

A G E N D A

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METRO

Agenda

MEETING: METRO COUNCIL REGULAR MEETING
DATE: October 14, 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. CONSENT AGENDA

6.1 Consideration of Minutes for the October 4, 1999 and October 7, 1999 Metro Council Regular Meetings.

7. ORDINANCES – FIRST READING

7.1 **Ordinance No. 99-820**, For the Purpose of Granting a New Metro Yard Debris Composting Facility License to Clackamas Compost Products, LLC and Rescinding License Number YD-0197, and Declaring an Emergency.

7.2 **Ordinance No. 99-822**, For the Purpose of Amending Metro Code 2.04 by Increasing Purchasing Thresholds and Making Other Required Changes.

8. ORDINANCES - SECOND READING

8.1 **Ordinance No. 99-823**, For the Purpose of Amending Metro Code Chapter 5.02 to Modify Charges for Direct Haul Disposal, to Modify Metro System Fees, to Create Additional Regional System Fee Credits, and Making Other Related Amendments.

Washington

8.2 **Ordinance No. 99-824**, For the Purpose of Amending Metro Code Chapter 7.01 to Modify and Adjust Excise Taxes and making other Related Amendments.

Washington

- 8.3 **Ordinance No. 99-825**, For the Purpose of Amending Metro Code Section 5.02.025 to Modify the Disposal Charge at the Metro South and Metro Central Transfer Stations. Bragdon

9. RESOLUTIONS

- 9.1 **Resolution No. 99-2835**, For the Purpose of Expressing Council Intent to Amend the Region 2040 Growth Concept Map to Designate the City of Milwaukie as a Town Center. Bragdon
- 9.2 **Resolution No. 99-2840**, For the Purpose of Confirming the Reappointment of Herbert S. Plep and the Appointment of Brian R. Williams and James C. Aalberg to the Investment Advisory Board. Atherton
- 9.3 **Resolution No. 99-2842**, For the Purpose of Authorizing the Executive Officer to Extend the Termination Date of Existing Intergovernmental Agreements with Local Parks Providers who are Implementing the Local Share Component of Metro's Open Spaces, Parks and Streams Bond Measure. Kvistad
- 9.4 **Resolution No. 99-2834A**, For the Purpose of Granting Time Extensions for the Cities of Milwaukie and Gladstone for Compliance with Title 3 of the Urban Growth Management Functional Plan. Bragdon
- 9.5 **Resolution No. 99-2844**, For the Purpose of Granting a Time Extension for the City of Gresham for Compliance with Title 3 of the Urban Growth Management Functional Plan. Bragdon

10. PUBLIC HEARING ON URBAN GROWTH BOUNDARY ISSUES

- Urban Growth Report update and its potential impact on Urban Growth Boundary (UGB) Decision
- Urban Reserve Areas that could potentially come into the UGB
- Should Metro request a time extension to act on UGB pending new federal ESA listing

11. COUNCILOR COMMUNICATION

ADJOURN

Agenda Item Number 6.1

Consideration of the October 4, 1999 and October 7, 1999 Metro Council Meeting minutes.

Metro Council Meeting
Thursday, October 14, 1999
Council Chamber

MINUTES OF THE METRO COUNCIL MEETING

October 7, 1999

Metro Council Chamber

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

Councilors Absent:

Presiding Officer Monroe convened the Regular Council Meeting at 2:05 p.m.

1. INTRODUCTIONS

None.

2. CITIZEN COMMUNICATION

None.

3. EXECUTIVE OFFICER COMMUNICATIONS

Mike Burton, Executive Officer, addressed two matters on the agenda. He suggested that in the Urban Growth Boundary Public Hearing factors that the ESA listing was only a part of the extension issues. There had been a number of local jurisdictions that had asked for extensions regarding planning around town center areas and parking. These factors could effect the buildability around these town centers. Second, Resolution No. 99-2848 would be before council today, three years ago he had put together the Metro Communication Team with the purpose of coordinating what the seven different departments and divisions were doing with outreach, education and informational functions and activities. He felt it was our responsibility to make information available to the public about Metro's activities and to find out if that information was being presented in an effective and efficient manner. He had asked the team to design a Communications Plan and return that information to council to show them what was being done in a coordinated way. He felt that Metro had very creative and talented individuals in the agency. He wanted to make certain that these individuals had the best opportunity to exercise those talents in reference to agency goals and mission responsibilities as a government. He said this plan was not a campaign, the plan was an attempt to manage this agency as effectively as possible.

He noted the article in the Oregonian this morning about the plan and was surprised to see its slant as he had not been contacted at all by Mr. Nokes, the reporter who wrote the article. He and two Presiding Officers had worked on issues to try to make certain that the public understood what Metro was doing. He added that there was no new money in this proposal.

4. AUDITOR COMMUNICATIONS

None.

5. MPAC COMMUNICATION

Councilor McLain said MPAC had not met this week, there would be a meeting next week.

6. CONSENT AGENDA

6.1 Consideration meeting minutes of the September 30, 1999 Regular Council Meeting.

Motion: **Councilor McLain** moved to adopt the meeting minutes of September 30, 1999 regular Council Meeting.

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

Councilor Kvistad asked that his comments concerning his vote against Ordinance No. 99-818A be included in the minutes of September 30, 1999.

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

7. ORDINANCES - FIRST READING

7.1 **Ordinance No. 99-823**, For the Purpose of Amending Metro Code Chapter 5.02 to Modify Charges for Direct Haul Disposal, to Modify Metro System Fees, to Create Additional Regional System Fee Credits, and Making other related amendments.

Presiding Officer Monroe assigned Ordinance No. 99-823 to Council.

7.2 **Ordinance No. 99-824**, For the Purpose of Amending Metro Code Chapter 7.01 to Modify and Adjust Excise Taxes and making other related amendments.

Presiding Officer Monroe assigned Ordinance No. 99-824 to Council.

7.3 **Ordinance No. 99-825**, For the Purpose of Amending the Metro Code Section 5.02.025 to Modify the Disposal Charge at the Metro South and Metro Central Transfer Stations.

Presiding Officer Monroe assigned Ordinance No. 99-825 to Council.

8. RESOLUTIONS

8.1 **Resolution No. 99-2848**, For the Purpose of Adopting the Metro Communications Plan for Fiscal Year 1999-2000 and Approving the Expenditure of Funds Necessary for Implementation of the Plan.

Motion: **Councilor McLain** moved to adopt Resolution No. 99-2848.

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

Councilor McLain introduced the resolution and asked that the Communication Team come forward to explain correction and minor amendments. As a councilor who had served at Metro

for nine years, she found this plan to be extremely important piece of work that the Executive Officer and the Council had done together. This plan would help Metro be more efficient internally and allow a coordinated effort on each project. It would also allow the agency to tailor the outreach communication approach to the needs of the local jurisdictions as well as the needs of groups of citizens. She thought the internal team had done a good job of recognizing Metro's diverse mission that included land use, transportation, regional facilities, parks and green spaces and a variety of other activities. The event coordination was also another key element to the plan. She noted that Councilor Kvistad supported the idea that the Regional Transportation Plan got as much coverage as the land use issues did. She added that there were several projects in the plan that had never been tried.

Beth Anne Steele, Council Outreach Coordinator, introduced **John Donovan**, team member and **Janice Larson**, Chair of Communication Team. She reviewed the composite of the team, which was made up of members from all over the agency. One of her roles as a member of this team was to provide the link with the council to be able to continually communicate what this team was doing and how they were progressing on communication for the entire agency. \$75,000 had been budgeted in this year's budget. The council had asked for a plan and a plan as to how to spend that money most effectively. These were existing dollars not new dollars. They were integrating not duplicating, more bang for the buck. This was not a public relations campaign but a communications program. As a public body, they believed that it was their responsibility to talk to the public, to the people who live in this region and tell them what Metro was doing, how Metro was doing it and because of the unique mission of the agency, how we think that the future could look and feel in terms of land use, transportation, recycling etc. Another part of the plan was the communication from the people back to Metro, opening up a two way communication which could expand and grow so that Metro could hear more from the people, to get their ideas and get them working with Metro.

Ms. Larson said the overall goals of the Communications Plan were to increase awareness and understanding of Metro's role and regional planning mission. As noted in the introduction, what if more people understood what Metro does, would more of them be engaged in the regional public policy process, would the number of volunteers involved in Metro programs increase, would more people make environmentally sound decisions in their own lives. They thought that the best way to investigate these questions was to link Metro's planning role to what it was already doing to protect the environment. The Plan was a result of two years of work by the Communications Team involving citizens, staff and the Council. They had incorporated the work of the MPAC Public Outreach Subcommittee in their section on Regional Partnerships. After meeting with Councilors individually, they had really taken the Council's comments to heart. They would be looking at more ways to reach business partners, tools to support interactive public outreach such as Internet and cable access. It was their hope that the council would see their ideas reflected in the plan.

Mr. Donovan said his job was to outlined the structure of the plan, identifying the major audiences. The Plan was organized by objective: 1) linking Metro's planning role to protecting the environment (defined as urban and natural environments functioning together involving both economic and livability issues as well as the natural environment of open spaces and parks). 2) provide the opportunities for employees to be effective communicators, 3) enhance regional partnerships with local partners, 4) maximize and streamline core communications programs – they could do a better job of being more effective in a competitive communications marketplace.

Councilor Atherton said he had a number of conversations with the team. He was not ready to vote on this resolution. The questions that hadn't been answered were: clarification of who speaks for Metro and what process do we go through to get that. Did this plan address that issue?

Ms. Steele said there were several different levels. There were 600+ employees who worked for Metro. The team saw the employees as ambassadors for the agency. She gave an example. When it came to speaking to the policy of this agency, the Council sets the policy. If a staff person went out and talked about issue X, and the Council had a policy on issue X, the staff person should talk about the program. But if it was an issue dealing with questions or controversy about that policy, that should come back to the Council (or). The Plan did not address elected official speaking for the agency. The Council was the policy making body of this agency.

Mr. Donovan added that Councilor Atherton's question related to a specific part of the plan. The team was trying to link the policy decisions that were still in front of Metro with the policy decisions that the Council had already made. The best way in their minds to mesh these was through a strong partnership between the Council and staff going out to those bodies that were in need of information so that they appeared as a coordinated effort. He felt that this was one of the strengths of the plan.

Councilor Atherton expressed concern about the role of public surveys, when Metro did public polling. He said the plan utilized the polling as a way of measuring their success. Had they ever considered the role of public surveys up front to find out what people's attitudes were about key issues at Metro? What were the public's attitudes about growth? Who should pay for growth? Was the public comfortable with Metro coming in and telling their community to serve areas even though they didn't want to? The whole purpose of the survey was to bring clarity to conflict and not more confusion. He wondered if they had considered this in the plan.

Councilor McLain said in her conversation with the Communication Team she had asked similar questions because they had administered a number of surveys in previous years. A number of the questions that Councilor Atherton had asked were part of those surveys. Those surveys helped Metro respond to the 2040 Growth Concept as an ideal and also as it was related to the Regional Goals and Objectives. She wanted these to continue and although the plan did not address a set amount of surveys to be administered in the next three years, the team had taken previous surveys and compared them to some of the more current surveys. They had done a recent survey on recycling but included issues on growth. That report had been presented to councilors. She did see that they had left this component out or not hearing the council on this issue, she felt that they thought that surveys were a standard tool that would be continued but not the only tool.

Councilor Atherton clarified himself about the survey issue. He was talking about tracking a public survey where you ask the same question over a period of time and see what kinds of changes take place. For example, now do you view your community as a place to live today, and then how would you rank your community as a place to live 10 years from now. You would administer this survey on a two-year cycle; it gave you a pretty good indication of what people are feeling about the planning effort.

Ms. Steele responded that Councilor Atherton's recommendations had been heard. There was no immediate plan to conduct this type of survey in the next year but within the next two years they

would look to Councilor Atherton for some of those questions. She suggested that Councilor Atherton's web page to do that kind of survey, and although not scientific, they could start getting some data back from his web page as well as from the neighborhood groups. They would be happy to take a look at that information as it came in.

Councilor Atherton responded that this was a two to three year plan. His preference would be to decide up front what was going to be the role of these public surveys and would tracking surveys be utilized. Another item the plan did not address was the issue of bringing clarity to conflict. The communication plan did not seem to address conflict. For example, the plan said that Metro's role was to protect the environment, was this true, or was it to accommodate growth?

Ms. Steele said there were places within the place where they accommodate people of all viewpoints, for example, the town hall forums, the web based interactivity programs. These programs and forums were places that encouraged different viewpoints.

Councilor Atherton asked for examples.

Ms. Steele reiterated the town hall forum in the community as well as the web-based forums that would open up discussion issue periods.

Mr. Donovan added that as the team worked more closely with the council to reach groups that they were providing the Council access to their constituents so that they would be able as policy makers to hear those viewpoints. This was vital to the entire system and the plan.

Councilor Atherton asked about cable access television and a direct link. What was involved in making this happen, the cost and how that could fit in this plan?

Ms. Steele said it was mentioned but she only had preliminary information. To create a system where they could cablecast live these meetings, the cost was about \$140,000 to \$150,000 to equip the chamber for that ability. She was looking into grant funds to cover the majority of that cost, the Council would still have to put up matching grants of about \$30,000 to \$40,000 to make that happen. There was also the issue of web casting. They were currently researching this to see what the requirements were for web casting the meetings.

Councilor Atherton asked if there were any bodies in the country that had an interactive situation where people could watch the meeting live.

Ms. Steele said there were jurisdiction within this region where the meeting can be cablecast live and jurisdictions within the country where meetings were web cast live. She was sure technology was available, it was a matter of cost and what Metro was willing to put up to get it.

Councilor Bragdon said he thought that the various aspects in the plan relating to the public were very clear but he was surprised at the emphasis on communication with Metro's own staff. He asked if new staff were given an orientation to Metro so they started out their Metro career with some foundation.

Ms. Steele said there was a session offered but it didn't always reach everyone. She said the session also didn't keep people up to date. One of the things the communications team heard

over and over again from staff was that when something major was going on at Metro, they didn't know about it until they read it in the paper. She said this was caused by a lack of communication, on a daily, weekly and monthly basis, on the issues that are going on at the agency. Park Rangers, and many other Metro employees, worked 40 hours a week, out in the field doing their duties. She said they didn't have e-mail access, and they didn't get all the council agendas and internal e-mails. They also didn't get other e-mails that passed only through the headquarters building. Only approximately half of Metro's employees worked in the headquarters building.

She said the goal was designed to include all Metro employees in the communications process, no matter where they worked, so they would realize (a) they were Metro employees and (b) so they understood they were part of a bigger picture and a bigger mission. She said the goal was also designed so they understood that their job was not just recycling paint, but that it extended beyond their specific job duties. The job of Metro employees was to make the community a more livable place. She said employees should talk with their neighbors, and explain what Metro was and what the agency did as a whole. She called it the "in-reach" effort as opposed to outreach. She said it was vital that the employees were on board and bought into the vision of the agency, because they were the ones that made it happen on a daily basis.

Ms. Larson described the communications team as one example of a cross-departmental group of employees that worked together with increased efficiency. She said that part of the strategy to increase Metro efficiency crossed some departmental boundaries. Ideally, people were encouraged to talk to one another and work together in a better way. She said the effort was not designed simply to make people feel good about working at Metro. It was also designed to help them work better.

Councilor Bragdon said that he appreciated the emphasis on the environmental mission of the agency. But in terms of public outreach, he wanted the communications team to think about the positive commercial and economic programs and services provided by the agency. He said these were both components of which Metro ought to be proud. He said the agency should strive to ensure that Metro provided a positive commercial and economic impact.

He said he met with representatives from the Greater Louisville, Kentucky Chamber of Commerce. They were all private sector people who were very interested in the City of Portland's Industrial Sanctuary policy. He said they considered the Industrial Sanctuary a pro-business land use policy that had existed here. They considered emulating this policy in their part of the country. He said he also talked to them about the green spaces and other things, but this sanctuary policy was something they saw that was of value. The Atlanta Chamber of Commerce pushed their legislature to create a legislative body similar to Metro because they saw a commercial value to non-fragmented transportation policymaking.

He said Metro should also think about good business ideas, and what the agency could do to make a positive economic impact on the region. He said he didn't want a positive commercial and economic strategy to contradict the agency's environmental mission. Instead, he considered them complementary. He said he simply wanted to add a commercial and economic dimension to the communications effort.

Ms. Steele said when they talked about protecting the nature of the region, they were talking about the region's farm and forestland, parks, streams and other natural resources. But what they considered the nature of the region also included the urban ways, freight corridors, industrial sanctuaries, and the economic viability of the region. She said without economic viability the region would not have jobs, and people without jobs would have greater concerns. She said the unemployed worry about putting food on the table, not whether they can buy another thousand acres of open space land. She said the commercial and economic effect of Metro was something they were looking at.

She said Councilor Kvistad had brought the issue up before, and they tried to address it to some degree in their communications plan. It was something the team was aware of and they were looking for new ways to add to it. The communications team called their plan a living document. She said they expected to make changes and updates. She said when Metro Council changed policies the document would also change. They knew they would be adding programs, ideas and other items. They would continue to ask for information and feedback from the Metro Council. They knew the economic and business community was an important audience for the communications team to work with. She said it was also important for the Council to hear back from the economic and business community. They addressed and would continue to address that in greater fashion.

Councilor Washington asked if the communications team planned on updating the Council on a more frequent basis. He said if the communications strategy was going to change as things happened, perhaps a quarterly update to the council would be very important.

Ms. Steele said the team would be happy to brief the Council on a quarterly basis.

Motion to

Amend: **Councilor Atherton** moved to change Metro's slogan from "Creating livable communities" to "Serving livable communities."

Second: The amendment died from lack of a second.

Councilor Kvistad agreed that the slogan needed to be reviewed by the appropriate committee to discuss whether or not the slogan was what Metro wanted. He said the Council never voted on or discussed the slogan before it became part of Metro's documents. He thought it would be beneficial for the appropriate committee to have that discussion. He said the language of the slogan was a bigger issue that the Council should talk about.

Councilor Washington said Metro Operations would be the appropriate committee and he would be happy to bring it before that committee for discussion.

Presiding Officer Monroe said he would refer the issue of Metro's slogan to the Operations Committee.

Councilor Kvistad thanked John Donovan, Janice Larson and Beth Anne Steele for having met with him. He said Metro was a general service regional government not an environmental organization. He was concerned about how Metro had worked with businesses, and how the

agency had promoted business interests and a quality business environment in the Portland community. He said those issues were very important, and he knew the communications team had worked on that part of the plan. He wanted to be a positive resource, and would help refine and amend the communications plan. He wasn't comfortable with the latest version of the document. However, he didn't criticize some of the good work that he read in it. He said the plan didn't address some important issues, therefore, he couldn't vote in favor of it yet.

Councilor Park also thanked the staff. He saw the presentation they provided to MCCI. He said if the plan does nothing but stimulate discussion of what Metro does for the region, than it would still accomplish at least a portion of its task. The Oregonian article did not offend him. Instead, he said he was comfortable with Metro's outreach efforts. He wished the article had been longer and had covered all of Metro's services. He said the public should know the services that Metro was responsible for. He was also comfortable with the team's in-reach efforts. He said Metro employees should not only serve, but also inform, the public. Therefore, employees needed to be informed so they could provide accurate knowledge and information about Metro, and what the agency had done for the region and could do in the future. He said many businesses had reinvented themselves. They had empowered their employees from the top down. He questioned how many organizations had really involved their employees and staff in such a proactive fashion. He was very interested in those issues. He was also interested in how the communications team had been serving both the public externally and the staff internally.

Councilor Washington supported the plan and thanked the staff for their hard work. He said the team created the best communications plan he'd seen in his seven years with the Council. He considered it a major first step that had helped Metro develop a communications package and policies. However, he didn't consider it cast in stone. He noted that the team offered to brief the Council, and change or update the plan in the future, if necessary. Yet, he called it a good beginning document and a step in the right direction, even though the plan hadn't met everyone's needs.

Councilor McLain commended the excellent work by the staff and hoped that the Council voted in favor of the communications plan. She said what the Council was voting on was a living document. The current plan was only the backbone of Metro's communications strategy and had to be fleshed out. She also said the plan provided a good communications background, and a good beginning. As Councilor Park pointed out, the plan sparked conversations with the local jurisdictions and the public concerning what descriptive Metro information they needed to update. She said the Council allotted the communications team \$75,000 and asked them to present the council with a communications plan. She commended them for a job well done, especially their work product and outreach efforts. The communications tools used to put the plan together were costly, but the team was efficient and provided the foundations for an ongoing project.

She said the definition of the word "nature" and the nature of a community was not always a green nature. When the council looked at a community and protecting the positive factors of the community, those pieces included services and economic issues. She said the process involved not simply protection, but also maintenance of systems. Services also included the landfill, transfer stations, and recycling issues. She said she considered economic factors as well as the green scene, parks and environmental issues.

Vote: The vote was 5 aye/ 2 nay/ 0 abstain. The motion passed with Councilors Atherton and Kvistad voting nay.

9. PUBLIC HEARING ON URBAN GROWTH BOUNDARY ISSUES

Elaine Wilkerson, Growth Management Services Director, provided an overview of the Urban Growth Report update. (A copy of the update can be found in the permanent record of this meeting.) She explained the purpose of the update and why Metro was doing this analysis.

Councilor Kvistad said he did not believe the numbers were accurate. He wanted the record to reflect that he had severe concerns about the direction in which the council was moving, and the numbers they were using. He also didn't want the record to reflect that he accepted, from the beginning, the numbers that were presented to him. He felt very strongly that the numbers were not what they appeared to be. He said there was no intent by staff to fake the numbers, but he didn't believe they are accurate. He said it was the Council's responsibility to move forward with the numbers that they had in front of them as they made the decisions. He said Metro's Director of Land Use stated that the numbers were not fully fleshed out. Therefore, he feared that to step back and change the numbers in midstream would put Metro in jeopardy. He said Metro would soon be in court and would lose the decision. He said he couldn't change the minds of Council members regarding the direction they were going on this matter, but the direction the council was going was not a positive one and he didn't think it was in the agency's best interest. He said this may have been the only opportunity he would have, other than the final vote on the issue, to speak against the numbers. He said to delay the UGB depending on ESA was a cop out. He said the Council needed to finish the urban reserves decision.

Councilor Atherton said when he listened to Councilor Kvistad's comments he thought was inappropriate, at the current point in the process, to prejudge what the actions of the Council would be. He said they were in a deliberative mode and he was constantly challenging his assumptions and those of the staff to try to understand. He asked Ms. Wilkerson, in regard to the growth report, if she thought the forecast made in 1995 and adopted by the Council was still valid today.

Ms. Wilkerson said she thought that her staff was very close on their analysis of the 1998 residential production in relation to the forecast. She said they were just a very small percentage (less than 1 percent) off. She said the forecast that tracked residential production was very accurate. But she said on a year-to-year basis, it hasn't tracked jobs as effectively. She said they needed to look closer at that issue because of the capture rate and jobs/housing balance issues that the Council has talked about so often.

She didn't consider a few years of very healthy economic growth an indication that the entire forecast would be wildly inaccurate by 2017. She said some of the growth may simply have occurred faster than Metro anticipated or it may not. She said she didn't know yet. Through the peer review process they were going to do on the forecast, they will have a very good idea what type of economic assumptions they should make. She added that regarding some policy decisions that the Council will be getting involved in on the whole issue of economic development and where they should be pursuing growth, or not pursuing growth and instead stabilizing current growth, the question was: Was the forecast valid? She thought the forecast

was very valid at the time of the 1997 decision. She added that the update she presented only attempted to examine the scale of things. She said the conclusion of a 32,000 dwelling unit shortfall was very consistent with current statistics. She said the only significant difference was the placeholder. She also said the forecast was a reasonable basis for the Council to make decisions this year.

Councilor Atherton clarified his question. He was interested in the demand side of the forecast as well as the production capability. Although, he found it a bit offensive to consider his community as production, and didn't feel as if he was production, he understood the context. He said he asked the question once before of the demand forecast and wondered if there had been any change. He asked Ms. Wilkerson if the forecast included the current subsidies - the economic subsidies to growth provided to this state, region and most of the communities.

Ms. Wilkerson said she couldn't answer that question. She said she didn't work for Metro when the Council accepted the forecast. She said the forecast also went through the peer review process at that time. However, she said she could not answer Councilor Atherton's question. She said they discussed at a Growth Management Committee meeting some of the issues mentioned by Councilor Atherton. She said Dennis Yee was more involved in the forecast. She thought that the peer review process and the contributors to that forecast were aware of the general economic environment in which Metro has been functioning during the past 4-5 years. She suspected their forecast was not out of sync with the environment.

Councilor Atherton said he reviewed the base document on the process, the methodology, including the bivariate multiple regression econometric computer analysis, and it didn't include the ability to remove those subsidies as a factor. He thought that was still the case. So he didn't believe Metro would be able to forecast that.

Ms. Wilkerson said when the forecast is reevaluated this coming year the model can be recalibrated to make any policy assumptions that are necessary. She added that the peer group of economists they will use would be forecasting the economy they expect during the next 20 years. She said they would be trying to anticipate the types of policy changes that may occur in this region and nation. She added that much of the region's growth is related to economic factors that have affected the entire nation.

Councilor Atherton asked if the model included a consideration of change in the U.S. Government immigration policy over the 20-year period.

Ms. Wilkerson said she could not answer any questions specific to the model. She said she was not an expert, in terms of the model, but if he wanted to pursue it further she could arrange for him to speak with Dennis Yee.

Councilor McLain said because of the last questions asked of staff, it was important to remember what Council did and did not update. She said the forecast of population, which included immigration policy, was scheduled for Council review the next time around. However, she said the Council accepted the forecast of pop from 1997 and made those exceptions at the Growth Management Committee meeting for some very specific reasons. She said they could read the minutes and get those answers from Mr. Yee. She said the update included just what the Council saw from staff there today.

She added that Ms. Wilkerson said it was very consistent with the 1997 report. Although the bottom line was the same, the Council got there possibly a little bit different way. She said there were some elements of the report in 1997 that Ms. Wilkerson updated for consistency and there were some issues that Ms. Wilkerson double checked, because it was important to make sure Metro had calculated and not double calculated on particular issues. She asked Ms. Wilkerson to enlighten the councilors who couldn't be at the Growth Management Committee meetings about those issues, because the bottom line was consistent with the 1997 report. She said it didn't look much different.

Councilor Kvistad asked for a point of personal privilege. As a member of the Council, he felt that he had the right and responsibility to speak his mind on the issue. He felt that councilors were responding to him in a way that made him a bit uncomfortable and made him want to respond. He said if the Council wants to start a debate, that was fine and he could do that. Otherwise, he felt put upon to sit and listen to certain questions being asked that make him feel uncomfortable.

Councilor McLain said she wanted to have the answer, even if it was just for herself. She said if the rest of the people didn't want to hear the answer that was fine with her.

Presiding Officer Monroe reminded the Council that there were several individuals who had come to testify and they were waiting patiently to start the public hearing.

Councilor McLain said she had a question for staff. She asked them to describe some of the other ways that Metro arrived at the same number.

Ms. Wilkerson said that the easiest thing for her to do was return to the changes that occurred between the 1997 report and the update. She said her staff had a much more detailed view of vacant land than they ever had before because the air photos they evaluated were taken at a different elevation and were much clearer than photos taken previously. She said her staff saw vacant land they hadn't realized was vacant in the previous inventory. She said the vacant land inventory itself changed and was the new one was much more accurate.

She said that was one of the concerns that had been expressed previously by some of the appellants on the 1997 decision. She said the appellants argued that the inventory was not accurate enough. Recalculating the buildable land based on the Title 3 policy change made a dramatic change as well. The example of not up-zoning neighborhoods in previous reports, as we did in the 1997 report, reduced the capacity within the UGBN by 19,000 units. She said they initiated it at the staff level because they felt that was much more appropriate in light of the Regional 2040 Growth Concept and Metro Council's previous policy decisions.

She said that although they added and subtracted things, the balance, to everyone's surprise, including her own, was that those refinements, those things that they had done that were much more accurate had the same deficit in the end, pretty much as we found in 1997. She said the only thing they were doing was expressing 151,000 units as a placeholder because they had some uncertainty about future environmentally constrained land and Metro's regulation of environmentally constrained land. She said until that is determined, they felt it would be

inappropriate to act because they were advised by the state and Metro's legal counsel that the Title 3 adoption changed the rules for Metro.

She said according to the ORS, according to state laws, they should look at past experience to understand density and the calculation of capacity for the past 5 years or so. She said they also can look at new measures they've adopted to change the density or expectations. By adopting Title 3, Metro created a new measure, a new regulation, but at the same time they also know they are going to do more regulation and they hope to do more regulation in light of Metro's fish and wildlife habitat efforts. They certainly assumed that the deficit they've seen before the 32,000 would still exist. She said it's just a matter of how certain they would feel about proceeding to do UGB amendments in the short term.

Presiding Officer Monroe opened a public hearing on the Urban Growth Boundary issues.

Tom Aufenthie, 15674 Highpoint Drive, Sherwood, OR 97140, read his letter into the record. (A copy of this letter can be found in the permanent record of this meeting.)

Dan Tatman, 24351 SW Middleton Rd, Sherwood, OR 97140 commended the Council for their public service. He planned to be in attendance at all of the public hearings concerning Area 45. He also planned to speak regarding more issues than he could effectively present in the 3 minutes he was allotted during this hearing. He submitted a petition for the record he signed by 25 neighbors/property owners in the Middleton/Brookman portion of Area 45. He said the petitioners did not want to be included in the Urban Growth Boundary expansion. He said approximately 33 property owners on Ladd Hill Road had signed a similar petition. He said some of these people signed the petitions because they wanted to be left alone to enjoy their home and neighborhood. Others signed the petitions because they said they were not notified about the possible growth boundary changes that they were very concerned about. He said he heard that an outside realtor and developer organized a group called Friends of Area 45 months ago for the explicit purpose of expanding. He noted that Area 45 had many complex issues, both for and against expansion. He asked if Area 45 was outside of Metro's jurisdiction didn't there need to be a vote of the landowners to include it in the boundary. He wanted to demonstrate to the Council that there were too many questions at this time to add Area 45. He said leaving Area 45 in reserve did not stop the planning process, it gave those who wanted to plan the area wisely the time to do so without pressure by special interest groups to rush ahead. He asked the Council to give the people involved time to put together a solid plan that would meet Metro's goals and their dreams. He asked the Council to exercise their authority and require Sherwood to have a completed comprehensive plan before voting Area 45 into the growth boundary.

Councilor Atherton asked Mr. Tatman how his state representative voted on HB 2709 and HB 2463 to force the 20 year land supply.

Mr. Tatman did not have that information.

Councilor Atherton said he would supply that information if Mr. Tatman wanted it. He said this was not a Metro choice, it was a state mandate they had to deal with. He asked Mr. Aufenthie what happened if the citizens voted not to annex an area.

Mr. Aufenthie responded that the area would not be brought into the City of Sherwood.

Councilor Atherton said that was not exactly true because the Council had voted last week to amend the Metro Code to basically force Sherwood to serve the area whether they wanted to or not.

Mr. Aufenthie was not aware of that fact.

Mr. Tatman said the main push was to leave the area in reserve until the decisions had been resolved. He understood that as long as it was in reserve, the area could not be annexed either way, but it could if it was in growth.

Councilor Atherton said if it didn't happen in Area 45, where else should it, because lots of people were saying the very same thing.

Councilor McLain, as Chair of the Growth Management Committee, offered a copy of the Metro Code passed last week to both citizens for their review. She did not want to get into it now, but wanted them to have the document and said she would be happy to discuss it on the telephone later.

Presiding Officer Monroe added that they could gather all the information they needed from the Council office or the Growth Management Department..

Mary Kyle McCurdy, 1000 Friends of Oregon, read her letter addressing the urban growth report and its implications into the record (a copy of which may be found in the permanent record of this meeting).

Kelly Ross, Homebuilders Association, said he would present detailed written testimony at the next hearing, but came today to express general support for Option II. He cited two reasons for not wanting to request an extension. One, they did not believe there was good cause to justify failing to meet the deadline. He said there would always be uncertainties in the future. Two, if the UGB hinged on the Goal 5 work, it may set up a predisposition toward whatever comes from staff and you may be forced into a timeframe that would not allow sufficient time for public comment or analysis from the parties involved. He said they would like to see it be objectively analyzed without hinging on the UGB debate. If there were changes after that there was nothing to stop Council from reopening the process and making those changes. He said they also believed there had been good cause developed on areas open for question in the UGR, which they would present at a later hearing. He said there was reason to question whether there would be full development on larger size lots that already had high value homes on them. He also questioned whether there would be future development at the same pace as in the past on steep slopes and flood plains, and whether it was reasonable to not allocate additional land for the needs of higher education, preschools and private educational facilities with the future projected population. He wondered whether it was reasonable to assume that a 3,000 acre strip 150' wide would develop to the same capacity as a 3,000 acre square which was basically the assumption on the placeholder lands. He expressed concern about the intent of Metro to not update the housing needs analysis when they updated the Urban Growth Report. He hoped as Council was making changes to the UGR and felt the need to update that report with refreshed data that they would also look at the housing needs analysis and update those assumptions, forecasts and calculations as well.

Councilor Atherton asked both speakers about their respective organization's view on the 20 year land supply and its building livable communities.

Mr. Ross said they very much supported the state mandate and felt it was a viable process for making livable communities.

Councilor Atherton asked if that was the case even if the community felt they were built out because they had planned for a certain size.

Mr. Ross responded that the State of Oregon had required urban growth boundaries and interjected themselves into local land use planning for areas outside the urban growth boundary. He felt if that was the case outside the boundary, it was reasonable to have it be the case inside the boundary as well.

Councilor Atherton asked about the smaller towns

Ms. McCurdy clarified it was 2,500 population or growth exceeding the state average in 3 of the last 5 years so that captured most of the smaller cities. In response the 20 year land supply question, she responded that 1,000 Friends had not supported 20 years as an across the board requirement because they felt there were individual characteristics for different communities. She felt there were more things that could be done inside the UGB to use land more efficiently beyond the functional plan. She noted that Metro had gone farther than any other jurisdiction to look at other ways to address how to use existing land supply more efficiently.

Councilor Atherton asked if 1,000 Friends had explored any of the ramifications of starting new communities.

Ms. McCurdy said their only experience starting new communities was Rajnish Puram and it had not worked out very well.

Councilor Atherton asked Mr. Ross if Homebuilders had explored any of the issues regarding new communities.

Mr. Ross said they had neither the time nor the resources to delve into that debate.

Councilor Kvistad responded that Ms. McCurdy's comment was where they were 6 years ago debating 2040. The concept was how they developed inside and how to grow better. The problem he saw was that they were emphasizing and politicizing the edge at the expense of what was inside. He wanted everyone to keep in mind the points of agreement as they moved through the debate.

Ms. McCurdy wondered if UGB expansions were frozen for a time and the Council's energy was focused on how to make it work better inside the UGB if they would not have been a lot farther ahead at this time.

Councilor Kvistad commented that was where the difference was. He felt if they finished the expansion that their numbers showed, that was exactly what they should consider in the future. He wanted to finish the work they had started already.

Councilor Park also felt that was the crux of the argument, that one portion of 2709 required them to be good bean counters so their focus was lost. He asked if Mr. Ross still supported the criteria in 2709 which laid out which lands first.

Mr. Ross said they had not discussed any opposition to it.

Councilor Park addressed his question to Ms. McCurdy

Ms. McCurdy said they supported bringing in exception lands first, farm lands last.

Councilor Atherton asked Mr. Ross if recent discussion about "the edge" of the boundary. He wondered if having much lower densities of housing at the edge was a good place for upscale housing and if that would be consistent with the 2040 Plan.

Mr. Ross said one the concepts they had supported strongly was a variety of housing. He thought those planning decisions should be made by local governments, not dictated by Metro.

Councilor Atherton wondered how that was consistent with Mr. Ross' notion of a continually moving urban growth boundary for a 20-year supply. He wondered if a community were thin on the edge when they had to expand, would they plan thinner farther out or get a new community.

Mr. Ross thought a proper role for Metro once you got into those kinds of decisions, was to keep an eye on the big picture and make sure that not all communities developed to that nature.

Lee Leighton, Westlake Consultants, reported that they planned to be able to share the concept plan for the Sherwood area in January. He said about 150 people showed up for their first open house, which surprised them. He said there was tremendous interest in the planning process. Westlake's aim was to help plan how the area could best be urbanized at some point in the future. As a citizen, he shared some concerns about impacts on housing access and affordability that he thought were in the background of the growth report. He agreed that attention paid to 2040 centers was critical and they remained the cornerstone of all of the planning, but added that perceptions about the market really did affect the price of the land and housing affordability. That concerned him because he had seen the economic profiles of residents of the region shifting during this growth curve. He said it was very clear there had been a gentrification process at work in the region in some areas. To the extent that policies create market impressions that drive up market prices, he feared it would accelerate and further that trend. He said the 3.8% assumption for accessory units worked out to approximately 1 per 25-26 units. He felt in the aggregate, that was probably very achievable. He thought some communities would welcome them and others would exclude them. Updating statistics with respect to recent market performance and experience made sense regarding refill, but you had to keep in mind they were coming off the heels of a prolonged slow housing market since the '80s. he said a lot of the refill had occurred on sites that had been aging for quite a long time. He said it was getting harder to find properties that hadn't risen with the market or already been fixed up by their owners. The he

wanted to know how long that rate could be sustained. He did not think it could play out at the same pace for an extended period for time quite that way.

Councilor Park asked Mr. Leighton if he would prefer to figure out a way to limit price increases for houses somehow, or find a way to keep values down, or a way to figure out policies to drive the value of housing down.

Mr. Leighton politely objected to the narrow framing of the question. He thought there were other available choices. He found research about land price inflation in communities without urban growth boundaries interesting. He did not necessarily buy into the notion that the UGB was single handedly responsible for driving up housing costs. He did believe there was a substantial perceptual aspect of that. He said Metro had to be careful of the message they were sending people in the region about managing the future land supply. He was concerned about sending mixed messages. He didn't think trying to establish regulatory government controls on housing prices would be productive because some of those aspects were simply cost driven. He noted that you couldn't compel people to run a business at a negative profit. He was not convinced price controls would work. He was thinking more of the perceptions created in the marketplace as a result of the current debate.

Councilor Park said his intent was not to offend. He was not sure how they would address the perception of scarcity or prices going up.

Mr. Leighton noted the assumption in the projections regarding the availability of alternative pieces of land. He recalled a 2 to 1 market assumption where 2 acres of land was calculated for every acre projected to allow for market competitiveness and provide for options and alternatives. He said that didn't seem to fit with people's perceptions of what land was actually available. He felt it might make sense to adjust the variable assumption a little bit.

Councilor Park noted that a debate the Council may have at a future time would be whether the 20-year land supply was the important question or was it the 5 year available land that was the question in the perception.

Presiding Officer Monroe closed the public hearing.

10. COUNCILOR COMMUNICATION

Presiding Officer Monroe announced that the Monday budget work session at the Convention Center. He noted lunch would be provided. Tuesday afternoon would be the Council informal meeting in the annex and that afternoon at 5:00 PM would be the public hearing in Milwaukie. He said lunch would be provided there, also, and Councilor Bragdon had directions to Milwaukie City Hall for anyone who needed them.

Councilor Kvistad noted that the council had not taken any action on recycled paint for non-profits and neighborhood associations. He thought the general policy of the department had changed and he asked for Council's position. He knew of one neighborhood association and one local government who would probably be asking Council to donate the paint for their graffiti removal and/or civic maintenance. He had been told that the auditor had come forward with recommendations and the department had changed the policy. He said if the Council had no

objections, if the entities actually brought a request he might ask Council to donate the paint to their efforts. He specifically asked Councilor Washington as chair of the REM committee.

Presiding Officer Monroe said his understanding was the new system was 2 tiered and had one rate for anyone, and a much lower rate for non-profits

Councilor Kvistad said fees had been waived for solid waste pick ups and for groups wanting dumpsters, but graffiti removal or civic improvement was different and they did not have a policy on it. He said it was something they had done in the past.

Presiding Officer Monroe said it was an appropriate topic for Councilor Washington's REM committee to take up.

Councilor Washington remembered that the issue had been before the committee

Councilor Kvistad said the Auditor had brought a report to the Council but no action had been taken on it. He did not think there was a problem with it, he wanted to know if there would be objection of the request were to come forward asking for the donation.

Councilor Washington said he did not have a problem with such a request.

Presiding Officer Monroe commented that the auditor had recommended the paint be made into a money making endeavor to recover costs though it had never been a policy of Metro to do so.

Councilor Kvistad said he would follow up with the groups and if they had a request he would bring it back to Council through Councilor Washington's committee.

Presiding Officer Monroe suggested a brief presentation before the REM Committee and Councilor Washington welcomed it.

Councilor Park asked Mr. Stone for an update on Civic Stadium.

Jeff Stone, Chief of Staff, said reported in the Willamette Week, a request for a time extension made by the Portland Family Entertainment (PFE) group was granted by the City Council. Whether or not PFE would be able to meet their December deadline was unclear.

Councilor Park asked how long an extension was granted.

Mr. Stone said he had a call in to Sam Adams at City Hall to find out the exact timeline.

Councilor Atherton asked for a lobbyist update.

Mr. Stone said they were meeting with PacWest about talking to legislators during the interim, as well as asking legislators to come learn more about Metro. He noted that there were still legislators who actually thought Metro ran Tri-Met. He said Council would be receiving regular updates consistent with what had already been outlined.

11. ADJOURN

There being no further business to come before the Metro Council, Presiding Officer Monroe adjourned the meeting at 4:28 p.m.

Prepared by,

Chris Billington
Clerk of the Council

Document Number	Document Date	Document Title	TO/FROM	RES/ORD
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Agenda Item Number 7.1

Ordinance No. 99-820, For the Purpose of Granting a New Metro Yard Debris Composting Facility License to Clackamas Compost Products, LLC and Rescinding License Number YD-0197, and Declaring an Emergency.

First Reading

Metro Council Meeting
Thursday, October 14, 1999
Council Chamber

BEFORE THE METRO COUNCIL

FOR THE PURPOSE OF GRANTING A NEW YARD DEBRIS	) ORDINANCE NO. 99-820
COMPOSTING FACILITY LICENSE TO)
CLACKAMAS COMPOST PRODUCTS, LLC)
TO OPERATE A YARD DEBRIS COMPOSTING FACILITY,)
AND RESCINDING LICENSE NUMBER YD-0197, AND	) Introduced by Mike Burton,
DECLARING AN EMERGENCY	) Executive Officer

WHEREAS, on December 19, 1996 the Metro Council approved Ordinance No. 96-666 for the purpose of authorizing the Executive Officer to enter into a Licensing Agreement for a yard debris processing facility with the Scotts Hyponex Corporation located at 11620 SE Capps Road in Clackamas Oregon; and

WHEREAS, on May 6, 1999 the Metro Council approved Ordinance No. 99-796 for the purpose of authorizing the Executive Officer to transfer the License Agreement with Scotts Hyponex (No. YD-0917) to Clackamas Compost Products, Inc. to continue operating the composting operation located at 11620 SE Capps Road in Clackamas; and

WHEREAS, Clackamas Compost Products, LLC (a new facility owner and operator) has taken over the operations from Clackamas Compost Products, Inc. at 11620 SE Capps Road in Clackamas; and

WHEREAS, Clackamas Compost Products, LLC has filed a new license application for the composting operation pursuant to Metro Code Section 5.01.060; and

WHEREAS, Clackamas Compost Products, LLC has provided the information required in the application in the form specified by the Executive Officer; and

WHEREAS, The Executive Officer has reviewed the application of Clackamas Compost Products, LLC as required by Metro Code Sections 5.01.067(a) through (d); and

WHEREAS, the Executive Officer has formulated recommendations on the criteria listed in Metro Code Section 5.01.060; and

WHEREAS, the facility is an existing operation providing necessary services to the public and has organic materials on-site; and

WHEREAS, nuisance impacts from yard debris processing facilities such as odor, dust and noise can adversely affect the health, safety, and welfare of the public; and

WHEREAS, the purpose of the licensing agreement is to protect the health, safety, and welfare of Metro area residents; and

WHEREAS, the Council finds that it is necessary for the welfare of the Metro area that this ordinance take effect immediately, pursuant to Sections 37 (2) and 39 (1) of the Metro Charter; and

WHEREAS, the Executive Officer has recommended that the new facility license be granted, and the previous facility license (No. YD-0197) be rescinded and has forwarded these recommendations to the Council as required by Metro Code Section 5.01.067(d); now therefore,

THE METRO COUNCIL ORDAINS AS FOLLOWS:

1. The Council authorizes the Executive Officer to enter into the License Agreement for a yard debris composting facility, in a form substantially similar to the form attached as Exhibit A, subject to the terms, conditions, and limitations contained therein.
2. The Council authorizes the Executive Officer to rescind Metro Yard Debris Composting Facility License No. YD-0197, dated March 6, 1997, originally granted to The Scotts Hyponex Corporation and subsequently transferred to Clackamas Compost Products, Inc.
3. An emergency having been declared because nuisance impacts from yard debris processing facilities (e.g. odor, dust and noise) can adversely affect the health, safety, and welfare of the public; and the purpose of the licensing agreement is to protect the health, safety, and welfare of Metro area residents; this ordinance shall take effect immediately pursuant to Section 39(1) of the Metro Charter.

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

Rod Monroe, Presiding Officer

ATTEST:

Approved as to Form:

Recording Secretary

Daniel B. Cooper, General Counsel

BM:
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EXHIBIT A

METRO COMPOST FACILITY LICENSE

Number YD-013-99

Issued to Clackamas Compost Products, LLC

Issued by

Metro

600 NE Grand Avenue

Portland, OR 97232

Telephone: (503) 797-1650

Issued in accordance with the provisions of Metro Code Chapter 5.01

LICENSEE: Clackamas Compost Products, LLC (Attn: Casey Stroupe) 20200 SW Stafford Road Tualatin, Or 97062 Tel.: (503) 638-1011 Fax: 638-0754	FACILITY NAME AND LOCATION: Clackamas Compost Products, LLC 11620 SE Capps Road Clackamas, OR 97015
OPERATOR: Clackamas Compost Products, LLC (Attn: Casey Stroupe) 20200 SW Stafford Road Tualatin, Or 97062 Tel.: (503) 638-1011 Fax: 638-0754	PROPERTY OWNER: Emmert International Division of Emmert Industrial Corp. 118 SE Highway 212 Clackamas, OR 97015

This license is granted to the licensee named above and may not be transferred without the prior written approval of the Executive Officer. Subject to the conditions stated in this license document, the licensee is authorized to operate and maintain a yard debris composting facility, and to accept the solid wastes and perform the activities authorized herein.

License begins: _____

Expiration: _____

METRO

Clackamas Compost Products, LLC

Signature

Signature of Licensee

Mike Burton, Metro Executive Officer

Print name and title

Date

Date



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**1.0 ISSUANCE**

- 1.1 Licensee** Clackamas Compost Products, LLC
20200 SW Stafford Road
Tualatin, OR 97062
Tel.: (503) 638-1011 Fax: 638-0754
- 1.2 Contact** Casey Stroupe, President
- 1.3 License Number** Metro Yard Debris Composting Facility License Number **YD-013-99**
- 1.4 Term** License effective: _____
License expires: _____
- 1.5 Facility name and mailing address** Clackamas Compost Products, LLC
11620 SE Capps Road
Clackamas, OR 97015
- 1.6 Operator** Clackamas Compost Products, LLC
(Attn: Casey Stroupe)
20200 SW Stafford Road
Tualatin, Or 97062
Tel.: (503) 638-1011 Fax: 638-0754
- 1.7 Facility legal description** Section 15, Township 2S, Range 2E, Willamette Meridian
Clackamas County, State of Oregon
- 1.8 Property owner** Emmert International
Division of Emmert Industrial Corp.
118 SE Highway 212
Clackamas, OR 97015
- 1.9 Permission to operate** Licensee warrants that it has obtained the property owner's consent to operate the facility as specified in this license.



