

STAFF REPORT

IN CONSIDERATION OF ORDINANCE NO. 11-1255, FOR THE PURPOSE OF REVISING THE "URBAN GROWTH BOUNDARY AND URBAN RESERVES MAP" IN TITLE 14 (URBAN GROWTH BOUNDARY) OF THE URBAN GROWTH MANAGEMENT FUNCTIONAL PLAN

Date: April 5, 2011

Prepared by: Tim O'Brien, x1840
John Williams, x1635

BACKGROUND

At the request of a consortium of leaders in the region who wanted to change how this region makes growth management decisions, the Oregon Legislature in 2007 authorized Metro and Clackamas, Multnomah and Washington counties to designate urban and rural reserves. After a two and half year process that included an extensive outreach effort that brought together numerous citizens, stakeholders, and local governments and agencies, three Intergovernmental Agreements (IGA) among the four partners, one each between Metro and each county, were signed in February 2010.

The three counties developed comprehensive plan amendments and held hearings to adopt ordinances to implement the agreements in the IGAs as described below:

- On May 27, 2010, Clackamas County adopted ZDO-233, which designates 68,680 acres of rural reserves.
- On May 13, 2010, Multnomah County adopted Ordinance No. 2010-1161, which designates 46,706 acres of rural reserves.
- Washington County took action to Engross Ordinance No. 733 on May 25, 2010, and took final action on the amendment on June 15, 2010. It includes 151,526 acres of rural reserves.
- On June 10, 2010 Metro adopted Ordinance No. 10-1238A to adopt 28,615 acres of urban reserves and conforming amendments to the Regional Framework Plan and the Urban Growth Management Functional Plan.

The total amount of rural reserve land was 266,912 acres, and the total amount of urban reserve land was 28,615 acres. The breakdown of urban reserve acreage by county is as follows: Clackamas County – 13,874 acres, Multnomah County – 857 acres, and Washington County – 13,884 acres.

The Land Conservation and Development Commission (LCDC) held a public hearing on October 19-22, 2010, and on October 29, 2010 gave its oral approval to the reserves in Clackamas and Multnomah Counties and to the rural reserves and most of the urban reserves in Washington County. LCDC, however, rejected the designation of Urban Reserve 7I north of Cornelius and directed reconsideration of Urban Reserve 7B north of Forest Grove. At the request of Washington County and Metro, all Washington County Rural Reserves were remanded as well to allow flexibility in re-designation of Urban Reserves in response to the remand.

In response to LCDC's oral decision, the Washington County Board of Commissioners and the Metro Council held a joint public hearing on March 15, 2011 on a new proposed IGA that would implement a proposal announced on February 22, 2011 by Metro Council President Tom Hughes and Washington County Chair Andy Duyck. The proposal featured the following changes from the 2010 Washington County Urban and Rural Reserves map as seen in Attachment 1:

- A. Twenty-eight acres of proposed urban reserve 7B (between Highway 47 and Council Creek) located north of Forest Grove would be converted to undesignated land (land that is neither urban reserve nor rural reserve).
- B. The prior urban reserve 7I north of Cornelius (623 acres) is removed. The area west of NW Susbauer Road (426 acres) is now proposed to be rural reserve.
- C. The 197 acres east of NW Susbauer Road in the vicinity of NW Hobbs Road is undesignated land.
- D. A new urban reserve of 585 acres added on formerly undesignated land adjacent to existing urban reserve 8B north of Highway 26 and south of NW West Union Road.
- E. A new undesignated area of 383 acres from former rural reserve land, south of SW Rosedale Road and west of SW Farmington Road.

After listening to public testimony and discussing refinements to the proposed February 22nd IGA, the two governing bodies agreed upon a revised IGA proposal that reduces the amount of proposed urban reserve land north of Highway 26 and reconfigures the split between rural and undesignated land north of Cornelius in the remanded 7I Urban Reserve area. The revised IGA features the following changes from the 2010 Washington County Urban and Rural Reserves map as can be seen in Attachment 2:

- A. Twenty-eight acres of proposed urban reserve 7B (between Highway 47 and Council Creek) located north of Forest Grove are converted to undesignated land.
- B. The prior urban reserve 7I north of Cornelius (623 acres) is removed. The area north of undesignated Area C noted below, south of NW Long Road, extending from NW Cornelius-Schefflin Road to just east of NW Susbauer Road (263 acres) now proposed to be rural reserve.
- C. The 360 acres located north of the City of Cornelius and south of the general location of NW Hobbs Road, between NW Cornelius-Schefflin Road and the floodplain of Dairy Creek is undesignated land.
- D. A new urban reserve of 352 acres added on formerly undesignated land adjacent to existing urban reserve 8B north of Highway 26, south of NW West Union Road and east of NW Groveland Road.
- E. A new undesignated area of 383 acres from former rural reserve land, south of SW Rosedale Road and west of SW Farmington Road.

In total, these changes would remove 120 acres of rural reserve and would remove 299 acres of urban reserve land in Washington County from the proposal submitted to LCDC in June 2010.

As directed by Oregon Administrative Rule 660 Division 27 the four local governments must adopt identical overall findings for urban and rural reserves in the region. Therefore, even though LCDC did not remand any of the urban or rural reserves in Clackamas and Multnomah counties, the two counties still need to adopt new overall findings related to the changes that occurred in Washington County. The status of the three counties' ordinances adopting the new findings is as follows:

- On April XX, 2011, Clackamas County will take final action on ZDO-XXX, which designates 68,713 acres of rural reserves.
- On April 28, 2011, Multnomah County will take final action on Ordinance No. YYY, which designates 46,706 acres of rural reserves.
- Washington County took action to engross Ordinance No. 740 on March 29, 2011, and will take final action on the ordinance on April 26, 2011. It includes 151,209 acres of rural reserves.

The total amount of rural reserve land in the region is 266,628 acres, and the total amount of urban reserve land in the region is 28,256 acres (see Exhibit A to Ordinance No. 11-1255). The breakdown of urban reserve acreage by county is as follows: Clackamas County – 13,874 acres, Multnomah County – 857 acres, and Washington County – 13,525 acres. Please note the final acreages for both urban and rural reserve designations in Washington County and rural reserves in Clackamas County reflect refinements

that Metro and the counties completed regarding the boundaries of the reserve designations as they relate to street right-of-way, floodplain and improved tax lot alignment.

FINDINGS

The findings of fact and conclusions of law (Findings) for the designation of urban and rural reserves is a joint document among the four partner jurisdictions. Each jurisdiction adopted the overall Findings for the decision (Exhibit B, Sections I – V) and each county developed, and Metro adopted, the Findings for the individual urban reserve and rural reserve areas in its county (Exhibit B Sections VI – VIII). The overall Findings address the regional balance that was struck by the partner governments in designating a sufficient amount of urban reserves to accommodate the estimated urban population and employment growth in the Metro area for 30 years beyond the 20-year period from 2010-2030, or until 2060.

Amount of Urban Reserve Acreage

There is no significant change in the amount of urban reserves. For a discussion on the amount of urban reserve acreage, please see the staff report for Ordinance No. 10-1244B.

