
2. The River Terrace 2.0 area will be designated Neighborhood on the Metro 2040 Growth Concept map.
3. The city may propose the addition of Corridors for depiction on the 2040 Growth Concept map as an outcome of comprehensive planning for the area.
4. The city will continue making progress toward the actions described in Metro Code section 3.07.620 (Actions and Investments in Centers, Corridors, Station Communities, and Main Streets).

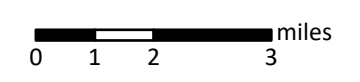
Exhibit B to Ordinance No. 23-1488

5. The city will continue to coordinate with Clean Water Services (CWS) regarding the South Bull Mountain Regional Stormwater and Sanitary System Study; all future development in River Terrace 2.0 and other parts of the city must be consistent with construction and design standards adopted by CWS in order to reduce and mitigate erosion impacts caused by stormwater.
6. Metro will work with Oregon City, Clackamas County, and the Oregon Department of Land Conservation and Development to ensure that removal of the two areas from the UGB is reflected in future housing forecast coordination efforts.



Ord. 23-1488 Exhibit C: Title 14, Urban Growth Boundary

February, 2023



The information on this map was derived from digital databases on Metro's GIS. Care was taken in the creation of this map. Metro cannot accept any responsibility for errors, omissions, or positional accuracy. There are no warranties, expressed or implied, including the warranty of merchantability or fitness for a particular purpose, accompanying this product. However, notification of any errors are appreciated.

- - - County boundaries
- ▭ Urban growth boundaries
- ▭ Neighbor cities
- ▭ Rural reserve
- ▭ Urban reserve



DATA RESOURCE CENTER
 600 NORTHEAST GRAND AVENUE | PORTLAND, OREGON 97232-2736
 drc@oregonmetro.gov | gis.oregonmetro.gov
 TEL (503) 797-1742 | FAX (503) 797-1909

Exhibit D to Ordinance No. 23-1488

Findings of Fact and Conclusions of Law

Ordinance No. 23-1488 amends the Metro regional Urban Growth Boundary (UGB) to include approximately 490.6 acres of land adjacent to the City of Tigard in exchange for removing a substantially equivalent amount of buildable land from two locations in Clackamas County. This type of UGB adjustment through a land exchange is specifically authorized under rules adopted by the Oregon Department of Land Conservation and Development (DLCD) at OAR 660-024-0070(3). The following findings of fact and conclusions of law explain how the Metro Council decision complies with state and regional land use laws and policies.

A. Background of Decision

In 2016, the Metro Council convened the Urban Growth Readiness Task Force to explore ways to improve the region's process for growth management decisions. This group included mayors, county commissioners, Metro councilors, the Oregon Department of Land Conservation and Development (DLCD), 1000 Friends of Oregon, and representatives of the homebuilding industry. The Task Force recommended modifications to the UGB process that would allow cities to propose UGB expansions to Metro based on city-adopted concept plans, rather than Metro unilaterally selecting areas to add to the UGB as had been previously done. This approach allows cities to identify how they will accommodate new development by completing a concept plan for the proposed expansion area. The Task Force also laid out a framework for what the region should expect of cities that propose expansions, emphasizing a focus on citywide development readiness and attention to housing affordability.

The Council used this approach of focusing its policy discussions on the merits of city proposals for UGB expansions in its 2018 expansion via Ordinance No. 18-1427. In that decision, the Council found a regional need for more residential growth capacity and added approximately 2,100 acres to the UGB in four well-planned urban reserve areas as proposed by the cities of Beaverton, Hillsboro, King City and Wilsonville.

The 2017 Task Force also recommended a new UGB process to provide for opportunities to expand the UGB for residential needs midway through Metro's regular six-year growth management cycle. Throughout its discussions, the Task Force emphasized that this new process should set a high bar for proposals and that the process should address housing land needs that were not anticipated in Metro's most recent regular-cycle analysis. The Oregon Legislature codified this process in 2017 through the adoption of House Bill 2095, which allows Metro to make mid-cycle residential UGB expansions by amending its most recent Urban Growth Report analysis. In 2017, the mid-cycle process was added to Metro's UGB processes outlined in Title 14 of the Urban Growth Management Functional Plan.