2.0 CONDITIONS AND DISCLAIMERS

- | | | |
|------------|------------------------------|--|
| 2.1 | Guarantees | The granting of this license shall not vest any right or privilege in the licensee to receive specific quantities of solid waste at the direction of Metro during the term of the license. |
| 2.2 | Non-exclusive license | The granting of this license shall not in any way limit Metro from granting other solid waste licenses within the District. |
| 2.3 | Property rights | The granting of this license does not convey any property rights in either real or personal property, nor does it authorize any injury to private property or invasion of property rights. |
| 2.4 | No recourse | The licensee shall have no recourse whatsoever against the District or its officials, agents or employees for any loss, costs, expense or damage arising out of any provision or requirement of this license or because of the enforcement of the license or in the event the license or any part thereof is determined to be invalid. |
| 2.5 | Release of liability | Metro, its elected officials, employees, or agents do not sustain any liability on account of the granting of this license or on account of the construction, maintenance, or operation of the facility pursuant to this license. |
| 2.6 | Binding nature | The conditions of this license are binding on the licensee. The licensee is liable for all acts and omissions of the licensee's contractors and agents. |
| 2.7 | Waivers | To be effective, a waiver of any terms or conditions of this License must be in writing and signed by the Metro Executive Officer. |
| 2.8 | Effect of waiver | Waiver of a term or condition of this License shall not waive nor prejudice Metro's right otherwise to require performance of the same term or condition or any other term or condition. |
| 2.9 | Choice of law | The License shall be construed, applied and enforced in accordance with the laws of the State of Oregon. |



- | | | |
|-------------|-------------------------------|---|
| 2.10 | Enforceability | If any provision of this License is determined by a court of competent jurisdiction to be invalid, illegal or unenforceable in any respect, the validity of the remaining provisions contained in this License shall not be affected. |
| 2.11 | License not a waiver | Nothing in this license shall be construed as relieving any owner, operator, or licensee from the obligation of obtaining all required permits, licenses, or other clearances and complying with all orders, laws, regulations, reports or other requirements of other regulatory agencies. |
| 2.12 | License not limiting | Nothing in this license is intended to limit the power of a federal, state, or local agency to enforce any provision of law relating to the solid waste facility that it is authorized or required to enforce or administer. |
| 2.13 | Inadvertent composting | Nothing in this license is intended to authorize or establish standards or otherwise approve of inadvertent composting resulting from the storage of organic materials. |
| 2.14 | Definitions | Unless otherwise specified, all other terms are as defined in Metro Code Chapter 5.01. |

3.0 AUTHORIZATIONS

- | | | |
|------------|---|---|
| 3.1 | Purpose | This section of the license describes the wastes that the licensee is authorized to accept at the facility, and the activities the licensee is authorized to perform at the facility. |
| 3.2 | General conditions on solid wastes | The licensee is authorized to accept at the facility only the solid wastes described in this section. The licensee is prohibited from knowingly receiving any solid waste not authorized in this section. |
| 3.3 | General conditions on activities | The licensee is authorized to perform at the facility only those activities that are described in this section. |
| 3.4 | Authorized materials | The licensee is authorized to accept source-separated yard debris, leaves from municipal collection programs, landscape waste, and clean wood wastes (e.g.: untreated lumber and wood pallets). No other wastes shall be accepted at the Facility unless specifically authorized in writing by the Executive Officer. |



4.0 LIMITATIONS AND PROHIBITIONS

- | | | |
|------------|--|--|
| 4.1 | Purpose | This section of the license describes limitations and prohibitions on the wastes handled at the facility and activities performed at the facility. |
| 4.2 | Prohibited waste | The Licensee is prohibited from receiving, processing or disposing of any solid waste not authorized in this License. The licensee shall not knowingly accept or retain any material amounts of the following types of wastes: materials contaminated with or containing friable asbestos; lead acid batteries; liquid waste for disposal; vehicles; infectious, biological or pathological waste; radioactive waste; hazardous waste; or any waste prohibited by the DEQ. |
| 4.3 | No disposal of recyclable materials | Source-separated recyclable materials, yard debris or organic materials accepted at the facility may not be disposed of by landfilling. |
| 4.4 | Limits not exclusive | Nothing in this section of the license shall be construed to limit, restrict, curtail, or abrogate any limitation or prohibition contained elsewhere in this license document, in Metro Code, or in any federal, state, regional or local government law, rule, regulation, ordinance, order or permit. |

5.0 OPERATING CONDITIONS

- | | | |
|------------|---------------------------|--|
| 5.1 | Purpose | This section of the license describes criteria and standards for the operation of the facility. |
| 5.2 | Qualified Operator | The licensee shall provide an operating staff qualified to carry out the functions required by this license and to otherwise ensure compliance with Metro Code Chapter 5.01. |
| 5.3 | Operating plan | The licensee shall establish and follow procedures for accepting, managing and processing loads of solid waste received at the facility. Such procedures must be in writing and in a location where facility personnel and the Executive Officer can readily reference them. The licensee may, from time to time, modify such procedures. The procedures shall include at least the following: |



- a. Methods of inspecting incoming loads for the presence of prohibited or unauthorized waste.
- b. Methods for managing and transporting for disposal at an authorized disposal site each of the prohibited or unauthorized wastes if they are discovered at the facility.
- c. Objective criteria for accepting or rejecting loads.
- d. Methods for measuring and keeping records of incoming waste
- e. A general description of any treatment the wastes will receive prior to processing (e.g., chipping, shredding) and the maximum length of time required to process each day's receipt of waste into windrows or other piles.
- f. The specifications to which the windrows or other piles will be constructed (width, height, and length) and calculation of the capacity of the facility.
- g. An estimate of the length of time necessary to complete the process.
- h. Methods for monitoring and adjusting temperature, oxygen level and moisture level of the material during processing.

5.4 Capacity

Storage and handling capacities shall not be exceeded. The facility shall have sufficient processing capacity to handle projected incoming volumes of materials. Facility design shall address specific capacity and storage issues, including:

- a. Capacity for incoming wastes waiting to be processed.
- b. Capacity for proper handling, storage, and removal of hazardous or other non-permitted wastes delivered to or generated by the facility.
- c. Capacity for finished product storage.

5.5 Fire prevention

The operator shall provide fire prevention, protection, and control measures, including but not limited to, temperature monitoring of windrows, adequate water supply for fire suppression, and the isolation of potential heat sources and/or flammables from the composting pad/processing area.

5.6 Adequate vehicle accommodation

Vehicles containing landscape waste or yard debris feedstock/waste shall not park or queue on public streets or roads except under emergency conditions. Adequate off-street parking and queuing for vehicles shall be provided.



5.7 Managing authorized wastes

All authorized solid wastes received at the facility must be either (a) processed, (b) appropriately stored, or (c) properly disposed of, within a timeframe that avoids creating nuisance conditions or safety hazards.

5.8 Storage

Stored materials and solid wastes shall be suitably contained and removed at sufficient frequency to avoid creating nuisance conditions or safety hazards. Storage areas must be maintained in an orderly manner and kept free of litter.

5.9 Litter and airborne debris

The licensee shall operate the facility in a manner that is not conducive to the generation of litter and airborne debris. The licensee shall:

- a. Take reasonable steps to notify and remind persons delivering solid waste to the facility that all loads must be suitably secured to prevent any material from blowing off the load during transit.
- b. Construct, maintain, and operate all vehicles and devices transferring or transporting solid waste from the facility to prevent leaking, spilling or blowing of solid waste on-site or while in transit.
- c. Keep all areas within the site and all vehicle access roads within $\frac{1}{4}$ mile of the site free of litter and debris.

5.10 Odor

The licensee shall operate the facility in a manner that is not conducive to the generation of odors. The licensee shall:

- a. Clean the areas and equipment that come into contact with solid waste on a regular basis.
- b. Establish and follow procedures for minimizing odor at the facility. Specific measures an operator shall take to control odor include but are not limited to adherence to the contents of a required odor minimization plan (see Section 6.0). Such procedures must be in writing and in a location where facility personnel and Metro inspectors can readily reference them. The licensee may modify such procedures from time to time. The procedures shall include at least the following: (1) methods that will be used to minimize, manage, and monitor all odors of any derivation including malodorous loads received at the facility, (2) procedures for receiving and recording odor complaints, and (3) procedures for immediately investigating any odor



complaints in order to determine the cause of odor emissions, and promptly remedying any odor problem at the facility.

- 5.11 Vectors** The licensee shall operate the facility in a manner that is not conducive to infestation of rodents, insects, or other animals capable of transmitting, directly or indirectly, infectious diseases to humans or from one person or animal to another.
- 5.12 Noise** The licensee shall operate the facility in a manner that controls the creation of excessive noise to the extent necessary to meet applicable regulatory standards and land-use regulations.
- 5.13 Water quality** The licensee shall operate and maintain the facility to prevent contact of solid wastes with stormwater runoff and precipitation. Methods must be consistent with the controlling agency (local jurisdiction and DEQ).
- 5.14 Public Access** Public access to the facility shall be controlled as necessary to prevent unauthorized entry and dumping.
- 5.15 Signage** The licensee shall post signs at all public entrances to the facility, and in conformity with local government signage regulations. These signs shall be easily and readily visible, legible, and shall contain at least the following information:
- a. Name of the facility
 - b. Address of the facility;
 - c. Emergency telephone number for the facility;
 - d. Operating hours during which the facility is open for the receipt of authorized waste;
 - e. Fees and charges;
 - f. Metro's name and telephone number 797-1650; and
 - g. A list of all authorized and prohibited wastes.
- 5.16 Complaints** The licensee shall respond to all written complaints on nuisances (including, but not limited to, blowing debris, fugitive dust or odors, noise, traffic, and vectors). If licensee receives a complaint, licensee shall:
- a. Attempt to respond to that complaint within one business day, or sooner as circumstances may require, and retain documentation of unsuccessful attempts; and



- b. Log all such complaints by name, date, time and nature of complaint. Each log entry shall be retained for one year and shall be available for inspection by Metro.

**5.17 Access to
license
document**

The licensee shall maintain a copy of this Metro Solid Waste Facility License on the facility's premises, and in a location where facility personnel and Metro representatives have ready access to it.

6.0 ODOR MINIMIZATION PLAN

6.1 Purpose

This section describes the minimum requirements that must be contained in an odor minimization plan.

**6.2 Plan
requirements**

The operator shall have an odor minimization plan. The plan must include methods to minimize, manage and monitor all odors, including odors produced by grass clippings. The plan must include:

- a. A management plan for malodorous loads;
- b. Procedures for receiving and recording odor complaints, immediately investigating any odor complaints to determine the cause of odor emissions, and remedying promptly any odor problem at the facility;
- c. Additional odor-minimizing measures, which may include the following:
 - (1) Avoidance of anaerobic conditions in the composting material;
 - (2) Use of mixing for favorable composting conditions;
 - (3) Formation of windrow or other piles into a size and shape favorable to minimizing odors; and
 - (4) Use of end-product compost as cover to act as a filter during early stages of composting.
- d. Specification of a readily-available supply of bulking agents, additives or odor control agents.
- e. Procedures for avoiding delay in processing and managing landscape waste and yard debris during all weather conditions.
- f. Methods for taking into consideration the following factors prior to turning or moving composted material:
 - (1) Time of day;
 - (2) Wind direction;
 - (3) Percent moisture;



- (4) Estimated odor potential; and
- (5) Degree of maturity.

- 6.3 Grass clippings** Grass clippings must be processed in a timely manner to avoid nuisance conditions.
- 6.4 Carbon source storage** Incoming leaves, brush or woody landscape waste may be stored in designated areas for use as a carbon source and bulking agent, rather than being processed into windrows or other piles.
- 6.5 Odor complaint panel** If odors at the facility become a significant source of nuisance complaints, processor shall work with a Metro appointed odor complaint panel. The odor complaint panel will investigate odor complaints to determine their validity and sources and will help the processor with solutions to the nuisance complaints. The odor complaint panel may consist of representatives from Metro, DEQ, the local government, the processing industry and citizen representatives.

7.0 RECORD KEEPING AND REPORTING

- 7.1 Purpose** This section of the license describes the record keeping and reporting requirements. The Licensee shall effectively monitor facility operation and maintain accurate records of the information described in this section.
- 7.2 Feedstocks received** Estimated amount of feedstock received and quantity of product produced at the facility. Records shall be reported to Metro no later than thirty (30) days following the end of each quarter. The report shall be signed and certified as accurate by an authorized representative of licensee.
- 7.3 Special occurrences** Records of any special occurrences encountered during operation and methods used to resolve problems arising from these events, including details of all incidents that required implementing emergency procedures.
- 7.4 Nuisance complaints** Records of any public nuisance complaints (e.g. noise, dust, vibrations, litter) received by the operator, including:
 - a. The nature of the complaint;
 - b. The date the complaint was received;



- c. The name, address, and telephone number of the person or persons making the complaint; and
- d. Any actions taken by the operator in response to the complaint.

- 7.5 Record of complaints and responses** For every odor complaint received, the licensee shall record the date, time, and nature of any action taken in response to an odor complaint, and record such information within one business day after receiving the complaint. Records of such information shall be made available to Metro and local governments upon request.
- 7.6 Regulatory information submittals** The licensee shall submit to Metro duplicate copies of regulatory information submitted to the DEQ and local jurisdictions pertaining to the facility, within 30 days at the same time of submittal to DEQ and/or a local jurisdiction.

8.0 FEES AND RATE SETTING

- 8.1 Purpose** This section of the license specifies fees payable by the licensee, and describes rate regulation by Metro.
- 8.2 Annual fee** The licensee shall pay a \$300 annual license fee, as established in Metro Code Chapter 5.01. Metro reserves the right to change the license fee at any time by action of the Metro Council.
- 8.3 Fines** Each violation of a license condition shall be punishable by fines as established in Metro Code Chapter 5.01. Each day a violation continues constitutes a separate violation. Metro reserves the right to change fines at any time by action of the Metro Council.
- 8.4 Rates not regulated** The tipping fees and other rates charged at the facility are exempt from rate regulation by Metro.
- 8.5 Metro fee imposed on disposal** The licensee is liable for payment of the Metro Regional System Fee on any solid wastes delivered to a disposal site, unless these solid wastes are exempted by Metro Code Chapter 5.01.



9.0 INSURANCE REQUIREMENTS

- | | | |
|------------|--|---|
| 9.1 | Purpose | The section describes the types of insurance that the licensee shall purchase and maintain at the licensee's expense, covering the licensee, its employees, and agents. |
| 9.2 | General liability | The licensee shall carry broad form comprehensive general liability insurance covering bodily injury and property damage, with automatic coverage for premises, operations, and product liability. The policy shall be endorsed with contractual liability coverage. |
| 9.3 | Automobile | The licensee shall carry automobile bodily injury and property damage liability insurance. |
| 9.4 | Coverage | Insurance coverage shall be a minimum of \$500,000 per occurrence. If coverage is written with an annual aggregate limit, the aggregate limit shall not be less than \$1,000,000. |
| 9.5 | Additional insureds | Metro, its elected officials, departments, employees, and agents shall be named as ADDITIONAL INSURED. |
| 9.6 | Worker's Compensation Insurance | The licensee, its subcontractors, if any, and all employers working under this license, are subject employers under the Oregon Workers' Compensation Law shall comply with ORS 656.017, which requires them to provide Workers' Compensation coverage for all their subject workers. Licensee shall provide Metro with certification of Workers' Compensation insurance including employer's liability. If licensee has no employees and will perform the work without the assistance of others, a certificate to that effect may be attached in lieu of the certificate showing current Workers' Compensation. |
| 9.7 | Notification | The licensee shall give at least 30 days written notice to the Executive Officer of any lapse or proposed cancellation of insurance coverage. |

10.0 ENFORCEMENT

- | | | |
|-------------|----------------------------------|--|
| 10.1 | Generally | Enforcement of this license shall be as specified in Metro Code. |
| 10.2 | Authority vested in Metro | The power and right to regulate, in the public interest, the exercise of the privileges granted by this license shall at all times be vested in Metro. Metro reserves the right to establish or amend rules, |



regulations or standards regarding matters within Metro's authority, and to enforce all such requirements against licensee.

10.3 Inspections

The Executive Officer may make such inspection or audit as the Executive Officer deems appropriate, and shall be permitted access to the premises of the facility at all reasonable times during business hours with or without notice or at such other times with 24 hours notice to assure compliance with this license, Metro Code, and administrative procedures adopted pursuant to Metro Code Chapter 5.01.

10.4 No Enforcement Limitations

Nothing in this license shall be construed to limit, restrict, curtail, or abrogate any enforcement provision contained in Metro Code or administrative procedures adopted pursuant to Metro Code Chapter 5.01, nor shall this license be construed or interpreted so as to limit or preclude Metro from adopting ordinances that regulate the health, safety, or welfare of any person or persons within the District, notwithstanding any incidental impact that such ordinances may have upon the terms of this license or the licensee's operation of the facility.

11.0 MODIFICATIONS

11.1 Modification

At any time during the term of the license, either the Executive Officer or the licensee may propose amendments or modifications to this license.

11.2 Modification, suspension or revocation by Metro

The Executive Officer may, at any time before the expiration date, modify, suspend, or revoke this license in whole or in part, in accordance with Metro Code Chapter 5.01, for reasons including but not limited to:

- a. Violation of the terms or conditions of this license, Metro Code, or any applicable statute, rule, or standard;
- b. Changes in local, regional, state, or federal laws or regulations that should be specifically incorporated into this license;
- c. Failure to disclose fully all relevant facts;
- d. A significant release into the environment from the facility;
- e. Significant change in the character of solid waste received or in the operation of the facility;
- f. Any change in ownership or control, excluding transfers among subsidiaries of the licensee or licensee's parent corporation;
- g. A request from the local government stemming from impacts resulting from facility operations.
- h. Compliance history of the licensee.



12.0 GENERAL OBLIGATIONS

- 12.1 Compliance with the law** Licensee shall fully comply with all applicable local, regional, state and federal laws, rules, regulations, ordinances, orders and permits pertaining in any manner to this license, including all applicable Metro Code provisions and administrative procedures adopted pursuant to Chapter 5.01 whether or not those provisions have been specifically mentioned or cited herein. All conditions imposed on the operation of the facility by federal, state, regional or local governments or agencies having jurisdiction over the facility shall be deemed part of this license as if specifically set forth herein. Such conditions and permits include those cited within or attached as exhibits to the license document, as well as any existing at the time of the issuance of the license but not cited or attached, and permits or conditions issued or modified during the term of the license.
- 12.2 Indemnification** The licensee shall indemnify and hold Metro, its employees, agents and elected officials harmless from any and all claims, damages, actions, losses and expenses including attorney's fees, or liability related to or arising out of or in any way connected with the licensee's performance or failure to perform under this license, including patent infringement and any claims or disputes involving subcontractors.
- 12.3 Deliver waste to appropriate destinations** The licensee shall ensure that solid waste transferred from the facility goes to the appropriate destinations under Metro Code chapters 5.01 and 5.05, and under applicable local, state and federal laws, rules, regulations, ordinances, orders and permits;
- 12.4 Provide access** The licensee shall allow the Executive Officer to have reasonable access to the premises for purposes of inspection and audit to determine compliance with this license, Metro Code, and the administrative procedures adopted pursuant to Metro Code Chapter 5.01.
- 12.5 Compliance by agents** The licensee shall be responsible for ensuring that its agents and contractors operate in compliance with this license.

EXECUTIVE SUMMARY

ORDINANCE 99-820 GRANTING A YARD DEBRIS COMPOSTING FACILITY LICENSE TO CLACKAMAS COMPOST PRODUCTS, LLC.

PROPOSED ACTION

- This Ordinance grants a Metro yard debris composting facility license to Clackamas Compost Products, LLC.
- This Ordinance also rescinds Metro License Agreement No. YD-0197, originally granted to the Scotts Hyponex Corporation and subsequently transferred to Clackamas Compost Products, Inc. the previous facility owners and operators.
- This Ordinance also declares an emergency pursuant to the Metro Charter, allowing the Ordinance to be effective immediately. The terms of the license agreement will help protect the health, safety and welfare of the citizens of the Metro region.

WHY NECESSARY

- The facility will continue to assist the region in accomplishing the goals and objectives of the Regional Solid Waste Management Plan.
- Metro Code Section 5.01.045(b)(2) requires an owner or operator of a yard debris processing facility to be licensed by Metro.
- Clackamas Compost Products, LLC meets the requirements of the Metro Code related to licensing of yard debris composting facilities.
- The previous License Agreement (No. YD-0197) originally issued to Scotts Hyponex and subsequently transferred to another operator (Clackamas Compost Products, Inc.) should be revoked in favor of a new license agreement with the new facility owner and operators (Clackamas Compost Products, LLC).
- The declaration of an emergency is pursuant to the Metro Charter. It is necessary for the health, safety and welfare of the citizens of the Metro region that this Ordinance take effect immediately. The composting facility is an existing operation, and has organic materials on-site, capable of producing nuisance impacts and adversely affecting the health and welfare of Metro area citizens.

DESCRIPTION

- The site is zoned Heavy Industrial. The facility was established in 1992, as an outright permitted use subject to local design review. The operation was approved by the Clackamas County Design Review Committee.

BUDGET / FINANCIAL IMPACTS

- There will be a slight increase in revenues from the annual license fee of \$300 per year paid by the licensee. Current staffing levels are expected to be adequate to handle any technical assistance or enforcement requirements that might arise from licensing this facility.

STAFF REPORT

IN CONSIDERATION OF ORDINANCE NO. 99-820 FOR THE PURPOSE OF GRANTING A NEW METRO YARD DEBRIS COMPOSTING FACILITY LICENSE TO CLACKAMAS COMPOST PRODUCTS, LLC AND RESCINDING LICENSE NUMBER YD-0197, AND DECLARING AN EMERGENCY

September 16, 1999

Presented by: Terry Petersen,
Bill Metzler

I. INTRODUCTION

The purpose of this report is to provide the information necessary for the Metro Council to act on the recommendations that: 1) a new yard debris composting facility license be granted to Clackamas Compost, LLC, a composting facility located at 11620 SE Capps Road in Clackamas, Oregon; and 2) the Metro yard debris composting facility license agreement No. YD-0197, (originally issued to the Scotts Hyponex Corporation located at 11620 SE Capps Road in Clackamas, Oregon and subsequently transferred to Clackamas Compost Products, Inc.) be rescinded. The License Agreement is attached to Ordinance No. 99-820 as Exhibit A.

Key Findings Include:

- Yard debris composting facility licenses are authorized by the Metro Council.
- On March 6, 1997, Scotts Hyponex Corporation was issued a Metro yard debris composting facility license (No. YD-0197) to operate a yard debris composting facility at 11620 SE Capps Road in Clackamas, Oregon. The Scotts facility had operated in good standing with Metro under the terms of their license agreement.
- On May 6, 1999 the Metro Council approved a transfer of license No. YD-0197 from the Scotts Hyponex Corporation to Clackamas Compost Products, Inc.
- On September 1, 1999, Clackamas Compost Products, LLC took over the composting facility previously owned and operated by Clackamas Compost Products, Inc.
- On September 3, 1999 Clackamas Compost Products, LLC submitted an application for a new Metro yard debris composting facility license for the composting operation at 11620 SE Capps Road in Clackamas.
- The Executive Officer has reviewed all required submittals, and has determined that Clackamas Compost Products, LLC meets the requirements of the Metro Code related to licensing composting facilities. Clackamas County approves of the issuance of the new Metro License Agreement, and all land use approvals are in place.

II. FACILITY AND APPLICANT INFORMATION

Location:

- The site is located south of State Highway 224, north of the Clackamas River, and east of Interstate 205, in Clackamas County.
- Facility address: 11620 SE Capps Road, Clackamas, Oregon 97015.
- The facility lies in the Northeast 1/4, Section 15, Township 2 South, Range 2 East, W.M.; Clackamas County Oregon. Tax Lot 1800.

Zoning:

- The site is zoned I-3, Heavy Industrial. The facility is an outright permitted use, subject to design review. On September 25, 1992, the Clackamas County Design Review Committee approved the yard debris composting facility.

General Facility Description:

- The 9.57-acre site is leased by Clackamas Compost Products, Inc. The site area used for yard debris composting operations is limited to 6.9 acres by action of the Clackamas County Design Review Committee - File No: Z0854-92.
- The facility accepts loads of yard debris from commercial and residential sources. The facility is open to the public.
- The facility will process approximately 50,000 cubic yards of yard debris per year.

Completeness and Sufficiency of Application

Applicants for compost facility licenses are required to complete an application pursuant to Metro Code Section 5.01.060. The license application form and other material required to process the license were submitted and the Executive Officer has determined them to be complete and responsive to the Metro Code.

III. CONCLUSIONS

Staff have reviewed all required submittals from Clackamas Compost Products, LLC, and has determined that they meet all requirements for the Metro Code related to licensing of composting facilities.

Pursuant to Metro Code Section 5.01.067(c), the Executive Officer recommends that the Clackamas Compost Products, LLC facility be granted a composting facility license subject to the provisions and conditions of the License attached to Ordinance No. 99-820 as Exhibit A. Further, the Executive Officer recommends that License Agreement No. YD-0197 originally issued to the Scotts Hyponex Corporation and subsequently transferred to Clackamas Compost Products, Inc. be rescinded.

The license agreement ensures that the composting facility will operate in accordance with the purpose of Metro's licensing program to protect public health and safety and maintain consistency with the Regional Solid Waste Management Plan.

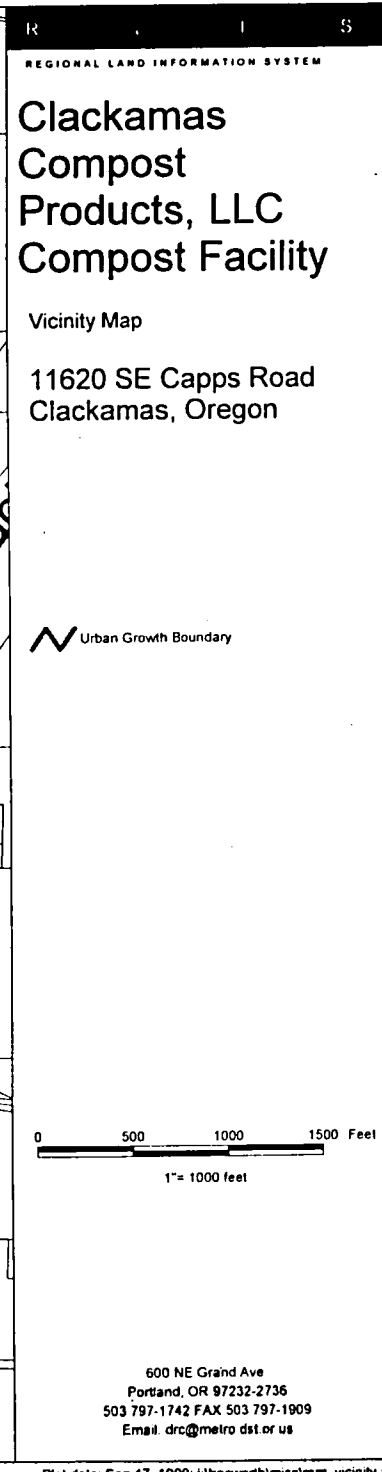
IV. BUDGET IMPACTS

There will be a slight increase in revenues from the annual license fee paid by the licensee of \$300 per year. Current staffing levels are expected to be adequate to handle any technical assistance or enforcement requirements that might arise from licensing this facility.

V. EXECUTIVE OFFICER'S RECOMMENDATION

The Executive Officer recommends adoption of Ordinance No. 99-820.

BM
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Plot date: Sep 17, 1999; | Vosworth/misc/ram_vicinity apr

Agenda Item Number 7.2

Ordinance No. 99-822, For the Purpose of Amending Metro Code 2.04 by Increasing Purchasing Thresholds and Making Other Related Changes.

First Reading

**Metro Council Meeting
Thursday, October 14, 1999
Council Chamber**

BEFORE THE METRO COUNCIL

FOR THE PURPOSE OF AMENDING) ORDINANCE NO 99-822
METRO CODE CHAPTER 2.04 BY)
INCREASING PURCHASING) Introduced by Executive Officer Mike Burton
THRESHOLDS AND MAKING OTHER)
REQUIRED CHANGES)

WHEREAS, Metro Chapter 2.04, entitled "Metro Contract Policies," establishes policies for Metro regarding public and personal services contracts; and

WHEREAS, occasional business and economic changes require needed updates in Metro's contracting policies; and

WHEREAS, Metro's Auditor has recommended updating current purchasing thresholds; and

WHEREAS, the Oregon Legislature has required local governments to make certain statements in their own contracting procedures; now, therefore,

THE METRO COUNCIL ORDAINS AS FOLLOWS:

SECTION 1. Metro Code section 2.04.026 is amended to read:

2.04.026 Council Approval of Contracts

(a) Notwithstanding any other provisions of this chapter, executive officer or auditor must obtain authorization by the council prior to execution of the following types of contracts:

- (1) Any contract which commits the district to the expenditure of appropriations not otherwise provided for in the current fiscal year budget at the time the contract is executed and which has a significant impact on Metro. The following types of contracts shall be considered to have significant impacts unless the council finds that under the circumstances a contract will not have a significant impact:

- (A) Any public contract for a term greater than 12 months for private operation of all or of a major part of a Metro facility or concessions at a Metro facility.
 - (B) Any public improvement contract for an amount over \$50,000.
 - (C) Any public contract which will potentially result in a material (more than 5 percent of the related fund) loss of revenues or increase in expenditures in more than one year in any Metro fund.
 - (D) Any contract for personal services for a term greater than 12 months and in an amount greater than \$50,000.
 - (E) Any contract for personal services for an amount greater than \$50,000 related to Metro's exercise of its regional planning functions pursuant to Section 5 of the 1992 Metro Charter.
 - (F) Any contract for personal services for an amount over \$50,000 related to the study by Metro of exercising authority, pursuant to Section 7 of the 1992 Metro Charter, over additional functions.
- (2) Any agreement entered into pursuant to ORS chapter 190 by which Metro acquires or transfers any interest in real property, assumes any function or duty of another governmental body, or transfers any function or duty of Metro to another governmental unit; or
 - (3) Any contract for the purchase, sale, lease or transfer of real property owned by Metro. However, the executive officer may execute options to purchase real property.

(b) Prior to adoption of the annual budget, the executive officer shall submit a list of proposed contracts over ~~\$25,000~~ \$50,000 to be entered into during the next fiscal year. The council shall designate in the annual budget ordinance which contracts have a significant impact on Metro.

Thereafter, if the executive officer proposes to enter into a contract that will commit the district to the expenditure of appropriations not provided for in the current fiscal year budget in an amount greater than ~~\$25,000~~ \$50,000 that the council has not considered during the annual budget process the Executive Officer shall inform the council presiding officer in writing and shall recommend whether the contract should be classified as a significant impact contract. The presiding officer shall immediately cause copies of the notice to be furnished to all members of the Council. The Council may

determine that the contract has a significant impact on Metro within 10 days of receipt of the notice from the executive officer. If the contract is determined by the Council to have a significant impact on Metro, execution by the executive officer shall be subject to Council authorization. If the Council does not determine that the contract has a significant impact on Metro, the executive officer may execute the contract after transmitting a description of the purpose of the contract, the appropriation to which contract payments will be charged, and a summary of the scope of work to be performed to the council or a council committee as deemed appropriate by the presiding officer.

(c) All contracts which require council authorization pursuant to subsection (a)(1) or (b) above and which are subject to competitive bidding or request for proposals procedures shall require council authorization of the request for bids or request for proposals prior to release of bidding or proposal documents to vendors. At the time of council authorization of the competitive bid or request for proposal documents, the council may waive the requirement of council authorization of the contract.

SECTION 2. Metro Code section 2.04.032 is repealed.

SECTION 3. Metro Code section 2.04.042 is amended to read:

2.04.042 Personal Services Contracts Up to ~~\$25,000~~ \$50,000

(a) For personal services contracts of less than ~~\$2,500~~ \$5,000, multiple proposals are not required, but shall be encouraged.

(b) For personal services contracts of ~~\$2,500~~ \$5,000 or more but not more than ~~\$25,000~~ \$50,000, proposals shall be solicited from a minimum of three potential contractors who are capable and qualified to perform the requested work. Metro shall keep a written record of the source and amount of the quotes received. If three quotes are not available, a lesser number will suffice provided that a written record is made of the effort to obtain the quotes. In addition, the contracting department shall notify the procurement officer of the nature of the proposed contract, the estimated cost of the contract, and the name of the contact person.

SECTION 4. Metro Code section 2.04.044 is amended to read:

2.04.044 Personal Services Contracts of More than ~~\$25,000~~ \$50,000

Personal services contracts of ~~\$25,000~~ \$50,000 shall be subject to the following process:

(a) A request for proposals shall be prepared and advertised at least once. Notice shall also be mailed to interested contractors known to Metro.

(b) All request for proposals shall at a minimum contain a description of the project and a brief summary of the project history, contain a detailed proposed scope of

work or other specifications setting forth expected performance by the contractor, include a description of the criteria that will be utilized to evaluate proposals and a broad range of the estimated cost for the project.

(c) Evaluations of proposals and the determination of the most qualified proposer shall be made.

SECTION 5. Metro Code section 2.04.046 is amended to read:

2.04.046 Personal Services Contract Amendments

(a) Personal services contracts of an initial amount of \$25,000 or less may be amended to increase the amount of the contract to no more than twice the original contract amount. This limit is cumulative and includes any and all contract amendments or extensions. Any contract amendment(s) in excess of this ceiling requires approval by the council. The council shall determine whether it is appropriate to amend the contract despite the policy that favors competitive procurement of personal services.

(b) Contracts with an initial amount of greater than \$25,000 may be amended provided that any amendment that increases the total amount payable to an amount more than ~~\$25,000~~ \$50,000 greater than the initial contract amount shall be subject to approval by the council. The council shall determine whether it is appropriate to amend the contract despite the policy that favors competitive procurement of personal services.

SECTION 6. Metro Code section 2.04.052 is amended to read as follows:

2.04.052 Public Contracts -- General

(a) **State Law Requirements, Procedures.**

(1) The procedures for competitive bidding of all Metro public contracts and for the issuance of competitive Request for Proposals when authorized as an exception to competitive bid requirements shall comply with all requirements that are generally applicable to local governments.

(2) Notwithstanding the provisions of this subsection (a)(1), the model rules adopted by the Oregon Attorney General shall not apply to Metro.

(3) The executive officer may establish by executive order detailed procedural requirements consistent with this chapter and state law. In so doing, the executive officer may adopt in whole or in part the model rules of procedure established by the Oregon Attorney General pursuant to ORS 279.049.

(b) Substantive Requirements. All Metro public contracts shall contain all provisions required by ORS chapter 279 and shall be construed to be consistent with all provisions of ORS chapter 279.

(c) Rejection of Bids. The executive officer may reject any bid or proposal not in compliance with all prescribed procedures and requirements and may, for good cause, reject any or all bids or proposals upon finding that it is in the public interest to do so.

(d) Bonds. Unless the board shall otherwise provide, bonds and bid security requirements are as follows:

- (1) Bid security not exceeding 10 percent of the amount bid for the contract is required unless the contract is for \$25,000 or less.
- (2) For public improvements, a labor and materials bond and a performance bond, both in an amount equal to 100 percent of the contract price are required for contracts over \$25,000.
- (3) Bid security, labor and material bond and performance bond may be required even though the contract is of a class not identified above, if the executive officer determines it is in the public interest.

(e) Disadvantaged Business Program. All public contracts are subject to the Metro Disadvantaged Business Enterprise Program for Federally-Funded Contracts, Metro Women Business Enterprise Program, and the Metro Minority Business Enterprise Program provisions of this chapter.

SECTION 7. Metro Code section 2.04.054 is amended to read:

2.04.054 Competitive Bidding Exemptions

Subject to the policies and provisions of ORS 279.005 and 279.007, and the Metro Code, all Metro and Metropolitan Exposition-Recreation Commission public contracts shall be based upon competitive bids except:

(a) State Law. Classes of public contracts specifically exempted from competitive bidding requirements by state law.

(b) Board Rule. The following classes of public contracts are exempt from the competitive bidding process based on the legislative finding by the board that the exemption will not encourage favoritism or substantially diminish competition for public contracts and that such exemptions will result in substantial cost savings:

- (1) All contracts estimated to be not more than ~~\$25,000~~ \$50,000 provided that the procedures required by section 2.04.056 are followed.
- (2) Purchase and sale of zoo animals, zoo gift shop retail inventory and resale items, and any sales of food or concession items at Metro facilities.
- (3) Contracts for management and operation of food, parking or similar concession services at Metro facilities provided that procedures substantially similar to the procedures required for formal Request for Proposals used by Metro for personal services contracts are followed.
- (4) Emergency contracts provided that written findings are made that document the factual circumstances creating the emergency and establishing why the emergency contract will remedy the emergency. An emergency contract must be awarded within 60 days of the declaration of the emergency unless the board grants an extension.
- (5) Purchase of food items for resale at the zoo provided the provisions of section 2.04.060 are followed.
- (6) Contracts for warranties in which the supplier of the goods or services covered by the warranty has designated a sole provider for the warranty service.
- (7) Contracts for computer hardware and software provided that procedures substantially similar to the procedures required for formal Request for Proposals used by Metro for personal services contracts are followed.
- (8) Contracts under which Metro is to receive revenue by providing a service.
- (9) Contracts for the lease or use of the convention, trade, and spectator buildings and facilities operated by the Metro Exposition-Recreation Commission.
- (10) Public contracts by the Metro Exposition-Recreation Commission in an amount less than \$75,000, which amount shall be adjusted each year to reflect any changes in the Portland SMSA CPI, provided that any rules adopted by the commission which provide for substitute selection procedures are followed; or

- (11) Contracts for equipment repair or overhaul, but only when the service and/or parts required are unknown before the work begins and the cost cannot be determined without extensive preliminary dismantling or testing.
- (12) Contracts in the nature of grants to further a Metro purpose provided a competitive request for proposal process is followed.
- (13) The procurement of utilities, including telephone service, electric, natural gas, and sanitary services, provided that competition is available and a request for proposal process is followed.
- (14) The procurement of art and art related production and fabrication provided that a request for proposal process is followed.
- (15) Sponsorships which are identified and approved in the proposed budget and are not designated by Council as having a significant impact as outlined in 2.04.026 need not follow a competitive bidding or proposal process. In order to be eligible for this exemption the sponsorship shall provide Metro with event advertising and/or media releases.

(c) Board Resolution. Specific contracts, not within the classes exempted in subsections (a) and (b) above, may be exempted by the board by resolution subject to the requirements of ORS 279.015(2) and ORS 279.015(5). The board shall, where appropriate, direct the use of alternate contracting and purchasing practices that take account of market realities and modern innovative contracting and purchasing methods, which are consistent with the public policy of encouraging competition.

SECTION 8. Metro Code section 2.04.056 is amended to read:

2.04.056 Public Contracts Up to ~~\$25,000~~ \$50,000

(a) Under ~~\$2,500~~ \$5,000. For public contracts of less than ~~\$2,500~~ \$5,000, competitive bids are not required but shall be encouraged.

(b) Between ~~\$2,500~~ \$5,000 and ~~\$25,000~~ \$50,000. For public contracts of ~~\$2,500~~ \$5,000 or more but not more than ~~\$25,000~~ \$50,000, Metro shall obtain a minimum of three competitive quotes. Metro shall keep a written record of the source and amount of the quotes received. If three quotes are not available, a lesser number will suffice provided that a written record is made of the effort to obtain the quotes. In addition, the contracting department shall notify the procurement officer of the nature of the proposed contract, the estimated cost of the contract, and the name of the contact person.

(c) Contracts under ~~\$25,000-\$50,000~~ should be awarded on the basis of the least cost alternative available that is capable of performing the work required.

SECTION 9. Metro Code section 2.04.058 is amended to read:

2.04.058 Public Contract Amendments

(a) The executive officer may execute amendments to public contracts which were not designated as contracts having a significant impact on Metro, provided that any one of the following conditions are met:

- (1) The original contract was let by a formal competitive procurement process, the amendment is for the purpose of authorizing additional work for which unit prices or alternates were provided that established the cost for the additional work and the original contract governs the terms and conditions of the additional work; or
- (2) The amendment is a change order that resolves a bona fide dispute with the contractor regarding the terms and conditions of a contract for a public improvement and the amendment does not materially add to or delete from the original scope of work included in the original contract; or
- (3) The amount of the aggregate cost increase resulting from all amendments does not exceed 20 percent of the initial contract if the face amount is less than or equal to ~~\$100,000~~ \$1,000,000 or 10 percent if the face amount is greater than ~~\$100,000~~ \$1,000,000; amendments made under subsection (1) or (2) are not included in computing the aggregate amount under this subsection; or
- (4) The Metro contract review board has authorized the extension of the contract amendment.

(b) No contract which was designated as a contract having a significant impact on Metro may be amended without the express approval of the council evidenced by a duly adopted resolution or ordinance; except as follows:

- (1) The executive officer may approve any amendment that is a change order than resolves a bona fide dispute with the contractor regarding the terms and conditions of a contract for a public improvement if the amendment does not materially add to or delete from the original scope of work included in the original contract. Provided, however, the executive officer must obtain council approval for any such change order that results in a total aggregate increase of more than 5 percent of the original contract amount. If

the council approves a change order pursuant to this subsection it may also in the same action authorize additional change orders to resolve future disputes in an amount not to exceed that established by the council.

- (2) The executive officer may approve any contract amendment to a contract for a public improvement that does not increase the contract amount more than \$25,000 if the amount of the aggregate cost resulting from all amendments authorized pursuant to this subsection does not exceed 5 percent of the initial contract. In computing the dollar amount of any amendment for the purpose of this subsection, only the amount of additional work or extra cost shall be considered and may not be offset by the amount of any deletions.
- (3) The executive officer may approve a change order for additional work if the original contract was let by a formal competitive procurement, the amendment is for the purpose of authorizing additional work for which unit prices or bid alternates were provided that established the cost for the additional work and the original contract governs the terms and conditions of the additional work.
- (4) The executive officer may approve a change order to a public improvement contract in order to meet an emergency.

(c) No public contract may be amended to include additional work or improvements that are not directly related to the scope of work that was described in the competitive process utilized to award the contract.

(d) For the purpose of this section any contract which was subject to specific council authorization of its execution prior to the effective date of this ordinance shall be considered to be a contract that has a significant impact on Metro.

SECTION 10. Metro Code section 2.04.070 is amended to read:

2.04.070 Notice of Award and Appeals

(a) At least five days prior to the execution of any public contract over ~~\$25,000~~ \$50,000 for which a competitive bid or proposal process is required, Metro shall provide a notice of award to the contractor selected and to all contractors who submitted unsuccessful bids or proposals.

(b) Bid/Request for Proposals Appeal Procedures. The following procedure applies to aggrieved bidders and proposers who wish to appeal an award of a public contract or a personal services contract above ~~\$25,000~~ \$50,000. The appeal process for

bids is the same as for a request for proposals. In the case of a request for proposals, disagreement with the judgment exercised in scoring by evaluators is not a basis for appeal.

- (1) All appeals shall be made in writing and shall be delivered to the procurement officer at Metro's main office within five working days of the postmarked date on the notice of award. The written appeal must describe the specific citation of law, rule, regulation, or procedure upon which the appeal is based.
- (2) The procurement officer shall forthwith notify the appropriate department director and the executive officer of the appeal. Within 10 working days of the receipt of the notice of appeal, the executive officer shall send a notice of rejection of the appeal or a notice of acceptance of the appeal, as applicable, to the appellant. The appellant may appeal the executive officer's decision to reject the appeal in writing to the board within five working days from the postmarked date on the notice of rejection.
- (3) The board will review the grounds for appeal, all pertinent information, and the executive officer's recommendation, and make a decision. The decision of the board is final.
- (4) No contract which is the subject of a pending appeal may be executed unless the board shall have given its approval at the request of the executive officer. The executive officer may request the board to determine a matter without waiting for the expiration of the time periods provided for herein.
- (5) In the event council authorization of execution of the contract is required under section 2.04.026 of this Code the appeal shall be heard before the council considers authorization of the contract.

(c) Appeals from Disqualifications

- (1) The board shall hear all appeals from any person who is disqualified by Metro as a bidder. The basis for the appeal shall be limited to the following grounds:
 - (A) Disqualification of bidder pursuant to ORS 279.037.
 - (B) Denial of prequalification to bid pursuant to ORS 279.039 and 279.041.
- (2) Any person who wishes to appeal disqualification as a bidder shall, within three business days after receipt of notice of

disqualification, notify in writing the general counsel that the person appeals the disqualification. The general counsel shall promptly notify the board of the appeal by providing notice to the presiding officer.

- (3) Promptly upon receipt of notice of appeal, the presiding officer shall notify the appellant and the general counsel of the time and place of the appeal proceeding.
- (4) The board shall conduct the appeal proceeding and decide the appeal within 10 days after receiving notification of the appeal from the general counsel. The board shall set forth in writing the reasons for the decision.
- (5) Appeal Proceeding.
 - (A) The presiding officer shall preside over the appeal proceeding. The general order shall be as follows:
 - (i) Presentation by Metro of documentation and testimony supporting the disqualification.
 - (ii) Presentation by the appellant of documentation and testimony opposing the disqualification.
 - (B) Members of the board shall have the right to ask both Metro and the appellant questions and to review documentation referred to and presented by the parties.
 - (C) Formal court rules of evidence shall not apply.
 - (D) The board shall consider de novo the notice of disqualification, and record of investigation made by Metro and any evidence provided by Metro and the appellant prior to or at the appeal proceeding. There shall be no continuance or reopening of the appeal proceeding to offer additional evidence unless the appellant can demonstrate to the presiding officer that the additional evidence was not known to the appellant at the time of the proceeding or that with reasonable diligence the appellant would not have discovered the evidence prior to the appeal proceeding.
 - (E) A tape recording will be made of the appeal proceeding which shall be made available to the appellant upon payment of costs to Metro of making the tape.

(F) The board shall render a decision which shall be reviewed only upon petition in the Circuit Court of Multnomah County. The petition must be filed within 15 days after the date of the decision.

(6) Metro may reconsider its determination with regard to the disqualification at any time prior to the appeal proceeding.

(d) Appeals of contract awards and decisions of the auditor shall be made directly to the contract review board.

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

Rod Monroe, Presiding Officer

ATTEST:

Approved as to Form:

Recording Secretary

Daniel B. Cooper, General Counsel

STAFF REPORT

FOR THE PURPOSE OF AUTHORIZING ORDINANCE NUMBER 99-822 AMENDING METRO CODE 2.04 BY INCREASING PURCHASING THRESHOLDS AND MAKING OTHER REQUIRED CHANGES

Date: October 14, 1999

Presented by: Scott Moss, ASD, Assistant Director

PROPOSED ACTION

Adopt Ordinance No. 99-822 authorizing amending Metro Code 2.04 by increasing the purchasing thresholds, and by making other statutorily required changes.

FACTUAL BACKGROUND AND ANALYSIS

In July 1997, the Metro Council made significant changes to Metro Code 2.04 on contracting. These changes helped streamline the contracting process while adding additional controls. Significant changes included the following:

Action	Prior to July 1997	July 1997 Changes
Threshold for informal quotes	\$500	\$2,500
Threshold for formal bids/proposals	\$10,000	\$25,000
Council Action Threshold	\$10,000 Had A and B contracts with no criteria established	\$25,000 Established criteria for contracts with significant impact on Metro
Personal Service Amendment	Unlimited number if each under \$10,000	Only once - double the contract not to exceed \$25,000

Current Contract Rules

The current threshold rules are as follows:

- No quotes are needed if a contract/purchase is under \$2,500.
- Three informal quotes are needed if a contract/purchase is between \$2,500 and \$25,000, one from each of the following: MBE, WBE, ESB.
- A formal bid or proposal is required and the Council must approve if a contract/purchase is over \$25,000.