Protection of Foundation and Important Agriculture Land

Based on the Oregon Department of Agriculture (ODA) map, Foundation and Important Agricultural Land comprises approximately 13,624 acres, or 48%, of the 28,256 acres of proposed urban reserves. This represents only 5% of all such agricultural land studied within the three-county area. This percentage is even lower if the actual land zoned as Exclusive Farm Use is measured against the proposed urban reserve land (Attachment 3). In addition, almost all of the urban reserve land is bordered either by the existing UGB or rural reserve designated land, thus creating a 50-year ‘hard’ edge between future urbanizable land and Foundation and Important Agricultural Land. Of the 266,628 acres of proposed rural reserves, 248,796 acres are mapped as Foundation or Important Agricultural land.

Much of the Foundation Agricultural land located adjacent to the UGB is generally flat whereas some but not all of the Important and Conflicted Agricultural Lands within the reserves study area exhibit steeper slopes than the Foundation Land close to the UGB (Attachment 4). The non-Foundation Lands also exhibit rural residential development patterns (‘exception lands’) on smaller parcels (Attachment 5). Simply based on land suitability for urban uses and functions, such as creating walkable, mixed use neighborhoods, providing services in an efficient and cost-effective manner, developing a well-connected transportation system and realizing densities to support transit, the best geography is relatively flat, undeveloped and unencumbered land. Given the topographic nature, its location adjacent to the UGB, and the absence of rural residences, it is not surprising that some of the Foundation and Important Agricultural land is proposed for future urban use.

The Tualatin Valley Irrigation District (TVID) is the only irrigation district within the reserves study area and provides 16,000 acre-feet of water to approximately 82,000 acres of western Washington County, almost entirely on Foundation Agricultural Land. The vast majority of the irrigation district is designated as a rural reserve. Four urban reserves located on Foundation Agricultural land are completely within TVID and an additional three urban reserves on Foundation Agricultural Land are partially within the TVID (Attachment 6). As the TVID basically surrounds Cornelius and Forest Grove, it is unavoidable for any urban reserve adjacent to these two cities to not be within the irrigation district. A significant portion of Urban Reserve 6A that is within the TVID is comprised of the Reserves Vineyard & Golf Course. Approximately 2 ½ times more acreage of urban reserves occur on Foundation land that is not within an irrigation district compared with the urban reserve Foundation Land acreage within the TVID.

There are four Oregon Water Resources Department designated Critical or Limited Groundwater Areas that include both Foundation Agricultural Land and urban reserves (Attachment 7). Critical groundwater areas are locations where the pumping of groundwater exceeds the long-term natural replenishment of the

underground water reservoir and water use is restricted. Limited groundwater areas are locations where the groundwater has declined to the point where new water rights are restricted to a few designated uses. The Cooper Mountain Bull Mountain Critical Area includes Urban Reserves 6B, 6C & 6D. The Chehalem Mountain Limited Area includes a portion of Urban Reserves 5A & 5B. The Sherwood-Wilsonville Limited Area includes the remaining portion of 5A and the Sandy-Boring Limited Area includes Urban Reserve 1F. The Foundation Agricultural Lands in these designated areas would have less access to water compared with other Foundation Lands.

Between 1969 and 1997, Washington County acres in farms dropped from 182,055 to 130,887, a loss of 51,000 acres in 28 years (Attachment 8 - "The Changing Nature of Washington County Agriculture", Stanley D. Miles, Agricultural Economist Emeritus, OSU, July 2003). By contrast, if all Exclusive Farm Use (EFU) zoned land designated urban reserve in Washington County is urbanized; the county will have lost 6,991 acres in 50 years. In the past 30 years, Clackamas County's farmland base declined by 100,000 acres (Attachment 9 - Clackamas County Comprehensive Plan, Chapter 3, Natural Resources and Energy, III-3). By contrast, if all the EFU zoned land designated urban reserve in Clackamas County is urbanized; the county will have lost 3,318 acres in 50 years. The reserves program adopted by the four partner governments will significantly stem the loss of farmland and protect the viability of agriculture in the region. Finally, there is an approximately 9,000 foot separation between the urban reserves and Sandy's urban reserves and a 2,000 foot separation between the urban reserves and the UGB of North Plains, all of which is Foundation Farm Land.

The four partner governments had a difficult decision to make to adequately meet both of these important functions. The reserves record and subsequent recommendation reflect this dilemma and the partners think a good balance has been struck that preserves the vast majority of farmland while accommodating the future projected population and employment growth for the next 50 years. Striking this balance translates to accommodating a 74% increase of population on an 11% increase of land, if all the urban reserves are used within the 50-year time frame and the region receives the projected growth.

Protection of Natural Landscape Features

The state rule factors reflect the importance of protecting these features, which were initially identified in an inventory completed for Metro that was intended to complement the Great Communities Report and the ODA Agricultural Assessment.¹ However, due to how the rule addressed the protection of natural landscape features, a discussion emerged regarding whether it was better to protect some of the natural landscape features by including them in rural reserves or in urban reserves and applying pro-active protection measures once the land is added to the UGB. Under the factors for designation of urban reserves, two subsections address natural systems and natural features in a way that can be interpreted to endorse including them in urban reserves and using design, avoidance and mitigation for protection. The factors for designation of rural reserves can be interpreted to consider using rural reserves to protect the natural landscape features.

Through the reserves process, the initial natural landscape features inventory that was developed in 2007 was revised and additional natural resource layers were included in the mapping, such as stream buffers and the Willamette Synthesis Data (The Nature Conservancy). This resulted in a revised map with a natural landscape features overlay that extended over more of the reserve study areas than the original data set. Most of the larger and more prominent natural landscape features provide edges or boundaries for urban reserves (Attachment 10). For instance, a significant portion of Metro's Cooper Mountain Nature Park lies within Urban Reserve 6B, thereby providing protection for some headwater streams and the mixed forested and open southern-facing slope of the mountain. In part due to the additional mapped components of the revised map and the discussion of how best to protect certain natural areas, portions of natural landscape features were included within the boundaries of the urban reserves

¹ "Natural Landscape Features Inventory", February 2007

Of the 26 identified natural landscape features from the 2007 inventory, six are outside the original reserves study area and, therefore, weren't affected by the designation of specific urban and rural reserves. Of the 20 remaining features: 14 are entirely or almost completely within rural reserves with the rest of land left undesignated; four areas are mostly rural reserve with a small amount (three of them less than 20%) in urban reserves; and one is designated as urban reserve. Thus, the four partner governments believe a balance was struck that protects the natural landscape features of the region.

