

Land Use Planning – A Brief History

The vast majority of people in Oregon know at least something about Land Use Planning, and have used those pieces of information, however fragmented or anecdotal to form an opinion on the subject. Indeed, land use planning is a reoccurring debate and issue in Oregon politics, perhaps surprisingly so. This issue, largely absent from the body politic in most other regions of the country, is one that has, for both symbolic and pragmatic reasons, drawn strong feelings of support or opposition from the population. Land Use Planning and its associated Urban Growth Boundary sparks such a wide range of reactions and elicits such disparate opinions because it is an issue that depends on one's views on a wide range of things- the value of the environment, the validity of the market and its outcomes, ideas of community, livability, personal freedoms, private property, local control, rational planning, personal preferences, wealth disparity and more. This has created a protracted and sometimes heated battle amongst Oregonians about if planning is beneficial or necessary, and if so, how it should be implemented.

In trying to deepen our understanding about the issues related to Land Use Planning and the Urban Growth Boundary, perhaps the first question we should ask is: why was this legislation proposed? Politically, Land Use Planning (LUP) was a result of many factors that came together to create a political and legislative opening for zoning success, but more than anything, the reason that LUP won at the end of the day was due to Oregon's booming population in the 1950's and '60's, fears that market did not take into account environmental issues, and the very evident erosion of cultural and

environmental capital by urban sprawl. Oregon's population boomed in the post-World War period of 1945 to 1970 (and has been booming ever since). In 1940, there were a little over 1 million people residing in the state. By 1970, the population had about doubled.¹ Between 1970 and 1972 alone, it jumped by 5%.²

The population jump was due overwhelmingly to in migration from out-of-staters, about half of which were Californians. This created many new political and environmental pressures. First, the housing boom was a source of many headaches on the municipal level. Locally controlled zoning systems were overwhelmed by the combination of short-term political gains assured from the employment creation promised by construction of new malls and homes, the political pressure put on zoning boards and city governments by housing interests, and simply the very new scale of the growth demands. Local governments were not prepared administratively for the more complex, pressing, and widespread zoning decisions that needed to be made by the population growth's corresponding housing boom. This led to a poorly "planned" tangle of overworked sewage systems and haphazardly approved roads. Many new housing developments were not even attached to proper sewage systems and simply spewed raw waste into rivers for disposal.

There was also the issue of new out-of-state home buyers being duped into buying homes in the desert of central and eastern Oregon that were so isolated that they lacked basic services such as electricity, sewage and running water. Responding to newspaper ads by developers that omitted such facts, people were being lured to fire-sensitive areas and ended up dumping personal wastes onto the land by what McCall dubbed "sagebrush

¹ See corresponding graph. Source: Golden, Lauren, 2001

² Source: Walth, Brent. [Fire at Eden's Gate](#)

saboteurs.”³ Furthermore, and perhaps most notably, the “leapfrog effect” –the building of large new production and commerce centers in previously rural to semi-rural areas- was speeding up sprawl at an unprecedented rate. Taking advantage of low land costs of rural areas and the still relatively close proximities to urban centers, businesses, shopping centers and housing developments would often locate in areas that were formerly sparsely populated (such as farming communities), creating a housing market and building boom in between itself and the urban area closest to it, speeding up the rate of low-density suburban sprawl.

This had multiple consequences. First, it dramatically raised land prices in formerly low priced farmlands. The increasing land prices meant that farmers, often operating on the margins and earning only small profits, were forced out of their livelihoods due to the increasing property taxes induced by the higher land prices. In 1961, the Oregon state legislature passed a special tax status for agricultural lands that was intended to take financial pressure off of farmers in the hopes that they would not sell land to speculators and developers. It entailed changing the basis for the tax rate on farmland from the actual property value it could fetch on the market to its land rental value- basically the value of the crops grown on it.⁴ This shift from market value to productivity taxation was intended to keep farmers from being squeezed off their land. However, the suburbanization of productive farmlands continued, as flat (farm)land was premium land in the eyes of developers, and they were willing to pay for it. The tax change thus had little discernable effect.

