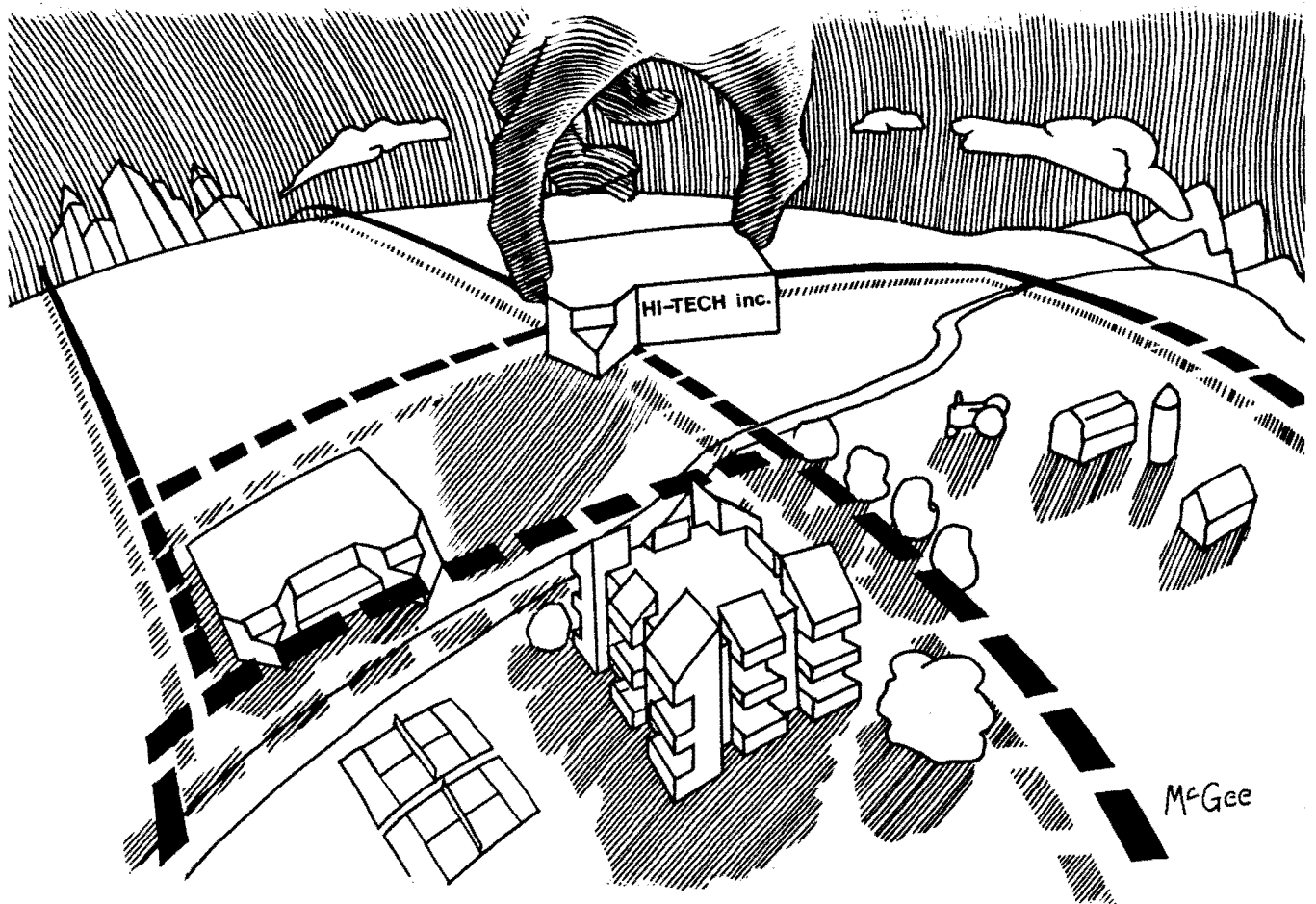


GLAMOUR SPOT FOR HIGH-TECH DEVELOPMENT

# Environmental protections help attract business to Oregon



By BOB SIMMONS

*"Out on the road we tell all the turkeys, Yes, it's always rainin' and the sun never shines . . .*

— Brian Bowers, Seattle folk singer,  
"The View From Home."

