A G E N D A

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METRO

Agenda

MEETING: METRO COUNCIL REGULAR MEETING
DATE: April 1, 1999
DAY: Thursday
TIME: 2:00 PM
PLACE: Council Chamber

CALL TO ORDER AND ROLL CALL

1. INTRODUCTIONS

2. CITIZEN COMMUNICATIONS

3. EXECUTIVE OFFICER COMMUNICATIONS

4. AUDITOR COMMUNICATIONS

5. MPAC COMMUNICATIONS

6. METRO LEGISLATIVE UPDATE — PacWest

7. CONSENT AGENDA

7.1 Consideration of Minutes for the March 18, 1999 Metro Council Regular Meeting.

8. ORDINANCES - FIRST READING

8.1 **Ordinance No. 99-799**, Confirming the Readoption of Metro Code 2.06 (Investment Policy); and Declaring an Emergency.

8.2 **Ordinance No. 99-800,** For the Purpose of Amending a Solid Waste Franchise Granted to USA Waste of Oregon, Inc., Doing Business As Metropolitan Disposal and Recycling Corporation, to Operate the Forest Grove Transfer Station; and Declaring an Emergency.

9. RESOLUTIONS

9.1 **Resolution No. 99-2756,** For the Purpose of Approving the FY 2000 Unified Work Program. — Bragdon

9.2	**Resolution No. 99-2758A**, For the Purpose of Adopting Filing Fees for Quasi-Judicial and Administrative Amendments to the Urban Growth Boundary.	Bragdon
9.3	**Resolution No. 99-2761**, For the Purpose of Certifying that the Portland Metropolitan Area is in Compliance with Federal Transportation Planning Requirements.	Atherton
9.4	**Resolution No. 99-2762**, For the Purpose of Authorizing Construction of a New Hall D at Expo.	Kvistad/ Washington
9.5	**Resolution No. 99-2760**, For the Purpose of Authorizing the Executive Officer to Begin the Process to Finance the Construction of Hall D at the Expo Center.	Washington/ Kvistad
9.6	**Resolution No. 99-2767**, For the Purpose of Appointing Kathy Clair to the Water Resources Policy Advisory Committee.	Park

10. CONTRACT REVIEW BOARD

10.1	**Resolution No. 99-2765**, For the Purpose of Authorizing Amendment No. 3 to Contract No. 920197 with URS Greiner, Inc.	Park

11. COUNCILOR COMMUNICATION

ADJOURN

Cable Schedule for April 1, 1999 Metro Council Meeting

	Sunday (4/4)	Monday (4/5)	Tuesday (4/6)	Wednesday (4/7)	Thursday (4/1)	Friday (4/2)	Saturday (4/3)
CHANNEL 11 (Community Access Network) (all of Portland area)						2:00 P.M. *	
CHANNEL 21 (TVCA) (Washington Co., Lake Oswego, Wilsonville)	7:00 P.M. *	1:00 A.M. *		7:00 P.M. *			
CHANNEL 30 (TVCA) (NE Washington Co. - people in Wash. Co. who get Portland TCI)	7:00 P.M. *			7:00 P.M.*			
CHANNEL 30 (West Linn Cable Access) (West Linn, Rivergrove, Lake Oswego)		12:00 P.M. (previous meeting)		10:00 P.M.	11:00 P.M. (previous meeting)	10:30 P.M. (previous meeting)	7:00 A.M. (previous meeting)
CHANNEL 19 (Milwaukie TCI) (Milwaukie)		7:00 A.M. (previous meeting) 8:00 P.M. (4/1 meeting)					8:00 A.M. 6:00 P.M. (previous meeting)

* These meetings may be preceded by a 30-minute public affairs program, *The Regional Report*, produced by Metro.
PLEASE NOTE THAT ALL SHOWING TIMES ARE TENTATIVE BASED ON THE INDIVIDUAL CABLE COMPANIES' SCHEDULES.

PUBLIC HEARINGS: Public Hearings are held on all Ordinances second read and on Resolutions upon request of the public.
Agenda items may not be considered in the exact order. For questions about the agenda, call Clerk of the Council, Chris Billington, 797-1542.
For assistance per the American Disabilities Act (ADA), dial TDD 797-1804 or 797-1540 (Council Office).

Agenda Item Number 7.1

Consideration of the March 18, 1999 Metro Council Meeting minutes.

Metro Council Meeting
Thursday, April 1, 1999
Council Chamber

MINUTES OF THE METRO COUNCIL MEETING

March 18, 1999

Council Chamber

Councilors Present: Rod Monroe (Presiding Officer), Susan McLain, Ed Washington, Rod Park, Bill Atherton, David Bragdon, Jon Kvistad

Councilors Absent: None.

Presiding Officer Monroe convened the Regular Council Meeting at 2:06 p.m.

1. INTRODUCTIONS

Presiding Officer Monroe presented Lindsey Ray with a plaque for her meritorious service to Metro over the past ten years.

Councilor McLain also thanked Ms. Ray for the help and stability as well as her organizational skills throughout the past ten years.

Councilor Washington added that it had been a real pleasure working with Lindsey over the past ten years.

Councilor Kvistad commented that Ms. Ray had worked with distinction for a number of Metro Councilors and thanked her those years.

Councilor Park said he had only known Lindsey a short time but stated that it had been a pleasure working with Ms. Ray

2. CITIZEN COMMUNICATION

Art Lewellan, 3205 SE 8th #9, Portland OR 97214, said he was here today to testify on the problem of the Ross Island Bridge. He said there was a deficiency in the use of the Ross Island Bridge since it should be carrying half of the traffic from the Sellwood bridge. He thought the Ross Island Bridge should be widened and was integral to the smooth operation of the bridge system. Since Oregon Department of Transportation (ODOT) was about to spend a large sum of money to resurface the bridge, he felt they should look at doing the widening now. He showed his reconfiguration concerning exiting the Ross Island Bridge and the access to I-405.

Councilor Washington commented that he felt that since Oregon Department of Transportation had been preparing to do major work on the Ross Island Bridge, Mr. Lewellan must certainly present this material to ODOT.

Mr. Lewellan said he felt that was a cop out and that he would continue his crusade to get the information to the public.

3. EXECUTIVE OFFICER COMMUNICATIONS

Mike Burton, Executive Officer discussed projections and the fact that they would be brought into the final budget discussions next. He added that projections had been reviewed and would be brought in to the final budget discussions next week. For informational purposes, a drop in the tonnage coming through the transfer stations that would have an effect on Metro's revenues. Metro had tightened its forecast processes of the last couple years and these forecasts would exert some effect on Metro's revenues.

Presiding Officer Monroe stated that he was aware of the fact that Metro would most likely influence the decision in this matter but stated that he preferred the other option.

Councilor McLain said that she hoped that councilors would understand the dropped tonnage in perspective of what had been assumed to be dropped tonnage. Last year's system and this year's system with the direct haul was very different. She expressed her desire that this information be placed in the above-stated scope.

Executive Officer Burton answered there would most likely be a significant effect in the final analysis due to dropped tonnage.

Mr. Burton said he would see to it that it was done that way. He added that he had received telephone calls concerning local jurisdiction budgets. Mr. Burton explained that the second-quarter excise tax would show a decrease in tonnage and an excise return as a result of that. In light of this, further decreased tonnage forecasts had been made.

Mr. Burton said that he had received several calls from the cities concerning their budgets. Gresham had noted that they were reviewing their budget on March 18, 1999. They anticipated major reductions in their budget as a result of Ballot Major 47. One of Gresham's proposals would be to reduce their long-range planning staff by cutting three of their long-range planners. Mr. Burton said that when he talked with Gresham's Planning Director he was told that such action would affect their ability to accomplish urban reserve planning as well as compliance planning. Should those cuts be implemented, the staff would need to put in place some alternative strategy options.

Mr. Burton explained that Fairview had made cuts in their police forces. The police had requested that Metro try to assume some of the costs for the police patrols at Blue Lake and Chinook Landing. Mr. Burton explained that although Metro provides a park for the people in that community there was clearly a cost for the Police Department in reference to those particular facilities. The policy question for this council was whether they wished to establish a precedent to pick up some local government costs by the imposition of other governments. He indicated that those cuts occurred due to the impositions of other governments upon the resources of Fairview. He stated that many of the smaller governments were wrestling with the fallout from Measure 47.

Mr. Burton made reference to a letter, from the Chair of Regional Arts and Culture Council (RACC), (a copy of which is included as part of the meeting record), which discussed a conversation between he and Mr. George Forbes regarding RACC funding. Mr. Burton placed this matter into perspective for the Councilors and said that it had been his intent not to put RACC appropriations in the budget simply because Metro did not have the funds.

A contribution to RACC had been made through the allocation process which was part of the Intergovernmental Agreement (IGA) process that Multnomah County and Metro entered into when Metro assumed the facilities. That nexus belonged in the earlier budget, not in the current budget. The Executive Officer's discussion with Mr. Forbes led him to sense that Metro Council wanted to give some support to RACC.

Approximately $25,000 had been identified for RACC by shaving some dollars off Cost Of Living Adjustments (COLA) and, while The Executive Officer said although he was not comfortable with that as a fiscal management tool, there was something that might be done. He indicated to Mr. Forbes that he hoped RACC would understand the fiscal situation here at Metro in that the council had made both decisions on what was going to happen with the result of Change Order 8. Metro's budget was uncertain and there might be some opportunity to return to Metro Council after next January for another attempt at funding. A copy of Executive Officer Burton's statements was placed in the permanent record of this meeting, numbered 031899c-01.

Mr. Burton stated that the tax dollars collected to operate the facilities came from lodging taxes collected by Multnomah County. They were subject to whatever Multnomah County decided to do with them. In the last IGA the decision was made to specifically allocate lodging taxes to two different entities. In that, Portland Oregon Visitors Association (POVA) had made the decision to specifically allocate lodging taxes to different entities. POVA, in collaboration with the RACC was to get $300,000 in the F/Y 1997 – 1998 and each fiscal year thereafter they were to receive that amount plus annual percentage increases equal to the lesser of the change in the Portland SMSACPI to the overall change in the proceeds. He encouraged RACC to reapply in January in the hope that some dollars would be available at that time.

Presiding Officer Monroe indicated that Metro was very tight with dollars.

Councilor Park asked if this was being done now in terms of the particular agreement that was passed out.

Mr. Burton replied that the allocation in the current budget called for the first $300,000 in addition to a Consumer Price Index (CPI) in the 1997-1998 budget in addition to whatever had accumulated in the CPI since that time.

4. AUDITOR COMMUNICATIONS

None.

5. MPAC COMMUNICATIONS

Councilor McLain said at the MPAC meeting they dealt with the Metro Code changes and specifically with the process for making those changes. These suggestions were sent to Metro Transportation Advisory Committee (MTAC).

Councilor McLain spoke briefly regarding SB 1031. She indicated this legislation was designed to give Metro greater control over changes in its own boundaries.

6. METRO LEGISLATIVE UPDATE

Mr. Dan Cooper said he had been in contact with Mr. Ray Phelps regarding HB 2512, the Metro Builders Business license program bill. It had continued to move without opposition. It had been through the House and was passed out of the Senate Committee on a unanimous vote and should be scheduled for a full Senate vote soon.

Another series of four bills concerned Parks and Open Spaces conservation easements in Exclusive Farm Use (EFU) zones. SB 838, the EFU zone bill had been printed and released. The chair of the relevant Senate committee, Verl Tarno had expressed interest in it and appeared to be willing to move it. The conservation easement bill had been introduced. The Metro Boundary change bill was not released at the time of this meeting. He said that Ray Phelps reported potential opposition from the Department of Environmental Quality (DEQ) at the staff level.

Mr. Cooper stated that SB 87, the twenty-year land supply bill for economic development purposes had a hearing today at the senate committee level. Metro had engaged in conversations with the sponsors. They had proposed technical amendments which, at the staff level, made it workable for Metro's staff.

Senate Bill 85, the compost facilities and EFU zone bill, was discussed by the REM committee. It passed the senate committee and was sent to the house. A schedule of hearings had not been released.

Councilor Park stated that this bill proposed to remove restrictions for siting an urban use facility in an EFU zone on prime agricultural lands. He felt that the bill was akin to allowing an urban school in an EFU zone. He questioned Metro's policy concerning these types of circumstances. He proposed opposition to SB 85 in its current language and suggested that Mr. Phelps and Metro staff be creative in their support of these types of activities.

Councilor McLain said that the committee had taken a "wait and see" attitude with this legislation. The committee felt, since there were conflicting goals in the language of this legislation, more dialogue on this issue was required.

Councilor Washington stated that the vote was "right down party lines." The Governor had stated that he would veto this bill.

Mr. Cooper said that the Joint Fish Committee would have a hearing in the Metro Chamber on March 23, 1999. Presiding Officer Monroe stated that the committee primarily wished to hear from Metro's staff, Mr. David Moskowitz and The Presiding Officer.

Councilor Park wondered if the proponents of House Bill 2082, the gas tax, had a better idea of what this bill would be likely to accomplish. He also asked questions concerning the Voter's Pamphlet as to whether Metro candidates should be in the state-wide Voter's Pamphlet.

Councilor McLain stated that Metro Council had done it both ways and neither had been particularly successful.

Councilor Park stated that although candidates were currently allowed to be in the voter's pamphlet, Metro measures were not.

Mr. Cooper replied that the law, pre-1993, stated that a Metro measure was eligible to be placed in the state voter's pamphlet. Metro collected the fees and paid the bill that the Secretary of State sent. When the law was changed in 1993, Metro Council repealed those provisions of Metro Code that provided enabling legislation. When the law came back into effect, it came with that requirement intact.

Councilor Park asked about the fiscal impact of such a change.

Mr. Cooper said it was not a great fiscal issue.

Executive Officer Burton felt the State of Oregon had wanted Metro out of the state pamphlet all along. He suggested an amendment to that bill might be that the state would agree to pick up Metro's election costs. He stated that counties did not had to pay for their fair share of this at present.

Presiding Officer Monroe said that, since Metro represented half the population of the state and since many of Metro's districts had crossed state lines as well as the fact that the Executive Officer Burton and Alexis Dow were elected region-wide, he would ask Mr. Ray Phelps to discuss our request with legislators.

Presiding Officer Monroe stated that it seemed silly to connect fish-related bills, water pollution and safe swimming facilities and he knew that Metro would not have much voice on transportation funding.

7. CONSENT AGENDA

7.1 Consideration meeting minutes of the March 11, 1999 Regular Council Meeting.

Motion: **Councilor McLain** moved to adopt the meeting minutes of March 11, 1999 Regular Council Meeting.

Seconded: **Councilor Washington** seconded the motion.

Vote: The vote was 7 aye/ 0 nay/ 0 abstain. The motion passed as amended.

8. ORDINANCES - SECOND READING

8.1 **Ordinance No. 99-793,** For the Purpose of Adopting the Annual Budget for Fiscal Year 1999-00; Making Appropriations, and Levying Ad Valorem Taxes; and Declaring an Emergency.

Presiding Officer Monroe noted that it had been recommended that another public hearing be held before the final hearing on the budget. He noted that this could be scheduled prior to the April 29, 1999 hearing on the budget. This could be scheduled on April 15, 1999.

Presiding Officer Monroe then explained the process which involved studying, discussing and receiving comments from the public.

Presiding Officer Monroe opened a public hearing.

Mike Houck, Audubon Society of Portland, 5151 NW Cornell Road, Portland OR 97210 appeared before Metro Council regarding Goal 5, Storm Water Management, Watershed Planning and the Endangered Species Act (ESA). He expressed concerns about Metro attempting to obtain grants. Much work needed to done under Goal 5. It did not appear that enough resources were available to get the job done.

Councilor Atherton asked Mr. Houck if the point under discussion was if the budget policy needed to be a part of the committee work.

Mr. Houck replied in the affirmative.

Councilor Bragdon asked if the City of Portland actually wanted Metro to take on responsibilities of a response to the Endangered Species Act (ESA). He wondered if this might be the start of an intergovernmental sharing of tasks as well as resources and asked Mr. Houck for his thoughts.

Mr. Houck replied that he sat in on a City of Portland meeting on the ESA and found it ironic that a city councilor suggested that Metro ought to "step up to the plate" and take this opportunity. He stated that the City of Portland had committed significant funds toward addressing the ESA. He said that the spirit of collaboration with Metro needed to prevail and the two agencies needed to figure out how to capture transportation money, understanding that Metro was short of dollars in transportation.

Councilor Atherton asked why Mr. Houck felt that the amount of money to be spent on the ESA was inadequate.

Mr. Houck said he was basing this on his own budget being that of a small non-profit organization. $50,000 of his own budget was in the form of grants and if this money was not allocated from the granting agency there was a budget shortfall.

Councilor Atherton stated that he believed it was performance that counts. We had done a lot of talking. He stated his worries about Metro's conversations with the Oregon Legislature. The bottom line was that when he started at the Lake Oswego Council five years ago he knew the region was going in the hole $20 million annually. That number had changed upward.

Sharon Wood-Worthman 3270 SW Fairmont Boulevard Portland OR 97222, author of the ***Portland Bridge Book***, read a poem which addressed many of the problems baby boomers face these days regarding driving automobiles upon our crowded roads. Ms. Wood-Worthman closed with the information that Oregon Historical Society (OHS) would open an exhibit entitled ***Bridging the City***.

Another Transportation Ditty For the Rose Region and City

Hey, Baby Boomers and you born before,
'Member travel by car when it was still a chore?
When forty was speeding and highways two-lane
And restaurants, each different, not part of a chain.
Now do you remember when you were a kid
On family car vacations, the things you did
Count out of state plates, ask twenty questions and such
That first morning was fun and then there was lunch.
But back out on the road, things would start getting old.
"Aren't we there yet?" You'd whine and then you'd be told.
You know that we are going as fast as we can,
Just look out the window, don't make me tell you again.
How far to that hilltop, isn't that billboard the same?
Hours yet to the motel, please not another car game.
Then suddenly you'd see it and you'd perk up so quick,
Flying by on the shoulder was a phrase on a stick.
And you knew there'd be more, maybe ten or fifteen
Stretched out down the highway, Yeah, they were keen.
Hey did you see that? What did it say?
Billy, move over, get out of my way.
Everyone in the car read each line as it came
Enjoying the story no matter how lame.
Thanks, Burma-Shave, you helped pass the miles.
Your ditties were corny but they brought lots of smiles.

M'Lou Christ, 904 SE 13th, Portland OR 97214 read into the record a poem which addressed many of the problems baby boomers face these days regarding driving automobiles upon our crowded roads.

Likewise, we hope that we've caught your attention
Yes, this too is an ad, there's something we'd like to mention.
Wherever you're going, and whether you drive, bike or hitch,
To get 'round this region, you count on a britch (bridge).
From different decades and designer with notable styles and features,
Like the five that lift up to let by tall river creatures.
Our bridges span and truss us around
And add charm to the flow of this river-borne town.
Why just to see them's a pleasure from eastside and west
The view's looking off them, may think are the best.
Yet we grouse if we must wait for our turn o'er the water
And take our bridges for granted more time than we oughter.
Each item and service, things in the garage and the 'fridge
Everywhere in this region we get via a bridge.
And the thousands of times that we cross them each day
Take their toll on our bridges and wear them away.
'Course we're wise to expand our transpo options of late,

More light rail and busses; return of streetcars will be great.
But a full system to the 'burbs and all around town
Won't do squat if we get them while our bridges fall down.
Oh yes, rehab is spendy as the Hawthorne work shows
But deferred costs grow faster than current revenue flows.
So each jurisdiction must find a way to pitch in
To raise funds for our bridges, let the campaign begin.
No more hemmin' and hawin', No more lookin' away
The bridge piper is calling and we all must now pay.
Let's reweave the bridges that lace our region together
And make them foot- and bike-friendly so we can all use them better
And whaddya say as part of the fixin' we light 'em up pretty
Show the world what a jewel we know we have in this city.
Then each one, as it's done, before traffic's allowed,
Should be the site of a party, we'll celebrate doin' us proud.

Jerry Rust, St. Vincent de Paul of Lane County and Enterprise Foundation of Portland, 3417 N Russett St, Portland OR 97217, appeared before the Council to urge members to develop waste based enterprises in the local area. A copy of his comments, dated March 18, 1999, may be found in the record of today's meeting.

Councilor Washington said the Council members would look closely at this proposition.

Tony Marquis, 17037 Kelok Rd, Lake Oswego, OR 97034, appeared before the Council representing the Regional Arts and Culture Council (RACC). He showed the council graphically how art and garbage can intersect and left a newspaper article, (a copy of which may be found in the permanent record of this meeting). He urged Metro Council's continuing support of RACC.

Councilor Kvistad stated he had received Mr. Marquis letter. He told Mr. Marquis that 5 out of 7 Metro Councilors had committed to finding his organization $100,000. Councilor Kvistad stated that he felt submarined by Mr. Marquis' letter.

Mr. Marquis offered his personal apologies to Councilor Kvistad.

Presiding Officer Monroe closed the public hearing.

John Houser, Senior Council Analyst stated that each of the three amendments had been reviewed by the Council. The first amendment dealt with the proposed elimination of the Assistant to the Presiding Officer position that was included in the budget. Both the Presiding Officer and the Deputy Presiding Officer had examined their working relationship with Council staff and believed that their needs were currently being adequately met. Therefore there was no need at the current time to consider the Assistant to the Presiding Officer position. The net impact of making the change was approximately $42,000.

Motion to
Amend #1: **Councilor McLain** moved to amend Ordinance No. 99-793. This amendment proposed the elimination of new council assistant position.

Seconded: **Councilor Atherton** seconded the amendment.

Councilor McLain stated her belief that council was looking for places to be more efficient in their own office.

Councilor Kvistad urged the Council to keep these funds in the budget.

