

2040

A Vision Flawed?

by Randal O'Toole



What would you think of a plan for Portland that would:

- pack people in as tightly as in the New York urban area;
- create more highway congestion than in Los Angeles;
- increase smog and other air pollution;
- develop thousands of acres of prime farm lands;
- greatly increase property taxes for typical homeowners; and
- drive up home prices so that many of your children will have to spend their lives in apartments—never enjoying the wealth and equity that comes from home-ownership?

You would probably say that such a plan is insane. Yet this plan has been written. It is called the Metro 2040 Plan, and the Metro Council is well on its way to imposing it on all residents of the Portland area.

Metro is Portland's "regional government." It is unique in the nation in that it can write a land-use plan and then force all the cities and counties in the region to rezone their neighborhoods to comply with the plan. Some people considered that a great victory. Others are discovering, to their sorrow, that it is a disaster for urban livability.

Metro insists that its 2040 Plan will increase Portland's livability. Yet buried in the plan's technical appendices and related documents are the following facts:

- The plan will increase the Portland area's population density to nearly 5,000 people per square mile.¹ In 1990, the New York urban area (which the Census Bureau defines to include northeastern New Jersey) had just 4,100 per square mile.

- The plan will quadruple the number of miles of congested roads.² The Metro Regional Transportation Plan describes congestion as a sign of "positive urban development."³

- Since cars pollute most in heavy traffic, the plan would dramatically increase nitrogen oxides, a primary component of photochemical "smog."⁴

- Planners want to force the owners of at least 13,000 acres of prime farm land inside the urban growth boundary to develop their property, even if they would rather continue farming. Metro says it considers the tax breaks provided to maintain such land in farms to be "counter-productive to good planning."⁵

Everything about the 2040 plan is aimed at returning Portland to the nineteenth century.

- Meanwhile, Metro wants to give huge property tax breaks to developers of apartment buildings (either increasing everyone else's taxes or reducing government services) even as it makes homeowners pay property taxes to build light rail.

- Finally, Metro wants cities to re-zone many neighborhoods of single-family homes for multi-family housing and to subsidize developers who will build high-density developments in those neighborhoods. The resulting surplus of apartments and shortage of single-family homes will make home ownership a distant dream for many.

Portlanders agree on one thing: They don't want Portland to be like Los Angeles. In 1994, while putting together this plan to "stack 'em and pack 'em" (as some supporters privately describe the 2040 Plan), Metro planners compared the nation's fifty largest cities to see which one was closest to their goal for Portland. They wanted a high-density city that had few freeways relative to its population.

As it turned out, the nation's highest density metropolitan area (i.e., city plus suburbs) is also the city with the fewest miles of freeways per capita. The city? Los Angeles! The L.A. metropolitan area, planners concluded, represents the "investment pattern we [Metro] desire to replicate."⁶

You have to know that a planning agency is pretty screwed up when it decides that its goal is to turn Portland into Los Angeles.

Supporters of the 2040 Plan argue that land-use planning is needed to protect open space. But Oregon's planning laws have failed to do that. According to the Natural Resources Conservation Service, between 1982 and 1992, Oregon urban areas sprawled faster, relative to population growth, than those in California, Washington, Arizona, Nevada, or Texas—all states infamous for their urban sprawl and minimal land-use laws.⁷ If we are to protect open space, we need a new approach, not just more regulation.

To make matters worse, to implement the 2040 Plan, local governments are promoting the development of lots of once-sacrosanct open space in the Portland area. The city of Portland itself has sold or is selling parts of three city parks to developers. The Top 'o Scott golf course, which has been getting a tax break for nearly two decades as "permanent" open space, is now slated for high-density housing and office developments.

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Supposedly, Portland voters protected open space with a "Greenspaces, Parks, and Streams" ballot measure that dedicates nearly \$140 million of property taxes to buying open space. As it turns out, 90 percent of the land being bought with these funds is outside the metropolitan area. Most of it is dedicated to wildlife habitat; almost none will be parks and playgrounds.

Portland also suffers from many myths about transportation. Portland's light rail is heralded as a great success, yet in fact it is a great failure. Average weekday ridership in 1996 was 27,000, less than half of the original predictions. By comparison, a similar light-rail line in Calgary, Alberta, carries 165,000 riders per day.

