THE STATE OF THE REGION

by Mike Burton

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[Slightly edited transcript of a speech delivered at the City Club of Portland on 5 February 1999.]

History has defining moments singular events that mark a sea-change in the course of human events. They can be as dark and foreboding as the image of a mushroom-shaped cloud erupting over Hiroshima, or as uplifting and electrifying as the first step of a human onto the moon. While each of these events marks the beginning of an era, it is more subtle events that ultimately shape the world in which we live.

Today, we find ourselves in a metropolitan region utterly different than it was just a few years ago. Consider this: 60,000 people have moved into the area during the past three years. We have gained 187,000 jobs and have seen a 34 percent increase in per capita income over the past six years. More than $24 billion in projected capital investments have been made in the last few years by the electronics industry alone.

During these same years, the ability of local governments to meet the demands created by all this growth and wealth has been cut twice by limits on property taxes. The state has not increased the gas tax or auto registration fees to keep pace with inflation. The region s share of state revenues has actually decreased.

Metro: Past Success & Future Potential

Metro has carried out its responsibilities as these changes have occurred. The responsibilities mandated by our voter-approved charter include managing the Oregon Zoo, the Oregon Convention Center, regional parks and open spaces, and the region s recycling and waste disposal system. In addition, Metro is working to protect natural resources and to ensure we have clean air and water.

Most significantly, Metro has demonstrated that Oregon s land use planning works. One of the reasons for our success is that we are willing to make difficult decisions, such as those made by the Metro Council in December 1998. After six years of public outreach and input, the Metro Council voted to add about 5,300 acres to the urban growth boundary (U.G.B.). This year, the Council will need to add about 3,000 more acres to meet state requirements for a 20-year supply. This represents about a two percent increase in land to accommodate 35 percent more people. While anyone can argue that an individual piece of property should or should not have been included in the U.G.B., the fact remains that without our strong regional planning process, much more land about 120,000 acres would have been necessary.

Simply put, Metro has done the work to manage growth intelligently. Our growth management strategy, endorsed by local governments and, I believe, the general citizenry, includes design standards and criteria that will help us achieve the visionary concepts of the region s 2040 plan, our blueprint for growth. The plan includes standards to protect our streams, slopes and wetlands and prevent us from developing in floodplains; to ensure open space protection; to reduce vehicle miles traveled, ensure accessibility for autos and freight, and offer more options for people to move around. Master planning is required before a single shovel of dirt is turned in new developments.

There is a cloud on the horizon. Neither Metro nor any local jurisdiction in this region has the resources to provide infrastructure for growth within the current boundary, let alone any just-added acres. A long-term strategic investment for infrastructure from roads to parks and open space to schools is critical if we are to protect our cities vitality and livability. This is not a problem just in the Metro area, but statewide. How we respond to the demands of growth while protecting our land, air and water will be critical to our success. Oregon needs a new mechanism to help local governments pay these costs.

How Will We Pay For All Of This?

I propose a two-prong solution to this problem. First, I suggest we modify the authorization for the Oregon Bond Bank run by the Oregon Economic Development Department, to allow loans and grants to local and regional governments to pay for the costs of growth in developing areas. OEDD s program is successful, but underutilized. Currently, authorization of funds is restricted to help local governments with economic development related to commercial and industrial activities. The department should use this program more effectively and extend its availability to urban reserve requirements [In other words, to enable municipalities to buy enough land to accommodate twenty years of growth, as required by Oregon s land use planning program. Ed. note.]. The best economic development tool is a healthy, livable community.

Second, we must adequately fund our region s transportation system. There is no more clear illustration of our inability to meet growth needs than our failure to address our transportation needs. Within the transportation arena we are faced with utter chaos. For the next budget cycle, the counties and cities of the region have submitted improvement requests to Metro totaling $331 million. Unfortunately, there is only about $75 million available to cover those requests.

Our lack of funding for transportation presents the greatest challenge and danger to the region s continued livability and economic viability. One way to help meet this challenge is clear: the Legislature needs to find the courage to pass a gas tax increase this session. [It did. Ed. note.] In real dollars, the state gas tax is worth less today than it was in 1976. Maintaining roads in the face of growth requires that the gas tax at least keep pace with inflation.

The Future of Cities: Portland & Beyond

I think the problem goes beyond dollar figures. Oregon has no identifiable urban agenda, despite the fact that 72 percent of Oregon s citizens live in cities. We need to stop thinking that Portland is the only urban area. Cities are cities, whether they are Medford, Eugene, Heppner or John Day. Each of those places is faced with urban concerns from gangs to adequate land for industrial and employment development to long-term water supply.

The state has no recognizable strategic approach to our urban areas. It has no strategy that helps the growing areas of Deschutes County, which experienced a 15 percent growth in three years, or Umatilla County, which ranks third in agricultural production but also experienced a six percent increase in population in three years. These numbers are indicative of pressure on the infrastructure in these counties and cities on a scale similar to our own region.

