



MEMORANDUM

TO: Councilor Simpson, Councilor Gonzalez, Councilor Lewis
FR: Industrial Land Readiness Workgroup at Westside Economic Alliance

Date: September 30, 2025

BACKGROUND

Metro is required to produce an updated Urban Growth Report (UGR) every six years as part of their growth management program. The UGR is used as the basis for urban growth boundary (UGB) expansion decisions. The most recent UGR was adopted in 2024 and used as the basis for the Sherwood West UGB expansion. Throughout the UGR review process, participants raised concerns through various committees and Metro Council meetings about Metro's buildable lands methodology specific to counting industrial lands.

It became apparent during the 2024 Urban Growth Report process that Metro's buildable lands methodology could not be used to adequately calculate industrial land needs for the region. The analysis was more geared toward residential and commercial land needs, which typically don't have the site constraints that many industrial uses do. For example, the Urban Growth Report methodology did not consider key site criteria factors based on market realities such as slope, utility infrastructure availability, and proximity to major highways; nor did it include adequate buildable industrial land in all needed size categories to account for the broad range of industrial land uses. These site suitability and industrial land size factors are typically included in a local jurisdiction's Economic Opportunity Analysis – and we believe that Metro's methodology could benefit from a critical review to better ensure adequate, right-sized and ready regional employment land is available for development.

In response to the UGR process and the concerns raised, members of MTAC asked MPAC and Metro Council to convene a workgroup of industry experts to look more closely at Metro's buildable lands methodology. This memo is the result of that convening, providing background on the workgroup's discussions, goals and membership, along with recommended actions for Metro Council to consider.

WORKGROUP CONVENING

The workgroup convened from February to September 2025. The workgroup's initial objective was to review the methodology used by Metro to count buildable employment industrial lands and present specific recommendations to better align the count of buildable industrial land with market realities. However, upon convening, it quickly became apparent that the issues faced by the region are bigger than methodology alone and that actions should go beyond technical fixes to include more substantive changes.

A primary goal of this industrial land readiness workgroup is to help Metro create a forecast process with growth scenarios that consider economic development interventions and market demand to create more aspirational forecasts, while still meeting state requirements. Another goal is to encourage Metro Council to center economic development through creation of an economic development focused "table" composed

of technical staff and industry experts to strategize on technical fixes, and through procedural updates to better support local jurisdictions in their economic development efforts.

Over the course of the convening, the workgroup committed to educating ourselves about Goal 9, forecasting and market analysis, land readiness and investment needs for our region and state. It is within the context of this shared learning and the individual expertise offered by workgroup participants that we feel we can help Metro identify solutions that will unlock the potential of our region to grow a diverse and vibrant economy. We are determined to help find a path forward for the region to develop a 20-year and beyond employment land supply and economic forecasting system that reflects market realities, supports economic growth, and bridges public and private sector perspectives concerning ongoing economic uncertainty.

We believe our region must prioritize building an economy that is future-focused. In addition to forecasting updates and other measures, the public and private sector must work together in a meaningful way. To this end, our workgroup was comprised of commercial real estate brokers and developers, private sector planners, economists, and public sector partners including city, county, regional and state partners. Metro staff both participated in, and served as advisors throughout, the process. We hope this work can result in a model of what can happen when we bring together experts from across our region to a single table using a solution-oriented approach to tackle big problems.

RECOMMENDATIONS

1. **Metro Council should partner with this group to develop and adopt a resolution that acknowledges the below problem.**
 - Our existing Urban Growth Report does not tell the full story of the region’s long-term land supply. Much of the industrially zoned land is inadequate or undevelopable and does not meet the needs nor the criteria of the market demand. Metro should acknowledge this issue and partner with us to develop a strategy to evolve our regional approach to more accurately reflect our “buildable” land supply and take action to ensure that we do have adequate and appropriate buildable industrial land available to support a bright economic future for our region.
2. **Metro Council should pursue the following recommended technical fixes to refine the counting of employment land.**
 - Develop and adopt a Grading/Tiering System that considers, including, but not limited to, Lot size, Geometry, Slope, Natural Features, Access to Infrastructure, Contiguity with other developable parcels.
 - Seek changes to state law to encourage ‘surplus’ land supply, including the surplus of certain TYPES of land as identified by market analysis and input from industry.
3. **Metro Council should create and staff a new table that focuses on regional economic development.**
 - **THE TABLE:** We recommend a **new table, to be staffed by Metro, that centers the voices of business and industry with a focus on economic development.**
 - This table should include industry experts and technical staff and serve as an advisory group to MTAC, MPAC and Metro Council.
 - This table can provide insight into best practices and review best practices from other states where cities have the opportunity and resources needed to grow.
 - This table can help identify where there are gaps in staffing, revenue, and policy.
 - This table can collaborate to support bimonthly/quarterly technical work sessions around commercial real estate development topics for MPAC, MTAC, and Metro Council with private sector subject matter experts to educate on the importance and benefits and development hurdles and quality of land supply in UGB.
 - This table can identify changes to the state land use system that would support the outcomes described in this memo.
 - **THE REPORT:** Within one year, and then on an agreed upon periodic basis, this table should work with Metro staff to create a report that will outline economic realities and opportunities throughout the three counties.
 - This report should be presented to MTAC, MPAC and Metro Council and should be included as an addendum to the Urban Growth Report.
 - The report must discuss whether the current land supply is meeting market demands, identify if/where there is a mismatch and make recommendations to address the mismatch.
 - This report should also identify target industries, characteristics of land they require, identify locations where that land exists, and detail the improvements required to make it development ready.
 - The report should identify technical fixes to existing Metro rules, plans or procedures for Metro Council consideration.