The Council approves contracts over \$25,000 in one of the following ways:

1. "pre-approves" them by reviewing the annual contract list and not designating the contract as having significant impact on Metro, or

FOR THE PURPOSE OF AUTHORIZING ORDINANCE NUMBER 99-822 AMENDING
METRO CODE 2.04 BY INCREASING PURCHASING THRESHOLDS AND MAKING
OTHER REQUIRED CHANGES

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2. does not declare a contract as having significant impact after receiving the "10 day notice" letter from the Executive Officer, or
3. authorizes the request for bids/proposals and contract by resolution if identified as having significant impact on Metro and multi-year.

Increase in Threshold Limits Recommendation

In May 1999, the Auditor performed a benchmark audit on Purchasing and recommends that Metro Code 2.04 be changed to increase the informal quote limit and the formal bid/proposal. Also the Auditor recommended increasing the significant impact criteria. The Auditor noted that Metro's limits are outdated and recommended revising the Metro Code limits. Listed below are comparable jurisdictions.

Jurisdiction	Informal Limit	Formal Bid/Proposal Limit
MERC	\$5,000	\$75,000
State of Oregon	\$5,000	\$50,000
Multnomah County	\$5,000	\$50,000
City of Portland	\$5,000	\$49,000 approx.
Federal	\$2,500	\$100,000
Auditors Recommendation	\$7,500	\$75,000

In discussion with members of Council, staff is forwarding Ordinance 99-822 which increases the informal limit to \$5,000 and the formal limit to \$50,000. These limits are less than those recommended by the Auditor, and staff recommends reviewing these limits periodically. This would allow the Council and Executive Officer to consider raising the limits further based on one or two years experience with these new thresholds.

If the Council had made this change for FY2000, the affect would have been as follows:

	Prior to Change	After Change	Difference
Contracts reviewed by Council	208	161	47
Number of significant impact contracts	33	33	0
Number of "10 day" letters	11	9	2

Other Actions

In order to be consistent with the \$50,000 threshold, section 2.04.026 Council Approval of Contracts is also proposed to increase from \$25,000 to \$50,000. As noted above, in FY 2000 there were 47 contracts between \$25,000 and \$50,000, non-of which were

FOR THE PURPOSE OF AUTHORIZING ORDINANCE NUMBER 99-822 AMENDING
METRO CODE 2.04 BY INCREASING PURCHASING THRESHOLDS AND MAKING
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identified as having significant impact on Metro. Sub-section (F) of this section would also increase to \$50,000. This sub-section addresses contracts to study Metro taking over additional functions allowed under the Metro Charter.

Section 2.04.052 is also proposed to clarify that the Oregon Attorney General Rules do not apply to Metro. This is in response to House Bill 2024 which requires public entities to either use the AG's model rules or adopt alternative rules. Metro Contract Code serves as the alternative rules to the AG's model rules.

Section 2.04.058 (a)(3) is also corrected from a typo error on the last code amendment. This section addresses the Executive Officers authority to execute contract amendments. It is proposed that this error be corrected.

Advantages

Streamlines Purchasing Process

The primary advantage to higher limits is reducing the resources spent on obtaining goods and services.

- If under \$5,000 staff would be allowed to negotiate for the best product at the lowest price.
- If under \$50,000 staff would not be required to prepare formal bids and proposals which are time consuming and technical.

Improves Vendor Relations

Staff and vendors would be given more opportunity to develop partnerships for lower cost goods and services.

EXECUTIVE OFFICER RECOMMENDATION

The Executive Officer recommends approval of Ordinance No. 99-822.

Agenda Item Number 8.1

Ordinance No. 99-823, For the Purpose of Amending Metro Code Chapter 5.02 to Modify Changes for Direct Haul Disposal, to Modify Metro System Fees, to Create Additional Regional System Fee Credits, and Making Other Related Amendments.

Second Reading

Metro Council Meeting
Thursday, October 14, 1999
Council Chamber

BEFORE THE METRO COUNCIL

FOR THE PURPOSE OF AMENDING METRO CODE	)	ORDINANCE NO. 99-823
CHAPTER 5.02 TO MODIFY CHARGES FOR DIRECT)	
HAUL DISPOSAL, TO MODIFY METRO SYSTEM	)	Introduced by Mike Burton
FEES, TO CREATE ADDITIONAL REGIONAL	)	Executive Officer
SYSTEM FEE CREDITS AND MAKING OTHER)	
RELATED AMENDMENTS)	

WHEREAS, it is desirable to review certain disposal fees and system fees in light of certain amendments to significant Metro solid waste contracts; and

WHEREAS, it is necessary to adjust such fees to take advantage of the savings resulting from these solid waste contract amendments and to implement new solid waste programs that are in the public interest; and

WHEREAS, the Metro Rate Review Committee convened pursuant to Chapter 5.08 of the Metro Code and reviewed such disposal fees and system fees; and

WHEREAS, it is appropriate to make certain related modifications to existing portions of Chapter 5.02 of the Metro Code; and

WHEREAS, the ordinance was submitted to the Executive Officer for consideration and was forwarded to the Council for approval; now, therefore,

THE METRO COUNCIL ORDAINS AS FOLLOWS:

SECTION 1. Metro Code Chapter 5.02.030 is amended to read:

Each facility licensed or franchised under Metro Code Chapter 5.01 and authorized to transport solid waste directly to the Columbia Ridge Landfill shall pay to Metro a charge of ~~\$24.93~~ \$16.78 per ton of solid waste which is generated or originates within the Metro boundary and which the facility directly transports to the Columbia Ridge Landfill

SECTION 2. Metro Code Section 5.02.045 is amended to read:

(a) Regional System Fee: Solid waste disposal facility operators shall collect and pay to Metro a Regional System Fee of ~~\$14.00~~ \$21.90 per ton for the disposal of solid waste generated, originating, collected, or disposed of within Metro boundaries, in accordance with Metro Code section 5.01.150.

(b) Metro Facility Fee: Metro shall collect a Metro Facility Fee of ~~\$1.15~~ \$2.55 per ton for all solid waste delivered to Metro Central Station or Metro South Station

(c) System fees described in paragraph (a) shall not apply to:

- (1) inert material, including but not limited to earth, sand, stone, crushed stone, crushed concrete, broken asphaltic concrete and wood chips used at disposal facilities for cover, diking, road base, or other productive use at such solid waste disposal facilities;
- (2) solid waste received at facilities which are licensed, franchised or exempt from regulation under Metro Code Chapter 5.01 and which accomplish materials recovery and recycling as a primary operation; or
- (3) solid waste received at Transfer Facilities which deliver such wastes to a Metro-owned, licensed, franchised, or designated facility where Metro fees are collected and paid to Metro.

SECTION 3. Metro Code Section 5.02.047 is amended to read:

5.02.047 Regional System Fee Credits

(a) A solid waste facility which is certified, licensed or franchised by Metro pursuant to Metro Code Chapter 5.01 and which attains a Facility Retrieval Rate of 10 percent or greater shall be allowed a credit against the Regional System Fee otherwise due each month under Section 5.02.045 for disposal of Processing Residuals from the facility. The Facility Retrieval Rate and the Recovery Rate shall be calculated for each six-month period before the month in which the credit is claimed. The amount of such credit shall be in accordance with and no greater than as provided on the following table:

System Fee Credit Schedule

Recovery Rate		System Fee Credit of no more than
From Above	Up To & Including	
0%	20%	0.00
20%	25%	1.00
25%	30%	3.00
30%	35%	6.46
35%	40%	8.00
40%	45%	9.82
45%	100%	12.00

(b) The Executive Officer may establish additional administrative procedures regarding the Regional System Fee Credits, including, but not limited to establishing eligibility requirements for such credits and establishing incremental System Fee Credits associated with Recovery Rates which fall between the ranges set forth in paragraph (a) of this section.

(c) The following users of Metro solid waste system facilities shall be allowed a credit in the amount of \$9 per ton against the Regional System Fee otherwise due under Section 5.02.045(a):

(1) Users of Metro Central and Metro South Transfer Stations:

(2) Any Person delivering authorized waste:

(A) to any landfill or other solid waste facility that is authorized to receive such waste through a Metro license certificate franchise or Designated Facility Agreement; or

(B) under the authority of a Metro Non System License.

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

Rod Monroe, Presiding Officer

ATTEST:

Approved as to Form:

Recording Secretary

Daniel B. Cooper, General Counsel

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STAFF REPORT:

IN CONSIDERATION OF ORDINANCE NO. 99-823 FOR THE PURPOSE OF AMENDING METRO CODE CHAPTER 5.02, TO MODIFY CHARGES FOR DIRECT HAUL DISPOSAL, TO MODIFY METRO SYSTEM FEES, TO CREATE ADDITIONAL REGIONAL SYSTEM FEE CREDITS, AND MAKING OTHER RELATED AMENDMENTS.

Date: October 1, 1999

Presented by: Terry Petersen

PROPOSED ACTION:

Adopt Ordinance No. 99-823. If adopted, the solid waste charges for direct haul disposal, Metro system fees, and additional regional system fee credits in Ordinance 99-823 would be effective on the appropriate date following Council approval.

BACKGROUND:

Metro recently renegotiated the disposal contract with Waste Management Disposal Services of Oregon (Change Order #8), and the transportation contract with Specialty Transportation Services, Inc. (Change Order #24). The new transport and disposal prices in these renegotiated contracts will result in significant reductions in future payments to Metro's contractors.

During the past six months, Metro has reviewed a wide range of options for managing these contract cost reductions. This review has involved extensive public involvement, including numerous public hearings before the Metro Council, Metro's Solid Waste Advisory Committee, Metro's Rate Review Committee, and other advisory groups.

This public input helped shape the general policy directions that are reflected in the solid waste fees and charges in Ordinance 99-823. Specifically, the key elements of Ordinance 99-823 will allow Metro to:

- Modify the direct haul disposal charge; and
- Ensure that regional ratepayers continue to benefit from the lowest disposal prices in the Pacific Northwest. With the proposed revision to the Regional System Fee, the region's ratepayers will not pay more for disposal services if tonnage is delivered to non-system disposal facilities; and
- Modify the Metro Facility Fee by reallocating certain administrative costs from the Regional System Fee to the facility fee.

DIRECT HAUL DISPOSAL CHARGE:

Currently, three operators are authorized by Metro to directly haul putrescible waste from their facility to the Columbia Ridge Landfill (Pride Recycling Company, Recycle America, and Willamette Resources, Inc.). This direct haul waste is included as part of Metro's disposal contract. The three facilities currently pay Metro a rate of \$24.93 per ton (including excise tax) for disposal services. As a result of the renegotiated disposal contract, the new rate included in Ordinance 99-823 for direct haul waste is \$16.78 per ton (excluding excise tax).

REGIONAL SYSTEM FEE:

The disposal prices in the renegotiated disposal contract are the lowest in the Pacific Northwest. Metro's contractor was able to offer the region these low prices in part because of the large quantity of waste that Metro delivers to the Columbia Ridge Landfill. This "economy of scale" is reflected in the contract price schedule. In this price schedule, the average disposal price decreases as the disposal tonnage increases.

As a result of this contract structure, any waste that is generated in the Metro region and leaves the system, results in an increase in the costs for disposal of waste that remains in the system. This cost is equivalent to approximately \$9.00 for each ton that leaves the system (up to approximately the first 100,000 tons; the cost is higher the higher the tonnage).

As proposed in Ordinance 99-823, the Regional System Fee would be \$21.90, which is assessed against all waste that is generated within the region, protects regional ratepayers by covering the costs of waste exports. However, waste that remains in the regional disposal system would be eligible for a \$9.00 per ton credit, resulting in an effective fee that is equivalent to the current fee of \$12.90. Waste that does not remain in the Metro system would not be eligible for this credit.

Specifically, the \$9.00 credit would be applied to the regional solid waste system users and defined as:

- Users of Metro Central and Metro South Transfer Stations; and
- Any Person delivering authorized waste:
 - (a) to any landfill of other solid waste facility that is authorized to receive such waste through a Metro license, certificate, franchise, or Designated Facility Agreement; or
 - (b) under the authority of a Metro Non System License.

METRO FACILITY FEE:

It is proposed that the Metro Facility Fee be increased from \$1.15 to \$2.55 per ton of solid waste delivered to a Metro Central or Metro South Station. The fee currently includes contributions to facility renewal and replacement, and certain management costs at the Metro Transfer Stations. The proposed higher fee is a result of reallocating appropriate administrative costs to this cost component from the regional revenue (tonnage) base. This change is consistent with a recommendation from consulting firm Black & Veatch, which earlier reviewed Metro's rate structure.

FISCAL IMPACT:

The modification in the direct haul charges, and the Metro Facility Fee, are in conjunction with the fees specified in the staff report for Ordinance 99-825.

The use of the funds from the Undesignated Fund Balance and the Rate Stabilization Account will allow Metro to maintain a disposal charge of \$62.00, given current expenditure levels and projected tonnage, for four years.

EXECUTIVE OFFICER RECOMMENDATIONS:

The Executive Officer recommends approval of Ordinance 99-823.

Agenda Item Number 8.2

**Ordinance No. 99-824, For the Purpose of Amending Metro Code Chapter 7.01 to Modify and Adjust
Excise Taxes and Making Other Related Amendments.**

Second Reading

**Metro Council Meeting
Thursday, October 14, 1999
Council Chamber**

BEFORE THE METRO COUNCIL

FOR THE PURPOSE OF AMENDING METRO	)	ORDINANCE NO. 99-824
CODE CHAPTER 7.01 TO MODIFY AND ADJUST)	
METRO EXCISE TAXES AND MAKING OTHER	)	Introduced by
RELATED AMENDMENTS	)	Councilor Bragdon

WHEREAS, it is desirable to review the excise tax imposed use of the facilities, equipment, systems, functions, services, or improvements, owned, operated, certified, licensed, franchised, or provided by Metro; and

WHEREAS, it is necessary to adjust the excise taxes imposed by Metro Chapter 7.01 to take advantage for the public interest of the savings resulting from certain recent amendments to significant Metro solid waste contracts; and

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

THE METRO COUNCIL ORDAINS AS FOLLOWS:

SECTION 1. Metro Code Section 7.01.010 is amended to read:

For the purposes of this chapter unless the context requires otherwise the following terms shall have the meaning indicated:

(a) "Accrual basis accounting" means revenues are recorded in the accounting period in which they are earned and become measurable whether received or not.

(b) "Cash basis accounting" means revenues are recorded when cash is received.

(c) "District facility" means any facility, equipment, system, function, service or improvement owned, operated, franchised or provided by the district. District facility includes but is not limited to all services provided for compensation by employees, officers or agents of Metro, including but not limited to the Metro Washington Park Zoo, Metro ERC facilities, all solid waste system facilities, and any other facility, equipment, system, function, service or improvement owned, operated, franchised or provided by the district.

(d) "Facility Retrieval Rate" shall have the meaning assigned thereto in Metro Code Section 5.02.015(i).

(d)(e) "Installment payments" means the payment of any amount that is less than the full payment owed either by any user to the district or to an operator or by an operator to the district.

~~(e)~~(f) "Metro ERC facility" means any facility operated or managed by the Metropolitan Exposition-Recreation Commission.

~~(f)~~(g) "Operator" means a person other than the district who receives compensation from any source arising out of the use of a district facility. Where the operator performs his/her functions through a managing agent of any type or character other than an employee, the managing agent shall also be deemed an operator for the purposes of this chapter and shall have the same duties and liabilities as his/her principal. Compliance with the provisions of this chapter by either the principal or managing agent shall be considered to be compliance by both.

~~(g)~~(h) "Person" means any individual, firm, partnership, joint venture, association, governmental body, joint stock company, corporation, estate, trust, syndicate, or any other group or combination acting as a unit.

~~(h)~~(i) "Payment" means the consideration charged, whether or not received by the district or an operator, for the use of a district facility, valued in money, goods, labor, credits, property or other consideration valued in money, without any deduction.

~~(i)~~(j) "Processing Residual shall have the meaning assigned thereto in Metro Code Section 5.02.015(s).

~~(j)~~(k) "Recovery Rate" shall have the meaning assigned thereto in Metro Code Section 5.02.015(u).

~~(k)~~(l) "Solid waste system facility" means all facilities defined as such pursuant to section 5.05.010(t) including but not limited to all designated facilities set forth in section 5.05.030 and any non-system facility as defined in section 5.05.010(i) that receives solid waste from within the Metro boundary whether pursuant to an authorized non-system license or otherwise.

~~(l)~~(m) "Source Separate" or "Source Separated" or "Source Separation" means that the person who last uses recyclable material separates the recyclable material from Solid Waste.

~~(m)~~(n) "Source-separated recyclable material" or "Source-separated recyclables" means material that has been Source Separated for the purpose of Reuse, Recycling, or Composting.

~~(n)~~(o) "Tax" means the tax imposed in the amount established in subsection 7.01.020, and includes both the tax payable by a user and the aggregate amount of taxes due from an operator during the period for which he/she is required to report and pay the tax.

~~(o)~~(p) "User" means any person who pays compensation for the use of a district facility or receives a product or service from a district facility subject to the payment of compensation

SECTION 2. Metro Code Section 7.01.020 is amended to read:

7.01.020 Tax Imposed

(a) For the privilege of the use of the facilities, equipment, systems, functions, services, or improvements owned, operated, certified, licensed, franchised, or provided by the district, each user shall pay a tax of 7.5 percent of the payment charged by the operator or the district for such use unless a lower rate has been established as provided in subsection 7.01.020(b). ~~Each user of all solid waste system facilities shall pay an additional tax of 1.0 percent of the payment charged by the operator or the district.~~ The tax constitutes a debt owed by the user to the district which is extinguished only by payment of the tax directly to the district or by the operator to the district. The user shall pay the tax to the district or to an operator at the time payment for the use is made. The operator shall enter the tax on his/her records when payment is collected if the operator keeps his/her records on the cash basis of accounting and when earned if the operator keeps his/her records on the accrual basis of accounting. If installment payments are paid to an operator, a proportionate share of the tax shall be paid by the user to the operator with each installment.

(b) The council may for any period commencing no sooner than July 1 of any year and ending on June 30 of the following year establish a tax rate lower than the rate of tax provided for in subsection 7.01.020(a) by so providing in an ordinance adopted by the district. If the council so establishes a lower rate of tax, the executive officer shall immediately notify all operators of the new tax rate. Upon the end of the fiscal year the rate of tax shall revert to the maximum rate established in subsection 7.01.020(a) unchanged for the next year unless further action to establish a lower rate is adopted by the council as provided for herein.

(c) In lieu of taxes imposed under (a) of this section, for the privilege of the use of the solid waste system facilities, equipment, systems, functions, services, or improvements, owned, operated, certified, licensed, franchised, or provided by the district, each user of all solid waste system facilities shall pay a tax of \$8.23 for each ton of solid waste exclusive of source separated recyclable materials accepted at the solid waste system facilities.

(d) The following users of solid waste system facilities shall be allowed a credit in the amount of \$4.40 per ton against the Excise Tax otherwise due under Section 7.01.020(c):

(1) Any person delivering authorized, non-putrescible waste to any landfill that is authorized to receive such waste through a Metro franchise or Designated Facility Agreement; or

(2) Any Person delivering authorized, non-putrescible waste under the authority of a Metro Non System License.

(e) A solid waste facility which is certified, licensed or franchised by Metro pursuant to Metro Code Chapter 5.01 and which attains a Facility Retrieval Rate of 10 percent or greater shall be allowed a credit against the Excise Tax otherwise due under Section 7.01.020(c) or (d)

for disposal of Processing Residuals from the facility. The Facility Retrieval Rate and the Recovery Rate shall be calculated for each six-month period before the month in which the credit is claimed. The amount of such credit shall be in accordance with and no greater than as provided on the following table:

Excise Tax Credit Schedule

<u>Recovery Rate</u>		<u>Excise Tax Credit per ton of no more than</u>
<u>From Above</u>	<u>Up To & Including</u>	
<u>0%</u>	<u>20%</u>	<u>0.00</u>
<u>20%</u>	<u>25%</u>	<u>0.15</u>
<u>25%</u>	<u>30%</u>	<u>0.50</u>
<u>30%</u>	<u>35%</u>	<u>1.00</u>
<u>35%</u>	<u>40%</u>	<u>1.25</u>
<u>40%</u>	<u>100%</u>	<u>1.50</u>

(e)(f) In lieu of taxes imposed under (a) and (c) of this section and notwithstanding section 7.01.050(a)(6), operators of solid waste facilities licensed or franchised under chapter 5.01 of this Code to deliver putrescible waste directly to the district's contract operator for disposal of putrescible waste shall pay a tax in the amount of ~~\$1.76~~ \$8.23 per ton of putrescible waste delivered directly to the district's contract operator for disposal of putrescible waste.

SECTION 3. Section 4 of this Ordinance is added to and made a part of Metro Code Chapter 7.01.

SECTION 4. Commencing with the Metro fiscal year beginning July 1, 2002, and each year thereafter, the taxes imposed by Section 7.01.020(c) shall be increased by a percentage equal to (a) the annualized rate of increase in the Consumer Price Index, All Items, for Portland-Vancouver (All Urban Consumers) reported for the first six months of the federal reporting year as determined by the appropriate agency of the United States Government or (b) the most nearly equivalent index as determined by the Metro Council if the index described in (a) is discontinued.

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

Rod Monroe, Presiding Officer

ATTEST:

Approved as to Form:

Recording Secretary

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Daniel B. Cooper, General Counsel

STAFF REPORT

CONSIDERATION OF ORDINANCE NO. 99-824 AMENDING METRO CODE CHAPTER 7.01 TO MODIFY AND ADJUST METRO EXCISE TAXES AND MAKING OTHER RELATED AMENDMENTS

Date: October 1, 1999

Presented by: Terry Petersen

BACKGROUND

At the present time an excise tax is collected from users of facilities, products or services provided by Metro or its licensed, franchised, or regulated interests. The rate established by the Council is 7.5% of the payment for that use, product or service. Also, each user of solid waste system facilities pays an additional 1% to be used to support Regional Parks and Greenspaces programs. The exceptions to this tax are listed in subsection 7.01.050 of the Metro Code.

The recently re-negotiated solid waste contracts for transport and disposal have provided an opportunity to consider how to allocate the resulting cost reductions. In order to capture these cost reductions for other uses, the level of the excise tax needs to be adjusted. The Council has held a number of public hearings to receive comment on how to utilize the contract cost reductions. Options included:

- *Funding of charter mandated programs;*
- *Restoring fund balances to fiscally prudent levels;*
- *Mitigating cost increases in disposal of solid waste within the Region;*
- *Enhancing recycling efforts to meet regional targets and funding the growth in hazardous waste services; and*
- *Many other suggestions.*

ANALYSIS AND OPTIONS

An analysis was performed by staff that compared the present percentage tax structure to a per-ton tax. A number of per ton options were initially analyzed, including a flat rate, a higher rate at Metro transfer stations only, and a 3-tier system (wet waste, dry waste, and residual from Material Recovery Facilities).

Each of these options were measured against the following design criteria:

- ◆ What is the level of certainty that this option would produce revenue that would continue at a stable predictable rate?
- ◆ How does this option promote waste reduction activities?
- ◆ Would this option be fair and understandable?
- ◆ What would be the administrative costs associated with this option?
- ◆ Does this option provide a level playing field for all stakeholders?

This analysis was reviewed with the REM Council Committee on September 22, 1999. The committee gave general direction to staff to develop the 3-tier tax option because it:

- ◆ Provides a stable basis for forecasting revenue
- ◆ Ensures that the facilities that receive the greatest benefit from the contract savings will pay a higher proportion of the tax
- ◆ Shares the tax burden more equally across the region
- ◆ Promotes waste reduction activities by holding the rate paid by the Material Recovery Facilities (MRFs) steady at the current effective rate per ton

The tax structure in Ordinance 99-824 establishes a version of the 3-tier option, with the tiers accomplished through credits. A single per ton tax of \$8.23 is proposed with a credit of \$4.40 for non-putrescible waste. In addition, there is a proposed credit system whereby material recovery facilities can receive a further tax credit depending upon their recovery rate. The proposed credit schedule is shown below.

The proposed Excise Tax Credit for recycling will allow facilities that have higher recovery rates to receive a tax credit based on a sliding scale as outlined below. This scale is similar to the one used for the Regional System Fee Credit program.

Recovery Rate		Tax Credit Per Ton
From	To	
0%	20%	\$0
20%	25%	\$0.15
25%	30%	\$0.50
30%	35%	\$1.00
35%	40%	\$1.25
40%	100%	\$1.50

FISCAL IMPACT

At the currently authorized rate of 8.5% it is forecast that excise tax receipts from solid waste facilities will be approximately \$6 million in FY 2000-01. Due to the re-negotiation of the solid waste contracts, there is \$6.1 million "gross" savings available in FY 2000-01. Ordinance 99-824 as proposed would replace \$3 million of the contract cost reductions with additional general revenue that can be used for non-solid waste purposes.

On average, the effective financial impact on solid waste facilities, projected for FY 2000-01 is shown below:

<u>Type of Facility</u>	<u>Effective Rate Per Ton (w/current tax rates)</u>	<u>Effective Rate Per Ton * (w/proposed tax rates)</u>	<u>Change from Current Rate</u>
Transfer Stations	\$5.05	\$8.23	\$3.18
Reloads/Wet Waste	\$4.78	\$8.23	\$3.45
Landfills	\$3.83	\$3.83	\$0
MRFs/Residual	\$2.72	\$2.72**	\$0

* After tax credit

** This is the effective tax rate if the MRF recovers 35% or more of the mixed dry waste received at the facility. If the MRF recovers 20% or less, the per-ton tax rate would effectively be the same as the landfills. If the recovery rate is between 20-35%, the effective tax rate will be between \$3.83 and \$2.72.

Within each of the facility types shown, there is currently variation between individual facilities in the per ton amount of excise tax paid to Metro. This variation is caused by the different prices charged at different facilities. For example, the current per ton excise tax at Hillsboro Landfill is \$4.30 and the current rate at Lakeside Landfill is \$3.28.

The proposed tax rate structure in Ordinance 99-824 effectively averages the current tax rates for the same facility types. Therefore, converting to the proposed rate structure will cause some facilities to pay more, and other less, than they currently pay. Of all the options studied, the proposed tax structure is the most revenue neutral in terms of tax increases being associated with offsetting decreases in contract savings.

Ordinance 99-824 also includes an inflationary adjustment. Beginning in FY 2002-03, the excise tax on solid waste facilities would be annually adjusted by the percentage change in the Consumer Price Index (CPI), all items, for Portland-Vancouver (all Urban Consumers) as reported for the first half of the Federal reporting year.

Agenda Item Number 8.3

Ordinance No. 99-825, For the Purpose of Amending Metro Code Section 5.02.025 to Modify the Disposal Charge at the Metro South and Metro Central Transfer Stations.

Second Reading

**Metro Council Meeting
Thursday, October 14, 1999
Council Chamber**

BEFORE THE METRO COUNCIL

FOR THE PURPOSE OF AMENDING METRO CODE	)	ORDINANCE NO. 99-825
SECTION 5.02.025 TO MODIFY THE DISPOSAL)	
CHARGE AT THE METRO SOUTH AND METRO	)	Introduced by
CENTRAL TRANSFER STATIONS	)	Councilor Bragdon

WHEREAS, it is desirable to review the disposal fees and other fee components charged at Metro's regional solid waste facilities in light of certain amendments to significant Metro solid waste contracts; and

WHEREAS, it is necessary to adjust the Tonnage Charge of Metro's disposal rate system to take advantage of the savings resulting from these solid waste contract amendments; and

WHEREAS, the Metro Rate Review Committee convened pursuant to Chapter 5.08 of the Metro Code and reviewed the disposal fees and other fee components for the Metro Central and Metro South Transfer Stations; now, therefore,

THE METRO COUNCIL ORDAINS AS FOLLOWS:

SECTION 1. Metro Code Section 5.02.025 is amended to read:

(a) The fee for disposal of solid waste at the Metro South Station and at the Metro Central Station shall consist of a Tonnage Charge of ~~\$62.50~~ \$62.00 for each ton of solid waste delivered for disposal and a Transaction Charge of \$5.00 for each Solid Waste Disposal Transaction.

(b) The Tonnage Charge specified in subsection (a) of this section includes:

- (1) A disposal charge of ~~\$38.61~~ \$30.02 per ton;
- (2) A regional transfer charge of ~~\$7.00~~ \$6.56 per ton;
- (3) The fees specified in section 5.02.045;
- (4) An enhancement fee of \$.50 per ton; and
- (5) DEQ fees totaling \$1.24 per ton.

(c) Notwithstanding subsection (a) of this section, there shall be a minimum solid waste disposal charge at the Metro South Station and at the Metro Central Station for loads of solid waste weighing 320 pounds or less of \$15, which shall consist of a minimum Tonnage Charge of \$10.00 plus a Transaction Charge of \$5 per Transaction.

(d) Total fees assessed in cash at the Metro South Station and at the Metro Central Station shall be rounded to the nearest whole dollar amount, with any \$0.50 charge rounded down.

(e) The Director of the Regional Environmental Management Department may waive disposal fees created in this section for Non-commercial Customers of the Metro Central Station and of the Metro South Station under extraordinary, emergency conditions or circumstances.

~~(f) The following table summarizes the disposal charges to be collected by Metro from all persons disposing of solid waste at Metro South Station and Metro Central Station.~~

_____ METRO SOUTH STATION _____ METRO CENTRAL STATION	
Tonnage Charge Component	\$/Ton Rate
Disposal Charge	38.61
Regional System Fee	14.00
Metro Facility Fee	1.15
Regional Transfer Charge	7.00
Metro Tonnage Charges	\$60.76
Additional Fees	
Enhancement Fee	0.50
DEQ Fees	1.24
Total Tonnage Charges:	\$62.50
_____ \$/Transaction	
Per-Transaction Charge	\$5.00
Minimum Tonnage Charge	\$10.00

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

Rod Monroe, Presiding Officer

ATTEST:

Approved as to Form:

Recording Secretary

Daniel B. Cooper, General Counsel

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STAFF REPORT:

IN CONSIDERATION OF ORDINANCE NO. 99-825 FOR THE PURPOSE OF AMENDING METRO CODE CHAPTER 5.02.025, TO MODIFY THE DISPOSAL CHARGE AT THE METRO SOUTH AND METRO CENTRAL TRANSFER STATIONS.

Date: October 1, 1999

Presented by: Terry Petersen

PROPOSED ACTION:

Adopt Ordinance No. 99-825. If adopted, the solid waste charges in Ordinance 99-825 would be effective on the appropriate dates following Council approval.

BACKGROUND:

Metro recently renegotiated the disposal contract with Waste Management Disposal Services of Oregon (Change Order #8), and the transportation contract with Specialty Transportation Services, Inc. (Change Order #24). The new transport and disposal prices in these renegotiated contracts will result in significant reductions in future payments to Metro's contractors.

During the past six months, Metro has reviewed a wide range of options for managing these contract cost reductions. This review has involved extensive public involvement, including numerous public hearings before the Metro Council, Metro's Solid Waste Advisory Committee, Metro's Rate Review Committee, and other advisory groups.

This public input helped shape the general policy directions that are reflected in the solid waste charges in Ordinance 99-825. Specifically, the key elements of Ordinance 99-825 will allow Metro to:

- Reduce the disposal charge at the Metro transfer stations to \$62.00 per ton.
- Create sufficient cash reserves to stabilize the \$62.00 per ton charge for up to four years.
- Increase general fund revenues for essential non-solid waste Metro responsibilities, such as growth management planning, by about \$3.0 million per year. See Excise Tax Ordinance 99-824.
- Increase funding for waste reduction and hazardous waste services by about \$1.0 million per year.

SOLID WASTE FEES AND CHARGES AT METRO TRANSFER STATIONS:

The individual fees and charges as proposed in Ordinance 99-825 compare to current fees and charges as follows:

	<u>Current</u>	<u>Proposed</u>
Disposal Charge(1)	\$38.61	\$30.02
Metro Facility Fee(2)	1.15	\$ 2.55*
Regional Transfer Charge(3)	\$ 7.00	\$ 6.56
Regional System Fee(4)	\$14.00	\$12.90*
Excise Tax (5)	<u>(included in above)**</u>	<u>\$ 8.23</u>
Total Rate	\$60.76	\$60.26
 <u>Additional Fees</u>		
Enhancement Fee	\$.50	\$.50
DEQ Fees	<u>\$ 1.24</u>	<u>\$ 1.24</u>
Total Disposal Fee	\$62.50	\$62.00

* These are the fees specified in Metro Code, Section 5.02.045; see Ordinance 99-823 for details.

** The current tax included in the solid waste fee component is equivalent to \$5.05 per ton.

(1) The Disposal Charge includes the contractual price for waste transport and disposal. The proposed charge of \$30.02 reflects the renegotiated lower contract prices.

(2) The Metro Facility Fee currently includes contributions to facility renewal and replacement, and certain management costs at the Metro Transfer Stations. The proposed higher fee of \$2.55 is a result of reallocating appropriate administrative costs to this cost component from the regional revenue (tonnage) base. This change is consistent with a recommendation from consulting firm Black & Veatch.

(3) The Regional Transfer Charge is Metro's contractual price for operation of the Metro Transfer Stations. The proposed rate is lower because it does not include the excise tax as does the current transfer charge.

(4) The Regional System Fee is collected by facility operators and paid to Metro on a per ton basis. The new rate is \$21.90, with a \$9.00 credit to be applied to those qualifying facilities. The \$12.90 shown in this table reflects the \$9.00 credit being applied. See Ordinance 99-823 for details.

(5) The current Metro excise tax of 8.5% is included in the individual solid waste fees and charges. The proposed rates and fees in Ordinance 99-825 do not include the

excise tax. Instead, the proposed rates and fees reflect a conversion to a per ton excise tax. See Ordinance 99-824 for details.

FISCAL IMPACT:

The revenue projected to be raised through the fees and charges in Ordinance 99-825 will be less than required given projected expenditure levels, tonnage forecasts, and assuming the excise tax remains the same (see Ordinance 99-824). To offset this shortfall in revenue requirements, the reserves in the Undesignated Fund Balance and the Rate Stabilization Account will be used as shown below:

<u>Fiscal Year</u>	<u>Revenue Requirements</u>	<u>Metro Tip Fee</u>	<u>Rate Revenue</u>	<u>Undesignated Fund Balance Offset</u>	<u>Rate Stabilization Acct. Offset</u>
FY00/01	\$ 45.1 million	\$ 62.00	\$ 45.0 million	\$ 0.1 million	\$ 0.00
FY01/02	\$ 47.6 m	\$ 62.00	\$ 46.3 m	\$ (1.3) m	\$ 0.00
FY02/03	\$ 49.5 m	\$ 62.00	\$ 47.7 m	\$ (1.8) m	\$ 0.00
FY03/04	\$ 51.6 m	\$ 62.00	\$ 49.1 m	\$ (0.8) m	\$ (1.7) m
FY04/05	\$ 53.6 m	\$ 63.70	\$ 52.3 m *	\$ 0.00	\$ (1.3) m

* Tip Fee increases \$1.70/ton

The use of the funds from Undesignated Fund Balance and the Rate Stabilization Account will allow Metro to maintain the disposal charge of \$62.00 given current expenditure levels and projected tonnage for four years.

Agenda Item Number 9.1

**Resolution No. 99-2835, For the Purpose of Expressing Council Intent to Amend the Region 2040
Growth Concept Map to Designate the City of Milwaukie as a Town Center.**

**Metro Council Meeting
Thursday, October 14, 1999
Council Chamber**

BEFORE THE METRO COUNCIL

FOR THE PURPOSE OF EXPRESSING	)	RESOLUTION NO 99-2835
COUNCIL INTENT TO AMEND THE)	
REGION 2040 GROWTH CONCEPT MAP	)	Introduced by Executive Officer Mike
TO DESIGNATE THE CITY OF	)	Burton
MILWAUKIE AS A TOWN CENTER)	

WHEREAS, the Metro Council adopted the Urban Growth Management Functional Plan for early implementation of the 2040 Growth Concept on November 21, 1996, by Ordinance No. 96-647C; and

WHEREAS, the 2040 Growth Concept Map is part of Metro's acknowledged Regional Urban Growth Goals and Objectives in Ordinance No. 95-625A; and

WHEREAS, the 2040 Growth Concept designates the downtown area of the City of Milwaukie as a Regional Center; and

WHEREAS, the 2040 Growth Concept states that Regional Centers will "become the focus of compact development, redevelopment and high-quality transit service, multimodal street networks and act as major nodes along regional through routes;" and

WHEREAS, the City of Milwaukie has requested that the Metro Council amend the 2040 Growth Concept map to designate the city as a Town Center for the reasons set forth in Exhibit A; and

WHEREAS, the 2040 Growth Concept states that Town Centers will "provide local shopping, employment and cultural and recreational opportunities within a local market area;" and

WHEREAS, the Metro Council anticipates making several amendments to the 2040 Growth Concept Map before the end of March 2000; now therefore,

BE IT RESOLVED:

1. The Metro Council agrees with the City of Milwaukie's request to redesignate the downtown area of the city as a Town Center.

2. The Metro Council intends to amend the 2040 Growth Concept Map by ordinance to redesignate the city as a Town Center when the 2040 Growth Concept Map is amended in March 2000.

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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GROWTH MAGEMENT COMMITTEE REPORT

CONSIDERATION OF RESOLUTION NO. 99-2835, FOR THE PURPOSE OF EXPRESSING COUNCIL INTENT TO AMEND THE REGION 2040 GROWTH CONCEPT MAP TO DESIGNATE THE CITY OF MILWAUKIE AS A TOWN CENTER

Date: October 6, 1999

Presented by: Councilor Bragdon

Committee Action: At its October 5, 1999 meeting, the Growth Management Committee voted 3-0 to recommend council adoption of Resolution no. 99-2835. Voting in favor: Councilors Bragdon and McLain. Councilor Park abstained.

Committee Issues/Discussion: Resolution 99-2835 amends the 2040 Growth Concept map to designate the downtown area of Milwaukie as a town center rather than the current regional center designation. Brenda Bernards gave the staff presentation on this issue. She pointed out that the City of Milwaukie has been planning for its downtown area since 1995. Their Regional Center Master Plan Study was done in part to determine if Metro's Regional Center designation was appropriate for Milwaukie's downtown area. Milwaukie has concluded that it wants to keep more of a small town feel than a regional center would imply.

At the same time, Milwaukie will meet its citywide functional plan housing targets. Housing will just be somewhat more dispersed, with less focus on downtown.

Carolyn Tomei, Milwaukie's Mayor also testified and reiterated the points mentioned above. She also said that there were indications that Milwaukie would not lose out in the MTIP selection process for transportation dollars and that that satisfied the city to not push for a "special" town center designation.

STAFF REPORT

CONSIDERATION OF RESOLUTION NO. 99-2835 REDESIGNATING THE MILWAUKIE REGIONAL CENTER TO MILWAUKIE TOWN CENTER

Date: August 20, 1999

**Presented by: Elaine Wilkerson
Prepared by: Brenda Bernards**

PROPOSED ACTION

Adoption of Resolution No. 99-2835 redesignating the Milwaukie Regional Center as the Milwaukie Town Center on the 2040 Growth Concept map.

BACKGROUND AND ANALYSIS

Milwaukie's Request

The City of Milwaukie has requested an amendment to the adopted 2040 Growth Concept map.

The 2040 Growth Concept designates downtown Milwaukie as one of eight regional centers. The Regional Urban Growth Goals and Objectives (RUGGO) defines a regional center as the focus of compact development, high-quality transit service and multi-modal street networks. Regional centers act as major nodes along regional transportation routes and serve hundreds of thousands of people and include commercial, recreational, institutional, cultural, employment and residential uses.

The City of Milwaukie requests that its downtown area be redesignated as a special town center. The City proposes that Metro add a special town center to its design types. This new designation would receive the same level of priority in the RTP for transportation projects as a regional center. Areas designated as town centers are given a lower level of priority. Town centers are smaller than regional centers and serve tens of thousands of people. They provide local shopping, employment, cultural and recreational opportunities within the local market area.

The Mayor's letter (attached) notes that the City is concerned about the impact of a regional center designation on the adjacent neighborhoods and the potential loss of the small town feel in the downtown. At the same time, Milwaukie's downtown is at the convergence of several regional through routes and multi-modal corridors and that regional demand on these facilities is increasing the need for improvements. A special town center designation would give the transportation projects located in the Milwaukie Town Center a higher weight than other town centers when applying for transportation project funding.

Regional vs. Town Center

Milwaukie began the process of planning for its downtown in 1995 with the Milwaukie Vision project. The project stated a vision for the City that included a downtown with civic, commercial and cultural activities. The next step undertaken was the Regional Center Master Plan study. This study, partially funded by a Transportation Growth Management grant, was to establish the framework for the city center envisioned by the Milwaukie Vision statement. A key component

of this study was to determine if Metro's regional center designation was appropriate for the Milwaukie downtown.

Through the regional center planning undertaken between June 1996 and October 1997, the City was able to plan capacity in the downtown to reach 69 percent of the mixed-use housing target and 33 percent of the mixed-use employment target in the Metro Code. The City anticipates that the proposed town center will include all of the redevelopment opportunity sites of the regional center and the planned capacity will remain the same. Milwaukie has requested a time extension to complete its planning for its designated main street and in order to finalize the housing and employment capacity calculation for mixed-use areas. While the main street planning effort will identify additional housing and employment capacity, it is not likely to make up the mixed-use capacity shortfall. Milwaukie is able to meet its citywide housing targets. This indicates that, while the City meets the overall target, the housing will be distributed more widely with less focus on the downtown and at an intensity that may be more appropriate for a town center. Milwaukie has requested an exception to lower the citywide employment targets. At the time of the request, the City had not considered the potential employment opportunities of the industrial area to the north of the regional center. It is the City's intention to investigate the employment potential of this area and the results should bring Milwaukie closer to its target and an exception may no longer be necessary.

Metro Code

As a town center, Milwaukie would not be unique in its position of "a convergence of major transportation facilities of a regional significance". Four town centers are located on the light rail line: Orenco, Sunset Transit Station, Hollywood and Rockwood. In addition, Sunset Transit Station is at the intersection of Highways 26 and 217. Interstate-84 abuts the Hollywood Town Center. Raleigh Hills Town Center is located at the meeting point of 3 roads of regional significance: Beaverton-Hillsdale Highway, Scholls Ferry Road and Oleson Road. The Tigard Town Center is located at the crossing of Highway 99W and Highway 217. The Tanasbourne Town Center is at the crossing of Highway 26 and 185th. Each of these town centers could also provide a compelling argument for a special status based on regional transportation significance.

Amendments to 2040 Growth Concept were anticipated in Metro policy. Page 18 of the Regional Framework Plan in the description of regional centers notes:

"The relatively small number of centers reflects not only the limited market for new development at this density but also the limited transportation funding for high-quality transit and roadway improvements envisioned in these areas. As such, the nine regional centers *[includes the central city]* should be considered candidates and ultimately the number should be reduced or policies established to phase in certain regional centers earlier than others."

Implications for the Regional Transportation Plan and Funding

At this time, Metro has no special town center designation. As noted above, regional centers are given priority in transportation funding because they are the focus for higher density urban development and serve large portions of the region. In the Regional Transportation Plan (RTP), they are classified as primary components and targeted for the most aggressive system improvements. Town centers serve local markets. The RTP classifies them as secondary components and regional improvements are less aggressive in these areas.

The recent MTIP project selection criteria implemented the RTP by using technical scoring criteria that reflect the primary, secondary and other categories. The criteria include support for the 2040 Growth Concept, mobility at reasonable costs, reduced delays for freight and goods movement, and improvements to safety. Each project was scored according to the amount of relative change in population and employment expected over the next 20 years. In this way, areas like regional centers that are expected to be a focus of future growth achieve high scores, since a significant increase in population and employment are expected at these locations. This technical scoring awards a project up to 20 points out of a total of 100 possible points. Projects serving regional centers typically score 15 to 20 points and projects that serve town centers typically score 5 to 10 points, depending on the size of the center.

The proposed transportation projects were also scored according to how well they serve a 2040 center or other design type. Metro used a select link analysis to determine the share of trips on a given facility destined for the center or other location served by the facility. As the scale and intensity of development assumed in a given center also drove this score, regional centers tended to score higher than town centers. A total of 20 points were also available in this technical category, with regional centers typically scoring 10 to 20 points and town centers typically scoring 0 to 15 points.

As outlined above, 40% of the technical scoring points on projects could be affected by the redesignation of the regional center to a town center. The City is not intending to decrease the residential and employment densities already in place in the area under consideration and the bulk of the redevelopment opportunities are expected to be within the redrawn special town center boundaries. This may assist Milwaukie in scoring more points when measuring scale and density of development.

Staff Recommendation

Staff do not recommend the redesignation from regional center to the proposed special town center designation. This designation is not available and would not support the priority the Council has placed on regional centers. The City has indicated that if a designation of special town center is not feasible, it would request a redesignation to a town center. Milwaukie believes that a town center designation would be more consistent with its vision for growth than the current regional center designation. Therefore, staff recommend a redesignation from a regional center to a town center.

BUDGET IMPACT

Adoption of this resolution has no budget impact.

EXECUTIVE OFFICER'S RECOMMENDATION

The redesignation of the Milwaukie Regional Center to the Milwaukie Town Center on the 2040 Growth Concept map is recommended for adoption.

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Agenda Item Number 9.2

Resolution No. 99-2840, For the Purpose of Confirming the Reappointment of Herbert S. Plep and the Appointment of Brian R. Williams and James C. Aalberg to the Investment Advisory Board.

**Metro Council Meeting
Thursday, October 14, 1999
Council Chamber**

BEFORE THE METRO COUNCIL

FOR THE PURPOSE OF CONFIRMING THE	)	RESOLUTION NO. 99-2840
REAPPOINTMENT OF HERBERT S. PLEP AND)	
THE APPOINTMENT OF BRIAN R. WILLIAMS	)	Introduced by Mike Burton
AND JAMES C. AALBERG TO THE	)	Executive Officer
INVESTMENT ADVISORY BOARD)	

WHEREAS, The Metro Code, Section 2.06.030, provides that the Council confirms members to the Investment Advisory Board; and,

WHEREAS, Herbert S. Plep, Brian R. Williams and James C. Aalberg come highly recommended by their background and experience; and,

WHEREAS, The Council finds that Herbert S. Plep, Brian R. Williams and James C. Aalberg are exceptionally qualified to perform these duties, now, therefore,

BE IT RESOLVED,

That Herbert S. Plep and Brian R. Williams are confirmed as members of the Investment Advisory Board for terms ending October 31, 2002 and James C. Aalberg is confirmed as a member of the Investment Advisory Board for a term ending October 31, 2001.

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

Rod Monroe, Presiding Officer

Approved as to Form:

Daniel B. Cooper, General Counsel

STAFF REPORT

CONSIDERATION OF RESOLUTION NO. 99-2840 CONFIRMING THE REAPPOINTMENT OF HERBERT S. PLEP AND THE APPOINTMENT OF BRIAN R. WILLIAMS AND JAMES C. AALBERG TO THE INVESTMENT ADVISORY BOARD.

Date: October 15, 1998

Presented by: Howard Hansen

FACTUAL BACKGROUND AND ANALYSIS

Metro Code, Section 2.06.030, includes the creation of the Investment Advisory Board. One provision of this Code requires the Investment Officer to recommend to the Council for confirmation those persons who shall serve on the Board to discuss and advise on investment strategies, banking relationships, the legality and probity of investment activities, and the establishment of written procedures for the investment operation.

On December 10, 1998, Herbert S. Plep was appointed to the Investment Advisory Board for the term ending October 31, 1999. During this period, Mr. Plep has been consistent in his attendance and valuable in his contribution to the board. Mr. Plep has indicated his willingness to serve an additional three year term. Mr. Plep is Assistant Treasurer of Esco Corporation where he has been for twenty eight years. His resume (Attachment A) reports a wide exposure to banking relationships, cash management, and review of investment management performance.

Peggy Miller has served on the Investment Advisory Board since April 14, 1994 and her term ends October 31, 1999. Her work location has made it increasingly difficult to attend meetings and she prefers not to be reappointed.