Urban Growth & Environmental Health

Other major challenges facing this region concern the environment. The economic benefits we enjoy are accompanied by an intrusion into our environment. The greatest threat to environmental quality is from urban Oregon. Now the steelhead has been listed as an endangered species the first such listing in the nation for a major urban area. While public pronouncements about commitments to restore native fish runs are becoming commonplace, I am concerned there may be too much emphasis on feel-good activities, like decorating the gym with crepe-paper streamers. This makes the gym look pretty, but it still smells like a gym.

W e have to be willing to focus on the decisions that must be made as part of a long-term recovery effort. Metro is making some of these decisions sometimes unpopular that do not easily lend themselves to sound bites but ultimately will have a major impact on the success or failure of the region s ability to grow without further degrading the environment.

At the same time that Portland City Commissioner Erik Sten and I were holding a regional forum in the spring of 1998 with more than 300 public and private sector groups expressing interest in a cooperative approach to salmon recovery, the Metropolitan Homebuilders Assoc-iation, the Columbia Corridor Association and the Commercial Real Estate Economic Coalition were preparing to appeal Metro s recently-adopted stream and floodplain protection plan, which we call Title 3. I urge them to withdraw their legal challenges and get with the program. They can deal with us, or they can deal with the federal government. Our private sector partners should be open to new approaches to doing business in the region.

Title 3 offers the first regional standards for limiting development in floodplains and riparian habitat and reducing erosion. It represents a small first step to ending our habit of building inappropriate buildings in stupid places, and it is just the first of many changes necessary to protect dwindling habitat in the face of growth. Metro is now undergoing a process to identify remaining habitat in the region that must be protected to maintain biodiversity and naturally functioning systems. We have the technical tools to learn what is left and even how to protect and restore it. The question is, do we have the will to change?

Voluntary streamside replanting programs are not enough. To succeed, we will need at least mandatory set-asides along streams to allow for vegetative buffers. Metro s open space acquisition program has purchased more than 37 miles of stream frontage throughout the region from willing sellers, but there is not enough money or time to purchase all the critical habitat in the region. We simply cannot continue to build up to the water s edge. Implementing Title 3 is a first step. It is time to go further.

A second step is to prioritize problem culverts in the region and replace the dirty dozen most significant fish-blocking culverts this year. It does not matter how much habitat we restore up river if the fish are blocked from getting there. Oregon Fish and Wildlife recently identified 150 problem culverts in the region. We know where they are. We need resources to fix them. A new program of SOLV s [Stop Oregon Litter & Vandalism] to funnel volunteers to habitat restoration projects designed by local watershed councils is an excellent idea.

I believe money for parks and salmon from Measure 66 should be made available for culvert replacement. I urge the Legislature to stop arguing over who controls the dollars and start funding the array of necessary projects on the ground. With its local partners, Metro must continue to adopt regional standards for development and road design to minimize impact on the environment. There is no reason to allow for any increase of storm-water run-off from new development.

Land-Use Planning In Oregon: A Success Story

On the matter of what makes a difference, let me briefly address our state land-use laws themselves. I have been there almost from the beginning. I joined the administration of Governor Bob Straub in 1975 and it was our responsibility to see to the implementation of SB 100. [Oregon s landmark 1973 land use legislation. Ed. note.] Talk about a sea-change! From the beginning, we recognized that if our land use laws were to work, it would require not only patience, but understanding that SB 100 s goals represent values for which it is worth working.

Our state goals are tested and true: citizen involvement, protecting agricultural and forest lands, providing for economic development, and protecting the air, water, natural resources and open space. Our problem is not our vision, not our goals, but rather our inability to carry them out. A couple of specific steps taken in this region may help other areas with their growth demands.

The Portland Region As Model For Metropolitan Oregon

A regional approach to periodic review would give other areas the flexibility Metro has in terms of reaching a jobs/housing balance or meeting transportation requirements by increasing the number of cities or counties that could be counted in the mix. We should regionalize the 20-year land supply requirement or at least apply it at the county level so that growth can be allocated among several cities instead of city by city.

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North Portland shipyards on the Willamette River.

History does have its defining moments some singular and revolutionary, some multi-faceted and evolutionary. Metro is an historic aspect of this place we call home . The concept of a metropolitan government may be revolutionary, but what we have accomplished has been evolutionary. It happened because we have a form of government to which the voters gave both the authority and the responsibility to ensure that our region is a livable place.

In the past, Oregonians have met many challenges. We have pioneered new territory, protected beaches and created the bottle bill. Now is the time to protect our cities, our urban vitality. Assistance is needed for the next step. I urge all of us from individuals to the legislature to

MEETING THE CHALLENGE OF GROWTH

the Governor s Office to continue meeting the challenges we face in making sure that these dynamic urban areas are great places to live.