In November 2021, the City of Tigard submitted a proposal to Metro for a UGB expansion through the mid-cycle amendment process. The city proposed to add a total of approximately 508 acres of land to the UGB that is comprised of the two urban reserve areas known as Roy Rogers East and Roy Rogers West. The proposed expansion area is known as River Terrace 2.0 and is comprised of two sub-areas that the city adopted a comprehensive and detailed concept

Exhibit D to Ordinance No. 23-1488

plan for in 2021, as required for a proposed UGB expansion area under Title 11 of the Metro Urban Growth Management Functional Plan (Metro Code section 3.07.1110).

Metro Planning Department staff reviewed the city's proposal for River Terrace 2.0 and concluded that the city had created an exemplary land use plan for the area that would provide a diversity of single detached and "missing middle" housing choices designed to meet a range of housing needs and income levels, including regulated affordable housing. However, given current slowing of population growth trends and increasing supply of capacity for middle housing inside the UGB under HB 2001 and related local zoning efforts, Metro staff concluded that it would be difficult to legally justify a decision by the Metro Council that there is not enough buildable land inside the existing UGB to accommodate projected growth over the next 20 years.

On April 28, 2022 the Metro Chief Operating Officer (COO) presented a recommendation to the Metro Council that the city's request to add River Terrace to the UGB should be approved, but through the UGB exchange process rather than the mid-cycle process. In her recommendation the COO explained:

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

At the April 28, 2022 work session, the Metro Council directed staff to return with a proposed approach to identifying possible UGB exchange candidates. At a June 14, 2022 work session, Metro staff presented an approach that included mapping buildable lands in unincorporated areas inside a one-mile buffer within the UGB, followed by consultation with local jurisdictions and special districts. Through that consultation, staff developed its understanding of the planning and development status of these areas. Areas that were further along in their readiness were removed from consideration and areas that lacked readiness were advanced for further discussion.

At a September 15, 2022 work session, the Metro Council discussed the preliminary UGB exchange candidates and possible considerations for narrowing those options. The Metro Council directed Metro staff to narrow the UGB exchange options as proposed by staff and to come back to the Council with an array of options for potential removal areas that would best satisfy the applicable rules and local government preferences.

Metro's COO presented her recommendations to the Metro Council on October 20, 2022, which provided three options for potential exchange areas that would each remove a substantially equivalent amount of buildable land in exchange for the addition of River Terrace. Concurrently, Metro opened a 45-day public comment period on the COO recommendations.

Exhibit D to Ordinance No. 23-1488

At its meeting on November 9, 2022, the Metro Policy Advisory Committee (MPAC) reviewed the three exchange options as proposed in the COO’s recommendation and voted in favor of making a recommendation to the Metro Council to proceed with “Option 3,” which would remove approximately 490.5 acres from the UGB in the area formerly known as the City of Damascus and approximately 81.2 acres adjacent to Oregon City in the Park Place area, as shown on the maps attached at Exhibit A-3 and A-4 to Ordinance No. 23-1488.

Following the MPAC recommendation, the Metro Council directed staff at its November 22, 2022 work session to prepare an ordinance for its consideration that would complete the UGB exchange to add River Terrace 2.0 to the UGB and remove the areas described in “Option 3” as depicted in Exhibits A-3 and A-4 to Ordinance No. 23-1488.

B. Coordination with Local Governments and Stakeholders

Since May of 2022, Metro staff and councilors have undertaken significant outreach to local governments, state agencies, and other stakeholders regarding the UGB exchange proposal. The exchange has been discussed five times by MPAC, which is an advisory committee to the Metro Council consisting of elected officials from cities, counties and special districts throughout the region, as well as citizens and representatives of TriMet and DLCD. The exchange was also discussed twice by the Metro Technical Advisory Committee (MTAC), which is the technical advisory group to MPAC consisting of planning and transportation staff who support MPAC members, as well as ODOT staff and citizen representatives from each county. At its meeting on November 9, 2022, a majority of MPAC members voted to recommend that the Metro Council approve the UGB exchange as described in Ordinance No. 23-1488.