John F. Fryer has served on the Investment Advisory Board since February 12, 1998. His work responsibilities prohibit constant attendance and he has submitted his resignation before the end of his term which expires October 31, 2000.

Brian R. Williams has an extensive public and private industry background in investments and cash management as outlined in his resume (Attachment B). His work history and educational background certainly qualify him to serve.

James C. Aalberg has an impressive background in finance and investments (Attachment C). His work history, education and community affiliations confirm his ability to serve.

The Executive Officer, acting as the Investment Officer, recommends reappointment of Herbert S. Plep for a three term ending October 31, 2002, the appointment of Brian R. Williams for a three term ending October 31, 2002 and the appointment of James C. Aalberg for a two year term ending October 31, 2001.

EXECUTIVE OFFICER'S RECOMMENDATION

The Executive Officer recommends approval of Resolution No. 99-2840

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Herbert S. Plep

Summary of Qualifications

28 years diverse work experience in accounting, finance and human resource management
Worked with investment managers and actuaries for 15+ years
Implemented 401(k) program

Professional Experience - ESCO Corporation

Junior Accountant - 1970
Various accounting positions
Corporate Finance Manager - approx. 1985
Assistant Treasurer - 1991

Responsibilities:

Global banking relationships
Global cash management
Performance of 3 pension investment managers, (2 for defined benefits plans and 1 for defined contribution plan)
Structure of subsidiary investment and pension programs
Outside actuarial work
Global risk management - casualty and property
U.S. payroll and U.S. accounts payable
Had managed employee benefit department for 3 years, implementing major changes in retirement program
Had assisted with internal 401(k) educational program

Education

Bachelor of Science, Accounting - Univ. of Oregon, 1965
Graduate courses in finance - Univ. of Oregon, 1966
" " " " - Portland State Univ., 1971

ATTACHMENT A

Brian R. Williams

13617 NE Glendoveer Court
Portland, Oregon 97230
Phone: (503) 256-1942
e-mail: bwilliams@pps.k12.or.us

PROFESSIONAL EXPERIENCE:

Present

BUDGET ANALYST

PORTLAND PUBLIC SCHOOLS, Portland, Oregon

- Prepare consolidated annual budget documents.

1999

CONSULTANT

HUTCHISON & KING, Portland, Oregon

1997-1998

CASH MANAGER

NORTH PACIFIC GROUP, INC., Portland, Oregon

- Managed daily cash collection and disbursement systems and directed resulting investment and borrowing activity for Oregon's largest privately-held company with annual sales of \$1 billion.
- Served as primary liaison between 8 banks and 21 subsidiary companies in 7 states.
- Authored first comprehensive Cash Management Procedures Manual.
- Reduced expenses by eliminating redundant bank relationships and improving cash collection system.
- Communicated complex information in a useful way to company Treasurer.
- Provided quality service to Division Controllers by quickly resolving problems.

1994-1997

FINANCE SUPERVISOR

PORTLAND PUBLIC SCHOOLS, Portland, Oregon

- Selected, trained, motivated and evaluated 7 accounts payable staff responsible for annual payment of \$190 million to 800 vendors for 126 school sites.
- Produced a 25% increase in productivity by initiating a CQI team environment.
- Assumed roles of Controller and Finance Director in their absence.
- Administered Tax-Sheltered Annuity (403 (b)) Plans offered by 23 companies.
- Collaborated with design and implementation of laser printed check system.
- Initiated weekly inter-departmental meetings to improve communication.
- Participated developing purchasing card program which reduced processing costs.
- Coordinated operation of Flexible Benefit (Cafeteria) Plan with plan administrator.
- Eliminated employee overtime by reorganizing work schedules.
- Wrote individual desk procedures manuals to promote training and cross-training.
- Assisted independent auditors prepare Comprehensive Annual Financial Statement.

ATTACHMENT B

Brian R. Williams

13617 NE Glendoveer Court
Portland, Oregon 97230
Phone: (503) 256-1942
e-mail: bwilliams@pps.k12.or.us

PROFESSIONAL EXPERIENCE, cont'd:

1987-1994

CASH MANAGER

PORTLAND PUBLIC SCHOOLS, Portland, Oregon

- Developed and implemented an investment strategy for a \$200 million portfolio.
- Wrote Excel spread sheet program to project short- and long-range cash flow.
- Maintained records of bonded indebtedness, prepared schedules of debt and bond retirements, performed arbitrage calculations.
- Reduced fee expenses by carefully reviewing monthly bank analysis statements.
- Improved bank relationships through collaborative discussion and negotiation.
- Wrote first Cash Management Practices and Procedures Manual.
- Communicated orally and in writing to Finance Director and Board of Education.
- Participated in task force which recommended revisions to Oregon Revised Statutes relative to investments by municipalities which Legislature subsequently approved.

1972-1986

FIRST INTERSTATE BANK OF OREGON, Portland, Oregon

- **COMMERCIAL LOAN OFFICER/ASST. MANAGER, Fifth and Salmon Branch**
- **CREDIT ANALYST, Credit Department**
- **GENERAL ACCOUNTING OFFICER, Corporate Accounting Department**
- **ASSISTANT EMPLOYMENT MANAGER, Human Resources Department**
- **MANAGEMENT TRAINEE, various branches**

EDUCATION:

University of Washington, Seattle
B A. in Business Administration, emphasis in Accounting
Certified Cash Manager since 1992.

AFFILIATIONS:

Portland Treasury Management Association, Past President, current
Government Relations Liaison.

Treasury Management Association.

Toastmasters International.

Franciscan Montessori Earth School, volunteer

James C. Aalberg
6695 SW Ventura Place
Portland, Oregon 97223
(503) 245-1569

SEP 15 1993

PROFESSIONAL EXPERIENCE

Financial Management

1995 - Fred Meyer, Inc. (Portland) – Group Vice-President Treasurer

Summary of responsibilities:

- Corporate finance, banking, cash management
- Credit card, debit card and EBT operations
- Insurance, workers' compensation, general liability, safety, and light duty
- Main office campus, corporate supplies and unionized print shop
- Six direct reports, total staff of 52; annual overhead budgets of \$2 million

Accomplishments of note:

- Implemented state-of-the-industry controlled disbursement program
- Implemented automated systems for import letter of credit, account reconciliation, and cash concentration processes
- Executed two limited 144A sale lease back transactions
- Negotiated termination of private label credit card and replaced issuer
- Outsourced workers' compensation case administration
- Expanded bank borrowing facilities and commercial paper program
- Managed asbestos abatement and containment, DEQ traffic reduction program, and replumbing and landscaping of main office campus
- Managed design, budget, construction for new 180,000 sq. ft. office building

Other involvements:

- Due diligence, acquisition, financing and integration of Smith's Food and Drug, Ralph's, Quality Foods Center, and merger with Kroger
- Company's first public debt offering and related rating agency process
- Two secondary common stock offerings, including stock buy-back program
- Proxy, prospectus and offering memorandum preparation
- Investor/shareholder relations
- Internal training and development programs
- Company community affairs

Banking

1993-1995	West One Bank (Portland) – Senior Commercial Lender
1975-1993	Oregon Bank/Security Pacific/Bank of America (Portland) – Senior V. P.
1967-1975	The Bank of California (Portland, San Francisco, Tacoma) – Commercial Lender

ATTACHMENT C

Summary of responsibilities:

- Twenty-eight years in banking, corporate lending, business development and administration
- Managed various corporate lending divisions (peak staffing 28) through several downsizing and merger transitions as Senior V. P. of Bank of America
- Restructured business units in accordance with strategic plans
- Served as credit administrator
- Chaired community affairs committee at Security Pacific Bank

EDUCATION

1972	Bachelor of Science, Finance/Law, Portland State University
1973	Bank of California Management Training Program, San Francisco
1983	Pacific Coast Banking School, University of Washington, Seattle
1989	Zenger Miller Frontline Manager – Certified Trainer
1990	Graduate School of Credit and Financial Management, Santa Clara University (graduated with honors)
1991	Cohen/Brown Sales Seminars – Certified Trainer, Portland
1996	Fred Meyer Institute – Instructor in Leader Development, Portland
Ongoing	Seminars in risk and treasury management and legal issues (various cities)

PROFESSIONAL & COMMUNITY AFFILIATIONS

1999-	Member, Association for Corporate Growth
1998	Chair, Portland Public School Task Force on Finance and Risk Management
1996-	Member, Risk and Insurance Management Society
1996-	Member, Treasury Management Association
1996-	Member, Financial Executive Institute
1995-	Member, Alumni Board of Portland State University
1992	Team Captain, Portland Art Museum Corporate Membership Drive
1989-1994	Member, Oregon Historical Society Board
1988-1994	Member, Foundation Board of Portland State University
1990-1993	Secretary, Executive Committee of Foundation Board, Portland State University
1984-1990	Member, Corporate Associates Board of Portland State University
1989-1991	Associate, Good Samaritan Hospital
1983-1989	Member, St. John Fisher Parish School Board

Agenda Item Number 9.3

Resolution No. 99-2842, For the Purpose of Authorizing the Executive Officer to Extend the Termination Date of Existing Intergovernmental Agreements with Local Parks Providers who are Implementing the Local Share Component of Metro's Open Spaces, Parks and Streams Bond Measure.

**Metro Council Meeting
Thursday, October 14, 1999
Council Chamber**

METRO OPERATIONS COMMITTEE REPORT

CONSIDERATION OF RESOLUTION NO. 99-2842, FOR THE PURPOSE OF AUTHORIZING THE EXECUTIVE OFFICER TO EXTEND THE TERMINATION DATE OF EXISTING INTERGOVERNMENTAL AGREEMENTS WITH LOCAL PARK PROVIDERS WHO ARE IMPLEMENTING THE LOCAL SHARE COMPONENT OF METRO'S OPEN SPACES, PARKS AND STREAMS BOND MEASURE

Date: October 14, 1999

Presented by: Councilor Kvistad

Committee Action: At its October 6, 1999 meeting, the Metro Operations Committee voted 3-0 to recommend Council approval of Resolution No. 99-2842. Voting in favor: Councilors Atherton, Kvistad and Washington.

Committee Issues/Discussion: Charles Ciecko, Director, Regional Parks and Greenspaces Department, gave the staff presentation. Resolution No. 99-2842 extends deadlines for local parks providers to complete local share projects to December 31, 2000, as shown in exhibit A of the resolution. The application of the deadline is through modification of Intergovernmental Agreements with local parks providers, whose current deadline for project completion and expenditure of funds is December 31, 1999.

\$25,000,000 was allocated to local share projects through Metro's Open Spaces, Parks and Streams bond measure. 26 local parks providers were recipients of these funds, and the original deadline for completion of projects was September 31, 1998. To-date 11 jurisdictions have spent all their funds, and \$15 million, or 60% of all funds have been expended.

The reasons for local providers not being able to complete their projects vary, but include limitations on local budgets from Measure 50, inability to aggregate all lands necessary for local projects from willing sellers, and constraints imposed on local districts from multiple funding sources.

BEFORE THE METRO COUNCIL

FOR THE PURPOSE OF AUTHORIZING THE)
EXECUTIVE OFFICER TO EXTEND THE)
TERMINATION DATE OF EXISTING INTERGOVERN-)
MENTAL AGREEMENTS WITH LOCAL PARK)
PROVIDERS THAT ARE IMPLEMENTING THE)
LOCAL SHARE COMPONENT OF METRO'S OPEN)
SPACES, PARKS AND STREAMS BOND MEASURE.)

RESOLUTION NO. 99-2842

Introduced by
Mike Burton, Executive Officer

WHEREAS, the electors of Metro approved a ballot measure on May 16, 1995, authorizing Metro to issue \$135.6 million in bonds for Open Spaces, Parks and Streams (the "Measure"); and

WHEREAS, the Measure provided that \$25 million from bond proceeds be expended by local park providers for specific projects; and

WHEREAS, Metro and each local park provider entered into an Intergovernmental Agreement ("IGA") (see attached Exhibit A listing local park providers and IGA contract numbers) to allow for the completion of local share projects and the payment of bond proceeds to local park providers; and

WHEREAS, the original termination date of the IGAs was September 1, 1998, and the Metro Council via Resolution No. 98-2681 granted to local park providers on August 6, 1998 the first extension, which reset the IGA termination date to December 31, 1999; and

WHEREAS, additional time is needed by local park providers to complete their projects, and local share project managers have been consulted and support extending the IGAs to December 31, 2000; and

WHEREAS, all other provisions of the IGAs remain in effect; and

WHEREAS, the local park providers will certify: that they will work diligently to complete the projects within the new time frame; that they will place signs (approved by Metro Parks staff) acknowledging funding from the Metro Open Spaces bond at project sites; and that they will acknowledge Metro's funding in publications and newsletters about the local share projects; and

WHEREAS, Metro Regional Parks and Greenspaces staff will work cooperatively with local project managers to complete projects by the new termination date; now therefore

BE IT RESOLVED,

That the Metro Council authorizes the Executive Officer to extend the termination date to December 31, 2000, of the existing IGAs with local park providers as listed in Exhibit A attached hereto.

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

Rod Monroe, Presiding Officer

Approved As to Form

Daniel B. Cooper, General Counsel

EXHIBIT A LOCAL SHARE EXTENSIONS

		Council				Attach A	Balance
Loc. Prov.	Project	Dist	Proj #	Draws	Per 95-2215	Totals	Remaining
219200-53301							
Amd 3/8/99 904588	Barton Park Improvements	o/s	53300	1,158,789.00		1,411,853	253,064
Amended 3/8/99	Springwater Corridor Acquisition	o/s	53310			80,000	80,000
Amended 3/8/99	Clackamas River Acquisition	o/s	53320			0	0
Amended 3/8/99	Damascas Area Acquisition	2	53330			256,235	256,235
Amended 3/8/99	Clackamas River, Carver, Acquisitions	o/s	54300	128,147.22		128,147	(0)
				1,286,936.22	1,876,235	1,876,235	589,299
219211-53341							
904589	Kellogg Creek Acquisition	7	53340			127,000	127,000
	Boardman Slough Acquisition	7	53350	4,139.83		65,000	60,860
	Mt. Talbert Acquisition	2,6	53360	280,000.00		280,000	0
	Portland Traction Co. Acquisition	7,2	53370	33,587.63		571,025	537,437
				317,727.46	1,043,025	1,043,025	725,298
219212-53381							
904590 REDUCED	Meldrum Bar Park Improvements	2	53380	29,548.75		29,549	(0)
NEW	PTC / Abernathy Lane Trail Construction	2	53385	87,356.00		87,356	0
reduced	Cross Park Improvements	2	53390	2,640.00		2,640	0
Close	Glen Echo Park Acq & Improvements	2	53400			0	0
LLY DRAWN NEW	Land Acq. at Valley View Rd.	2	53396	37,312.50		37,313	0
				156,857.25	156,857	156,857	(0)
219213-53405							
904591	Mt. Scott Creek Trail Improvements	2	53410			17,500	17,500
	Scott View Nature Park Improvements	2	53420			17,805	17,805
Amended 1/17/96				0.00	35,305	35,305	35,305
219214-54311							
904592	South Shore Natural Area Acquisition	2	54310	697,166.00		697,166	0
FULLY DRAWN				697,166.00	697,166	697,166	
219215-53491							
904593							
DELETED	Milwaukie Waterfront Acquisition	7,2	53490	deleted 2/5/98		0	
Amended 9/2/99	Minthorn North Addition	7,2	53492			232,569	232,569
Delete 9/2/99	Johnson Creek/Springwater Corridor	7,2	53493			0	0
NEW	Ardenwald to Springwater Access Easement	7,2	53494			5,000	5,000
NEW	Furnberg Park Wetland Enhancement	7,2	53495			80,000	80,000
NEW	Roswell Wetland Enhancement	7,2	53496	1,190.45		5,000	3,810
NEW	Willow Place Wetland Enhancement	7,2	53497	500.30		5,000	4,500
Bal moved 9/2/99	Kellogg Lake Acquisition	7,2	53500	21,450.61		21,451	0
				23,141.36	349,020	349,020	325,879
219216-53551							
904594	High Rocks River Bank Acquisition	2	53550			40,000	40,000
	Barclay Hills Park Improvements	2	53560			50,000	50,000
	Clackamette Park Improvements	2	53570	41,322.00		41,322	0
	Singer Creek and Holmes Lane Acquisition	2	54320			60,000	60,000
	River Access Trail Clackamette Park, Cap Im	2	54330	52,000.00		52,000	0
	Atkinson Park Natural Area Acquisition	2	54340			25,000	25,000
DELETED	Park Place Park Soft Trail Cap Improve.	2	elim			0	0
DELETED	High Rocks River Access Trail, Acquisition	2	elim			0	0
	Clackamette Park Fishing Dock Improvemen	2	53580			0	0
				93,322.00	268,322	268,322	175,000
219217-53591							
904595	Tualatin River Boat Ramp Improvements	2	53590	5,673.00		5,673	0
FULLY DRAWN				5,673.00	5,673	5,673	0
219218-53601							
904596	Bumside Park Addition Acquisition	2	53600			333,385	333,385
	Not broken out			0.00	333,385	333,385	333,385
219219-53611							
904597	Memorial Park Access Trail Improvements	3	53610	96,135.00		96,135	0
	Restoration Projects at City Schools	3	53620	12,126.11		19,225	7,099
Add 22,131 11/98	Wilsonville City Trail System Improvements	3	53630	75,965.87		75,966	0
Deleted, infeas. 1/1/	Gordons Run Improvements	3	0			0	0
	Memorial Park Trail Improvements	3	53650	4,805.00		4,805	0
Deleted, infeas. 11/9	Design & Construct Pic Shelter at Memorial	3	53640	2,869.13		2,869	(0)
Add 1/1/97	Wetland Restoration at Wilsonville Park	3	53645	11,048.92		19,222	8,173
				202,950.03	218,222	218,222	15,272

Council						Attach A	Balance
Loc. Prov.	Project	Dist	Proj #	Draws	Per 95-2215	Totals	Remaining
219220-53901							
904598- Bal moved	Whitaker Ponds Acquisition	5	53900	75,495.98		75,496	0
deleted 5/99	Hogan Cedars Acquisition	1	53910	0.00		0	0
deleted 5/99	Tryon Creek Acquisition	7	54010	0.00		0	0
new 5/99	Howell or Oxbow Improvements	o/s, 5	New	0.00		1,031,104	1,031,104
	FOFP Ancient Forest Improvements	5	54020	548.96		150,000	149,451
	Howell Territorial Park Improvements	o/s-5	54030	82,644.28		275,000	192,356
	Oxbow Park Improvements	o/s	54040	165,311.03		1,250,000	1,084,689
bal moved 5/99	Burlington Bottom Improvements	o/s-5	54050	24,944.74		24,945	0
	M. James Glisan Boat Ramp Improvements	5	54060	0.00		90,000	90,000
	Sauvie Island Boat Ramp Improvements	o/s-5	54070	3,517.10		50,000	46,483
	Blue Lake Park Improvements	1	54080	16,689.14		205,000	188,311
	Springwater Corridor Trail Improvements	1,6,7	54090	20,506.92		250,000	229,493
deleted 5/99	Contingency		54350	0.00		0	0
				389,658.15	3,401,545	3,401,545	3,011,887
219221-54101							
904602	Fairview Creek Restoration & Improvements	1	54100	77,219.33		169,109	91,890
				77,219.33	169,109	169,109	91,890
219222-54111							
904600	Springwater Corridor Trail Improvements	1	54110	3,096.50		588,178	585,082
	Fairview Creek Restoration & Improvements	1	54120	1,221.09		151,148	149,927
	Butler Creek Trail Improvements	1	54130	172,888.89		172,889	0
	Kelly Creek Greenway Acquisition	1	54140	72,047.53		90,000	17,952
	Kelly Creek Greenway Improvements	1	54150			25,259	25,259
	Gresham Open Space Acquisition (Amblesid	1	54155	137,000.00		137,000	0
				386,254.01	1,164,474	1,164,474	778,220
219223-54161							
904599	Terwilliger/Marquam Acquisition	7	54160	1,418,362.47		1,500,000	81,638
	Columbia Slough/Johnson Creek Acqs.	1,6,5	54170	1,496,500.48		2,000,000	503,500
	Southwest Portland Acquisitions	7	54180	600,056.32		1,230,868	630,812
	Hoyt Arb/Leach Gdns/Crystal Spgs Acqs	7/6,1/7	54190	931,151.14		1,000,000	68,849
	Trail Acquisitions and Improvements	1,6,5,7	54200	534,916.97		1,250,000	715,083
	Forest Pk/Powell Bte/Oaks Btm Impvmnts	5/1/07	54210	207,867.15		500,000	292,133
				5,188,854.53	7,480,868	7,480,868	2,292,013
219224-54221							
904601	Beaver Creek Greenway Acquisition	1	54220			102,327	102,327
Increased	Beaver Creek Trail Improvements	1	54230	70,381.91		115,000	44,618
Reduced	Beaver Creek Restoration Projects	1	54240	35,162.49		40,000	4,838
				105,544.40	257,327	257,327	151,783
219225-54251							
904603	Wood Village Park Acq & Improvements	1	54250	169,109.00		169,109	0
FULLY DRAWN				169,109.00	169,109	169,109	0
219230-53661							
904604	Henry Hagg Lake Improvements	o/s	53660	180,319.00		180,319	0
	Bethany/Reedville/Cedar Mill/ Bull Mtn Acqs	3/4	53670	768,729.74		768,730	0
FULLY DRAWN				949,048.74	949,049	949,049	0
219231-53681							
904605	Johnson Creek (Bvrtn) Acquisition	3	53680	718,648.93		718,649	0
Amended 3/9/99	Koll Center Acquisition & Improvements	3	53690			0	0
	Cedar Mill Creek Acquisition	3	53700	878,562.00		878,562	0
	Fanno Creek Greenway Improvements	3	53710	13,987.50		169,660	155,673
Amended 3/9/99	Golf Creek Corridor Acquisition	3	53720			0	0
New 3/8/99	Open Spaces Acquisitions	3	53725	191,247.51		548,900	357,652
				1,802,445.94	2,315,771	2,315,771	513,325
219232-53731							
904606	Johnson Creek Acquisition #1	3	53730	551,398.00		551,398	0
	Johnson Creek Acquisition #2	3	53740	450,000.00		450,000	0
	Stonegate Woods Acquisition	3	53750	164,993.24		164,993	(0)
	Forest Glen Park Improvements	3	53760	9,420.69		9,421	0
	New Project to be determined					13	13
new	Fanno Creek North-South Multi-use Path	3	54510			76,300	76,300
new	Land Acquisition in Area One Cooper Mtn	3	54500	120,529.00		120,529	0
				1,296,340.93	1,372,654	1,372,654	76,313

Loc. Prov.	Project	Council		Draws	Per 95-2215	Attach A	Balance
		Dist	Proj #			Totals	Remaining
	219233-54361						
904607	12 and Baseline Nature Park Acquisition	4	54360	147,186.26		147,186	(0)
	Cornelius Acquisition	4	53770				
				147,186.26	147,186	147,186	(0)
	219234-53781						
904608	Durham City Park Trail Improvements	3	53780	28,538.00		28,538	0
FULLY DRAWN				28,538.00	28,538	28,538	0
	219235-53791						
904609	David Hill Forest Park Acquisition	4	53790			243,954	243,954
	Gales Creek Linear Park Acquisition	4	53800			33,318	33,318
	Fernhill Wetlands Improvements	4	53810			43,954	43,954
				0.00	321,226	321,226	321,226
	219236-53821						
904610	Noble Woods Park Improvements	4	53820	250,000.00		250,000	0
	Rood Bridge Road Park Improvements	4	53830	650,000.00		650,000	0
FULLY DRAWN	Rock Creek Greenway Acquisition	4	53840	89,745.00		89,745	0
				989,745.00	989,745	989,745	0
	219237-53851						
904611	Cedar Creek Greenway Acquisition	3	53850			0	0
	Cedar Creek Greenway Trail Improvements	3	53860	103,705.00		103,705	0
				103,705.00	103,705	103,705	0
	219238-53871						
904612	Fanno/Summer Creek Greenway Imprvmnts	3	53870				
	Park Acquisition	3	53880				
	Fern Street Project Acquisition	3	54400	125,000.00		125,000	0
DELETED	Cook Park Addition	3	54410	deleted 2/10/98		0	
DECREASED	Bull Mountain Area Addition	3	54420	17,950.00		279,000	261,050
DELETED	Bond St & 82nd Ave Proj Add	3	54430	deleted 2/10/98		0	
DELETED	Fanno Creek Trail Hall-Durham	3	54440	deleted 2/10/98		0	
DELETED	Fanno Creek Trail Main -Tiedmon	3	54450	deleted 2/10/98		0	
NEW	Fanno Creek Trail Land Acquisitions	3	54460	29,013.85		279,000	249,986
NEW	Tualatin River Land Acquisitions	3	54470			25,000	25,000
NEW	Pedestrian / Bike Bridge / over Tualatin River	3	54480			49,954	49,954
				171,963.85	757,954	757,954	585,990
	219239-53891						
904613	Tualatin River Greenway Acquisition	3	53890	388,528.00		388,528	0
				388,528.00	388,528	388,528	0
	TOTAL			14,977,914.46	24,999,998	24,999,998	10,022,084



Regional Parks and Greenspaces
600 NE Grand Avenue
Portland, OR 97232-2736
(503) 797-1850

Application for Local Share Extension to 12-31-00

CERTIFICATION BY LOCAL PARK PROVIDER

Fall 1999

To be filled out and signed by the Local Share Project Manager,
and returned to Mel Huie by November 1, 1999.

All requirements previously agreed to by your local jurisdiction via the IGA.
There are no new or additional requirements or conditions.

1. **Signs** (approved by Metro Regional Parks and Greenspaces) which acknowledge funding from Metro's Open Spaces Bond have been placed at local share sites.

YES _____ NO _____

Comments: _____

2. **Publications and newsletters** which acknowledge funding from Metro's Open Spaces Bond have been distributed (or will be distributed) to residents of your jurisdiction.

YES _____ NO _____

- Please enclose copies of publications and newsletters.

3. **Community events, groundbreaking and/or grand opening ceremonies** have been conducted (or will be conducted) at the local share sites.

YES _____ NO _____

- Please enclose a list and the dates of the events.

4. **Slides and prints** of the Local Share Projects have been (or will be) sent to Metro.

YES _____ NO _____

5. On a separate sheet of paper, please list the **non-Metro sources of funds** for each local share project that the Metro bond funds have leveraged. Please list the name of the other sources (e.g., federal funds, local property taxes, grants, etc.) and the amounts leveraged. Include in-kind contributions, such as donated materials and labor. Calculate donated manual labor at \$5.50/hour and value professional services as documented by the donor. For projects not completed, estimate the amounts.

- These figures are required in your quarterly reports. To date no local jurisdictions have submitted this information to Metro.

- **These figures are due no later than November 1, 1999.**

6. We are working diligently to complete our local share projects by December 31, 2000.

- Please attach a separate sheet outlining your **local share work program and time-line** for the next year.
- If you anticipate any problems in completing your projects by December 31, 2000, please state the reasons in an attached sheet.

I certify that the responses detailed on the previous sheet or on the attached sheet(s) are correct.

Signature_____

Date_____

LOCAL SHARE PROJECT MANAGER

Name_____

Title_____

Agency / Dept._____

Address_____

City / State / Zip_____

Phone_____

FAX_____

E-Mail_____

- **Please sign two originals. Keep one for your records and send one by November 1, 1999 to:**

Mel Huie, Local Share Coordinator
Metro Regional Parks and Greenspaces
600 N.E. Grand Ave.
Portland, OR 97232

- If you have any questions or need more information about this certification, call Mel Huie at 797-1731 or e-mail to huiem@metro.dst.or.us

Staff Report

CONSIDERATION OF RESOLUTION NO. 99-2842 FOR THE PURPOSE OF AUTHORIZING THE EXECUTIVE OFFICER TO EXTEND THE TERMINATION DATE OF EXISTING INTERGOVERNMENTAL AGREEMENTS WITH LOCAL PARK PROVIDERS THAT ARE IMPLEMENTING THE LOCAL SHARE COMPONENT OF METRO'S OPEN SPACES, PARKS AND STREAMS BOND MEASURE.

Date: September 23, 1999

**Presented by: Charles Ciecko
Jim Desmond**

PROPOSED ACTION

Amend the intergovernmental agreements (IGAs) with local park providers by extending the termination date through December 31, 2000. This will allow local park providers to complete their projects that are part of the Open Spaces, Parks and Streams bond measure. All other provisions of the IGAs remain unchanged.

FACTUAL BACKGROUND

- Metro's Open Space, Parks and Streams Bond provides \$25 million to 26 local park providers to carryout local natural area, open space, parks, streams, and trail projects. Park providers were allocated a specific dollar amount based on population and assessed property values.
- Park providers developed local share project lists prior to the May 1995 bond measure election which were consistent with Metro's Greenspaces Master Plan and guidelines. There are approximately 110 local share projects. Projects are in two categories: land acquisition and capital improvements. The project lists were approved by the local governing bodies at public hearings.
- Each local park provider entered into an Intergovernmental Agreement (IGA) with Metro to carry out the local share projects. The IGAs were approved in the fall of 1995.
- The original term of the existing IGAs was for three years (9-1-95 to 9-1-98).
- The first extension to the IGAs was granted on August 6, 1998. The existing deadline is 12-31-99.
- To date, \$14,977,914 or 60% of the \$25 million in local share funds have been expended.
- Of the 26 local park providers, the following 11 jurisdictions have spent all their funds:
 - o Gladstone o Happy Valley o Lake Oswego o Rivergrove
 - o Cornelius o Durham o Hillsboro o Sherwood
 - o Tualatin o Washington Co. o Wood Village

- Many of the local share projects involve more than one funding source and partnering agencies; some property owners are still unwilling to sell to a local park provider; and completion of many of the capital improvement projects have been slowed due to property tax limitations initiatives (Measures 47 & 50).
- Local Share project managers have been notified of the proposed extension and support it.

BUDGET IMPACT

The original budget of \$25 million remains the same. No anticipated budget impact.

EXECUTIVE OFFICER'S RECOMMENDATION

The Executive Officer recommends approval of Resolution No. 99-2842.

Resolution No. 99-2834A, For the Purpose of Granting Time Extensions for the Cities of Milwaukie and Gladstone for Compliance with Title 3 of the Urban Growth Management Functional Plan.

**Metro Council Meeting
Thursday, October 14, 1999
Council Chamber**

BEFORE THE METRO COUNCIL

FOR THE PURPOSE OF GRANTING TIME) RESOLUTION NO 99-2834A
EXTENSIONS FOR THE CITIES OF)
MILWAUKIE AND GLADSTONE FOR) Introduced by Executive Officer Mike
COMPLIANCE WITH TITLE 3 OF THE URBAN) Burton
GROWTH MANAGEMENT FUNCTIONAL
PLAN

WHEREAS, the Metro Council adopted the Urban Growth Management Functional Plan for early implementation of the 2040 Growth Concept on November 21, 1996, by Ordinance No. 96-647C; and

WHEREAS, the Metro Council amended Ordinance Nos. 96-647C and 97-715B to amend Title 3 of the Urban Growth Management Functional Plan and amend the Regional Framework Plan, Appendix A and adopted the Title 3 Model Ordinance and Water Quality and Flood Management Maps on June 18, 1998; and

WHEREAS, the Urban Growth Management Functional Plan requires that all jurisdictions in the region make comprehensive plan and implementing ordinance changes needed to come into compliance with Title 3 of the Functional Plan by December 18, 1999; and

WHEREAS, the Urban Growth Management Functional Plan in Metro Code Section 3.07.820.C provides that Metro Council may grant extensions to timelines under the Functional Plan "if the city or county has demonstrated substantial progress or proof of good cause for failing to complete the requirements on time;" and

WHEREAS, the cities of Milwaukie and Gladstone have requested time extensions to complete Title 3 compliance work based on evidence showing "substantial progress or proof of good cause" for failing to meet the December 18, 1999 deadline for compliance with Title 3 of

the Functional Plan and have submitted detailed timelines showing when the work will be completed, now therefore,

BE IT RESOLVED:

1. That the cities of Milwaukie and Gladstone shall receive time extensions for compliance with Title 3 of the Functional Plan as shown in Exhibit A.
2. That any further requests for time extensions or requests for Functional Plan exceptions made by the above named jurisdictions shall be determined as delineated in Metro Code 3.07.820, Sections B and C.

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

Rod Monroe, Presiding Officer

APPROVED AS TO FORM:

Daniel B. Cooper, General Counsel

i:\docs\07.p&d\04-2040i.mpl\03ugmfnc.pln\07complianc\99-2834.a

EXHIBIT A

Title 3 Functional Plan time extensions have been requested by the Cities of Milwaukie and Gladstone.

City of Milwaukie
July 2000

Milwaukie currently has erosion control measures and some buffer protections for water quality resource areas in place but needs to address floodplain requirements and adjust the current buffer requirements to be consistent with Title 3. The delay in completing the compliance work is due to staff turnover. The City did look at Title 3 requirements as part of their overall examination of compliance with the Functional Plan. A consulting firm has been hired to undertake this work for the City.

City of Gladstone
December 2000

The City of Gladstone is currently focusing its efforts to come into compliance with titles 1, 2, 6 and 8 of the Functional Plan for December 1999. The City has limited staff resources and anticipates beginning its Title 3 compliance work in 2000 with completion anticipated by December 2000.

I:\gm\community_development\projects\COMPLIANCE\ExtensionRequests\exhibit A -title 3milwaukiegladstone.doc

GROWTH MAGEMENT COMMITTEE REPORT

CONSIDERATION OF RESOLUTION NO. 99-2834A, FOR THE PURPOSE OF GRANTING TIME EXTENSIONS FOR THE CITIES OF MILWAUKIE AND GLADSTONE FOR COMPLIANCE WITH TITLE 3 OF THE URBAN GROWTH MANAGEMENT FUNCTIONAL PLAN.

Date: September 29, 1999

Presented by: Councilor Bragdon

Committee Action: At its September 14, 1999 meeting, the Growth Management Committee voted 3-0 to amend resolution 99-2834 by removing Washington County and the cities of Beaverton, Hillsboro and Gresham and recommend Council adoption of Resolution No. 99-2834A. Voting in favor: Councilors Bragdon, Park and McLain.

Council Issues/Discussion: Resolution 99-2834 recommended granting of time extensions for compliance with title 3 of the Urban Growth Management Functional Plan for Washington County and the cities of Beaverton, Gladstone, Gresham, Hillsboro and Milwaukie. The deadline for compliance with Title 3 is December 18, 1999, which is 18 months from the time of the Council adoption of Title 3. The staff report indicates that as many as twenty jurisdictions anticipate complying with that deadline, but during the presentation to committee acknowledged other cities may be requesting deadlines. Title 8 of the Functional Plan allows the Metro Council to extend the deadline if it finds that a jurisdiction has demonstrated substantial progress or proof of good cause for failing to complete the requirements on time.

The staff report to Resolution 99-2834 summarizes the progress of each jurisdiction and lists the requested time extension (all are between July and December 2000). In Washington County, substantial progress is indicated in the areas of flood-plain management and erosion control. The bulk of remaining work is in the area of vegetative buffers. The Executive Officer had recommended passage of this resolution. However, Mr. Burton made a presentation to the committee and requested deferring the approval for Washington County, Hillsboro and Beaverton until certain information was forthcoming. Mr. Burton was particularly interested in clarifying the nature of intergovernmental agreements between the United Sewerage Agency (USA) in Washington County and local jurisdictions, with regard to the granting of building permits and compliance with Title 3.

Brent Curtis Planning Manager for Washington County stated that the County would not object to providing more information. He reiterated that the county and its cities were committed to complying with Title 3 on a watershed (Tualatin) basis, and that USA had hired on extra help to implement the IGA's mentioned by the Executive Officer. The ultimate response to Title 3 would be one of substantial compliance.

The committee removed Washington County, Beaverton and Hillsboro from this resolution. The chair asked staff to continue to work with these jurisdictions to answer the executive officer's questions and seek satisfactory solutions to the riparian buffer approach the county wants to take. Staff is to bring back a status report to the next Growth Management Committee meeting.

Gresham was also removed from this resolution, and passed out of committee in a separate resolution at the request of Councilor Park.

STAFF REPORT

CONSIDERATION OF RESOLUTION NO. 99-2834A GRANTING TIME EXTENSIONS FOR THE CITIES OF MILWAUKIE AND GLADSTONE FOR COMPLIANCE WITH TITLE 3 OF THE URBAN GROWTH MANAGEMENT FUNCTIONAL PLAN

Date: September 22, 1999

**Presented by: Mary Weber
Prepared by: Brenda Bernards**

PROPOSED ACTION

Adoption of Resolution No. 99-2834A granting timeline extensions to the Functional Plan compliance deadline for the Title 3: Water Quality, Flood Management and Fish and Wildlife Conservation (Title 3) to the cities of Milwaukie and Gladstone.

BACKGROUND AND ANALYSIS

Metro Code 3.07.820.C (Title 8 of the Functional Plan) provides that Metro Council may grant time extensions to Functional Plan requirements if a jurisdiction can demonstrate "substantial progress or proof of good cause for failing to complete the requirements on time."

On June 18, 1999 the cities and counties reported on their progress for compliance with the requirements of Title 3 of the Functional Plan. Throughout the region, the local jurisdictions have made considerable progress in dealing with flood management, erosion and sediment control and protection of the water quality resource areas. Each jurisdiction has elements of the requirements in place and is working towards amending current standards to be consistent with Title 3. Twenty jurisdictions anticipate compliance with the requirements of Title 3 on or before December 18, 1999. The Cities of Milwaukie and Gladstone have requested a time extension to the December 18, 1999 deadline to implement the requirements of Title 3 of the Functional Plan. The cities' requests for time extensions are attached to this report.

As the jurisdictions in Metro work towards meeting the December 18, 1999 deadline, it may be necessary for a number of the smaller cities to request a time extension as well. *Title 3 Compliance Status – September 20, 1999*, which is attached to this report, provides a summary of the compliance status for each of the jurisdictions.

Compliance Progress

Although these jurisdictions have requested time extensions to complete the requirements of Title 3, both Milwaukie and Gladstone have some of the requirements of this Title currently in place. The following summarizes the progress of the cities and

both have met the Metro Code criterion for "substantial progress or proof of good cause for failing to complete" Functional Plan compliance (Metro Code 3.07.820.C).

City of Milwaukie

Extension Request: July 2000

Milwaukie currently has erosion control measures and some buffer protections for water quality resource areas in place but needs to address floodplain requirements and adjust the current buffer requirements to be consistent Title 3. The delay in completing the compliance work is due to staff turnover. The City did look at Title 3 requirements as part of their overall examination of compliance with the Functional Plan. A consulting firm has been hired to undertake this work for the City.

City of Gladstone

Extension Request: December 2000

The City of Gladstone is currently focusing its efforts to come into compliance with titles 1, 2, 6 and 8 of the Functional Plan by December 1999. The City has limited staff resources but with a grant from DLCD, Gladstone has hired a planning consultant to complete its compliance work. The City anticipates beginning work for compliance with Title 3 in early 2000 with completion in December 2000 allowing for sufficient time to conduct a public process with the Planning Commission and the community. The majority of the land affected by Title 3 in Gladstone is in public ownership along the Clackamas and Willamette Rivers.

BUDGET IMPACT

Adoption of this resolution has no budget impact.

EXECUTIVE OFFICER'S RECOMMENDATION

The Functional Plan implementation time extension requests for the requirements of Title 3 from Milwaukie and Gladstone are recommended for approval. Any further requests for time extensions or requests for Functional Plan exceptions made by these jurisdictions would be determined as delineated in Metro Code 3.07.820, Sections B and C.

I:\gm\community_development\projects\COMPLIANCE\ExtensionRequests\title 3 extension report.milwaukie gladstone.doc

Title 3 Compliance Status – September 20, 1999

Jurisdiction	Status	Pending Council /Committee Action	Metro Contact Jurisdiction Contact
Beaverton	<ul style="list-style-type: none"> • Participating in Washington County coordination effort for Title 3 compliance • has requested an extension to July 2000 • Requested an exception for the Murray Scholls Town Center and downtown 	Growth Management Committee (GMC) has requested additional data	Brenda Bernards Veronica Smith
Clackamas County	<ul style="list-style-type: none"> • Updating code as needed • Anticipates compliance by Dec. 1999 		Ray Valone Greg Frits
Cornelius	<ul style="list-style-type: none"> • Participating in Washington County coordination effort for Title 3 compliance, • Anticipates compliance by Dec. 1999 		Barbara Linssen Tracey Lee
Durham	<ul style="list-style-type: none"> • Greenway zone along Tualatin River implements much of Title 3, timing for adopting remaining requirements is uncertain 		Barbara Linssen Roel Lundquist or K.J. Won
Fairview	<ul style="list-style-type: none"> • Anticipates compliance by Nov. 1999 		Brenda Bernards John Anderson
Forest Grove	<ul style="list-style-type: none"> • Anticipates compliance by Jan. 2000 		Ray Valone Tim O'Brian
Gladstone	<ul style="list-style-type: none"> • Has requested a extension to Dec. 2000 	extension recommended by GMC, to Council for approval	Barbara Linssen Jonathan Block
Gresham	<ul style="list-style-type: none"> • Currently drafting Title 3 code changes, working with an advisory committee • Anticipates compliance by Oct. 2000 	extension recommended by GMC, to Council for approval	Marian Hull Jonathan Harker
Happy Valley	<ul style="list-style-type: none"> • Anticipates compliance by Dec. 1999 		Brenda Bernards Jim Crumley
Hillsboro	<ul style="list-style-type: none"> • Anticipates completing mapping requirements in Dec. 1999 and code requirements in Oct. 2000 	Growth Management Committee (GMC) has requested additional data	Ray Valone Pat Ribela
Johnson City	<ul style="list-style-type: none"> • Seeking exception to all Functional Plan requirements 		Barbara Linssen No staff
King City	<ul style="list-style-type: none"> • Has not begun work, but will follow Washington County/Tigard lead 		Marian Hull Jane Turner
Lake Oswego	<ul style="list-style-type: none"> • Largely complete, needs to adopt balanced cut and fill • Anticipates compliance by Dec. 1999 		Ray Valone Jane Heisler
Maywood Park	<ul style="list-style-type: none"> • No Title 3 areas inside city boundary 		Barbara Linssen No staff
Milwaukie	<ul style="list-style-type: none"> • Anticipates compliance by July 2000 	extension recommended by GMC, to Council for approval	Brenda Bernards Alice Rouyer
Multnomah County	<ul style="list-style-type: none"> • Working to coordinate efforts with cities • Has an extension for all compliance work to March 2000 	approved extension to March 2000	Barbara Linssen Tricia Sears

Title 3 Compliance Status – September 20, 1999

Jurisdiction	Status	Pending Council /Committee Action	Metro Contact Jurisdiction Contact
Oregon City	<ul style="list-style-type: none"> • Anticipates compliance by Oct. 1999 • City Commission held first reading • second reading October 6, 1999 		Brenda Bernards Nancy Kraushaar
Portland	<ul style="list-style-type: none"> • Anticipates compliance by Dec. 1999 		Barbara Linssen Mary Abrams
Rivergrove	<ul style="list-style-type: none"> • Anticipates compliance by Dec. 1999 		Marian Hull Mike Collmeyer
Sherwood	<ul style="list-style-type: none"> • Participating in Washington County coordination effort for Title 3 compliance • Anticipates compliance by Dec. 1999 		Marian Hull Greg Turner
Tigard	<ul style="list-style-type: none"> • Participating in Washington County coordination effort for Title 3 compliance • Anticipates compliance by Dec. 1999 		Brenda Bernards Duane Roberts
Troutdale	<ul style="list-style-type: none"> • Anticipates compliance by Dec. 1999 		Ray Valone Sheryl Sanderson
Tualatin	<ul style="list-style-type: none"> • Participating in Washington County coordination effort for Title 3 compliance • have requested an extension to Oct. 2000 	received Sept. 14 not yet considered by GMC	Marian Hull Jim Jacks
Washington County	<ul style="list-style-type: none"> • Participating in Washington County coordination effort for Title 3 compliance • has requested an extension to Oct. 2000 	Growth Management Committee (GMC) has requested additional data	Brenda Bernards Hal Bergsma
West Linn	<ul style="list-style-type: none"> • Anticipates compliance by Dec. 1999 		Marian Hull Kristi Meyer
Wilsonville	<ul style="list-style-type: none"> • Anticipates compliance by Dec. 1999 		Ray Valone Stephan Lashbrook
Wood Village	<ul style="list-style-type: none"> • In compliance July 1999 • Used model code for affected features 		Brenda Bernards Carole Connell

Note: The City of Gresham, Washington County and the cities of Washington County currently require balanced cut and fill and some erosion control measures.



Metro Growth Mgmt.
JUN 18 1999

June 15, 1999

Mike Burton, Executive Officer
Metro
600 NE Grand Avenue
Portland, Oregon 97232-2736

Re: Report on Title 3 and Request for a Time Extension to July 1, 2000

Dear Mr. Burton:

This letter provides Metro with a report on existing plans and policies and a request for a time extension on the City of Milwaukie's work towards complying with Title 3 of the Metro Urban Growth Management Functional Plan (the Functional Plan). The City of Milwaukie places a high priority on water quality, flood management and fish and wildlife conservation as described in the Functional Plan, and our decision makers are anxious to begin this work.

Report and Evaluation of Existing Plans and Policies

The following report and enclosures are submitted as required in Section 3.07.820.G of the Functional Plan. Milwaukie currently recognizes the beneficial uses, functions and values of natural resources through three regulatory measures:

1. Milwaukie Zoning Code (sections 320 and 322); Natural Resource Overlay and Willamette Greenway, and Natural Resource Overlay Map;
2. Erosion Control Program as implemented by our Public Works department; and
3. Flood Zone building standards.

These existing programs provide the assurance that natural resources will be protected in the interim as we develop our local regulations in compliance with Title 3. As we indicated in our Functional Plan Compliance Report dated August 19, 1998, the Metro Water Quality Resource and Flood Management Area map (Title 3 map) and the Milwaukie Natural Resource Overlay Map are very similar. The existing Natural Resource Overlay Map covers more land area than the Title 3 map since it identifies entire parcels. The Natural Resource Overlay zone in our Zoning Code provides for a public hearing process and professional assessment of impact and mitigation for development on any property with the Natural Resources designation. The Willamette Greenway section in the Zoning Code provides for buffers and a public hearing process. In accordance with Metro Code 3.07.820.G., I am enclosing excerpts from our Compliance Report from last August which provide a more detailed evaluation of our existing regulations. I am also enclosing a copy of our Natural Resource Overlay Map.

COMMUNITY DEVELOPMENT DEPARTMENT
Planning • Public Works • Facilities
6101 SE Johnson Creek Blvd., Milwaukie, Oregon 97268
PHONE: (503) 786-7600 • FAX: (503) 774-8236

Request for Time Extension

Title 8 of the Functional Plan (Metro Code 3.07.810.B.) specifically requires that "cities and counties are required to amend their comprehensive plans and implementing ordinances to comply with sections 3.07.310-.340 of Title 3 within 18 months [December 18, 1999] ..."

Although we are strongly committed to implementing Title 3 as soon as possible, we anticipate that we will not be able to meet the December 18, 1999, deadline set in the Functional Plan for adoption of implementation measures to comply with Title 3. The City therefore requests approximately a 170 day time extension from the Metro Council until July 1, 2000, to complete its implementation of Title 3 regulatory measures.

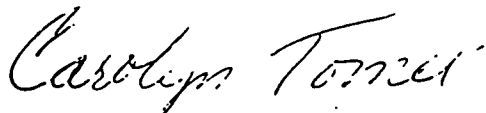
The primary reason we are asking for this extension is a series of recent staff transitions. The city was without a permanent Planning Director from February through May 1999. Susan Heiser, our Planning Director who carried out the Functional Plan Compliance process, resigned in February 1999. Martha Bennett, our new Assistant City Manager, initiated a national search for the best qualified Planning Director. Our new Planning Director, Alice Rouyer, began work on June 1, 1999. The City now has the appropriate personnel in place to carry out both day-to-day and long-range planning functions of a medium sized city, including implementation of Title 3. We will begin our work on Title 3 immediately. Due to the recent staff transitions, the complexity of the new standards, and the need to adequately involve the public and property owners (including avoiding public hearings during the month of December) the requested extension provides a more realistic timeframe to complete the adoption of new plan and policy language.