³ Source: Walth, Brent. Fire at Eden’s Gate

⁴ Carl Abbott, “Urban Sprawl”

One reason why many people migrated to Oregon was because of its unparalleled natural beauty. Ironically, they contributed to its wasting away. In addition to the above issues, many of the most beautiful parts of Oregon were being developed. For instance, condominiums were being rapidly built along the coast, as they brought in a premium sale price. Additionally, there was a very tangible fear that Portland would develop to be like Los Angeles, something all Oregonians seemed to agree they did not want. There was also a tangible fear that uncontrolled sprawl and poorly planned urban development would turn Portland into nothing more than a pit stop in a transportation corridor between Seattle and California. In the end, the combination of the development of formerly pristine environment, the squashing of cultural capital embodied in the agrarian ideal of farming, huge amounts of poorly planned sewage and roadways made Oregonians very sensitive to land use issues in the late '60's and early 70's. It is no surprise that a politician recognized it and tapped into it for a campaign.

LUP and the Urban Growth Boundary (UGB) as we know it today was very much the political brainchild of Tom McCall, Oregon's progressive (and maverick) Republican Governor from 1967 to 1975. While there was concern over sprawl, there was not any organized demand or public outcry for such legislation. Instead, the urban growth boundary story is one of the visions of a single man who successfully agitated and roused the public to support his cause.

In 1964 McCall ran for Secretary of State, and won. It was a victory that ran counter to the trend of Republican defeats in the 1964 elections. (This was probably due to the fact that he was not a typical Republican. He often held more progressive views than some Oregonian Democrats.) In any case, McCall began campaigning for land

conservation issues as early as 1965, using his position as Secretary of State to raise the profile of the issue of sprawl.

Later, as governor in 1969, he committed his staff to the production of legislation (along with the Interim Committee on Agriculture) on farmland conservation. They produced four bills, the most far-reaching being Senate Bill 10 (SB10). SB10 was a strongly worded set of land use goals that called for allowing development only when it was “commensurate with the character and physical limitations of the land.”⁵ It also called for the protection of open spaces and prime farmland from development pressures. Finally, it also required local governments to develop and finalize zoning plans within two years. If localities failed to do so, the state reserved the right to take over local zoning and implement its own plans. This was arguably the first big step towards state-level planning of community development.

The bills eventually passed, but not until after significant political maneuvering resulting in a heavy political price being paid by McCall. The Republicans who controlled the legislature disliked McCall, considering his goals as anathema to those of true Republicans. Others were weary of his strong-arm tactics and remembered being steamrolled on the issue of beach preservation. McCall, wanting to reconcile with those in his party and to see the land use planning legislation through, agreed to support sales tax legislation put forward by the Republican statehouse and put his name on it. The idea of a sales tax has always been very unpopular in Oregon, and the public outcry made the Republican statehouse vote against the “McCall Sales Tax,” seriously undermining (temporarily) McCall’s political capital.

⁵ Source: Walth, Brent. Fire at Eden’s Gate

But with that over, the debate switched to land use issues. This was an easier debate, for sure, but still a difficult one. It drew a lot of opposition from well-organized and influential groups. Unlike earlier environmental legislation that was directed towards faceless industrial polluters and the preservation of beaches, this legislation was meant to regulate “regular Oregonians,” and much lobbying against the bill ensued.

Timber companies (including the influential Georgia-Pacific) and industry lobby groups such as powerful Associated Oregon Industries opposed the bill on the grounds that it was a bad precedent and invited too much government intrusion into private land use affairs. Local and county governments also came out against the bill, not wanting to potentially lose their zoning powers to a centralized zoning authority. Opponents often invoked the idea of Soviet-style central planning finding a home in Oregon.⁶

In the end, the opposition was victorious, though McCall did emerge with SB10. However, the legislature stripped SB10 of its funding for localities to finish their zoning plans. McCall worried that he ended up with only a symbolic gesture towards land use planning, but in the end, he won the fight for new zoning laws.