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For so little result, light rail is outlandishly expensive. The westside light rail, now under construction, and the south-north light rail, now in planning stages, together dedicate more than half of Portland's transportation budget for two decades to a form of transit that planners, in their most optimistic moments, agree will only carry two percent of Portland's people. Light rail is so expensive that Tri-Met, Portland's transit agency, is being forced to cut bus service on bus routes that are full to overcrowding.

But the worst thing about light rail is that Metro wants to use it as a wedge to redevelop neighborhoods to high densities. Light rail "is not worth the cost if you're just looking at transit," admits top Metro planner John Fregonese. "It's a way to develop your community to higher densities."

Everything about the 2040 Plan—high densities, light rail, mixed use developments—is aimed at returning Portland to the nineteenth century. Before the automobile, people lived in high densities because transportation was time consuming and costly. The automobile (along with telephones, electricity, and other innovations) changed all that, and now people prefer to live in lower densities.

Metro planners think that if they can only force people to live in high densities, they will somehow give up their cars. But they are confusing cause and effect and they know it. Portlanders currently use their cars for 92 percent of all trips in the urban-growth boundary. Transit gets three percent, while the rest is biking and walking.

Metro's computer models show that, if they increase Portland's population density by 75 percent, build 100 miles of rail lines but few new roads, and redesign many neighborhoods to look like nineteenth century towns, then the share of trips using

transit will rise to five percent while the share using cars will fall to 88 percent. This tiny change—which is probably optimistic—is hardly worth the cost, the limits on personal freedom, or the chance to be guinea pigs in a great planning experiment.

If we scrap 2040, how do we manage growth? The answer is to treat the root problems of growth, not just the symptoms. This means making sure people pay the full costs of their activities, whether driving or building new homes. If we do this, we can protect open space and minimize congestion and other growth problems without raising taxes or forcing people to turn their neighborhoods into high-density developments.

Here are some examples of what I mean.

We can deal with congestion by understanding the problem. Drivers can often go three or more times faster on freeways than on streets. Yet the cost to the user is the same, since both freeways and streets are paid for out of gas taxes. No wonder urban freeways get so crowded—three times the service at no extra cost.

There is also no extra cost to drive at rush hour than at any other time of day. Airlines, hotels, even restaurants often charge more during busy times than other times—to do otherwise would be to encourage congestion. Remember what happened to America On Line when it switched to flat rate pricing?

The solution is to charge tolls to use the most crowded highways, and to vary those tolls by time of day: highest at rush hour, lowest (or free) at night. Modern technology in use on a road in southern California allows electronic tolls without tollbooths while safeguarding the privacy of the users.

Oregonians, used to free roads, object to tolls. But one way to do this is to add new lanes to existing roads and dedicate them to either high-occupancy vehicles (three or more people) or people willing to pay tolls. The tolls can pay for the new lanes and people who want to pay no toll can continue to sit in traffic.

We can deal with air pollution in the same way: by charging people for the pollution they actually produce. There are several ways of measuring the pollution that comes out of automobile tailpipes, and pricing pollution will encourage people to get the dirtiest cars off the road.

We can greatly improve transit by de-monopolizing Tri-Met and other Oregon transit agencies. A legal monopoly, Tri-Met gets only about 10 percent of its receipts from transit riders, so it has little incentive to cater to riders. Instead, it is very much a political agency, working for light rail and other projects that aim at getting maximum federal dollars rather than serving Portland's transportation needs.

Ending Tri-Met's monopoly would allow anyone to set up a transit service of their own. Jitney services, for example, might consist of vans that pick people up at their door and drop them off at their destination. The experience of many other cities shows that such services can attract far more riders than light rail at essentially no cost to taxpayers.

We can save the open space that is important to us by setting up a trust fund that will buy open space or conservation easements. One possible source of the funding would be a tax on real estate sales. This is appropriate since the most valuable real estate has the best views. Some of the funds could be spent by neighborhood groups improving their own neighborhoods. Such neighborhood groups should also be given the power to zone their areas, since they know more about what local residents need and want than a centralized bureaucracy like Metro.