[Edited excerpts from a speech delivered at the City Club of Portland, on 14 January 2000.]

The metropolitan region is facing a critical period in its history. We have reached the limit of this area s capacity to absorb more growth and still retain the quality of life for which Oregon is famous. It is not possible to accommodate population growth at double the national average, create livable communities and protect the environment at our current level of investment. We can no longer afford to be casual observers of growth, assuming that our job is simply to accommodate whatever comes. We must take a more active role in shaping our destiny.

Invest in the Future

We must invest substantially more in the infrastructure of this region in schools, transportation, parks, sewers and basic public facilities if we are to have any hope of maintaining the special character of this place. We can invest now or pay more later.

The Governor s 21st Century Liva-bility Fund is a start. It will provide a small, but desperately needed, down payment of about $150 million statewide. I intend to work closely with the Governor s staff to direct some of that money to our local partners in places that have particularly high rates of growth.

Local governments cannot afford the up-front infrastructure rapid growth requires. Real estate developers need to help. While I understand that their obligations are different from a government s obligations to the public, they certainly could do more than they have in the past.

We need to defeat AAA s effort to repeal the gas tax passed by the legislature. This past November, voters approved a constitutional amendment to ensure equity in road costs between autos and trucks, which should take the wind out of AAA s sails. Still, the gas tax alone will not solve our transportation problems. Traffic congestion is bad and getting worse, especially in the I-5 corridor. It is a nightmare for commuters and it is choking freight mobility. The region needs a balanced multi-modal transportation system linked to the 2040 vision, [Metro s long-range plan for the region. Ed. note.] which has a price tag of $7 billion. We expect only about $2 billion in federal, state and local revenue, even if the nickel gas tax increase survives. Under the best of circumstances, we are short by $5 billion.

Protect the environment

Last month the National Marine Fisheries Service recognized Metro s Stream and Floodplain Protection regulations as the benchmark standard for protecting stream flows and controlling erosion. Our local government partners need to implement these regulations as soon as possible.

Metro is on track to adopt additional regulations this year to protect fish and wildlife habitat. These so-called Goal 5 regulations will be linked as closely as possible to the federal regulations for salmon and steelhead recovery. The new regional and federal rules will require more land to be protected from development both within the UGB and in our urban reserves, and could stimulate a more useful discussion about where we should grow.

Develop Strategically

For the past two years, Metro has tied itself in knots calculating the amount of land needed to accommodate 20 years of growth. We have engaged in the most arcane debates about everything from street widths to upzoning and underbuilding. We need to focus more on where new development should occur. Growth should be directed away from farm and forest land and to areas where it can be adequately served by cities and service districts. We need to encourage growth in complete communities that provide homes, jobs and stores in close proximity to each other and to public transit corridors.

A major focus for the 2001 legislative session should be to take action to insure that new job growth can occur in those areas of the state which need them most. This may mean changing our land use laws to take into account regional differences. The coast, valley, central and high deserts all have different economic circumstances, and development over the next century will be different than it has been in the last.

Concurrency is a loosely defined term meaning that development will not begin until there is a commitment to finance the necessary infrastructure. Florida requires concurrency by state law. Wilsonville is, in effect, requiring concurrency by rationing building permits based on a proposed project s need for water. It makes no sense to allow a development that will compromise the city s ability to fight fires or to supply drinking water to current residents. The same logic applies across a broader range of public services. As a state and as a region, we need to consider how to require concurrency.

Slow the pace of growth

Some kinds of growth are hard to control. Forty-four percent of the region s expected population growth will be our own children. Still, that does not mean that there is nothing we can or should do. We still need to be smart about where, when and how we stimulate the economy rather than closing our eyes and mindlessly pushing the accelerator.

We can stop subsidizing new growth where we cannot handle it or do not need it. It often makes more sense to strengthen existing businesses including natural resource industries rather than attracting new ones. Washington County has shown leadership on this issue and provides a model of some of the innovative thinking the region needs.

Last year Washington County entered into a Strategic Investment agreement with Intel that provides some property tax relief to encourage Intel to invest $12.5 billion to retool its Washington County facilities. The agreement focuses on workforce retention, rather than new job growth, meaning minimal impacts to schools and public infrastructure. If Intel adds more than 1,000 new manufacturing jobs, it will pay a growth impact fee of $1,000 per additional employee per year. This is not a big amount, but the concept is important.

Slowing the pace and changing the direction of growth will not get us off the hook for making major investments in infrastructure, for doing more to protect the environment or for thoughtful regional planning to absorb the growth of the last decade. But it will make our goal of livability more achievable.

Mike Burton was recently elected to his second term as executive officer of Metro, the regional government serving the greater Portland metropolitan area. He was elected to the first Metro Council in 1979 and was presiding officer when the region's urban growth boundary was adopted. He was elected to the