In 1972, McCall teamed up with newly elected state senator Hector Macpherson, a dairy farmer from near Corvallis in rural Linn County, an area experiencing pressure from encroaching development. Macpherson, upon his election in 1970, began working on land use planning, but found no one else interested in his cause. He found an ally in McCall, and the two drafted Senate Bill 100 (SB100), a measure that would strip local authority over zoning, and give it to a state agency. The bill formed fourteen planning districts, each district’s counties and cities having the ability to zone as they saw fit, just

⁶ Source: Walth, Brent. Fire at Eden’s Gate

so long as it fit into a comprehensive state-level plan that directed growth policies for all fourteen districts of Oregon. The local authorities could thus not develop outside of the district parameters. SB 100 also contained language that prevented the construction of new nuclear power plants and barred development in several specific scenic locations throughout the state. It was a sweeping bill compared to SB10, which conservative activists were already angered about.

McCall and Macpherson actively campaigned for SB100 in 1972, circumventing the legislature and going directly to the public to give speeches championing the benefits of land use planning. They created a task force called “Project Foresight” that produced two different “Oregon Scenarios” of a Willamette Valley after 40 years of growth– one being clogged with traffic and devoid of natural spaces and farmland, the other a well planned valley with farms and open spaces. It was successful in playing on (and creating) public fears about the potential urbanization of Oregon.⁷

While the public was for the measure, a variety of interests lobbied hard against SB100. McCall had been forewarned by Macpherson that he would be hard-pressed to find legislators willing to put their name on the bill, and rightly so. Eventually, McCall did find a formidable ally, however. Liberal Portland Democrat State Senator Ted Hallock signed on to the fight for SB100. Hallock was a very erratic individual, swinging between the extremes of being politically savvy and insightful one moment to fiercely uncompromising and volatile the next. Actually, this probably helped McCall, who found a stubborn ally to his cause. Hallock also headed the Senate Environment and Land Use Committee, and sought to ram SB100 through his committee quickly.

⁷ Source: Walth, Brent. Fire at Eden’s Gate

However, the new senate president, conservative Democrat Jason Boe, was against the bill, and stacked Hallock's committee with legislators that were either unconvinced by or hostile towards the bill. Hallock and Macpherson (who also sat on the committee) pressed on. Hallock held ongoing hearings, and created a lot of public interest in the process. Hundreds of onlookers crowded into the small committee room to see environmental and farming groups face off with industry lobbyists and developers. The opponents this time around included lumber giants Georgia-Pacific and Weyenhaeuser, private utilities Portland General Electric and Pacific Power & Light, the Oregon Home Builders Association, and the corporate interest lobby Associated Oregon Industries. The opponents were well organized and influential. So McCall went to the public again, giving speech after speech creating strong public backing for the bill. He also had a trick up his sleeve. McCall, using the authority given to him by SB 10, had (very quietly) ordered state inspectors to investigate a housing development in Lincoln County, an area that had a housing explosion over the past few years. As the hearings on SB100 began, McCall released the results of the study, which showed that the many of the sewer lines from the new houses went nowhere. Some went to open cesspools, or even more outrageous to the Oregon public, thirty-eight pipelines from the new subdivisions ended up spewing raw sewage directly into public beaches. Lincoln County had repeatedly violated its own zoning standards. This revelation gave the bill even more support from the public.⁸

However, private interests were still strongly against the bill. The passage of some land use planning at this point was inevitable, however. Finally, a compromise was

⁸ Source: Walth, Brent. Fire at Eden's Gate

reached. McCall dropped language that singled out specific areas that would have been off limits to development. He also exempted the siting of nuclear power plants from land use decisions, which pacified the utilities, who then dropped their opposition to the bill. And to win the support of local leaders, instead of 14 planning districts, the modified SB100 gave zoning control to the thirty-six counties. Additionally, and perhaps most importantly, the means of land-use planning was altered so that the standards were not set by state bureaucrats but instead by public hearings, shifting the process from a top-down approach to one that was more bottom up. Hallock took the compromise bill that turned many opponents to supporters and rushed it through the senate on an 18 to 10 vote. The house passed it easily and unaltered. McCall then signed the bill in 1974, though worried its compromises went too far.