ANALYSIS/INFORMATION

- 1. Known Opposition:** There is approximately 294,800 acres proposed for designation as either urban or rural reserves in the region that are designed to stand for the next 50 years. A number of parties and organizations have voiced objections to various elements of the reserves designations including individual landowners, the Washington County Farm Bureau, 1000 Friends of Oregon, and the City of Cornelius.
- 2. Legal Antecedents:** Oregon Revised Statute (ORS) 195.137 to 195.145 and 197.651 (from SB 1011) and Oregon Administrative Rule (ORA) 660 Division 27 Urban and Rural Reserves in the Portland Metropolitan Area authorize the designation of urban and rural reserves by Metro and a county through an intergovernmental agreement.
- 3. Anticipated Effects:** The adoption of Ordinance No. 11-1255 will create a 50-year reserve of potential urban land, providing more certainty for land owners, local governments, service providers and residents affected by UGB additions. The legislation would also create a 50-year reserve of rural land, protecting vital farmland, forest land and significant natural landscape features. Metro's current work program anticipates the adoption of urban and rural reserves prior to an urban growth boundary/growth management decision before the end of 2011.
- 4. Budget Impacts:** We expect the reserves to simplify growth management decisions, facilitating more efficient decision-making. If reserves are not adopted, any future urban growth boundary expansion decision would need to be based on the "old rules" based on soil hierarchy, which would have a significant impact on the cost and timeline of the process.

RECOMMENDED ACTION

Staff recommends adoption of Ordinance No. 11-1255.

List of Attachments

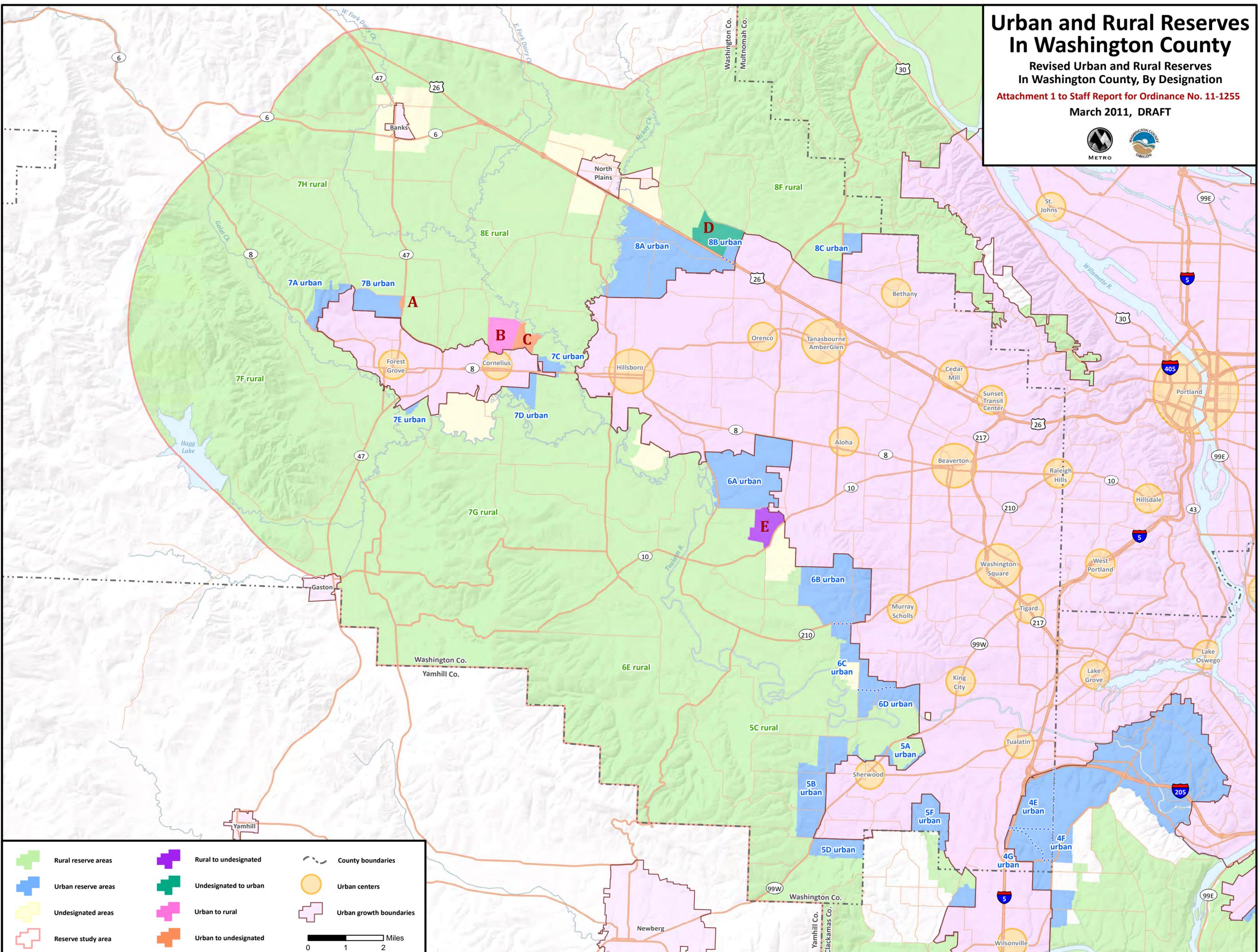
- Attachment 1 – February 22, 2011 Proposed IGA Map
- Attachment 2 – March 15, 2011 Proposed IGA Map
- Attachment 3 – Reserve Acreage Breakdown
- Attachment 4 – Topography and Agricultural Lands Map
- Attachment 5 – Exception and Agricultural Lands Map
- Attachment 6 – Foundation Agricultural Land and Irrigation Districts Map
- Attachment 7 – Foundation Agricultural Land and Ground Water Restricted Areas Map
- Attachment 8 – The Changing Nature of Washington County Agriculture Report
- Attachment 9 – Clackamas County Comprehensive Plan, Chapter 3 Natural Resources and Energy
- Attachment 10 – Reserves and Natural Landscape Features Map

Urban and Rural Reserves In Washington County

Revised Urban and Rural Reserves
In Washington County, By Designation

Attachment 1 to Staff Report for Ordinance No. 11-1255

March 2011, DRAFT



	Rural reserve areas		Rural to undesignated		County boundaries
	Urban reserve areas		Undesignated to urban		Urban centers
	Undesignated areas		Urban to rural		Urban growth boundaries
	Reserve study area		Urban to undesignated		0 1 2 Miles

Reserve Acreage Breakdown

Attachment 3 to Staff Report for Ordinance No. 11-1255

Total Reserve Acreage

	Rural	Urban	Total
Clackamas	68,713	13,874	82,587
Multnomah	46,706	857	47,563
Washington	151,209	13,525	164,734
Total	266,628	28,256	294,884

Total Reserve Acreage by ODA Designation

	Conflicted	Foundation	Important	No Ag Status	Total
Clackamas	21,757	26,213	34,422	194	82,587
Multnomah	1,833	37,193	7,727	809	47,563
Washington	7,829	130,268	26,597	40	164,734
Total	31,419	193,674	68,747	1,043	294,884

Rural Reserves and Urban Reserves by ODA Designation

	Conflicted		Foundation		Important		No Ag Status		Total
	Rural	Urban	Rural	Urban	Rural	Urban	Rural	Urban	
Clackamas	10,156	11,602	24,889	1,323	33,588	835	80	114	82,587
Multnomah	1,833		36,336	857	7,727		809	0	47,563
Washington	4,942	2,887	120,897	9,371	25,359	1,238	11	29	164,734
Total	16,931	14,489	182,122	11,551	66,674	2,073	900	143	294,884