Councilor Park said he hated to lose this position and later on had to justify it as a new position. He requested a note be placed in the budget that, for accounting purposes only, this position was removed although it should be noted that it was desirable to retain it for future review.

Councilor McLain was appreciative of the other councilor's comments. She continued that following Councilor Park's statement, Council might be tied down to a particular dollar amount and a particular description of that job.

Councilor Bragdon said Metro Council was asking everyone to do more with less. He stated that he would vote 'yes' on this amendment.

Councilor Kvistad said he thought that having been in the position of Presiding Officer for the past three years and knowing the staff work load when Metro Council hit the urban reserve decision issues and Urban Growth Boundary movement time, a small council staff could be disastrous.

Presiding Officer Monroe said there would be an opportunity in the Fall to further consider this item. At this time, Presiding Officer Monroe felt our office could function lean and mean as well as effectively with the current staffing.

Councilor Washington asked for clarification on this issue.

Presiding Officer Monroe stated that the discussion rotated around the fact that the council office had been getting along without an additional person.

Councilor Washington said we were always prudent and frugal, sometimes almost to a fault.

Presiding Officer Monroe asked Mr. Houser why this position could not be kept in the budget unfilled.

Mr. Houser said technically it could be kept in the budget and not filled. He believed that the answer to this question revolved around the expressed interest of some councilors to enhance the council outreach efforts.

Presiding Officer Monroe said if we left it in and did not fill it, would the Council not have the money?

Mr. Houser replied that this option would not have budgeted the funds in an appropriate fashion.

Councilor Washington said this was not a point of argument but he stated that the council had always been very tight and in his opinion, the council had always led in terms of frugality. He believed that the position should be left in place.

Motion: **Councilor Kvistad** moved to table Amendment #1.

Seconded: **Councilor Washington** seconded the request to table the amendment

Vote to Table: The vote was 3 aye/ 4 nay/ 0 abstain. The motion failed and Councilors Atherton, McLain, Bragdon and Presiding Officer Monroe voted no.

Councilor Park commented that he believed that with three new councilors, the staff was currently able to accommodate their requests for information and so forth but this might not be true in the future.

Presiding Officer Monroe suggested that Councilor Park work with staff and have a budget note drafted which would need to be presented on April 29, 1999.

Vote to
Amend #1: The vote was 5 aye/ 2 nay/ 0 abstain. The motion passed and Councilors Kvistad and Washington voted no.

Motion to
Amend #2: **Councilor McLain** moved to amend Ordinance No. 99-793 which proposed that the Council consider several minor amendments related to pay adjustments for both Councilors and Staff.

Seconded: **Councilor Bragdon** seconded the amendment.

Mr. Houser clarified that this amendment was designed to reflect the possibility that their salaries might increase by as much as six percent rather than five percent depending on legislative action affecting judges' salaries. It cleared up the nature of potential merit-based pay adjustments for staff in the coming fiscal year.

Presiding Officer Monroe said that Council didn't know what the Oregon State Legislature would do in regard to Circuit Court judge's salaries. He stated that this amendment covered any reasonable contingency in this regard. Metro Council did not set their own salaries, that was a matter for the State Legislature which they alone decided. This amendment assured there was enough money in the budget to cover any salary increases the legislature approved.

Vote:
to Amend #2: The vote was 7 aye/ 0 nay/ 0 abstain. The motion passed unanimously.

Motion to
Amend #3: **Councilor McLain** moved to amend Ordinance No. 99-793 which would have provided a modest level of funding increase for Council Outreach programs.

Seconded: **Councilor Washington** seconded the amendment.

Mr. Houser explained that currently there were savings of $44,899 between the Council Outreach Office and the Council Office that had been approved. He continued with the fact that the Presiding Officer and Deputy Presiding Officer had recommended that a total $40,000 of this funding be placed in the Public Outreach Office budget for the purpose of enhancing community outreach efforts of the council.

Councilor McLain stated that much work needed to be accomplished by the Outreach Office and they would need the additional funding.

Councilor Kvistad asked for a friendly amendment that these funds be distributed equally among the council districts.

Councilor McLain accepted this friendly amendment.

Presiding Officer Monroe stated that Councilor Park had asked for a minor amendment to the Council Office Budget. He stressed that any other amendment to the Council Office budget should be held until the April 29, 1999 meeting. He also requested that they be submitted to Council Staff not later than April 15, 1999.

Vote:
to Amend #3: The vote was 7 aye/ 0 nay/ 0 abstain. The motion passed unanimously.

Motion to
Amend #4: **Councilor McLain** moved to amend Ordinance No. 99-793 concerning the Auditors salary adjustment. The proposed Auditor's budget reflected a $34,000 reduction from the current fiscal year, staff recommended two changes. The Auditor requested a total of $101,210 for contracted professional services. This represented a reduction from this fiscal year's budget of $163,288 which included Info-Link related audits that have now been completed. This money was used for specialized audits or projects for which the Auditor had no expertise on her own staff.

The second amendment discussed by **Mr. Houser** was related to the proposed salary for the auditor. The actual salary was based on the circuit judge's salary and currently was $68,240. This amounted to $475 less than the amount in the proposed budget or $68,715. It seemed prudent, in view of the action taken on the Councilor's salaries, to reflect the potential for a 6% increase.

Seconded: **Councilor Atherton** seconded the amendment.

Vote to
Amend #4: The vote was 7 aye/ 0 nay/ 0 abstain. The motion passed unanimously.

Motion to
Amend #5: **Councilor McLain** moved to amend Ordinance No. 99-793 to reduce the Auditor's budget in the Contracted Professional Services line item by $10,000.

Seconded: **Councilor Bragdon** seconded the amendment.

John Houser stated that both amendments were related to the same line item in the Auditor's budget dealing with contracted professional services. Historically, the Auditor had been granted an amount over the actual cost of the annual financial audit that was paid for out of this line item to grant discretionary funds to seek help outside the agency when specialized assistance was required in auditing work. The amount historically provided for this purpose had increased throughout the years. In 1997-1998 that amount had been about $25,000. The proposed budget, he said, would provide approximately $31,500 for this purpose. He stated that he had checked the history of this budget item and since it had proved to be less than this amount, some form of reduction was in order. The issue, he stated, was the magnitude of this item.

Vote to
Amend #4: The vote was 7 aye/ 0 nay/ 0 abstain. The motion passed unanimously.

Motion toAmend
Amendment #5: **Councilor Park** moved to amend the McLain-Monroe Amendment #5 from $10,000 to $5,000.

Seconded: **Councilor Kvistad** seconded the motion to amend Amendment #5.

Councilor Park asked Ms. Dow if the Auditor's budget should be reduced.

Ms. Alexis Dow, Metro Auditor, said she did a study five years ago to ascertain the appropriate staffing of an auditor's office for a government organization of Metro's size. Considering the present staffing of the Auditor's office, it was deemed appropriate to request the amount of $10,000 although she had under spent this amount of money for over five years.

Councilor Park stated that the reason he was going for the $5000 amount was that the proposed budget for the Auditor was already $34,000 less than the current budget. Councilor Park stated that he had learned in conversations with Ms. Dow, that this cut would be more in line with the percentage of cuts that the rest of the agency was being asked to take.

Presiding Officer Monroe asked Mr. Houser to verify Councilor Park's comments.

Mr. Houser clarified for Councilor Park that the amount in the Auditor's budget for discretionary contracted services would be comparable to the current budget. It would not be less than the current budget.

Presiding Officer Monroe said in a very lean year proven needs, actual expenditures needed to be examined. Presiding Officer Monroe felt that it was appropriate to err on the side of caution. The vote to support Councilor Park in wanting to take $5000 out of the discretionary fund, was a 'yes' vote; the McLain-Monroe approach of taking $10,000 out was a 'no' vote.

Vote: The vote was 4 aye/ 3 nay/ 0 abstain. The motion passed with Councilors McLain and Bragdon and Presiding Officer Monroe voting no.

Vote to
Amend #5
as amended: The vote was 7 aye/ 0 nay/ 0 abstain. The motion passed unanimously.

Motion to
Amend #6: **Councilor McLain** moved to amend Ordinance No. 99-793 related to the Executive Officer salary adjustment. Two changes were contemplated in the Executive Officer's budget. First, the Executive Officer had proposed a centralized communications team.

This included the transfer of one public affairs specialist from the Growth Management department and a second from Transportation. Accordingly a budget note was suggested that reads as follows: *A total of $95,000 has been allocated for contracted professional services within the Public Affairs and Governmental Relations section of the Office of the Executive Officer. Of this total, $75,000 have been allocated for the general support of the communications and outreach activities of the new central communications team. These funds are not allocated for specific purposes or contracts. Therefore, the Council directs that these funds shall not be expended until the proposed communications plan has been developed, submitted to, and adopted by the Council. The plan shall include a proposal for the expenditure of these funds.*

The second change was related to the need to adjust the salary of the Executive Officer to reflect the potential for a 6% salary increase. In the case of the Executive Officer, the change would represent an increase of $853 or an adjusted salary of $90,418.

Seconded: **Councilor Park** seconded the amendment.

Vote:
to Amend #6: The vote was 7 aye/ 0 nay/ 0 abstain. The motion passed unanimously.

Motion to
Amend #7: **Councilor McLain** moved to amend Ordinance No. 99-793, the budget note concerning the expenditures of the contractor of professional services related to the communication plan.

Seconded: **Councilor Atherton** seconded the amendment.

Mr. Houser related that the Executive Officer's budget included the assembly of a central communications team, the purpose of which was to facilitate providing a more focused communications message for the agency. Part of the budget for this unit included $75,000 for contracted professional services which, at this point was undefined in terms of how it would be spent. The assumption was that, once this team had produced a formal communications plan for the agency, they would then utilize these monies for contracted professional services.

Councilor Washington asked how this program would work.

Executive Officer Burton explained the mechanics of this program and outlined its working structure.

Vote:
to Amend #7: The vote was 7 aye/ 0 nay/ 0 abstain. The motion passed.

Motion to
Amend #8: **Councilor Kvistad** moved to amend Ordinance No. 99-793 to eliminate the new Chief Operating Officer position included in the Executive Officer budget.

Seconded: No on came forward to second. **Presiding Officer Monroe** said the motion failed for lack of a second.

Presiding Officer Monroe called for amendments to the Office of General Council. He stated that there were no proposed amendments.

Motion to
Amend #9: **Councilor McLain** moved to amend Ordinance No. 99-793 in the Administrative Services Department to include a budget note requiring the completion of an independent analysis of Metro business processes.

Seconded: **Presiding Officer Monroe** seconded the amendment.

Mr. Houser stated that the Budget Advisory Committee for the Administrative Services Department recommended that an independent study be done of the department's business practices to examine the appropriateness of the processes as well as the adequacy of staffing levels to perform those processes. This budget note would recommend that the Council endorse the department conducting such a study. The sentence that had been added stated that "Administrative Services Department shall seek the advice of the Auditor in the selection of a vendor to perform this review."

Presiding Officer Monroe stated that this review was strongly suggested by Mr. Houser and went along with recommendations forwarded by the Auditor.

Councilor Park asked for background information as to whether this was to be agency-wide.

Mr. Houser replied that this task would be limited to the accounting processes that were performed by Administrative Services Department. It would be limited to those processes that were business-related or accounting. The recommendation for this study came from the Budget Advisory Committee for that department and was limited to that department.

Vote to
Amend #9: The vote was 7 aye/ 0 nay/ 0 abstain. The motion passed unanimously.

Motion to
Amend #10: **Councilor McLain** moved to amend Ordinance No. 99-793 to include funding for a Tax Study Commission.

Seconded: **Councilor Monroe** seconded the amendment.

Councilor McLain said that most comments received during the budget cycle had indicated that this was the tightest budget season that had occurred within the past eight or nine years. It looks like it would get far worse in the future. She said that it was time for this agency look at what the funding mechanisms were as far as probability for a more stable means for funding. This amendment asked that there be an amendment to the budget that would provide for funding for a tax study authorized under the provisions of the Metro Charter.

Michael Morrissey, Council Analyst, said the Parks Department Budget contained a note that was supportive of a tax study committee. He asked if Councilor McLain would merge those two items.

Presiding Officer Monroe said that a call for a tax study committee by the Parks department would be a separate issue.

Councilor McLain commented that this was done in order to not close off our opportunities.

Councilor Bragdon asked Mr. Houser to repeat what line item was being reduced by $50,000.

Mr. Houser said that a particular line item would not be reduced to fund this. This would be funded from the Support Services fund which was supported by the Cost Allocation Plan.

Councilor Bragdon asked if any other items would be reduced by $50,000.

Mr. Houser answered that none other were to be reduced in this amount.

Presiding Officer Monroe said it was part of the cost allocation formula which was the way Metro paid for things. Some of this came from excise tax and some did not.

Councilor Atherton asked if this item should not be taken care of in an ordinance.

Mr. Houser said he believed the term Tax Study Commission was the term related to the charter as it related to the establishment of an entity of this kind.

Councilor Atherton said if we were to look at other funding needs, would this not be accomplished in an ordinance?

Councilor Kvistad said that he considered this Metro Magic Money. It suddenly appeared when the council wanted to spend money but the rest of the budget was in a constrained environment. He commented that a couple of councilors had said that in a lean budget year Metro should err on the side of caution and should be fiscally conservative if the atmosphere was appropriate.

He also stated that he had heard from other councilors, "We shouldn't close our options" and "we must make sure we can do it if we need to." He commented that in the Executive Department, a new, $100,000 position had been created out of thin air when there was another position becoming vacant in the Executive Department that paid $60,000. Councilor Kvistad also noted that a position had been eliminated in the Council Department and thus understaffed because of a presumed appearance of being fiscally prudent. He urged the Councilors to put together a package of planning needs. He asked for hard numbers and hard line items.

Councilor Atherton asked for clarification regarding the process by which we dealt with local improvement districts for funding transportation improvements options.

Mr. Houser said the estimate of $50,000 was based on an analysis by the financial planning staff of the only other financial analysis that Metro had had since the Charter authorized such studies. Approximately $47,000 was spent for outside consulting assistance to facilitate the operation of that commission. It would be appropriate to recommend a $50,000 number for this commission. The scope of work was what the council would set within the ordinance that would be adopted to create the commission.

Presiding Officer Monroe added that many of the things that Councilor Atherton described could be investigated by a tax-study commission.

Councilor McLain stated that the reason it was done this way was to allow the departments to had a true understanding of what that cost allocation plan would be.

Vote to
Amend #10: The vote was 4 aye/ 3 nay/ 0 abstain. The motion passed with Councilors Bragdon, Kvistad and Washington voting no.

Motion to
Amend #11: **Councilor McLain** moved to amend Ordinance No. 99-793 placing a budget note for the Open Spaces Program. By the end of calendar year 1999, the department will have prepared outlines and policy recommendations for the future of the Open Spaces program, support creation of a tax-study committee and develop processes and criteria for master planning and developing land banked properties.

Seconded: **Councilor Bragdon** seconded the amendment.

Michael Morrissey said that three budget notes had emerged from budgetary conversations with the Presiding Officer, Deputy Presiding Officer and the Parks Department. The first had to do with the Open Spaces Program. It called for the beginning parts of a plan to be developed for presentation as part of the budget for next year. The Parks Department was asked for the beginnings of some policy recommendations to finalize their plan for Open Spaces in the following years.

Councilor McLain said that all the work in Open Spaces created an important need to update the Green Space Master Plan work. She stated that an analysis of need should necessarily be completed before the council faced the question of how to pay for it.

Vote to
Amend #11: The vote was 7 aye/ 0 nay/ 0 abstain. The motion passed.

Motion to
Amend #12: **Councilor McLain** moved to amend Ordinance No. 99-793 to include a budget note that supported the formation of a tax study committee in an effort to locate a more stable funding source for the agency.

Seconded: **Councilor Bragdon** seconded the amendment.

Mr. Morrissey said that the second part of this entity called for the creation of a specific tax study committee. This was raised by the Parks Advisory Committee. This would create a stable funding source both for land banking in terms of master planning, development needs, and development of the preliminary numbers in the last budget.

Presiding Officer Monroe asked if this would initiate a tax study commission some time in the next twelve months.

Mr. Morrissey affirmed that this was just a budget note and not an ordinance. He continued that it indicated that the council, within the course of the next year, would create a tax study committee for Parks.

Councilor McLain stated that with the passage of the last study committee, it would be within the ability of Metro Council to ask that committee to address these very specific issues that were addressed in this budget note. She stated that she did not see this as a duplication or the need to be a separate group.

Councilor Washington said that he did not find a cost analysis.

Mr. Morrissey said he had indicated a preliminary set of figures in the Parks budget documents based on a letter from their Advisory Committee.

Councilor Washington asked why this budget note had no funding. He pointed out that the Council would have to come up with monies for the realization of the budget note.

Mr. Morrissey said the budget note did not call for funding. This was something the council would discuss before voting on this amendment.

Presiding Officer Monroe said that the funding just approved could be used for this specific tax study commission.

Councilor Washington said that if the council had one study such as this done, that would cost a approximately $5,000 per year. He asked why they were not done together.

Councilor McLain said that she believed that this budget note simply indicated that this was another reason that a tax study committee was important and appropriate.

Councilor Washington asked if council could get similar studies done for equal amounts of money.

Councilor McLain said the tax study committee amendment that was passed talked about general funding for the agency. The items that were listed in the budget note would be covered by the umbrella of general funding. Funding for solid waste operations, parks, planning operations, and facilities operation would all be included.

Councilor Washington said he heard solid waste, parks, everybody in the world wants funds. Earlier he had heard only one: Planning.

Councilor McLain explained that the definition of planning inherently meant Metro planning, across the board and not just land use.

Councilor Atherton said he understood Councilor Washington's point in that there really was no need for this budget note because at the time of need, the note would be defined.

Presiding Officer Monroe said that was a good point.

Councilor Bragdon said he thought that the needs of the Green-Spaces program should be called out given the point in the acquisition process. They had reached a turning point in the history of the program. Calling it out as a required element of a study was a good idea.

Presiding Officer Monroe asked if the $50,000, that was voted to set aside for a tax study committee, could include the Parks effort?

Councilor Washington said that the budget note was fine. For future references, he stated that confusions should be carefully avoided.

Presiding Officer Monroe said the vote was to ask for a tax study commission to deal with funding for development money in Parks and Open Spaces.

Councilor Washington asked if any monies were needed, would these come from the first amendment?

Presiding Officer Monroe replied that no money had been added. Only one fund had been set aside for tax study commissions for this year and that was $50,000.

Councilor Washington said that the one study would tie into those funds.

Presiding Officer Monroe said that they could be funded from the Tax Study Commission.

Councilor Washington stated that he thought this needed to be said.

Presiding Officer Monroe stated that $50,000 had been approved and was to be used for a tax study for next year if one was commissioned. This specified the need for a tax study commission to deal with Parks and Open Spaces development money. He reiterated that he had ascertained that the funding could come from the funding already approved.

Councilor Washington said that his concern was that two things were going on: one with money and one without money.

Councilor McLain said she thought the point was that the Parks & Green Spaces Advisory Committee supported the council's last action which was that a tax study committee was needed to deal with the activities of planning at Metro.

Councilor Washington said he would be OK with that as long as there was some wording that would say the Parks and Green Spaces tax study would be funded out of the $50,000.

Councilor McLain accepted a friendly, conceptual amendment from Councilor Washington and asked staff to draft the exact language.

Councilor Bragdon seconded the friendly amendment.

Vote to
Amend #12: The vote was 6 aye/ 0 nay/ 0 abstain. The motion passed with Councilor Kvistad absent from the vote.

Presiding Officer Monroe considered item 9.1 at this time due to time constraints of the filing notice.

9.1 **Resolution No. 99-2769,** For the Purpose of Authorizing a Notice of Withdrawal of Ordinance No. 98-788C, for Reconsideration.

Motion: **Councilor McLain** moved to adopt Resolution No. 99-2769.

Seconded: **Councilor Washington** seconded the motion.

Councilor McLain said that there were two Urban Growth Boundary ordinances that remained on appeal from the vote in December, 1998. One ordinance was for Site 55 which included 350 acres. 48 acres of that was Exclusive Farm Use (EFU) land. Four appellants had been involved in conversations with Metro's Legal Department. Three of those appellants agreed to continue discussions so that some of the issues they had on their appeals could be settled. Those parties were the Department of Land Conservation and Development (DLCD), 1000 Friends of Oregon, and the Farm Bureau. Mr. Lawrence, a citizen, had not agreed to do anything other than listen. The Land Use Board of Appeals (LUBA) had allowed Metro to file a motion to withdraw a decision for purposes of reconsideration on or before the date that the record was due. This suspended the LUBA appeal until a decision on the reconsideration was filed. A consideration must be filed within 90 days of Metro's withdrawal of that notice. This would allow time for potential dismissal of those appeals.

Councilor Atherton suggested that when the Council came to reconsideration, the scope of the discussion not be restricted just to the Exclusive Farm Use lands.

Presiding Officer Monroe stated that there would be conditions of approval that would be part of this process.

Councilor McLain pointed out that out of the 350 acres, the rest of that acreage was exception land. That was why it was designed as an ordinance.

Vote: The vote was 6 aye/ 0 nay/ 0 abstain. The motion passed with Councilor Kvistad being absent from the vote.

Presiding Officer Monroe returned to considering amendments to Ord. No. 99-793.

Motion to Amend #13: **Councilor McLain** moved to amend Ordinance No. 99-793 to include budget note related to Master Planning and land banking.

Seconded: **Councilor Bragdon** seconded the amendment.

Michael Morrissey stated that budget note #3 directed the department to establish a process and criteria for master planning and developed land bank property. During the next budget year, they intend to do master planning for the first of their Open Spaces purchases, the Tualatin River access points. The amendment asked that Parks and Green Spaces be very clear about the order in which to proceed master planning their acquisitions.