Metro staff and councilors have presented the proposed UGB exchange to the following local governments and organizations:

- May 18: Metro Technical Advisory Committee
- June 6: North Clackamas Chamber of Commerce
- June 15: Clackamas County Coordinating Committee (Metro subcommittee)
- June 21: Happy Valley City Council
- June 22: MPAC
- June 23: Gresham Chamber of Commerce
- July 20: Westside Economic Alliance
- August 2: Clackamas County Business Association
- August 17: Metro Technical Advisory Committee
- August 24: MPAC
- September 8: Damascus Community Planning Organization
- September 21: Metro Technical Advisory Committee
- September 21: Clackamas County Board of Commissioners
- September 28: MPAC
- October 5: Oregon City Board of Commissioners
- October 13: Home Building Assoc. of Metropolitan Portland
- October 17: Washington County Coordinating Committee
- October 26: MPAC

Exhibit D to Ordinance No. 23-1488

November 1:	Washington County Board of Commissioners
November 9:	MPAC
December 1:	Washington County Planning Directors

C. Public Notice

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

On December 28, 2022, Metro staff sent postcards to all residents within one mile of the proposed River Terrace 2.0 UGB expansion area. Those postcards notified residents of the proposal and provided them access to a report on the possible impacts of the expansion on existing neighborhoods. This report is required under Metro code. The postcards also provide notice of the Metro Council’s January 19, 2023 public hearing.

Metro staff hosted two townhall meetings for owners of property in areas proposed for removal from the UGB. On January 4, 2023, Metro hosted an in-person townhall at the Harmony West campus of Clackamas Community College. On January 5, 2023, Metro hosted a virtual townhall. As noted above, the virtual townhall was publicized in postcards that went to owners of property in areas proposed for removal from the UGB. Details for the in-person event were not available at the time postcards were sent, but Metro advertised the in-person townhall on its website and through relevant community planning organizations.

On January 19, 2022, the Metro Council held a duly noticed public hearing on Ordinance No. 23-1488 and accepted written and oral testimony from interested parties. At the conclusion of that meeting, the Metro Council closed the public hearing and left the record open for additional written materials prior to the second reading of the ordinance and scheduled vote on February 2, 2022.

D. UGB Land Exchange Requirements

1. UGB Land Exchange Rules

The applicable DLCD rules governing UGB land exchanges are set forth at OAR 660-024-0070(3). Those rules authorize cities and Metro to exchange land inside the UGB for land outside the UGB without having to undertake a new housing needs analysis regarding whether there is enough land inside the existing UGB to provide a 20-year supply of buildable land, so long as the amount of buildable land being added to the UGB is substantially equivalent to the amount of buildable residential land being removed.

Exhibit D to Ordinance No. 23-1488

The total gross acreage of the River Terrace 2.0 area is approximately 490.6 acres. After excluding acreage that will be used for public purposes and that is unbuildable due to steep slopes, existing natural resources, and habitat protection, the buildable acreage in River Terrace is approximately 346.5 acres. As shown on the “Option 3” map in the staff report dated January 11, 2022, the gross acreage being removed from the UGB is approximately 571.8 acres, which includes approximately 351.5 acres of buildable land. As required by OAR 660-024-0070(3)(a), the Metro Council finds that the amount of buildable land being added to the UGB is substantially equivalent to the amount of buildable residential land being removed.

The second part of the applicable DLCD rule provides that “the local government must apply comprehensive plan designations and, if applicable, urban zoning to the land added to the UGB, such that the land added is designated ... for the same residential uses and at the same housing density as the land removed from the UGB.” This part of the rule contemplates the more typical situation where a city that is approving a UGB exchange is also responsible for the planning and zoning of the property, which would be the case for all other cities across the state but not for Metro, because Metro does not have the ability to annex property into the City of Tigard or to adopt local zoning. After River Terrace is added to the UGB the City of Tigard will annex the property and adopt appropriate plan and zoning designations that are consistent with the city’s proposal and the concept plan for River Terrace. The Metro Council has adopted a condition of approval requiring the city to adopt comprehensive plan and zoning designations for River Terrace.