Northwesterners notoriously exaggerate the awfulness

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of the weather, hoping thus to keep out the riff-raff. They praise each other for insulting tourists and present awards for egregiously bad manners toward prospective investors. Seattle cars bear bumper stickers that read "Celebrate Seattle Rain Festival — October to May." Oregonians are more forthright: "Don't Californicate Oregon."

Indeed, one of Oregon's former governors, the late Tom McCall, is supposed to have wisecracked once: "Come and visit Oregon, have a good time, and please don't stay." One of the state's most durable myths has McCall putting up signs along the borders to discourage permanent settlement.

It's a joke, of course. Sort of. Although Oregon and Washington are as hungry for investment as other states, there always has been a fear of the slurbs and pollutants that new business and industry may bring. The lesson of California is too close not to heed. As a result, Oregon in particular has maintained relatively strict environmental controls.

And because strict controls are often seen as deterrents to growth and development, it is with some surprise that Oregon suddenly finds itself becoming a national glamour spot for high-technology industrial development. Although other factors have contributed to this happy situation — and we'll get to them later — the plain fact is that Oregon is attracting more business than ever not because it has lowered its environmental protections but largely because it has kept them high.

"We basically swept the 1984 high-tech market," boasts John Anderson, director of Oregon's Department of Economic Development. "We did not lose one competition to anyone in the nation in the past six months. Since last May we've had eleven major announcements of new plants by companies brand new to the state, or of very substantial expansions by companies already located here."

Richard Carson, the department's manager of industrial properties, deals directly with many of the incoming firms and believes that Oregon is getting considerable development that would otherwise have gone to California. At least five of the new plants that have come to Oregon since May were built by companies headquartered in California, he reports. "If they were happy in California, I would think they would have stayed," he says.

Oregon? The state with the green dream, with the most restrictive land-use laws in the nation? The only one where local land-use laws have to be approved by state planners?

"Our point precisely," says Henry Richmond of the One Thousand Friends of Oregon, an often-sworn-at citizens' watchdog group that guards the state's land-use laws in court. "Companies building new plants mainly want to know what the rules are. They find that our land-use programs, tough on saving the countryside, are pro-housing and pro-industry. We've found ways to aid industry by identifying and making accessible more industrial sites within the urban growth areas."

Oregon did not set out to become a mecca for computer makers and assemblers. It was a passion for preserving land, scenery, air and water which, ten years after the laws were passed, produced one of the nation's most salable high-tech locations.

### Planning requirements

Environmental concern reached its peak in Oregon in the mid-1970s, coincidental with political support and public affection for Governor McCall. Teamed with a Republican state senator (a dairy farmer) and a Democratic state senator (a big-city advertising man), McCall achieved land-use reforms that seem draconian today, viewed from outside the state.

"This was benchmark legislation," says Eldon Hout of the Land Conservation and Development Commission which oversees statewide planning. "It may never be replicated anywhere in the United States. I'm not sure it would work anywhere else." Hout believes, with Richmond, that the restrictive land-use laws are a major attraction to new industry. "They don't have to come in and deal with a lot of angry neighbors every time they want to do something," he explained. "The zoning's there and it's reliable and the hard political work's already done for them."

The laws require every town, city and county to plan the use of every acre of land within their jurisdictions, and to

plan it in a way that meets a severe 18-point test applied by the state (see box). The state criteria require preservation of farmland and timberland, streamsides, scenic areas; protection of air, water, fish and wildlife.