Councilor Atherton asked why there was a need for this. Would the department be better advised to consider this micro management?

Mr. Morrissey said that this amendment did not set the criteria. He noted that there may be increasing interest in beginning master planning as lands were purchased. This amendment came up with a rationale by which sites were to be chosen. This amendment improved the process and made it more meaningful to the people.

Councilor Bragdon said he believed that retaining stewardship of these properties was the responsible thing to do.

Councilor McLain said the local jurisdictions had shown support for doing this as well as the advisory committee. The process had been that if any local jurisdictions wanted to take over the actual master planning and management of these sites, Metro was more than willing to invite them to come and 'sign on the dotted line.' These were sites that had not been given any support by a local partner.

Vote to
Amend #13: The vote was 6 aye/ 0 nay/ 0 abstain. The motion passed with Councilor Kvistad being absent from the vote.

Motion to
Amend #14: **Councilor McLain** moved to amend Ordinance No. 99-793 for consideration of miscellaneous monies.

Seconded: **Councilor Washington** seconded the amendment.

Mr. Houser explored some of the options that had been presented for RACC funding. Three different options were on the table. One was the Executive Officer's proposed budget which included no funding for Regional Arts and Culture Council (RACC). The second option would be the proposal from the Presiding Officer and the Deputy Presiding Officer calling for a $25,000 appropriation for RACC.

Presiding Officer Monroe pointed out that his proposal called for the issue to be reopened in the midyear budget amendment process. He said that his intent was to find the other $75,000 at that time.

Mr. Houser said that the third proposal was from Councilor Kvistad for a $100,000 appropriation that was in part tied to and paid for by the elimination of the Chief Operating Officer position in the Executive office. One potential funding source for RACC was identified. This was the COLA for non-represented employees. Originally 2% had been proposed for the cost of living adjustments. It now appeared that the COLA might be closer to the 1.5% to 1.6% range. For every one-tenth of a point that the COLA for non-represented employees was less than 2%, savings would amount to approximately $2900. Two positions, one in the Executive Office and one in the Council Office, were unfilled presently. If either of those were filled at a salary less than that in the proposed budget, some general fund savings might be associated with that.

Presiding Officer Monroe pointed out that when a senior person resigns, normally the replacement was started at a lower salary level.

Mr. Houser suggested that another source of funding for RACC would be the General Fund Contingency. That contingency was proposed at $500,000 and was another source of funding.

Presiding Officer Monroe said that he had not heard a lot of support for that source.

Mr. Houser said that there was now money available from Change Order 8 affecting the Waste Management contract.

Vote to
Amend #14: The vote was 6 aye/ 0 nay/ 0 abstain. The motion passed with Councilor Kvistad absent from the vote.

10. COUNCILOR COMMUNICATIONS

Councilor Park said he had been thinking about some things Councilor Kvistad said and, given the scope and the size of the potential move in the Executive Officer's office makeup, if Councilor Kvistad did bring his amendment back on April 15, 1999, he would second it for discussion purposes.

Councilor Bragdon announced that starting this week, Metro Council was on television in Milwaukie.

Presiding Officer Monroe announced that Metro Council would not meet next week.

11. ADJOURN

There being no further business to come before the Metro Council, Presiding Officer Monroe adjourned the meeting at 4:56 p.m.

Prepared by,

Chris Billington
Clerk of the Council

Document Number	Document Date	Document Title	TO/FROM	RES/ORD
031899c-01	12/17/96	Intergovernmental Agreement regarding Arts funding	Executive Officer Mike Burton	

031899c-02	3/18/99	Budget Amendment Considerations at the March 18, 1999 Council Meeting	To: All Councilors From: John Houser Michael Morrissey	Ord. No. 99-793
031899c-03	3/18/99	Flagged Items not Scheduled For Discussion Today	To: All Councilors From: John Houser Michael Morrissey	Ord. No. 99-793
031899c-04	3/17/99	RACC letter	To: Mike Burton From: Tony Marquis	Ord. No. 99-793
031899c-05	3/18/99	Testimony at Tri-Met Open House	To: All Councilors From: Art Lewellan	
031899c-06	3/18/99	Testimony at Tri-Met Open House	To: All Councilors From: Art Lewellan	
031899c-07	3/18/99	Letter regarding Tax lot 1S216A-00804	To: Susan McLain From: Linda McQuinn	Res. No. 99-2279
031899c-08	3/18/99	Letter authorizing Notice of Withdrawal Of Ordinance No. 99-788C for reconsideration	To: Susan McLain From: City of Hillsboro	Res. No. 99-2769
031899c-09	3/18/99	Letter noting withdrawal of UGB Ordinance for (URA 55) reconsideration	To: Susan McLain From: Larry Shaw	Res. 99-2769 Ord No. 98-788C
031899c-10	3/18/99	Letter Regarding property at 4100 SW River Road Hillsboro, Tax lot # 1S216A-00804	To: Susan McLain From: Linda McQuinn	Res. 99-2769
031899c-11	3/11/99	Newspaper Clipping regarding Arts funding	To: All councilors	Ord. No. 99-793
031899c-12	03/18/99	Letter regarding 1999-2000 Metro Budget	To: All councilors From: Jerry Rust	Ord. 99-793
031899c-13	03/18/99	Memo regarding Withdrawal of Ordinance 98-788c	To: All councilors From: Susan McLain	Res. 99-2769 Ord. 98-788C

Agenda Item Number 8.1

Ordinance No. 99-799, Confirming the Readoption of Metro Code 2.06 (Investment Policy); and Declaring an Emergency.

First Reading

Metro Council Meeting
Thursday, April 1, 1999
Council Chamber

BEFORE THE METRO COUNCIL

AN ORDINANCE CONFIRMING THE ANNUAL READOPTION OF METRO CODE 2.06 (INVESTMENT POLICY); AND DECLARING AN EMERGENCY	))))	ORDINANCE NO. 99-799 Introduced by Mike Burton, Executive Officer

WHEREAS, The Metro Code, Section 2.06, contains the investment policy which applies to all cash-related assets held directly by Metro; and

WHEREAS, The Investment Advisory Board reviews and approves for adherence to Investment Policy the quarterly Investment Report for submission to Metro Council; and

WHEREAS, Neither the Investment Advisory Board nor the Investment Manager proposes any amendment to the policy at this time; now, therefore,

THE METRO COUNCIL HEREBY ORDAINS:

1. That Metro Code Chapter 2.06 is readopted as written in Exhibit A.

2. This Ordinance being necessary for the immediate preservation of the public health, safety and welfare, in order to meet obligations and comply with Oregon Revised Statutes, an emergency is declared to exist, and this Ordinance takes effect upon passage.

READOPTED by the Metro Council this _______ day of ______________________, 1999.

____
Rod Monroe, Presiding Officer

ATTEST:

____
Recording Secretary

Approved as to Form:

____
Daniel B. Cooper, General Counsel

CHAPTER 2.06

INVESTMENT POLICY

Exhibit A
Ordinance 99-799

2.06.010 Scope

These investment policies apply to all cash-related assets included within the scope of Metro's audited financial statements and held directly by Metro. Other than bond proceeds or other segregated revenues, the total of funds pooled for investments ranges from $60 million to $100 million with an average of $80 million. Funds held and invested by trustees or fiscal agents are excluded from these policies; however, such funds are subject to the regulations established by the State of Oregon.

Funds of Metro will be invested in compliance with the provisions of ORS 294.035 through 294.048; ORS 294.125 through 294.155; ORS 294.810; and other applicable statutes. Investments will be in accordance with these policies and written administrative procedures. Investment of any tax exempt borrowing proceeds and of any debt service funds will comply with the 1986 Tax Reform Act provisions and any subsequent amendments thereto.

2.06.020 Objectives

(a) Safety. Investments shall be undertaken in a manner that seeks to ensure the preservation of principal in the overall portfolio and security of funds and investments. For securities not backed by the full faith and credit of the federal government, diversification is required in order that potential losses on individual securities would not exceed the income generated from the remainder of the portfolio.

(b) Liquidity. The investment officer shall assure that funds are constantly available to meet immediate payment requirements including payroll, accounts payable and debt service.

(c) Yield. The investment portfolio shall be designed with the objective of regularly exceeding the average return on 90-day U.S. Treasury Bills. The investment program shall seek to augment returns above this level, consistent with risk limitations described in this policy and prudent investment principles.

Due to Metro's fiduciary responsibility, safety of capital and availability of funds to meet payment requirements are the overriding objectives of the investment program. Investment yield targets are secondary.

(d) Legality. Funds will be deposited and invested in accordance with statutes, ordinances and policies governing Metro.

2.06.030 Responsibility

(a) Investment Officer. The executive officer is the investment officer of the district. The authority for investing Metro funds is vested with the investment officer, who, in turn, designates the investment manager to manage the day-to-day operations of Metro's investment portfolio, place purchase orders and sell orders with dealers and financial institutions, and prepare reports as required.

(b) Investment Advisory Board (IAB). There shall be an investment advisory board composed of five members.

(1) Terms of Service. The term of service for citizens appointed to the IAB shall be three calendar years. The term of appointment shall be staggered so that not more than two members' terms expire in any calendar year.

(2) Appointment. The investment officer shall recommend to the council for confirmation, the names of persons for appointment to the IAB.

(3) Duties. The IAB shall meet at least quarterly. The IAB will serve as a forum for discussion and act in an advisory capacity for investment strategies, banking relationships, the legality and probity of investment activities and the establishment of written procedures for the investment operations.

(c) Quarterly Reports. At each quarterly meeting, a report reflecting the status of the portfolio will be submitted for review and comment by at least 3 members of the IAB. Discussion and comment on the report will be noted in minutes of the meeting. If concurrence is not obtained, notification will be given to the investment officer including comments by the IAB.

2.06.040 Prudence

The standard of prudence to be applied by the investment officer shall be the "prudent investor" rule: "Investments shall be made with judgment and care, under circumstances then prevailing, which persons of prudence, discretion and intelligence exercise in the management of their own affairs, not for speculation, but for investment, considering the probable safety of their capital as well as the probable income to be derived." The prudent investor rule shall be applied in the context of managing the overall portfolio.

2.06.050 Investment Diversification

(Definitions of terms and applicable authorizing statutes are listed in the "Summary of Investments Available to Municipalities" provided by the state treasurer.) The investment officer will diversify the portfolio to avoid incurring unreasonable risks inherent in over investing in specific instruments, individual financial institutions, or maturities.

(a) Diversification by Investment

		Percent of Portfolio (Maximum)
(1)	U.S. Treasury Bills, Notes, Bonds, Strips and/or State and Local Government Series (SLGS)	100%
(2)	Securities of U.S. Government Agencies	100%

and U.S. Government Sponsored Enterprises

(3)	Certificates of Deposit (CD) Commercial Banks in Oregon insured by FDIC	100%
(4)	Repurchase Agreements (Repo's) Maximum 90-day maturity	50%
(5)	Banker's Acceptances (BA)	100%
(6)	Commercial Paper (CP) Issued by a financial institution, commercial, industrial or utility business enterprise. For a corporation headquartered in Oregon; A-1 and P-1 only, maximum 90-day maturity; A-2 and P-2, A-1/P-2, or A-2/P-1 only, maximum 60-day maturity. For a corporation headquartered outside Oregon; A-1 and P-1 only; maximum 90-day maturity	35%
(7)	State of Oregon and Local Government Securities with A ratings or better	25%
(8)	State of Oregon Investment Pool	100%
(9)	Market Interest Accounts and Checking Accounts Minimum necessary for daily cash management efficiency	

(b) <u>Diversification by Financial Institution</u>

(1) <u>Qualified Institutions</u>. The investment officer shall maintain a listing of financial institutions and securities dealers recommended by the IAB. Any financial institution and/or securities dealer is eligible to make an application to the investment officer and upon due consideration and approval hold available funds.

A listing of the eligible institutions shall be held by the investment officer and provided any fiduciary agent or trustee.

(2) Diversification Requirements. The combination of investments in Certificates of Deposit and Banker's Acceptances as outlined individually at 2.06.050(b)(2)(A) and (C) invested with any one institution shall not exceed 25 percent of the total available funds or 15 percent of the equity of the institution.

(A) Certificates of Deposit - Commercial Banks

No more than the lesser of 25 percent of the total available funds or 15 percent of the equity of the financial institution may be invested with any one institution.

(B) Repurchase Agreements

May be purchased from any qualified institution provided the master repurchase agreement is effective and the safekeeping requirements are met. All repurchase agreements will be fully collateralized by general obligations of the U.S. Government, the agencies and instrumentalities of the United States or enterprises sponsored by the United States government, marked to market.

The investment officer shall not enter into any reverse repurchase agreements.

(C) Banker's Acceptances

Must be guaranteed by, and carried on the books of, a qualified financial institution whose short-term letter of credit rating is rated in the highest category by one or more nationally recognized statistical rating organizations.

Qualified institution means:

(i) A financial institution that is located and licensed to do banking business in the State of Oregon; or

(ii) A financial institution located in the States of California, Idaho, or Washington that is wholly owned by a bank holding company that owns a financial institution that is located and licensed to do banking business in the State of Oregon.

No more than the lesser of 25 percent of the total available funds or 15 percent of the equity of the financial institution may be invested with any one institution.

(D) Commercial Paper

No more than 5 percent of the total portfolio with any one corporate entity.

(E) State and Local Government Securities

No more than 15 percent of the total portfolio in any one local entity.

(F) State of Oregon Investment Pool

Not to exceed the maximum amount established in accordance with ORS 294.810, with the exception of pass-through funds (in and out within 10 days).

(G) U.S. Government Agencies

Securities of U.S. Government Agencies and U.S. Government Sponsored Enterprises as defined under ORS 294.035 and/or 294.040. No more than 40 percent of the total portfolio in any one agency.

(H) U.S. Government Treasuries

No limitations

(c) <u>Diversification by Maturity</u>. Only investments which can be held to maturity shall be purchased. Investments shall not be planned or made predicated upon selling the security prior to maturity. This restriction does not prohibit the use of repurchase agreements under ORS 294.135(2). This policy shall not preclude the sale of securities prior to their maturity in order to improve the quality, net yield, or maturity characteristic of the portfolio.

Maturity limitations shall depend upon whether the funds being invested are considered short-term or long-term funds. All funds shall be considered short-term except those reserved for capital projects (e.g., bond sale proceeds).

(1) Short-Term Funds

(A) Investment maturities for operating funds and bond reserves shall be scheduled to meet projected cash flow needs. Funds considered short-term will be invested to coincide with projected cash needs or with the following serial maturity:

25% minimum to mature under three months
75% minimum to mature under 18 months
100% minimum to mature under five years

(B) Investments may not exceed five years. Investment maturities beyond 18 months may be made when supported by cash flow projections which reasonably demonstrate that liquidity requirements will be met. Maturities beyond 18 months will be limited to direct U.S. Treasury obligations.

(2) Long-Term Funds

(A) Maturity scheduling shall be timed according to anticipated need. ORS 294.135 permits investment beyond 18 months for any bond proceeds or funds accumulated for any purpose which the district is permitted by state law to accumulate and hold funds for a period exceeding one year. The maturities should be made to coincide as nearly as practicable with the expected use of the funds.

(B) Investment of capital project funds shall be timed to meet projected contractor payments. The drawdown schedule used to guide the investment of the funds shall evidence the approval of the investment officer and review of the Chief Financial Officer.

(d) Total Prohibitions. The investment officer may not make a commitment to invest funds or sell securities more than 14 business days prior to the anticipated date of settlement of the purchase or sale transaction, and may not agree to invest funds or sell securities for a fee other than interest. Purchase of standby or forward commitments of any sort are specifically prohibited.

(e) Adherence to Investment Diversification. Diversification requirements must be met on the day an investment transaction is executed. If due to unanticipated cash needs, investment maturities or marking the portfolio to market, the investment in any security type, financial issuer or maturity spectrum later exceeds the limitations in the policy, the Investment Officer is responsible for bringing the investment portfolio back into compliance as soon as is practical.

2.06.060 Competitive Selection of Investment Instruments

Before the investment officer invests any surplus funds, a competitive offering solicitation shall be conducted orally. Offerings will be requested from financial institutions for various options with regards to term and instrument. The investment officer will accept the offering which provides the highest rate of return within the maturity required and within the prudent investor rule. Records will be kept of offerings and the basis for making the investment decision.

2.06.065 Monitoring the Portfolio

The investment manager will routinely monitor the contents of the portfolio comparing the holdings to the markets, relative values of competing instruments, changes in credit quality, and benchmarks. If there are advantageous transactions, the portfolio may be adjusted accordingly.

2.06.070 Qualifying Institutions

The investment officer shall maintain a listing of all authorized dealers and financial institutions which are approved for investment purposes. Written procedures and criteria for selection of financial institutions will be established by the investment officer. Financial institutions must have a branch in Oregon. Any firm is eligible to apply to provide investment services to Metro and will be added to the list if the selection criteria are met. Additions or deletions to the list will be made by the investment officer and reviewed by the IAB. At the request of the investment officer, the firms performing investment services for Metro shall provide their most recent financial statements or Consolidated Report of Condition (call report) for review. Further, there should be in place, proof as to all the necessary credentials and licenses held by employees of the broker/dealers who will have contact with Metro as specified by but not necessarily limited to the National Association of Securities Dealers (NASD), Securities and Exchange Commission (SEC), etc. At minimum, the investment officer and the IAB shall conduct an annual evaluation of each firm's qualifications to determine whether it should be on the authorized list.

Securities dealers not affiliated with a Qualified Financial Institution, as defined in ORS.035, will be required to have headquarters located in the State of Oregon, Washington or Idaho and, if not headquartered in the State of Oregon, to have an office located in Oregon. Not withstanding the above, seccurities dealers who are classified as primary dealers with the New York Federal Reserve Bank are also eligible.

2.06.090 Safekeeping and Collateralization

All securities purchased pursuant to this investment policy will be delivered by either book entry or physical delivery to a third party for safekeeping by a bank designated as custodian. Purchase and sale of all securities will be on a payment versus delivery basis. The trust department of the bank designated as custodian will be considered to be a third party for the purposes of safekeeping of securities purchased from that bank. The custodian shall issue a safekeeping receipt to Metro listing the specific instrument, rate, maturity and other pertinent information.

Delivery versus payment will also be required for all repurchase transactions and with the collateral priced and limited in maturity in compliance with ORS 294.035(11).

Deposit-type securities (i.e., Certificates of Deposit) shall be collateralized through the state collateral pool as required by ORS 295.015 and ORS 295.018 for any amount exceeding FDIC coverage, recognizing that ORS 295.015 requires only 25 percent collateralization and ORS 295.018 requires 110 percent collateralization when the institution is notified by the state treasurer.

2.06.100 Indemnity Clause

(a) Metro shall indemnify the investment officer, chief financial officer, investment manager, staff and the IAB members from personal liability for losses that might occur pursuant to administering this investment policy.

(b) The investment officer, acting in accordance with written procedures and exercising due diligence, shall not be held personally responsible for a specific security's credit risk or market price changes, provided that these deviations are reported to the council as soon as practicable.

2.06.110 Controls

The investment officer shall maintain a system of written internal controls, which shall be reviewed annually by the IAB and the independent auditor. The controls shall be designed to prevent loss of public funds due to fraud, error, misrepresentation or imprudent actions.

Metro's independent auditor at least annually shall audit investments according to generally accepted auditing standards and this ordinance.

2.06.120 Accounting Method

Metro shall comply with all required legal provisions and Generally Accepted Accounting Principles (GAAP). The accounting principles are those contained in the pronouncements of authoritative bodies, including but not necessarily limited to, the American Institute of Certified Public Accountants (AICPA); the Financial Accounting Standards Board (FASB); and the Government Accounting Standards Board (GASB).

2.06.130 Reporting Requirements

(a) A transaction report shall be prepared by the investment manager not later than one business day after the transaction, unless a trustee, operating under a trust agreement, has executed the transaction. The trustee agreement shall provide for a report of transactions to be submitted by the trustee on a monthly basis.

(b) Quarterly reports shall be prepared for each regular meeting of the IAB to present historical investment information for the past 12-month period. Copies shall be provided to the executive officer and the Metro council.

2.06.140 Performance Evaluation

The overall performance of Metro's investment program is evaluated quarterly by the IAB using the objectives outlined in this policy. The quarterly report which confirms adherence to this policy shall be provided to the Metro council as soon as practicable.

The performance of Metro's portfolio shall be measured by comparing the average yield of the portfolio at month-end against the performance of the 90-day U.S. Treasury Bill issue maturing closest to 90 days from month-end and the Local Government Investment Pool's monthly average yield.

2.06.150 Policy Adoption

This investment policy must be reviewed by the IAB and the Oregon Short-Term Fund Board prior to adoption by the Metro council. Adoption of this policy supersedes any other previous council action or policy regarding Metro's investment management practices.

2.06.160 Policy Readoption

This policy shall be subject to review and readoption annually by the Metro council in accordance with ORS 294.135.

STAFF REPORT

CONSIDERATION OF ORDINANCE NO. 99-799 CONFIRMING THE ANNUAL READOPTION OF METRO CODE 2.06 (INVESTMENT POLICY); AND DECLARING AN EMERGENCY

Date: March 9, 1999

Presented by: Howard Hansen

FACTUAL BACKGROUND AND ANALYSIS

Metro Code, Chapter 2.06, contains the investment policy, which applies to all cash-related assets held directly by Metro. The major objectives of the policy are safety, liquidity, and yield, with safety of capital and availability of funds as the overriding objectives.

Section 2.06.160 provides that the policy is subject to annual review and readoption in accordance with ORS 294.135. The last readoption by Metro Council took place April 9, 1998.