Similarly, the DLCD rule also provides that when land inside the UGB is exchanged for land outside the UGB, “the applicable local government must adopt appropriate rural zoning designations for the land removed from the UGB prior to or at the time of adoption of the UGB amendment.” OAR 660-024-0070(1). In the present situation, all of the land being removed from the UGB still retains the same rural zoning designations that existed at the time the land was added to the UGB in 2002. The City Council for the former City of Damascus was unable to adopt urban zoning for land within its boundaries and the city was disincorporated by a majority of its voters in a 2016 election that was ultimately affirmed by the Oregon Supreme Court in 2020. Therefore, the area being removed from the UGB in this exchange still has rural zoning under the Clackamas County Zoning and Development Ordinance, and the purpose and intent of the DLCD rule is met.

2. UGB Location Alternatives Analysis

Statewide Planning Goal 14 directs local governments, including Metro, to consider four locational factors as part of any decision to expand the UGB:

- Factor 1 – Efficient accommodation of identified land needs;
- Factor 2 – Orderly and economic provision of public facilities and services;
- Factor 3 – Comparative environmental, energy, economic and social consequences;
- Factor 4 – Compatibility of the proposed urban uses with nearby agricultural and forest activities occurring on farm and forest land outside the UGB.

Exhibit D to Ordinance No. 23-1488

The Metro Council's decision does not result in an expansion of the UGB because a comparable amount of land is being added and removed; in fact, more gross acreage is being removed from the UGB than is being added. However, the applicable DLCD rules provide that the location and priority requirements of Goal 14 and OAR 660-024-0060 must still be applied when making a UGB land exchange.

Metro's analysis of the four Goal 14 locational factors is governed by OAR 660-024-0060, which provides that when considering a UGB amendment, "Metro must determine which land to add by evaluating alternative urban growth boundary locations," consistent with the priority of lands specified in ORS 197.298. The highest priority of land available under ORS 197.298 is urban reserve. Because the River Terrace area is designated urban reserve, OAR 660-024-0060(1)(b) directs Metro to apply the location factors of Goal 14 to the urban reserve areas to choose which land in that priority to include in the UGB.

Metro's Goal 14 UGB Location Alternatives Analysis is included and adopted as part of these findings as Attachment 1. As described in that analysis, Metro undertook a two-step process by first applying the Goal 14 factors and other locational requirements in OAR 660-024-0060 to all 29 urban reserve areas. Based on that analysis, seven of the urban reserve areas were determined to be clearly unsuitable for urbanization in the short term and were removed from further evaluation. Next, Metro applied the separate Metro Code location factors to the remaining 22 urban reserve areas that were determined to be the most potentially suitable under the Goal 14 factors. That analysis is included and adopted as part of these findings as Attachment 2. Metro coordinated with the relevant service providers, including ODOT, in the evaluation of relative costs, advantages and disadvantages of providing services to the alternative areas.

The seven urban reserve areas that were determined to be the least suitable for urbanization based on the Goal 14 analysis are: Boring, Boring-Highway 26, Damascus, Stafford, Rosemont, Norwood and Tonquin. These seven areas all share significant infrastructure hurdles that would need to be addressed prior to services such as sanitary sewer and water becoming available. For instance, the closest sanitary sewer services to the Damascus or the Boring urban reserves is well over a mile away and sanitary sewer service for Stafford and Rosemont would need to flow through the Borland urban reserve area, requiring the Borland urban reserve area to be urbanized first. A table showing the results of the analysis and the rankings for all 29 urban reserve areas is attached as Appendix 4 to Attachment 1.

A second group of urban reserves were determined to rate low for more than one public facilities and services type. While the obstacles may not be as significant as in the areas noted above, these areas do face infrastructure difficulties related to large swaths of adjacent undeveloped land inside the UGB, undetermined service providers, current need for improvements to meet existing demand, and high costs for future needed improvements. In addition, a few of these areas are likely to have higher environmental consequences due to the number and location of potential stream crossings. This group includes Beaver Creek Bluffs, Borland, David Hill, Gresham East, Holcomb, Holly Lane, Maplelane, and Sherwood South.

