

Saving Oregon's Open Space

Metro's plans for saving open space are unfair to landowners, harmful to Portland's livability, and probably won't work.

Ortem Fact Sheet #4

"Ortem is the opposite of Metro"

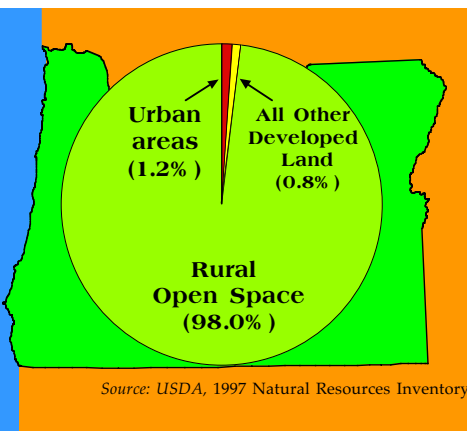
One of the primary arguments for Oregon's restrictive land-use planning laws is the desire to protect open space. Yet those laws have failed: Since land-use planning was fully implemented, Oregon cities have sprawled across open space faster than almost any other fast-growing state.

Now Metro and LCDC are coming up with even more restrictive and regulatory schemes aimed at protecting open space. Yet those schemes are unfair, imposing huge costs on a few for the benefit of many.

Oregon is not suffering from a shortage of open space. Yet Metro wants to destroy thousands of acres of open space nearby people's homes with the dubious goal of protecting other open space that most people will never see.

Open Space Today

Open space is partly a problem of perception. People driving on I-5 or highway 26 see lots of development and think the entire Willamette Valley is being developed. In fact, highways naturally attract development. But plenty of undeveloped open space remains off the highways.



Source: USDA, 1997 Natural Resources Inventory

Figure one: According to the U.S. Department of Agriculture, all developed land in Oregon, including urban areas and rural developments, totals just 2.0 percent of the state. The other 98.0 percent is rural open space.

In fact, more than 98 percent of Oregon is open space. According to Metro, only 150,000 acres inside the Portland urban-growth boundary had been developed land by 1995. This is less than a quarter of a percent of the state. Throughout the state, urban and rural developments take up just 1.8 percent of Oregon. Even if Portland and all other urban areas double in size, Oregon will still be 97 percent open space.

Nor are farmlands at risk. Oregon has more than 17 million acres of farmlands, which is more than twenty times as many acres as are in urban areas. In the Portland tri-county area alone, there are around twice as many farm acres as urbanized acres. But only one out of six acres in the tri-counties are farmed, so urban areas have plenty of places to grow without reducing farms.

This doesn't mean that there are no areas of open space that deserve protection. The problem is how to decide which areas to protect and how to protect them without imposing all the costs on a few people.

LCDC's Failure

After Oregon's land-use laws were passed in 1973, the Land Conservation and Development Commission (LCDC) directed cities and counties to protect open space outside of urban-growth boundaries. By 1982, most land-use plans were in place.

The U.S. Natural Resources Conservation Service inventories farm, forest, and urban and other developed acres every five years. We can compare this inventory data for 1982 and 1992 to see how well Oregon's land-use laws are working.

Like many other western and southern states, Oregon's population grew rapidly between 1982 and 1992 as people moved here from eastern and midwestern states. As people moved to Oregon urban areas, they naturally took up more space. If "sprawl" consists of a wasteful expansion

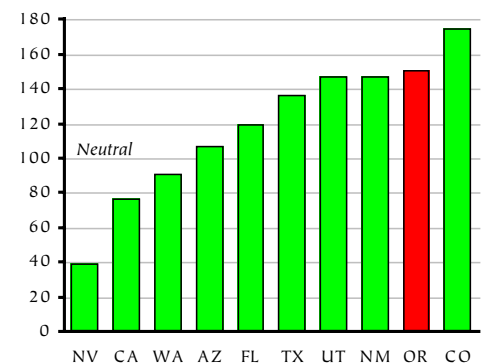


Figure two: The ratio of the growth of developed land to the growth of a state's population between 1982 and 1992. When the ratio is more than 100, the state's urban areas are "sprawling." Other than Florida, none of the states shown had Oregon's restrictive land-use laws, yet Oregon's urban areas sprawled faster than any state except Colorado.

of urban areas, then we can measure sprawl by comparing the growth of developed land with the growth of the population.

- If the area of developed land is growing faster than the population, then the urban areas in a state are "sprawling."
- On the other hand, if the population is growing faster than the area of developed land, then the urban areas are getting denser.
- If population and developed areas are growing at the same rate, then the rate of sprawl is neutral.

Figure two shows that, of the major fast-growing states of the West and South, Oregon sprawled faster than every state except Colorado between 1982 and 1992. Urban areas in Nevada, California, and Washington actually got denser, which is supposed to be the goal of Oregon planners. But Oregon, for all its land-use regulation, saw developed land grow more than 50 percent faster than its population.

One indication of the failure of LCDC's planning is that LCDC has passed a succession of increasingly restrictive rules as each previous rule fails.

- First, LCDC required rural landowners to own a minimum number of acres before they could build a home.
- When that didn't stop rural development, LCDC required rural landowners to actually farm their land before they could build a home.
- When that failed, LCDC required that rural landowners earn at least \$40,000 to \$80,000 per year (depending on the class of land) from farming before they could build a home.