Metro's investment portfolio, which is subject to the referenced policy, is reviewed quarterly for adherence to policy by the Investment Advisory Board, a citizens oversight committee composed of investment professionals. Following their review and approval, the quarterly Investment Report is forwarded to Metro Council.

Neither the Investment Advisory Board nor the Investment Manager proposes any amendment to the policy at this time.

The full Chapter 2.06 is attached to the ordinance as Exhibit A.

EXECUTIVE OFFICER'S RECOMMENDATION

The Executive Officer recommends readoption of Metro Code Chapter 2.06 by Ordinance No. 99-799.

Agenda Item Number 8.2

Ordinance No. 99-800, For the Purpose of Amending a Solid Waste Franchise Granted to USA Waste of Oregon, Inc., Doing Business as Metropolitan Disposal and Recycling Corporation, to Operate the Forest Grove Transfer Station, and Declaring an Emergency.

First Reading

Metro Council Meeting
Thursday, April 1, 1999
Council Chamber

BEFORE THE METRO COUNCIL

FOR THE PURPOSE OF AMENDING A SOLID WASTE FRANCHISE GRANTED TO USA WASTE OF OREGON, INC. DBA METROPOLITAN DISPOSAL AND RECYCLING CORPORATION TO OPERATE THE FOREST GROVE TRANSFER STATION; AND DECLARING AN EMERGENCY	)	ORDINANCE NO 99-800 Introduced by Executive Officer Mike Burton, Councilor Ed Washington, and Councilor Susan McLain

WHEREAS, in Ordinance No. 97-718, the Metro Council authorized the Executive Officer to enter into a franchise agreement with USA Waste of Oregon, Inc., dba Metropolitan Disposal and Recycling Corporation; and

WHEREAS, as described in the accompanying staff report, Metro and the franchisee wish to modify certain provisions of the franchise; and

WHEREAS, Metro has determined that such modifications are acceptable and are in the public interest because they will allow solid waste to be transported to the nearest transfer station, thereby reducing regional traffic congestion and pollution; and

WHEREAS, this Ordinance was submitted to the Executive Officer for consideration and is now forwarded to the Council for approval; and

WHEREAS, allowing this Ordinance to take effect immediately is necessary for the public health, safety and welfare of the Metro area, because the franchise for the operation of the Forest Grove Transfer Station constitutes an integral and important part of the regional solid waste disposal system, and no benefit would be derived by delaying the effective date of this ordinance, and such delay may cause disruption; and

WHEREAS, the Executive Officer recommends that the Council amend the franchise to USA Waste, dba Metropolitan Disposal and Recycling Corporation; now, therefore,

THE METRO COUNCIL ORDAINS AS FOLLOWS:

1. That the franchise issued to USA Waste, dba Metropolitan Disposal and Recycling Corporation, shall be modified as described in the attached Exhibit "A" to this Ordinance; and

2. This Ordinance being necessary for the public health, safety and welfare of the Metro area, an emergency is hereby declared to exist; because the franchise for the operation of the Forest Grove Transfer Station constitutes an integral and important part of the regional solid waste system, no benefit would be derived by delaying the effective date of this Ordinance., This Ordinance shall take effect upon its passage.

ADOPTED by the Metro Council this _____ day of _______________ 1999.

____
Rod Monroe, Presiding Officer

ATTEST:

____
Recording Secretary

Approved as to Form:

____
Daniel B. Cooper, General Counsel

ksj
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3/16/99

Exhibit A
to Ordinance 99-800

The following amendments shall be included in the solid waste franchise issued to USA Waste of Oregon, Inc., dba Metropolitan Disposal and Recycling Corporation.

- Delete the heading and text of Section 6.1 and the heading of Section 6.2, "Further Limitations," and delete Sections 6.2.1, 6.2.2 and 6.2.3.
- Renumber Section 6.2.4 as Section 6.1.
- Delete Sections 15.1 through 15.4 and renumber Section 15.5 as Section 15.1.

STAFF REPORT

IN CONSIDERATION OF ORDINANCE NO. 99-800 FOR THE PURPOSE OF AMENDING A SOLID WASTE FRANCHISE GRANTED TO USA WASTE OF OREGON, INC., DOING BUSINESS AS METROPOLITAN DISPOSAL AND RECYCLING CORPORATION, TO OPERATE THE FOREST GROVE TRANSFER STATION; AND DECLARING AN EMERGENCY.

Date: March 11, 1999 Presented by: Bruce Warner

PROPOSED ACTION

Adopt Ordinance No. 99-800.

FACTUAL BACKGROUND AND ANALYSIS

The Forest Grove Transfer Station (FGTS) is a privately owned transfer station, operated by USA Waste of Oregon, Inc., under a franchise granted by Metro. The first franchise for this transfer station was issued by Metro in 1985. It was subsequently renewed in 1988 and 1994, and is scheduled to expire in early 1999. This transfer station is one of three regional transfer stations identified in the Regional Solid Waste Management Plan.

The Forest Grove Transfer Station currently handles about ten percent of the municipal solid waste generated within the Region. The waste from the transfer station is currently disposed of at the Riverbend Landfill near McMinnville, Oregon. The waste from this transfer station has historically been disposed of at the Riverbend Landfill, except for a short period between June 1994 and May 1995, when the Columbia Ridge Landfill was used.

Metro was notified in late 1996 that the franchise holder had entered into negotiations for the sale of the facility to USA Waste. Metro negotiated a new franchise with USA Waste of Oregon, doing business as Metropolitan Disposal and Recycling that took effect on December 31, 1997. In July of 1998, USA Waste merged with Waste Management.

The franchise that Metro granted to USA Waste of Oregon to operate the Forest Grove Transfer Station has two unique elements. While the franchise doesn't limit the amount of solid waste that can be handled, the amount of waste disposed of at a general-purpose landfill can not exceed ten percent of the Metro Region's waste. This limitation was placed in the franchise to enable Metro to meet the flow guarantee included in its disposal contract.

A new fee, the "Differential Fee," was established in the Forest Grove Transfer Station franchise. This fee was designed to substitute for periodic rate review. The level of the fee was set to reflect the difference in operating cost between Metro facilities and the Forest Grove Transfer Station. With this fee, the operator could charge a tip fee equal to the Metro tip fee and receive a fair and reasonable fee for the operation of the transfer station. This fee also compensated

Metro's ratepayers for an increase in disposal costs due to a reduction in tonnage delivered under Metro's disposal contract.

After the merger of Waste Management and USA Waste, changes have occurred that eliminate the need for these two franchise provisions. As a result of negotiations with Metro, changes have been proposed to the Disposal Contract that modify the guarantees in the contract so that Metro will no longer be in violation of the contract if the Forest Grove Transfer Station sends more than ten percent of the Region's waste to the Riverbend Landfill.

The proposed changes in Metro's Disposal Contract also eliminate the need for the Differential Fee. The proposed contract modifications change the method of determining Metro's rate so that the Region's ratepayers' cost will not vary with the amount of waste sent to the Riverbend Landfill. The rate reductions proposed in the disposal contract modifications are in excess of the differential fee. If Metro elects to pass on these savings in its tip fee, the operator of the Forest Grove Transfer Station will receive a lower rate for transfer and transportation of the waste than with the differential fee.

This ordinance eliminates the sections of the franchise that require payment of the Differential Fee and the limitations on where waste can be disposed of.

BUDGET IMPACT

There is no budget impact of these changes during the current fiscal year. In the 1999-2000 fiscal year, the budget impact will be a revenue loss of approximately $350,000.

EXECUTIVE OFFICER RECOMMENDATION

The Executive Officer recommends approval of Ordinance No. 99-800.

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Agenda Item Number 9.1

Resolution No. 99-2756, For the Purpose of Approving the FY 2000 Unified Work Program.

Metro Council Meeting
Thursday, April 1, 1999
Council Chamber

BEFORE THE METRO COUNCIL

FOR THE PURPOSE OF APPROVING THE FY 2000 UNIFIED WORK PROGRAM	))	RESOLUTION NO. 99-2756 Introduced by Councilor Jon Kvistad, JPACT Chair

WHEREAS, The Unified Work Program describes all federally-funded transportation planning activities for the Portland-Vancouver metropolitan area to be conducted in FY 2000; and

WHEREAS, The FY 2000 Unified Work Program indicates federal funding sources for transportation planning activities carried out by Metro, Regional Transportation Council, Oregon Department of Transportation, Tri-Met and the local jurisdictions; and

WHEREAS, Approval of the FY 2000 Unified Work Program is required to receive federal transportation planning funds; and

WHEREAS, The FY 2000 Unified Work Program is consistent with the proposed Metro budget submitted to the Tax Supervisory and Conservation Commission; now, therefore,

BE IT RESOLVED,

That the Metro Council hereby declares:

1. That the FY 2000 Unified Work Program is approved.

2. That the FY 2000 Unified Work Program is consistent with the continuing, cooperative and comprehensive planning process and is given positive Intergovernmental Project Review action.

3. That Metro's Executive Officer is authorized to apply for, accept and execute grants and agreements specified in the Unified Work Program.

4. That the Memorandum of Understanding between Metro and

the Southwest Washington Regional Transportation Council (RTC) is renewed for FY 2000.

ADOPTED by the Metro Council this _____ day of _________, 1999.

____
Rod Monroe, Presiding Officer

Approved as to Form:

____
Daniel B. Cooper, General Counsel

99-2756.RES
KT:lmk
3-2-99

FY 99-00
Unified Work Program

Transportation Planning in the Portland-Vancouver Metropolitan Area

Metro
Southwest Washington Regional Transportation Council
Oregon Department of Transportation
City of Portland
Tri-Met

TO COUNCIL - APRIL 1, 1999

Document too large to copy,
please contact the Transportation
Planning department for a copy.
797-1755

TRANSPORTATION PLANNING COMMITTEE REPORT

CONSIDERATION OF RESOLUTION NO. 99-2756, FOR THE PURPOSE OF APPROVING THE FY 2000 UNIFIED WORK

Date: March 25, 1999 Presented by: Councilor Bragdon

Committee Recommendation: At its March 16 meeting, the Committee considered Resolution No 98-2756 and voted 2-0 with one abstention to send the resolution to the Council with a do pass recommendation. Voting in favor: Councilor Bragdon and Chair Kvistad. Councilor Atherton abstained

Committee Issues/Discussion: Andy Cotugno, Transportation Planning Director, presented the staff report. Cotugno explained that the Council is asked to approve the unified work plan for his department each spring. Federal law requires that the plan be annually submitted for federal approval by July 1. Historically, Metro has submitted its plan around April 1 to provide adequate time for federal review.

Cotugno indicated that the timeline for Council approval is somewhat awkward because the plan must be submitted prior to final Council action on the department's proposed budget. Therefore, he noted that the plan always includes those programs and projects that are included in the proposed budget, but the plan is submitted for federal review with the understanding that it could be amended based on final Council action.

Councilor Atherton asked if it was appropriate for the committee members to raise policy issues and amend the work plan to redirect staff resources toward these issues. Cotugno responded that the work plan was not really a policy document, but rather an explanation of the specific work activities that would take place during the next fiscal year. He proceeded to explain the purpose of the Unified Work Plan, the Regional Transportation Plan, and the Metropolitan Transportation Improvement Plan. He noted that the Regional Transportation Plan is the policy document. He explained that Metro is currently in the process of making major revisions in the plan. The committee will have an opportunity to review a copy of the final draft document that will be used to solicit public comment and review and adopt a final plan in the fall. He advised Councilor Atherton that this review process would provide an opportunity for him to suggest specific policy directions for inclusion in the plan.

Councilor Atherton expressed concern that now was the time to identify possible new directions. He also noted that he had not seen the proposed work plan and therefore advised the chair that he would abstain from voting on the resolution.

STAFF REPORT

CONSIDERATION OF RESOLUTION NO. 99-2756 FOR THE PURPOSE OF APPROVING THE FY 2000 UNIFIED WORK PROGRAM AND RESOLUTION NO. 99-2761 CERTIFYING THAT THE PORTLAND METROPOLITAN AREA IS IN COMPLIANCE WITH FEDERAL TRANSPORTATION PLANNING REQUIREMENTS

Date: January 28, 1999 Presented by: Andrew C. Cotugno

PROPOSED ACTION:

This resolution would: 1) approve the Unified Work Program (UWP) continuing the transportation planning work program for FY 2000; 2)authorize the submittal of grant applications to the appropriate funding agencies; and extend the Memorandum of Understanding with RTC and certify that the Portland metropolitan area is in compliance with federal transportation planning requirements.

FACTUAL BACKGROUND AND ANALYSIS

The FY 2000 Unified Work Program (UWP) describes the transportation planning activities to be carried out in the Portland-Vancouver metropolitan region during the fiscal year beginning July 1, 1999. Included in the document are federally-funded studies to be conducted by Metro, Regional Transportation Council (RTC), the Oregon Department of Transportation (ODOT), the City of Portland and local jurisdictions. Major commitments continue for adopting the Regional Transportation Plan, completing the South Willamette River Crossing Study, initiating a Highway 217 Corridor Study and continuing the I-5 Trade Corridor Study and increasing the communication of transportation system performance, needs and proposed plans. In addition, it includes a greater emphasis on freight planning and further advancements in travel modeling in cooperation with Los Alamos National Laboratories.

Federal transportation agencies (Federal Transit Administration (FTA)/Federal Highway Administration (FHWA) require a self-certification that our planning process is in compliance with certain federal requirements as a prerequisite to receiving federal funds. The self-certification documents that we have met those requirements and is considered yearly at the time of Unified Work Program (UWP) approval.

The UWP matches the projects and studies reflected in the proposed Metro budget submitted by the Metro Executive Officer to the Metro Council and is subject to revision in the final Metro budget.

Approval will mean that grants can be submitted and contracts executed so work can commence on July 1, 1999 in accordance with established Metro priorities.

Agenda Item Number 9.2

Resolution No. 99-2758A, For the Purpose of Adopting Filing Fees for Quasi-Judicial and Administrative Amendments to the Urban Growth Boundary.

Metro Council Meeting
Thursday, April 1, 1999
Council Chamber

BEFORE THE METRO COUNCIL

FOR THE PURPOSE OF ADOPTING FILING FEES FOR QUASI-JUDICIAL AND ADMINSTRATIVE AMENDMENTS TO THE URBAN GROWTH BOUNDARY	))))	RESOLUTION NO. 99-2758A Introduced by Executive Officer Mike Burton

WHEREAS, Metro Council has the authority to establish filing fees under Metro Code Section 3.01.045(a) for quasi-judicial and administrative amendments to the Urban Growth Boundary; and

WHEREAS, The Metro Council finds it necessary to collect a filing fee to offset the cost of processing petitions to amend the Urban Growth Boundary; and

WHEREAS, Those filing fees were last set in 1981 and no longer reflect the cost of processing the quasi-judicial and administrative petitions, now therefore,

BE IT RESOLVED:

That all petitions filed pursuant to Metro Code Section 3.01.045 be subject to the filing fees as outlined in Exhibit A.

That Metro will review the filing fee schedule for quasi-judical and administrative amendments to the Urban Growth Boundary at least every five years.

ADOPTED by the Metro Council this ______day of ________1999.

____
Rod Monroe, Presiding Officer

APPROVED AS TO FORM:

____
Daniel B. Cooper, General Counsel

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EXHIBIT A

Filing Fee Schedule for Quasi-Judicial and Administrative Amendments
to the Urban Growth Boundary

Metro Code Section 3.01.045(a)
January 1999

Major Amendment Petition - 3.01.035	$10,000 Filing Fee
Locational Adjustment Petition - 3.01.025/3.01.030	$6,000 Filing Fee
Roadway Realignment Application - 3.01.037	$750 Filing Fee

The recoverable costs for these activities are staff time, materials, notices, excise tax and the hearing officer. If the entire deposit is not used, the remainder is returned to the applicant.

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GROWTH MANAGEMENT COMMITTEE REPORT

CONSIDERATION OF RESOLUTION NO. 99-2758A, FOR THE PURPOSE OF ADOPTING FILING FEES FOR QUASI-JUDICIAL AND ADMINISTRATIVE AMENDMENTS TO THE URBAN GROWTH BOUNDARY.

Date: March 23, 1999 Presented by: Councilor Bragdon

Committee Action: At its March 16, 1999 meeting, the Growth Management Committee voted 3-0 to recommend Council adoption of Resolution No. 99-2758A. Voting in favor: Councilors Bragdon, Park and McLain.

Council Issues/Discussion: Mark Turpel, Growth Management department long range planning manager, made the staff presentation. Resolution 99-2758A adjusts the filing fees and up-front deposits for quasi-judicial and administrative amendments to the urban growth boundary, for the first time since 1981. These fees are applied to the recoverable costs for staff time, materials, notices, excise tax and hearings officer. The most direct effect of the resolution is to require a more reasonable deposit, so that Metro is not in the position of having to attempt to recover costs from the applicant after the fact. Any unspent funds are returned to the applicant.

The Growth Management Committee amended this resolution to direct that the filing fees be reviewed at least every five years.

STAFF REPORT

Consideration of Resolution No. 99-2758 adopting filing fees for quasi-judicial and administrative amendments to the Urban Growth Boundary.

Date: February 8, 1999

Presented by: Elaine Wilkerson
Prepared by: Glen Bolen

PROPOSED ACTION

Adoption of Resolution No. 99-2758 establishing filing fees for costs associated with quasi-judicial and administrative amendments to the Urban Growth Boundary (UGB).

BACKGROUND AND ANALYSIS

Metro Code Section 3.01.045(a) states that each petition to amend the UGB shall be accompanied by a "filing fee" in an amount to be established by resolution of the council. Such fees shall not exceed the actual costs of the district to process such petitions. The filing fee shall include administrative costs and hearings officer/public notice costs. The filling fee charged is in fact only a deposit. Metro Code Section 3.01.045(c) states, "The unexpended portion of petitioner's deposit, if any, shall be returned to the petitioner at the time of a final disposition of the petition."

The Metro Council, through Resolution No. 81-228, established the filing fees for UGB quasi-judicial petitions (Attachment A). The fee schedule is very outdated. We have a current practice of requiring a deposit of $2,700. Experience has shown that this deposit does not cover Metro's actual costs. The recoverable costs associated with the processing of the 1998 locational adjustment petitions ranged from $4,000 to $6,000 (Attachment B).

To ensure that Metro receives a deposit that will cover the actual costs we recommend setting the filling fee for locational adjustments at $6,000. Although we do not have any recent history on the cost to process a major amendment, a $10,000 filing fee is a reasonable deposit due to the complexity of the petition and the goal findings. The processing of roadway realignment petitions is a very streamlined administrative function and minimal filing fee of $750 is adequate to cover costs. The recoverable costs for these activities are staff time, materials, notices, excise tax and the hearing officer. If the entire deposit is not used, the remainder is returned to the applicant.

BUDGET IMPACT

Adoption of this Resolution with its up to date filing fee schedule would provide sufficient revenue to cover the cost of processing petitions.

EXECUTIVE OFFICER'S RECOMMENDATION

The Executive Officer recommends adoption of the recommended filing fee schedule for quasi-judicial and administrative amendments to the UGB as outlined in Resolution No. 99-2758.

ATTACHMENT A

BEFORE THE COUNCIL OF THE
METROPOLITAN SERVICE DISTRICT

FOR THE PURPOSE OF SETTING FEES FOR PETITIONS TO AMEND THE METRO URBAN GROWTH BOUNDARY (UGB)	)))	RESOLUTION NO. 86-684

WHEREAS, Chapter 3.05 of the Code of the Metropolitan Service District (Metro) establishes procedures for hearing petitions for locational adjustments of the Urban Growth Boundary (UGB), as defined by Metro Code Section 3.01.010 (h); and

WHEREAS, Metro Ordinance 85-189, as amended by Ordinance No. 86-204, establishes temporary procedures for hearing all other petitions for amendment of the UGB, called major amendments; and

WHEREAS, Resolution No. 82-342 established fees for petitions for locational adjustments and major amendments; and

WHEREAS, Certain provisions of Resolution No. 82-342 require correction; now, therefore,

BE IT RESOLVED,

1. That all petitions for major amendments or locational adjustments to the UGB shall be accompanied by a filing fee as follows:

   a. a base fee of $25 for each petition; and

   b. a fee of $10 per acre for each acre in excess of 10 acres proposed to be added, but not to exceed $5,000; and

   c. a deposit of $1,500 for Hearings Officer's costs and public notices, the unexpended portion of this deposit, if any, to be returned to the petitioner at the time of a final disposition of the petition.

2. If Hearings Officer costs exceed the amount of the deposit, the petitioner shall be required to pay to Metro an amount equal to the costs in excess of the deposit, prior to final action by the Metro Council; however, for locational adjustments the total cost shall not exceed $2,500.

3. The Council may, by resolution, reduce, refund or waive the base fee, per acre fee or deposit, or portion thereof, if it finds that such fees would create an undue hardship for the applicant.

4. If a petition is withdrawn before it has been given a hearing, the Executive Officer shall refund any unexpended balance of the per-acre fee, based upon actual charges to date for staff time, including fringe benefits and overhead, and for materials and services.

5. Resolution No. 82-342 is hereby repealed.

ADOPTED by the Council of the Metropolitan Service District this 11th day of Sept., 1986.