The remaining urban reserve areas rated reasonably well for public facilities and services as well as the other Goal 14 factors. This group includes Bendemeer, Bethany West, Brookwood

Exhibit D to Ordinance No. 23-1488

Parkway, Elligsen Road North, Elligsen Road South, Grahams Ferry, Henrici, I-5 East, River Terrace South, River Terrace West, Sherwood North, Sherwood West, South and Wilsonville Southwest. Most of these areas rated at medium or high for the four different locational factors.

However, of the eight areas within this group that did not have at least one low rating, four of them are very small and would not provide sufficient buildable land to accommodate needed housing (Brookwood Parkway, Grahams Ferry, Sherwood North and Wilsonville Southwest). Another, Bethany West, is not adjacent to a city, the preferred provider of urban services in Washington County per the Urbanization Forum agreement between Washington County and the cities within the county, which reduces its likelihood of being urbanized in the short term.

In undertaking this review of alternative urban reserve areas, the Metro Council is cognizant of the region's history of expanding the UGB into areas that have failed to develop, or have developed very slowly, due to a lack of city governance and planning for development. Therefore, in its evaluation of the relative merits of the urban reserve areas under the factors in Goal 14 and the Metro Code, the Metro Council is exercising its discretion to place greater weight on the two factors that are impacted by the existence of an adjacent city with an adopted concept plan for the rural reserve area demonstrating that the city is ready to urbanize and ready to develop new housing in the short term. Those two factors are: (1) efficient accommodation of identified land needs, and (2) orderly and economic provision of public facilities and services.

The primary purpose of this UGB exchange is to provide our region with needed housing in a location that has demonstrated it is ready to develop. Therefore, the Metro Council is choosing to prioritize adding land where a city has adopted a concept plan and clearly indicated that it is ready to expedite development. With an adopted land use plan in place, River Terrace South and River Terrace West are the two urban reserve areas that will be able to urbanize the soonest and thereby more efficiently accommodate needed housing. The concept plan also describes Tigard's plans for future development and financing needed infrastructure, thereby making it more likely that River Terrace can provide public facilities and services in an orderly and economic manner.

River Terrace 2.0 is comprised of two urban reserve areas: River Terrace South and River Terrace West. As described in Attachments 1 and 2, these areas ranked comparatively high under the Goal 14 factors and the Metro Code factors, and have the benefit of a completed concept plan adopted by a city that is eager to annex, urbanize, and govern the areas. The concept plan describes the city's ability to provide and pay for urban services, expected housing types and number of units, natural resource protection needs and governance issues. Identifying and planning for these issues in advance dramatically increases the likelihood that those two urban reserve areas will be able to efficiently provide new housing units within a reasonable timeframe and will provide public facilities and services in an orderly and economic manner. Therefore, the Metro Council finds that those two areas will better accommodate new housing and more readily provide urban services under those two locational factors in both the Metro Code and Goal 14.

Application of the non-redundant locational factors in the Metro Code to the remaining 22 urban reserve areas is provided in Attachment 2 to these findings. As noted in Table 3, all urban reserve areas received a high ranking for factor 2 regarding protection of farmland for commercial agriculture, since all areas are urban reserves that by definition are appropriate for

Exhibit D to Ordinance No. 23-1488

urbanization. All but one of the urban reserve areas received a low ranking under factor 4 regarding contribution to the purposes of Centers and Corridors, primarily due to the distance between the urban reserve areas and the closest designated Center, lack of direct connections and transit service, and the character of the land uses in between.

Turning to the remaining two factors, only two urban reserve areas (Brookwood Parkway and Holly Lane/Newell Creek) received high rankings for those factors regarding transition between urban and rural lands using natural and built features, and avoidance of regionally significant fish and wildlife habitat. However, those two urban reserve areas have unique features that make them less efficient for accommodating new housing. Brookwood Parkway is very small at 53 acres with all but four parcels containing residences or institutional uses, leaving only 24 net buildable acres, which limits its ability to provide land to accommodate the identified residential need.

