

MEMORANDUM

W.S.F.



Memo Date: August 10, 2009
Work Session Date: August 25 or 26, 2009

TO: Board of County Commissioners
DEPARTMENT: Public Works, Land Management Division
PRESENTED BY: Kent Howe, Planning Director
AGENDA ITEM TITLE: WORK SESSION / Rural Reserves

I. MOTION:

No motion is necessary. This is a discussion item only.

II. AGENDA ITEM SUMMARY

The purpose of this work session is to provide the Board information concerning the use of "rural reserves" or other possible conservation strategies to protect farmland in Lane County.

III. DISCUSSION

A. Board Action and Other History

Concerns have been raised over the anticipated loss of farmland that is in proximity to the Eugene-Springfield Metro area due to future urbanization. Within the last year, Commissioner Dwyer and others have expressed an interest in exploring options for conserving at-risk farmland, including the possible use of "rural reserves".

LMD has prepared the following analysis to help guide a policy discussion on this topic.

B. Policy Issues

Establishing a process for the protection of rural lands that are susceptible to urbanization necessitates several important policy decisions.

First, the scope of the desired protection should be determined. Areas protected with rural reserves (or any other conservation strategy) do not need to be limited to productive farmland. In fact, rural reserves as they are currently codified for the Portland-Metro area¹ are not exclusive to farmland. Portland-Metro area reserves are intended to provide long-term protection for large blocks of agricultural *and* forest land *and* for important natural landscape features that limit urban development or define natural boundaries of urbanization. In the Portland-Metro area, reserves can be established to protect a range of sensitive lands such as floodplains, steep slopes, riparian areas, key wildlife habitat, recreational lands and other aesthetically important lands. To date, Board discussions concerning rural reserves have focused on the conservation of farmland. If the Board is interested in conserving other types of sensitive lands, those interests should be articulated. Attachment "A" to this memo is a map that

¹ See ORS 195.137 – 197.145 and DLCDC Administrative Rules 660-027-0005 - 660-027-0080

depicts lands near the Eugene-Springfield Metro with steep slopes and flood hazards – two additional criteria that the Board may wish to consider when identifying conservation areas.

Second, the geographic extent of any future conservation efforts needs to be determined. Recent discussions on this topic have been focused on the Eugene-Springfield Metro area but the Board may also be interested in extending any conservation efforts to rural areas surrounding the UGBs of some or all of Lane County's small cities. Attachment "B" to this memo is a map depicting the possible extent of conservation efforts in the Eugene-Springfield Metro area. The Map depicts three concentric study area "buffers" at 1 mile, 2 miles, and 3 mile increments. By way of comparison, Attachments "C" and "D" are similar coverage area maps for the vicinities of Florence and Coburg.

Third, the Board needs to determine the specific type of conservation strategy, or strategies, they are interested in pursuing. The concept of "rural reserves" has been brought up frequently by the Board but efforts to protect farmland, or other sensitive lands, do not need to be limited to the use of rural reserves. Further, at this point in time the Department of Land Conservation and Development has not adopted by goal or rule a process and criteria for the establishment of rural reserves outside of the Portland-Metro area. The county could, through its intergovernmental relations officer, pursue a legislative change that would enable reserves to be established statewide. Alternately, the Board could elect to identify and designate rural reserve areas in Lane County through one or more Post Acknowledgement Plan Amendments (PAPAs).

As an alternative or possibly in addition to the use of rural reserves, Transferable Development Rights (TDR) and Purchase of Development Rights (PDR) programs are two other possible conservation strategies that the Board may wish to consider.

Transfer of Development Rights programs use a market-based approach to encourage higher density development in growth areas while reducing the development potential of rural areas. TDRs allow landowners to transfer the right to develop one parcel of land to a different parcel of land. In the context of farm and forest land protection, TDRs are used to shift development from agricultural or productive forest areas to designated growth zones closer to municipal services. The parcel of land where the rights originate is called the "sending" parcel. When the rights are transferred from a sending parcel, the land is restricted with a permanent conservation easement. The parcel of land to which the rights are transferred is called the "receiving" parcel. Buying these rights generally allows the owner to build at a higher density than ordinarily permitted by the base zoning.