Richard Waker, Presiding Officer

JH/sm
6141C/472-3
08/29/86

STAFF REPORT

Agenda Item No. 7.2

Meeting Date Sept. 11, 1986

CONSIDERATION OF RESOLUTION NO. 86-684 FOR THE PURPOSE OF SETTING FEES FOR PETITIONS TO AMEND THE URBAN GROWTH BOUNDARY

Date: August 29, 1986 Presented by: Jill Hinckley

FACTUAL BACKGROUND AND ANALYSIS

Resolution No. 82-342 established the current fee schedule for petitions to amend the UGB. This Resolution No. 86-684 replaces that Resolution No. 82-342. It maintains the same basic fee schedule, but changes certain other provisions as follows:

1. Deletes ceiling on Hearings Officer's charges for major amendments: Currently, petitioners are only responsible for Hearings Officer charges up to $2,500 on both major amendments and locational adjustments. This ceiling is retained for locational adjustments, which are likely to cost more only if additional Council questions beyond the standard hearing review are involved. Petitioners should not bear the financial brunt of such circumstances.

   Major amendments, on the other hand, are for more complex proceedings. Regional policy issues will necessarily be an integral part of the application. Most major amendments will entail at least $2,500 in Hearings Officer charges. There is no reason why petitioners should not pay the costs incurred.

2. Changes timing for supplemental deposit: The initial deposit required is $1,500. A supplemental deposit now must be made if costs exceed this "prior to the release of the Hearings Officer's Report." Since additional costs may be incurred following the Report's release, e.g., when the Council requests a written response to a petitioner's exceptions to the Report, the timing is changed to require the deposit prior to final Council action.

3. Provides for refund when petitions withdrawn: Currently, only the Council can approve fee refunds (other than any partial refunds of the deposit for Hearings Officer's costs). Section 4 of the Resolution No. 86-684 would allow the Executive Officer to make refunds or payments in excess of costs when a petiton is withdrawn prior to hearing. Since fees cover only a portion of administrative costs, any refunds would tend to be small.

EXECUTIVE OFFICER'S RECOMMENDATION

The Executive Officer recommends adoption of Resolution No. 86-684

JH/sm
6141C/472-3
08/29/86

Absent: Councilors Collier, Cooper, Kafoury and Kirkpatrick

The motion carried and Resolution No. 86-680 was amended. The Resolution would be considered for adoption as amended after review and certification by the TSCC.

Councilor Gardner answered Mr. Hohnstein's previous question about why Metro could not wait until after the November 4 election to fund the CTS project. He explained funds were required in advance of the election to proceed with specific work projects and to get as much work accomplished as possible. If the bond measure passed, tax money would not be received to repay the Metro loan until July 1987. If the bond measure failed, the loan would be repaid from hotel/motel tax revenues which would probably not be collected by the Council and turned over to Metro until December 1986, he explained.

<u>Motion</u>: Councilor Frewing moved to adopt Resolution No. 86-681 incorporating staff's recommended amendments. Councilor DeJardin seconded the motion.

<u>Vote</u>: A vote on the motion resulted in:

Ayes: Councilors DeJardin, Frewing, Gardner, Hansen, Kelley, Oleson and Waker

Nay: Councilor Van Bergen

Absent: Councilors Collier, Cooper, Kafoury and Kirkpatrick

The motion carried and Resolution No. 86-681, for the purpose of transmitting the Supplemental Budget to the TSCC, was adopted.

In conclusion, Executive Officer Gustafson said Councilor Kelley's concerns about the Solid Waste Operating Contingency Fund balance could be addressed when the Council reviewed the annual Solid Waste Rate Review Study.

<u>7.2 Consideration of Resolution No. 86-684, for the Purpose of Setting Fees for Petitions to Amend the Urban Growth Boundary</u>

Jill Hinckley, Land Use Coordinator, reviewed staff's report. She explained the Resolution would delete the cost ceiling on Hearings Officer's charges for major UGB amendments, change the timing for supplemental deposits, and provide for a refund when a petition was withdrawn.

Councilor Frewing asked if charges could be increased to cover other Intergovernmental Resource Center costs currently paid for by local government dues. Ms. Hinckley reported a major review was in progress to examine that issue.

<u>Motion</u>: Councilor Kelley moved the Resolution be adopted and Councilor Van Bergen seconded the motion.

<u>Vote</u>: A vote on the motion resulted in:

Ayes: Councilors DeJardin, Frewing, Gardner, Hansen, Kelley, Oleson, Van Bergen and Waker

Absent: Councilors Collier, Cooper, Kafoury and Kirkpatrick

The motion carried and Resolution No. 86-684 was adopted.

<u>8. OTHER BUSINESS</u>

<u>8.1 Consideration of a Contract with Guthrie, Slusarenko & Associates for the Update of the 1983 Zoo Master Plan</u>

Kay Rich, Zoo Assistant Director, reported that priority projects identified in the current Zoo Master Plan had been completed or were being bid for construction. The contract under consideration identified new priority projects as listed in staff's report including parking solutions. Mr. Rich reviewed the contractor selection process and recommended awarding the contract to Guthrie, Slusarenko & Associates for $58,000.

Councilor Frewing asked if staff would postpone the project until OMSI determined whether it would relocate. Gene Leo, Zoo Director, recommended proceeding with the contract because he expected OMSI to announce relocation plans early in the master planning process.

<u>Motion</u>: Councilor Van Bergen moved to approve the contract with the following changes (deletions in brackets and additions underlined): The first "whereas" paragraph be changed to read ". . . updating [the] <u>Metro's</u> Washington Park Zoo's 1983 Master Plan. . ."; and the last sentence of provision 7, "Ownership of Copyrights", be changed to read ". . . will not be published in whole or in part without notice of copyright approved by METRO ['S WASHINGTON PARK ZOO]." Councilor DeJardin seconded the motion.

<u>Vote</u>: A vote on the motion resulted in:

Total Cost of 1998 UGB Petitions

ATTACHMENT B

Case	Case Name	Project #	Total Expenses
98-1	Buford	90561	$ 1,755
98-8	Evergreen Church	90562	$ 7,768
98-7	Jenkins/Kim	90563	$ 1,588
98-2	Derby	90564	$ 6,232
98-6	Matrix	90565	$ 5,558
98-4	Tsugawa	90566	$ 5,713
98-3	Lake Oswego	90568	$ 2,409
98-5	Valley View	90569	$ 6,761
98-10	JJ Development	90521	$ 4,209
98-9	CCG/Persimmon Hill	90522	$ 7,188
98-1RR	West Linn	90524	$ 907
Average cost of all cases			$ 4,553
Average cost of locational adjustments			$ 4,918
Average cost of roadway realignments			$ 907

Agenda Item Number 9.3

Resolution No. 99-2761, For the Purpose of Certifying that the Portland Metropolitan Area is in Compliance with Federal Transportation Planning Requirements.

Metro Council Meeting
Thursday, April 1, 1999
Council Chamber

JOINT RESOLUTION OF THE
METRO COUNCIL
AND OREGON STATE HIGHWAY ENGINEER

FOR THE PURPOSE OF CERTIFYING THAT THE PORTLAND METROPOLITAN AREA IS IN COMPLIANCE WITH FEDERAL TRANSPORTATION PLANNING REQUIREMENTS	))))	RESOLUTION NO. 99-2761 Introduced by Councilor Jon Kvistad, JPACT Chair

WHEREAS, Substantial federal funding from the Federal Transit Administration and Federal Highway Administration is available to the Portland metropolitan area; and

WHEREAS, The Federal Transit Administration and Federal Highway Administration require that the planning process for the use of these funds complies with certain requirements as a prerequisite for receipt of such funds; and

WHEREAS, Satisfaction of the various requirements is documented in Exhibit A; now, therefore,

BE IT RESOLVED,

That the transportation planning process for the Portland metropolitan area (Oregon portion) is in compliance with federal requirements as defined in Title 23 Code of Federal Regulations, Part 450, and Title 49 Code of Federal Regulations, Part 613.

ADOPTED by the Metro Council this _____ day of _________, 1999.

____
Rod Monroe, Presiding Officer

APPROVED by the Oregon Department of Transportation State Highway Engineer this _____ day of _________, 1999.

____
State Highway Engineer

EXHIBIT A

Metro Self-Certification

1. Metropolitan Planning Organization Designation

Metro is the MPO designated by the Governor for the urbanized areas of Clackamas, Multnomah and Washington Counties.

Metro is a regional government with seven directly elected Councilors and an elected Executive Officer. Local elected officials are directly involved in the transportation planning/decision process through the Joint Policy Advisory Committee on Transportation (JPACT) (see attached membership). JPACT provides the "forum for cooperative decision-making by principal elected officials of general-purpose governments" as required by USDOT. The Metro Policy Advisory Committee deals with non-transportation-related matters with the exception of adoption and amendment to the Regional Transportation Plan (RTP).

2. Geographic Scope

Transportation planning in the Metro region includes the entire area within the Federal-Aid Urban boundary.

3. Agreements

a. A basic memorandum of agreement between Metro and the Regional Transportation Council (Southwest Washington RTC) delineates areas of responsibility and coordination. Executed December 1997.

b. An agreement between Tri-Met and Metro implementing the Intermodal Surface Transportation Efficiency Act of 1991. Executed April 1998.

c. An agreement between ODOT and Metro implementing the Intermodal Surface Transportation Efficiency Act of 1991. Executed April 1998.

d. Yearly agreements are executed between Metro and ODOT defining the terms and use of FHWA planning funds.

e. Bi-State Resolution – Metro and RTC jointly adopted a resolution establishing a Bi-State Policy Advisory Committee.

f. An agreement between Metro and the Department of Environmental Quality (DEQ) describing each agency's responsibilities and roles for air quality planning. Executed May 1998.

4. Responsibilities, Cooperation and Coordination

Metro uses a decision-making structure, which provides state, regional and local governments the opportunity to participate in the transportation and land use decision of the organization. The two key committees are the Joint Policy Advisory Committee on Transportation (JPACT) and the Metro Policy Advisory Committee (MPAC). These from the Transportation Policy Alternatives Committee (TPAC) and the Metro Technical Advisory Committee (MTAC).

JPACT

This committee is comprised of Metro Councilors (three); local elected officials (nine, including two from Clark County, Washington) and appointed officials from the Oregon Department of Transportation (ODOT), Tri-Met, the Port of Portland and the Department of Environmental Quality (DEQ). All transportation-related actions (including federal MPO actions) are recommended by JPACT to the Metro Council. The Metro Council can approve the recommendations or refer them back to JPACT with a specific concern for reconsideration. Final approval of each item, therefore, requires the concurrence of both bodies.

MPAC

This committee was established by the Metro Charter to provide a vehicle for local government involvement in Metro's planning activities. It includes local elected officials (11), appointed officials representing special districts (three), Tri-Met, a representative of school districts, citizens (three), Metro Councilors (two with non-voting status), Clark County, Washington (two) and an appointed official from the State of Oregon (with non-voting status). Under the Metro Charter, this committee has responsibility for recommending to the Metro Council adoption of or amendment to any element of the Charter –required Regional Transportation Plan.

The Regional Framework Plan was adopted on December 11, 1997 and addresses the following topics:

- Transportation
- Land use (including the Metro Urban Growth Boundary and urban reserves)
- Open space and parks
- Water supply and watershed management
- Natural hazards
- Coordination with Clark County, Washington
- Management and implementation

In accordance with this requirement, the transportation plan developed to meet TEA-21 Rule 12 and Charter requirements will require a recommendation from both MPAC and JPACT. This will ensure proper integration of transportation with land use and environmental concerns.

5. Metropolitan Transportation Planning Products

a. The Unified Work Program (UWP) is adopted annually by TPAC, JPACT, the Metro Council and the Southwest Washington Regional Transportation Council. It fully describes work projects planned for the Transportation Department during the fiscal year and is the basis for grant and funding applications. The UWP also includes major projects being planned by member jurisdictions, particularly if federal funds are involved.

b. Regional Transportation Plan (RTP)

An Interim Federal Regional Transportation Plan was adopted in July 1995 to meet ISTEA planning requirements, including an air quality conformity determination. An updated conformity determination on that plan was made in 1998. A major update to the plan is underway which is intended to complement the Region 2040 Growth Concept for land use and to address key state Transportation Planning Rule requirements. The current update began in late 1995 and has included extensive public involvement and inter-governmental review. The regional policy piece of the current update has been adopted and has set the direction for regional transportation system development and funding decisions since 1996.

c. Transportation Improvement Program

The Metropolitan Transportation Improvement Program (MTIP) was last updated in 1997 and was incorporated into ODOT's 1998-2001 STIP. The major action of the 1997 update was to complete projects or project phases with prior funding commitments from the 1995 MTIP process. The adopted MTIP features a three-year approved program of projects. The first year of projects are considered the priority year projects. Should any of these be delayed for any reason, projects of equivalent dollar value may be advanced from the second and third years of the program without processing formal TIP amendments. This flexibility was adopted in response to ISTEA planning requirements. The flexibility reduces the need for multiple amendments throughout the year. Currently, the FY 00-03 MTIP is being developed. FY 99-00 will see completion of this joint MTIP/ STIP development process and implementation of priority FY 00 projects.

6. Planning Factors

Metro's planning process addresses the seven planning factors in all projects and policies. The table below describes this relationship. The planning factors are:

- Support the economic vitality of the metropolitan area, especially by enabling global competitiveness, productivity and efficiency;
- Increase the safety and security of the transportation system for motorized and non-motorized users;
- Increase the accessibility and mobility options available to people and for freight;
- Protect and enhance the environment, promote energy conservation and improve quality of life;
- Enhance the integration and connectivity of the transportation system, across and between modes, for people and freight;
- Promote efficient management and operations; and
- Emphasize the preservation of the existing transportation system.

Factor	System Planning (RTP)	Funding Strategy (MTIP)	HCT Planning
1. Support Economic Vitality	• RTP policies linked to land use strategies that promote economic development; • Industrial areas and intermodal facilities identified in policies as "primary" areas of focus for planned improvements; • Comprehensive, multi-modal freight improvements that link intermodal facilities to industry are detailed for 20-year plan period; • Highway LOS policy tailored to protect key freight corridors; and • RTP recognizes need for freight linkages to destinations beyond the region by all modes.	• All projects subject to consistency with RTP policies on economic development and promotion of "primary" land use element of 2040 development such as industrial areas and intermodal facilities; • Special category for freight improvements calls out the unique importance for these projects; and • All freight projects subject to funding criteria that promote industrial jobs and businesses in the "traded sector."	• HCT plans designed to support continued development of regional centers and central city by increasing transit accessibility to these locations; and • HCT improvements in major commute corridors lessen need for major capacity improvements in these locations, allowing for freight improvements in other corridors.
2. Increase Safety	• The RTP policies call out safety as a primary focus for improvements to the system; and • Safety is identified as one of three implementation priorities for all modal systems (along with preservation of the system and implementation of the region's 2040 growth management strategy).	• All projects ranked according to specific safety criteria; • Road modernization and reconstruction projects are scored according to relative accident incidence; and • All projects must be consistent with regional street design guidelines that provide safe designs for all modes of travel.	• Station area planning for proposed HCT improvements is primarily driven by pedestrian access and safety considerations.
3. Increase Accessibility	• The RTP policies are organized on the principle of providing accessibility to centers and employment areas with a balanced, multi-modal transportation system; and • The policies also identify the need for freight mobility in key freight corridors and to provide freight access to industrial areas and intermodal facilities.	• Measurable increases in accessibility to priority land use elements of the 2040 growth concept is a criterion for all projects; and • The MTIP program places a heavy emphasis on non-auto modes in an effort to improves multi-modal accessibility in the region.	• The planned HCT improvements in the region will provide increased accessibility to the most congested corridors and centers; and • Planned HCT improvements provide mobility options to persons traditionally underserved by the transportation system.

Factor	System Planning (RTP)	Funding Strategy (MTIP)	HCT Planning
4. Protect Environment and Quality of Life	• One of the guiding principles of the RTP policy chapter is to "place a priority on protecting the region's natural environment and livability in all aspects of the transportation planning process." This principle guides both policy-making and project development in the region; • The RTP is constructed as a transportation strategy for implementing the region's 2040 growth concept. The growth concept is a fifty year vision for retaining the region's livability through managed growth; • The RTP system has been "sized" to minimize the impact on the built and natural environment; • The region will be developing an environmental street design guidebook to facilitate making transportation improvements in sensitive areas, and to coordinate transportation project development with regional strategies to protect endangered species; • The RTP conforms to the Clean Air Act; • Many new transit, bicycle, pedestrian and TDM projects have been added to the plan in recent updates to provide a more balanced, multi-modal system that maintains livability; and • RTP transit, bicycle, pedestrian and TDM projects planned for the next 20 years will complement the	• All projects must be included in the RTP, and thus found to be consistent with RTP growth management, environmental quality and livability objectives; and • The MTIP conforms to the Clean Air Act.	• Planned HCT improvements, particularly light rail connections between regional centers, are a key element of the 2040 growth concept, and the region's strategy for reducing sprawl; • Light rail improvements provide emission-free transportation alternatives to the automobile in some of the region's most congested corridors and centers; and • HCT transportation alternatives enhance quality of life for residents by providing an alternative to auto travel in congested corridors and centers.

Factor	System Planning (RTP)	Funding Strategy (MTIP)	HCT Planning
	compact urban form envisioned in the 2040 growth concept by promoting an energy-efficient transportation system; and • Metro is coordinating its system level planning with resource agencies to identify and resolve key issues.		
5. System Integration/ Connectivity	• The RTP includes a functional classification system for all modes that establishes an integrated modal hierarchy; • The RTP policies and UGMFP* include a street design elements that integrates transportation modes in relation to land use for all regional facilities; • The RTP policies and UGMFP include connectivity provisions that will increase local and major street connectivity; • The RTP freight policies and projects address the intermodal connectivity needs at major freight terminals in the region; and • The intermodal management system identifies key intermodal links in the region.	• Projects funded through the MTIP must be consistent with regional street design guidelines; and • Freight improvements are evaluated according to potential conflicts with other modes.	• Planned HCT improvements are closely integrated with other modes, including pedestrian and bicycle access plans for station areas and park-and-ride and passenger drop-off facilities a major stations.
6. Efficient Management & Operations	• The RTP policy chapter includes specific system management policies aimed at promoting efficient system management and operation; • Proposed RTP projects includes many system management improvements along regional corridors; and • The RTP financial analysis includes a comprehensive summary of current and anticipated operations	• Projects are scored according to relative cost effectiveness (measured as a factor of total project cost compared to measurable project benefits). • TDM projects are solicited in a special category to promote improvements or programs that reduce SOV pressure on congested corridors.	• Proposed HCT improvements include redesigned feeder bus systems that take advantage of new HCT capacity and reduce the number of redundant transit lines.

Factor	System Planning (RTP)	Funding Strategy (MTIP)	HCT Planning
	and maintenance costs.		
7. System Preservation	• The RTP policy chapter includes specific system preservation policies; • Preservation is identified as one of three implementation priorities for all modal systems (along with safety of the system and implementation of the region's 2040 growth management strategy); • Proposed RTP projects includes major roadway preservation projects; and • The RTP financial analysis includes a comprehensive summary of current and anticipated operations and maintenance costs	• Reconstruction projects that provide long-term maintenance are identified as a funding priority.	• The RTP financial plan includes the 20-year costs of HCT maintenance and operation for planned HCT systems.

*UGMFP is the acronym for the Urban Growth Management Functional Plan, an adopted regulation that requires local governments in Metro's jurisdiction to complete certain planning tasks.

7. Public Involvement

Metro maintains a continuous involvement process which provides public access to key decisions and supports early and ongoing development. The Metro Council adopted public involvement procedures for Metro and area governments to follow for any activities that will result in modification to the MTIP or the RTP. The procedures reflect ISTEA public involvement with adequate notice and broad participation. Metro actively recruits the transportation disadvantaged for its numerous study and project committees. The public involvement procedures will also be reviewed and updated concurrent with the RTP update.

All Metro studies and projects require an approved public involvement plan (PIP). Included in every PIP are strategies for citizen committees, task forces, newsletters, public opinion survey techniques, and a budget and schedule to fit the project. The Metro Council reviews the PIP prior to beginning a study.

Both the RTP update and the South/North Environmental Impact Statement (EIS) had citizen advisory committees to help with key decisions. The South Willamette River Crossing Study has utilized stakeholder groups and numerous community outreach activities. The Traffic Relief Options Study includes a 12-member citizen Task Force and has held a substantial number of focus group and stakeholder sessions. The MTIP does not have a formal citizen oversight committee, but hearings and workshops are held related to actions on the criteria, project solicitation, project ranking, and the recommended program. For FY 99-00, two new citizen committees are likely for the Highway 217 and I-5 corridor studies. The Freight Program will utilize Metro's standing Business Advisory Committee and will include freight stakeholder outreach activities.

Finally, the Transportation Policy Alternatives Committee (TPAC) includes six citizen positions. TPAC makes recommendations to JPACT and the Metro Council.

8. Title VI – The last formal submittal was May 1996 to the Federal Transit Administration. No response was received. An in-house review with the ODOT Title VI Coordinator was held in June 1997. Based on that review, Metro was found in compliance. The next ODOT review will be in 2001.

9. Disadvantaged Business Enterprise

A revised DBE program was adopted by the Metro Council in June 1997 (Ordinance 97-692A). Overall agency goals were set for DBEs and Women-Owned Business Enterprises (WBE) as well as contract goals by type. The annual goal for all DOT-assisted DBEs is 12 percent combined DBE/WBE. The DBE program is very specific about the request for proposals, bidding and contract process.

10. Americans with Disabilities Act (ADA)

The Americans with Disabilities Act Joint Complementary Paratransit Plan was adopted by the Tri-Met Board in December 1991 and was certified as compatible with the RTP by Metro Council in January 1992. The plan was phased in over five years and Tri-Met has been in compliance since January 1997. Metro approved the 1997 plan as in conformance with the Regional Transportation Plan.