Total Reserves by EFU Zoning

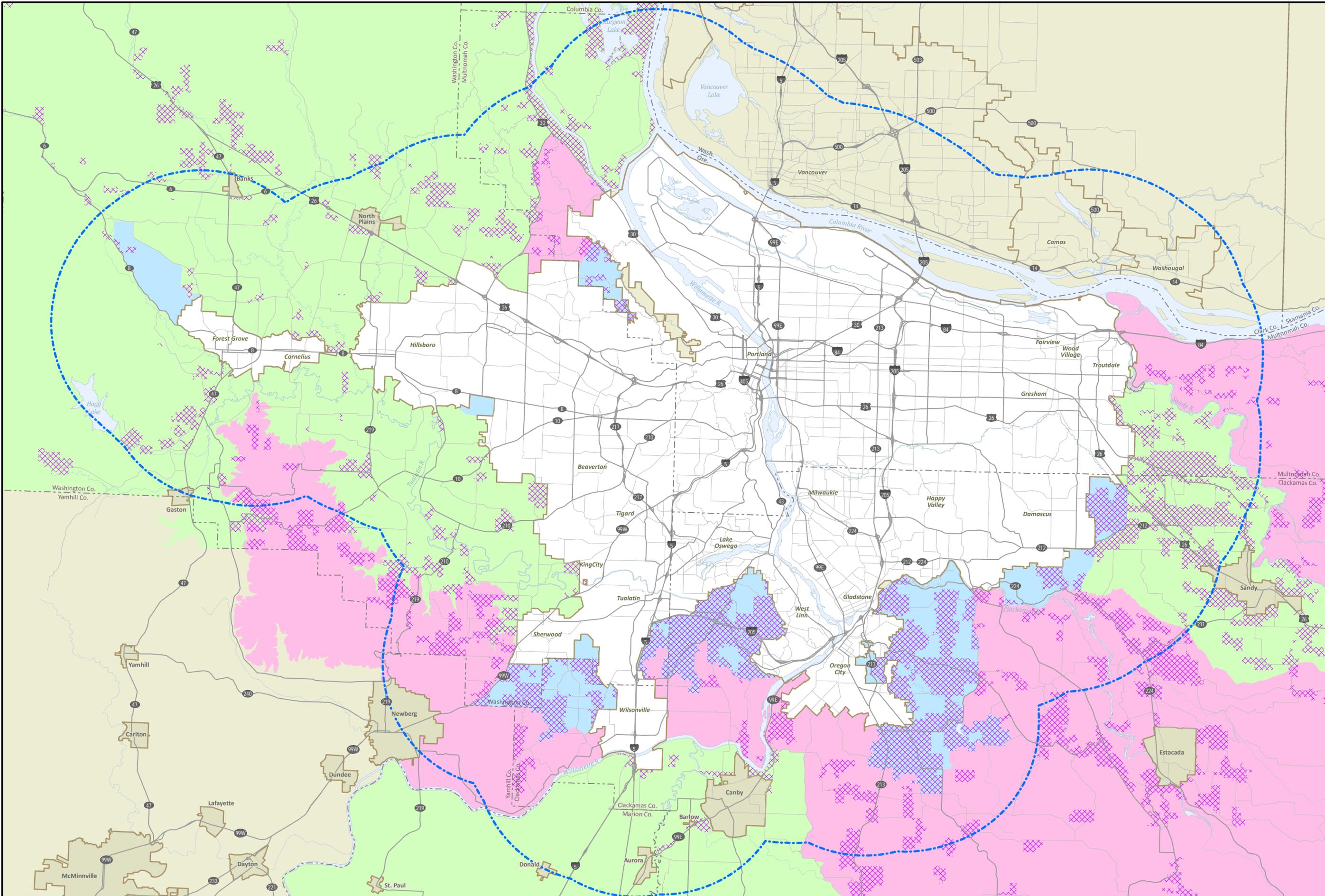
	EFU	Other Zoning	Total
Clackamas	40,813	41,774	82,587
Multnomah	16,785	30,778	47,563
Washington	86,492	78,242	164,734
Total	144,090	150,794	294,884

Rural Reserves and Urban Reserves by EFU Zoning

	EFU		Other Zoning		Total
	Rural	Urban	Rural	Urban	
Clackamas	37,495	3,318	31,218	10,556	82,587
Multnomah	16,372	413	30,334	444	47,563
Washington	79,501	6,991	71,708	6,534	164,734
Total	133,368	10,722	133,260	17,534	294,884

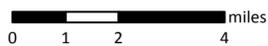
Total Reserves by ODA Designation and EFU Zoning

	EFU				Other Zoning				Total
	Conflicted	Foundation	Important	No Ag Status	Conflicted	Foundation	Important	No Ag Status	
Clackamas	3,452	17,869	19,397	94	18,305	8,344	15,025	101	82,587
Rural	1,329	17,314	18,795	56	8,826	7,576	14,792	24	68,713
Urban	2,123	555	602	38	9,479	768	233	77	13,874
Multnomah	520	14,826	1,435	4	1,314	22,367	6,292	805	47,563
Rural	520	14,413	1,435	4	1,314	21,923	6,292	805	46,706
Urban	0	413	0	0	0	444	0	0	857
Washington	651	83,678	2,157	6	7,178	46,590	24,440	34	164,734
Rural	0	78,051	1,449	1	4,942	42,846	23,910	10	151,209
Urban	651	5,627	708	5	2,236	3,744	530	24	13,525
Total	4,623	116,373	22,989	104	26,797	77,301	45,757	940	294,884



Exception and Agricultural Lands

Attachment 5 to Staff Report for Ordinance No. 11-1255, March, 2011



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.