More than that — and more to the point of high-tech's love affair with Oregon — the laws require each jurisdiction to establish urban growth boundaries and to identify and rezone industrial and residential sites inside those boundaries. The idea is to promote contiguous, compact urban growth. The result — one of the results — is a unique, one-stop siting system which expanding companies seem to like. While resource lands outside the urban-growth boundaries are fiercely defended, those lands inside the urban-growth areas have been analyzed, described in detail, rezoned and registered in Oregon's computerized industrial-site catalog.

"We have in our computer 1500 sites zoned for industry," Anderson boasts. "Most of the environmental-impact statements are already completed as part of the planning process. That means 60,000 acres of Oregon are *pre-approved* for industry. We've had 225 prospective industrial investors use the system since last spring.

"We have them fill out a detailed questionnaire which forces the investors to be quite specific about what they need and what they plan to do. We deliver, overnight, a list and a detailed description of every single site in Oregon that would meet their needs."

Hewlett-Packard, the electronics giant which often prefers to locate on campus-like sites in the countryside, has years of experience siting plants in Oregon, Washington and California.

"Oregon gives us a quick go-or-no-go. That's what we want," according to Gary Fazzino, HP's government and public-affairs manager at Everett, Washington. "The assumption is that there's no way you can look for sites outside that (urban-growth) boundary. We sometimes would argue with that, but that's the assumption and that saves you time and money. The land-use laws are very helpful to us. Our government problem is bureaucratic meddling, not restrictive laws."

While Oregon polished its sales pitch on those lands inside the urban-growth zones, it has become tougher than any other state in preserving lands outside the urban-growth boundaries. Productive farmland, generally speaking, is simply not going to be approved for development by the state's Land Conservation and Development Commission.

"We've been able to tell rural land owners, 'Mr. Farmer, your hopes of growing crops will be alive always,'" says LCDC's Hout. "But at the same time we've had to tell him, 'Your hopes of growing houses just vanished.' This has triggered three initiative measures against us, plus one (in 1984) that did not get on the ballot."

All three initiative measures — to repeal the land-use laws — were defeated with major contributions from high-technology companies, from the home-building industry and from farmers. Not from land speculators.

"The farmer who wants to farm has supported us every time," Hout claims. "He doesn't want to see some damned dentist move in next to him on a tiny acreage, with one horse and a pack of dogs, creating all kinds of conflict when the farmer wants to plow all night or to spread manure."

Of a total of 36 million privately owned acres in Oregon, 15 million are zoned exclusively for farm use. Another 13 million are zoned exclusively for forestry. Substantial tax subsidies attach to both zones; property tax reductions of 40 percent are common, according to Hout.

Hout says the land laws were sprung from a one-time-only combination of personality (McCall's), politics and economics.

"I'm not at all sure it's exportable," he says.

Larry Orman of San Francisco doesn't think it's exportable, either. He heads People for Open Space, a non-profit citizens' organization trying to preserve dwindling green space in the Bay area. He views Oregon's land laws with amazement, wistfully.

"They used the window of possibility that opened in the late 60s and early 70s to take some bold steps."

Nothing like that happened in California, Orman says, because of the size, diversity and political divisiveness within the state.

"The issues have not gone away, in either Oregon or California," he says. "The pressures will increase for more and more rural suburbs. But it isn't dealt with on the state level here. Local communities are taking up the land-use issue through initiatives. That's the only way people get to deal with these concerns."

The problem is, of course, that constant battles at the local level create the very uncertainties that generate obstacles to growth. By requiring everyone to play by the same rules, Oregon avoids much of that.

Not to say that it's all sweet harmony in Oregon's high-tech ecotopia. Rural property owners are still angry, especially those who had hoped to sell off a bit of the home farm for retirement money, or to carve off a few acres so that the kids could settle in next to the old folks. Unless they got it done before 1974 — when the major land-use laws were passed — they probably can't do it.

