

Save Helvetia

From: Cherry Amabisca
13260 NW Bishop Road
Hillsboro, OR 97124

Date: May 20, 2010

To: Council President Bragdon and Metro Councilors

Re: Land Price Increases in Urban Reserves and Undesignated Reserves

The supporters of Save Helvetia are on record as opposing the designation of approximately 70 acres of Foundation Agricultural Land on the west side of NW Helvetia Road as “urban reserves” and approximately 700 acres of Foundation Agricultural Land adjacent to it as “undesignated”. Testimony has been presented and submitted in 2009 and 2010 describing how this land meets the rural reserve factors in OAR 660-027-0060.

One of the unfortunate consequences of designating land as “urban” reserves or “undesignated” is the perception on the part of speculators and developers that this land will be able to be developed in the near future. This perception drives the perception of its value higher than it would have been if the land had remained as “rural reserves”. Even the perception that the land MIGHT be designated as “urban” reserves or “undesignated” causes the perceived value to increase. When land prices explode as a result of developers/speculators offering to buy property at inflated prices, based on their perception that it can be lucratively developed into homes, farmers are unable to compete in the market.

One example in Helvetia is two adjacent tax lots of approximately 30 acres on NW Valley Vista Road (tax lots 2500 and 2502). This property had been farmed successfully for the past 40 years. A developer purchased it about 2 years ago for about \$1.3 million with the intent of building about 6 homes. In the application process to change the property from EFU to AF-5 before the Washington County Planning Commission, testimony was presented by the applicant’s witness that the applicant “is not a farmer, nor does he intend to farm the land regardless of its uses in the past.” At approximately \$43,000 per acre, this prices out interested farmers.

Another example in Helvetia is at NW West Union Road and NW Jackson Quarry Road. The appraised price of farmland 12 years ago was about \$3,500 an acre. In 2009, when the land across the road was recommended as “urban” reserves, the asking prices doubled from \$10,000-\$12,000 an acre to \$21,000 an acre, precluding local farmers from purchasing more land to expand or from new farmers starting ag operations. While this portion of land south of NW West Union Road is now currently proposed as “rural” reserves, it is next to “undesignated” and *perceived* to be ripe for the next wave of development.

Perception is a powerful motivator, as we see in the stock market. By splitting the contiguous Helvetia area south of NW West Union into “urban” reserves, “undesignated” and

“rural”, with NO buffer, the perception of higher value in the “urban” and “undesignated” areas puts pressure on the adjacent “rural” reserve land prices, making it uneconomical for farmers to expand their agricultural operations and precluding new ag operations from buying this Foundation Agricultural Land. The best way to preserve this high-value farm land is to designate the entire contiguous area from NW Helvetia Road west to NW Jackson School Road as “rural” reserves, rather than the presently-proposed three designations of “urban”, “undesignated” and “rural”.

Sincerely

Cherry Amabisca for

Save Helvetia