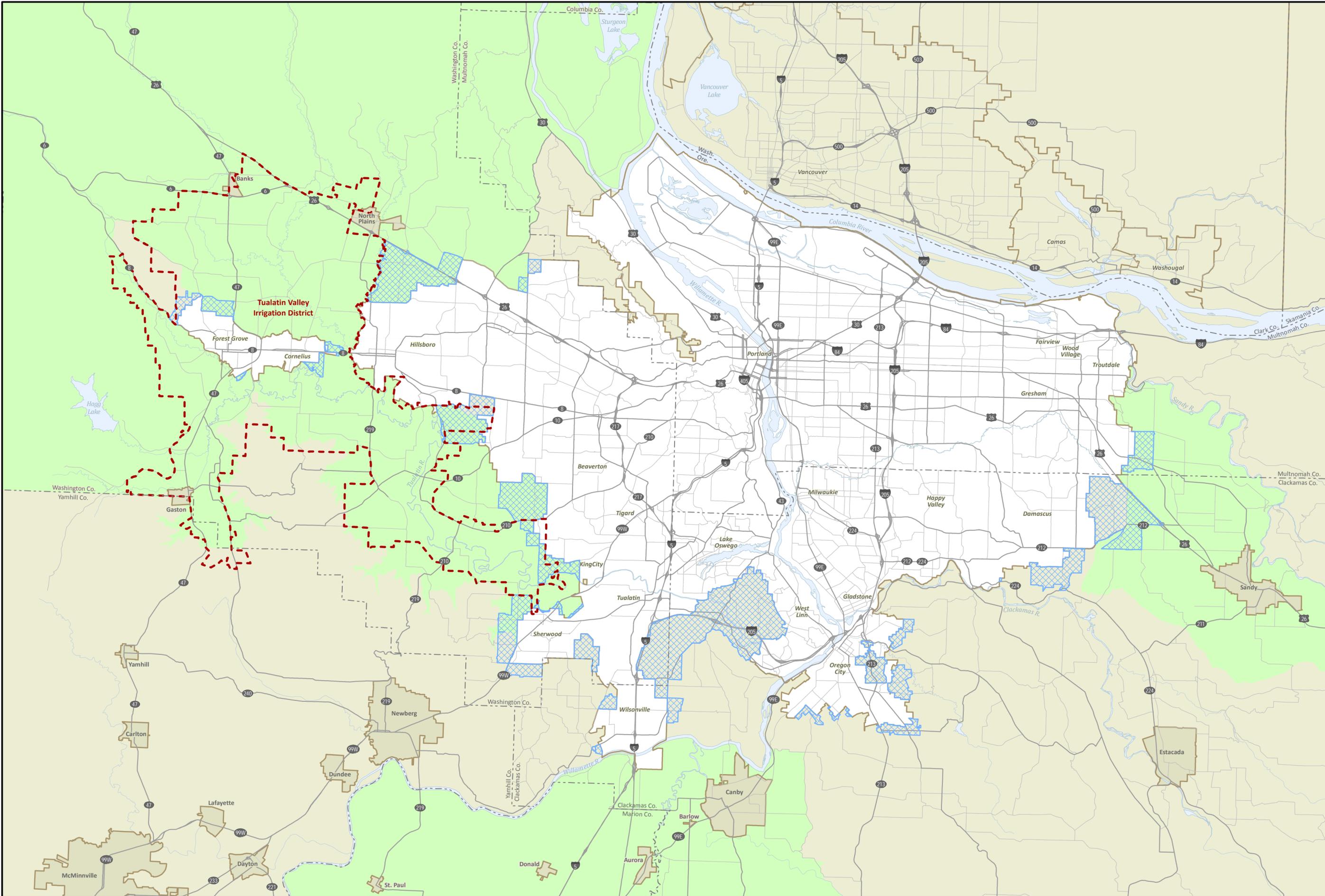
Agricultural status as defined by Oregon Department of Agriculture

- Conflicted
- Important
- Foundation

County boundaries

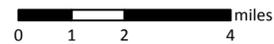
- Portland metropolitan UGB
- Neighboring cities' UGBs
- Areas within 5 miles of the UGB
- Exception land





Foundation Agricultural Land and Irrigation Districts

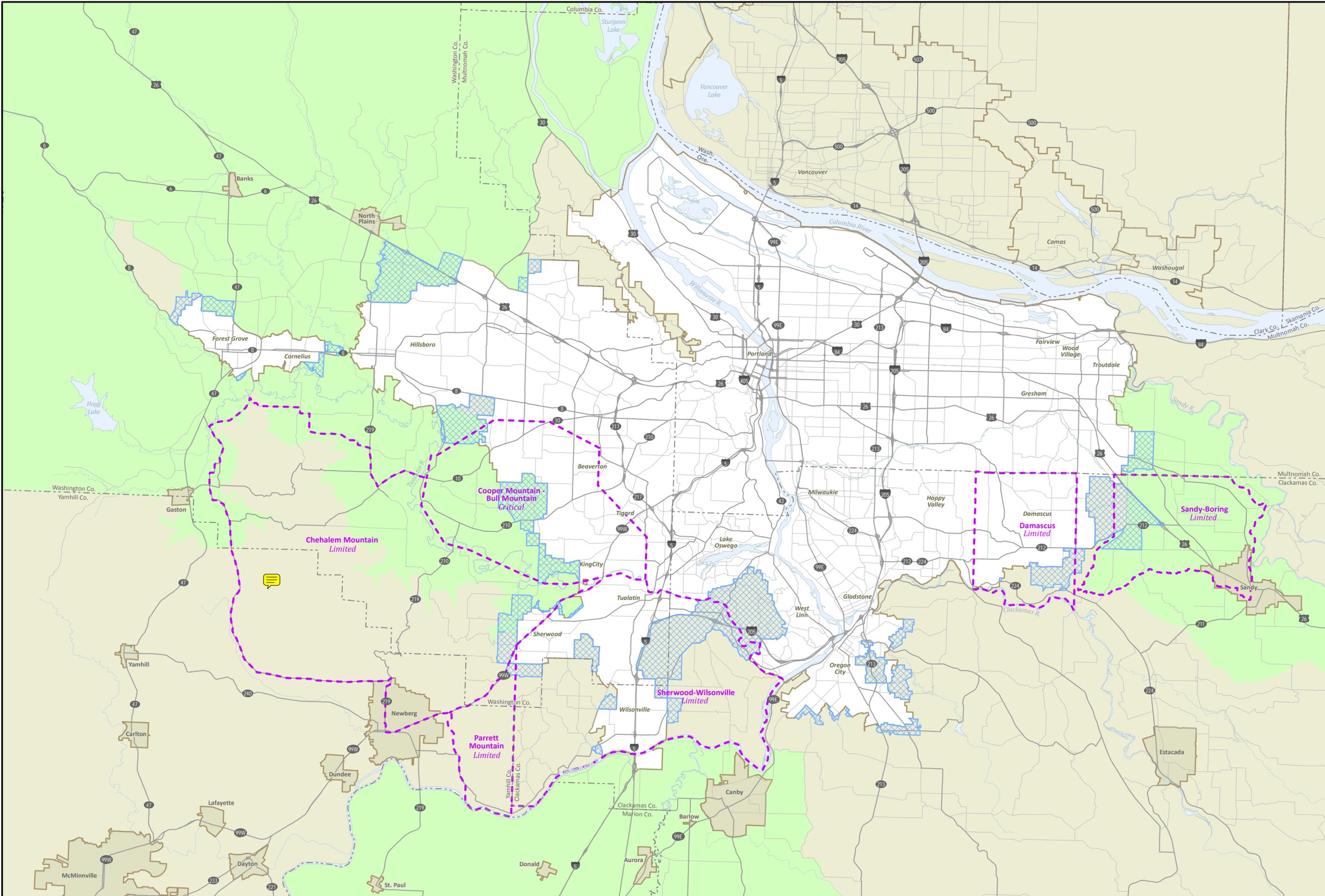
Attachment 6 to Staff Report for Ordinance No. 11-1255, March, 2011, DRAFT



- Tualatin Valley Irrigation District
- Proposed urban reserves
- Agricultural status as defined by Oregon Department of Agriculture
- County boundaries
- Portland metropolitan UGB
- Neighboring cities' UGBs
- Foundation

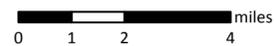


The information on this map was derived from digital databases on Metro's GIS. Care was taken in the creation of this map. Metro cannot accept any responsibility for errors, omissions, or positional accuracy. There are no warranties, expressed or implied, including the warranty of merchantability or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



Foundation Agricultural Land and Ground Water Restricted Areas

Attachment 7 to Staff Report for Ordinance No. 11-1255, March, 2011, DRAFT



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.