As you can see from the preliminary schedule below, we anticipate getting to public hearings at the Planning Commission and City Council in May and June 2000. The following list provides the steps we anticipate in completing the Title 3 work:

Task	Approximate Timing
Establish Project Management Team (PMT)	July 1999
Prepare a detailed memorandum on applicable regulations and regulatory approaches	July 1999
Meeting #1 with PMT	August 1999
Prepare materials for Work session #1	August 1999
Joint CC/PC/Public Work Session #1	September 1999
Draft revisions to applicable Code sections:	October 1999
Meeting #2 with PMT including legal counsel	November 1999
Prepare for Public open house	November 1999
Hold Open House for general public	Early December 1999
Meeting #3 with PMT	January 2000
Revise draft code language	January 2000
Prepare materials for work session #2	January 2000
CC/PC/ Public Work Session #2	February 2000
BM 56 Notice	April 2000
Public Outreach to affected property owners	April 2000
Prepare final draft report including final code amendments	March 2000-April 2000
Planning Commission Public Hearing/Action	May 2000

The City appreciates the work that your staff has provided during the Functional Plan implementation process, we look forward to their continued assistance. If you or your staff has any questions, please call the City's Planning Director, Alice Rouyer, at (503) 786-7654.

Sincerely,



Carolyn Tomei
Mayor, City of Milwaukie

Enc.

cc: Dan Bartlett, City Manager
Martha Bennett, Assistant City Manager
Alice Rouyer, Planning Director
Jim Coleman, Ramis Crew et al.
Brenda Bernards, Metro Growth Management

Excerpt from the Milwaukie Functional Plan Compliance Report, August 19, 1998

Title 3

Timing: Amendments must be made by December 1999, Status of Compliance due to Metro in June 1999. City plans to make amendments by February 2000.

3A/4B Adopt Water Quality Map and Vegetated Buffer Standards

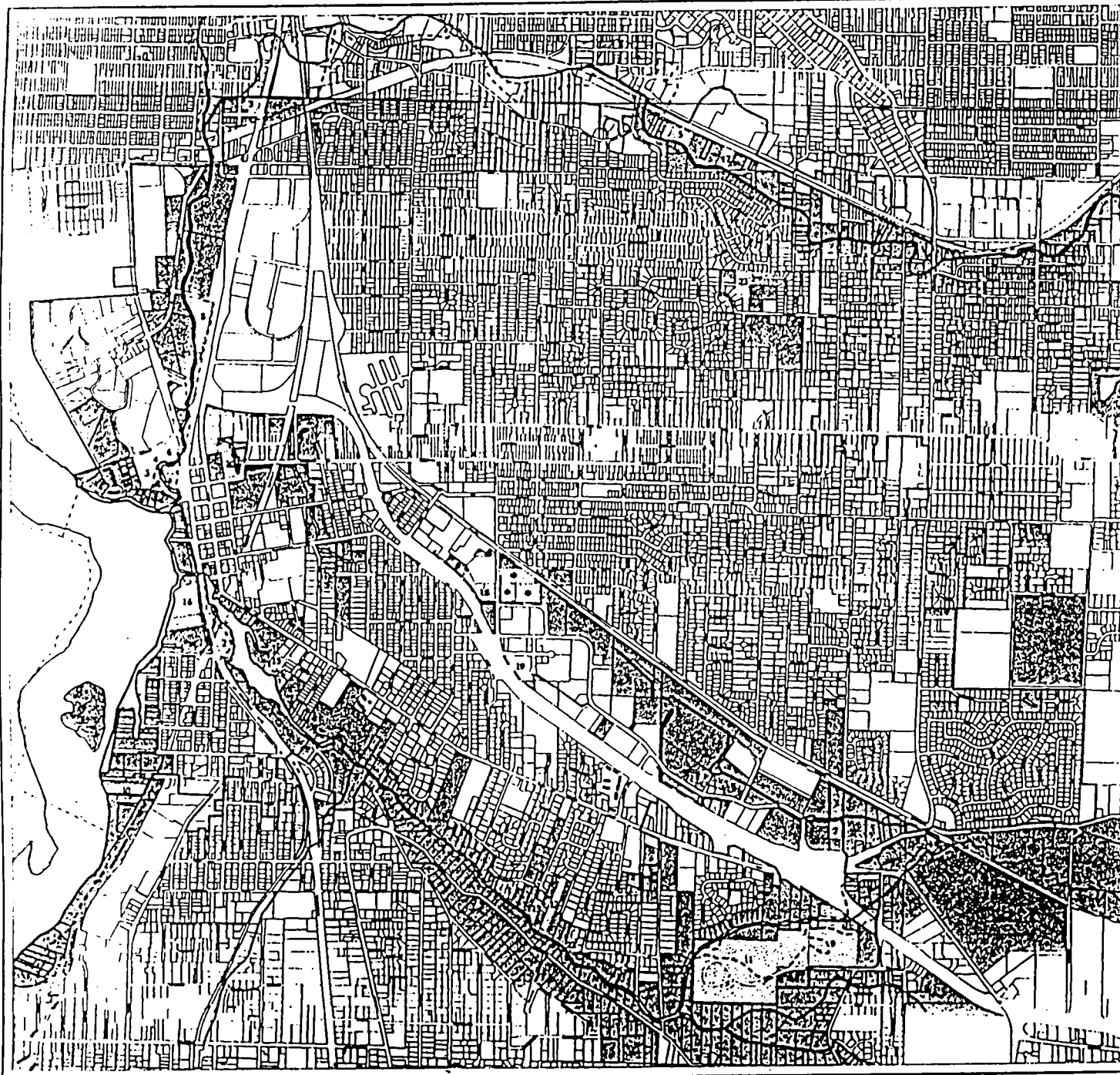
1. Amend Zoning Map to include Title 3 Water Quality Resource Area maps, replace Natural Resource map in Comprehensive Plan with Title 3 map (or reference to map). Obtain Title 3 map layer from Metro.
2. Amend Natural Resource, Section 322 to include Title 3 Buffer Table and other standards.
3. Adopt the Metro Model Ordinance provisions into the Zoning Ordinance where applicable (Natural Resource Overlay, Conditional Uses and Variances) and into the Subdivision Ordinance where applicable.
4. Initiate a Stormwater Design Manual to address Erosion Control, Water Quality, and other design standards to assure adequate construction standards and Best Management Practices can be enforced.

4A/B. Performance Measures

5. Remove riverfront area from Title 3 Map per Metro criteria (within Town Centers or Regional Centers) and providing downtown destination.
6. Adopt Model Ordinance Language to address flood protection issues.
7. Review current City construction standards.

4D. Establish Implementation Tools

8. Requires city to allow transfer of development rights from areas indicated by map.
9. Recommended - Review subdivisions and partitions designated by Water Quality Resource Areas map for possible conditions.



NATURAL RESOURCE DESIGNATION MASTER MAP

- 100 YR FLOOD PLAIN
- CREEKS AND RIVERS
- - - WATER COURSES
- CITY OF MILWAUKEE BOUNDARY
- NR DESIGNATION
- NR DESIGNATION AND NR APPLICATION ON FILE SEE MASTER FILE LIST BELOW

1	F.M. 90 01
2	F.M. 91 01
3	F.M. 91 02
4	F.M. 91 03
5	F.M. 91 04
6	F.M. 91 05
7	F.M. 91 06
8	N.R. 91 07
9	F.M. 91 08
10	F.M. 91 09
11	F.M. 91 10
12	F.M. 91 11
13	F.M. 91 12
14	N.R. 91 13
15	F.M. 91 14
16	F.M. 91 15
17	N.R. 91 16
18	F.M. 91 17
* Denotes parcels under Wetlands	
19	F.M. 91 18
20	F.M. 91 19
21	F.M. 91 20
22	F.M. 91 21
23	S. 80 01

MAP DATE : 09/14/98

Department Of
Community
Development



City of GLADSTONE

July 13, 1999

RECEIVED

JUL 16 1999

City Hall
525 Portland Avenue
Gladstone, OR 97027
(503) 656-5223
FAX: 650-8938
E-Mail: glad@spiritone.com

Municipal Court
525 Portland Avenue
Gladstone, OR 97027
(503) 656-5224

Police Department
535 Portland Avenue
Gladstone, OR 97027
(503) 656-4253

Fire Department
535 Portland Avenue
Gladstone, OR 97027
(503) 656-4253

Public Library
135 E. Dartmouth
Gladstone, OR 97027
(503) 656-2411
FAX: 655-2438
E-Mail: glref@lincc.lib.or.us

Senior Center
1050 Portland Avenue
Gladstone, OR 97027
(503) 655-7701
FAX: 650-4840

City Shop
18595 Portland Avenue
Gladstone, OR 97027
(503) 656-7957
FAX: 722-9078

Mike Burton
Executive Officer
Metro
600 NE Grand Avenue
Portland, OR 97232-2736

EXECUTIVE OFFICER

RE: Functional Plan Compliance Update and Request for Time Extension for Title 3

Dear Mr. Burton;

The City of Gladstone is well underway with its work program for meeting the requirements of the Metro Urban Growth Management Functional Plan (the Functional Plan). Through a Transportation and Growth Management Smart Development Code Assistance grant, the city has engaged in a productive discussion between staff, the public and the Planning Commission. This process has resulted in a package of draft code amendments directed at complying with the Functional Plan and promoting the principles of Smart Development. Your staff has been an integral part of the grant request process and the Project Team. The Planning Commission reviewed this draft amendment package on June 15, 1999 and provided direction to staff about proceeding with specific amendments. We anticipate completion of our Functional Plan compliance work by December 31, 1999 with the exception of Title 3 compliance.

2040 Growth Concept Map Amendment

During the city's review of the 2040 Design Types on Metro's Growth Concept map, it became clear that the designation of inner and outer neighborhoods in Gladstone is not right. The majority of Gladstone has been designated outer neighborhood while a limited area in the northeast portion of the city has been designated inner neighborhood. In reality, the residential areas in Gladstone that are characterized by smaller lot sizes and accessibility to jobs and neighborhood businesses are located in the southern section of the city. This area is generally bounded by McLoughlin Blvd. on the west, the Clackamas River on the south, Oatfield Road on the east and Abernethy Lane, Jersey Street and Heather Way on the north.

Mike Burton - Metro

Functional Plan Compliance Update and Request for Time Extension for Title 3

July 13, 1999

Page Two

Likewise, residential neighborhoods characterized by lower densities and located farther away from the city's commercial core and industrial lands are located north of Abernethy Lane, Jersey Street and Heather Way.

It is my understanding Metro has a process available for consideration of revisions to the 2040 Growth Concept map. Therefore, the city requests Metro amend the 2040 Growth Concept Map, specifically that the designation of inner and outer neighborhoods be "flipped" in Gladstone as described above.

Title 3 Time Extension

The city has spent the last 6 months focusing on compliance with the other applicable Titles in the Functional Plan. The city will focus its planning resources on the adoption of the proposed implementation measures for Titles 1, 2, 6 and 8 over the next 6 months. As one of the smaller cities in the Metro region, Gladstone does not have staff resources to complete the Title 3 amendments within the time frame required by Section 3.07.810B (December 18, 1999). As a city with very little developable land, Gladstone's implementation of Title 3 will not affect many properties. The City will begin work on Title 3 in the year 2000. The City plans to have the evaluation required by Metro Code 3.07.820G, complete by June 2000 and implementing measures adopted by December 18, 2000. Therefore, Gladstone requests a one-year extension to the Title 3 deadlines.

If you require additional information, please contact Jonathan Block, Community Services Director, at 557-2768.

Thank you for your assistance in this matter.

CITY OF GLADSTONE



Wade Byers, Mayor

c: Barbara Linssen, Associate Regional Planner, Metro

Agenda Item Number 9.5

Resolution No. 99-2844, For the Purpose of Granting a Time Extension for the City of Gresham for Compliance with Title 3 of the Urban Growth Management Functional Plan.

**Metro Council Meeting
Thursday, October 14, 1999
Council Chamber**

BEFORE THE METRO COUNCIL

FOR THE PURPOSE OF GRANTING A TIME	) RESOLUTION NO 99-2844
EXTENSION FOR THE CITY OF GRESHAM)
FOR COMPLIANCE WITH TITLE 3 OF THE	) Introduced by Executive Officer Mike
URBAN GROWTH MANAGEMENT	) Burton
FUNCTIONAL PLAN	

WHEREAS, the Metro Council adopted the Urban Growth Management Functional Plan for early implementation of the 2040 Growth Concept on November 21, 1996, by Ordinance No. 96-647C; and

WHEREAS, the Metro Council amended Ordinance Nos. 96-647C and 97-715B to amend Title 3 of the Urban Growth Management Functional Plan and amend the Regional Framework Plan, Appendix A and adopted the Title 3 Model Ordinance and Water Quality and Flood Management Maps on June 18, 1998; and

WHEREAS, the Urban Growth Management Functional Plan requires that all jurisdictions in the region make comprehensive plan and implementing ordinance changes needed to come into compliance with Title 3 of the Functional Plan by December 18, 1999; and

WHEREAS, the Urban Growth Management Functional Plan in Metro Code Section 3.07.820.C provides that Metro Council may grant extensions to timelines under the Functional Plan "if the city or county has demonstrated substantial progress or proof of good cause for failing to complete the requirements on time;" and

WHEREAS, the City of Gresham has requested a time extension to complete Title 3 compliance work based on evidence showing "substantial progress or proof of good cause" for failing to meet the December 18, 1999 deadline for compliance with Title 3 of the Functional

Plan and has submitted detailed timelines showing when the work will be completed, now
therefore,

BE IT RESOLVED:

1. That the City of Gresham shall receive time extensions for compliance with Title
3 of the Functional Plan as shown in Exhibit A.

2. That any further requests for time extensions or requests for Functional Plan
exceptions made by the above named jurisdictions shall be determined as delineated in Metro
Code 3.07.820, Sections B and C.

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

Title 3 Functional Plan time extensions have been requested by the City of Gresham.

**City of Gresham
October 2000**

The City of Gresham code requires balanced cut and fill for development in the floodplains and addresses some erosion control measures. The City has requested a time extension to October 2000 to complete its compliance work for Title 3.

I:\gm\community_development\projects\COMPLIANCE\ExtensionRequests\EXHIBIT A -title 3gresham.doc

GROWTH MAGEMENT COMMITTEE REPORT

CONSIDERATION OF RESOLUTION NO. 99-2844, FOR THE PURPOSE OF GRANTING A TIME EXTENSION FOR THE CITY OF GRESHAM FOR COMPLIANCE WITH TITLE 3 OF THE URBAN GROWTH MANAGEMENT FUNCTIONAL PLAN.

Date: September 29, 1999

Presented by: Councilor Bragdon

Committee Action: At its September 14, 1999 meeting, the Growth Management Committee voted 2-0-1 to direct legal counsel to draft a companion resolution to Resolution 99-2834A that only applied to the City of Gresham. Voting in favor: Councilors Bragdon and McLain. Councilor Park abstained.

Council Issues/Discussion: Resolution 99-2844 grants an extension to the City of Gresham for compliance to Title 3 of the Urban Growth Management Functional Plan to October 2000. Staff has concluded that Gresham has shown substantial progress towards meeting compliance with this Title, and the Executive Officer recommends the approval of the resolution.

For an extended discussion of this issue with regard to other, related extension requests please see the committee report for Resolution No. 99-2834A.

STAFF REPORT

CONSIDERATION OF RESOLUTION NO. 99-2844 GRANTING TIME EXTENSIONS FOR THE CITY OF GRESHAM FOR COMPLIANCE WITH TITLE 3 OF THE URBAN GROWTH MANAGEMENT FUNCTIONAL PLAN

Date: September 22, 1999

**Presented by: Mary Weber
Prepared by: Brenda Bernards**

PROPOSED ACTION

Adoption of Resolution No. 99-2844 granting a timeline extension to the Functional Plan compliance deadline for the Title 3: Water Quality, Flood Management and Fish and Wildlife Conservation (Title 3) to the City of Gresham.

BACKGROUND AND ANALYSIS

Metro Code 3.07.820.C (Title 8 of the Functional Plan) provides that Metro Council may grant time extensions to Functional Plan requirements if a jurisdiction can demonstrate "substantial progress or proof of good cause for failing to complete the requirements on time."

On June 18, 1999 the cities and counties reported on their progress for compliance with the requirements of Title 3 of the Functional Plan. Throughout the region, the local jurisdictions have made considerable progress in dealing with flood management, erosion and sediment control and protection of the water quality resource areas. Each jurisdiction has elements of the requirements in place and is working towards amending current standards to be consistent with Title 3. Twenty jurisdictions anticipate compliance with the requirements of Title 3 on or before December 18, 1999.

The City of Gresham requested a time extension to the December 18, 1999 deadline to implement the requirements of Title 3 of the Functional Plan. The City's request for time extension is attached to this report.

Compliance Progress

Extension Request: October 2000

The City of Gresham's code requires balanced cut and fill for development in the floodplains and addresses some erosion control measures. The City has requested a time extension to October 2000 to complete its compliance work for Title 3.

Gresham has met the Metro Code criterion for "substantial progress or proof of good cause for failing to complete" Functional Plan compliance (Metro Code 3.07.820.C).

BUDGET IMPACT

Adoption of this resolution has no budget impact.

EXECUTIVE OFFICER'S RECOMMENDATION

The Functional Plan implementation time extension request for the City of Gresham is recommended for approval. Any further requests for time extensions or requests for Functional Plan exceptions made by these jurisdictions would be determined as delineated in Metro Code 3.07.820, Sections B and C.

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Title 3 Compliance Status – September 20, 1999

Jurisdiction	Status	Pending Council /Committee Action	Metro Contact <i>Jurisdiction Contact</i>
Beaverton	<ul style="list-style-type: none"> • Participating in Washington County coordination effort for Title 3 compliance • has requested an extension to July 2000 • Requested an exception for the Murray Scholls Town Center and downtown 	Growth Management Committee (GMC) has requested additional data	Brenda Bernards <i>Veronica Smith</i>
Clackamas County	<ul style="list-style-type: none"> • Updating code as needed • Anticipates compliance by Dec. 1999 		Ray Valone <i>Greg Frits</i>
Cornelius	<ul style="list-style-type: none"> • Participating in Washington County coordination effort for Title 3 compliance, • Anticipates compliance by Dec. 1999 		Barbara Linssen <i>Tracey Lee</i>
Durham	<ul style="list-style-type: none"> • Greenway zone along Tualatin River implements much of Title 3, timing for adopting remaining requirements is uncertain 		Barbara Linssen <i>Roel Lundquist or K.J. Won</i>
Fairview	<ul style="list-style-type: none"> • Anticipates compliance by Nov. 1999 		Brenda Bernards <i>John Anderson</i>
Forest Grove	<ul style="list-style-type: none"> • Anticipates compliance by Jan. 2000 		Ray Valone <i>Tim O'Brian</i>
Gladstone	<ul style="list-style-type: none"> • Has requested a extension to Dec. 2000 	extension recommended by GMC, to Council for approval	Barbara Linssen <i>Jonathan Block</i>
Gresham	<ul style="list-style-type: none"> • Currently drafting Title 3 code changes, working with an advisory committee • Anticipates compliance by Oct. 2000 	extension recommended by GMC, to Council for approval	Marian Hull <i>Jonathan Harker</i>
Happy Valley	<ul style="list-style-type: none"> • Anticipates compliance by Dec. 1999 		Brenda Bernards <i>Jim Crumley</i>
Hillsboro	<ul style="list-style-type: none"> • Anticipates completing mapping requirements in Dec. 1999 and code requirements in Oct. 2000 	Growth Management Committee (GMC) has requested additional data	Ray Valone <i>Pat Ribela</i>
Johnson City	<ul style="list-style-type: none"> • Seeking exception to all Functional Plan requirements 		Barbara Linssen <i>No staff</i>
King City	<ul style="list-style-type: none"> • Has not begun work, but will follow Washington County/Tigard lead 		Marian Hull <i>Jane Turner</i>
Lake Oswego	<ul style="list-style-type: none"> • Largely complete, needs to adopt balanced cut and fill • Anticipates compliance by Dec. 1999 		Ray Valone <i>Jane Heisler</i>
Maywood Park	<ul style="list-style-type: none"> • No Title 3 areas inside city boundary 		Barbara Linssen <i>No staff</i>
Milwaukie	<ul style="list-style-type: none"> • Anticipates compliance by July 2000 	extension recommended by GMC, to Council for approval	Brenda Bernards <i>Alice Rouyer</i>
Multnomah County	<ul style="list-style-type: none"> • Working to coordinate efforts with cities • Has an extension for all compliance work to March 2000 	approved extension to March 2000	Barbara Linssen <i>Tricia Sears</i>

Title 3 Compliance Status – September 20, 1999

Jurisdiction	Status	Pending Council /Committee Action	Metro Contact Jurisdiction Contact
Oregon City	<ul style="list-style-type: none"> • Anticipates compliance by Oct. 1999 • City Commission held first reading • second reading October 6, 1999 		Brenda Bernards Nancy Kraushaar
Portland	<ul style="list-style-type: none"> • Anticipates compliance by Dec. 1999 		Barbara Linssen Mary Abrams
Rivergrove	<ul style="list-style-type: none"> • Anticipates compliance by Dec. 1999 		Marian Hull Mike Collmeyer
Warwood	<ul style="list-style-type: none"> • Participating in Washington County coordination effort for Title 3 compliance • Anticipates compliance by Dec. 1999 		Marian Hull Greg Turner
Ward	<ul style="list-style-type: none"> • Participating in Washington County coordination effort for Title 3 compliance • Anticipates compliance by Dec. 1999 		Brenda Bernards Duane Roberts
Troutdale	<ul style="list-style-type: none"> • Anticipates compliance by Dec. 1999 		Ray Valone Sheryl Sanderson
Tralafin	<ul style="list-style-type: none"> • Participating in Washington County coordination effort for Title 3 compliance • have requested an extension to Oct. 2000 	received Sept. 14 not yet considered by GMC	Marian Hull Jim Jacks
Washington County	<ul style="list-style-type: none"> • Participating in Washington County coordination effort for Title 3 compliance • has requested an extension to Oct. 2000 	Growth Management Committee (GMC) has requested additional data	Brenda Bernards Hal Bergsma
West Linn	<ul style="list-style-type: none"> • Anticipates compliance by Dec. 1999 		Marian Hull Kristi Meyer
Wilsonville	<ul style="list-style-type: none"> • Anticipates compliance by Dec. 1999 		Ray Valone Stephan Lashbrook
Wood Village	<ul style="list-style-type: none"> • In compliance July 1999 • Used model code for affected features 		Brenda Bernards Carole Connell

Note: The City of Gresham, Washington County and the cities of Washington County currently require balanced cut and fill and some erosion control measures.


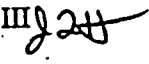


MEMORANDUM

Long Range Planning Project & Policy Development Team Community Development Department

7/12/99

To: Mike Burton, Executive Officer and Metro Council
Elaine Wilkerson, Director Growth Management Services
Marian Hull, Senior Regional Planner

From:  Richard Ross, AICP, Project & Policy Development Manager
Jonathan Harker, AICP, Community Planner III 

RE: Report on Title 3 Compliance (Title 8 -- Section 3.07.820.G)

Section 3.07.820.G requires the City of Gresham to transmit to Metro an evaluation of its plan concerning Title 3, copies of applicable documents, and findings on how it will achieve Title 3. Although the City has made considerable progress on Title 3 implementation it has not progressed as much as seems to be anticipated in Section 3.07.820.G; nor will the City meet the 18-month (December 18, 1999) compliance deadline. This report will detail the progress the City has made towards Title 3 implementation, comment on the first hearing requirement of Section 3.07.820.F, and request an extension of the deadline as provided for in Section 3.07.820.C.

SECTION 3.07.820.G.1 requires *an evaluation of their local plans, including any relevant existing regulations and the amendments necessary to comply with Title 3 of this functional plan.*

3.07.320. Applicability. Title 3 deals with Water Quality Resource and Flood Management Areas, erosion control and emergency provisions. The City has initiated a project to address these areas. Title 3 also includes Fish and Wildlife Habitat Conservation but does not yet require action. City staff has been involved in Metro's Goal 5 project by attending TAC meetings and CPR Workshops and will continue to do so.

3.07.330 Implementation Alternatives. The City's chosen implementation alternative is to adopt the Metro Water Quality and Flood Management maps. The maps will be used as a reference and code language implementing the Title will prevail over the map. Evaluation of the Code language will utilize the Title 3 Model Ordinance. The process for adopting the code and maps will be a Type IV legislative process that means public hearings by the Planning Commission and Council. Council will make the final decision. Standard noticing will occur including notice as required by Measure 56. The City Council, Planning Commission and Growth Management Committee have given this direction.

3.07.340.A Flood Management Performance Standards. These provisions require development in a Flood Management Area to meet standards such as balanced cut and fill, that habitable structures be at least one foot above the design flood elevation and that uncontained hazardous materials be prohibited. There are also provisions concerning planting new trees, construction of detention facilities and stream crossings. The City has had 100-year flood plain regulations for many years. In December 1998 the City adopted additional performance standards as required for Title 3. Current City code substantially complies with the Title 3 flood management performance standards and only minor amendments will be necessary to the City's Flood Plain Overlay District.

3.07.340.B Water Quality Performance Standards. These provisions generally prohibit development in Water Quality Resource areas that are the protected water feature plus a vegetated corridor. Some development is allowed if there are no practicable alternatives and mitigation occurs. Provisions are required that allow some development if the parcel is wholly or substantially in the WQRA. Current City code does not address the Water Quality Performance Standards.

3.07.340.C Erosion and Sediment Control. This section requires the City to adopt erosion control measures for all development (Citywide) during and after construction to prevent the discharge of sediments. The City has had erosion control standards for some time. The Council adopted additional measures concerning erosion and sediment control in December 1998. Current City code substantially complies with Title 3. Only minor, if any, changes will be required.

3.07.340.D Implementation Tools to protect Water Quality and Flood Management Areas. This section includes requirements and suggestions. Requirements include allowing density transfers or other means to mitigate development restrictions, provisions for existing development and criteria for Title 3 wetlands. Amendments to the Code will be necessary for these requirements. In December 1998 the City did amend its definition of wetlands to include the criteria for Title 3 wetlands. The suggestions in this section include conditions of approval to require conservation easements, open space platting or sale or donation of WQRA/FMA areas and an option of tying requirements to building permits. Language for these provisions will be drafted and considered for adoption as part of the process.

3.07.340.E Map Administration. This section requires the City to have a process to correct possible map errors, modify the WQRA and add Title 3 wetlands. It also exempts water quality and stormwater detention facilities from Title 3 wetland criteria. The City code will need to be amended to add these provisions.

3.07.350 Fish and Wildlife Habitat Conservation Area. The City is not yet required to address this section of Title 3. 3.07.350.B has a recommendation for temporary standards. However, Metro has not yet mapped the Fish and Wildlife Conservation Areas where these standards would apply. As time allows in the project the City may consider incorporating WQRAs with the City's current Natural Resource Overlay District and could consider these temporary measures at that time.

3.07.360 Metro Model Ordinance Required. As noted before, the City will utilize the Model Ordinance during its process. City staff has been in contact with Metro staff with questions about the Model Ordinance.

3.07.370 Variances. This addresses Fish and Wildlife Habitat Protection only and does not need to be addressed at this time. The City does provide for map errors and variances to the City's current Natural Resource Overlay District.

SECTION 3.07.820.G.2 requires *copies of applicable comprehensive plans, maps and implementing ordinances as proposed to be amended.*

Enclosed are a number of draft amendments to the City's Development Plan. For each of the documents enclosed there is a summarizing cover sheet. It needs to be noted that these are not proposed amendments. Rather, they are initial drafts that will need to be reviewed and refined during the remainder of the process. The drafts submitted are:

1. Draft Water Quality Resource Area (WQRA) Overlay District
2. Draft Findings for WQRA
3. Draft Amendments to Flood Plain Overlay District (Flood Management Area – FMA)
4. Draft Variance Provision for WQRA
5. Draft Map Procedures for WQRA and FMA
6. Draft Definitions for WQRA and FMA
7. Draft Findings and Text for Native Plant List

8. Also included is an adopted plan amendment (CPA 98-5301) partially implementing Title 3 concerning wetlands, flood management and erosion control. I have also included a copy of the City's current Flood Plain Overlay District and erosion control standards and erosion control handbook.

9. Also included is a Draft Parcel based map of the WQRA and FMA areas based on the adopted Metro maps. Again it needs to be noted that this is a draft and does not include any changes or map error corrections that may be proposed. Section 3.07.820.3 does provide that *Cities ... may request areas to be added or deleted from the Metro Water Quality and Flood Management Area Map based on a finding that the area identified on the map is not a Water Quality and Flood Management Area ... as defined in this functional Plan. Areas may also be deleted from the map if the city ... can prove that its deletion and the cumulative impact of all deletions in its jurisdiction will have minimal impact of the water quality of the stream and on flood effects. Findings shall be supported by evidence, including the results of field investigations.*

10. To date the City has been alerted to one potential correction. There are two log ponds that are shown as wetlands on the Metro WQRA/FMA maps. These are located on parcels 1S3E04DD 2700, 2800 and 2900. The City has received a copy of a letter from the Corps of Engineers that states that "the ponds are not 'waters of the U.S. as defined in 33 CFR 328, and are not subject to the regulatory authority of the U.S. Army Corps of Engineers' under Section 404 of the Clean Water Act'." Enclosed is a copy of that letter.

SECTION 3.07.820.G.3 requires *Findings that explain how the amended city ... comprehensive plans, maps and implementing ordinances will achieve the standards required in Title 3 of this functional plan. In developing the evaluation, plan and ordinance amendments and findings, cities ... shall address the Metro 2040 Growth Concept, and explain how the proposed amendments implement the Growth Concept.*

Each of the enclosed draft amendments includes cover sheets that briefly describe how they relate to Title 3. Also for the WQRA draft, the FMA draft, the variance draft and the map procedures draft there is a commentary column next to the draft language column. The commentary column explains how the language relates to Title 3 and the Model Ordinance. Together these provide an initial explanation of how the draft amendments will work to implement Title 3. As has already been mentioned these drafts are initial drafts that will be reviewed and refined during the remainder of the project. They are not proposed amendments. Therefore it is not possible at this time to provide findings on specific language that the City will ultimately propose and adopt. Similarly, the draft map at this time represents the affected parcels as provided by the Metro maps. It does not reflect the changes that may occur during the process public input leads to warranted changes.

The enclosed adopted plan amendment (CPA 98-5301) partially implements Title 3 concerning wetlands, flood management and erosion control. Included in the enclosure is a memorandum describing how the plan amendments implement Title 3.

As described in the 1995 amendments to the Regional Urban Growth Goals and Objectives (RUGGOs) the Metro 2040 Growth Concept *states the preferred form of regional growth and development ... for the long term growth management of the region including a general approach to where and how much the UGB should be ultimately expanded, what ranges of density are estimated to accommodate projected growth within the boundary, and which areas should be protected as open space.* Objective 12.1.1 of the RUGGOs is to *manage watersheds to protect, restore and ensure to the maximum extent possible the integrity of streams, wetlands and floodplains, and their multiple biological, physical and social values.* Implementation of Title 3 helps to meet this objective.

11. Enclosed is a copy of the Project Goals adopted by the Growth Management Committee. The goals clearly recognize the importance of the lands and of implementing Title 3.

The GMC was a citizen advisory committee appointed by the City Council to advise the Council and Planning Commission on proposed plan amendments to implement the Metro 2040 functional plan and regional framework plan. Its membership consisted of six at-large citizens, one professional from the development industry and one member each from Planning Commission and the Transportation, Parks, and Housing citizen advisory committees.

The GMC held monthly public meetings and began considering Title 3 in fall, 1998. They adopted the enclosed goals after reviewing Title 3, hearing a presentation from Metro staff on Title 3 and reviewing Metro's publication *Protecting Our Region's Rivers, Floodplains and Wetlands*. The adopted Goals were an important step in framing the Title 3 implementation as a local water quality

SECTION 3.07.820.F requires *on or before six months prior to the 18 month deadline [December 18, 1999], cities ... shall schedule their first hearing on the ordinance to implement ... Title 3 and transmit notice of that hearing and copy of the proposed ordinance to Metro at least 30 days prior to the hearing.*

According to the Metro Framework Field Guide (May/June 1999) Metro may amend that section to allow for more flexibility in the scheduling of a date. This section also provides that Metro shall prepare and mail a notice of the hearing to each affected property owner and that Metro shall review proposed amendments to Title 3 based on property owner testimony. The City has not scheduled a first hearing and has already been noted has not drafted a proposed ordinance or map. However, the City has sent an Early Notification Flyer to potentially affected property owners.

12. Enclosed is a copy of the early notification flyer.

This flyer was to inform potentially affected parties of the City Water Quality and Flood Management (Title 3) project. The mailing went out in mid May 1999 and was sent to about 1,250 parties. This mailing represented about 1,700 potentially affected parcels. It was sent to property owners of these parcels, neighborhood associations, the Johnson Creek and Columbia Slough Watershed Councils, the Interlachen PUD, the Columbia Corridor Association and a mailing list of interested persons.

The flyer included the flyer cover, a one-page summary, a three-page informational handout and the Metro WQRA/FMA map for that parcel whose owner was being notified. Mailings to associations

included a color City map that shows the WQRA/FMA boundaries and the potentially affected parcels. I have included the color map (potentially affected parcels are highlighted in yellow).

The mailing has resulted in numerous calls, e-mails and letters from property owners and others. It formed the starting point for the public participation process that the City will engage in to complete this project.

SECTION 3.07.820.C provides that *The Metro Council may grant an extension to time lines under this functional plan if the city ... has demonstrated substantial progress or proof of good cause for failing to complete the requirements on time.*

13. Enclosed is revised Water Quality and Flood Management Timeline.

The Timeline shows the work that has been done to date (beginning in December 1998). It also shows a revised completion date of October 5, 2000. This is the date a new ordinance would be effective. The Council public hearing would be August 15, 2000. Originally the City had planned to have an effective ordinance by January 2000. The City realizes this means that the compliance deadline of December 18, 1999 is not met. However, the City believes that it is better to extend the deadline and continue to engage the citizens in the process rather than leave out necessary steps in the project in order to keep the original deadline.

- ✓ The City has made substantial progress towards implementing Title 3:
 - Adopted plan amendments to the City's Flood Plain Overlay District that meet the flood management performance standards of Title 3.
 - Adopted plan amendments to the City requirements for erosion and sediment control that, combined with the previously existing requirements, meet the erosion and sediment control requirements of Title 3.
 - Created a parcel-based map of Metro's Water Quality and Flood Management adopted maps.
 - Created a mailing list of potentially affected property owners.
 - Sent a mailing explaining the project to potentially affected property owners including the applicable Metro map.
 - Drafted plan amendments that, once reviewed and refined, will implement Title 3 map requirements by addressing water quality performance standards, implementation tools and map administration. The draft amendments utilize the Model Ordinance.
 - Summarized findings from Metro's technical report document.
 - Summarized findings and created Metro Native Plant list for adoption.
 - Recognized the regional significance of protecting and enhancing water quality and managing flood control and implementing Title 3 by citizen adopting these issues as project goals.
- ✓ Less staff FTE is available to work on Title 3 due in part to staff reduction and in part to a shift in Council direction that addresses issues associated with additional density and the mixed use and compact development anticipated by the Region 2040 Growth Concept:
 - Elimination of the Lead Long-Range Planner position. This is a 25% reduction in staffing, leaving 3 planners doing the majority of UGM Functional Plan and Periodic Review tasks. This reduction was part of a citywide shift of general fund money to fund additional public safety (police and fire) services.
 - Council and Planning Commission added Long-Range projects to address implementation and design issues associated with recent designations of Region 2040 concept design types of regional, town and station centers and transit corridors. The City has amended its plan map designating regional, town

and station centers and transit corridors. It has also amended its development plan adding land use districts for these design types. The new mixed-use and more compact design types lead to implementation issues of how to encourage desired development. Staff resources have been shifted to work on projects such as creating a transit oriented tax exemption for multi-family and mixed use development in the regional, town and station centers and creating a Rockwood Action Plan to deal with land use, infrastructure, housing and social issues in the town center. This coming quarter, long-range planning staff resources are shifted to multi-family and mixed use design project to lead to architectural and design standards for those developments in the centers and along corridors. Long-range planning staff will also be working this quarter on adoption of a well field protection ordinance to protect Portland's water wells in the Columbia South Shore area.

CONCLUSION

Gresham remains committed to protecting water quality and preventing flooding by implementation of Title 3. The City has made considerable progress towards implementing Title 3. The planned timeline, although not within the Functional Plan deadline, sets a reasonable expectation for completion.

In a recent Metro Framework Field Guide notes that a resource that Metro has is the staff expertise to review proposed code changes. Although the attached code amendments are drafts it would be useful to have Metro feedback on the draft language and the issues that have been raised.

If you have any questions about this report, please contact Jonathan Harker at 618-2502 or harker@ci.gresham.or.us.

Metro Report

1997 Urban Growth Report Update

September 1999



METRO
Regional Services
*Creating livable
communities*

If you live, work and play in the metropolitan area, Metro regional services matter to you and your family. That's because Metro is working to help ensure that you have

- access to nature
- clean air and water
- balanced transportation choices
- safe and stable neighborhoods
- access to arts and culture
- a strong regional economy
- resources for future generations

Metro serves 1.3 million people who live in Clackamas, Multnomah and Washington counties and the 24 cities in the Portland metropolitan area. Metro provides transportation and land-use planning services and oversees regional garbage disposal and recycling and waste reduction programs.

Metro manages regional parks and greenspaces and the Oregon Zoo (formerly the Metro Washington Park Zoo). It also oversees operation of the Oregon Convention Center, Civic Stadium, the Portland Center for the Performing Arts and the Portland Metropolitan Exposition (Expo) Center, all managed by the Metropolitan Exposition-Recreation Commission.

For more information about Metro or to schedule a speaker for a community group, call 797-1510 (public affairs) or 797-1540 (council).

Metro's web site: www.metro-region.org

Metro is governed by an executive officer, elected regionwide, and a seven-member council elected by districts. An auditor, also elected regionwide, reviews Metro's operations.

Executive Officer

Mike Burton

Auditor

Alexis Dow, CPA

Council

Presiding Officer

District 6

Rod Monroe

Deputy Presiding Officer

District 4

Susan McLain

District 1

Rod Park

District 2

Bill Atherton

District 3

Jon Kvistad

District 5

Ed Washington

District 7

David Bragdon

1997 Urban Growth Report Update

Prepared by Growth Management Services
Department

Acknowledgements

Elaine Wilkerson, Director

Sherrie Blackledge

Jennifer Bradford

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Carol Hall

Lydia Neill

Mark Turpel

Dennis Yee

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1997 Urban Growth Report Update

September 1999

Summary

Summary of Calculations

This report estimates the following:

- If no more than the current protected riparian areas (Title 3) are subtracted from the vacant land inventory, there is a rough balance between supply and the 20-year demand for the period 1997-2017. A small 200 dwelling unit surplus is estimated in the Urban Growth Boundary (UGB) after including December 1998 amendments.
- Under the current environmental assumptions (Title 3), there is an employment surplus of about 270 acres.
- If the Endangered Species Act (ESA) provisions as well as Regional Goal 5 (fish and wildlife habitat) requirements increase the average setback to 200 feet from each side of streams and rivers in the region, additional capacity of about 15,000 dwelling units and 950 acres of employment land would have to be added to the Urban Growth Boundary (UGB). A 200-foot setback was assumed in the 1997 Urban Growth Report (UGR).

Purpose of the Urban Growth Report Update

The main purpose of this report is to update data in the 1997 UGR to verify the State Goal 14 need to amend the UGB for any anticipated amendments.

State law requires that Metro compute housing unit capacities of UGB areas to ensure a 20-year supply of land. Metro Code requires this review at least every five years. The last complete review was in 1992 and found no need for UGB amendments. The next required review was in 1997 and concluded with capacity analysis to 2017.

State law also requires implementation of UGB amendments to satisfy any outstanding need for land within two years. In December 1997, Metro Council determined a need for 32,370 dwelling units based on 1994 data. Metro, when considering UGB amendments to satisfy this need, must consider the most up-to-date data available.

This report represents an update of recent history to 1998, but also includes refinements to assumptions employed in the 1997 UGR consistent with State law and the Metro Urban Growth Management Functional Plan (Functional Plan). Since 1997, Metro staff have completed special studies of several factors. This *Urban Growth Report Update* incorporates the new findings from these special studies with updated historical data.

A tabulation of projected need for employment and housing is summarized in Tables 3 and 4. The results from this report

reveal small surpluses estimated for both housing need and employment land need.

UGR Update – What’s New?

The *Urban Growth Report Update* draws data from several new special studies¹:

- ❖ 1998 Vacant Land Analysis & Buildable Lands Study
- ❖ Residential Redevelopment and Infill Study
- ❖ Non-residential Redevelopment and Infill Study
- ❖ 1999 Employment Density Study & Zonal Employment Land Demand Analysis (ZELDA) model
- ❖ Future Streets Study

Important Changes in Assumptions from the 1997 Report

1. Up-zoning. One of the factors revised in this report is the 2040 up-zone factor. The 2040 up-zone factor is a matrix that takes vacant land and assumes future rezoning from current local zoning to land uses and densities more consistent with the Region 2040 Growth Concept. In this update, the up-zone factor is not applied to vacant land in neighborhoods and open space lands. This change is consistent with preliminary compliance reporting provided by local jurisdictions.
2. Title 3 as Basis of Environmentally Constrained Land. State law requires that capacity analysis be based on past experience or newly adopted measures (regulations). Therefore only land that is protected under Title 3 of the Functional Plan is considered to be environmentally constrained land in this report. Title 3 is

the current extent of Metro’s adopted measures to protect environmentally sensitive lands. This land is assumed to have very low rates of development due to regulation. Further regulation is anticipated, but the determination is uncertain at this time.

Under the current definition of environmentally constrained land (i.e., sensitive environmental areas protected under Title 3), the area under protection has been reduced to 10,900 gross acres. This assumption increases capacity assigned by the 1997 UGR to lands between the limits of Title 3 and a previously assumed 200-foot buffer beyond the edge of stream and riverbanks in the region. In other words, the area between Title 3 and the former 200-foot environmental buffer is now included in buildable lands. The capacity of these lands is uncertain and therefore referred to as a “placeholder.”

3. Steep Slopes. Since the Functional Plan does not prohibit development on steep slopes greater than 25 percent, these lands are included in the calculation of buildable land (3,400 acres) at an historically low rate of development. In the 1997 UGR, all slopes greater than 25 percent were considered unbuildable.

Demand Analysis

Residential housing demand is determined from a projection of population and household growth. A housing unit demand forecast is derived from the forecast of households. Similarly, future land demand for employment uses is determined from a forecast of industrial and commercial employment growth. The future land need of housing and employment growth is based on the trends projected in the 2015 Regional

¹ These studies were completed by Metro’s Data Resource Center to update UGR data, to respond to Metro Council inquiries into these matters, and legal arguments. See Appendix B for full reference to published reports.

Forecast and Growth Allocation (January/February 1996).

The housing unit need calculation is unchanged from the land demand assumed in the 1997 UGR. It assumes growth from 1994 to 1998 to reflect the data available at the time of the 1997 UGR and this update report.

In 1998, the number of housing units in existence is estimated to be 517,400. Future demand is estimated to be an addition of 205,200 housing units through the year 2017. This would mean a 39.7 percent increase in housing unit need or an average of 1.8 growth percent per year. This represents the remaining 19 years of the 20-year period (1997-2017). Data for 1998 are included in the existing base already.

The computation of employment land need has been refined in this report to incorporate new employment density data and to use the ZELDA model approach. However, the economic inputs use the same employment forecast in both this update and the 1997 UGR.

Employment growth is expected to increase an average of 1.7 percent per year. The Metro regional forecast anticipates an additional 340,600 jobs during the next 19 years (today's employment level is estimated to be 923,900 jobs). The existing employment data includes the first year of the 20-year period.

Supply Analysis

Gross Vacant Acres (GVA) are identified and tabulated for each vacant and partially vacant parcel inside the UGB (from 1998 aerial photography). Water features, existing public rights of ways (streets), parks and developed land are excluded from the tabulation of GVA.

Environmentally constrained land is deducted from GVA to arrive at gross vacant buildable acres (GVBA).

Table 1 illustrates deductions made to the GVBA to arrive at *net vacant buildable acres* (NVBA).² In total, the gross-to-net reduction is 38.6 percent.

Net Vacant Buildable Land - Residential

The 1998 Buildable Land Analysis tabulated 13,400 NVBA of vacant residential land and 8,600 acres of vacant mixed use and commercial/industrial land. NVBA is the basis for all the capacity and need calculations in the 1997 *Urban Growth Report Update*.

Net Vacant Buildable Land - Employment

Unlike the dwelling unit need analysis, employment demand is converted into an acre demand figure. ZELDA computes job demand in acres for each industry. Aggregate sub-regional sector job demand inside the UGB is projected to be just under 8,500 net acres.

² Net acres is a useful measure because it represents the amount of land that households and businesses actually consume for residential or non-residential purposes.

Table 1 Metro UGB Land Supply Estimates	
Gross Vacant Acres (excludes 1998 UGB amendments)	45,800
Less: Constrained Land (Title 3)	(8,200)
Gross Vacant Buildable Acres (GVBA)	37,600
Less: Federal, State, County, City Owned lands	(1,900)
Less: Acres of Platted Single Family Lots	(2,900)
Less: Streets	(5,400)
Less: Schools	(1,100)
Less: Parks	(3,700)
Less: Places of Worship	(700)
Net Vacant Buildable Acres (NVBA)	21,900

Table 2 Supply - Dwelling Units	
Dwelling Unit Capacity - current zoning	88,600
Add: Mixed Use Development	4,300
Add: 2040 Growth Concept Up-zone	36,200
Less: Underbuild	(25,800)
Less: Ramp-up	(1,300)
Add: Residential Refill	58,500
Add: Title 3 Capacity	3,200
Add: Accessory Dwelling Units	7,500
Add: Platted single family lots	16,300
Subtotal Dwelling Unit Capacity	187,500
Add: UGB Amendments	17,900
TOTAL Dwelling Units	205,400

Source Table 1 and Table 2: Metro, 1999

In aggregate, there does not appear to be any additional employment land need; however, at a sub-regional or county-level, by size, and by industry type, there is a **potential** for a disparity between land need and future available supplies.

Further Study and Policy Issues

Staff have calculated the approximate capacity of the area that may be regulated due to the ESA and application of Regional Goal 5 standards. This calculation represents a placeholder value for what the capacity reduction might be for dwelling units and employment lands. No proposed or final specifications of these requirements

are available yet. The capacity analysis could be affected by:

- ESA regulations
- Regional Goal 5 Analysis and regulations
- Development Restrictions on Steep Slopes
- Additional analysis of development rates on environmentally constrained lands (Title 3).

In addition, Metro is undertaking a comprehensive jobs research program which should provide information to support policy considerations for the determination of additional employment lands.

Urban Growth Boundary Amendments and Productivity Report

In December 1998, the Metro Council amended the UGB by adding 3,549 gross acres from Urban Reserves. Capacity for these reserve areas that were added to the UGB in 1998 was estimated from the 1998 *Metro Urban Reserve Productivity Analysis*. The study determined the capacity and cost of serving each reserve. Capacity on these reserve lands for dwelling units and jobs was drawn from this report. Based on current environmental constraint assumptions (Title 3), these amendments added approximately 17,900 dwelling units capacity.

Bottom Line

With the assumptions discussed previously and capacity added from the 1998 UGB amendments, the total capacity is estimated at 205,400 dwelling units and about 8,700 acres of jobs land. This results in a small surplus for housing and jobs. Further regulation of environmentally sensitive areas is anticipated, but the determination is uncertain at this time.

