

Testimony of Glen Hamburg, Senior Regional Planner

Testimony on HB 2356

House Committee on Agriculture, Land Use, Natural Resources and Water

February 3, 2025



Metro is the regional government for the greater Portland metropolitan area, tasked by Oregon statute with making decisions every six years about how and where the region will grow. Our region has a strong track record of supporting the core purposes of Oregon’s statewide planning system – protecting farms and forests by facilitating efficient urban development, while providing additional room for people and jobs when needed by expanding the urban growth boundary.

Metro supports the adoption of HB 2356 to help facilitate the efficient and needed development by our cities in areas already in the urban growth boundary. The bill would eliminate the need for duplicative, costly, and time-consuming Metro district annexations. With this bill, a territory already in the urban growth boundary would be annexed to the Metro district when it is annexed by a city, without the need for a separate Metro District annexation application.

Currently, most land inside Metro’s urban growth boundary is also inside Metro’s service district. However, there are a few instances where it is not. State law requires land to be brought into the district when it is annexed by a city. A city cannot, for example, develop a new residential subdivision or industrial facility on land that is outside the Metro district boundary, even if that land is already in the urban growth boundary and already annexed into city limits. That land must be annexed to the Metro district boundary for that development to occur.

Reducing duplicative, costly processes

The issue that HB 2356 intends to resolve is that annexation to the Metro District and annexation to a city are separate processes with separate applications. These applications are costly, both in money and time.

The fee for annexation of a territory to the Metro District is \$3,000 and covers associated expenses, like staff time, publication of notices in the newspaper, printing and mailing of notices to property owners, and printing and posting of on-site public notice signage. The application fee does not include the expenses an applicant might incur for, for example, hiring a consultant, surveyor, or attorney to assist them with their application.

Each annexation requires two public meetings with the Metro Council, and it can take several months for a single Metro district annexation application to be processed. Anecdotally, we’ve heard of permitting for new housing in Metro cities being delayed until this process is completed.

Despite all this expense and effort, the Metro district annexation process is not really needed. The application process is essentially duplicative of the separate city annexation process: the criteria that are evaluated for Metro district annexation consider basic, clear and objective things like whether the property is in the urban growth boundary and whether it will be annexed to a city prior to development. Thousands of dollars of paperwork, multiple public meetings, and months of delay are not needed to determine whether a territory meets these criteria. Yet the separate process is currently required.

Scale of the issue: small but impactful

Metro's urban growth boundary is more than half a million acres in area. Of these acres, only about 1,500 are not yet in Metro's District and a Metro city. These are the properties that would have to go through these duplicative annexation processes before they can develop. While that is a small fraction of the overall urban growth boundary area, each application's cost and delays are impactful to individual property owners, development projects, and cities in our region looking to grow.

Based on the typical number of tax lots we annex to the Metro District in a given year, at current rates, it may take us half a century to have them all annexed. In the meantime, the costs associated with Metro district annexations increases the costs of and delays development.

HB 2356 is a good governance bill to help ensure that those 1,500 acres already inside the urban growth boundary can be annexed to a Metro city and developed, with less bureaucratic redundancy and cost.

The bill does not change any urban growth boundary expansion requirement, nor does it change any city annexation requirement. It simply removes an existing requirement for a property in the urban growth boundary that is being annexed to a city to go through another process with Metro. In addition, the bill is not "retroactive" – it would only apply to city annexations going forward.