JOINT POLICY ADVISORY COMMITTEE ON TRANSPORTATION

Metro Council	Councilor Jon Kvistad Councilor Ed Washington Councilor David Bragdon Councilor Susan McLain (alternate)
Multnomah County	Commissioner Sharron Kelley Commissioner Lisa Naito (alternate)
Cities in Multnomah County .	Councilor Jim Kight (Troutdale) Councilor Jack Gallagher (Gresham) (alt.)
Washington County	Commissioner Roy Rogers Commissioner Kim Katsion (alternate)
Cities in Washington County .	Mayor Rob Drake (Beaverton) Mayor Lou Ogden (Tualatin) (alt.)
Clackamas County	Commissioner Bill Kennemer (alternate - Vacant)
Cities in Clackamas County .	Councilor Karl Rohde (Lake Oswego) Councilor Michael Schaufler (Happy Valley) (alternate)
City of Vancouver	Mayor Royce Pollard Dean Lookingbill (SW RTC) (alternate)
Clark County	Commissioner Craig Pridemore Judie Stanton (Clark County) (alt.)
City of Portland	Commissioner Charlie Hales Mayor Vera Katz (alternate)
Oregon Department of Transportation	Kay Van Sickel, Region 1 Manager Grace Crunican, Director of Transp. (alt.)
Port of Portland	Mike Thorne, Executive Director Dave Lohman, Director of Policy and Planning (alternate)
Washington State Department of Transportation	Don Wagner, District Administrator Mary Legry, Transportation Planning Manager (alternate)
Tri-Met	Fred Hansen, General Manager Bob Stacey, Executive Director Policy and Planning (alternate)
Department of Environmental Quality	Langdon Marsh, Director Gregory Green, Administrator Air Quality Division (alternate)

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TRANSPORTATION POLICY ALTERNATIVES COMMITTEE

Metro	Andy Cotugno (Vacancy)
City of Portland	Steve Dotterrer Greg Jones (alternate)
Multnomah County	Karen Schilling Ed Abrahamson (alternate)
Cities of Multnomah County	Richard Ross James Galloway (alternate)
Washington County	Brent Curtis Andy Back (alternate)
Cities of Washington County	Mike McKillip Randy Wooley (alternate)
Clackamas County	Rod Sandoz Ron Weinman (alternate)
Cities of Clackamas County	Jerry Baker Vacancy (alternate)
Tri-Met	G.B. Arrington Phil Selinger (alternate)
Clark County	Dean Lookingbill Bob Hart (alternate) Lynda David (alternate)
Oregon Department of Transportation	Dave Williams Leo Huff (alternate) Dennis Mitchell (alternate)
Washington State Department of Transportation	Mary Legry John McConnaughey (alternate)
Federal Highway Administration	Fred Patron Nicholas Fortey (alternate)
Port of Portland	Susie Lahsene Brian Campbell (alternate)
Department of Environmental Quality	Howard Harris
Citizenry:	Rex Burkholder Richard Sadler/Scott Franklin Michael Miller Lynn Peterson Jon Putman Bill Stewart
Associate Member: C-TRAN	Deb Wallace

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TRANSPORTATION PLANNING COMMITTEE REPORT

CONSIDERATION OF RESOLUTION NO. 99-2761, FOR THE PURPOSE OF CERTIFYING THAT THE PORTLAND METROPOLITAN AREA IS IN COMPLIANCE WITH FEDERAL TRANSPORTATION PLANNING REQUIREMENTS

Date: March 25, 1999　　　　Presented by: Councilor Atherton

Committee Recommendation: At its March 16 meeting, the Committee considered Resolution No 98-2756 and voted unanimously to send the resolution to the Council with a do pass recommendation. Voting in favor: Councilors Atherton, Bragdon and Chair Kvistad.

Committee Issues/Discussion: Andy Cotugno, Transportation Planning Director, presented the staff report. Cotugno explained that Metro must annually certify to the federal government that the region complies with all applicable federal transportation planning requirements. He noted that this is a self-certification program, subject to a more detailed federal review that occurs one every five years. This more detailed review occurred last year.

Resolution No. 99-2762, For the Purpose of Authorizing Construction of a New Hall D at Expo.

Metro Council Meeting
Thursday, April 1, 1999
Council Chamber

BEFORE THE METRO COUNCIL

FOR THE PURPOSE OF AUTHORIZING THE CONSTRUCTION OF A NEW HALL D AT EXPO	)))))	RESOLUTION NO 99-2762 Introduced by Councilor Washington

WHEREAS, Metro acquired ownership of the Expo Center facility from Multnomah County in 1996; and

WHEREAS, Hall D is one of five buildings comprising the Expo Center, is in disrepair and is unacceptable for many potential users; and

WHEREAS, Metro recently constructed a new Hall E, a state of the art facility, which has added new capacity and flexibility to the Expo Center, and indirectly to the Oregon Convention Center; and

WHEREAS, Metro desires to support several elements of the <u>Expo Center 1998-2001 Business Plan</u> by undertaking the rebuilding Hall D, and other related activities; and

WHEREAS, MERC has demonstrated the ability to operate in an entrepeneurial manner, and desires to expand enterprise opportunities at its grounds and facilities; and

WHEREAS, companion legislation, Resolution No. 99-2760, directs the Executive Officer to begin the process of financing the construction of Hall D; now, therefore

BE IT RESOLVED:

That the Metro Council finds that the construction of a new Hall D at the Expo Center is a prudent course of action, which will assist both the Expo Center and the Oregon Convention

Center meet objectives in their business plans, attract an expanding and diverse clientele and further the needs of the region.

THE METRO COUNCIL FURTHER RESOLVES, that construction of the new facility begin as soon as possible, consistent with the approved financing plan, with an anticipated completion date of summer, 2,000

ADOPTED by the Metro Council this _____ day of __________ 1999.

____

Rod Monroe, Presiding Officer

APPROVED AS TO FORM:

____

Daniel B. Cooper, General Counsel

B:\RESOLUT.MST

METRO OPERATIONS COMMITTEE REPORT

CONSIDERATION OF RESOLUTION NO. 99-2762, FOR THE PURPOSE OF CONSTRUCTION OF A NEW HALL D AT EXPO.

Date: March 24, 1999 Presented by: Councilor Kvistad

Committee Action: At its March 17 meeting, the Metro Operations Committee voted 2-0 to recommend Council adoption of Resolution No. 92762. Voting in favor: Councilors Atherton and Washington.

Council Issues/Discussion: The committee acknowledged that this issue had received sufficient discussion at Council informals and elsewhere. There was no staff presentation, nor further committee discussion. The resolution will appear before the Council together with a companion bill, resolution No. 99-2760, which details and authorizes the financing plan to construct the new building.

STAFF REPORT

CONSIDERATION OF RESOLUTION NO. 99-2762, FOR THE PURPOSE OF CONSTRUCTION OF A NEW HALL D AT EXPO.

Date: February 25, 1999 Prepared by: Michael Morrissey

Proposed Action: Resolution 99-2762 acknowledges the need for the construction of a new Hall D at the Expo Center, and agrees that the construction take place, consistent with an adequate financing plan and timeline, beginning as soon as possible.

Factual Background and Analysis: Hall D is one of five buildings comprising the Expo Center. It is a 60,000 square foot building with an asphalt floor, in disrepair and not acceptable to many potential users. Like three of the other buildings at Expo, it is also not air conditioned, and therefor underutilized during the summer months.

The Expo Centers Business Plans of 1994 and 1998 call for enhancing entrepreneurial opportunities, addressing neglected capital needs, and increasing collaboration with the Oregon Convention Center among other objectives.

Metro constructed a new Hall E at the Expo Center in 1996, a 108,000 square feet, state-of-the-art facility. It has significantly enhanced rental income at the Expo Center, by providing a qualitatively and quantitatively improved facility. A new Hall D will continue this direction by adding 72,000 square feet of exhibit space and 30,000 square feet of support space, along the lines of Hall E. Not only will this increase the rental potential, in-and-of- itself, it will also allow creative and collaborative booking in conjunction with the Oregon Convention Center.

A companion resolution 99-2760, details the financing plan for this project and authorizes the Executive Officer to issue approximately $15.8 million of revenue bonds backed by Expo Center revenue.

Construction of the building is expected to be completed at approximately the beginning of the fiscal year 2,000.

Agenda Item Number 9.5

Resolution No. 99-2760, For the Purpose of Authorizing the Executive Officer to begin the process to Finance the Construction of Hall D at the Expo Center.

Metro Council Meeting
Thursday, April 1, 1999
Council Chamber

BEFORE THE METRO COUNCIL

FOR THE PURPOSE OF AUTHORIZING THE EXECUTIVE OFFICER TO BEGIN THE PROCESS TO FINANCE THE CONSTRUCTION OF HALL D AT THE EXPO CENTER	)))))	RESOLUTION NO. 99-2760 Introduced by Executive Officer Mike Burton

WHEREAS, It is prudent to construct a new Hall D at the Portland Metropolitan Exposition Center (Expo) to replace a substandard building, and

WHEREAS, The new building will provide additional needed flat exposition space with climate controls, and

WHEREAS, The new Hall D will be able to handle consumer shows currently using the Oregon Convention Center (OCC), thereby freeing space at OCC for more conventions, and

WHEREAS, The new Hall D will aid in the future expansion of the OCC by providing alternative space and additional parking while the OCC is under construction, and

WHEREAS, The new Hall D will provide additional climate-controlled space that allows growth in Expo business, and

WHEREAS, Resolution 98-2734 directed the Executive Officer to prepare a plan to finance the construction of Hall D, and

WHEREAS, Executive Officer presented his recommended plan to the Metro Council in informal session on February 9, 1999, and

WHEREAS, The Executive Officer's recommendation is to issue approximately $15.8 million of revenue bonds backed by Expo revenues; and

WHEREAS, The Metro Council wishes to proceed with this financing in a timely and expeditious manner so that construction on the new Hall D can begin as soon as possible.

NOW, THEREFORE, the Metro Council endorses the recommendations of the Executive Officer as presented in Attachment A to this resolution and authorizes him to begin the process to finance the construction of Hall D.

THE METRO COUNCIL FURTHER RESOLVES, that the Executive Officer is hereby authorized to issue requests for proposals from underwriters and to take all other necessary actions to initiate this financing and to prepare the bond resolution for adoption by the Metro Council according to the financing schedule attached to his February 9, 1999 memo and incorporated to this resolution in Attachment A.

ADOPTED by the Metro Council this ____ day of ________, 1999.

____
Rod Monroe, Presiding Officer

Approved as to Form:

____
Daniel B. Cooper, General Counsel

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M E M O R A N D U M

METRO

To: Councilor Ed Washington, Operations Committee Chair

From: John Houser, Senior Council Analyst

Date: February 17, 1999

Re: Projected Financial Impacts of the Proposed Hall D at the Expo Center

The purpose of this memo is to provide a narrative background to the oral presentation that I made to the Council "informal" on February 10. In addition, I have held meetings and conversations with the MERC and Expo Center staff concerning the data that I presented. As a result, I have made some adjustments to the tables related to personal services, materials and services and capital spending. Other adjustments related to concessions and parking revenues and the "other" revenue line item. Attached to this memo are the revised tables and a "glossary-type" sheet that briefly explains each of the numbered lines in the tables.

Description of the Existing Facility

Metro acquired ownership of the Expo Center facility from Multnomah County in 1996. The facility has about 330,000 square feet of exhibit space and is primarily used for consumer and trade shows. The Expo Center consists of five halls. These include:

Hall A, B and C East and C West-- Hall A originally built in 1923 as a livestock exposition building. Hall's B and C East and C West were added, bringing the total exhibit space in this complex to 100,000 square feet. This space is generally viewed as unsuitable for many types of shows. It will require substantial structural improvements to meet building code and seismic requirements. These improvements are estimated to cost about $1.2 million and are projected for FY 2002-03.

Hall C is a 60,000 square foot building originally designed as a rodeo arena. It will require about $750,000 in structural improvements in FY 2002-03 and also lacks utility and climate control systems.

Hall D is a 60,000 square foot building with an asphalt floor. It is not acceptable to many potential users. It would be replaced by the new facility outlined in this memo.

Hall E is a new, state-of-the-art, 108,000 square foot facility built is 1996. It's initial exhibit was from the Smithsonian.

Proposed Addition Project

There are several elements of the proposed addition project. The principal element would be a new building that would replace Hall D and include 72,000 square foot of exhibit space and an additional 30,000 in support space including a new central kitchen, meeting rooms, and administrative offices. It would be patterned after many of the structural benefits of the new Hall E. It would be connected by corridors to Hall's C and E.

The project also would include about $750,000 in parking facility landscaping work. This work would need to be completed as a part of this project to satisfy to landscaping requirements of the conditional use permit under which Hall E was constructed. This portion of the project would include a new "court" area in the primary facility parking lot. A third element would include the landscaping and redevelopment of the exhibitor and service area parking facilities.

The final major portion of the project would involve the expenditure of about $425,000 to develop and preserve a wetland site near the southwest corner of the property. Under the terms of a natural resources management plan for the area, it is likely that, if this portion of the project were not included, some other type of environmental improvement might be required to obtain the necessary local permits. MERC officials indicate that this other work could cost up to $200,000. This project would include a paved walkway through the area.

Projected Fiscal Impact Tables

Fiscal Years

The four attached fiscal impact tables cover a period of nine years, from FY 97-98 through FY 05-06. The data shown for FY 97-98 are actual revenue, expenditure, cash flow and fund balance amounts. The data for FY 98-99 (the current fiscal year) are the adopted budget amounts. For FY 99-00, the data are from the proposed budget, with two notable changes that are discussed below.

The projected data for FY 2000-01 assume that the new Hall D will be operational at the start of the fiscal year or shortly thereafter. If the opening of the building is delayed, the projected revenue benefits would be spread over two fiscal years and would be somewhat lower. The specific projections for each revenue and expenditure line item are discussed below. The projections for FY 01-02 through FY 05-06 assume a uniform annual growth rate for the various sources of revenues and expenditure line items.

Budget Line Items

The Expo Center budget has historically included various operating revenue sources, major operating expenditure line items and various non-operating expenditure line items. Based on these revenues and expenditures, a cash flow from the facility is estimated along with a projected beginning and ending fund balance. A contingency was included for the current fiscal year and included in the proposed FY 99-00. Each of the major revenue and expenditure line items are shown in the projections table. The following analysis addresses each of these line separately and includes an explanation of how the projected changes in each line item were developed. The line items are identified by the number in the far left-hand column.

Revenues

Line 1--"Rental Income". The rental income line item is an operating revenue that results from the charges collected for the use of the all or a portion of the Expo Center by event promoters and operators. Most of the events at the facility and consumer or trade shows. Depending on their size, these shows may use only a portion of one hall. A small number of shows use the entire facility. Rental rates will vary depending on the size of the show and the specific halls that are rented. For example, the new Hall E commands a higher rental fee than some of the older halls that are unsuitable for certain types of uses.

The construction of the new Hall E has significantly enhanced rental income at the Expo Center. During its first full year of operation, rental income increased from $600,000 to $991,000. Rental income grew 8% in FY 97-98 and is projected to grow an additional 12% during the current year to $1,213,705. For FY 2000-01, the proposed budget includes only a small increase to $1,239,000. This is based on MERC's assumption that a small number of shows (estimated at 4) that currently use the facility, would be unable to use it during construction of the new Hall D and that construction-related disruption would limit the ability to acquire new facility users.

In a January 27 memo, David Biedermann, MERC Director of Administration, noted that a new Hall D would positively affect rental income through increases in rental rates and increased utilization of the facility. Rental rates would increase in two ways. First, because the new hall would be state-of-the-art, a higher rate could be charged than that currently in place for the old antiquated hall. Second, the new hall would allow a differential increase in the rates charged for the remaining older halls. Biedermann estimated that the initial increase in annual revenue from these rate increases would total about $135,000.

Currently, Hall E is the only portion of the facility that is air-conditioned. As a result, facility utilization declines significantly during the summer months. Instead, many consumer and trade book the OCC which often results in underutilization of that facility or restricting the MERC's ability to bring more lucrative convention business to that facility. The construction of a new Hall D would give MERC the opportunity to move several shows from the OCC to the Expo Center. MERC has developed a list of up to 24 events that could conceivably be moved to the Expo Center. In the Biedermann memo noted above, he concludes that it would be reasonable to assume that one-half, or 12 of these events could be transferred to Expo. With an average rental of $10,000, he concluded that an additional $120,000 in rental income would be generated from these events. If all of the events were transferred, a total of $240,000 in additional rental income could be anticipated.

Biedermann concluded that "Therefore, we would forecast new revenues (rental income) for Expo as ranging from $255,200 per year on the low end to $375,250 on the high end."

At the time of the "informal", I had prepared three tables that forecasted the fiscal impact of a new Hall D. These were based on initial growth rates of 10%, 15%, and 20% in FY 2001-02. A growth rate of 5% was used for the remaining four years of the forecast. For rental income, my 10% initial growth scenario is equivalent to Mr. Biedermann's low end forecast ($259,000 vs. $255,000). My most aggressive 20% initial growth scenario is equivalent to Mr. Biedermann's high end estimate ($383,000 vs. $375,000).

Line 2--Reimbursed Labor. This line item relates to labor services provided to event operators by Expo at the operators request. The most common services provided are event set-up and tear-down and security services. The event operator pays a fee to Expo for these services.

Reimbursed labor revenue increased significantly following the opening of Hall E. However, Expo staff reports that in recent months there has been a decline in the number of requests for these services, particularly security services. The proposed budget reflects a drop in revenue from this source from $119,000 to $88,000. My forecast assumes that this revenue stream will begin to increase at the same percentage rate of growth in the number new or transferred events (e.g. a 10% growth in the number of events would result in a 10% growth in reimbursed labor revenue). MERC officials indicated that they were comfortable with such an assumption.

Line 3--Concessions/Catering. This line item represents revenue from concessions and catering at the facility. Concession services are provided by a contract vendor (currently Fine Host). The current contract expires in June. A new vendor is possible, particularly in light of Fine Host's recent bankruptcy filing. From a revenue standpoint, MERC staff assumes that the terms of the new contracts will be similar to those in the existing contract.

Concession/catering revenue has more than tripled since Metro assumed control of the facility and the opening of Hall E (from $463,000 in FY 94-95 to $1,478,000 in FY 97-98). The adopted budget for the current year estimates a slight decline in revenue to $1,403,000 and the proposed budget for next year assumes $1,492,000 in revenue.

Historically, the rate of growth in concession/catering revenue has been somewhat less than the rate of growth in rental income. Therefore, for the purpose of my forecast, I have assumed an initial growth rate of one-half of the growth rate in rental income. For example, in the 10% growth rate table, I have assumed a 5% growth in concession/catering revenue in FY 2000-01. For the remaining years in the forecast, I have assumed a 5% annual growth rate.

Line 4--Utility Services. This line item reflects revenue received from event operators for the provision of utility services, such as telephone and electricity. The older halls were not constructed to readily provide such services, while the new Hall E was constructed specifically to facilitate the provisions of such services.

Since the opening of Hall E, utility service revenue has increased from $51,000 in FY 94-95 to $127,000 in FY 97-98. For the current year, the budget estimates an increase to $160,000, but it should be noted that this number includes about $40,000 in solid waste disposal fees collected from event operators that was formerly budgeted as "other" revenue. In the proposed budget, these fees are again budgeted as other revenue and therefore, utility service revenues are shown at $123,000.

The new Hall D also will be constructed to facilitate the provision of utility services. Therefore, for the purposes of my forecast, I have assumed that the initial growth rate for utility services will at least match the growth rates in rental income. In the remaining years of the forecast, I have estimated that utility services revenue would increase 5% annually.

Line 5-- Parking. This line item reflects parking fees collected at the facility. The current rate is $4.

Parking revenue has grown from $707,000 in FY 94-95 to $1,019,000 in FY 97-98. Fees for the current year are budgeted at $1,092,000 and are proposed are $1,080,000 for FY 99-00.

For the purpose of my forecast, I have assumed that parking revenue will grow as the result of both a parking fee increase and from increased utilization of the facility. MERC officials have indicated that they are considering an increase in the parking fee from $4 to $5. This would make the rate comparable to the Convention Center. Such a fee would generate about $250,000 in additional revenue. After deducting the excise tax paid on this amount, I have assumed a net revenue increase of about $225,000. I also have assumed that, like concession revenue, parking revenue will grow at a lesser rate than rental income. My forecast assumes an initial growth rate of one-half the rate for rental income. For the remaining years of the forecast, I have assumed a 5% growth rate.

Line 6--Other Revenue. This item reflects small amounts of miscellaneous revenue that are collected each year (generally less than $15,000). In addition, beginning in FY 99-00, garbage disposal revenue of about $40,000 annually will be included in this line item.

For the purpose of my forecast, I have conservatively assumed a flat number of $45,000 for other revenue.

Line 7a--Investment Income. This line item represents the interest received on the investment of the fund balance each year. The assumed rate of return is 5%. In FY 99-00, this line item includes estimated interest of $360,000 on the unused portion of the bond proceeds during the construction of Hall D.

Line 8--Total Resources. This line item is simply the total of all sources of operating revenue, plus investment interest.

Expenditures

Line 9--Personal Services. This line item includes all personnel-related expenditures associated with the facility. These include full time exempt and non-exempt employees and related fringe benefits. Also included are the costs of procuring the reimbursable labor from which revenue is collected from event operators. The cost of procuring this labor is about 2/3 of the revenue collected.

During the past two years, actual personal services costs at the facility have been significantly below the budgeted amounts. For example, in FY 97-98, a total of $752,000 was budgeted, but only $573,000 was expended. For the current fiscal year, a total of $823,000 was budgeted and between $650,000 and $700,000 will be expended. Many of the FTE positions at the facility are portions of full-time positions that are allocated among all MERC facilities. According to the facility manager, much of the underexpenditures in personal services have resulted from the underutilization of of these allocated positions. He estimates that the facility is currently operating at about 3.5 FTE under the budgeted amount.