Holly Lane/Newell Creek is mostly surrounded by the UGB with only a 1,100 foot rural edge and has a state highway (Hwy 213) running through the middle of it. However, a significant amount of the urban reserve area is steeply sloped and a considerable portion of the riparian and upland habitat areas are in public ownership, which accounts for one-third of the land in the reserve area. The main amount of buildable land is along one north-south road, South Holly Lane, which contains numerous rural residences and has limited potential connections to land inside the UGB to the east due to steep slopes and significant natural resources. The Metro Council finds that, although this area has high scores regarding two of the Metro Code factors, on balance those advantages are outweighed by factors 1 and 2 under Goal 14 and the Metro Code. River Terrace, which has an adopted plan for orderly and efficient accommodation of new housing and infrastructure, the topography, parcelization, protected areas, and difficulty of providing urban services to the area make it less able to efficiently accommodate new housing or to provide public facilities and services in an orderly and economic manner.

After applying the locational factors under both the Metro Code and Goal 14, and weighing and balancing those factors as a whole, the Metro Council finds that the two River Terrace urban reserve areas rise to the top of the rankings when all of the factors are considered together. As described above, the Council is exercising its discretion to provide greater weight to the first and second factors under both Goal 14 and the Metro Code regarding efficient accommodation of identified land needs and orderly and efficient provision of public facilities and services. Under this analysis, and based on the evidence and analysis provided in Attachments 1 and 2 to these findings regarding application of the factors to the urban reserve areas, the Metro Council finds that River Terrace South and River Terrace West are better locations for this UGB amendment than any of the other urban reserve areas.

3. Additional Factors for UGB Expansion Proposals

At the direction of the Urban Growth Readiness Task Force, in 2017 the Metro Council adopted amendments to Metro Code section 3.07.1425 identifying certain other factors to be considered in determining which urban reserve areas being proposed by cities for a UGB expansion will better meet an identified need for housing. Those factors are considered and applied in this section. The Metro Council finds that because the purpose of this new code section is to choose

Exhibit D to Ordinance No. 23-1488

between urban reserve areas being proposed for addition to the UGB by cities, only the area being proposed for an expansion may be considered. The Council also notes that in adopting these factors, the Council's expressly stated intent was not to create criteria that must be satisfied, but factors to be considered and weighed, in the manner of the Goal 14 locational factors.

The first factor is whether the urban reserve area is adjacent to a city with an acknowledged housing needs analysis that is coordinated with the Metro regional growth forecast. The City of Tigard has an acknowledged housing needs analysis that was coordinated with Metro.

The second factor is whether the area has been concept planned consistent with Title 11 of the Urban Growth Management Functional Plan. The River Terrace 2.0 area has been concept planned by the City of Tigard.

The third factor is whether the city that prepared the concept plan has demonstrated progress toward the actions described in Metro Code section 3.07.620 in its existing urban areas. That section of Title 6 provides that in order to be eligible for a regional investment in a Center, Corridor, Station Community, or Main Street, a city must adopt a map showing boundaries for those areas and adopt a plan of actions and investments. As described in detail in the concept plan materials submitted by the City of Tigard in support of its mid-cycle amendment proposal for River Terrace 2.0, the city has demonstrated significant progress toward the requirements of Title 6. The city has one designated Town Center that encompasses the city's downtown and the Tigard Triangle, and one designated Regional Center (Washington Square) that it shares with the City of Beaverton and Washington County. Both of these Title 6 Centers have been the focus of significant investment since their designation in 1995, including recently completed projects to update and streamline the city code to encourage more and improved types of development. For all of the reasons described in the River Terrace 2.0 Concept Plan, the Metro Council finds that the city has demonstrated significant progress toward the actions described in Title 6.

The fourth factor is whether the city that prepared the concept plan has implemented best practices for preserving and increasing the supply and diversity of affordable housing in its existing urban areas. As described in detail in the concept plan materials submitted by the City of Tigard in support of its mid-cycle amendment proposal for River Terrace 2.0, the city has been a leader among mid-sized cities in the region regarding encouraging and subsidizing the construction and operation of affordable housing units. For all of the reasons described in the River Terrace 2.0 Concept Plan, the Metro Council finds that the city has implemented best practices, particularly for a mid-sized city, for preserving and increasing the supply and diversity of affordable housing in its urban areas.

The fifth factor is whether the city has taken actions to advance Metro's six desired outcomes in the Regional Framework Plan. As described in detail in the concept plan materials submitted by the City of Tigard in support of its mid-cycle amendment proposal for River Terrace 2.0, the city has proactively and demonstrably advanced Metro's six desired outcomes throughout the city as reflected in its existing plans and policies, including the Affordable Housing Plan, the Tigard Strategic Plan, and the Tigard Comprehensive Plan, and this work is continued in the concept plan for River Terrace 2.0.