The new LUP legislation contained nine “State Land Use Goals” and guidelines. Over time, this list grew to fourteen. They are, as reported by the Oregon LCDC (1990):

1. Citizen Involvement- encouraging public participation in all stages of the planning process.
2. Land Use Planning- “to establish a land use planning process and policy framework as a basis for all decisions and actions related to use of land and to assure an adequate factual base for such decisions and actions.”
3. Agricultural Land- “To preserve and maintain agricultural lands.”
4. Forest Lands- “To conserve forest lands by maintaining the forest land base and to protect the state’s forest economy by making possible economically efficient forest practices... consistent with sound management of soil, air,

water, and fish and wildlife resources and to provide for recreational opportunities and agriculture.”

5. Open Spaces, Scenic and Historic Areas, and Natural Resources- Conservation of the aforementioned
6. Air, Water, and Land Resources Quality- “To maintain and improve the quality of the air, water, and land resources of the state.”
7. Areas Subject to Natural Disasters and Hazards- “To protect life and property from natural disasters and hazards.”
8. Recreational Needs- to satisfy recreation needs of Oregonians and tourists
9. Economic Development- “To provide adequate opportunity throughout the state for a variety of economic activities vital to the health, welfare, and prosperity of Oregon’s citizens.”
10. Housing- “To provide for the housing needs of citizens of the state.”
11. Public Facilities and Services- To plan them in a way works with growth
12. Transportation- “To provide and encourage a safe, convenient, and economic transportation system.
13. Energy Conservation- “To conserve energy.”
14. Urbanization*- “To provide for an orderly and efficient transition from rural to urban land use.” *(Used as the justification for increasing housing density.)
15. Willamette River Greenway- Protect the Willamette River
16. Estuarine Resources- Protect Oregon’s estuaries
17. Coastal Shorelands- Protect Oregon’s shorelands
18. Beaches and Dunes- Protect Oregon’s beaches and dunes

19. Ocean Resources- To conserve and protect Oregon's ocean resources ⁹

These fourteen goals are very broad, and so can be interpreted liberally. Also, their interaction is very interesting, in that sometimes the goals seem to come into direct conflict with one another, meaning that subjective valuations of the goals (as determined by the Metro Councilors) will potentially affect the implementation of the goals in rather arbitrary ways, or in a manner inconsistent with the spirit of the law. What are some of the issues that arise with this list of ideal yet seemingly conflicting goals?

One that has been getting a lot of attention in recent years is the affect that the Urban Growth Boundary has on land and housing prices. After the nation's and Oregon's recovery from the 1980's recession that dampened new home building and therefore exerted little pressure on the UGB, Portlanders witnessed a dramatic escalation of housing and land prices within the UGB (while they plummeted outside it). ¹⁰ The median sale price of a single-family house in the Portland area increased by 50 percent from 1988 to 1995 according to Harvard's Joint Center for Housing Studies. ¹¹ This rise in housing prices has drawn the concern of low-income housing advocates, and those who worry that the livability of Portland is being harmed and not helped by the UGB and LUP laws. The merit of these claims is based on what we make of a variety of theoretical models, different value judgments about government intervention, the free market, and empirical data.

⁹ Source: City Club of Portland, 1999

¹⁰ See associated Graph in Appendix. Source: Golden, Lauren.

¹¹ Source: Abbott, Carl- "Urban Sprawl"

While the housing prices did escalate in Portland during the 1990's, it is important to note that housing prices also escalated in most urban areas across America, and especially so in western cities. The question then, is what part of the price increase can be attributed to the UGB. We would expect that the UGB would restrict the supply of developable land, while demand due to increased population would rise. The most basic economics tells us that this will drive up price. However, a study by Phillips and Goodstein that tried to model the Portland housing market and compare it to other similar western cities found that the UGB contributed at most \$10,000 to the sale price of homes, a significant number, but one that is dwarfed by other factors.¹²

One question we might ask is how the UGB and development interact, and how this might affect housing prices. As pointed out in the 1999 report by the City Club of Portland, despite the expectations, projections, hopes, and efforts of city planners and the Metro Council, as well as the seemingly logical conclusion that restricted land supply would lead to, the population density of Portland has been falling consistently since 1950 until 1990, when it stayed about level into 1998.¹³ What could account for this counter-intuitive result?