- Proposed urban reserves
- Agricultural status as defined by Oregon Department of Agriculture
- Foundation
- County boundaries
- Portland metropolitan UGB
- Neighboring cities' UGBs
- Ground water restricted areas with status as defined by Oregon Water Resources Department



**The Changing Nature of
Washington County Agriculture**

**STANLEY D. MILES
AGRICULTURAL ECONOMIST EMERITUS
OREGON STATE UNIVERSITY**

**MILES & ASSOCIATES
CONSULTANTS IN AGRICULTURAL ECONOMICS**

**Report Developed for
the Hillsboro Chamber of Commerce**

July 2003

The Development of Washington County Agriculture

The county's agriculture has a long and interesting history of development. There have been (and still are) resourceful leaders who have played significant roles in shaping the agricultural production we see today. There have also been significant outside forces that have pushed and pulled agriculture in different directions. Most significant among these would be land use demands, environmental regulations and concerns, changing markets and the persistent increase in the costs of production.

The earliest settlers moved into the Washington County area in

still researching

The county remains one of the most significant in the production of agricultural crops in the state. The OSU Agricultural Statistics program shows Washington County with \$214 million in farm gate sales in 2002. This is the third ranked county in agricultural sales in the state behind Marion and Clackamas. Total sales in 2002 for Oregon reached almost 3.3 billion dollars. Oregon continues to have a very diverse agriculture in terms of the variety of crops grown in producing areas around the state with different environments.

Trends in Farm land Acreages

This part of the report draws on data from Census of Agriculture reports now published by the U.S. Department of Agriculture.

Table I

Year	Land Areas In Washington County*					
	Acres In County	Acres In Farms	Acres Per Farm	% Land In Farms	Acres In Cropland	Acres In Woodland
1969	458,368	182,055	87	37.5	123,648	32,291
1974	458,368	161,050	98	35.1	117,682	25,475
1978	458,240	152,442	93	33.3	113,684	21,729
1982	464,192	151,188	79	32.6	107,126	24,960
1987	464,192	150,103	87	32.3	112,126	20,621
1992	463,231	139,820	86	30.2	104,793	17,790
1997	463,231	130,887	78	28.3	99,793	15,837

*Data from Census of Agriculture reports, currently done by the U. S. Department of Agriculture (USDA).

2002 data currently being collected and tabulated - available in 2004.

The above table shows some of the changes in Washington County's agriculture lands. Land or acres in farms is a primary statistic developed by the census surveys. Over the 28 years shown, land in farms has dropped from 182,055 to 130,887 acres. This is a 28% reduction (coincidentally 1% per year). Farm land is definitely going into other uses in Washington County.

Similarly the percentage of the county's land in farms has dropped from 37.5% to 28.3%. Acres of cropland, of course, follows the same pattern as it is the primary use of acres in farms.

Acres of woodland owned by farmers has taken a more dramatic drop. In 1997 the acres are less than half that was tabulated in 1969. There are no numbers showing the changing uses for this land, but it can be reasoned that some has gone into rural residential and some to other agriculture uses such as wine grapes, filberts, pasture and other crops.

The trends in the loss of farm land in Washington County are disturbing to those with close ties to the land and agricultural production and to those who do business with farmers.

The Value of Crop and Livestock Sales - the last 30 years

The data for this section of the report comes from the Oregon State University Agricultural Statistics program. This program develops county and state agricultural data each year and has done this for many years.

Table II

Farm Value of Agricultural Products Sold*
Washington County, 1972 to 2002

Commodity	Year			
	1972	1982	1992	2002
	-----\$000\$-----			
Grains	3,274	9,202	11,027	8,113
Hay & Forage	443	2,678	2,756	4,551
Grass & Legume Seeds	785	5,278	8,174	16,626
Tree Fruits & Nuts	1,875	6,239	7,061	8,521
Small Fruits & Berries	4,396	10,627	14,436	12,616
Vegetable & Truck Crops	2,526	4,974	8,989	6,386
Nursery & Greenhouse	5,749	20,120	73,000	125,000
Other Crops	434	6,169	22,835	18,002
Total Crop Sales	19,482	65,287	148,278	199,815
Cattle	1,971	3,687	3,414	2,690
Dairy	5,131	13,100	13,247	8,550
Other Livestock	423	2,762	3,511	3,215
All Livestock Sales	7,525	19,549	20,172	14,455
Total Farm Gate Sales	27,007	84,836	168,450	214,270

*Summary data gathered from Oregon State University Extension Service County Statistics Program Records.

As can be seen from the above table, there have been shifts and dramatic changes in sales by farmers over this thirty-year period.

Total sales by farmers went from \$27 million to \$214 million. Agricultural sales in 2002 were 8 times what they were in 1972. This is not quite a fair comparison as there has been considerable inflation over this 30-year period. When deflating the numbers using the index of prices received by farmers the change is 2.8 times. (The index shows prices received to be 2.82 times higher in 2002 than they were in 1972.)

Sales that are 2.8 times (in real terms) what they were 30 years ago tells a very positive story about the county's agriculture. These increases in sales have happened while there has been a shrinkage in the land base for agricultural production. This has happened primarily because of changing cropping patterns to more intensive enterprises.

Some of the commodities listed in the table show reduced sales and some are just maintaining their positions (after inflation of prices). These commodities are grains, tree fruits and nuts, small fruits and berries, vegetable and truck crops, cattle and calf sales and the dairy industry.

The other commodity groups have shown increases and in some cases, dramatic growth. The most significant in terms of sales and percentage change has been the nursery and greenhouse industry. Sales went from about \$6 million to \$125 million. In constant dollar terms, sales are almost 7½ times greater in 2002 than in 1972. Nursery and greenhouse sales now amount to about 60% of the county's agricultural sales.

Oregon is now one of the leading states in nursery production and Washington is one of Oregon's top counties. Pressures to change have pushed agricultural producers into these more intensive products. This geographic area is ideally suited for the production of a lot of the different nursery items, for which there has been an expanding market. The opportunities in nursery and greenhouse have been instrumental in maintaining a viable agriculture in Washington County.

Sales of livestock and livestock products continue to shrink in relative importance both in the state and in the county. Cattle numbers and sales have been declining in the county for many years. This is caused by the pressures for the uses of land and producers looking for more profitable enterprises. Many of the cattle now are produced by hobby farms and/or are used to graze small pastures.

The dairy industry is effected by economics of size. Small dairies are a thing of the past. While production per cow has nearly doubled over the last 30 years, cow numbers have steadily decreased. There are only a few relatively large dairies left in the county. While odor from dairies can be unpopular in populated areas, the primary reason for declines are production costs and markets.