Table 3
1997 Urban Growth Report Update
Dwelling Unit Estimate
Summary Table

			<u>See</u> <u>Description</u> <u>Number on</u> <u>Following</u> <u>Page</u>	
Residential Demand Estimates (In Dwelling Units)				
1998-2017 Capture 70% of 4-County Forecast in Metro Urban Growth Boundary			1/	205,200
Land Supply Estimates -- ACRES (Excludes UGB areas added 12/98 by Ordinance)				
Gross Vacant Buildable Acres in UGB		37,600	2/	
Less: Vacant Federal-, State-, County- and City-owned lands		(1,900)	3/	
Less: Acres of Platted Single Family Lots (16,300 Lots)		(2,900)	4/	
Less: Acres for Streets		(5,400)	5/	
Less: Acres for Schools		(1,100)	6/	
Less: Acres for Parks		(3,700)	7/	
Less: Acres for Places of Worship and Social Organizations		(700)	8/	
Net Vacant Buildable Acres (NVBA) in UGB without Reserves		21,900	9/	
Residential Supply Estimates -- DWELLING UNITS				
Dwelling Unit Capacity at Current Local Zoning		88,600	10/	
Add: Residential Development in Mixed Use Areas (MUC)		4,300	11/	
Add: Units from 2040 Growth Concept Upzone		36,200	12/	
Less: Units Lost to Underbuild		(25,800)	13/	
Less: Units from Ramp-Up		(1,300)	14/	
Add: Units from Residential Refill		58,500	15/	
Add: Minimal Development Capacity on Title 3 Land		3,200	16/	
Add: Units from Accessory Dwelling Units		7,500	17/	
Add: Number of Dwelling Units from Single Family Platted Lots		16,300	18/	
<i>Dwelling Unit Capacity without New UGB Amendments:</i>		187,500		205,200
Less: Projected Dwelling Unit Demand to Year 2017		205,200		
Resulting Deficit		(17,700)		
	Change in Dwelling Units	Net Capacity		Surplus or Deficit
Dwelling Units (gained) with New UGB Amendments	17,900	205,400	19/	200
Dwelling Units (lost) from Possible Regulation of "Placeholder" area between Title 3 and 200' Buffer Zone (in UGB + UGB Amendment Area)	(15,000)	190,400	20/	(14,600)

Accompanying Line Notes to 1997 UGR Update Summary Table:

1. **Source:** 2015 Regional Forecast. The 1998-2017 estimate assumes one year of growth has passed and is part of the 20-year period. Demand forecast for 1997-2017 is 215,500 dwelling units.
2. **Source:** 1998 RLIS Vacant Land Study. Excludes: Urban Growth Boundary amendments adopted by Ordinance (see: line 19). Title 3 riparian areas, wetlands and floodplains are assumed to be unbuildable. Additional riparian areas extending to 200 feet, slopes over 25 percent and floodprone soils are considered buildable.
3. Vacant publicly-owned lands (Federal-, State-, County- and City-owned vacant lands) are removed from gross vacant buildable acres. No dwelling unit capacity is assumed on these lands.
4. Single family-zoned parcels less than $\frac{3}{8}$ of one acre are set aside from the analysis during the gross-to-net reduction process. These parcels are assumed to be platted, and received one dwelling unit in the supply estimates regardless of zoning (see line 18).
5. Gross-to-net reduction for streets for all vacant buildable lands (residential and non-residential):
18.5 percent for parcels > 1 acre (22 percent assumed in 1997 UGR calculations)
10 percent for parcels between $\frac{3}{8}$ and 1 acre
0 percent reduction for parcels less than $\frac{3}{8}$ of an acre.
6. The land need for future schools is based on the 2015 Regional Forecast of student population. Assumes 90 percent student capture rate for schools in the Metro region (high schools: 45 students/acre; middle schools: 55 students/acre; elementary schools: 60 students/acre).
7. The land need for future parks is based on a ratio of 20.9 acres per 1,000 persons minus existing and proposed Metro measure acquisitions outside the UGB.
8. The future land need for places of worship and fraternal organizations is estimated to be equivalent to the amount of vacant land currently owned by such organizations, approximately 700 acres. This is about 150 acres more than would have been estimated from applying the established 1997 UGR places of worship service ratio (1.4 persons per 1,000 population) to the current population forecast.
9. Conclusion of Gross-to-Net Reductions (13,400 NVBA residential and 8,500 NVBA non-residential).
10. Dwelling unit capacity is based on a categorization of local zoning into standard zoning designations. The standard zoning densities are multiplied against NVBA to arrive at the capacity based on today's zoning densities. A parcel-based approach has been used in computing zoned capacity. Slopes above 25 percent are assumed as part of NVBA. With current

zoned low densities that are equivalent to historical rates of development (6.5 dwelling units/5 acres).

11. Residential capacity in mixed use zones (MUC1, MUC2, MUC3) is estimated by applying a utilization rate to net vacant buildable land in mixed use zones. The remaining portion of land in mixed use zones is assumed to contribute to the employment land need estimated through ZELDA.
12. The *increase* in capacity from 2040 up-zoning is computed as the *total* 2040 up-zone capacity (excluding up-zoning in inner neighborhoods, outer neighborhoods and open space areas) plus steep slope capacity, minus the estimate of capacity at current zoning $\{[(140,000 - 19,400) + 4,200] - 88,600\} = 36,200$. Single family parcels less than 3/8 acre (16,300 dwelling units) were set aside from estimates of current capacity and 2040 up-zone capacity; they receive one dwelling unit per lot. 2040 up-zone capacity is estimated from the 2040 up-zone matrix, illustrated in Appendix A. Steep slope areas were not up-zoned to recognize historical development rates.
13. The Functional Plan requires cities and counties to adopt minimum densities to zones allowing residential use. While the Functional Plan gives cities and counties flexibility in adopting minimum density standards, the common approach is to adopt minimum densities that are 80 percent of the current zoning density. An underbuild factor (20 percent) is applied to SFR, MFR and Mixed Use areas (excluding single family parcels less than 3/8 of an acre, which receive one dwelling unit per lot, regardless of zoning). Underbuild is calculated from the sum of current zoned capacity, mixed use zoned capacity and 2040 up-zone capacity.
14. The ramp-up estimate represents the last year of an assumed five-year period to allow for lagging implementation of Functional Plan requirements. The figure (-1,300 dwelling units) is computed as 1/5 of the initial allowance from the 1997 UGR.
15. The Residential Refill Study observed an historical refill rate of 25.4 percent. This update continues the 1997 UGR assumption of a 28.5 percent refill rate based on input from local jurisdictions, and recognizing changes that will result from Functional Plan requirements.
16. An historical rate (8.5 dwelling units/5 acres) is applied to estimate the amount of future development that may occur within Title 3 riparian areas. This estimate may be revisited with future studies. The 1997 UGR assumed 1 dwelling unit/5 acres.
17. This estimate assumes that 1.8 percent of existing and future dwelling units will have an accessory dwelling unit. This rate was observed from the 1990 American Housing Survey for the Portland Metropolitan Area, produced by the U.S. Department of Housing and Urban Development. It is based on a sample of single family detached dwelling units.
18. **Source:** 1998 Metro DRC. Lots less than 3/8 of an acre receive one dwelling unit each with no up-zoning.

19. This figure represents the dwelling unit capacity of 3,549 acres of reserves brought into the UGB by Ordinance in December 1998. **Source:** Productivity Analysis, 1998, ECO Northwest. Metro staff adjusted the Productivity Analysis to reflect actual boundaries of urban reserve (UR) areas brought into the Metro UGB by Ordinance, in particular UR 55 and partial UR sites in the Stafford Basin areas.
20. Uncertain, estimated based on 1997 UGR assumption of 200-foot setbacks. Depends on eventual environmental protection regulations adopted.

Table 4

1999 Urban Growth Report - Summary Table for Jobs

Non-Residential (Employment)

Supply and Demand Balance Calculations:

DEMAND

Non-Residential (Employment/Jobs) Demand Estimates (in net acres):

8,364

1998-2017 data assumes capture rate of 82% of projected job growth for Metro UGB.

Forecasted Employment Demand in the UGB (1998-2017) = 340,600 jobs.

(Jobs measurement includes full & part time wage & salary positions and self-employed workers.)

Source: Calculated land demand determined by Zonal Employment Land Demand Analysis Model - ZELDA

Metro, Data Resource Center (DRC)

DEMAND (net acres)	Clack.	Mult.	Wash.	Total
Industrial	996	1,605	1,486	4,088
Commercial (non-Industrial)	1,085	1,587	1,605	4,276
Total	2,081	3,192	3,091	8,364

SUPPLY - Long Run Inventory Capacity Estimate

Non-Residential Land Supply Estimates (in net acres):

source: 1998 Vacant Land Study, Metro DRC

	Clack.	Mult.	Wash.	Total
Commercial - Central City	13	62	61	136
Commercial - General	138	164	331	633
Commercial - Neighborhood	4	41	32	77
Commercial - Office	79	35	220	334
Industrial - Heavy	129	2,524	740	3,393
Industrial - Light	239	715	1,884	2,838
Industrial / Commercial Mix	372	389	69	830
Town Center Mixed Use	1	143	75	219
Regional Center Mixed Use	3	36	193	231
Central City Mixed Use	0	0	0	0

SUPPLY (net acres)	Clack.	Mult.	Wash.	Total
Industrial	740	3,628	2,693	7,061
Commercial	234	302	644	1,180
Mixed Use	4	179	268	450
Total	978	4,109	3,605	8,691

Net Vacant Buildable Employment Land (before UGB Amendments):

8,691

less: Residential Development/Utilization in Mixed Use Areas

(202)

(source: ZELDA analysis to avoid mixed use "double-counting")

Capacity without 12/98 UGB Amendments:

8,489

add: Employment land from UGB amendments (Productivity Analysis)

145

Non-Residential Land Supply Estimates (in net acres):

8,634

Industrial 7,063 net acres

Commercial (non-Industrial) 1,571 net acres

8,634

Less: Projected Land Demand Estimate to Year 2017

8,364

Aggregate Employment Land Need: Surplus Capacity (net acres):

271

less: Placeholder - Title 3 and 200 foot buffer (in net acres)

(964)

Employment Land Need: Deficit Capacity (net acres):

(694)

Table 5
1997 Urban Growth Report Update - Dwelling Unit Capacity
Sensitivity Analysis on Selected Supply and Demand Factors

Selected Supply/Demand Factor (1999 Urban Growth Report)	Change in Factor		Change in Dwelling Unit Capacity	Basis for 1999 Urban Growth Report Assumption	Comments
	*From	To			
Capture Rate	70.00%	72.60%	-4,900	Use 70%, based on long run historic trends (20-100 years) and lack of support to project change in rate based on 5-year data (see June 15 memo).	If the capture rate (forecasted demand) increases by 2.6 percentage points (approximately 7,400 dwelling units), the number of dwelling units gained from refill also increases by 2,100 dwelling units. Because demand increases more than supply, however the final dwelling unit balance is reduced from a 200 unit surplus to about a 5,100 unit deficit (a change of -4,900 dwelling units).
Refill Rate	28.50%	25.40%	-6,400	Use 28.5%, as local jurisdictions are expected to achieve higher rates of infill and redevelopment in their efforts to comply with the Metro Urban Growth Management Functional Plan targets and requirements.	The refill rate is estimated directly from the dwelling unit demand forecasted for the area inside the UGB (captured demand). If the refill rate decreases from 28.5% to 25.4%, the final dwelling unit balance is reduced from a 200 unit surplus to about a 6,200 unit deficit (a change of -6,400 dwelling units).
Gross-to-Net Reduction for Streets	18.50%	22.00%	-4,100	Use 18.5%, as 1998 survey of platted lots reflects changed Functional Plan requirements and trend to decreasing street widths.	This component of the gross-to-net reduction for streets applies only to parcels larger than one acre. For parcels smaller than one acre, the streets reduction was applied consistently in this comparison. If the reduction for parcels above one acre increases from 18.5% to 22%, the final dwelling unit balance is reduced from a 200 unit surplus to about a 3,900 unit deficit (a change of -4,100 dwelling units).

* Rates currently applied in the 1997 Urban Growth Report Update/Sept. 1999

Chapter 1

Introduction to the Report

Purpose

State law and Metro Code require periodic review of the Metro UGB's ability to accommodate future urban growth for a 20-year period. The *1997 Urban Growth Report Update* represents the technical findings needed to verify the State Goal 14 need to amend the UGB for any anticipated amendments.

The UGR is a blending of science, policy and technical assumptions in a study that estimates regional housing and employment capacity. This report uses the best available research about urban growth boundaries, capacity and economic growth to estimate regional job and housing need (demand). The supply (or inventory) estimates in this report are to the maximum extent possible grounded in scientific research and up-to-date geographic information system (GIS) data. Where data are inconclusive, Metro Council has provided policy assumptions based on regionwide goals and objectives.

State law, Metro Code, and current policy direction provided by the Metro Council are all integral to estimating supply and demand. These estimates, therefore, represent a mix of regulation, policy and technical findings. State law³ requires at least 20 years supply of buildable land be provided for residential development. Metro also plans for a 20-year supply for commercial and industrial development.

³ ORS 197.299 was introduced as HB 2709.

Background

In 1997, Metro Council adopted the Regional Framework Plan and in 1996, the Functional Plan requirements. The plans provided coordinated guidance to local jurisdictions to manage future urban growth. In December 1997, the first UGR was issued and approved by Metro Council. The 1997 UGR concluded that there was a deficit of 32,370 dwelling units and a nearly 2,900 job shortfall.

Earlier in 1997, the Oregon Legislature enacted ORS 197.296⁴ that required Metro to show substantial progress, within two years of identifying any supply shortfall. At least half the need had to be accommodated by the end of 1998 and the remainder by the end of 1999. Accommodating 20 years of residential capacity within the UGB can be accomplished by increasing the size of the UGB or adopting policies to increase capacity of lands within the current boundary. Metro Code requires review of the UGB capacity at least every five years. The last complete review was conducted in 1992 and determined no need to amend the UGB.

Consistent with State law, the Metro Council in December 1998 amended the UGB by adding 3,549 gross acres. The Metro Council also indicated their intent to add an additional 1,831 acres by resolution on the same date. These actions by the Metro Council met the requirement in State law to satisfy at least half of the need identified in the 1997 UGR by the end of 1998.

⁴ ORS 197.296 was introduced as HB 2493.

Key Points:

- *State law requires that a 20-year supply of land be provided within the UGB.*
- *The need estimates found in the UGR blend regulation, policy choices and technical findings.*

Tables 3 and 4 summarize the need analysis for housing and employment, respectively. Demand estimates and supply estimates are outlined in each table.

Table 41 details the key assumptions in the 1997 UGR and the *Urban Growth Report Update*.

The 1998 UGB expansions represented substantial compliance toward the required increase in the capacity of the Metro UGB. Now in the second year of the two-year compliance period, the same 2017 forecast endpoint is maintained.

Metro is updating the core data of the UGR with current data and additional research. The *Urban Growth Report Update* revisits the UGB analysis of the 1997 UGR to determine if additional need still exists that warrants further expansion of the UGB.

Chapter 2

1998 to 2017 Regional Forecast

Background

The employment and population projections contained in the 2015 Regional Forecast (adopted by Metro Council Ordinance No. 97-710) are the basis for determining the job and housing unit demand forecast of the UGR. This forecast was extended to 2017 and subsequently 2020 for the 1997 UGR and current Regional Transportation Plan (RTP), respectively. The forecast sets the stage for how much employment and population growth should be anticipated given a series of economic/demographic assumptions. The regional demand projections are a key factor in determining the amount of growth that needs to be accommodated within the UGB. The Metro Council Growth Management Committee has agreed that this UGR Update should continue to be based on the original assumptions behind the 2015 Regional Forecast.

Model Description

The model structure is based on a representation of the economic and demographic workings of the Portland-Vancouver economic region.⁵ The basis for the regional forecast is national and global data inputs provided by a national forecast service (The WEFA Group, Eddystone, PA). Metro staff, independently, operate the regional macroeconomic model (MARIO – Metro Area Regional Integrated Output model) to project future economic and population growth.

⁵ The regional model is a recursive model based on the base and non-base regional economic theory and integrated with a regionalized input-output trade matrix that captures the flow of inter-industry transactions among regional sectors of the economy.

Employment, income and wages are directly determined by the regional macro-model. A satellite population model – linked by a migration equation correlated with economic growth trends – determines future population and household formation trends. The population model employs the standard U.S. Census cohort-component modeling approach. This approach estimates future population growth by aging each population cohort (or age group) in successive years in order to project the future population size of each age cohort. In other words, in each iteration or year, people die and are subtracted from the population, and newborns are added to the population. Migrants are also added or subtracted according to the ebb and flow of people entering and leaving the region.

The regional forecast is initially prepared on a five-county basis (Multnomah, Clackamas, Washington, Clark and Yamhill Counties). Through the growth allocation process, future job and population growth are distributed to each county. The allocation process is a collaborative effort between Metro and local city and county planning agencies.⁶ County population and employment forecasts are derived from the sub-county level growth allocations.

Capture Rate and Policy

Since the geographic extent of the *Urban Growth Report Update* is the UGB limits, a forecast of housing units (or dwelling units) and jobs is derived for just the portion of growth anticipated inside the UGB. The proportion of growth (or capture rate) is the fraction of dwelling units predicted to occur in the UGB relative to the total amount of growth overall in the four-county region

⁶ The growth allocation process produces TAZ level job and household estimates to the 2017 and endpoint year of 2020.

(Multnomah, Clackamas, Washington and Clark Counties). The 1997 UGR assumed the capture rates for the UGB to be 70 percent for households and 82 percent for jobs on average until 2017. These estimates are based on two decades of past experience. Although past performance is no guarantee of future results, the long-run trend – dating back 100 years – for the region indicates a steady decrease in the capture rate variable. Because no accurate model exists today that can predict future capture rates, the final determination of the job and housing capture rates has been open to policy debate. The Metro Council Growth Management Committee has agreed that these capture rates should not be revised as part of this update.

Regional Economic Overview

The end of the second quarter of 1999 marks the 29th consecutive quarter without a decrease in wage and salary employment in the five-county metropolitan area.⁷

Discounting the two consecutive quarters of negative growth between 1990:4 and 1991:1 (during the Gulf War), the Portland-Vancouver region has seen an unbroken string of 15½ years of economic growth. Annual growth has ranged between a low of 0.3 percent in 1991 to as much as 5.2 percent at the beginning of this upswing of the economy. In this decade, excluding 1991, employment growth has increased an average of 3.8 percent annually – over twice as fast as the national average.

Coincidentally, regional population growth during this last decade has also exceeded the U.S. average. The region's population (four-county definition) rose at annual rate of 2.3 percent a year as compared to 1.0 percent for the nation during the same

period. A significant reason for the Metro area's stronger population growth has been its recent strong economic performance relative to the U.S. and in particular with its neighboring states (California and Washington).

In the last two years, the economy in California and Washington has rebounded and gained momentum. California has shown strong gains during the last two years. This may be one reason Oregon and this region have seen economic growth slow to 2.5 percent, employment growth from 4.5 to 5.0 percent and below 2 percent from 2.5 percent population growth. This is still greater than national average growth rates.

The engine of economic growth in the Portland-Vancouver region continues to be fueled by the high-tech and construction industries. The resurgence in Asian markets is likely to increase the demand for goods and services from the region's high-tech firms. Not too distantly, the meltdown in Asia was thought to mean a substantial slowdown was in store for the State and this region. However, with the general recovery in Asia, the risk to the region's high-tech industries has diminished.

The beginning of the next decade is expected to usher in a period of slower economic and population growth for the region. In the near term, the forecast anticipates a moderation in economic conditions and therefore slower growth than experienced in the 1990's. The three main drivers of the regional economy: the high-technology sector; warehouse, distribution and trade (including international trade); and the construction industry – are expected to maintain momentum and be the economic engines of this region.

⁷ Five Counties: Multnomah, Clackamas, Washington, Clark and Yamhill.

Population growth is also expected to moderate to around 1.5 to 2 percent for the next few years. In the long run, the trend in population growth is that less population growth will be driven by migration; that is, natural increases (regional births) are expected to play a larger role in regional population expansion. In the early half of this decade, nearly two out of three new residents came from outside this region.

In the future, this rate of increase will swing in the other direction and two out of five new residents will migrate from another region. Migration flows are expected to decline as the region's economic growth rate slows and converges toward the national average.

Key Points:

- *Basis for the regional forecast is national and global data inputs provided by a national forecast service.*
- *MARIO - in-house regional macroeconomic model - calculates future economic and population growth for the five-county area.*
- *A capture rate of 70 percent is assumed to indicate the average proportion of residential growth that will occur within the UGB until 2017. The rates are*

derived from the past two decades.

- *The capture rate is an outcome of growth management policies here and in adjacent communities.*
- *Annual growth has ranged from 0.3 to 5.2 percent. Continued growth in the region is expected with the engine of growth driven by the high technology sectors, distribution and trade, and construction industries.*
- *The next decade is expected to produce a period of slower economic and population growth trends for the region.*

National and Global Outlook

In the distant future, national growth expectations are driven by labor force growth and productivity increases. It is not likely that labor force participation rates will increase or rebound in the future. Changes in the labor force are related to growth and aging of the population. Productivity, in recent years, has been the result of the dawning of the information age. So far as these central factors of production continue to show favorably, the U.S. economy will continue to expand. The long-run assumption is that the rate of population growth and hence labor force will decline. Productivity is anticipated to moderate from

Table 6 Key National Variables to Growth

	1990-98	1999	2000-2017
U.S. GDP (1992 \$)	2.6%	3.9%	2.1%
Consumption	2.8%	4.9%	2.0%
Investments- Private	6.3%	8.4%	2.3%
Public Spending (Federal, State, Local)	7.1%	2.5%	1.8%
Inflation - CPI	2.9%	2.1%	2.7%
Interest Rate (30-year U.S. Treasury Bond)	7.1%	5.5%	5.8%
Personal Income (1992 \$), Disposable	1.1%	3.3%	2.2%
Population, non-institution	1.1%	0.4%	0.8%
Productivity (GDP/employee)	0.9%	2.1%	1.1%

Source: History - U.S. Commerce Dept.

Forecast: 1994 U.S. Long-term Trend Outlook, WEFA, Eddystone, PA

its current rates too. The combination of slower labor force and productivity growth rates will tend to moderate the rate of national growth in the future as shown in Table 6.

Metro Regional Forecast is derived from WEFA economic assumptions. Forecast assumptions include sustained economic growth with U.S. and global expectations showing moderate growth rates.

Key Points:

- *Portland economic region is susceptible to economic crisis in Asian markets.*
- *Technology sector has been a key driver in the U.S. Portland has many firms poised to take advantage of growth in this sector.*
- *National growth will be driven by labor force growth and productivity increases. Expansion is likely.*

Regional Outlook

The greater Portland-Vancouver metropolitan area is treated as a single labor market, even though it is apparent that each county has its own trends and economic drivers. However, for purposes of the *Urban Growth Report Update*, the future land use need is calculated on a homogeneous regional basis.

The region is one of several key sea-going ports on the West Coast. Its location near the Columbia River affords efficient access to inland markets that other west-coast ports may not have. Because of its location, vast amounts of grain and other bulky cargo can cheaply pass through the Port of Portland to destinations around the world. As a result, economic conditions abroad and in other parts of the U.S. play important roles in the future outlook of the Portland area economy.

The region is also well situated halfway between two fast growing high-technology centers. Seattle to the north, anchored by the industry software powerhouse Microsoft, and Intel to the south in California's Silicon Valley have helped foster the emergence of a high-technology center in Hillsboro. The region is anticipated to continue its current trend of expansion for the immediate and foreseeable future. Although it is likely that the region will experience recessions during the 20-year projection period. The trend forecast and capacity estimates adopted in this report do not reflect the occurrence of a downturn(s).

A sustained average trend is assumed for the duration of the forecast period that evens out peaks and valleys over the course of future business cycles. In terms of long-range planning purposes, this is a standard approach that minimizes future cyclical uncertainties and assumes that the economy will self-correct and return to a secular growth path.

The regional forecast ties in the economic expectations drawn from the U.S. and global growth assumptions for the 20-year period.

In recent years, the region has experienced robust employment growth. This growth has coincided with an increase in population growth rates and expansion of the manufacturing sector – in particular the high-technology industries. During the early 1990's, a confluence of regional and national factors triggered a surge in migration that helped boost population growth. This period also marked the ascendance of silicon wafer and semiconductor producers in the region. In addition, other computer hardware and related software manufacturers participated in the phenomenal growth of the region during this period.

In the early 1990's, a recession rolled through the U.S., and the California economy was particularly hard hit by the downsizing of its military-industrial complex. Many military and aerospace workers lost their jobs. A wave of highly employable professionals found their way into Oregon where the emerging high-technology firms were at the same time seeking highly skilled workers.

In the mid-1990's, the Oregon Legislature enacted the Strategic Investment Program (SIP) (the SIP is still successfully retaining and attracting high-tech firms today). The SIP helped attract and sustain the strong job growth in the high-technology industries. An initial wave, early on, brought nearly \$12 billion of technology investments into the Portland-Vancouver economy. A sampling of some of the announcements are shown below in Table 7.

Key Points:

- *Region is a key seagoing west-coast port.*
- *Economic conditions abroad play an important role in the future outlook of*

the region due to the destination of goods shipped through the Port of Portland.

- *Recessions during the 20-year period are likely.*
- *Emerging high technology firms growth has contributed to increased rates of migration and population growth.*
- *The SIP has been successful in sustaining growth in the high technology industries with \$12 billion in investment.*

Table 8 shows the economic assumptions driving the employment and housing needs assumed by this report during the next 20-year period.

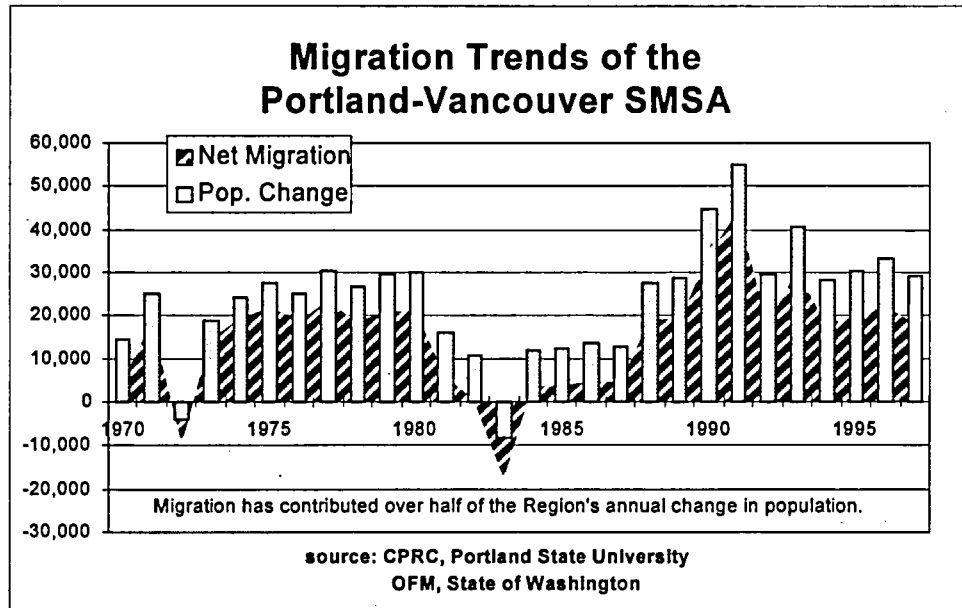
Table 7 Announced Technology Investments During the Decade of the 1990's				
Company Name	Metro Area Site	Product	Investment	Jobs
Epson Portland Inc.	Hillsboro	Printers	\$15 million	500 by 1996
Fujitsu Microelectronics		Memory chips	\$1.03 billion	445 by 1998
IDT	Hillsboro	Computer chips	\$800 million	975
Intel Corp.	Aloha	Microprocessor	\$705 million	300
Intel Corp.	Hillsboro	Microprocessor	\$2.2 billion	1,400
Linear Technology	Camas, WA	analog devices	\$ 25 million	330
Sharp Lab of America	Camas, WA	R and D	\$ 8 million	100
LSI Logic	Gresham	Computer chips	\$4.1 billion	400 by 1997; 2000 by 2012
SHE America	Vancouver	silicon wafers	\$700 million	600
Siltec	Salem	silicon wafers	\$300 million	400
Wacker Siltronic	Portland	silicon wafers	\$240 million	400

Source: various newspaper and magazine articles

Table 8 Regional Long-Term Forecast Outlook

	1990-97	1998	2000-17
Wage & Salary Employment, total	3.4 %	2.5%	1.8%
Manufacturing	2.5 %	1.4%	0.6%
Durable Goods	3.1%	1.7%	0.6%
Non-Durable	1.4%	0.8%	0.6%
Non-manufacturing	3.6%	2.7%	2.0%
Construction	6.2%	1.7%	1.7%
Warehouse & Distribution	2.7%	2.1%	1.4%
Retail Trade	3.3%	2.0%	1.8%
Finance, Insurance & Real Estate	3.5%	3.0%	1.7%
Services	4.5%	3.8%	2.6%
Government	2.0%	2.0%	1.5%
Population, total civilian	2.3%	2.0%	1.5%
Household, total	2.3%	1.7%	1.6%

Source: 2020 Regional Forecast, Metro Data Resource Center

Table 9

Demographic Assumptions & Trends

There are three components of population growth – births, deaths and migration. Migration is the most volatile and uncertain component of population growth and impacts future population trends more significantly than the other two components. The migration component is the most sensitive to economic fluctuations and

trends. Economic conditions in the future are likely to affect migration patterns and regional population growth. The regional forecast predicts employment growth to exceed the national average. As a result, the forecast reflects slightly faster population and household formation than the projected national growth rate provided by the U.S. Census Bureau.

Table 10 Population Forecast by County

County	1998	2017	Change
Multnomah	642,000	752,300	110,300
Clackamas	323,700	432,400	108,700
Washington	397,700	585,000	187,800
Clark	328,000	440,600	112,600

Source: Metro's Data Resource Center

County population projections are detailed in Table 10.

U.S. population growth in the long run is anticipated to increase at an average annual rate of about 0.8 percent per year.

Meanwhile, regional population is expected to increase about 1.5 percent per year. About half this growth is attributed to natural increases in the base population while the remainder is due to migrants locating in the Portland metropolitan area. In comparison, during the early half of this decade, it was estimated that close to two out of three new Portland area residents was from out of state while the remaining third were children born to residents.

Fertility Assumptions

The fertility rate among the average female in the Metro area in 1990 was about 2.0 children each during her lifetime. This rate is just under the replacement rate for persons in the region. Future regional fertility rates are calibrated to the trend birth assumptions provided by the U.S. Census middle series fertility assumptions.

The previous assumption in prior decades of lower fertility rates for the future have been false – what really occurred in previous decades was a delayed start in childbearing among females. Thus, there is no reason to assume any significant change in fertility rates among women in the labor force.

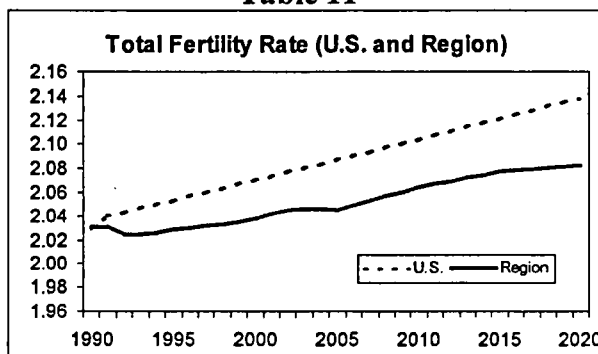
The Portland area is expected not to be significantly different than national trends. Therefore, the fertility rate is expected to increase modestly from 2.03 to 2.16 children

Fertility rates were applied to women of childbearing between the ages of 10 to 49 years of age. The fertility rates were age-adjusted to reflect birth rates for women in each five-year age increment during the course of the population projection. Women between the ages of 20 to 34 were assumed to have the highest birth rates in any given year of the forecast. At the ends of the age distribution, the birth rates were lower – reflecting the lower likelihood that a woman would give birth.

Life Expectancy

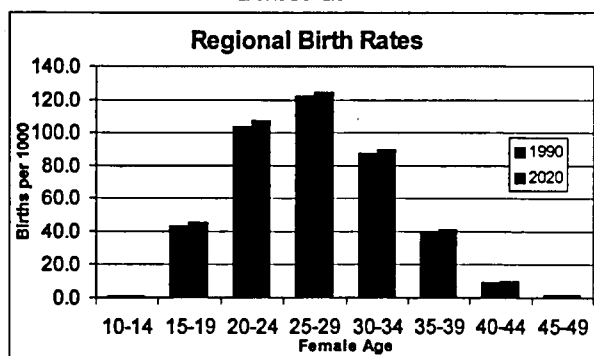
The survival rate assumed in the regional forecast is provided by middle series

Table 11



Source: Metro DRC

Table 12



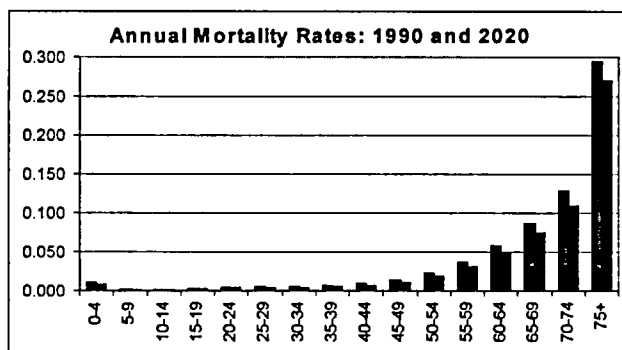
Source: Metro DRC

mortality assumptions of the U.S. Census Bureau. Overall life expectancies are expected to rise in the future – reflecting a more healthy and active lifestyle (this is also reflected in the economic projections of the region). Survival rates were applied to men and women on an age-adjusted basis. Therefore, mortality rates are slightly higher for newborns and improve after the first year. When children advance into the teenage years, death rates increase slightly to reflect the riskier lifestyle of teens. Still the mortality rates are significantly lower as compared to older adults, reflecting the health risks of aging. As individuals age into young adults and middle adulthood,

Key Points:

- *Population growth includes births, deaths and migration.*
- *Migration is the most volatile component and is influenced most by economic fluctuations.*
- *Regional population growth (1.5 percent per year) and household formation is expected to exceed the national average.*
- *Half of the population growth is due to migration and the other half is due to natural increases.*
- *Life expectancies are expected to rise in the future.*

Table 13



Source: Metro DRC

mortality rates remain fairly low until they reach age 50. At age 50 to 65, the death rate increases modestly. After age 65, the mortality rates begin climbing quickly. By the time a person reaches 90 years of age, the survival rate is about 50-50 as measured by current life expectancy assumptions.

In contrast, if an individual today reaches age 90 by 2020, he/she has an improved 60-40 chance of survival into the next period. Life expectancies during the course of the 20-year forecast are expected to improve for individuals who survive through the forecast period.

Chapter 3

Buildable Lands Analysis - Determining the Region's 20-Year Land Supply

Land inside the UGB

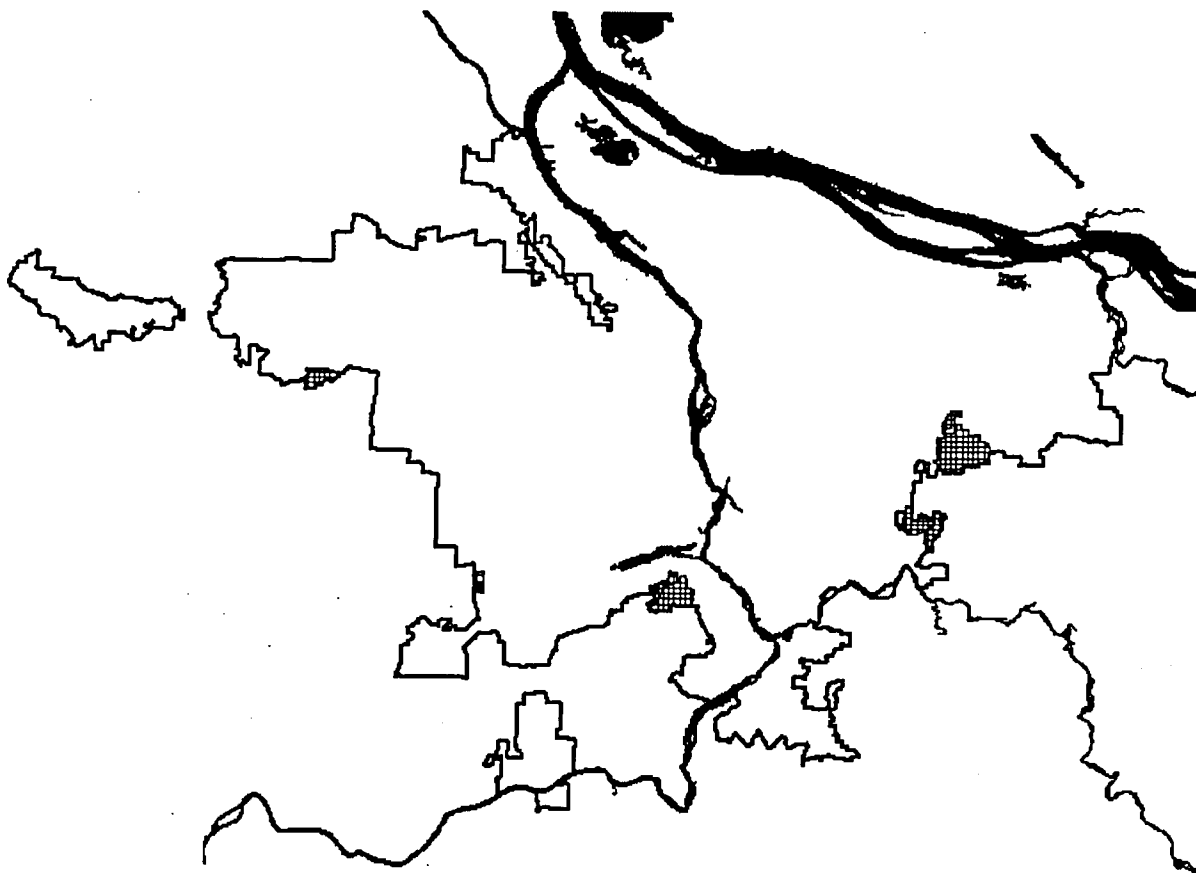
Currently, the UGB contains about 236,000 acres. This is subsequent to December 1998 UGB amendments, which brought approximately 3,500 additional acres into the boundary. The areas added to the boundary are shown below in Figure 1.

Figure 1

Metro Urban Growth Boundary:

- ❖ Prior to December 1998 UGB amendments:
Area = 232,394 gross acres
- ❖ After UGB amendments (3,549 acres):
Area = 235,942 gross acres

**Metro Urban Growth Boundary and Areas Added
to the UGB by Ordinance, December 1998**



Vacant Land Inventory

Metro's Data Resource Center (DRC) has been producing a regional Vacant Land Study every other year from 1990 through 1996, and each year thereafter. The most recent Vacant Land Study completed is based on digital aerial photography flown in July 1998. This study identifies fully and partially undeveloped parcels within the Metro region. As part of updating the data for the 1997 UGR, the supply of vacant land on hand is derived from the stock of vacant land data identified by the July data.

The buildable land analysis used in this report is derived from the 1998 Vacant Lands Study.

Metro defines vacant parcels as lands with no improvement value or building(s). In addition, Metro has defined partially vacant parcels as those with an undeveloped portion that is larger than ½ acre.

In updating each year's vacant lands inventory, DRC staff focus on removing areas from the previous year's inventory that have become developed. Data collected from local jurisdictions assist with this effort. DRC staff use Metro's geocoded building permit file (updated monthly from county assessor files) to help identify the parcels that have been developed. County tax assessor data are also checked to ensure that the parcel in question has no improvement value on it (an improvement value would indicate that the parcel is developed or at least partially developed).

In addition to removing developed areas from the vacant land data layer, staff may identify additional vacant lands that were undetected in the previous year's inventory. This occurred with the 1998 update. Metro's 1998 aerial photos had a much higher level of resolution (two-foot pixels) than the 1997

aerial photos (four-foot pixel), allowing greater precision in the identification of vacant areas. Each year since Metro began measuring vacant lands, the accuracy of Metro's vacant lands data has incrementally improved.⁸

Metro's definition of vacant land follows very specific guidelines. The following points clarify important attributes of Metro's vacant land analysis and tabulation methodology.

- ❖ Vacant lands do not tell whether a vacant parcel is listed on the market to be sold and developed. The vacant lands inventory process does not include a qualitative judgement about a parcel's desirability for development, or identification of issues that would affect development.
- ❖ The vacant lands data alone do not necessarily indicate that the parcel is buildable. The UGR starts with vacant lands, and using GIS, removes the areas that are considered environmentally constrained such as wetlands and floodplains (i.e., there is an important distinction between vacant lands and vacant *buildable* lands).

Key Points:

- *Aerial photography was flown in July 1998.*
- *Partially vacant land is defined as vacant parcels with an undeveloped portion of the lot that is greater than ½ an acre.*
- *Vacant land is defined as any undeveloped parcel/tax lot and any*

⁸ Metro does not require that local jurisdictions review the accuracy of Metro's vacant lands inventory. However, Metro appreciates input from local jurisdictions and interested parties regarding the accuracy of all its data. The vacant land data are available by subscription or can be viewed on Metro's web site and are commonly used by private groups, citizens and local governments.

partially undeveloped lot larger than ½ acre.

- *Vacant land data do not imply a degree of development readiness or current marketability.*

Gross Vacant Acres to Gross Vacant Buildable Acres

Environmentally constrained land is deducted from GVA to arrive at GVBA. Environmentally constrained land is protected under Title 3 of the Functional Plan. Other sensitive environmental areas have yet to be completely identified or protected by Metro regulation. However, Metro's Goal 5 (fish and wildlife habitat) analysis and National Marine Fisheries Service (NMFS) ESA regulations may determine future areas of protection.

Environmentally Constrained Land

Approximately 10,900 acres of environmentally sensitive land has been identified through Metro's Title 3 process. Environmentally constrained lands as determined by Metro Council Growth Management Committee include:

Water Quality and Flood Management Areas (as defined in Title 3 of the Functional Plan), consisting of:

- **Flood Hazard Areas**, defined as: FEMA floodplains and February 1996 flood inundation areas.
- **Wetlands**, from an enhanced National Wetlands Inventory and local wetland inventories.
- **Wetland Areas**, 50 feet from the edge of wetland or 200 feet from the edge of wetland located adjacent to steep sloped areas (slopes > 25%).

▪ **Riparian Areas**

Variable riparian corridor between 15 feet and 200 feet depending on the area drained by the water feature and the slope of the land adjacent to the water feature, as detailed in Title 3 of the Functional Plan.

Steep Slopes Beyond Title 3

The buildable lands analysis assumes that upland areas with slopes greater than or equal to 25 percent (outside of adopted Title 3 riparian areas) have development potential.⁹ The development potential on steep slopes is assumed to be current zoning. The average housing unit density allowed on these marginal development areas is approximately 8.5 dwelling units per five acres based on a survey of developed areas.

Title 3 and Goal 5

Metro's Stream and Floodplain Protection Plan (Title 3 of the Functional Plan) was adopted by Metro Council in June 1998. It requires cities and counties for areas in the Metro UGB to meet regional performance standards relating to water quality and floodplain management. Cities and counties are required to adopt these standards by December 18, 1999.

Since Title 3 does not completely prohibit development in designated water quality and flood management areas, some minimal development is expected to occur. Metro staff have studied recent development trends in these areas, and estimated development capacity on these lands over a 20-year period. Based on this study and the amount of land protected under Title 3, the amount of potential residential development

⁹ The 1997 UGR assumed these areas were environmentally constrained. The June 1998 adoption of Title 3 regulations did not protect these lands unless falling within water quality and flood management areas.

(6.5 dwelling units/5 acres) is estimated to be around 3,200 dwelling units. This figure has been added to the total supply of dwelling units.

This analysis assumes that all riparian areas beyond those defined in Title 3 (listed above) are buildable. In the past, Metro has assumed a 200-foot setback from each side of the stream and assigned a very low density (one dwelling unit per five acres) for capacity purposes.

Areas beyond those already protected by Metro's Stream and Floodplain Protection Plan (Title 3) may be regulated in the future as a result of the ESA. The NMFS listings of steelhead, chinook and chum as threatened species under the ESA¹⁰ have also made fish and wildlife habitat protection a high priority in the region and an integral part of policy decisions. In addition, Metro is currently focusing on a regional response to the requirements outlined in State Land Use Goal 5 and may lead to the establishment of more areas that require protection. Goal 5 requires Metro to establish criteria that will be used to identify regionally significant resources for fish and wildlife habitat protection.

The amount of land that may come under protection from compliance with State Goal 5 has not been determined as of the release of this report. However, in order to assess the possible impact of Goal 5 on the region's buildable land supply, staff have considered the effect of a riparian buffer averaging 200 feet along each side of all

¹⁰ Endangered Species: Upper Columbia River spring chinook, Snake River sockeye, Upper Columbia River steelhead. Threatened Species: Columbia River chum, Lower Columbia River chinook, Upper Willamette River chinook, Middle Columbia River steelhead, Lower Columbia River steelhead, Snake River Basin steelhead, Snake River fall chinook and Snake River spring/summer chinook.

mapped streams in the region. A GIS analysis was used to estimate the difference between areas already protected by Title 3 and the more extensive areas that may be protected by compliance with State Goal 5 or the ESA. It is estimated that this land area has a capacity of approximately 15,000 dwelling units.

When Goal 5 regulations take effect, the region's buildable land supply could be reduced by as many as 15,000 dwelling units.

This estimate is reported separately from the final supply estimates. At this time, the estimate is included only as an "environmental placeholder" for regulations that could be enacted in the future.

All of the calculations and deductions described above have been performed through a polygon-based GIS analysis (that is, each parcel of land is assessed individually). Then, a digital file of gross vacant buildable parcels is converted into a spreadsheet database to complete the remaining calculations. The major part of the remaining calculations consist of regional or sub-regional estimates applied individually to each gross vacant buildable parcel.

Gross-to-Net Reductions

On a parcel-by-parcel basis, GVBA are further refined to account for future streets, schools, parks and places of worship/ fraternal organizations over the 20-year planning period.

Exempt Land

A total of 1,900 acres of Federal, State, county and city owned lands have been removed from GVBA to prevent capacity

from being assigned. The method used is the same as the 1997 UGR.

Vacant Single Family – Platted Lots

All single family zoned parcels less than 3/8 of an acre (16,335 square feet) are temporarily “set aside” from the inventory of GVBA. Meanwhile gross-to-net reduction factors are applied to larger parcels to account for the future need of schools, parks, places of worship and fraternal organizations. This land, totaling 2,900 acres, consists of 16,300 individual parcels. In single family zones, capacity on these parcels is assigned one dwelling unit per parcel. The dwelling capacity on this subset of vacant land is later added back to the final supply estimates when the residential portion of net vacant buildable land is converted into a dwelling unit capacity estimate.

Lots less than 3/8 of an acre but zoned for non-residential or multi-family purposes are also not reduced in capacity by the gross-to-net reduction calculation. However, these individual parcels are included back into net vacant buildable acres to compute dwelling unit capacity for multi-family development and employment land supply respectively. This is consistent with the method used in the 1997 UGR.

Future Streets

Gross-to-net reductions for future streets are applied first. As noted above, no reduction for future streets is applied to parcels less than or equal to 3/8 of an acre in size. A 10 percent reduction is applied to parcels between 3/8 of an acre and one-acre. An 18.5 percent reduction is applied to parcels larger than an acre.

The reduction for future streets has been modified from the adopted 1997 UGR, in which a 22 percent reduction for future

streets was applied to parcels one acre or larger. This refinement has been made as a result of a study of subdivision development during 1997 and 1998 on all parent parcels larger than an acre. A total of 170 platted subdivisions were reviewed from each of the three counties. Of these subdivisions, the average amount of land used for streets was 18.5 percent.