A Purchase of Development Rights program is a voluntary program that compensates property owners for their willingness to accept a permanent deed restriction on their land that limits future development. Generally, PDR deed restrictions limit the use of land for agricultural or habitat preservation purposes. Landowners are compensated for the fair market value of their land, based on the difference between what it could be sold for on the open market with and without deed restrictions. Publically supported PDR programs are simpler to administer than TDR's but they are much more costly.

C. Analysis of Conservation Strategies

Rural Reserves

In addition to conserving targeted lands, establishing rural reserves in Lane County has several other possible advantages. First, establishing reserves could improve the existing process of urban growth boundary expansion by providing greater predictability for farmers, landowners

and communities as to where future urbanization will occur. In this sense reserves would provide greater clarity regarding the long term expected use of the land and would enable both public and private landowners to make long term investments with greater assurance. Second, any rural reserve designations established would not change the underlying land use or zoning designations and would not restrict landowners' currently allowed use of their lands. Because establishing rural reserves would not further restrict the use of land, it appears likely that the county would not incur any additional liability under Ballot Measure 49 by implementing them. Finally, beyond the potentially significant initial costs required to establish reserves, rural reserves designation appears to be a fairly cost effective conservation strategy in the long term.

Transfer of Development Rights

Traditionally, TDR programs have been put to good use in areas where resources zoning ordinances are weak and allow significant development to occur on farm or forestland. Under the Oregon Statewide Planning System, resource zoning ordinances are restrictive, and therefore, TDRs may not appear to be viable or worthwhile strategy. However, as rural areas are urbanized through UGB expansions, restrictive rural zoning is lifted. In these instances it appears logical that TDRs could be a useful and voluntary tool in redirecting urbanization away from sensitive lands.

One potential stumbling block that may arise if the county attempts to use TDRs in this manner is the issue of "receiving" areas. Because it is likely that the areas to be targeted for TDRs will eventually be annexed into cities, and therefore be developable at very high densities, suitable receiving areas with adequate infrastructure and services will need to be identified that can accept transferred rights. Under the Oregon Land Use System, these areas will likely need to be within existing incorporated cities or urban growth areas.

Purchase of Development Rights

PDR's have been successfully employed in Lane County by various land and water trusts for years. PDRs offer an excellent, voluntary, and mutually beneficial way to protect critical lands from unwanted development. Unfortunately, PDR programs require substantial capital to be successful. If the Board is interesting in pursuing PDRs as a possible option, it should consider forming strategic partnerships with The Nature Conservancy, the McKenzie River Trust and similar local organizations to identify and prioritize key lands for conservation and to leverage available funding to protect those lands.

D. Financial and/or Resource Considerations

It is beyond the scope of this memo to provide a full analysis of the potential costs associated with each of the conservation strategies outlined above. In general terms, it appears that creating a TDR program would be the least costly alternative, while establishing a publically supported PDR program would be the most costly. Costs for establishing rural reserves would likely fall somewhere in between, depending on the complexity of the PAPA processes needed to institute the reserves and the level of public involvement during the reserve identification process.

Ultimately, costs for any of these strategies is highly variable and depended upon the scope of land types that the Board is interested in protecting and the geographic extent of those lands. Specificity from the Board in these regards will enable staff to generate a more specific cost estimate.

E. Action

The information presented in this memo was provided at the direction of the Board for discussion purposes only. Therefore, no action is requested at this time. However, if the Board wishes to pursue this matter further, they should direct the Land Management Division to place this item on the Long Range Planning Work Program for prioritization and possible assignment.

IV. FOLLOW UP

Staff will provide additional information or clarifications at the request of the Board. If directed, LMD will add this item to the list of Long Range Planning work tasks, which will be presented to the Board for prioritization in September.

V. ATTACHMENTS

Due to their size, all of the attachments to this memo are provided on CD in .PDF file format.

- A. Map of land with steep slopes and flood hazard areas within the vicinity of the Eugene Springfield Metro area.
- B. Map of possible conservation coverage-extent for the Eugene Springfield Metro Area
- C. Map of possible conservation coverage-extent for the City of Florence
- D. Map of possible conservation coverage-extent for the City of Coburg