Other livestock and livestock products are not very economically significant in the county. Much like cattle, sheep and hog numbers and sales continue to decline. The poultry industry has gone to large enterprises and the county has very few of these. People love their horses, llamas and exotics; but these are more hobby types with little economic activity.

Other commodity groupings will be dealt with in the following section where we discuss acreage trends.

Changing Acreages

Table III

Commodity	Acreages of Crops*			
	Washington County, 1972 to 2002			
	Year			
	1972	1982	1992	2002
	acres			
Grains	38,750	33,300	36,100	23,050
Hay & Forage	22,100	24,100	24,600	20,050
Grass & Legume Seeds	11,630	20,910	22,160	31,820
Tree Fruits & Nuts**	9,800	9,520	7,834	7,635
Small Fruits & Berries	4,010	3,270	3,655	3,010
Vegetable & Truck Crops	3,800	4,250	6,770	4,660
Nursery & Greenhouse***	na	na	3,806	7,538
Other Crops	na	na	na	na

*Summary data gathered from Oregon State University Extension Service County Statistics Program Records.

**Number for the 1972 column is from the 1974 Census of Ag., report. (Acres are not available from OSU Ag. Statistics Program.)

***OSU Ag. Statistics Program does not have estimates for N/G acres. Numbers for 1992 & 1997 are from Census of Agriculture reports.

Grains, primarily wheat, have been important commodities in Oregon and the Willamette Valley. Grains, however, are not very intensive crops and only produce \$250 to \$500 per acre per year. The county still has 20,000 to 30,000 acres of grain crop production. Maintaining viable production probably depends on wheat and barley prices being high enough to encourage production. Grains are also used in rotation with other crops.

Hay and forage crops, much like grains are not high value crops grossing \$500 to \$600 per year. Equipment costs and other production costs are high and profit margins are thin. Marketing can be a problem with local livestock numbers decreasing. The county has a significant acreage at over 20,000 acres which is also used in rotation with other crops.

The climate is usually ideal for the production of grass and legume seeds in the Willamette Valley. The acreage of these crops seems to be currently holding at a little over 30,000 acres in Washington County. The county has long been a producer of crimson and red clover seeds and also significant acreages of tall fescue and perennial rye grasses. Again, these crops do not generate high sales per acre and continued production will depend on prices that provide a margin of profitability.

Tree fruits and nuts provide an interesting variety of products in the county. While acreage of some of these are decreasing, others are showing strength. The old stand-bys of apples, cherries, peaches, pears, plums and walnuts are losing acreage while hazelnuts and wine grapes are increasing in acreage or holding their own. Local markets help sustain some production of our tree fruits, but large orchard operations in other fruit producing areas have competitive advantages and keep prices relatively low.

Hazelnuts have a significant acreage of about 5,000 acres and have been doing fairly well. The last few years the eastern filbert blight has hit the area and is causing great concern. With proper management and pruning of the trees, this disease can be held in check in some cases; but in other cases, the trees are so devastated that production drops to the point of requiring the orchard to be taken out. The future here depends on new disease resistant varieties with good yields and a price that provides a profit margin.

Wine grapes have been an exciting crop that has been increasing in acreage in the area. In 2002 there were 1,055 acres harvested generating \$3,000 to \$4,000 per acre of raw product grapes for the wine industry. While not a large enterprise, there is a lot of value added in processing and marketing and brings in tourists to sample the wines.

Small fruits and berries have also been adding character to Washington County for many years. These are fairly high intensity crops with significant labor inputs. In the early 70's, the county had about 3,000 acres of strawberries and now there are under 1,000

acres. The same types of trends are happening with the other berries. While the county's berries are of very high quality, our farmers cannot compete with low labor cost areas, such as, Mexico and Chile.

There are some exceptions, such as, blueberries and Marion blackberries which are showing strength. Producers will maintain strong local markets and a market for high quality specialty items.

Vegetable and truck crops were showing strength in the county; but in recent years, acreages have been dropping. Of the 4,660 acres from the above table for 2002, 2,800 is for processed sweet corn which is maintaining a presence.

Most of the local processors are no longer in business. These were older smaller plants that could not compete with processors in other parts of the country. Many of the processed vegetable simply cannot compete with other parts of the country as there are opportunities here to grow more profitable crops.

There still is and will remain a local market for fresh vegetables and other truck crops. There is a significant market with the metro area population for fresh vegetables and specialty items. These products are sold directly to grocery stores, restaurants and farmers' markets.

As mentioned earlier, nursery and greenhouse is the category that has sparked much of the growth in county agriculture sales. The nursery industry has been coming on strong. Acreages going into nursery are growing. Production and values per acre for nursery are not really comparable with acreage values for other crops. Value per acre in nursery can vary dramatically with the particular item produced and amounts to several thousand dollars per acre.

The other crops section is a collection of miscellaneous crops that do not fit with other groupings. The two main items are Christmas tree sales and timber cut on farmers' wood lots. The Christmas tree business has been good in the Willamette Valley, but the acreage in Washington County is slowly getting replaced by other crops (or houses). Farm forestry sales are likewise decreasing with the reduced acreages.

Economic Impact and Value Added

Value added and multiplier effects are important in getting a more complete picture of the importance of agriculture. The dollar values that have been reported on so far in this report are farm gate sales or receipts producers get for selling the raw products from the farm. This is certainly not the end of economic activity with respect to agriculture.

Some commodities require much more processing and handling than others. Nursery items, which lead county agriculture sales, in most cases are pretty much ready for the final consumer. Since most nursery products are wholesale and shipped out of state, there is not a high percentage value added. For nursery products sold through local retail outlets, there will be more economic activity.

Other items, such as, wine grapes or processed vegetables require much more processing and handling and will generate a high percentage of value added. With processed vegetables there will be 2½ to 3 times the farm value added by the processing activities. For example, \$100 worth of sweet corn at the farm requires \$250 to \$300 worth of processing. These added together will give a wholesale value of processed sweet corn at the processor. There will be additional economic activity in shipping and marketing through retail grocery stores.

Value added by wineries is over three times the value of the grapes as they come out of the vineyard. Many other commodities, such as, cattle, hay, grain and grass seed have relatively low value added relationships because of the nature of the product.

Oregon State University Extension Service has done surveys over the years to develop data on processed values compared with farm gate values. These surveys show, given the mix of commodities in Oregon, there is on average about a 50% increase in farm values by processing and handling.

Another economic indicator is the income multiplier. These models calculate economic activity throughout the economy, beyond processors and first handlers. This would include shipping by the trucking industry, exporting (Port of Portland, etc.), retail grocers, etc., including labor costs throughout the marketing system.

While this paper concentrates on acreages and farm gate values, it is important to note agriculture generates other activity throughout the economy. For example, the trucking company hauling nursery stock to an eastern state, employment for people working at the Port of Portland, retail grocers selling frozen corn and beans to customers, restaurants serving dinner to customers and the list goes on. Agriculture is essential to our livelihood. There is a little more to it than thinking hamburger comes from Safeway.