The answer may lie not necessarily in economics, but in institutional inertia. Many, including Gerard Mildner of PSU and other classic economists might argue that this is evidence of an over-riding consumer preference for low-density suburban-style single family homes, the City Club offers another intriguing analysis.¹⁴ Affordable

¹² Source: Abbott, Carl- "Urban Sprawl"

¹³ See Corresponding Graph and Table in Appendix

In 1950, the population per sq. mile was 4,517, in 1994, 3167 (in the Vancouver-Portland Metro area) Sources: Abbott, Carl – "Urban Sprawl", 1999 City Club Report

¹⁴ Interview with Gerard Mildner, Dec. 2, 2002

housing advocates, city planners, and Metro have all hoped to (in accordance with Goal 14) increase housing density as a means to reduce infrastructure costs, sprawl, and an increase in housing prices. However, this has not been established, partially since Metro can establish policy and regulatory frameworks, but cannot force builders to build, or buyers to buy any specific style of housing. Indeed, most housing that has been built recently has been low-density – suburban style single-family houses with yards and driveways. Where traditional economics (which rarely examines the nature of choice or “preference” but instead takes it as given) would call this evidence of peoples’ market preferences being met, even over regulatory hindrances, the City Club counters that innovative high-density housing has not yet been put on the market to have the chance to be preferred. The explanation is simple: innovative housing inherently entails more risk. When you try something new in the marketplace, you have no idea if there will be consumers to consume your new product. Financers then, might not be willing to take a risk – indeed, they tend to put most of their money into development projects that have a proven track record (in this case, the single-family house).¹⁵ Thus, it is an institutional arrangement –the lack of incentives for financiers to fund innovative and more uncertain projects- that has caused the falling density, and the subsequent increase in land per person, and therefore the increase in land and housing prices.

It should also be noted that when computing the changes in housing prices, it is rather standard to look only at single-family houses. If we consider the UGB a success when the affordability of these diminishes, that would seem to be a victory for the UGB’s goal 14 of increasing density. Indeed, a largely neglected measure of “housing” costs in

¹⁵ Source: City Club of Portland Report, 1999

this debate is rental prices. Renters make up a large portion of Portland's population, and this should not be ignored. The LCDC Housing Rule and UGB Goal 14 bias construction towards apartments. Right now, about half of the new development being allowed is for multifamily units. This large supply of new apartments helps to keep rental prices relatively low. Portland's average monthly rent for a one-room apartment in 1999 was \$746, while the average in the U.S. was \$858.¹⁶ Also notable is that during the 1990's the average apartment rents (adjusted for inflation) increased 5%, while single family house costs increased 59%.¹⁷

In the 1980's especially, but still to some extent today, there was significant debate about whether LUP and the UGB were hurting the economy by impeding the attraction of new industry. The myriad regulations of land use, as well as the fixed supply surely must have been a detriment to the establishment of new industry in the state, opponents argued. Supporters countered that by anticipating economic growth and allotting industry land that was spared from the market competition of others, LUP land industrial land cheaper. In 1981, 1,000 Friends of Oregon made economic development a priority issue and looked into the effect that the UGB and LUP had on industrial land availability. They found that after LUP was implemented, there was actually a substantial increase in the overall amount of vacant industrial land, casting doubt on the contention that LUP drove up prices.¹⁸ They did note, however, that poor implementation of the LUP – not zoning enough industrial land, zoning art galleries and recreation centers in industrial areas, and placing industrial areas on major floodplains, in

¹⁶ Source: Abbott, Carl: "Urban Sprawl"

¹⁷ Source: Abbott, Carl: "Urban Sprawl"

¹⁸ See Corresponding Table. Source: Knaap, Gerrit. "The Regulated Landscape"

areas without access to sewage, and poor transportation access, probably decreased the amount of desirable industrial land. However, the argument put forward for keeping prices low was not less regulation, but more and more rigorous regulation.¹⁹ Finally, pro-UGB forces cite yet another mechanism which LUP performs that they contend is good for encouraging economic development. Since there is an absence of sprawl, infrastructure costs are significantly lower, meaning that either taxes can be lower, putting more money in the economy, or spent on social services and education, enhancing human capital, and thus making the region's job market more desirable to potential investors. According to Carl Abbott, "the accepted figure from national studies is a 20 percent reduction of infrastructure costs over sprawling development."²⁰