Streets: Gross to Net Assumptions

Under 3/8th of acre- 0%

3/8th to one acre-10%

Plus one acre- 18.5%

Although the rate of 18.5 percent is applied globally to all vacant land, it was derived from measuring only single family lots. From a limited study of approximately 190 acres of commercial/industrial lands in Hillsboro, it is estimated that these areas require about 8 percent of the land area for streets.

The rate of 18.5 percent applies to all street classifications. Expansion of freeway and arterial streets suggested in the draft RTP will partially occur within existing rights of way or adjacent to already developed parcels. The RTP estimates that 1,600 acres are required for these future expansions. The 18.5 percent assumption for all vacant land provides enough land for these acres because of the excess land assumed for multi-family and non-residential parcels which require substantially less than 18.5 percent for streets.

Future Public Schools

In order to estimate the amount of land dedicated for future schools, the ratio of students per acre by elementary, middle, and high school is used to calculate the school land need. These ratios were obtained from an informal survey of suburban school districts in the Metro area (Beaverton,

Hillsboro and Tigard School Districts). The method used is the same as the 1997 UGR with updated ratios.

A projection of student population growth is estimated from the regional forecast. These projections are adjusted to coincide with the UGB capture rate of 70 percent, described in Chapter 4, Residential Demand Analysis.

The estimates are also adjusted to account for the number of students attending private schools or being home schooled - approximately 90 percent of all students attend public schools.

The estimates appearing in Table 14 indicate that 1,053 additional acres will be needed by school districts to accommodate the growth in student population by the year 2017. It is estimated that most future schools will be

located in single-family residential areas, although some will be located in commercial and multi-family areas, and areas designated for public facilities (PF).

The total school land need for each generalized zoning category is proportionally distributed by the percent of gross vacant buildable land within each standard zone that is classified under that land use category. For example, 315 acres of commercial land is estimated to be needed for future schools ($1,053 \times 30\%$). The four standard regional zones classified as "commercial" (CC, CG, CN, CO) each receive a proportional share (deduction) of the 315 acres.

Table 14 Estimated Land Need for Public Schools to 2017

Type of School	Estimated Students/Acre	1998-2017 Population Estimate for Age Cohort	Estimated Acres Needed for Public Schools to 2017
Elementary	60	28,577	476
Middle/Jr. High	55	11,651	212
High School	45	16,402	365
Total Estimated Land Need			1,053*

Source: Metro Regional Forecast (adjusted to 1998-2017). These estimates have been adjusted for the 70 percent capture rate, and for the estimated proportion of students attending public schools to those attending private schools (90:10). Ratios are consistent with those used in the 1997 UGR. Student ratios were obtained from interviews with local school district facilities planning officials. * Reported as a rounded number (1,100 acres).

Table 15 Distribution of Land of Current Schools

Land Use	Percent of School need allocated*
Commercial	30%
Industrial	0%
Multi-family	10%
Parks/Open Space	0%
Rural	10%
Single- Family Res.	43%
Public facilities	7%
TOTAL	100%

*Based on observed distribution of schools by general zoning designations

In the gross-to-net calculation, all of the vacant land in the PF standard zoning category is allocated for future schools. The remaining need for schools is allocated among the standard zoning designations according to where schools have developed in the past (see Tables 15 and 16).

Future Parks

The amount of land needed for development of future parks is computed in a fashion similar to the computation of future school land need.

A park ratio of 20.9 acres of park land per 1,000 persons was surveyed for 1998 and applied for this factor (see Table 17). This rate is updated from the 1997 UGR ratio of 14.4 acres/1,000.

The projected population is based on the 2015 Regional Forecast and is consistent with the household and dwelling unit formation assumption employed in this report and the 1997 UGR.

The total parks land need is about 3,700 additional acres. The initial mathematical

calculation is reduced by about 4,900 acres to account for the amount of Open Spaces Bond Measure land acquisitions past and on-going outside the UGB. This deduction is consistent with the method used in the 1997 UGR. Bond measure acquisitions will in part provide park land amenities to residents inside the Metro UGB.

Table 16
Percent Deduction to Gross Vacant Buildable Acres for Future Schools – by Standard Regional Zoning Designation

Current Standardized Regional Zone Designation	General Land Use Category	Acres allocated to Schools
Central Commercial- CC	COM	34.15
General Commercial- CG	COM	158.48
Neighborhood Commercial- CN	COM	18.01
Office Commercial- CO	COM	105.14
Agricultural or Forestry- FF	RUR	14.52
Heavy Industrial- IH	IND	-
Light Industrial- IL	IND	-
Mixed Use Industrial- IMU	IND	-
Multi-family 1- MFR1	MFR	67.63
Multi-family 2- MFR2	MFR	13.18
Multi-family 3- MFR3	MFR	1.77
Multi-family- MFR4	MFR	0.02
Mixed Use Center 1- MUC1	MFR	10.34
Mixed Use Center 2- MUC2	MFR	12.33
Mixed Use Center 3- MUC3	MFR	-
Public Facilities- PF	PF	77.74
Parks and Open Space- POS	POS	-
Rural or Future Urban- RRFU	RUR	90.75
Single Family 1- SFR1	SFR	34.66
Single Family 2- SFR2	SFR	112.10
Single Family 3- SFR3	SFR	152.60
Single Family 4- SFR4	SFR	102.98
Single Family 5- SFR5	SFR	16.02
Single Family 6- SFR6	SFR	16.19
Single Family 7- SFR7	SFR	14.02
TOTAL		1,052.61

Source: Metro

lands zoned POS (public open space) is constructed to “consume” all the land in this zoning category. The park land need is allocated by standard regional zone as indicated in Table 18 and Table 19.

The demand for park land is allocated to generalized zoning categories (see Table 17), and then allocated to standard regional zoning designations to complete the parcel-level computation. Approximately 70 percent of parks are assumed to locate in residential areas, 10 percent in commercial areas, and the majority of the remainder in industrial areas.

The reduction for parks in the undeveloped

Table 17 Park Land Calculation

Projected Metro Area Population 1998-2017	411,400
Established Parks Ratio (Acres per 1,000 population)	20.9
Park Acres Needed	8,598
Less: Bond Measure Acquisitions to Date Outside the UGB	-3,633
Less: Bond Measure Acquisitions Anticipated Outside the UGB	-1,287
Adjusted for Current and Proposed Bond Measure Acquisitions	3,678*

* Reported as a rounded number (3,700)

Source: Metro

The parks land need is allocated from the generalized zoning categories (shown in Table 18) to standard regional zones (shown in Table 19), in a process similar to that used to assign gross-to-net reductions for schools.

Table 18 Distribution of Future Parks Land Need*

Residential	70%
Commercial	10%
Industrial	18%
Parks/Open Space	2%
	100%

* Based on ratios similar to those used in the 1997 UGR

Source: Metro

**Table 19
Percent Deduction to Gross Vacant Buildable Acres for Future Parks
– by Standard Regional Zoning Category**

Current Standard Regional Zone	General Land Use Category	Acres set aside for Parks*
Central Commercial-CC	COM	30.36
General Commercial- CG	COM	140.90
Neighborhood Commercial- CN	COM	16.01
Office Commercial- CO	COM	93.48
Agricultural or Forestry- FF	COM	87.04
Heavy Industrial- IH	IND	308.94
Light Industrial- IL	IND	261.07
Mixed Use Industrial- IMU	IND	79.31
Multi-family 1- MFR1	RES	249.91
Multi-family 2- MFR2	RES	48.70
Multifamily 3- MFR3	RES	6.55
Multi-family 4- MFR4	RES	0.08
Mixed Use Center 1- MUC1	RES	38.19
Mixed Use Center 2- MUC2	RES	45.56
Mixed Use Center 3- MUC3	RES	-
Public Facilities- PF	RES	-
Parks and Open Space- POS	POS	86.29
Rural or Future Urban- RRFU	RES	482.65
Single Family 1- SFR1	RES	131.60
Single Family 2- SFR2	RES	425.60
Single Family 3- SFR3	RES	579.33
Single Family 4- SFR4	RES	390.95
Single Family 5- SFR5	RES	60.81
Single Family 6- SFR6	RES	61.46
Single Family 7- SFR7	RES	53.21
TOTAL		3,678.00

* Based on 1997 UGR distribution of parks

Source: Metro

Future Places of Worship and Fraternal Organizations

The land need for future places of worship and fraternal organizations is based upon a ratio of 1.4 acres per 1,000 persons¹¹ – the same assumption used in the 1997 UGR.

Based on the ratio and the population growth projections of the regional forecast, the amount of future land need for places of worship and fraternal organizations is estimated to be about 600 gross acres (411,400 persons * 1.4 acre/1,000 persons = 576 acres).

A tabulation of the amount of vacant land currently owned by places of worship and fraternal organizations reveals that these organizations own a total of 717 acres.

The existing 717 acres of land owned by these organizations are deducted from GVBA for future need.

Rather than removing the specific parcels owned by places of worship and fraternal organizations, these parcels were retained as part of the region's buildable land supply, and 717 acres of land need was deducted proportionally from parcels of gross vacant buildable land, in the same manner as schools and parks.

Approximately 85 percent of the need for these uses is

Table 20 Distribution of Land Need for Places of Worship, Fraternal Organizations

RUR	10.00%
SFR	55.00%
MFR	20.00%
COM	15.00%
IND	0.00%
POS	0.00%
PF	0.00%
	100.00%

*based on current distribution of places of worship

Source: Metro

estimated to fall in residential areas, with the remaining 15 percent in commercial areas.

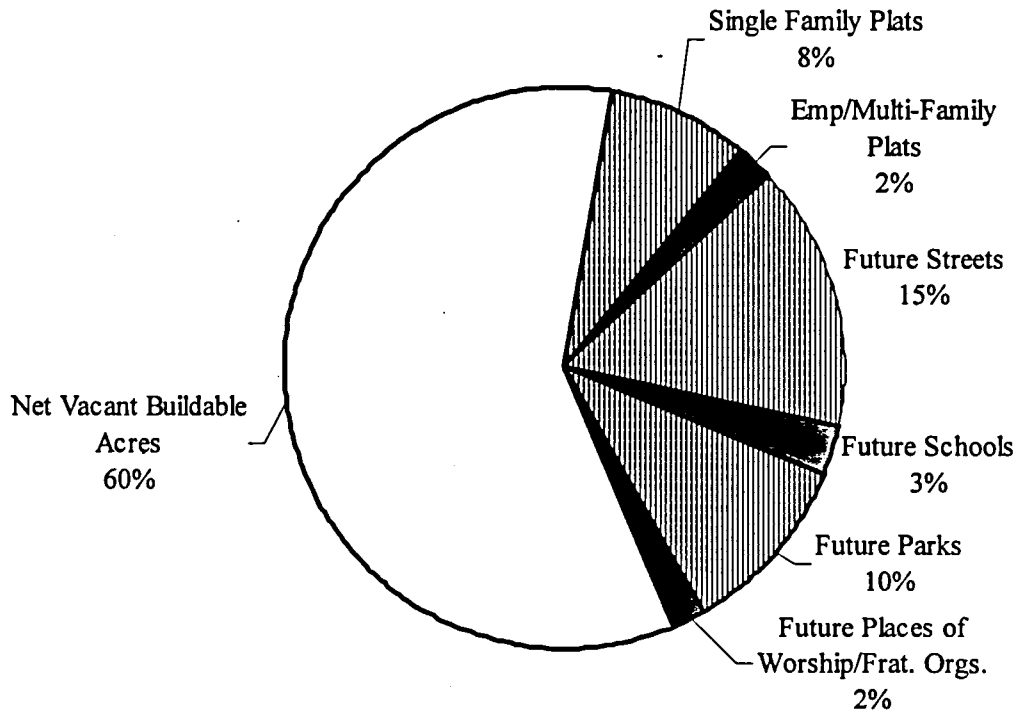
Table 21 Percent Deduction to Gross Vacant Buildable Acres for Future Places of Worship/Fraternal Organizations – by Standard Regional Zoning Designation

Current Standardized Regional Zone	General Land Use Category	Acres Deducted
Central Commercial- CC	COM	11.63
General Commercial- CG	COM	53.98
Neighborhood Commercial- CN	COM	6.13
Office Commercial- CO	COM	35.81
Agricultural or Forestry- FF	RUR	9.89
Heavy Industrial- IH	IND	-
Light Industrial- IL	IND	-
Mixed Use Industrial- IMU	IND	-
Multi-family 1- MFR1	MFR	92.13
Multi-family 2- MFR2	MFR	17.95
Multi-family 3- MFR3	MFR	2.41
Multi-family 4- MFR4	MFR	0.03
Mixed Use Center 1- MUC1	MFR	14.08
Mixed Use Center 2- MUC2	MFR	16.80
Mixed use Center 3- MUC3	MFR	-
Public Facilities- PF	PF	-
Parks and Open Space- POS	POS	-
Rural or Future Urban- RRFU	RUR	61.81
Single family 1- SFR1	SFR	30.48
Single family 2- SFR2	SFR	98.56
Single family 3- SFR3	SFR	134.15
Single family 4- SFR4	SFR	90.53
Single family 5- SFR5	SFR	14.08
Single family 6- SFR6	SFR	14.23
Single family 7- SFR7	SFR	12.32
TOTAL		717.00

The land need for future places of worship and fraternal organizations is allocated to

¹¹ Based on 1994 acreage under church and fraternal organization membership.

Figure 2: Break Out of Total Gross Vacant Buildable Acres



Source: Metro DRC

Note: Single family and employment/multi-family parcels less than 3/8 of an acre are set aside from gross vacant buildable acres (GVBA) during gross-to-net reductions, but still receive capacity.

generalized zoning categories, before further allocating the need to standard regional zoning designations.

Net Vacant Buildable Land

The region's dwelling unit capacity is estimated from net vacant buildable land (NVBA) on a parcel-by-parcel basis.

New Standard Zoning Designations

A new set of standard zoning designations has been included in this update of the 1997 UGR. Previously, this analysis placed all local zoning within the region into 19 zoning categories based on comprehensive

plan designations. Metro staff have a defined broader set of zoning designations to capture a greater level of detail from approximately 500 local zones that now exist throughout the region.

The 25 new standard regional zoning designations are shown in Table 22.

Gross vacant buildable land minus land needed for future streets, schools, parks, and places of worship/fraternal organizations yields NVBA. The rate of reduction from GVBA is 38.6 percent.

Table 22 Standard Regional Zoning Designations

Standard Regional Zone	Units per Net Acre (min. to max.)
RRFU (Rural/Future Urban)	1.0 – 1.0
FF (Farm Forest)	1.0 – 1.0
SFR1 (Single Family Residential)	1.1 – 2.2
SFR2 (Single Family Residential)	2.2 – 3.6
SFR3 (Single Family Residential)	3.6 – 5.1
SFR4 (Single Family Residential)	5.1 – 6.7
SFR5 (Single Family Residential)	6.7 – 7.9
SFR6 (Single Family Residential)	7.9 – 10.9
SFR7 (Single Family Residential)	10.9 – 21.8
MFR1 (Multi-Family Residential)	25.0 – 11.0
MFR2 (Multi-Family Residential)	25.0 – 50.0
MFR3 (Multi-Family Residential)	50.0 – 100.0
MFR4 (Multi-Family Residential)	100.0
MUC1 (Mixed Use 1)	14.1*
MUC2 (Mixed Use 2)	25.9*
MUC3 (Mixed Use 3)	58.8*
CC (Central Commercial)	N/A
CG (General Commercial)	N/A
CN (Neighborhood Commercial)	N/A
CO (Office Commercial)	N/A
IH (Heavy Industrial)	N/A
IL (Light Industrial)	N/A
IMU (Mixed Use Industrial)	N/A
PF (Public Facilities)	N/A
POS (Parks and Open Space)	N/A

Source: *average density from 2040 up-zone matrix

Please see Chapter 4, Residential Demand Analysis for more details.

Densities for mixed-use zones (i.e., MUC1, MUC2, MUC3) are assigned based on 2040 growth concept densities.

Employment areas do not have densities associated with them, as the employment supply estimate is conducted separately through the ZELDA model. In ZELDA, the 1998 Employment Forecast is converted into an estimate of acres of employment land needed, and compared with the existing employment land supply.

Key Points:

- *Standard regional zoning designations (SRZs) have been expanded from 19 to 25.*
- *500+ unique local zones have been collapsed into the 25 SRZs.*

Chapter 4

Residential Demand Analysis

Residential Demand – Overview

The residential housing demand forecast is derived from a population forecast produced using Metro's regional macroeconomic model, MARIO. Demand projections are all based on the results from the 2015 Regional Forecast extended to 2020. Population in the Metro Region is expected to increase at a moderate pace – 1.5 percent per year. By the year 2017, population growth is expected to add another 579,700 residents to the region (in the SMSA).¹²

In terms of the Metro UGB, population growth is expected to add 410,000 more residents or about another 198,000 households or 205,200 dwelling units (assuming a vacancy rate). These UGB figures are based on a 70 percent capture rate, assumed in the 1997 UGR.

The key component behind the relatively strong population growth trends in the SMSA is net in-migration. Migration accounts for about half of the future population growth. People between the ages of 20 and 34 represent the biggest age group that tends to migrate. School or work changes account for the main reasons behind migration for most adults. Studies indicate that well educated individuals are more likely to migrate to new jobs than more poorly educated individuals. Because of the in-migration in this population segment (between the ages of 20-34), this will tend to offset the rising average age of the population. The aging baby boomer segment of the region's population will continue to exert demographic pressure. Historically,

¹² SMSA four counties include Washington, Multnomah, Clackamas and Clark County.

migration rates are subject to extreme changes. The Regional Forecast assumes a conservative migration rate that nearly replicates the average of the region's historical migration rate.

Key Points:

- *MARIO estimates moderate population growth through the forecast period.*
- *By 2017, resident population will increase in the Metro UGB by about 410,000 people.*
- *Represents a 40 percent increase over the 20-year period.*
- *Net in-migration will continue to spur above national average population growth in this region.*

Regional Forecast - A 20-year Outlook

The Regional Forecast was released in 1996 with 1994 as the last year of history. The population and household forecasts used to estimate residential demand continue to track closely with independent population estimates by the State of Washington and Portland State University. The Regional Forecast for the four-county area is within 300 persons of current estimates for 1998 indicating that the Metro projections are very close to the State's actual figures for the metropolitan area.

The 20-year period for this capacity analysis is 1997-2017. The last year, 2017, is the same as the 1997 UGR. Since this update includes 1998 data, the analysis is based on capacity need for the remaining 19 years.

In 1998, the number of housing units in existence is estimated to be 517,400. Future demand is estimated to be an addition of 205,200 housing units through the year 2017. This would mean a 39.7 percent increase in housing unit need or an average of 1.8 growth percent per year.

Table 23
2020 Regional Forecast- Population Comparison
In the Four-County Metropolitan Area

	Actual	Forecast	Difference	% Difference
1994	1,565,800	1,565,800	0	0.0%
1995	1,596,100	1,597,100	-1,000	0.1%
1996	1,629,200	1,625,000	4,200	-0.3%
1997	1,658,500	1,656,100	2,400	-0.1%
1998	1,691,400	1,691,100	300	0.0%

Source: *Portland State University, CPRC; Washington State, OFM; Metro, The Regional Forecast, p. 13-1*

Capture Rates

The dwelling unit capture rate through 2017 is assumed to be 70 percent consistent with the 1997 UGR. The capture rate represents the amount of future residential growth that is expected to occur within the Metro UGB (includes any expansion of the boundary) in relation to the forecast for the four-county metropolitan area (i.e., SMSA). It is assumed that the remaining residential growth will locate to Clark County, unincorporated portions of the tri-county area, and cities located beyond the Metro UGB (e.g., Banks, Barlow, Canby, Estacada, Gaston, Mollala, North Plains and Sandy).

The capture rate is determined by combining technical information on economic, demographic and transportation analysis of expected growth trends and folding in policy decisions. Changes in policies during the forecast time period could change the capture rate. Policy decisions may influence housing location choices. The capture rate does not

necessarily have to be constant, but at this point without more concrete statistical information, the rate is assumed constant in the UGR.

Due to the limited availability of data to measure the actual dwelling unit capture rate, proxy data series have been consulted. Capture rates are measured in households

Table 24 Capture Rates Using Households: 1985-98

	Metro Boundary	Four-County Area	Capture Rate◇
1980	376,177	477,455	78.8%
1985	395,718	506,047	68.3%
1986	400,282	513,143	64.3%
1987	406,823	522,011	73.8%
1988	415,984	535,009	70.5%
1989	426,064	548,702	73.6%
1990	426,298	553,107	5.3%*
1991	439,750	571,079	74.8%
1992	445,128	578,982	68.1%
1993	455,164	594,160	66.1%
1994	461,233	604,372	59.4%
1995	478,076	627,937	71.5%
1996	486,982	640,188	72.7%
1997	493,624	649,010	75.3%
1998	502,394	660,229	78.2%

* Probable estimation error between 1989 and 1990 census value.

◇ Capture rate = marginal change (UGB)/ change (SMSA)

Sources: *Data Resource Center; Portland State University- Center for Population Research and Census; Washington State Office of Financial Management*

Table 25 Capture Rates Using Households: 1985-98

	Metro Boundary	Four-County Area	Capture Rate ✧
1980-98	126,217	182,774	69.1%
1990-98	76,096	107,122	71.0%
1994-98	41,161	55,857	73.7%

✧ Capture rate = marginal change (Metro)/ change (SMSA)

Sources: Data Resource Center; Portland State University- Center for Population Research and Census; Washington State Office of Financial Management

and building permits to approximate the capture rate for dwelling units. Household capture rates are similar to dwelling unit rates except for a vacancy rate.

From data shown in Table 24, average capture rates over various time periods are shown in Table 25. The point of Tables 24 and 25 is to indicate that on any individual year, the capture rate may swing widely. However, when many years are computed together over various time periods, an average or central tendency emerges. As shown in Table 25 the capture rate appears to hover between a range of 69.1 percent to 73.7 percent.

In a separate study, less precise information dating to the early 1900's indicates a Portland urban capture rate (proxying the current Metro UGB because the present land use system did not exist prior to 1970)

which shows a 100-year secular decreasing slope.

Without precisely knowing the future, the capture rate is likely to swing widely subject to various economic conditions including the occurrence of a recession or two. As a result, without further information to the contrary, it has seemed technically prudent to

choose a capture rate that mirrors the average occurrence of the past 20 years.

More recently, the short-term measurement of the capture rate for the 1994-98 update period indicates a 73.7 percent rate.

Building permit data provide an alternative data set to compare to the household data presented previously. The building permit data fluctuate more than household capture rate data. Although building permit data measures units constructed during the time period, there could be much more variation due to interest rates, market conditions and demand for housing types. Building permit capture rates range from a low of 61.6 percent to a high of 89.4. Since 1995, the capture rate has ranged between 71.2 and 72.1 percent (see Table 26).

Table 26 Capture Rate Estimates with Building Permits

	Four-County Area		Metro Boundary		
	Multi-Family	Single Family	Multi-Family	Single Family	% Metro Capture Rate
1990	6,658	8,315	5,292	5,274	70.6%
1991	2,413	7,062	1,906	6,560	89.4%
1992	2,367	8,739	1,434	5,405	61.6%
1993	2,818	9,941	1,816	6,152	62.5%
1994	5,266	10,408	3,838	6,296	64.7%
1995	6,804	9,760	5,678	6,262	72.1%
1996	7,736	11,039	6,548	6,846	71.3%
1997	7,855	10,597	6,667	6,462	71.2%

Source: Metro Data Resource Center, Portland State University

The figure of 75.3 percent shown in Table 27 below means that 75.3 percent of the dwelling units were developed inside of the UGB while 24.3 percent occurred in Clark County and cities and counties outside of the UGB.

In summary, a 70 percent capture rate approximates a median or average statistic of past performances and has been selected by Metro Council as an assumption to be used in the calculation of the residential demand during the forecast period.

Key Points:

- *The overall residential capture rate assumed in the 1999 UGR is 70 percent.*
- *Capture Rates computed with building permits range from 61.6 to 89.4 percent.*
- *Single-year capture rate estimates with households range from 59.4 to 78.2 percent.*
- *Since capture rates fluctuate widely from year-to-year, it use useful and illustrative to estimate average capture rates over different economic spans. Using this average approach, capture rates show a tendency between 69.1 and 72.6 percent.*

Residential Refill Rates and the Capture Rate

Generally, there is an inverse relationship between residential refill rates and the capture rate, although this relationship can be affected by a number of different factors. The inverse relationship between these rates means that as the capture rate in the region

increases the production of refill (redevelopment and infill) units will fall.

However, there are data available from the Vancouver BC region that suggests that both higher rates of refill and capture rates are possible in areas that have policies that favor redevelopment and infill, and have a relative scarcity of nearby competing areas with substantial vacant land coupled with high demand for residential units. Limited data are available on the metropolitan area to explain the limitations of this relationship between refill and capture rates.

Residential Demand Determination

The resulting residential demand for the period (four-county forecast within the UGB) between 1998-2017 with a 70 percent capture rate assumption is estimated at 205,200 dwelling units.

Table 27 Dwelling Units Capture Rate

	Inside the UGB	Four-County Area	Capture Rate
1994	451,300	604,400	
1997	484,900	649,000	75.3%

Source: Metro Data Resource Center

Chapter 5

Residential Supply Analysis

Itemized Accounting of Residential Dwelling Unit Capacity

The calculation of residential capacity follows the method used in the 1997 UGR unless specified otherwise.

After adjusting GVBA by various gross-to-net factors (i.e., exempt land, platted lots, future streets, schools, parks and places of worship), the amount of vacant land remaining becomes net vacant buildable acres (NVBA). This is the vacant land that residential dwelling units can be constructed upon (also available for employment uses). The land that is zoned for residential purposes is separated to create the supply of vacant residential land for capacity calculation. There are 13,400 vacant net residential acres.

1. Dwelling Unit Capacity at Current Local Zoning Densities

The first step is conversion of the residential NVBA into a residential capacity denominated in dwelling or housing units. This operation is performed using local zoning (generalized to standard regional zoning categories) to convert the vacant land into an estimate of future housing capacity in dwelling units.

Local zoning data (generalized to SRZ) is used in this report. The DRC received and compiled zoning data from cities and counties. These data are up to date for changes through May 1999. A number of local jurisdictions have completed zone changes to reflect Title 1 requirements which would be reflected in the local zoning data they submitted to the DRC.

As a result of implementation of Functional Plan requirements by some local jurisdictions, part of the local zoning data would already reflect densities consistent with Functional Plan requirements. Therefore the basis chosen for computing current capacities is local zoning instead of comprehensive plan designations. This is a departure from the 1997 UGR, which had used comprehensive plan designations instead of current zoning to compute capacity.

Dwelling capacity based on these current zoning densities is 88,600 units.

2. Residential Development in Mixed Use Areas

This step is particularly important in order to avoid double-counting the density and capacity of mixed use areas that allow a blend of housing and employment uses. In addition to computing employment land need, ZELDA also computes an estimate of land area in mixed used zones that is expected to develop for residential uses. This residential capacity estimate is subtracted from employment capacity and passed to the residential supply analysis without further calculations.

Additional housing unit capacity from residential development in mixed use areas is estimated at 4,300 units.

3. 2040 Residential Up-zoned Density

Because not all local jurisdictions have fully completed their re-zoning to comply with Title 1 of the Functional Plan, additional estimates of future residential capacity is added to current capacity (see step 1) to represent the potential up-zones of local zoning codes. Most local jurisdictions have received extensions to the Functional Plan deadline of February 1999 for local compliance. Many of these extensions apply

to zoning of areas where significant up-zoning is anticipated.

The 2040 Growth Concept Map assumes higher densities along transit corridors, main streets, and mixed used centers (i.e., regional centers, town centers and city centers). Local codes are expected to be revised to reflect the 2040 Growth Concept goals.

The density assumptions assumed under the 2040 Growth Concept are incorporated into a 2040 up-zone density matrix. This matrix was developed based on 1994 data for the up-zoning factor in the 1997 UGR. The 2040 up-zone matrix represents Metro's interpretation of local zoning upgrades (refer to Appendix A). Local jurisdictions may determine their own alternate means of achieving 2040 capacity goals under its compliance reporting studies and re-zonings.

For purposes of this capacity assessment, the up-zone matrix is used to compute the potential increases in capacity resulting from complete compliance by local jurisdictions. As more jurisdictions implement Title 1, Functional Plan requirements through local code amendments and zone changes, this step of up-zoning should be unnecessary in future UGRs.

One of the more significant changes to the updated 1997 UGR is the adjustment to the 2040 up-zone matrix. There is now no 2040 up-zone factor applied in the neighborhood and open spaces categories of the up-zone matrix. This change is consistent with preliminary compliance reports by local jurisdictions and recognition that many cities are substantially complying with the Functional Plan targets, though minimum density requirements already assumed in the current zoning capacities.

2040 up-zoning represents an addition of 36,200 dwelling units to capacity.

Key Points:

- *Current zoning has been updated through May 1999.*
- *Current zoning not comprehensive plan is used for 2040 up-zone analysis.*
- *Result: a more realistic representation of progress toward 2040 implementation is measured.*
- *Existing single-family and parks and open space are removed from up-zoning.*

4. Underbuild Rate

Underbuild represents a statistical estimate of the dwelling unit capacity lost due to residential development at less than permitted densities in subdivisions. Underbuild can be attributed to market preferences, poor access, steep slopes, small or odd shaped lots and objections from neighborhood associations.

For this report, the underbuild rate is assumed to be constant. However, due to various factors, the underbuild rate can vary over time and across jurisdictions. The supply of unconstrained, easily developable land is gradually being consumed within the Metro UGB. As a result, the land remaining may have obstacles which are difficult to overcome.

Moreover, regulatory permissions by local preferences may also affect how much underbuild may exist. Flexible local codes may allow the market to respond more efficiently to physical constraints. Higher market demand for residential lots may make it more economical to develop solutions to constraints.

Market conditions play a role. Higher land prices have the effect of decreasing underbuild because there is a greater profit

incentive to use land more efficiently and build closer to maximum densities.

In the 1997 UGR, the Metro Council adopted a rate of 21 percent underbuild as a result of a study conducted in 1995. Since the 1997 UGR was adopted, Functional Plan policies relating to minimum densities have been adopted and implemented by local jurisdictions.

Under the Functional Plan, Title 1, regulations establish a minimum density requirement that specifies that residential developments must at least be constructed at 80 percent of the maximum density. This requirement was adopted by Metro Council in November 1996 and is being implemented by local jurisdictions through code changes. In effect, the Functional Plan provides assurance that underbuild will be no more than 20 percent for residential development within the UGB.¹³

Underbuild is reported as a loss of 25,800 dwelling units from capacity.

5. Ramp-up Factor

Ramp-up is a factor that has been used to compensate for the lag time in fully implementing the 2040 Growth Concept objectives. Capacity is deducted until full implementation is required (a five-year period was assumed in the original UGR). Ramp-up is applied over a five-year time

¹³ Measurements of the underbuild rate from recent development data suggest rates below the regulatory rate (20 percent). It appears that higher land prices are allowing developers to maximize their returns under current conditions. These data are confirmed by several other jurisdictions that independently performed their own assessment of residential underbuild as part of their compliance reporting requirements. The majority of jurisdictions performing this analysis had an underbuild of 20 percent or less.

period beginning in 1994 through 1999. The Functional Plan compliance deadline was February 1999.

Ramp-up primarily affects residential zones and takes into account the difference between current and 2040 densities.

The 1997 UGR reduced capacity by 6,430 dwelling units to account for five years of ramp-up. 1999 is the last year of ramp-up and represents 1/5 of the original 6,430 dwelling units.

Ramp-up in the 1997 Urban Growth Report Update is calculated at 1,300 dwelling units.

6. Overview of Residential Refill Study Findings

The Residential Refill Study was completed last year. "Redevelopment" occurs when a structure is demolished and another is constructed in its place. Infill occurs when development takes place on land that has previously been considered developed but not occupied with a structure.

Redevelopment and infill have been combined and called "Refill" since both increase the residential capacity of the existing developed area.

Data collected from this study permit an estimation of the rate of dwelling units that are produced through refill as opposed to new construction on vacant land. The assumed rate of refill has a direct bearing on the amount of additional land required for residential development within the UGB.

The Residential Refill Study produced a point estimate of 25.4 percent on 1995-96 data. This rate has been adjusted to match the total distribution of new residential building permits issued within the UGB during that time period.

The refill rate was calculated during a period in which the Metro region produced a relatively greater share of the region's housing output than is assumed over the course of the 20-year projection period. The capture rate assumed during this period is 70 percent. Findings from the Residential Refill Study suggest that fluctuations in the capture rate are likely to induce changes in the refill rate also.

Consequently, the residential refill rate is expected to rise and fall in the future with economic cycles and fluctuations in the capture rate. Over the next 2-5 years, the refill rate could vary between 20 percent and in excess of 30 percent. Overall the expectation is that the refill rate will increase over time as the 2040 Growth Concept takes effect.¹⁴ Input from local jurisdictions is supportive of this conclusion.

However, we presently do not have the ability to accurately forecast future refill rates. Therefore, a constant refill rate based on the historical data and Functional Plan requirements is assumed in the residential capacity analysis. The 1997 UGR assumed a residential refill rate of 28.5 percent and this rate is continued for this update, on the direction of the Metro Council Growth Management Committee.

The residential refill rate has been assumed as 28.5 percent for the 20-year period. This rate adds 58,500 more dwelling units to capacity.

Table 28 shows the approximate stock of infill and redevelopment land available during the forecast period. Infill and redevelopment stocks are separated out to estimate the supply and are expected to increase as the 2040 Growth Concept plan is

implemented. A greater percent of infill capacity is anticipated to be consumed (41.4 percent) than redevelopment stock (19.0 percent) over the 20-year period.

¹⁴ Technical Report, Residential Refill Study, Metro, 2/10/99.

Table 28 Summary of Infill and Redevelopment Stock Estimates	
Infill Estimates:	
Infill Supply:	
- tax lots 3 to 10 times larger than zoning	26,342
- potential infill capacity	116,400 units
Infill Demand:	
Present UGB Dwelling Unit Need- 205,200	
Infill: refill (0.285) – redevelopment (0.050) $\Rightarrow 0.235 \times 205,200$	48,200 units
Percent of Infill Capacity Used (48,200 / 116,400)	41.4%
Redevelopment Estimates:	
Redevelopment Supply:	
- amount of redevelopment acres	8,810
- potential redevelopment capacity	54,200 units
Redevelopment Demand:	
Present UGB Dwelling Unit Need- 205,200	
Redevelopment: refill (.285)- infill (0.235) $\Rightarrow 0.050 \times 205,200$	10,300 units
Percent of Redevelopment Capacity Used (10,300 / 54,200)	19.0%

Source: Metro Data Resource Center, Refill Study

Areas with high refill rates tend to have less total residential output. The Metro data, Vancouver BC data and other inter-regional data imply that there is an inverse relationship between the residential refill rate and total dwelling output. In the Metro study, 17 of 37 sample areas had refill rates in excess of 50 percent but contributed less than 19 percent of the total housing output. Vancouver BC is an anomaly because even with a refill rate in excess of 40 percent the overall residential output is still maintained at a high level.

Policy changes can also affect the refill rate. For example, allowing more units on developed land will increase the refill rate and will not adversely affect total residential output. Limiting the supply of vacant land increases the rate of refill. Similarly, increasing residential real estate prices also increase the refill rate. Under most

circumstances, limiting supply and increasing real estate prices will decrease the overall residential output.

Key Points:

- *Refill (redevelopment and infill) was measured in a study from August 1997 to October 1998.*
- *The point estimate on refill was 25.4 for that period in the Metro region.*
- *The refill rate can be expected to vary with economic cycles over the 20-year period.*
- *The capacity analysis assumes a rate of 28.5 percent on average for the 20-year period.*
- *A greater percent of infill stock is anticipated to be used (41.4 percent) than redevelopment (19.0 percent).*
- *A higher refill rate may lead to a lower level of housing production.*

7. Development on Environmentally Constrained Land

Environmentally constrained lands do not have the same development capacity as buildable lands. These types of land include steep slopes, flood plains, wetlands, natural resource and riparian areas. Development potential on environmentally constrained land in this update has been treated differently than in the 1997 UGR.

The 1997 UGR assumed a 200-foot buffer for riparian areas had limited development capacity. The buffer was measured from the centerline of streams and from the banks of major rivers. The 200-foot buffer area was established to approximate the riparian areas needed for conservation of fish and wildlife habitat but was not related to an area that is currently regulated.

State law requires use of past experience or newly adopted measures when calculating capacity. The 1997 UGR Update uses the Title 3 areas which are the current extent of Metro's adopted measures to protect environmentally sensitive lands, as opposed to the area previously defined by a 200-foot buffer area. Future efforts to complete Goal 5 work and ESA regulations may require larger buffer areas than required by Title 3. Increases in buffer areas due to completion of Goal 5 work or the ESA regulation would reduce buildable lands and dwelling unit capacity.

Although environmentally constrained land is not included in the net vacant buildable land inventory, some low density development has occurred in these areas historically. The 1997 UGR added a low density development rate into the capacity calculation based on an assumption of one dwelling unit per five acres.

The 1999 UGR calculates capacity by environmental land components, i.e., Title 3 outside of floodplains, steep slopes and floodplains. Lots located wholly within Title 3 areas continue to be allotted one dwelling unit per lot to eliminate the possibility of a taking claim. If Title 3 regulations were imposed on a property that removed all value, it is possible that a taking claim could be made.

An informal study of recent development (using 1995 to 1998 building permit activity) revealed an average lot size for these recent housing developments that are within the Title 3 areas.

This average was then used to compute the amount of potential dwelling capacity that could occur inside the currently defined Title 3 areas. However, some important caveats were first applied to account for likely development obstacles in Title 3 areas. First, the development yield in Title 3 areas is reduced to account for gross-to-net reduction factors for streets and other facilities. From this net land supply figure, the historical development rate was applied (i.e., average lot size).

An underbuild factor was not applied, as this is implicit in the historical development rate. In addition, it was assumed that the special environmental constraints of these areas would prevent parcels under 10,000 square feet from receiving capacity.

A resulting historical development rate was applied to Title 3 areas located outside of floodplains. The historical development rate has been calculated at 8.5 units per 5 acres on these lands, which results in the addition of 3,200 dwelling units.

Capacity in environmentally constrained lands is estimated at 3,200 dwelling units.

Additional Technical Notes on Capacity Estimates

Steep Slopes

Steep slopes are defined as those areas greater than 25 percent slope. In the past (1997 UGR), these areas have been considered unbuildable. These lands are more expensive to develop, are less efficient to develop because of topographic constraints and may have life and property safety concerns due to landslides. The historical rate of development of steep sloped areas has been estimated by examining building permit data from 1995 through 1998 for areas already developed. The historical rate and current zoned capacities on these lands are approximately the same at 4,236 units or 6.4 dwelling units per 5 acres.

Floodplains

Floodplains are defined as areas located within the 100-year floodplain and indicated on the Federal Emergency Management Administration's (FEMA) maps.¹⁵ Structures located in the floodplain can cause life and property losses in the floodplain and downstream. Most jurisdictions allow construction in the flood plain as long as the finished floor elevation is located at least one foot above the FEMA flood elevation. Title 3 allows construction outside of the 15-50 foot vegetated corridor in the floodplain with balanced cut and fill. Balanced cut and fill requirements may decrease future construction in the floodplain.

Key Points:

- *1999 UGR uses regulated Title 3 area versus a 200-foot riparian buffer. Goal 5 and ESA may require larger buffer areas*

that would reduce the supply of buildable lands.

- *Capacity for these lands is calculated by environmental land components: Title 3, steep slopes and floodplains.*
- *Title 3 areas outside of floodplains - 8.5 dwelling units per 5 acres (3,121 DU).*
- *Steep slopes - 6.4 dwelling units per 5 acres (4,236 DU).*
- *Floodplains, within the 100-year floodplain but located outside of the 15-50 foot vegetated corridor are assumed to develop at zoned capacity.*

8. Accessory Dwelling Units

In November 1996, Metro Council adopted the Functional Plan with a requirement that cities and counties not prohibit the construction of at least one accessory dwelling unit within any detached single family dwelling. Local governments had a deadline to amend their codes accordingly by February 1999.

As previously noted, the up-zone factor in this update has not been applied to neighborhood areas. But based on this requirement in the Functional Plan, the updated capacity analysis provides for accessory units as a proportion of the total number of single family dwellings.

The American Housing Survey for the Portland Metropolitan Area, 1990, indicated about 1.8 percent of sampled single family dwelling units are accessory units. Based on this survey, the same factor is applied to the anticipated total supply for an estimate of 7,500 accessory dwelling units for this 20-year period.

¹⁵ Maps issued by the Army Corps of Engineers.

9. Residential Supply and Demand Balance – Need Analysis

Residential Demand

Moderate population growth is anticipated during the forecast period. The residential population will increase approximately 40 percent over the 20-year period and will have grown by a total of 410,000 people.

Based on demand projections from the 2015 Regional Forecast an additional 205,200 dwelling units are needed to accommodate residential growth within the UGB. This estimate of 205,200 dwelling units is based on a 70 percent capture rate of the four-county forecast.

Residential Supply

The UGB contains 235,942 acres after the December 1998 amendments by the Metro Council. There were 37,600 gross vacant buildable acres remaining in the UGB area preceding the 1998 amendment. Capacity is assigned to net acres after deductions for future facilities. Net vacant buildable acres have been reduced by the amount of land needed for future facilities like streets, schools, parks and places of worship. Based on current zoning densities and an estimate of 21,900 net vacant buildable acres, 88,600 dwelling units can be accommodated (see Table 1).

Allowing for up-zoning of these lands to 2040 densities, discounts for underbuild and ramp-up, and additional capacity gained from refill, Title 3 development, accessory units and single family platted lots the net capacity is 205,400 dwelling units (see Table 2).

Comparing the supply (205,400 dwelling units) and the demand (205,200 dwelling units) yields a surplus of 200 dwelling units (see Table 3).

Further regulation of environmentally sensitive lands is anticipated, but the determination is uncertain at this time. The placeholder calculation indicates a potential loss of 15,000 dwelling units, depending on the nature of future regulation.

Chapter 6

Non-Residential Demand Analysis – Using the Zonal Employment Land Demand Analysis Model

What is Non-residential Demand?

In determining whether additional UGB amendments are required, there are “two sides to the equation” which determines future land need: 1) a measure of supply or capacity of land for absorbing an anticipated job need and 2) an estimate of land demand based on job growth projections. Non-residential capacity is based on the amount of vacant land and redevelopment and infill sites in the regional supply estimate for absorbing future employment needs (determined by the Vacant Land Study & Buildable Lands Analysis).

There are as many different zoning codes for classifying non-residential land as there are cities and counties in the region. Zoning for non-residential need is generally designated as commercial, office or retail. Standard regional zoning (SRZ) categories¹⁶ have been created to classify common local zoning codes.

Non-residential demand is the expected amount of land designated to accommodate the projected growth in the work force. This expected land need expresses the forecast of the future job growth into an expectation of non-residential land demand. Any difference between the mathematical estimation of land supply and the land demand projection is expressed as a shortage (or deficit) if land

¹⁶ Standard regional zoning categories do not have any legally binding restrictions. They are merely an artifact of local zoning used only for purposes of mathematically computing the regional land supply.

demand exceeds land supply, or a surplus if land supply exceeds land demand.

ZELDA Overview

Prior to this update of the current version of the UGR, estimates for non-residential land need were calculated on the basis of an employment surplus or deficit. A job demand forecast was derived from the regional forecast, but after this point the methodology between the 1997 UGR and this update begins to differ.

The 1997 UGR stopped at the employment forecast and did not convert the job projections into a demand for industrial and commercial space as is done in this report. In the 1997 UGR, the approach was to convert the commercial and industrial supply into a job capacity estimate. As a result, the 1997 method concluded the non-residential need in terms of a jobs surplus or deficit.

The ZELDA approach uses updated employment density parameters which have been reviewed and confirmed by industry experts, consultants and organizations familiar with density ratios such as floor-to-area ratios and square foot per employee density rates. The ZELDA methodology underlies a more transparent and observable approach that uses industry ratios which can be confirmed. This approach affords the opportunity for additional research that can be validated and lends greater credibility to the results (see Table 32 for a summary of density assumptions and other non-residential land demand factors considered in this report).

ZELDA is now the land demand approach used for estimating future commercial, retail, office and industrial land need. ZELDA estimates the amount of land

needed to accommodate the projected employment growth based on the predictions from the regional economic forecast. The regional forecast estimates how much job growth could occur during the next 20 years given a set of assumptions regarding global, national, and regional factors and conditions which are likely to exist in the distant future. The job growth forecast is then converted into a "jobs land" need using ZELDA.

The basis for the land estimating parameters in ZELDA are developed from a recently completed Employment Density Study. The Employment Density Study represents the Metro area's most complete and comprehensive assessment of current density conditions throughout the urbanized portion of the tri-county area. Employment data used in the Study are the ES-202 data series from Oregon's Employment Department and land data are from county assessor data compiled by Metro's Regional Land Information System (RLIS) database. The Employment Density Study also provided in-depth analysis of various segments of the region by industry and sub-county level to verify density data.

Employment Land Demand

The Employment Density Study determined the average building densities (measured by gross square feet per employee) and floor-to-area-ratios (FARs - measure the ratio of building space to parcel area).

Equation 6.1, below, illustrates how the employment forecast is converted into a demand forecast of land need. Figure 3 illustrates the conceptual framework of the land demand forecast model and process.

Equation 6.1 (generalized)

$\text{Land Demand} = (\text{Employment Growth}) * (\text{SF/Employee}) * (1/\text{FAR})$

The amount of land needed (or demanded) for future employment-related growth is determined based on several inputs:

- Forecast of regional economic (employment) growth
- Allocation of the regional growth into sub-areas
- Employment Density information
- Building Densities
- FARs - floor to area ratios
- Vacancy Rates
- Percent of workers in each industry by land use type

Combining these inputs provides a projection of land demand or need by different land types: 1) industrial, 2) retail, 3) office and 4) other commercial uses. Depending upon the degree of refinement, for example, total industrial land demand could be further subdivided into high-tech flex, warehouse and distribution, and general industrial use types. Mixed use is not a land type demand that firms or industries demand. Rather, mixed use is a product that local jurisdictions can incorporate into their zoning plans as a means of supplying industrial, office, retail or residential land for development purposes. Mixed use is factored into this analysis as a subset of the vacant land stock supply to a combination of industrial, office, retail and housing demand.

The final land category, other commercial, includes a variety of land uses ranging from medical (e.g., hospitals, clinics and others) to government facilities (e.g., local, State, and Federal).

The results, derived using ZELDA, are projections of land need by industrial, retail, office and other commercial demand.

Multiple models and processes are employed before ZELDA can provide estimates of land demand. First, a regional employment forecast is required to provide the overall economic drivers that describe the future growth path of the economy. The regional forecast is determined from a regional macroeconomic model (MARIO). The regional forecast is then disaggregated into sub-areas by industry. The allocation is determined by a modified Delphi approach – in other words the allocation is based on information from RELM, a series of stochastic sub-area regression models, and expert judgement from a panel of local land use and transportation planners.

ZELDA uses the job density parameters from the Employment Density Study to populate the density assumptions that convert the regional employment forecast/allocation into an estimate of future building space need. Projected building space need is then translated into the amount of land needed by each industry sector. This industry land need is then converted into the projection of land demand by land use type.

There are three main policy levers contained in the ZELDA model:

- Floor-to-area ratios
- Building Densities
- Percent workers in each industry (SIC) by land use types.

The first, FARs, present the most straightforward policy link. For the most part, FAR requirements are a regulatory statement about a community's desire for density. FAR requirements tend to define the architectural style of an area, or the amount of open space between buildings, height of buildings, structured parking and

in general physical features regarding density.