Summary

Washington County has a history of producing a variety of agricultural products. In 2002 the counties producers had sales of over \$214 million. There are other economic impacts in the county beyond the farm gate. There are businesses that supply inputs to farmers. Others provide a variety of services to the agricultural sector. The economic impact of agricultural production is felt throughout the county and region.

While agricultural sales have been increasing, the land base has been shrinking. Land in farms has gone down 28% in the years from 1969 to 1997, thus the percentage of the county's land in agriculture has been going down. This reduction comes primarily from the demands for land by expanding residential and business development and highway construction in this metropolitan area. The pressures for non agricultural uses of the land will continue in the foreseeable future.

Given all the changes and demands on the land base, the county still has a viable agriculture. Some agriculture products are fading in importance yet others, such as, the nursery and greenhouse business, are growing in dollar sales and relative importance.

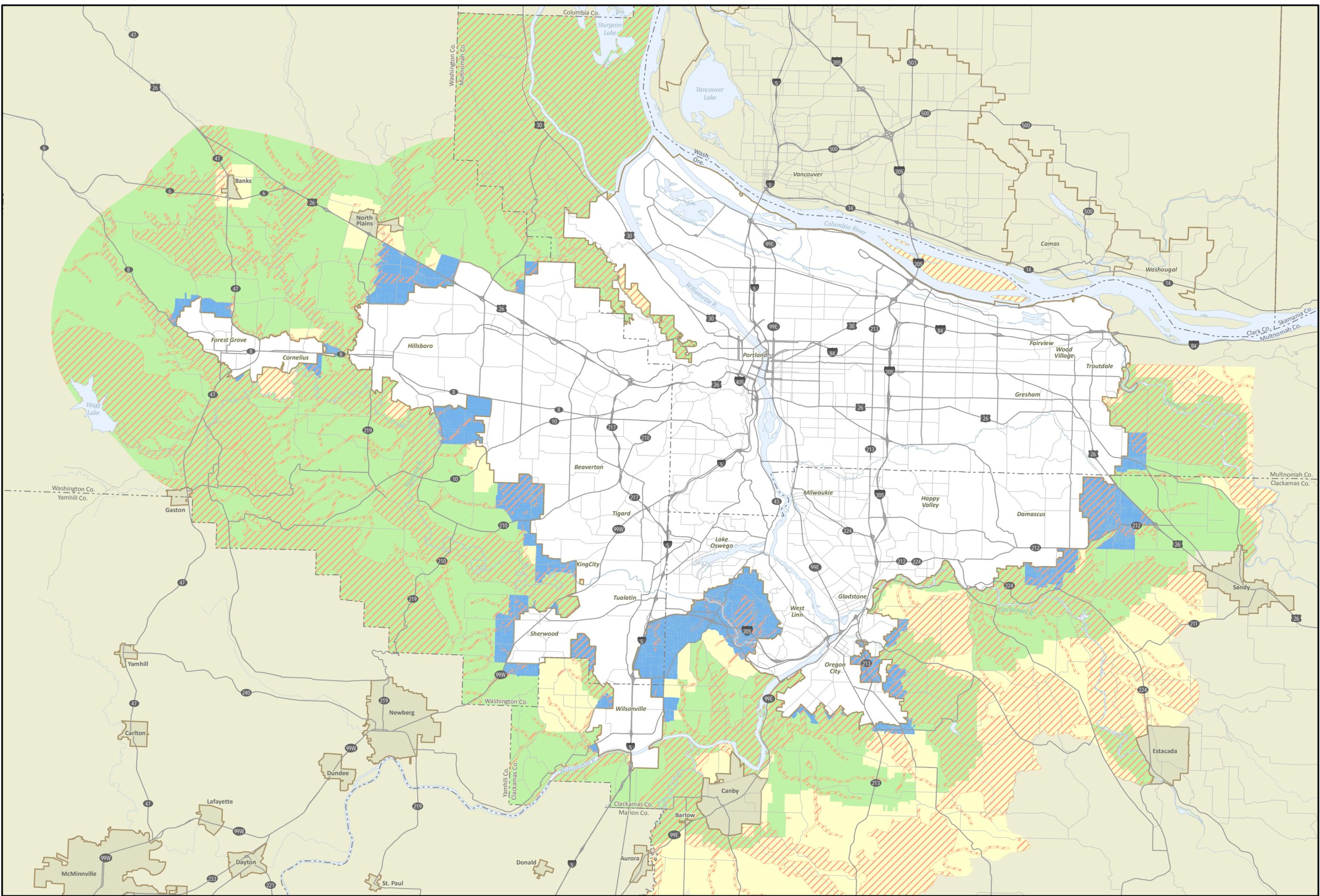
Agriculture needs some protection from all the outside forces. Once farm land goes into development and other uses, it is very unlikely it will ever be farmed again.

3. Existing land uses within each river corridor area are:

Land Use as Percentage of Total

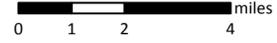
<u>River</u>	<u>Residential</u>	<u>Commerical</u>	<u>Industrial</u>	<u>Ag/Forest/OS</u>
Clackamas	6.5	0.1	3.2	90.2
Sandy	4.7	0.4	0.0	94.9
Molalla	2.0	0.0	1.0	97.0
Tualatin	13.9	0.2	0.0	85.9
Willamette	11.3	0.4	3.6	84.7

4. Quality of groundwater in Clackamas County is generally good, although some dissolved iron is found in well supplies. Groundwater monitoring activities show a gradual yearly decline in the water table; however, according to the Oregon Water Resources Department, there is no indication of a critical groundwater situation.
5. The County's agricultural production in 1987 had an estimated value of over \$150 million. This contributed a total of approximately \$500 million to the state's economy. The County's agricultural land base has decreased over 100,000 acres in the last 30 years. The potential for agricultural production is further reduced by rural parcelization patterns and inactive farm land owners.
6. Techniques for maintaining the County's agricultural base are (1) regulating land uses to insure that in prime agricultural lands, economic farm units are preserved; and (2) utilizing and expanding existing resources that provide tax relief, educational programs, technical assistance, cooperatives, etc., to encourage the economic viability of the County's farms.
7. Federal timber revenues to the County treasury averaged over \$9 million per year from 1984 to 1988. The forest industry is one of the largest industries in the state.
8. During the late 1980s (from 1984 to 1988) federal lands supplied 70 to 75 percent of Clackamas County's timber harvest volume, and the forest industry supplied about 15 to 20 percent. Small woodlot owners control approximately 20 percent of the Countywide commercial forest land, and supply 5 to 10 percent of the timber harvest.
9. Inside the Portland Metropolitan Urban Growth Boundary, street trees are required in certain areas and encouraged elsewhere (9/28/10)



Reserves and Natural Landscape Features

Attachment 10 to Staff Report for Ordinance No. 11-1255, March, 2011, DRAFT



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.

- Proposed rural reserve
- Proposed urban reserve
- Undesignated reserve land
- County boundaries
- Portland metropolitan UGB
- Neighboring cities' UGBs
- Subset of the natural landscape features inventory