With those analyses out of the way, it seems appropriate to investigate if the UGB has accomplished its original and main goal of preserving farmland and habitat. There is little dispute that it has. Environmental groups are at the forefront of political agitation for keeping the UGB intact, stable, and relatively inflexible. Lands outside the UGB have been saved from development pressures for the most part. The UGB was very effective in creating a dual land market, with high values inside the growth boundary, and low ones outside. An analysis sponsored by the DLCD found that between 1985-89, 95% of the new housing built in the three core counties of the metropolitan area was located within the UGB. Farming seems to be a big winner. According to Arthur Nelson,

[Very] telling is the effect of UGB policies on farm land production. Nelson (1992) demonstrates that the coincident effects of UGB policies and rising farming production and income relative to

¹⁹ Source: Knaap, Gerrit. "The Regulated Landscape"

²⁰ Source: Abbott, Carl – "Urban Sprawl."

comparable states and the nation strongly suggest that those policies are effective in protecting farming from urban encroachments. Between 1982 and 1987, farms in the Willamette Valley increased in average size and productivity per acre. Farmers outside the Portland UGB appear to be buying “exception” land [land set aside with less stringent land use regulation] for more money than low-density urban households are willing to pay. Those farmers are putting land into high value crops such as grapes (for the burgeoning Oregon wine-making industry) and berries. This would be unlikely in the absence of stable UGBs.²¹

However, there are those who question the purported environmental gains. Gerard Mildner expressed concern with a bit of irony he felt was embodied in the current manifestation of UGB legislation. To the west of Portland is prime farmland – arable, flat, relatively rockless. It (as is the case with most farmland) is also potentially prime development land. To the east is rather rocky, hilly land that is less valuable, both to farmers and developers.²² When decisions are made about the UGB location and expansion, this western farmland is saved due to Goal 3 (a priority), despite being where “people would want to live.” Metro consistently, says Mildner, expands the UGB towards the east- the less desirable land. The irony? The east, being rocky, non-developed and non-farmed is prime habitat for wildlife and native plant species. Thus, the anti-sprawl legislation aimed at protecting wildlife is pushing development into prime habitat, while saving farmland that would be preferable to develop, and preserving lower-value, potentially polluting farms.²³

While this does seem like a legitimate qualm with the UGB implementation, Mildner’s following assertion that it is his contention that the UGB should not be extant

²¹ Source: Nelson, Arthur – “Oregon’s UGB Policy as a Landmark Planning Tool”

²² See corresponding graph. Adapted from G. Mildner by R. Chlapowski.

²³ Source: Interview with G. Mildner, Dec. 2, 2002

then makes his apparent concern seem a bit dubious. While it does seem problematic that the UGB directs growth into habitat areas, the fact that without it, the area of concern would almost definitely be more developed. While Metro might have misdirected growth, its scale is still controlled. In another portion of the interview, Mildner spoke of recently passed legislation that was aimed at protecting such habitat, which would take effect next year, and hopefully address the aforementioned wildlife issue.

The prior discussions raise an implicit issue embedded within Land Use Planning. Who is doing the planning, with what motives and how? The planning is being undertaken by Metro councilors, who are directly elected by the public, and make decisions based on rather political ideologies. They are bound to a certain process, but they are free to make decisions based on somewhat subjective grounds. Metro Councilors make their decisions based on calculations and projections about population growth, density and other measures, but they have the ability to take issue with parts of the data, or, as Mildner puts it “tinker with the data.”