However, the observed FARs computed from the Employment Density Study may not necessarily reflect current regulatory FARs. Many of the structures in existence today represent a legacy of building activity dating back to the early 1900's. As a result, the densities that have been measured by this study have evolved over a period of many years and may not necessarily reflect today's zoning plans. FARs are a key policy lever in the ZELDA model, as they impact the efficiency of future land need.

Building densities tend to fluctuate widely due to economic conditions and business cycles. Normally, during a business cycle, building densities increase as firms more efficiently use existing space. But as production increases, the marginal rate of productivity declines with each additional unit added. Eventually businesses may expand or move to larger facilities. The effect of this in the latter half of a business cycle is that average building densities tend to decrease as more floor space is added. From a policy perspective, building densities could be adjusted for the future forecast based on aspirational targets. However, because of the variations due to market factors, this line of policy reasoning could be spurious. Building densities can be used as a policy lever in the ZELDA model.

The percent of workers in industries by land use type is historically determined by detailed analysis and assumptions in the four-digit SIC level of employment data. Some assumptions must be made about what proportion of any industry's workforce, for example, goes into industrial workspace versus office space. The long-range trend is for fewer manufacturing workers. This may imply that the remaining manufacturers

require more (or less) land per worker due to increases in productivity. Robotics and computers may replace the need for humans, but the building densities might decline per employee because fewer workers are needed to produce the same or more output.

ZELDA, MARIO, and the allocation model (see Figure 3) represent tools that policy makers can use to provide information to determine if amendments to the UGB are necessary. Policy makers can direct the model(s) to test for the sensitivity of various policies or test different scenario assumptions. MARIO to a limited extent can test policies or different scenarios. The allocation model currently in use is not able to provide this sensitivity testing because it has not been formulated yet as a mathematical model that has policy capability. ZELDA, on the other hand, is designed to model various policy scenarios.

The data currently used in ZELDA are based on the observed density findings from the Employment Density Study. Presently, observed FARs and building densities are input into ZELDA. Also, historical vacancy rates and percent of the workforce by land use type are being used in ZELDA. However, policy officials can choose aspirational targets or current regulatory zoning parameters in place of observed parameters. By altering the density

assumptions contained in ZELDA, policy makers can test alternative assumptions.

Key Points:

- *ZELDA is a new land demand model that estimates future commercial, retail, office and industrial land needed for the next 20 years.*
- *The basis for ZELDA is the Employment Density Study.*
- *The Employment Density Study combines employment data, county assessor data to determine average building densities.*

Density Assumptions: Building Square Feet per Employee & FARs

The following tables document the density assumptions in the calculation of non-residential land demand using the ZELDA model. These densities differ slightly from the densities cited in the 1999 Employment Density Study. Adjustments were made to the building densities and FARs because of possible sampling biases identified by an informal panel of industry experts and another industrial density study. It was also noted that the employment estimates used in computing building density may not have included all types of employment and as a result the computed densities would show less density.

Table 29 Composite Building Densities By Industry Classifications

	Gross Square Feet Per Employee
General Industrial	650
Warehouse & Distribution	1900
High/Tech Flex	470
Retail	480
Office	350
Other Government & Commercial Structures	700

Source: Metro DRC - *Employment Density Study* and various industry experts

Table 30
Floor to Area Ratios By Regional Design Types
(2040 Growth Concept Plan)

	<i>Floor to Area Ratios</i>
Central City	4.00
Regional Centers	0.50
Town Centers	0.40
Corridors	0.40
Main Streets	0.40
Station Communities	0.62
Employment Areas	0.37
Industrial Areas	0.32

Source: Metro's Data Resource Center

Spatial Allocation of the Regional Forecast
– County Subarea Disaggregation

County and sub-county land demand is determined from a disaggregation of the regional employment forecast into smaller geographic subareas of employment growth. This growth has been allocated to subareas based on a GIS model of vacancy and long-run land capacity estimates.

Table 31 describes the county-level employment forecast by industry classification.

Table 31 Sub-county Employment Forecast

Multnomah County	1998 jobs	2017 jobs	Change: 1998-2020
Non-farm Total	529,200	596,700	67,500
Manufacturing	61,581	52,126	-9,455
High-Tech	9,961	8,087	-1,874
Other	51,619	44,039	-7,580
Non-manufacturing	467,619	544,547	76,955
TPU	49,842	55,123	5,281
Wholesale Trade	35,446	35,812	365
Retail Trade	80,307	90,535	10,227
FIRE	44,150	51,844	7,694
Services	188,950	240,624	51,674
Government	50,728	52,608	1,880
Clackamas County	1998 jobs	2020 jobs	Change: 1998-2020
Non-farm Total	167,500	283,100	115,600
Manufacturing	22,869	28,499	5,630
High-Tech	8,906	11,360	2,454
Other	13,963	17,140	3,177
Non-manufacturing	144,631	254,601	109,970
TPU	6,264	10,829	4,565
Wholesale Trade	12,431	19,876	7,445
Retail Trade	38,907	64,563	25,656
FIRE	8,898	15,055	6,157
Services	52,829	104,219	51,390
Government	12,547	19,663	7,116
Washington County	1998 jobs	2020 jobs	Change: 1998-2020
Non-farm Total	254,900	408,900	154,000
Manufacturing	59,735	77,715	17,980
High-Tech	38,662	51,049	12,386
Other	21,073	26,667	5,594
Non-manufacturing	195,165	331,185	136,020
TPU	8,698	14,846	6,148
Wholesale Trade	20,482	29,425	8,942
Retail Trade	47,635	74,253	26,618
FIRE	13,561	20,983	7,423
Services	78,800	148,066	69,266
Government	10,949	20,208	9,259

Source: Bureau of Economic Analysis and Metro's Data Resource Center

Non-residential Refill Rates – Study Summary

An analysis recently completed by Metro's DRC indicates that a portion of employment growth gets absorbed within existing developed business units. This increase in jobs on non-vacant land is characterized as infill or redevelopment. Infill is the case of a firm adding/absorbing more employees in existing structures without redeveloping and expanding the size of an existing building. Redevelopment is the case of a firm that takes out a construction permit to expand its existing plant.

The Non-residential Refill Study finds that 21 percent of new industrial jobs become absorbed in existing businesses without expanding onto vacant land. Of new non-industrial jobs, 52 percent are absorbed within already considered developed parcels. On average, 40 percent of all job growth is absorbed either through redevelopment or infill.

As a result of this study and analysis, 40 percent of future projected employment is assumed to occur on developed land. Therefore, the ZELDA non-residential land need computation does not calculate any jobs land demand for 4 of every 10 new jobs in the future (disaggregated to 2 out of 10 for industrial and 5 out of 10 non-industrial).

Key Points:

- *Twenty-one percent of new industrial jobs are absorbed on developed land without expanding on vacant land.*
- *Fifty-two percent of non-industrial jobs are absorbed on developed land.*
- *On average, 40 percent of all jobs are either redevelopment or infill.*

School Employment Factor

It is estimated that about 42 percent of all government jobs are related to some actual type of employment located inside schools. Another 8 percent are assumed to be employed in non-school buildings such as school administration. The dedication of land "set aside" for schools is computed through the gross-to-net reduction prior to any calculation of land need. School employment is not included into the ZELDA calculation of employment land need. Hence, with ZELDA, the land demand requires only the accommodation of non-school related government jobs. The land demand for other government jobs is calculated in a fashion identical to private sector employment needs.

This finding on school employment results in 42 percent of the total projected government employment excluded from the non-residential jobs land need calculation under the ZELDA land analysis approach. This factor avoids over-estimating or double counting school land need when school land need is already factored elsewhere in the buildable land analysis.

Home Occupation/Employment Factor

A similar reduction in future employment land need includes the consideration of employees and self-employed individuals that work out of their home. In this case, these home occupations do not add to additional jobs land demand. Therefore, a reduction in future jobs is applied to adjust for this consideration. The home occupation factor is estimated to be between 2.5 percent to 15 percent depending upon industry classification. Table 32, next, details the home occupation reduction factor by SIC.

Key Points:

- *Forty-two percent of government jobs are related to schools and has been accounted for in terms of the land need for future schools.*
- *Future job need is reduced by the amount of jobs estimated as home occupations.*

Table 32 Home Occupation Factor

Standard Industrial Classification	Home Occupation Factor Reduces Jobs Land Need by SIC
Construction and Mining	12.5%
Manufacturing Sector	2.5%
Transportation, Communications & Utilities	6%
Wholesale Trade	5%
Retail Trade	8%
Finance, Insurance & Real Estate	12.5%
Services	15%
Government	0%

Source: Metro's Data Resource Center

ZELDA Demand Analysis

Demand for non-residential land is estimated to be 8,364 net acres. This is based on a net calculation of Metro employment growth of 340,600 more jobs between 1998 to 2017 locating inside the Metro UGB. Today's employment level is estimated to be 923,900 jobs.

The economic basis for the ZELDA land demand estimate originates from a jobs projection estimate for the four-county region (Multnomah, Clackamas, Washington and Clark Counties). This projection of a larger geographic area is reduced to the Metro UGB. A capture rate is applied to reduce the regional forecast down to the area within the UGB. An 82 percent capture rate is assumed on the 20 years of projected job growth forecast. In other words, the Metro area forecast assumes that for every 100 new jobs in the four-county area, 82 jobs will locate inside the Metro UGB.

In the context of the UGR, the employment capture rate is an estimate of how much of the region's future job growth will occur inside the Metro UGB. The remainder of the region's (four-county SMSA) employment growth is assumed to fall outside the UGB in neighboring Clark County, in adjacent unincorporated parts of the tri-county or in neighboring cities.

Unlike dwelling units, the definition of employment is less clear. Employment as defined in Metro studies includes all non-farm related employment activity as listed in the *Standard Industrial Classification Manual*. Employment figures include all wage and salary employees plus all self-employed proprietors and partnerships.¹⁷

A capture rate of 82 percent has been determined from various studies analyzing the share of jobs occurring in the Metro UGB or Metro Boundary – since job

¹⁷ Therefore, the employment figures used in Metro reports will show larger job figures that count self-employed workers.

Table 33 Capture Rates Using BEA Jobs: 1980-97

	Metro Boundary	Four-County Area	Capture Rate♦
1980	590,346	672,839	
1985	608,621	704,545	57.6%
1986	624,571	725,064	77.7%
1987	644,596	749,421	82.2%
1988	675,543	789,030	78.1%
1989	702,758	822,282	81.8%
1990	729,045	855,907	78.2%
1991	737,645	869,594	62.8%
1992	752,604	888,443	79.4%
1993	772,291	916,277	70.7%
1994	802,964	956,008	77.2%
1995	N/A.	1,010,990	N/A.
1996	881,099	1,049,169	84.0%
1997	902,400	1,085,700	76.1%

♦ Capture rate = marginal change (UGB)/ change (SMSA)

Sources: Data Resource Center; BEA employment, REIS

range between 57.6 to 84 percent when using the Metro Boundary data or 88.3 percent using shorter period with UGB data.

The capture rate is likely to vary widely in the future as a result of changing economic conditions which may include a recession or two. A conservative estimate of 82 percent was determined for the 1997 UGR. This assumption falls within the range of historical capture rates previously described.

The Metro Council Growth Management Committee determined not to change this capture rate assumption for this update.

estimates below the county-level have been tabulated.¹⁸ Table 33 shows annual capture rate figures computed for the last two decades, but only for the Metro Boundary.

Employment data for the UGB exist only for 1994 to 1997. Table 34 indicates a higher capture rate of 88.3 percent for the last four years of data for the UGB. In contrast, capture rate estimates based on the Metro Boundary indicate a rate closer to 82 percent for the same period and a 77 percent rate for nearly a 20-year period (derived from Table 33).

Since the issue of capture rates is a matter of forecasting and the future certainty is unknowable, the best data we have to rely upon are historical data. The data suggest that employment capture rates have had a

¹⁸ A difference of 98 square miles exists between the Metro UGB and Boundary. The area between the two are generally scarcely populated in terms of jobs and housing.

Table 34 Employment Capture Rate

	In UGB	SMSA	Capture Rate
1994	797,200	966,500	
1997	902,400	1,085,700	88.3%

Source: Metro's Data Resource Center; BEA employment, REIS

Summary Methods

The captured portion of the regional job forecast is filtered through the ZELDA land use demand model to determine how much building space and corresponding acreage is required to accommodate the future work force. Some of the demand will go to meet industrial job growth, while another portion is allocated to accommodate the need of commercial, retail and office growth. Locationally, this land need will develop at different rates between counties as well as different job growth trends which are calculated for each county by industry mix and type.

The net effect of the refill rate, school employment factor and the home occupation factor also reduces the amount of employment land demand by explicitly recognizing that not all the forecasted employment requires additional vacant lands. As mentioned before, some fraction of future jobs will locate in residential areas. As a result, the ZELDA jobs land demand forecast nets out the segment of future employment growth that is not expected to consume additional land. The key assumptions imposed in the ZELDA employment land calculation are summarized in Table 35.

Table 35 summarizes in broad aggregate categories the mix of employment land demand by county and by type. As the figures in this table are compared to the supply estimates determined by the Vacant Land Study & Buildable Lands Analysis, a supply and demand imbalance becomes evident.

Table 35.

Urban Growth Report 1997 Update - ZELDA Assumptions

ZELDA takes the Regional Forecast of Jobs and computes the amount of net acres necessary to satisfy the projected employment demand.

Revised Model Assumptions as of 6/16	Prior Data & Sample Assumptions as of 5/18

1/ Forecast Years: 1998 to 2017 Projected Demand

Assumes as part of 20 year period that 1 year of growth has already passed
Source: 2020 Regional Forecast consistent with 2020 Regional Transportation Plan
Metro Data Resource Center (DRC)

2/ Capture Rate - Future Employment/Jobs

Clark county's capture rate is about 16 % of the 4-County employment demand
Source: 2020 Regional Forecast consistent with 2020 Regional Transportation Plan
Metro DRC

Note: The capture rate has been accepted by Growth Management Committee, MPAC and MTAC

Capture Rate	
82%	no change

3/ Non-Residential Redevelopment and Infill Rate (Re-Fill)

Industrial Re-Fill Rate (includes: General ind., High/tech flex and Warehouse/distribution)
Commercial Re-Fill Rate (includes: Office, Retail, and all other commercial)

Aggregate Re-Fill Rate:

Source: 1999 Non-Residential Re-Fill Study Metro DRC

Re-Fill Rate	
21%	no change
52%	no change
40%	no change

4/ Building Density (gross square feet per employee)

Composite Building Densities derived from 1999 Employment Density Study
Sources: 1999 Employment Density Study Metro DRC

* Study sources: 1999 Regional Industrial Land Study Todd Chase, Otak;

** Industry Sources: BOMA; Jerry Johnson, Hobson & Johnson Assoc.; Dave Leland, Leland Consulting; Mark Fraser, Grubb & Ellis. Density adjusted per added input from industry sources.

Composite Building Densities by Aggregate Industry Category: Sq. ft. per employee

General Industrial
Warehouse Distribution
High/Tech Flex
Retail
Office
All Other Commercial

650	660
1900*	2,200
470	475
480*	560
350**	660
700*	1,050

5/ Floor to Area Ratios - (FARs)

Parcel area includes: parking, required setbacks & landscaping; Floor space is measured as the gross building area or floor space contained in the building.

Sources: 1999 Employment Density Study Metro DRC

Adjusted based on input from local jurisdictions (Washington and Clackamas County)

Average FARs by 2040 Growth Concept Design Types:

Central City
Regional Centers
Town Centers
Corridors
Main Streets
Station Communities
Employment Areas
Industrial Areas

FARs	
4.00	4.00
0.50	0.40
0.40	0.46
0.40	0.43
0.40	0.46
0.62	0.62
0.37	0.37
0.32	0.32

6/ Non-Residential Vacancy Rate

Sources: Colliers International and Otak

Vacancy Rate	
6%	no change

7/ School Employment (see: Land Need for Schools in Gross to Net figures)

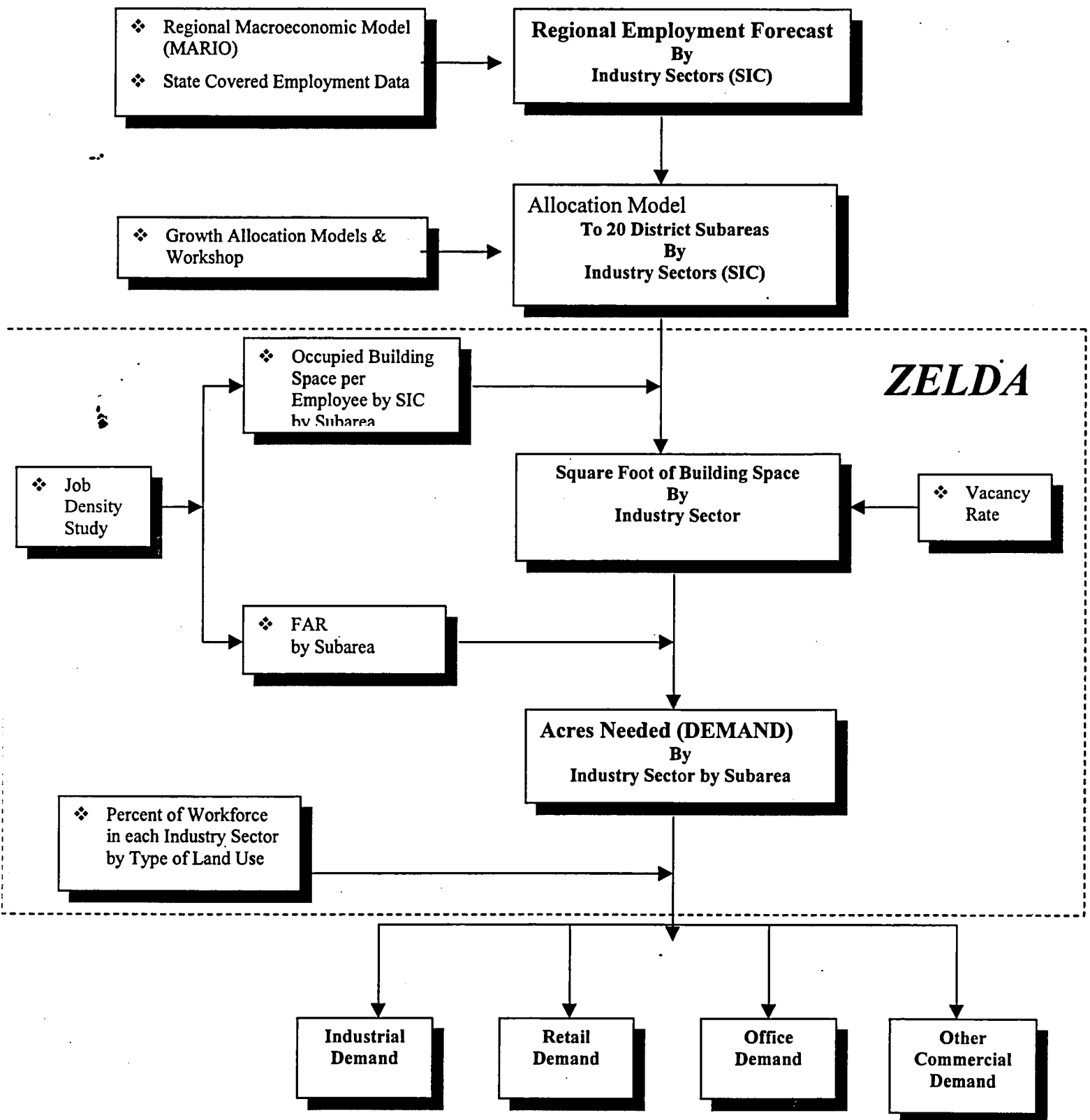
To avoid double counting the school land need, school jobs are deducted from the ZELDA land demand computations. School land need is determined in the Gross-to-Net calculations.

Rate was changed to 42% because a part of education jobs are located outside of schools - instead in offices.

Adj. School Double-Count	
42%	50%

Source: Metro DRC

Figure 3.
Zonal Employment Land Demand Analysis (ZELDA)



Chapter 7

Non-residential Supply Analysis

Non-residential Land Supply: 1998 to 2017

Inventory and capacity estimates for non-residential land are measured through the Vacant Land Study and the Buildable Lands Analysis. First, the Vacant Land Study identifies and tabulates all vacant land on a parcel-by-parcel basis. Second, the Buildable Lands Analysis statistically deducts various factors that reduce the capacity of the land supply, such as subtractions from the gross capacity for environmental constraints; tax-exempt land owned by state, cities and counties; streets, parks, and places of worship, and so forth. The result is an estimate closer to the amount of land actually consumable for residential or non-residential purposes.

The last step in the buildable lands analysis is to use current zoning from local jurisdictions in order to identify and divide the net vacant buildable acres into residential and non-residential land and to subdivide non-residential land into categories (i.e., industrial, commercial or mixed use).

In the 1997 UGR, there was the additional step of converting the estimated supply of non-residential acres designated for employment purposes into a capacity estimate in terms *job capacity*.

This is no longer the case under the new approach using the ZELDA land demand forecast framework. As described in the previous chapter, the demand calculation for non-residential purposes is mostly handled in the ZELDA computations.

The advantage of the ZELDA approach is now estimation of non-residential land need can be conducted in actual units – i.e., net acres. This approach allows us to do additional capacity analysis not previously available in the 1997 UGR method.

We are now able to conduct more precise analysis of where vacant parcels exist (location), size of parcels, and type (e.g., industrial vs. commercial). These findings are described in tables shown later in this chapter.

Mixed Used Centers and Residential Utilization Rates

Mixed use centers and areas which allow development of both residential and non-residential properties are anticipated to become more prevalent in future years. Currently, the amount of mixed use land zoned for mixed use centers such as town centers, regional centers and the city center is about 450 net acres.

Table 36
Inventory of Mixed Used Land
(in net acres)

Clackamas County	4
Multnomah County	179
Washington County	268
TOTAL:	451

The land identified under this category is mostly zoned (according to local zoning codes) for commercial/office development uses.

Mixed use can be characterized as either the allowance of so called “horizontal mixed use” or “vertical mixed use.” As the name implies, an example of vertical mixed use is the instance of retail establishments on the

ground floor and residential apartments above-ground.

Horizontal mixed use, as an example, could include a percent of a parcel area designated for residential only and the remainder for retail, office or other employment-related use – each consuming space on the ground-level. In order to avoid the potential of double-counting the capacity of mixed use land for either residential or non-residential uses only, a factor has been calculated to reduce the residential component from job capacity considerations.

About 450 net acres of vacant mixed use land have been identified in the supply analysis. About 200 acres (or 45 percent) is estimated capacity for development of residential units. The remainder, 250 net acres, is accounted as non-residential capacity.

Non-residential Underbuild

Unlike the calculation of residential capacity, an underbuild is not an explicit line-item that reduces capacity. Non-residential underbuild is not considered a significant factor.

It could be argued that the component of underbuild is subsumed in the density ratios assumed under the ZELDA approach. Insofar as the survey analysis in tabulating the density parameters included buildings that were “under-occupied” relative to their ultimate capacity, the underbuild component if it existed in the first place would already be averaged into the density statistics.

Also, a vacancy rate is applied to the building space estimates. This variable also functionally captures any underbuild or “under-use” of the land at any given time in the forecast period. In sum, underbuild is

already a component of the density assumptions.

Non-residential Supply and Demand Comparison – Need Analysis

The land need to accommodate projected employment growth on an aggregate basis for the next 20-year period is estimated to be nearly balanced. The amount of land demand is about 8,400 net acres while the inventory of non-residential land is measured near 8,600 acres. The difference after rounding is about 270 net acres surplus.

Table 37
Aggregate Non-Residential Need:
1998-2017
(in net acres)

Demand	8,364
Supply	8,634
Less: mixed use	(202)
Plus: UGB amend.	145
Total Supply:	<u>8,634</u>
Land Need Surplus:	<u>271</u>

Potential Placeholder for
added environmental buffer: (964)

Potential Deficit: (694)

Source: Metro

Placeholder. However, there is considerable uncertainty about this land need estimate with additional Goal 5 and ESA work underway. The potential disruption to current inventory estimates could amount to almost 1,000 net acres subtracted from the capacity estimates. Of course, we do not know what the final deletion from the inventory will be. The 1,000 acres represents an estimate – the amount could be considerably more or less than the placeholder value.

The placeholder value is based on the difference in employment capacity estimated

between the extent of the Title 3 area and a 200-foot buffer adjacent to streams and rivers. The 1997 UGR assumed a 200-foot setback.

The results of this study are roughly comparable (but not exactly because of the ZELDA methodology) to the need determination in the 1997 UGR. The 1997 UGR concluded that a 2,900 employment (job) deficit existed – in other words a near balance conclusion. The current findings also suggest similarly a range surplus or deficit depending on the placeholder value.

***Non-residential Supply Findings:
Potential Existence of Sub-regional
land Distribution Imbalances***

Though in aggregate, the non-residential need estimate implies a small surplus (or a deficit with the placeholder), there is the potential at a sub-regional basis for an imbalance between supply and demand.

The ZELDA analytic approach delivers results (as yet preliminary because additional research is needed to confirm various demand factors) that suggest that there is the potential for deficits in parts of the region that do not appear at an aggregate regional-level.

The potential need imbalance(s) appear in disaggregate when calculating both commercial and industrial need. An imbalance potentially exists on a county basis too (see Table 38).

Availability. Metro's vacant land tabulation lacks an attribute that determines whether a vacant parcel is available or not. Metro has assumed all vacant land over the course of

20 years or more will eventually become available for future development purposes. There have been recent attempts to quantify the nature of availability of previously

Table 38
Sub-regional Non-Residential Need: 1998-2017
(in net acres)

DEMAND by County

	Clack.	Mult.	Wash.	Total
Industrial	996	1,605	1,486	4,088
Commercial	1,085	1,587	1,605	4,276
TOTAL:	2,081	3,192	3,091	8,364

SUPPLY by County

	Clack.	Mult.	Wash.	Total
Industrial	740	3,628	2,693	7,061
Commercial	234	302	644	1,180
Mixed Use	4	179	268	451
TOTAL:	977	4,109	3,605	8,691

Source: Metro

identified vacant land parcels. This study completed by OTAK (Lake Oswego, Oregon consultants) under the direction of a consortium of industrial land developers and public agencies¹⁹ collected additional land use information at the sub-regional level which may lead to further examination and identification of additional non-residential land need (or deficit).

The Regional Industrial Land Study (RILS) identified the potential for a shortage in available land to serve current and short-run projected demand. The Study provided particularly good information and insight into the readiness or availability of vacant

¹⁹ CREEC, Port of Portland, Oregon Economic Development Department, Regional Strategies Board, Portland Development Commission, PGE and others commissioned this study. Metro and several other organizations provided information and technical assistance in the formation of the study parameters and scope of work.

land for immediate or near term development use.

The vacant land parcels in the region's industrial land inventory were sorted into four categories. According to the study the so-called Tier A land represented about a 9-year supply of immediately useable industrial land. About another 11-year supply of not-yet ready industrial land was also confirmed and is a part of the vacant industrial land supply.

The findings from the RILS point to two key issues that need further comment:

1. The role of Periodic Review in meeting future land demand
2. Land Readiness/Availability – the need to identify/explore avenues for converting non-Tier A land into a state of ready for development to meet current and projected near-term demand.

The role of periodic review in meeting future land demand is crucial in this context. Metro Code requires a review of the UGB capacity every five years. State law also requires periodic review of this capacity. This report updates data from the last determination of need by Metro Council in December 1997. Metro Council will be reviewing the UGB regularly and adding employment land as necessary to ensure a 20-year supply at each review.

In the context of the UGR, the RILS study confirms Metro's recent industrial land findings. That is, in aggregate, there is sufficient vacant industrial inventory to serve the industrial land needs for the next 20 years.

However in view of the preliminary sub-regional data provided through the ZELDA analytic process and the information suggested by the RILS report, there is

sufficient data to warrant further examination of non-residential land need from the viewpoint of the following criteria:

- ❖ Land need by location,
- ❖ Land need by size,
- ❖ and Land need by type.

In addition, further analysis is needed to verify the land use requirements of non-residential users. This examination has been initiated by Metro as part of a body of "jobs research" for upcoming months.

Additional vacant land data are shown in Tables 39 and 40. This data show the supply of vacant land tabulated by Metro by jurisdiction and use-type, and by vacant parcels ordered by size categories.

As the second table indicates, there is a particularly small number of vacant parcels larger than 50 acres (net). These data are preliminary because further analysis is needed to determine the degree of parcelization that might exist in the region. By parcelization, we mean the degree in which individual parcels can be assembled to form a larger parcel. Analysis for this report was not able to determine how many smaller and adjacent parcels could be joined together to form potentially more useful larger parcels. This is under investigation as part of a larger body of jobs research.

Furthermore, additional refinement of the ZELDA non-residential land demand model is underway to improve the precision of the employment demand forecast by location. In addition, new employment density parameters are being estimated in order to measure the possible impact of land use policies. This could affect locational decisions in the future.

The tools contemplated will go much further into resolving the non-residential land

demand question. The sub-regional information presented now seems insufficient and too preliminary to determine anything concrete from the sub-regional level.

The sub-regional analysis in this report is a departure from the 1997 UGR, but is an important evolving step to understand the dynamics that maintain the livability of the region. Land is a necessary factor input into the production of goods and services.

Table 39
Existing Supply of Non-residential Vacant Buildable Land by Jurisdiction
(in net acres)

City/County	Industrial	Commercial	Mixed Use	TOTAL
Beaverton	80	54	53	187
Clackamas Co., uninc.	378	70	1	449
Cornelius	71	27	0	98
Durham	0	4	0	4
Fairview	81	10	53	144
Forest Grove	156	24	0	180
Gladstone	1	12	0	13
Gresham	919	90	82	1,092
Happy Valley	0	0	0	0
Hillsboro	1,276	335	191	1,801
King City	0	3	0	3
Lake Oswego	4	28	2	34
Maywood Park	0	0	0	00
Milwaukie	11	6	2	19
Multnomah Co., uninc.	207	0	0	207
Oregon City	74	28	0	103
Portland	2,191	136	41	2,367
Sherwood	201	48	0	249
Tigard	75	45	24	144
Troutdale	186	63	0	248
Tualatin	485	25	0	510
Washington Co., uninc.	338	73	0	411
West Linn	14	31	0	45
Wilsonville	269	63	0	332
Wood Village	45	3	2	49
SUBTOTAL	7,061	1,180	451	8,691
Less: Residential MU				(202)
Plus: UGB amendments				145
TOTAL:				8,634

Source: Metro

Table 40
Existing Supply of Non-residential Zoned Vacant Buildable Land by Size
(table shows number of parcels sorted by net acre)

City/County	Under ½	½ to 1	1 to 4	5 to 9	10 to 24	25 to 49	50 to 74	75 to 99	100 plus	TOTAL
Beaverton	178	35	35	5	0	1	0	0	0	254
Clackamas Co., uninc.	392	95	116	6	1	0	0	0	0	610
Cornelius	136	20	22	3	0	0	0	0	0	181
Durham	13	3	0	0	0	0	0	0	0	16
Fairview	151	23	25	4	0	1	0	0	0	204
Forest Grove	102	25	15	4	4	1	0	0	0	151
Gladstone	29	4	3	0	0	0	0	0	0	36
Gresham	650	115	132	37	11	6	0	0	0	951
Happy Valley	6	0	0	0	0	0	0	0	0	6
Hillsboro	477	122	197	48	21	7	3	0	1	876
King City	12	1	0	0	0	0	0	0	0	13
Lake Oswego	51	12	4	1	0	0	0	0	0	68
Maywood Park	0	0	0	0	0	0	0	0	0	0
Milwaukie	54	4	4	0	0	0	0	0	0	62
Multnomah Co., uninc.	4	5	2	0	1	0	0	1	1	14
Oregon City	95	13	18	2	1	0	0	0	0	129
Portland	2,728	245	297	65	29	8	2	0	0	3,374
Sherwood	15	27	48	3	4	1	0	0	0	98
Tigard	236	30	25	1	2	0	0	0	0	294
Troutdale	151	30	53	6	4	0	0	0	0	244
Tualatin	40	47	71	13	11	2	0	0	0	184
Washington Co., uninc.	227	33	82	7	5	1	0	0	0	355
West Linn	51	8	13	0	0	0	0	0	0	72
Wilsonville	76	35	41	14	4	1	0	0	0	171
Wood Village	31	12	10	2	0	0	0	0	0	55
SUBTOTAL	5,905	944	1,213	221	98	29	5	1	2	8,418

Note: Parcel size labels are in net acres. Gross to net factors were applied to each parcel, therefore the gross parcel size for each vacant parcel in this table is on average about 40 percent larger.

Source: Metro

Chapter 8

Comparison of 1994 vs. 1998 Data

Table 41 provides a detailed summary of the specific differences in the data that were included in the 1997 UGR and the 1997 UGR Update. The 1997 UGR was based on 1994 data and the 1997 UGR Update was based on 1998 data. Some of the changes between the two reports are a result of refreshing the database with current numbers, improvements in the accuracy of data or the development of new sources of information. Formative changes also result from methodology and policy revisions in the structure of the 1997 UGR Update.

Four Years of Absorption

Absorption or consumption of land for development over the four years resulted in the reduction of about 9,000 acres of land from the gross vacant buildable land supply. Land is consumed for the development of housing, jobs, public facilities, streets, schools, parks and places of worship and fraternal organizations. As a result of this development, land is converted from vacant to developed.

UGB Amendments

The capacity to accommodate approximately 17,900 dwelling units has been added to the UGB as a result of action taken by the Metro Council on December 17, 1998. At the time of the ordinance adoption, the capacity of the UGB amendments was reported as 15,718 dwelling units and 6,294 jobs. The increase in capacity results from the revised environmentally constrained land assumption.

A resolution of intent adopted by the Metro Council states intent to include additional areas within the UGB after inclusion within the Metro Boundary. After annexation to the Metro Boundary the Metro Council may choose to adopt an ordinance bringing these areas into the UGB.

New Policy Assumptions

In June 1998, Metro Council adopted Title 3 Water Quality and Floodplain protection requirements. State law requires use of past experience or newly adopted measures (regulations) when calculating UGB capacity. The adoption of Title 3 as the only Metro regulation of environmentally sensitive areas alters what is considered environmentally constrained for the purpose of estimating dwelling unit capacity. By reducing the area considered environmentally constrained from 200-foot setbacks to the area regulated by Title 3, about 3,500 net acres have been added to the buildable land supply.

With the ESA listing and Goal 5 regulation, the buffer (setbacks) could be increased. If it were in the 200-foot range, that could reduce the dwelling unit capacity by approximately 15,000 units. This amount has been considered a "placeholder."

Vacant Land Inventory

Each year, vacant land in the Metro region is identified from digital photography registered to the RLIS tax lot base map. The resolution of the digital photography has been vastly improved from 1994 to 1998. In 1994, a four-foot pixel resolution was used in the regional photography. The 1998 data was based on a two-foot pixel resolution. This improvement allows a finer grain of analysis and more accurate identification of

lands that are classified as vacant. All land within the UGB is defined as vacant, developed, or partially vacant. The vacant acres become the basis for the gross buildable land supply in the UGR.

Local Zoning Update

The current zoning data layer has been updated to reflect local zoning changes through May 1999. Zoning updates are received from local jurisdictions when the local government has formally adopted changes. The 1997 UGR was based on comprehensive plan designations.

Standard Zoning Categories

The standard zoning categories that are used to aggregate the region's different zoning classifications into comparable zoning categories have been refined. Additional zoning categories have been added to capture new zoning that implements 2040 Growth Concepts and to add more categories to refine the process. There are now 25 categories.

Refreshed Data and Map Refinements

The 1999 UGR is an update (using 1998 data) of the 1997 UGR that is based on 1994 data. A number of data sets in RLIS have been refreshed as new information is available. The regional park coverage has been refined to include recent development of parks and additional lands classified as parks, school playgrounds used as parks and bond measure purchases. Some local jurisdictions have made tax lot mapping improvements that include re-mapping areas along rivers and water features and tying platted subdivisions to global position points to improve accuracy.

2040 Up-zone

One of the most significant changes to the updated 1997 UGR is the adjustment to the 2040 up-zone factor. There is now no 2040 up-zone applied to neighborhoods and parks and open space lands. This change is consistent with preliminary compliance reports by local jurisdictions and with 2040 policies of concentrating growth in town centers and regional centers.

Summary

Table 41 summarizes and explains the changes in each factor between the two reports.

The preceding items highlight the main differences by theme.

Table 41
SUMMARY TABLE – DWELLING UNIT CAPACITY COMPARISON
1997 Urban Growth Report and the Update – September 1999

	<i>December 1997 UGR*</i>	<i>1997 UGR Update – September 1999*</i>		<i>Explanation of Changes between the 1997 and Urban Growth Report Update</i>
Residential Dwelling Unit Supply and Demand Comparison	* based on 1994 data	*based on 1998 data	Net Change	<i>All factors have included refreshed data when available, although ratios used have remained constant.</i>
Residential Demand Estimate				
<ul style="list-style-type: none"> ▪ 70% Capture of Four-County Forecast ▪ 1997 UGR Period from 1994-2017 ▪ UGR Update Period from 1997-2017 	249,800/ du	205,200/du	-44,600	<ul style="list-style-type: none"> • Update assumes the first year of growth has passed and 12,455 dwelling units were permitted. • The forecast used in the 1997 UGR covered three additional years.
Land Supply Estimate	ACRES	ACRES		<ul style="list-style-type: none"> • Excludes Urban Reserves added to UGB by Ordinance in 12/98.
Gross Vacant Buildable Acres in UGB (GVBA)	39,090	37,600	-1,490	<ul style="list-style-type: none"> • Update includes 3,300 acres of steep slopes and the area between Title 3 and 200 feet (5,400 acres). • The vacant lands database includes re-mapping refinements, reclassification of vacant land and increased precision in developing the buildable lands inventory. • Four years of absorption or conversion of vacant land to developed land (9,000 GVBA).
Less: Acres for public Facilities	(1,130)	(1,900)	+770	<ul style="list-style-type: none"> • Update deducts all Federal, City, State and County owned vacant lands.
Add: Dwelling units – Platted Lots	10,900	16,300	+5,400	<ul style="list-style-type: none"> • The same method is applied in both reports.
Less: Acres for future Streets	(8,200)	(5,400)	-2,800	<ul style="list-style-type: none"> • 1999 survey verifies Functional Plan changes and trends of decreasing street widths.
Less: Acres for future Schools	(1,990)	(1,100)	-890	<ul style="list-style-type: none"> • The same method was used, additional acreage reflects higher student per acre ratios.
Less: Acres for future parks	(3,060)	(3,700)	+640	<ul style="list-style-type: none"> • Service levels for parks have been refreshed. • The current ratio of 20.9 acres/1,000 persons is applied in the Update. • Parks land need was credited for bond measure purchases located outside of UGB. • Update method is consistent with the 1997 UGR in assuming current service levels and credits for bond measure acquisitions.
Less: Acres- future places of worship and social organizations	(700)	(700)	0	<ul style="list-style-type: none"> • Land amount in ownership used for need.
Net Vacant Buildable Acres in UGB (NVBA) w/out UGBA	22,420	21,900	-520	<ul style="list-style-type: none"> • Same calculation is applied in the Update and 1997 UGR.

continued

Table 41 – *continued*
SUMMARY TABLE – DWELLING UNIT CAPACITY COMPARISON
1997 Urban Growth Report and the Update – September 1999

Dwelling Unit Supply Estimate	December 1997 UGR	1997 UGR Update September 1999	Net Change	Explanation of Changes between the 1997 and Urban Growth Report Update
	Dwelling Units	Dwelling Units		
Net Dwelling Unit Capacity (with Current zoning)	117,600	88,600	-29,000	<ul style="list-style-type: none"> Update assumes Title 3 setbacks from streams <u>not</u> 200 feet. Between 1994 and 1998, approximately 40,000 units were built on vacant land. 1997 UGR capacity analysis did not include upland steep slopes (4,200 dwelling units).
Add: Residential Development in Mixed Use Areas (MUC)	0	4,300	+4,300	<ul style="list-style-type: none"> The Update reports mixed use separately due to the use of the ZELDA model.
Add: Units from 2040 Up-zone	57,830	36,200	-21,630	<ul style="list-style-type: none"> New regional zoning categories are added in Update. Neighborhoods and park areas are not up-zoned.
Less: Units lost from Underbuild (20 percent) on parcels > 3/8 acre	(36,850)	(25,800)	-11,050	<ul style="list-style-type: none"> Update assumes a 20% rate which is consistent with the Functional Plan. 1997 UGR applied a rate of 21%.
Less: Units from Ramp-Up	(6,430)	(1,300)	-5,130	<ul style="list-style-type: none"> The Update includes the last year of the five-year ramp-up period. 1997 UGR: applied 5 years of ramp-up.
Add: Units from Residential Refill	71,190	58,500	-12,690	<ul style="list-style-type: none"> Update applies the same 28.5 percent rate as the 1997 UGR. About 12,000 refill units were built between 1994-1998.
Add: Development Capacity on Constrained lands	3,190	3,200	+10	<ul style="list-style-type: none"> Update assumes historical development rates on Title 3 lands. 1997 UGR assumed a 200-ft setback for environmentally constrained lands and a development rate at one unit per five acres; slopes were included as constrained land.
Add: Units from Accessory Dwelling Units (1.8 %)	0	7,500	+7,500	<ul style="list-style-type: none"> Update includes capacity on accessory dwelling units due to Functional Plan requirements. In the 1997 UGR no capacity was added for accessory dwelling units.
Add: Dwelling units – Platted Lots	10,900	16,300	+5,400	<ul style="list-style-type: none"> The same method is applied in both reports.
Capacity without New UGB Amendments	217,430	187,500	-29,930	
Capacity with 12/98 UGB Amendments	-----	205,400	-----	17,900 dwelling units added from urban reserves.

APPENDIX

Appendix A
2040 Growth Concept Upzone Matrix for Dwelling Unit Supply Estimates

2040 Growth Concept Design Types ↓	Standard Zoning Designations →																											
	CC	CG	CN	CO	FF	IH	IL	IMU	MFR1	MFR2	MFR3	MFR4	MUC1	MUC2	MUC3	PF	POS	RRFU	SFR1	SFR2	SFR3	SFR4	SFR5	SFR6	SFR7			
Central city	MUC-3	MUC-3	MUC-3	MUC-3	MUC-3	MUC-3	MUC-3	MUC-3	MUC-3	MUC-3	MUC-3	MUC-3	MUC-3	MUC-3	MUC-3	PF	POS	MUC-3	MUC-3	MUC-3	MUC-3	MUC-3	MUC-3	MUC-3	MUC-3	MUC-3	MUC-3	MUC-3
Corridors	MUC-1	CN	CN	MUC-1	SFR-3	CN	CN	CN	MFR-1	MFR-2	MFR-2	MFR-2	MUC-1	MUC-2	MUC-3	PF	POS	SFR-3	SFR-3	SFR-3	SFR-3	PUD	PUD	PUD	PUD	PUD	PUD	PUD
Employment areas	MUEA	MUEA	MUEA	MUEA	MUEA	MUEA	MUEA	MUEA	MFR-1	MFR-2	MFR-2	MFR-2	MUC-1	MUC-2	MUC-3	PF	POS	MUEA	SFR-2	SFR-2	SFR-2	SFR-2	SFR-2	SFR-3	SFR-3	SFR-3	SFR-3	SFR-3
Industrial areas	IH	IH	IH	IH	IH	IH	IH	IMU	IH	IH	IH	IH	IH	IH	IH	PF	POS	IH	IH	IH	IH	IH	IH	IH	IH	IH	IH	IH
Inner neighborhood	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Main streets	MUC-2	MUC-1	MUC-1	MUC-2	MUC-1	MUC-1	MUC-1	MUC-1	MFR-1	MFR-2	MFR-2	MFR-2	MUC-1	MUC-2	MUC-3	PF	POS	MUC-1	MUC-1	MUC-1	MUC-1	MUC-1	MUC-1	MUC-1	MUC-1	MUC-1	MUC-1	MUC-1
Open spaces	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Outer neighborhood	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Park	POS	POS	POS	POS	POS	POS	POS	POS	POS	POS	POS	POS	POS	POS	POS	PF	POS	POS	POS	POS	POS	POS	POS	POS	POS	POS	POS	POS
Regional centers	MUC-2	MUC-2	MUC-2	MUC-2	MUC-2	MUC-2	MUC-2	MUC-2	MUC-2	MUC-2	MUC-2	MUC-2	MUC-1	MUC-2	MUC-3	PF	POS	MUC-2	MUC-2	MUC-2	MUC-2	MUC-2	MUC-2	MUC-2	MUC-2	MUC-2	MUC-2	MUC-2
Station community	MUC-1	MUC-1	CN	CO	SFR-3	MUEA	MUEA	CN	MFR-1	MFR-2	MFR-2	MFR-2	MUC-1	MUC-2	MUC-3	PF	POS	SFR-3	SFR-3	SFR-3	PUD	PUD	PUD	PUD	PUD	PUD	PUD	PUD
Station community core	MUC-2	MUC-1	MUC-1	MUC-2	MUC-1	MUC-1	MUC-1	MUC-1	MUC-1	MUC-1	MFR-2	MFR-2	MUC-1	MUC-2	MUC-3	PF	POS	MUC-1	MUC-1	MUC-1	MUC-1	MUC-1	MUC-1	MUC-1	MUC-1	MUC-1	MUC-1	MUC-1
Town centers	MUC-2	MUC-1	MUC-1	MUC-2	MUC-1	MUC-1	MUC-1	MUC-1	MUC-1	MUC-1	MFR-2	MFR-2	MUC-1	MUC-2	MUC-3	PF	POS	MUC-1	MUC-1	MUC-1	MUC-1	MUC-1	MUC-1	MUC-1	MUC-1	MUC-1	MUC-1	MUC-1

2040 Upzone Designations - Determined by 2040 Growth Concept Design Type and Standard Zoning Designations

2040 Upzoning Designation	Maximum Zoning Capacity	Description
FF	-	Farm and Forest, agricultural commercial uses
RRFU	-	Rural or Future Urban, 1 acre or larger
SFR-1	-	Single-family residential (10,000 to 40,000 sq. ft.)
SFR-2	7.30	Single-family residential (7,000 to 10,000 sq. ft.)
SFR-3	9.60	Single-family residential (5,000 to 7,000 sq. ft.)
MFR-1	21.20	Multi-family 8 to 25 units per acre
MFR-2	47.10	Multi-family 25 or more units per acre
PUD	12.80	Planned Unit Development/Mixed Use
CN	9.40	Neighborhood Commercial, floor space 5,000 to 10,000 sq. ft.
CG	-	General Commercial, large scale commercial districts
CC	-	Central Commercial, central business districts
CO	18.80	Office Commercial, office uses and mixed uses
IL	-	Light Industrial (warehousing and light processing/fabrication)
IH	-	Heavy Industrial (light processing and heavy manufacturing)
IMU	7.10	Mixed use Industrial (mix of light manufacturing, office and retail uses)
POS	-	Parks and Open Space
PF	-	Public Facilities
MUC-1	14.10	Mixed Use Center 1 (least intense center - Floor Area Ratio of .5 to 1)
MUC-2	25.90	Mixed Use Center 2 (moderate intensity center - Floor Area Ratio 1 to 3)
MUC-3	58.80	Mixed Use Center 3 (highest intensity center - Floor Area Ratio 3+)
MUEA	2.40	Mixed Use Employment Area (light industrial, warehousing, office, some residential)
IS	-	Industrial Sanctuary (low intensity industrial employment area)

Source: Metro Growth Management Services

Appendix B
References for Additional Information

1. Metro Data Resources Center, *Technical Report: Residential Refill Study*, February 10, 1999.
2. Metro Data Resources Center, *1999 Employment Density Study: Technical Report Presented to the Metro Council*, April 6, 1999.
3. Metro Data Resources Center, *The 2015 Regional Forecast*, January 1996.
4. Metro Data Resources Center, *The 2015 Regional Forecast and Urban Development Patterns*, February 1996.
5. Metro Data Resource Center, *Future Streets Study* (unpublished data).