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contract, may reject the produce. Hence the grower usually follows the directives. These contracts commonly grant the processor a share of the farmer's profits. The amount of acreage processors end up controlling is far beyond the limits set by Congress.

Subsidies turn a stream of water into a stream of money. Little of either reaches the family farm.

To encourage the settlement of small farms, rather than the organization of large estates on which farmers would be mere tenants, the Reclamation Act of 1902 set limits on the amount of land to which a farmer could apply federally subsidized water. As time passed, irrigators found loopholes which large farmers used to gain control of bigger tracts of land. The Reclamation Reform Act of 1982 aimed at correcting these abuses while raising the ceiling to 960 acres. Yet the rules implementing the law still leave loopholes.

A single corporate grower can set up a number of trusts, each of which owns lands within the acreage limitations. Then, the grower farms the entire acreage as one unit. Other cases border on fraud: a smaller landowner certifies that he is not applying water in excess of acreage limitations yet leases to a large grower in complete possession and control of his land and that of others. Thus large growers in the Columbia Basin get control of many thousands of acres.

Closing the loopholes would give control back to the small farmer. To enforce acreage limitations already in reclamation law, the Bureau of Reclamation should design and implement new rules to determine when land owned or controlled by different parties is actually being farmed as one operation. No one criterion provides a litmus test to determine this. The Bureau should use a number of criteria which in combination may identify overly large farm operators.

Now, however, the Bureau of Reclamation fails to adequately monitor and rigidly enforce acreage limitations, letting agribusiness grab the subsidy intended for small family farmers. This shift in financial support facilitates the decline of the small farmer and the takeover by the corporate farmer. It fosters the conversion of these stunningly expensive irrigation projects into Third World corporate plantations. Large, export-oriented multinational corporations force independent small farmers into the highly competitive global market where they cannot compete. When small farmers go under, so do economically independent small towns. Surviving operators won't be farmers but contractors controlled by the processors in league with the fast food retailers.

In his book, *Lost Landscapes and Failed Economies**, Thomas Michael Powers exposes the flaws in the strategy of basing a local economy on the resource extraction model. Powers argues that the quality of the natural landscape is an essential part of a community's



permanent economic base and should not be sacrificed in short-term efforts to maintain employment levels in industries that are ultimately not sustainable. The same holds for the social landscape, too. If the Bureau of Reclamation were to strictly enforce acreage limitations on reclamation projects, we could preserve the family farm and the economic independence of rural towns.

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Finally, we need to stop subsidizing growth. Since 1994, Oregon communities have given huge tax breaks to companies that move into the state. Portland and other metro-area cities are also giving breaks to developers of high-density housing. Such breaks will, in the long run, prove disastrous to urban livability.

A trust fund to buy open space could be funded by a tax on real estate sales.

Unlike the Metro 2040 Plan, ideas such as these will reduce, not increase, congestion and pollution. They will allow people to choose the kind of neighborhood they want to live in, not force people to live in New York-area like densities. And they will protect the farms and open space that are important to us, not just those that are on one side of an arbitrary urban growth boundary.

The latest version of the 2040 Plan was adopted this fall by elected representatives on the Metro Council. If you live in the Portland area and you like congestion and pollution, the higher crime that goes with higher population densities, skyrocketing housing prices, and huge subsidies for growth, then you don't need to get involved. Otherwise, you should find out what Metro plans to do in the vicinity of your neighborhood, and work with your neighbors to stop it.

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- (1) Metro, *Region 2040 Recommended Alternative Technical Appendix*, 15 September, 1994, Table 7.
- (2) Ibid., table titled "Total Region, Selected Performance Measures."
- (3) Metro, *Regional Transportation Plan Update*, 22 March, 1996, page 1-20.
- (4) Metro, *2040 Plan Growth Concept*, 8 December, 1994, Appendix C, page 19.
- (5) R. Gregory Nokes, "Taking a Stand," the *Oregonian*, 16 March, 1995.
- (6) Metro, *Metro Measured*, May, 1994, page 7.
- (7) Natural Resources Conservation Service, *Natural Resources Inventory* (Washington, DC: United States Department of Agriculture, 1992), Table 1.