Indeed, this “tinkering” can create huge differences in the adopted policy. For instance, earlier this year (Oct. 10, 2002) the Oregonian reported on conflicting estimates of population growth being a major source of contention in the UGB expansion debate underway at the time. As described in the Oregonian:

Growing at 1.5 percent a year would require fewer than half of the 39,000 new houses and apartments Metro’s forecast calls for – and less than half as much new land for development. Growing 1.4 percent would mean all new residents could live in existing urban areas [within the UGB, preventing any new land to open for development].²⁴

²⁴ Source: *The Oregonian*. “Port prediction casts doubt on boundary plan” 10-10-02. C4

Carl Hosticka, the Council Presiding Officer, said, “We have conflicting evidence. The stakes are high. And in two months we need to start making decisions.”²⁵

In those two months, with unanswered –or what Metro Councilors determine to be unsatisfactorily answered- questions, they will have the ability to come up with their own hypothesis that will likely be reflective of who helped elect them to their position. This seems inherently problematic to Mildner, who seems to long for impartial data processing and interpreting individuals to do the job unhindered. Unfortunately, such people do not exist. Goal 1 of the LUP legislation calls for public participation in the LUP process, which, like the rest of the government, is going to be messy and imperfect, but preferable to non-accountable decision makers. But, as the Oregonian article points out, a seemingly small variation in “interpretation” can lead to huge policy differences.

Metro Councilors’ decisions must follow the 14 LUP Goals. That means that one thing that they must take into account is the next 20 years of growth. But their interpretation of the growth numbers, as illustrated above, can have huge consequences in the way that policy is set and subsequently the future behavior of the market. The decisions made by Metro are ones that are directly and indirectly making assumptions about dynamic efficiency, the relationship between future and present net benefits of any political, business or market scheme. McCall had in mind dynamic efficiency in a currently fashionable sense- sustainability in economic activity. To adopt this mindset is

²⁵ Source: *The Oregonian*. “Port prediction casts doubt on boundary plan” 10-10-02. C4

still relatively novel in the business community, though arguably starting to catch on, despite the negative impact it would have on short-term profit.

It seems to be the business with more long-thought that are less disturbed by the UGB. For instance, while many business groups currently oppose the LUP laws, it is interesting to note the support LUP has from Oregon timber lobbyists (an interest group once opposed to the legislation). They attribute the dependability of forestry as an economic staple for Oregon to the state's land use system. Since most land is off limits to development, it stays in production.²⁶

Land Use Planning and the Urban Growth Boundary seem to have data indicating all sorts of things. Sorting out that data is something that is in an individual process, which depends upon a lot of personal/subjective interpretation along the way. How one feels about the system seems to be largely dependent on individual valuations of things such as the cultural value of an agrarian landscape, the importance of ecological sensitivity and habitat preservation, the density of your community, the type of structure you call home, commuting vs. public transportation, as well as more fundamental issues like individual liberty, community cohesiveness, the validity of market systems, the validity of government intervention, and so on.

As an ending note, we should also touch on the idea of personal vs. community preferences. It would be hard to argue that most people would prefer (or be indifferent to) living in an apartment rather than a house. However, it would not be as much of a stretch to believe that some may value close communities, low sprawl, and environmental integrity enough to (as long as others were adhering to the same rules and playing the

²⁶ Source: High County News -“Planning’s poster child grows up” Nov. 25, 2002

same game) decide to live in an apartment despite personally preferring a house. Indeed, this arguably is the case with land use planning. It should be acknowledged that there may be a difference between the aggregate of individual preferences and community preferences.

This seems to be the case for opinions the LUP-UGB. Take for instance, the case of Trevor Baird, a farmer who, because of LUP laws cannot build a house on his orchard. He is frustrated by that land-use rule but then acknowledges,” At the same time, I think it’s good, because no one else can build there either. I think about places that in the state that are zoned differently and there’s tons of development – and I wouldn’t want to live there.”²⁷ Indeed, it seems that even though many people might individually prefer living in rural or scenic areas, they understand that the free-for-all development of those areas would not in the end work for anyone. Despite many attempts to abolish the system through referenda, it has always survived, and referenda have actually allowed Metro to grow in regulatory power over time. Surveys by 1,000 Friends of Oregon and the League of Conservation Voters consistently show support for LUP in its most basic form on a 2-1 margin.²⁸ These signs can be interpreted that for the near future at the very least, people are content with LUP system, and believe that it is an asset, not a liability to the livability of the state.

The next section of the paper shall explore more fully the range of preferences Oregonians hold and display when faced with housing and LUP/UGB issues.

²⁷ Source: High County News -“Planning’s poster child grows up” Nov. 25, 2002

²⁸ Source: High County News -“Planning’s poster child grows up” Nov. 25, 2002

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