

Divisions deepen between Metro, homebuilders

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Portland-area homebuilders say things are bad enough with the recession. Now they suspect members of the Metro Council -- elected officials who have much to say about how and where the area grows -- are philosophically bent against them.

Tom Skaar, president of the Home Builders Association of Metropolitan Portland, says council members think growth means "sprawl" -- so he wrote in a letter to Metro Council President David Bragdon.

Yet Bragdon replies it's no secret the seven councilors favor limiting growth with a tight urban growth boundary -- they campaigned for office that way and won election. But he said the council isn't biased against builders.

Disagreements between developers and the politicians who shape the region's growth pattern aren't unexpected, but this one has a deeper edge to it. The tiff comes as the Portland area faces the pressure of providing homes, jobs, shops, schools, parks and streets for a million more residents expected by 2030. Meanwhile, Metro and its tri-county partners are working on an untried 40- to 50-year growth plan, and the rubble hasn't cleared from the housing market collapse.

Metro coordinates land-use and transportation policies in the region, and its councilors revel in the area's national rep as a bicycle-commuting, density-increasing, green-building model. Builders and other developers frown at the blanket application of that ethos. Not everyone, they say, wants to live in an 800-square-foot Pearl condo, ride the streetcar and tend an eco-roof.

Skaar said councilors oppose expanding the urban growth boundary and want to direct all growth within dense urban centers and along mass-transit corridors.

"If you survey 1,000 city of Portland residents at random, a significant number would say urban sprawl is bad and density good," Skaar said. "But you ask them if density is good if it's next to or near you, you get a far different set of answers."

There are other signs of frayed nerves.

When Tualatin in November rezoned much of its vacant and redevelopable land to allow one-acre residential lots, Metro complained the city wasn't meeting density targets and appealed to the state Land Use Board of Appeals. The case is on hold, but one developer called Metro's appeal of a member city's decision "astounding" and suggested the council had "consumed too much of its own Kool-Aid."

"They have a belief system, and they think one-acre lots threatens that belief system," Tualatin Mayor Lou Ogden said.

In the hypersensitive atmosphere that's developed, a casual remark by Metro Councilor Rex Burkholder took on greater weight than it deserved.

Burkholder said Nike's world headquarters could have just as easily been housed in downtown Portland's "Big Pink" U.S. Bancorp Tower instead of on its 76-acre Beaverton campus.

Burkholder said he was making a point about compact office development and reserving big chunks of land for manufacturing. He compared it to Nike's rival sports apparel company, Adidas, which remodeled the old, multistory Bess Kaiser Hospital in North Portland, putting its North American headquarters on an 11-acre site four blocks off the MAX light-rail line.

"I'm not saying Nike should move, I'm saying it could fit," Burkholder explained. "What's the trade-off from the public's view? Which is the better model for us in the long run?"

Nonetheless, the remark didn't play well with developers, who took it as yet another tone-deaf statement from a detached Metro councilor.

"It's fair to say Nike would not have located in Big Pink," Skaar said.

The homebuilders' complaint follows an October exchange in which a coalition of contractors and Realtors sharply criticized a Metro infrastructure report.

The report, done by a consultant, concluded it costs more to extend streets, water and sewer to areas outside the urban growth boundary than it does to serve new development within the urban core. Councilors waved it as proof that the latter is preferable.

While that's logical at first blush, a business group suggested the report was skewed and worried it would be used to justify not expanding the urban growth boundary. In some cases, a city seeking to expand may have built high-capacity infrastructure right to the edge of the boundary and could extend it for less cost than retrofitting old, inner-city infrastructure, said Kelly Ross, spokesman for the Oregon chapter of the National Association of Industrial and Office Properties.

Group MacKenzie, a Portland architectural and engineering firm, analyzed case studies contained in the Metro report and found them lacking.

"It was starting to be referred to as a final conclusion from which policy could be made," said Mark Clemons, the firm's project development director. "We were saying, 'Well, wait a minute, does it really say that?'"

In some cases, it could be cheaper and more efficient to serve outside areas that are in the natural path of development than to retrofit old infrastructure in city centers, Clemons said.

Bragdon, the Metro Council president, acknowledged the need to "sharpen our pencil."

Future expansion of the urban growth boundary is the trigger point. Development has not flowed into the most recent expansion areas such as Damascus because it costs so much to provide infrastructure. "The development industry doesn't want to pay for infrastructure, and neither does the taxpayer," as Bragdon puts it.

Skaar, of the homebuilders association, said in a Dec. 16 letter to Bragdon that it appeared a majority of the Metro Council has reached "foregone conclusions" about growth.

"What is also disturbing is when Metro councilors use the term 'sprawl' to categorize any UGB expansion," Skaar added. He said homebuilders are "extremely concerned."

Bragdon responded with a conciliatory letter Jan. 6, saying the council doesn't have a closed mind on growth issues. He said everyone involved needs to "avoid jumping to conclusions based on offhand remarks."

Growth issues also are at the heart of a delicate process now engaging Metro and its partner counties. They are working this year to designate urban and rural reserves, which will require Metro and Multnomah, Washington and Clackamas counties to unanimously decide where the urban growth boundary will be expanded and development allowed, and which areas will be reserved for farms, forests and significant natural areas.

Homebuilders, agricultural groups and others are enthusiastic about the prospect, saying it could provide 40- to 50-year certainty to an acrimonious process.

Ogden, the Tualatin mayor, said the differences between developers and Metro point out the difficulty of finding the proper balance.

But he conceded voters must generally agree with Metro because they elect and re-elect councilors who want to keep a tight handle on growth.

"Obviously, they have a lot of willing accomplices," he said.