



February 9, 2026

Oregon State Legislature
House Committee on Housing and Homelessness
Oregon State Capitol
900 Court Street NE, Room H-178,
Salem, Oregon 97301

RE: Opposition to HB 4113 - Transfer of Development Opportunities (TDO) in the Metolius River Basin

Chair Marsh, Vice-Chairs Breese Iverson and Andersen, and Committee members,

Thank you for the opportunity to provide testimony on HB 4113 on behalf of Central Oregon LandWatch (LandWatch) and 1000 Friends of Oregon. Collectively, our organizations have been deeply involved in leading and participating in conservation efforts for the Metolius River Basin for over four decades.

We are **strongly opposed to HB 4113, and the -1 amendment, unless significantly amended. We urge you to cancel the public work session for this bill and stop it from moving forward.**

This bill is unnecessary, ill-advised, and a threat to the integrity of Oregon's rural lands and land use principles. It seeks to justify development on 200 acres of Oregon's rural lands based on an expired development right and a deal made years ago to protect the Metolius River Basin from resort development.

This bill's proponents claim the bill is meant to settle 'unfinished business' in the Metolius when, in fact, the issues are already settled - and have been for some time. The threat of large luxury resorts in the Metolius was successfully overcome in 2009 (HB 2228) and resulted in the designation of the Metolius as our state's first and only Area of Critical State Concern (ACSC).

At that time, the private landowner who wanted to develop the area received a time-bound "transfer of development opportunity (TDO)" to develop a resort on another parcel somewhere else in the state. **Over the past 17 years, the Legislature has granted this developer five timeline extensions and two geographic expansions to realize their development opportunity, all of which have expired.** No additional opportunities are necessary or

warranted.

There is a long history here, as well as many issues that make this bill particularly problematic:

- **Timeline extensions and geographic expansions that span nearly two decades:**
 - **Timeline extensions:** The legislature has extended the TDO opportunity timeline five separate times over the 17 years since the TDO was created: (HB 3313 (2009)¹, HB 3572 (2011), HB 3431 (2015), HB 2031 (2017), and HB 4031 (2018)).
 - **Geographic expansions:** The original geographic area was unspecified and limited to counties meeting a variable average annual unemployment (HB 2228 (2009), Section 3(4)(b)). HB 3431 (2015) expanded the opportunity to five specific counties, in addition to any meeting an average annual unemployment threshold. And HB 2031 (2017) then expanded the opportunity to 21 specific counties, in addition to any meeting an average annual unemployment threshold.
- **Facilitates sprawl development outside of Urban Growth Boundaries:** Allows a county (not a city) to site up to 960 units of housing on up to 200 acres outside a UGB somewhere in the state, including on farm and forest land
- **Insufficient affordability:** This bill limits only half of that development to households making up to 130% of area median income (AMI) for 60 years. That means the other half could be market rate or luxury units, which is out of step with the affordable housing our communities need most.
- **Overrides Oregon's land use system:** Exempts the development from compliance with Oregon land use law, including all of the statewide land use planning Goals. The sprawl development pattern this bill would allow is likely to violate one or more land use goals, including: Goal 1 (Citizen Involvement), Goal 2 (Land Use Planning), Goal 3 (Agricultural Lands), Goal 4 (Forestlands), Goal 11 (Public Facilities and Services), and Goal 14 (Urbanization).
- **Eliminates public participation:** Provides for no public participation in the county siting/approval process, and limits appeals of a LCDC order approving the development to only the county or the developer.
- **Private interest outweighs public benefits and conservation outcomes:** The current opportunity on the books since 2009 is for the developer to build two houses on 640 acres of non-riverfront private land² in the Metolius, which is a relatively small footprint.

¹ The TDO creation bill, HB 2228 (2009) provided a two-year window. HB 3313 (2009), passed later in the same 2009 session, extended the TDO opportunity to a three-year window.

² Attachment A: Department of Land Conservation & Development: Metolius Area of Critical State Concern Recommendation, Map - Areas 1 & 2, Agenda Item 10, January 20-22, 2010 LCDC Meeting

This is the development the developer was entitled to 20 years ago, before Jefferson County mapped the property as eligible for a resort. Compare that with potential development of an unspecified 200 acres of rural lands, without sufficient sideboards.

- **Sunsets should sunset.** The property owners accepted the original agreement terms, which specified their TDO, and the five reauthorizations. The TDO was never designed to last forever, and it is not the state's responsibility to ensure the developer uses it for their economic benefit. Sunsets should mean something; special development deals don't exist in perpetuity, nor should they. The developer willingly opted into the TDO they received in 2009, which included a time-limited sunset.
- **Exacerbates wildfire risk and climate impacts:** There are serious climate and wildfire safety issues related to creating a new development that could house over 2,000 people on rural lands and/or in the Wildland-Urban Interface (WUI) outside of cities.
- **Creates serious potential issues related to jurisdictional purview and infrastructure costs and needs:** There are also unresolved questions about city and county roles and obligations related to impacts to existing water, sewer and transportation infrastructure and who will pay for providing new services, access and infrastructure.

Requested changes to bill: To potentially consider changing our current position of 'opposed unless amended' to neutral, we'd need to see all of the following:

- **Provisions that require siting the TDO only within an existing UGB** (e.g. density bonus, state surplus lands, home start lands, Urban Renewal Areas, underutilized commercial lands, and/or opportunity areas/zones or other buildable lands)
- **Deeper affordability levels to 80% AMI and a greater percentage made affordable** on a project that must be located within an existing UGB (currently the draft bill we've seen only requires half of the up to 960 units be affordable to families making up to 130% AMI)
- **No one-time/one-off UGB expansions used for the TDO.**

Allowing 200 acres of development on lands outside urban growth boundaries – land intentionally set aside to protect farms, forests, open space, and wildlife habitat – is not a win for the public or for conservation. It's a benefit to a single private interest. We urge you to reject HB 4113.

Sincerely,

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Central Oregon LandWatch

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1000 Friends of Oregon

Attachment A: Metolius Area of Critical State Concern Map - Areas 1 & 2