- As an example, this report might echo the work done by the City of Hillsboro to provide economic projections and forecasts; it might provide lessons learned and highlight market successes and challenges; it would also be an opportunity to identify infrastructure and investment needs throughout the region.

4. **Metro Council should consider providing additional direct support for jurisdictions.**

- Allocation of funding through the 2040 Planning and Development Grants for cities to bring on full FTE or hire consultants to support planning efforts including, but not limited to, analysis of and changes to zoning, comprehensive planning, and other planning needs related to growth for the duration of their economic analysis project.
- Help jurisdictions utilize site-specific, mid-cycle industrial land UGB expansions as appropriate. No city has utilized this process since it became available in 2010. While it is encouraging that such a process exists, its under-utilization points to it either being inaccessible or not cost-effective for cities to pursue.

5. **Metro Council should consider changes to Title 11 to support efficiency and better use of public funds.** We understand that this work is connected to other elements of the UGB expansion process. In order to better streamline processes to support efficiency and use of public funds, some initial suggestions include:

- Acknowledge that the concept plan phase is required to include a robust visioning/public process, including preliminary infrastructure funding plan, preliminary transportation and utility plans, and preliminary zoning plans.
- Because the concept plan phase includes all the required elements, amend Title 11 to require that the comprehensive plan phase be focused only on implementing the approved concept plan.
- Metro could use money saved from a slimmed down comprehensive plan phase to seed an infrastructure fund (revolving loan fund) or affordable housing fund for new urban areas.

6. **Metro Council should adopt a forward-looking, market-guided methodology when modeling growth.** Future UGR economic modeling should work to predict future economic performance including results from planned economic development interventions and growth opportunities. Following DLCD's Goal 9 recommendation that aspirational forecasting guides the work done to prepare the Urban Growth Report.

- When launching the Urban Growth Report process, Metro should adopt an aspirational directive when forecasting their available land supply.

Industrial Land Readiness Workgroup Members

NAME	ORGANIZATION	SECTOR
Elizabeth Mazzara Myers	Westside Economic Alliance	Convenor
Teddy Russell	Westside Economic Alliance	Staff
Kenneth Anderton	Port of Portland	Public Sector
Dan Dias	Hillsboro	Public Sector
Laura Edmonds	Clackamas County	Public Sector
Steve Koper	City of Tualatin	Public Sector
Steve Perkins	Clackamas County	Public Sector
Jamie Stasny	Clackamas County	Public Sector
Todd Duwe	Perlo	Private Sector
Steve Faust	3J Consulting	Private Sector
Gabriela Frask	Mackenzie	Private Sector
Jerry Johnson	Johnson Economics	Private Sector
Keith Leavitt	Confluence Strategies	Private Sector
Stu Peterson	Macadam Forbes	Private Sector
Ivy Quach	QB Fabrication & Welding	Private Sector
Kelly Ross	NAIOP/CAB	Private Sector
Steve Sieber	Trammell Crow	Private Sector
Brad Smith	Windsor Properties	Private Sector

Advisors

Eryn Kehe	Metro	Public Sector
Ted Reid	Metro	Public Sector
David Tetrick	Metro	Public Sector

Presenters

Leigh McIlvaine	DLCD	Public Sector
Gordon Howard	DLCD	Public Sector

NOTE: Metro staff attended the workshop and provided information and input but did not participate in the final drafting of the recommendations or memo. DLCD staff were invited as guest presenters and did not take part in the development of the recommendations or memo.