The promise of new industry is still mostly confined to the Portland area. Critics of Governor Vic Atiyeh claim the state has marketed Portland and ignored excellent sites elsewhere. Development Director Anderson denies it.

### Trouble in Happy Valley

The LCDC fights some ironic battles, such as its current one with the city of Happy Valley, a Portland suburb of 500 people surrounded by highly urban neighborhoods. Happy Valley is a rather exclusive island zoned for large-lot, single-family dwellings. The state's guidelines say the village must rezone part of its land for apartments and duplexes. Happy Valley refuses.

"They paint us as bad guys ganging up on them and cracking heads," LCDC's Hout says. "All we want is for them to take their share of the urban housing load, and we won't approve their plan until they do."

Of 279 local jurisdictions, Hout says, "this is the most trouble we've had."

After ten years of legislative tinkering, Oregon's land use laws seem to rest on these primary concepts:

- marking off firm and predictable boundaries between city and country, avoiding a future of rural slums;
- preserving farmland, timberland, scenic areas, streams and other sensitive resources;
- providing stability and predictability in land-use regulations so that all contenders know the rules, everywhere in the state; and,
- providing and pre-approving industrial, business and residential sites in a streamlined permit process.

Hewlett-Packard's Gary Fazzino says land-use predictability is much more important than the severity of land-use restrictions when it comes to choosing a plant site.

"We can't attract good people to work for us in an area that has piecemeal planning. They want to know what the territory will look like ten or twenty years from now. So do we."

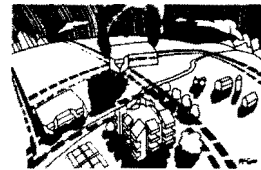
Obviously, there's more to Oregon's success than a single land-use law, far reaching as it may be. Carson, of the state's Economic Development Department, points out that labor and housing costs — which are of great importance to any employer — are lower in Oregon than in Cal-

ifornia. In the same vein, Oregon's workforce is not so highly unionized as California's, he says.

Also, Oregon last July repealed the unitary method of levying its corporate income tax. Under this method, a state taxes national and multi-national corporations not on the basis of their statewide income but on the basis of their national and/or international incomes. The system is opposed by many large corporations and is particularly objectionable to the Japanese. (Governor Deukmejian proposed a reform of California's unitary system last summer but could not push it through the Legislature.)

During a swing through California's Silicon Valley last November, Oregon Governor Victor Atiyeh made no bones of his wish to bring more business to the state. And one of his major selling points was the unitary method's repeal. However, he also cited the land-use laws. "We know that in business, time is money. We won't keep you waiting. We can tell you immediately what areas are reserved industrial development and what services are planned for those areas for years into the future," he said.

Carson puts another perspective on the land-use controls. He says the companies that are coming to Oregon also are "very big" on the quality of life for their employees and know that the state's land-use laws will help protect that quality.



## The Eighteen Points.

Local land-use plans must satisfy Oregon state planners on these points:

1. Citizen involvement in the planning process.
2. Public access to all planning documents.
3. Preservation of agricultural lands.
4. Protection of forest lands.
5. Protection of open space and scenic resources.
6. Controls over pollution of air, water and land.
7. Protection of life and property from natural hazards (floods or landslides).
8. Recreational needs of the public in siting destination resorts.
9. Economic advancement in urban growth areas.
10. Provision of housing at price levels commensurate with the incomes of local households.
11. Orderly arrangement of public facilities; sewer, water, utilities, to support contiguous urban growth.
12. Transportation maps to fit compact urban-growth patterns.
13. Maximize energy conservation and minimize use of non-renewable resources.
14. Separate developable from non-developable lands; mark firm and long-range boundaries between.
15. Protection of Willamette Valley Greenway; 600 miles of river bank given much more restrictive attention than areas in Point 5.
16. Protection of estuarine lands and wetlands.
17. Protection of shore lands, rivers and seacoasts.
18. Protection and restoration of beach and dune areas.