After consulting with MERC staff, I have modified my original assumptions about potential personal services costs. The attached tables now assume that when the new Hall D opens, the facility will be utilizing all of its current FTE allocation (an addition of about 3.5 FTE) plus 1 or 2 new positions. This would result in an initial cost of $850,000 which would increase to $900,000 in the second year. For the remaining years of the forecast, 4% annual growth rate was assumed.

Line 10--Materials and Services. This line item includes all normal budgetary materials and services items. For the Expo Center, the largest item is utility services for the operation of the facility which total about $400,000. Contracted professional services is the largest remaining item at about $140,000.

During the past two years, materials and services expenditures also have been well below budgeted amounts. For example, during the current fiscal year, a total of $716,000 is budgeted and about $618,000 is projected to be expended. The proposed budget for FY 99-00 includes a base appropriation of $778,000, plus an additional $521,000 to accommodate show that would be partially or totally displaced during the construction of the new Hall D. This additional funding would be used for the renting of tents, the construction of a temporary plywood floor and related labor costs. It is assumed that the temporary tented structure would be in use for about a four-month period running from December through March, the busy season for the facility.

For the purpose of my forecast, I have estimated that initial materials and services expenditures will be $850,000. This assumes the current budgeted spending level plus additional utility costs related to the new, larger hall. During the second year of operation, these costs would increase to $900,000 and for the remaining four years of the forecast, materials and services costs would increase 4% annually.

Line 11--Concessions. While the Expo Center receives considerable revenue from concessions and catering, there are also significant expenses associated with such services. This line item includes all of the concession/catering-related expenses.

For the past two years, concessions-related expenses have been about 73% of total revenues from these sources. Therefore, for the purpose of my forecast, I have assumed that the annual concession expenses will be 73% of the annual revenues.

Line 12--Parking. The Expo Center contracts with an outside vendor to provide staffing of the parking booths at the facility. This line item reflects these staffing costs.

For the purpose of my forecast, I have estimated a 4% annual increase in these parking costs.

Line 13--Debt Service. Lines 13a through 13c reflect the debt service payments for: 1) a flex lease for concessions equipment that will be paid off in FY 2000-01, 2) the Intel loan related to the construction of Hall E which must be paid off prior to the construction of a new Hall D, and 3) debt service related to the bond issue for the new Hall D.

My forecast assumes that the Intel loan will be paid off during the current year in part or wholly from a loan from the MERC Pooled Capital Account and would be repaid next fiscal year (see Line 18). The amounts shown for debt service payments for the Hall D bonds are the amounts estimated by Metro's financial advisor.

Line 14--Capital Spending. This line item includes all facility capital spending that is not addressed in the adopted CIP. Total expenditures for FY 97-98 through the proposed budget for FY 99-00 will be about $293,000.

Throughout the discussion related to the proposed new Hall D, MERC officials have expressed concern about the outstanding and future capital expenditure needs of the facility. In my forecast, I have attempted to address these concerns by forecasting significantly increased capital spending expenditures. For example, during the three year period beginning in FY 2000-01 I have projected total expenditures of $900,000. This represents a three-fold increase (over $600,000) over actual and projected expenditures from FY 97-98 through FY 99-00. An additional $750,000 would be forecast for expenditure during the remaining three years of the forecast.

Line 15--Capital Improvement Plan. This line item reflects actual and adopted capital improvement projects that have been adopted as part of the agency capital improvement plan.

The amount shown in FY 99-00 relates to the costs associated with the new Hall D. The only other improvement projects relate to seismic improvements involving Halls A, B, and C. The cost of these projects is slightly less than $2 million. Both projects are tentatively scheduled for FY 2002-03. Hall C costs are estimated at $1.24 million and the combined Halls A and B costs at about $742,000. I have included no other projects in my forecasts, since none have been proposed as part of the CIP process.

Line 16--Metro Support Services. This line item reflects the percentage of total Metro support services payments made by MERC that have been allocated to the Expo Center.

My forecast assumes a 4% annual growth in these costs.

Line 17--MERC Administration. This line item reflects the percentage of total central MERC administrative costs that are allocated to the Expo Center.

It is interesting to note that, as the size of the central MERC administrative staff has grown, the increase in the costs allocated to the Expo have grown significantly and now exceed that costs associated with Metro support services. My forecast assumes that these costs will grow at a 4% annual rate.

Line 18 Pooled Capital Loan Repayment. This line item shows that amount needed to repay an estimated loan of $1,500,000 during the current fiscal year to pay off the Intel loan.

Line 19 Cash Flow. For each fiscal year, this line item simply reflects the amount remaining after total expenditures are deducted from total revenues. This number is then added to the beginning fund balance to estimate the ending fund balance for the fiscal year.

Fund Balances

One of the most critical issues related to the feasibility of constructing a new Hall D is the ability of MERC to retain an adequate fund balance. Each of the forecast scenarios that I have prepared show a steadily increasing cash flow that will generally result in increased fund balances. The principal negative affecting the fund balance is the proposed seismic improvement projects for Halls A, B, and C. Under my most conservative scenario, this project would result in a small negative fund balance of $87,000 in FY 2002-03. Under both of the other scenarios, the fund balance remains positive in all years.

There are at least two factors that would indicate that the potential of the small negative balance noted above could be avoided. First, both of the seismic improvement projects are scheduled for the same fiscal year. If this work were spread out between FY 2002-03 and FY 2003-04 a positive balance of over $650,000 would occur in FY 2002-03.

The second factor that may positively affect all of the fund balance totals is that the estimated ending fund balance for the current fiscal year may be somewhat higher than budgeted. The estimated balance of $1.59 million was based on a cash flow of $162,159. The actual cash flow through the first seven months of the fiscal year is $503,000. While the usage patterns of the Expo Center are greatest in the winter and early spring and lowest during the summer, these data would indicate the potential for a higher than projected fund balance.

For example, by comparison, in FY 97-98, the cash flow through the first seven months was $413,000 and the actual cash flow for the fiscal year ending up being $697,000. Given the cash flow ($503,000) for the first seven months of this year, it would appear that the year-end cash flow may significantly exceed the projected $162,000.

Conclusion

Given the results of the scenarios that I have run, it would appear that the projected cash flows and fund balances at the Expo Center could support the payment of the projected debt service. Some minor modification of the proposed seismic improvement projects might be required, but it would appear that fund balances of at least $300,000 could be maintained and that the actual fund balances at the end of my forecast period would be at least $1.5 million and possibly as high as $3.3 million.

GLOSSARY OF BUDGETARY LINE ITEMS INCLUDED IN FORECAST TABLES

Line 1--"Rental Income". The rental income line item is an operating revenue that results from the charges collected for the use of the all or a portion of the Expo Center by event promoters and operators. Most of the events at the facility and consumer or trade shows. Depending on their size, these shows may use only a portion of one hall. A small number of shows use the entire facility. Rental rates will vary depending on the size of the show and the specific halls that are rented. For example, the new Hall E commands a higher rental fee than some of the older halls that are unsuitable for certain types of uses.

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Line 5-- Parking. This line item reflects parking fees collected at the facility. The current rate is $4.

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Line 11--Concessions. While the Expo Center receives considerable revenue from concessions and catering, there are also significant expenses associated with such services. This line item includes all of the concession/catering-related expenses.

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Line 13--Debt Service. Lines 13a through 13c reflect the debt service payments for: 1) a flex lease for concessions equipment that will be paid off in FY 2000-01, 2) the Intel loan related to the construction of Hall E which must be paid off prior to the construction of a new Hall D, and 3) debt service related to the bond issue for the new Hall D.

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Line 19 Cash Flow. For each fiscal year, this line item simply reflects the amount remaining after total expenditures are deducted from total revenues. This number is then added to the beginning fund balance to estimate the ending fund balance for the fiscal year.

M E M O R A N D U M

METRO

To: All Councilors

From: John Houser, Senior Council Analyst

Re: Expo Center Hall D Update

Date: March 8, 1999

The Presiding Officer requested that I provide the Council with an update on the status of the proposed replacement of Hall D at the Expo Center. Since the Council's last consideration of this issue at its February 9 informal meeting, further discussion and actions have centered on three areas: 1) the MERC commission's level of support for the project, 2) the timing of the project, and 3) the further refinement of financial forecasts related to the near and intermediate fiscal impact of the project.

MERC Commission Support

At the time of the February informal meeting, the MERC Commission had not formally reviewed or taken a position on the proposed project. A special commission worksession was held on February 26 to review financial, timing and other information related to project that was developed and presented by the MERC staff. Presiding Officer Monroe and Councilor Washington appeared at the meeting and expressed Council support for the project based on the resolution adopted last November (Resolution 98-2734A) which requested the Executive Officer to develop, and present to the Council, a financing plan for the project.

The staff presented a "worst-case" fiscal scenario with only minimal growth in revenue from the new building, but noted that such a scenario was highly unlikely. Instead, the staff focused on a scenario that showed a more moderate growth level that staff felt was readily attainable. Under this scenario, the Center's critical ending balance was never less than $630,000 and would increase substantially after the new building was opened. Staff also noted that the commission could pursue a variety of options for increasing revenue from the Expo Center including public/non-profit partnerships, changes in the rental structure and other marketing activities such as advertising and naming opportunities.

The staff's presentation also focused on the potential costs associated with the renovation of Hall's A-C. As you recall, the cost of the seismic improvements for these buildings, scheduled for FY 02-03, was a major deterrent to maintaining a positive fund balance at the Expo Center. The staff's scenario estimated these costs at $1.5 million, split between FY 03-04 and FY 04-05. Staff noted that it was becoming increasingly concerned about the total potential cost of renovating these buildings and whether these expenditures would be cost effective, given the commission's ultimate goal of replacing these building's with a third new structure. The commission directed the staff to further examine future development and construction-related issues within the context of a master plan for the facility.

Following discussion of the various issues related to the proposed project, the commission unanimously adopted a resolution which endorsed the construction of a new Hall D.

Project Timing

The commission also discussed the timing for construction of the new building. When the proposed project was initiated last fall, it was felt that it might be possible to begin actual construction this summer. But, there are a variety of factors that would indicate that this timeline would be difficult to meet. First, the 17-week timeline for the issuance of the funding bonds would mean the bond proceeds would not likely be available until August. While the fund balance and other potential sources could finance costs prior to receipt of the bond proceeds, it will take several months to obtain the necessary construction permits and to complete the necessary architectural and design work for the building. Given these factors, the MERC staff has suggested that actual construction not begin until spring of 2000 with the opening occurring in spring of 2001.

If this timeline is accepted, it would be appropriate for the bonds to be issued, and the proceeds received in about mid-fall (October/November). This would provide funding for initial architectural and permit work to be completed prior to construction in the spring. Federal arbitrage requirements also will affect the timing of bond issuance relating to completion of the project. The financial planning staff has indicated that bond proceeds may need to be fully expended within 18-24 months to avoid any negative arbitrage requirements.

Fiscal Impact

At the February informal, I provided an in-depth review of a fiscal impact forecast that I had prepared relating to the Hall D project. The forecast assumed that construction would begin this summer and that the proposed seismic improvements would be made in FY 02-03 at a cost of $1.97 million. As noted above, MERC is now indicating that construction would not began until spring 2001, and the seismic improvements, if they are made, would occur over two fiscal years at the total cost of $1.5 million. Given these changes, I have recalculated my forecast into two scenarios, one with the seismic improvements and one without these improvements (see attached). The A-Council scenario includes the seismic improvements, while the B-Council eliminates these improvements.

I also have worked extensively with the MERC staff concerning the potential fiscal impact of the new building. While we still may differ slightly on particular line items within our forecasts, the bottom line ending fund balances are very similar. For example, in the scenario that includes the seismic improvements, the MERC forecast shows a minimum fund balance of $630,000 in FY 2000-01 and a balance of $1.44 million in the last year of the forecast (FY 2005-06). My forecast shows a minimum balance of $821,000 and a balance of $1.55 million in FY 05-06. In our forecasts without the seismic improvements, the MERC forecast shows and ending balance of $2.94 million in FY 05-06 and my forecast shows an ending balance of $3.17 million. Both staffs consider these differences to be minor and that either forecast indicates that the proposed project is very "doable" and would recommend to the Council that it proceed with the construction of a new Hall D.

PROJECTED FISCAL IMPACT OF HALL D AT THE EXPO CENTER

									B-Council	
		FY 97-98	FY 98-99 Budget	FY 99-00 (Prop)	FY 2000-01(Proj)	FY 01-02 (Proj)	FY 02-03 (Proj)	FY 03-04 (Proj)	FY 04-05 (Proj)	FY 05-06
	Operating Revenue									
1	Rental Income	$1,072,387	$1,213,705	$1,239,672	$1,243,639	$1,503,003	$1,578,153	$1,657,061	$1,739,914	$1,826,910
2	Reimbursed Labor	$56,851	$119,997	$88,792	$97,671	$102,555	$107,682	$113,067	$118,720	$124,656
3	Concessions/Catering	$1,478,289	$1,403,096	$1,492,761	$1,567,399	$1,645,769	$1,728,057	$1,814,460	$1,905,183	$2,000,443
4	Utility Services	$127,598	$160,137	$123,650	$136,015	$141,456	$147,114	$152,998	$159,118	$165,483
5	Parking	$1,019,949	$1,092,093	$1,080,616	$1,370,896	$1,425,732	$1,482,761	$1,542,072	$1,603,754	$1,667,905
6	Other	$53,791	$13,810	$15,137,023	$45,000	$45,000	$45,000	$45,000	$45,000	$45,000
7	**Total Operating Revenue**	$3,808,865	$4,002,838	$19,162,514	$4,460,620	$4,863,514	$5,088,768	$5,324,658	$5,571,690	$5,830,396
	Investment Interest	$73,735	$51,084	$500,000	$190,000	$40,000	$60,000	$75,000	$100,000	$125,000
8	**Total Resources**	$3,882,600	$4,053,922	$19,662,514	$4,650,620	$4,903,514	$5,148,768	$5,399,658	$5,671,690	$5,955,396
	Operating Expenditures									
9	Personal Services	$572,930	$832,102	$823,324	$850,000	$900,000	$936,000	$973,440	$1,012,378	$1,052,873
10	Materials and Services	$608,992	$716,561	$800,000	$850,000	$900,000	$936,000	$973,440	$1,012,378	$1,052,873
11	Concessions	$913,094	$1,022,543	$1,097,350	$1,144,201	$1,201,411	$1,261,482	$1,324,556	$1,390,784	$1,460,323
12	Parking	$112,533	$129,140	$102,000	$106,080	$110,323	$114,736	$119,326	$124,099	$129,063
	Non-Operating Expenditures									
13	Debt Service									
13a	Equipment Flex Lease	$97,821	$99,383	$99,976	$100,113	$0	$0	$0	$0	$0
13b	Hall E Loan	$530,038	$524,136	$0	$0	$0	$0	$0	$0	$0
13c	Hall D			$566,000	$839,000	$885,000	$934,500	$981,500	$1,041,000	$1,043,000
14	Capital Spending	$82,575	$78,060	$132,500	$300,000	$300,000	$300,000	$275,000	$250,000	$225,000
15	Capital Improvement Plan (CIP)	$90,490	$150,000	$5,000,000	$10,084,000	$0		$0	$0	$0
16	Metro Support Services	$103,169	$93,999	$117,274	$121,965	$126,844	$131,917	$137,194	$142,682	$148,389
17	MERC Administration	$73,297	$128,499	$140,377	$145,992	$151,832	$157,905	$164,221	$170,790	$177,622
18	Revenue Bond Repayment			$1,700,000	$0	$0	$0	$0	$0	$0
	Total Expenditures	$3,184,939	$3,774,423	$10,578,801	$14,541,351	$4,575,410	$4,772,540	$4,948,677	$5,144,109	$5,289,142
19	Cash Flow	$697,661	$400,000	$8,883,713	($9,890,731)	$328,104	$376,228	$450,981	$527,580	$666,254
20	**Beginning Fund Balance**	$734,571	$1,428,789	$1,828,789	$10,712,502	$821,771	$1,149,875	$1,526,103	$1,977,084	$2,504,664
21	**Ending Fund Balance**	$1,432,232	$1,828,789	$10,712,502	$821,771	$1,149,875	$1,526,103	$1,977,084	$2,504,664	$3,170,918
22	**Contingency**		$117,340	$200,000						

STAFF REPORT

CONSIDERATION OF RESOLUTION 99-2760 FOR THE PURPOSE OF AUTHORIZING THE EXECUTIVE OFFICER TO BEGIN THE PROCESS TO FINANCE THE CONSTRUCTION OF HALL D AT THE EXPO CENTER

Date: February 10, 1999 Presented by: Mike Burton, Executive Officer

FACTUAL BACKGROUND AND ANALYSIS

Resolution 99-2760 endorses the Executive Officer's recommendations for financing a new Hall D at the Portland Metropolitan Exposition Center (Expo), and initiates the process to issue $15.8 million of Expo Revenue Bonds. The Executive Officer recommended that the bonds be secured solely by Expo revenues, but if necessary, allows Metro's general revenues to be pledged to obtain a good credit rating. That decision will be made in the course of the financing, after Metro has had the opportunity to test market acceptance of bonds backed solely by Expo revenues.

EXECUTIVE OFFICER'S RECOMMENDATION

Adoption of Resolution No. 99-2760.

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M E M O R A N D U M

METRO

Attachment A
(p. 1 of 4)

Date: February 9, 1999

To: Presiding Officer Rod Monroe
Metro Council

From: Executive Officer Mike Burton

Subject: Expo Hall D Financing Options

Resolution 98-2734 directed me to put together a financing plan for construction of a new building at the Portland Expo Center. To build this plan, I assembled a team of representatives of MERC, Metro's finance staff, the Executive Office, the Council Office, and Metro's financial advisor. I asked the team to develop a financing plan for construction of Hall D without using any excise tax for debt service payments.

The Expo Hall D project will have benefits to MERC and to the region by creating badly needed additional flat exposition space. I also believe that this project will aid the Oregon Convention Center by transferring consumer shows to this new venue, thereby freeing up space at OCC. The new hall will also attract additional business to the Expo Center by extending the season during which shows can be put on due to the climate-controlled space. I feel that this project will have a net beneficial effect on MERC's finances which will allow it to support the full debt service without public subsidy.

Based on the work done by this committee, I am recommending that this project proceed immediately by issuing revenue bonds backed solely by Expo revenues and using a loan from OEDD for qualifying elements.

The Oregon Economic Development Department (OEDD) makes loans to local governments for economic development projects. Portions of this project will meet OEDD guidelines for funding. The OEDD loan will help reduce overall debt service by eliminating a portion of the debt reserve requirement and a portion of debt issuance costs.

It is common for successful entrepreneurial enterprises to finance their own capital needs, without relying on public subsidies. Expo has the financial capacity to undertake this project without encumbering any other Metro funds. A question in this regard is the acceptance of these bonds in the marketplace. This would be the first publicly offered Expo bond. First-time issues often receive a higher degree of scrutiny in the marketplace than subsequent issues. It may therefore ultimately be necessary to offer

Metro's general revenue pledge as security for these bonds, but that is a decision that can be made later, after we have tested the waters for my first recommendation.

We should also plan on purchasing a surety to replace the debt reserve requirement. Revenue bonds commonly require a reserve equal to one year's debt service be established as additional security for bondholders. Issuers frequently finance this reserve as part of the debt issue. This increases the bond size, and therefore the annual debt service requirements. The OEDD financed portion of this project will not require a reserve, but the bond portion will. I propose purchasing a form of surety to replace that reserve, thereby reducing the overall issue size and lowering debt service.

Finally, Metro can also purchase bond insurance to provide additional security for bondholders. Bond insurance costs about one percent of total debt service, but can reduce interest rates charged on the bonds. In this case, I believe that this would be cost-effective strategy.

I look forward to beginning work on this project.

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Attc.

cc: Mark Williams, MERC General Manager
Jennifer Sims, Chief Financial Officer

Expo Hall D
Executive Officer Recommendations

Expo Revenue Bonds

- Issue Expo Revenue Bonds (no general revenue pledge)
- Obtain a loan from OEDD for qualifying portions of the project
- 30-year term
- Ramp debt service over first 5 years
- Buy a surety to replace the required debt reserve, and
- Insure the bond issue

Expo Revenues Available for Debt Service	
Intel debt service savings	$525,000
Flexlease debt service savings	$100,000
Expo parking rate increase	$225,000
Hall D rental rate increase	$135,250
Transferred events rentals (conservative)	$120,000
Net concessions & parking (conservative)	$140,000
Total Resources available for debt service	**$1,245,250**

Anticipated Debt Service	First Year	6th Year
30-Year Term, Ramped Debt Service	$566,000	$1,040,000
Balances available for Expo operations	$679,250	$205,250

Option – General Revenue Bonds (use as fall-back in case Expo Revenue Bonds would not receive a favorable rating)

Same as Option I, using General Revenue Bonds rather than Expo Revenue Bonds

Draft Bond Issuance Schedule
Expo Hall D

Week 1	• Financing structure and plan approved • Financing team meets to discuss bond structure, terms, method of sale, and bond resolution
Week 2	• Issue RFP for bond underwriter
Week 4	• Bond underwriter proposals due
Week 5	• Review underwriter proposals, select short list for interview, invite short list to interviews
Week 6	• Interview underwriter candidates, select firm • Prepare 1st draft of POS • Prepare 1st draft of bond resolution
Week 7	• Financing team (including underwriter, & underwriter's counsel) meet to discuss bond structure, terms, target sale dates, and bond resolution • Comments due on 1st draft of POS • Comments due on 1st draft of bond resolution
Week 8	• Distribute 2nd draft of POS • Finalize POS
Week 9	• File bond resolution for Council agenda • Send draft bond resolution and final draft of POS to rating agencies
Week 11	• Finance Committee reviews bond resolution, recommends approval
Week 12	• Council approves bond resolution
Week 13	• Final bond resolution and POS distributed to rating agencies • Final POS distributing to marketing team
Week 14	• Presentation to rating agencies • Underwriter marketing meetings • Apply for CUSIP and DTC
Week 15	• Rating assigned by rating agencies • Bond pricing (sale) • Sign pricing agreement
Week 16	• Final OS preparation, send to printer
Week 17	• Closing documents distributed to financing team • Final OS to underwriter • Closing, funds available

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Agenda Item Number 9.6

Resolution No. 99-2767, For the Purpose of Appointing Kathy Clair to the Water Resources Policy Advisory Committee.