This latest rule will also fail because it will force rural landowners to develop the best farms first, since these can produce the most value from the fewest acres. Since that is exactly the opposite of what LCDC wants, LCDC is likely to try to pass even more restrictive rules in the future.

Regulation always produces unintended consequences: The consequence of a rule requiring that a farm produce a minimum income before a home can be built is that the best land will be subdivided first. Too often, the costs of the unintended consequences are greater than the benefits of the rule—so great that the rule sometimes fails to even accomplish its goal.

Metro's Plans

Metro established Portland's urban-growth boundary in 1979. Originally the boundary was only meant to designate where growth would occur, not to dictate what kind of growth took place.

Even so, the boundary was unfair to many landowners: Today, the value of an acre inside the boundary might be \$10,000 or more, while the value of an otherwise identical acre right outside the boundary might be just a few hundred dollars.

Despite this unfairness, some people soon saw the boundary as a near-sacred line, not to be moved under any circumstances. A group of leading planning advocates formed the "Zero-Option Committee" to lobby against expansion.

Eventually, however, the boundary will get filled up. Rapidly rising land prices in recent years suggest that Portland is near that point. Instead of expanding the boundary, zero-option advocates pushed for higher density development. Metro has therefore given population targets to every city and county in the area, and those cities and counties are supposed to rezone to meet those targets.

This means smaller lot sizes, more

rowhouses, apartment buildings, and other higher-density developments. Some people want to live in such areas, but many do not. To promote such developments, Metro, Portland, and other cities are allowing tax breaks, waiving development fees, and giving direct federal grants to developers of high-density residential areas.

Metro's higher density prescriptions have their own unintended consequences.

- First, higher density always leads to more congestion and pollution. Metro's own studies predict that Portland congestion will quadruple and smog will increase by 10 percent under its plans.
- Second, Metro's plans are driving up housing prices, particularly the prices of detached, single-family homes on larger lots. Metro's attempts to provide "affordable housing" by subsidizing high-density developments is likely to turn many of those areas into slums.
- Third, Metro's plans will drive up the cost of groceries and other consumer goods. Metro wants to forbid the development of more large malls, Costcos, or other "big box" stores, and encourage people to shop instead in neighborhood stores. But neighborhood stores declined because they couldn't compete with the low prices and variety provided by larger stores.

The ultimate unintended consequence is that the congestion, housing prices, and high consumer goods prices will make Portland such an undesirable place to live that fewer people will want to live in the city, taking refuge by building their homes on open space outside of the urban-growth boundary. Metro's plan may therefore lead to even faster subdivision of farmlands than would otherwise take place.

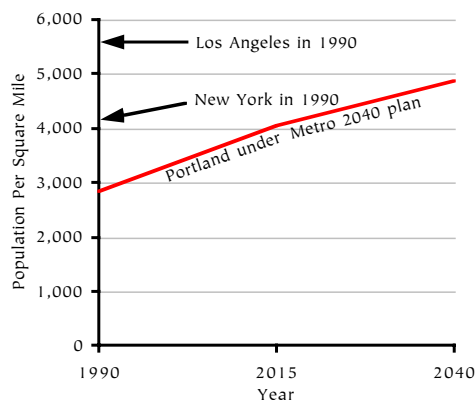


Figure three: Under Metro's 2040 plan, the Portland area's population density will surpass the 1990 density of the New York urban area by 2015 and will be nearly 5,000 people per square mile by 2040.

The real irony is that Metro wants to develop 13,000 acres of prime farmlands within the urban-growth boundary. Many Portlanders enjoy convenient u-pick berries and other produce from these lands, and the farmers would rather farm than subdivide. But Metro considers these farms an obstacle to its plans for a high-density city and has targeted them for development.

Saving Open Space

We can save the open space we care about without unfair land-use restrictions and without imposing huge amounts of congestion, pollution, and rapidly rising housing costs on Portland-area residents. The best way to save open space is to give landowners incentives to protect open space.

One such incentive is the exclusive farm-use zone, which taxes farmers less provided they don't develop their land. Another might be to create an open-space trust fund that can buy conservation easements from high-priority open space surrounding the Portland area. Steps such as these will protect Oregon's livability without the inequities and unintended consequences of Metro's plans.

References

- Metro, *Region 2040 Recommended Alternative Technical Appendix*, September 1994 (Predictions of future population, congestion, etc.).
- Metro, *Buildable Lands Analysis*, March 1996, p. 2 (number of developed acres in Portland growth boundary).
- Natural Resources Conservation Service, *Natural Resources Inventory*, 1995 (growth of developed land in figure one, acres of farm and developed land).
- U.S. Census Bureau, *Statistical Abstract of the United States* (1982 and 1992 state populations for figure one).

This fact sheet was prepared by the Thoreau Institute for Ortem, a citizens' group opposed to the Metro 2040 plan. Fact sheets are available on a variety of other topics, including congestion, light rail, and saving Portland from being turned into Los Angeles.

More information is available on the World Wide Web at www.ti.org and www.ortem.org. If you would like to help stop Metro from turning Portland into Los Angeles, please contact Ortem at craig@ortem.org. If you would like more information about this fact sheet, please contact the Thoreau Institute at rot@ti.org.