Exhibit D to Ordinance No. 23-1488

E. Statewide Planning Goals

Goal 1 (Citizen Involvement): See findings in Sections B and C above.

Goal 2 (Adequate Factual Base): Findings regarding the coordination element of Goal 2 are set forth above in Section B. The Metro Council finds that the record includes an adequate factual base for these findings and the approval of the UGB exchange. The Metro Council concludes that adoption of Ordinance No. 23-1488 complies with Goal 2.

Goal 3 (Farmland): Under OAR 660-024-0020(1) Goal 3 is not applicable.

Goal 4 (Forestland): Under OAR 660-024-0020(1) Goal 4 is not applicable.

Goal 5 (Natural Resources): The Metro Council finds that adoption of Ordinance No. 23-1488 does not impact any inventoried Goal 5 resources and is therefore consistent with Goal 5 and its implementing rules.

Goal 6 (Air, Water and Land Quality): The Metro Council finds that the adoption of Ordinance No. 23-1488 does not impact any comprehensive plan designations or land use regulations that relate to protection of air, water and land quality. Ordinance No. 23-1488 does not authorize any particular uses of property with environmental impacts, and therefore does not implicate Goal 6.

Goal 7 (Natural Hazards): The Metro Council finds that adoption of Ordinance No. 23-1488 does not impact any existing local plans, polices, or inventories regarding natural hazards and does not authorize any particular uses of property in natural hazard areas; therefore, this decision does not implicate Goal 7.

Goal 8 (Recreation): The Metro Council finds that adoption of Ordinance No. 23-1488 does not involve recreation planning or destination resort siting; therefore, this decision does not implicate Goal 8.

Goal 9 (Economy): Although Goal 9 does not apply to Metro, the Metro Council concludes that adoption of Ordinance No. 23-1488 does not impact local comprehensive plans, policies or inventories regarding economic development.

Goal 10 (Housing): Goal 10 requires local governments to provide an adequate amount of housing to meet the varying financial capabilities of the people of Oregon. Goal 10 is implemented in the Metro region through a DLCD rule called the Metropolitan Housing Rule, which requires cities and counties within the UGB to meet minimum density requirements and to provide the opportunity for 50 percent of new units to be single family attached or multifamily units. *See* OAR 660-007-0030 and 0035. The Metro Council finds that the housing being proposed by the City of Tigard in its concept plan for River Terrace 2.0 appears to satisfy applicable density and housing mix requirements; however, legal compliance with the Metropolitan Housing Rule is not to be determined by Metro at the time of a UGB amendment

Exhibit D to Ordinance No. 23-1488

based only on a city concept plan. Rather, legal compliance must be determined by DLCD at the time that the city formally adopts comprehensive plan and zoning maps for the new urban area.

Goal 11 (Public Facilities and Services): Metro does not provide public facilities or services and does not adopt public facility plans; Metro is responsible for coordinating public facility planning by cities and counties. The Metro Council finds that adoption of Ordinance No. 23-1488 does not impact the planning for or provision of public facilities and services; therefore, this decision does not implicate Goal 11.

Goal 12 (Transportation): Under OAR 660-024-0020(1) the Goal 12 requirements in the Transportation Planning Rule do not apply to a UGB amendment that does not involve amendment of the local planning designation for the expansion areas allowing development.

Goal 13 (Energy): The Metro Council finds that the adoption of Ordinance No. 23-1488 promotes a compact urban form and the efficient use of energy within the UGB. To the extent Goal 13 applies, the Metro Council concludes that this decision is consistent with Goal 13.

Goal 14 (Urbanization): See findings in Section D above.

Goal 15 (Willamette River Greenway): The Metro Council finds that adoption of Ordinance No. 23-1488 has no impact on the Willamette River Greenway; therefore, this decision does not implicate Goal 15.

Attachment 1: Goal 14 UGB Location Alternatives Analysis
Attachment 2: UGB Alternatives Analysis – Metro Code Factors