Metro Council Meeting
Thursday, April 1, 1999
Council Chamber

BEFORE THE METRO COUNCIL

FOR THE PURPOSE OF APPOINTING KATHY CLAIR TO THE WATER RESOURCES POLICY ADVISORY COMMITTEE	))))	RESOLUTION NO. 99-2767 Introduced by Councilor Susan McLain Chair, WRPAC

WHEREAS, The Water Resource Policy Advisory Committee (WRPAC) unanimously approved proposed revisions to their bylaws at their March 27, 1996 meeting; and

WHEREAS, The Metro Council approved the revisions to the bylaws as approved by WRPAC via adoption of Resolution No. 96-2321B and directed WRPAC to seek nominations for voting and non-voting positions; and

WHEREAS, Resolution Nos. 96-2418A, 97-2517, 97-2588 and 98-2717 subsequently established and appointed voting and non-voting members to serve on WRPAC; and

WHEREAS, Due to the November 1998 election, Kathy Clair has been elected to the Washington County Soil & Water Conservation District replacing Gary Clark; therefore,

BE IT RESOLVED, That the Metro Council appoints Kathy Clair to the Water Resources Policy Advisory Committee with Dick Kover remaining as the alternate for that voting seat.

ADOPTED by the Metro Council this ______ day of __________, 1999.

Rod Monroe, Presiding Officer

Approved as to Form:

Daniel B. Cooper, General Counsel

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STAFF REPORT

CONSIDERATION OF RESOLUTION NO. 99-2767, FOR THE PURPOSE OF APPOINTING KATHY CLAIR TO THE WATER RESOURCES POLICY ADVISORY COMMITTEE

Date: March 1, 1999 — Prepared by: Rosemary Furfey

BACKGROUND INFORMATION

The Metro Water Resources Policy Advisory Committee (WRPAC) was formed in the early 1980s to advise the Metro Council on technical matters related to regional water resource planning.

WRPAC was formally organized and re-formed via Resolution No. 96-2418A which adopted a membership list of entities/persons to serve on WRPAC.

WRPAC's bylaws were revised and adopted by the Metro Council via Resolution No. 96-2321B. Section 2(B) of the Bylaws states: "Representatives and their alternates will be formally appointed by the Metro Council."

The Council via Resolution No. 99-2767 would appoint Kathy Clair to fill the Washington County Soil & Water Conservation District seat due to the results of the General Election of November 1998.

EXECUTIVE OFFICER'S RECOMMENDATION

The Executive Officer recommends approval of Resolution No. 99-2767.

Agenda Item Number 10.1

Resolution No. 99-2765, For the Purpose of Authorizing Amendment No. 3 to Contract No. 920197 with URS Greiner, Inc.

Contract Review Board

Metro Council Meeting
Thursday, April 1, 1999
Council Chamber

BEFORE THE METRO CONTRACT REVIEW BOARD

FOR THE PURPOSE OF AUTHORIZING AMENDMENT NO. 3 TO CONTRACT NO. 920197 WITH URS GREINER, INC.	))))	RESOLUTION NO. 99-2765 Introduced by Mike Burton, Executive Officer

WHEREAS, Metro has contracted with URS Greiner, Inc. to design three projects at Metro South Station and one project at the St. Johns Landfill; and

WHEREAS, Agreement has been reached regarding a dispute over additional compensation for this contract; and

WHEREAS, Amendment No. 3 to the contract, attached hereto as "Exhibit A," will resolve the dispute in a manner acceptable to Metro; and

WHEREAS, The resolution was submitted to the Executive Officer for consideration and was forwarded to the Metro Contract Review Board for approval; now therefore,

BE IT RESOLVED, That the Metro Contract Review Board authorizes execution of Amendment No. 3 to Contract No. 920197 with URS Greiner, Inc. attached hereto as "Exhibit A."

ADOPTED by the Metro Contract Review Board this ___ day of _______, 1999.

____
Rod Monroe, Presiding Officer

Approved as to Form:

____
Daniel B. Cooper, General Counsel

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Exhibit "A"

METRO CONTRACT NO. 920197

AMENDMENT NO. 3

This amendment, dated as of the last signature date below, hereby amends the Personal Services Agreement between Metro and URS Greiner, Inc., "Contractor," dated November 27, 1997 (the "original agreement"). In exchange for the promises and other valuable consideration described in the original agreement, subsequent amendments, and this amendment, the parties agree as follows:

1. Contractor shall provide all services necessary to complete the scope of work for Contract No. 920197. The scope of work for general purposes includes:

   a. Settlement of a dispute, which is summarized in the Contractor's letter dated September 11, 1998.

   b. Completion of the work described in the Contract and its amendments, including services during construction of the three projects at the Metro South Station and the Maintenance Building at the St. Johns Landfill once this project is underway.

2. In exchange for the parties' promises contained herein, and in settlement and compromise of the dispute, Contractor hereby releases and forever discharge Metro and its agents, elected officials, officers, employees, representatives, successors, attorneys and assigns, and each of them of and from any and all claims, rights, demands, actions, suits, obligations, liabilities, causes of action, damages, proceedings, or losses of any kind, nature, or character, whether now known or unknown, which Contractor has had, now has or may hereafter assert against Metro on account of or in any way arising out of any actions, failures to act, events, occurrences or circumstances of any kind that are the subject of or related to the Origninal Agreement or this Contract Amendment No. 3.

3. Metro agrees to pay Contractor additional compensation for this amendment in an amount not to exceed Twenty Five Thousand Nine Hundred and NO/100 Dollars ($25,900) beyond the agreed payment for service under the original agreement. No payment beyond this additional sum shall be authorized by Metro without specific written amendment to the original agreement. This amendment increases the maximum contract price to One Hundred and Thirty Thousand Nine Hundred and NO/100 Dollars ($130,900).

4. All terms of the original agreement and any previous amendments shall remain in full force and effect, except as modified herein.

URS GREINER, INC.	METRO
______________________	______________________
Signature	Signature
______________________	______________________
Print Name and Title	Print Name and Title
______________________	______________________
Date	Date

REGIONAL ENVIRONMENTAL MANAGEMENT COMMITTEE REPORT

CONSIDERATION OF RESOLUTION NO. 99-2765, FOR THE PURPOSE OF AUTHORIZING AMENDMENT NO. 3 TO CONTRACT NO. 920197 WITH URS GREINER, INC.

Date: March 24, 1999 Presented by: Councilor Park

Committee Recommendation: At its March 17 meeting, the Committee considered Resolution No 98-2765 and voted unanimously to send the resolution to the Council with a do pass recommendation. Voting in favor: Councilors McLain and Park and Chair Washington.

Committee Issues/Discussion: Bruce Warner, REM Director, presented the staff report. Warner explained that the purpose of the resolution is to authorize payment of an additional $25,900 to URS Greiner for design work on several capital improvement projects at Metro South. Warner apologized for the need to bring the amendment before the Council. He noted that the original $80,000 had been previously increased by $25,000 to reflect additional work on the latex paint building. This increase was administratively approved as permitted under the Metro Contract Code.

However, additional work was requested by the various staff managing the design work and construction projects without obtaining prior administrative approval. As a result, Greiner submitted a claim for an additional $50,000 in work. Metro has agreed to pay an additional $25,900. Warner indicated that as a result of the handling of this contract, he has implemented new procedures to insure that additional work under contracts is not authorized without prior administrative or Council approval.

Councilor McLain asked if all work under the contract has been completed. Warner responded that work under the contract was not yet completed, but that the funding level provided through the proposed resolution would fully fund all remaining work.

Chair Washington praised Mr. Warner for his willingness to admit the problems that occurred in the management of the contract and to take appropriate action to insure that it does not occur again.

EXECUTIVE SUMMARY
RESOLUTION NO. 99-2765
AUTHORIZING AMENDMENT NO. 3 TO CONTRACT NO. 920197 WITH URS GREINER, INC.

PROPOSED ACTION

- Adopt Resolution No. 99-2765, authorizing execution of an amendment to Contract No. 920197 to increase the total contract amount by $25,900.

WHY NECESSARY

- To resolve a contract dispute regarding the design of the Latex Paint Processing Building, Truck Wash and Commercial Tipping Floor Expansion at Metro South Transfer Station; and the Maintenance Building at the St. Johns Landfill.

ISSUES/CONCERNS

- In September 1998, the Contractor (URS Greiner) submitted a claim to Metro for approximately $50,000 for additional work requested by staff, which the Contractor felt was not covered by the contract.
- REM Engineering & Analysis staff reviewed the claim and the project records to determine whether additional payments were due. Staff determined that the Contractor had incurred expenses exceeding the authorized contract amount, that this fact had not been communicated to staff in a timely manner, and that staff had requested some design revisions that were outside of the original Scope of Work. This dispute has resulted in the amendment before you that requires Council approval per the Metro Code.
- Staff was unaware of some of the expenses being incurred by the Contractor due to poor communication between the Contractor and REM's project manager. With four projects being worked on at once, expenses were not tracked closely enough by either Metro or the contractor, which led to the contract being overrun.
- Staff negotiations with URS focused on what work was covered in the original contract and what work had been added. Staff has determined that the Contractor's redesign of the Maintenance Building at staff's request was additional work. In order to lower construction costs, staff requested that the Contractor reduce the building's size by 25%.
- Staff also agree that the Contractor incurred additional costs in the preparation of specifications for construction documents. The RFP originally required that all four construction projects be bid in one set of construction documents. However, in order to increase participation by ESB, MBE and WBE contractors, staff subsequently bid the projects separately. This change in bidding requirements required URS Greiner to prepare additional construction documents.
- Amendment No. 3 compensates the Contractor for this additional work, as well as for any additional construction management services required to complete construction of the projects.

BUDGET/FINANCIAL IMPACTS

- Construction costs for these projects will total approximately $1.9 million. While design costs typically amount to 10-12% of total construction costs, under the proposed amendment, design costs would total only 7% of total construction costs.
- Adequate funds are available from REM's General Account and the St. Johns Landfill Closure Account for this amendment.

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STAFF REPORT

IN CONSIDERATION OF RESOLUTION NO. 99-2765 FOR THE PURPOSE OF AUTHORIZING AMENDMENT NO. 3 TO CONTRACT NO. 920197 WITH URS GREINER, INC.

Date: February 23, 1999 Presented by: Bruce Warner

PROPOSED ACTION

Adopt Resolution No. 99-2765 authorizing execution of an amendment to Contract No. 920197 to increase the total contract amount by $25,900.

FACTUAL BACKGROUND AND ANALYSIS

In September 1997, the Council authorized release of RFP #97R-20-REM for the design of a latex paint processing building, truck wash and an expansion of the commercial side of the Main Transfer Building at the Metro South Transfer Station; and the design of a maintenance building at the St. Johns Landfill (construction management services for these projects were also included). As a result of the Request for Proposals, a design contract was executed with URS Greiner, Inc. for $80,000 in November 1997. This contract amount was increased by $25,000 (Amendment No. 1) for redesign of the Latex Building, in order to lower the cost of construction and operation. Amendment No. 2 extended the length of this contract.

In September 1998, the Contractor submitted a claim to Metro for approximately $50,000 for "additional work" not included in the original contract. During negotiations Metro Engineering & Analysis staff focused on what was covered in the original contract, and what constituted additional work. The claim requested additional compensation on four items. The settlement recognizes two of those items. The parties have agreed to settle the claim for the amount of $25,900 as contained in the proposed Amendment No. 3.

This settlement recognizes that additional design work was required for the Maintenance Building Project at the request of Metro in order to reduce construction costs. This request required the Contractor to reduce the building's square footage by 25%.

Additional costs were incurred by the Contractor in the preparation of specifications for construction documents. The RFP originally required that all four construction projects be bid in one set of construction documents. However, in order to increase participation by ESB, MBE and WBE contractors, staff subsequently bid the projects separately. This change in bidding requirements required URS Greiner to prepare additional construction documents. Amendment No. 3 compensates the Contractor for this additional work, as well as for any additional construction management services required to complete construction of the projects.

BUDGET IMPACT

Adequate funds exist within REM's General Account and the St. Johns Landfill Closure Account for Amendment No.3.

EXECUTIVE OFFICER RECOMMENDATION

The Executive Officer recommends approval of Resolution No. 99-2765.
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Fax to: Metro Council

From: Dick Jones
Fax 503.353.9619 phone 503.652.2998

Subject: For the record relative to 99-2756 and 99-2761

I am sorry I could not ~~[illegible]~~ be at the Council meeting or get my comments to you earlier. Please find an attached story which I sent to the Oregonian "In My Opinion". In addition to concerns raised in my letter I continue to ask (Listening Post testimony from Clackamas) for some evaluation of potential for generation of ozone and NOx from the electrical arcing on the Light Rail system. When Light rail is mentioned the future electrical generation of electric power in the Pacific Northwest must be reviewed. With the one coal plant in western Washington generating 1/6 of all air pollution in the state of Washington do electric trains make sense?

Another issue use of federal Dollars without an Environmental Impact statement on Airport MAX. The pass through on Priorities 2000 funds on project RTr1 could be questioned.

Airport MAX is a Cash Sinkhole to Nowhere!

You have it right if you have doubts about Airport MAX. Bechtel, City of Portland, Port of Portland and Tri-Met are each contributing dollars for the project. During the public hearings we heard that a Airport Passenger Facility Charge (PFC), contingency funds from Westside MAX and extra Tri-Met general funds would pay for Airport MAX.

The PFC is a $3 per person charge, added to tickets of travelers in or out of PDX. It is intended for airport projects. During the public hearing process (July 1998) the Airport MAX committee said "PFC would pay $42.1M". At the February 9, 1999 meeting of Metro's Joint Policy Advisory Committee on Transportation (JPACT), Joe Walsh, Tri-Met's project development director, said "$28.3M of PFC funds". On January 29, 1999 the Port of Portland told the airlines and the FAA they needed to collect not $28M or $42M but $146M. Why the difference? The money for this project ($146M) will be collected between November 2008 and February 2019. The PFC fund will have to collect $146M because the financing cost on the Port's $43M project is $103M!!

Where will Tri-Met's contribution to the project come from? During the Airport MAX meetings, Tri-Met said that some of their contribution would come from Westside Light Rail's contingency funds and the balance from Tri-Met's general fund. Westside Rail did not complete all the surveillance cameras because there was no money left. Recently I learned how Tri-Met would raise $18 million of their "contribution". It comes from a federal transportation fund called Priorities 2000 which is intended for regional transportation projects between 2000 and 2003. So instead of building roads and repairing bridges and roads, the money will go to Airport MAX.

During the public hearings Tri-Met said that a successful Airport MAX requires congested roadways and limited parking. The Port plans to bring congestion to the airport by developing Cascade Station. Cascade Station will be the largest subsidized development project in Portland history. Its 10,000 employees, hotel, 24-screen cinema and other commercial components will generate enough traffic to fill two entire freeway lanes. Each day the complex will attract over 57,000 vehicle trips with 8,000 of them in the peak hour and most of them clogging up I-205.

The public has been misled about the cost of Airport MAX. The cost is predicated on using a FREE right-of-way along I-205, a right-of-way originally intended for a High Occupancy Vehicle (HOV) system. In fact, it would be cheaper to build reserved lanes for vans and buses, modes that have far greater potential for airport transit use and already transport 6% of air travelers.

I-205 was designed for a HOV system; all that is needed is to put it in. The Airport MAX system will be used by far fewer people and would actually preclude the development of an exclusive HOV system by taking up the right-of-way and special tunnels intended for HOV. Light rail is a very expensive and impractical mode for airport use. Airports with rail connections get a higher number of trips by vans and buses even in very rail-oriented cities like Chicago, Boston or Philadelphia.

Between now and April 26th the FAA is accepting people's comments on using $146 million to pay for a $43 million project. We must remember government philosophy in situations like this: "Silence will be considered acceptance, so speak freely."

Send comments (three copies) to: J. Wade Bryant, Manager; Seattle Airports District Office, SEA-ADO; Federal Aviation Administration; 1601 Lind Ave. SW, Suite 250; Renton Wa 98055-4056 and one copy to Mr. Steve Schreiber, Senior Manager, Aviation Finance; Port of Portland; 7000 NE Airport Way Portland Or 97218.

Or, send your comments to: Dick Jones; 3205 SE Vineyard Rd.; Oak Grove Or. 97267, FAX 503.353.9619 or E mail BULLDOGJONES@prodigy.net. I will get them to the FAA.

Submitted by Dick Jones
3205 SE Vineyard Rd.
Oak Grove Or 97267.
503.652.2998

I am retired and serve on the Oak Lodge Community Council. I might be described as a community activist concerned about livability in my community.

040199c-02

From: Liz Callison <callison@mail.teleport.com>
To: MetCen.MRC-PO(billingtonc)
Date: Thu, Apr 1, 1999 2:20 PM
Subject: Testimony for 5/1/99 Council

Please include this testimony in today's Metro Council Meeting Public Record
Metro Council
April 1, 1999
From E. Callison,
6039 SW Knightsbridge Drive

To Presiding Officer Monroe and Councilors,
Please consider these comments in making your decisions regarding Agenda Items 9.1 (Res. No. 99-2756) and 9.3 (Res. No. 99-2761):

Agenda Item 9.1--Res. No. 99-2756
The Unified Work Program inappropriately adds $1.3 million to Metro's Transportation Budget to continue South/North light rail planning efforts by Metro.

Metro's South/North plan was defeated regionally, and Metro defies the wishes of its District voters by moving forward to initiate and construct this particular plan regardless of the results of the region-wide vote.

The UWP demands that Metro 1999-2000 budget allocate $1.3 million for "public involvment, technical analyses, funding assessments and reports," and "technical assessments of alternatives and their costs, benefits, impacts...meetings, presentations, newsletters, brochures and public comment opportunities targeted to the general public; and decision-making documents and final reports outlining selected alternatives and future work plans..." this involves carrying 10.3 full time employees, as well as contracts..

The $1.3 million is supposed to come from "96 FTA 103 e (4) OR-29-9023--$1,147,500. and Metro $208,120.

The relevant public involvement was the region-wide vote of the three county electorate, held in November, 1999. Metro should respect the will of the voters.
Note: I am aware that Metro has promised the Port $18 million to "reimburse" for construction of the Cascade Station facility at the airport. This is also an inappropriate expenditure. I do not see it listed on the UWP budget, however.
***

Agenda Item 9.3--Res. No. 99-2761
This Resolution states that Metro certifies it is in compliance with Federal Transportation Planning Requirements.I do not believe Metro area is in compliance with Federal Transportation plannning requirements, and offer the following suggestions to help Metro get into compliance--at least by fiscal 2001-2.

There are several areas in which Metro's transportation planning should be questioned, in relation to federal guidelines.

First, Metro seems to be using its own invented street classification system, which is uncoordinated with the federal or state systems.This will not only create confusion among agency staff and the public, but effectively prevent healthy public involvement in the planning process. It also causes duplication of efforts.

Secondly, Metro does address air quality issues, but it does NOT address water quality or endangered species issues. .
For example, Metro's facilitation of the proposed Cascade Station, high intensity development at the airport falls short in several major ways:
a) it will receive funds from Tri-Met which are needed more by the bus transit system;
b) it calls for filling a number of acres of wetlands and paving over an additional 650 acres in the Oregon Department of Environmental Quality "water-quality limited" streams and wetlands environment of the Columbia Slough;
c) it (and other of Metro's Town Centers and Regional Centers such as Gateway) will encourage unacceptable levels of traffic congestion on surrounding regional facilities (arterials and freeways), some of which are federally owned or financed. Cascade Station has no housing component, though funding applications by Metro may seem to indicate that it is a mixed-use, high-intensity, transit-oriented development, which Metro normally means to include high-density housing. There is in fact no housing component. There are instead a number of large flat warehouses and parking lots;
d) the Cascade Station Plan is intended to be constructed below the mean water line of the Columbia River--a river which is prone to flooding. This creates a significant risk to federal and state taxpayers for liability for the capital improvements, which already are heavily subsidized by taxpayers including those who pay the Tri-Met tax.
The Metro Regional Functional Plan excludes major portions of the Columbia Slough from its Floodplain management section--called Title 3. Therefore the Cascade Station proposed development is completely uncoordinated with either the federal Clean Water Act or the Endangered Species Act.
3) Metro has done no watershed management in either its Framework Plan or its Regional Functional Plan. Metro's transportation planning, particularly on a regional scale, should have included watershed planning. Stormwater runoff is a particular concern, as roadways and street runoff are already generally acknowledged to have a significant detrimental effect on water quality and stream integrity.

Agenda item 9.6--Resolution No. 99-2767
With this agenda item, Metro appoints a new member of the Washington County Soil and Water Conservation District to the Water Resources Policy Advisory Committee. However, Metro needs to be reminded that WRPAC has for the past two years excluded the West Multnomah Soil and Water Conservation District. The Soil and Water Conservation districts each have their own geographical area, and no district represents another. The West Multnomah District needs to be included on WRPAC and it is a serious omission to have excluded it.

(end)
To remind Metro Council that it has excluded