

MINUTES OF THE METRO COUNCIL MEETING

February 20, 1997

Council Chamber

Councilors Present: Jon Kvistad (Presiding Officer), Don Morissette, Susan McLain, Ruth McFarland, Patricia McCaig, Lisa Naito, Ed Washington

Councilors Absent: None

Presiding Officer Jon Kvistad called the meeting to order at 2:04 p.m.

1. INTRODUCTIONS

None.

2. CITIZEN COMMUNICATION

None.

3. EXECUTIVE OFFICER COMMUNICATIONS

A. Budget Presentation

Mr. Mike Burton, Executive Director, was pleased to announce that the Government Finance Officers Association had awarded Metro the Distinguished Budget Presentation Award, the highest form of recognition in governmental budgeting.

He gave an overview emphasizing **four** areas of primary concern:

First and foremost--completion of the **Regional Framework Plan** mandated by Metro charter by December of 1997. A great deal of work had already gone forward but much remained to be done. Perhaps more significant than the plan itself was the ability of local governments--who had to date been collaborative partners with Metro in this process--to continue with implementation. The effect of Ballot Measure 47 was not fully realized at this point but we had strong indications that planning was an area where cuts may be made.

Metro, on the other hand had no choice but to carry out its charter-mandated responsibilities in this area and the budget and management of planning activities would focus on Metro assisting local governments who would need assistance.

Another priority was in the area of Metro's responsibility toward the **region's transportation system**. Focus had been placed, quite naturally, on light rail, completion of the west-side and continuation of the South/North line.

But a transportation system went far beyond light rail and quite bluntly, it was his opinion that our transportation system faced serious difficulties. The growth in population and freight into this region that we had experienced in the past few years had simply outstripped the ability of our system's infrastructure to keep up. A failure of the system would result not only in loss of personal travel access but could cost us any edge we had had in economic advantage to move commodities within and outside the region.

The legislature appeared to be only interested in adding additional cents to the gas tax without indexing. That meant any increase would be consumed, go flat and become negative within a short time span.

Metro must, therefore, continue to encourage alternatives to auto-use in the system--work to implement the recommendations of Tri-Met's Transit Choices for Livability Regional Advisory Committee. We must also look for non-road solutions to freight movement and ensure citizens had greater opportunities to walk or bicycle in the region.

A third area of emphasis was in Metro's **green infrastructure**. Here he spoke of looking beyond the operation of our park system and remaining purchases of open space. Those elements were particularly significant but our growth planning must also emphasize the need to preserve and enhance our watersheds and water systems. This budget allocated

money for Metro to be a full-partner in the region's water consortium. The work being done by WRPAC was significant to the future livability of the region.

The full implementation of Title III and Goal 5 should be obvious to all. Yesterday, the Presiding Officer and he dedicated a plaque at Oxbow Park to commemorate the flood of 1996. The destruction done by the flood was incredible--and that was in an undeveloped area! Maintaining urban Greenspaces was a critical component to preserving watersheds, water quality and over all livability of the region.

And finally, the budget emphasized the **changing role we had in Regional Environmental Management**. This Council had already approved a change in our contract for waste disposal. As the market changed, Metro would find itself in a changing environment and its roles must adapt accordingly. The Council would soon have rate revisions before them as well as a code overhaul. The Council would also make decisions about future franchising opportunities and our regulatory relationship with local governments and facility operators. None of this should overshadow Metro's commitment to and responsibilities for waste reduction, reuse and recycling.

He was pleased to present his proposed budget for Metro for fiscal year 1997-98.

Development of this budget had been the most difficult of the three budgets he had proposed.

It had required a delicate balance of maintaining services for the preservation and enhancement of regional livability while Metro adjusted to reductions in revenues.

This budget continued to stress the themes he laid out at the beginning of his administration:

- Preserve and enhance regional livability
- Enhance Metro's ability to serve the public
- Increase Metro's efficiency
- Continue building partnerships with local governments

Again, this was a balanced budget with significant reductions in revenue while it adhered to the themes that were the core of our work here at Metro.

SLIDE 1

The total budget is \$391.1 million which was a decrease of \$33 million from the FY 1996-97 budget of \$424.4 million.

SLIDE 2

He was recommending an overall reduction of 6.7 FTE. That reduction would be greater if not for the 7.2 additional MERC FTE required by increases in facilities business and paid for by the anticipated increased revenue.

SLIDE 3

This budget broke new ground with the proposed \$4 per ton reduction in the solid waste tipping fee from \$75 per ton to \$71 per ton--the first ever reduction of the tipping fee. Action by the Rate Review Committee last night would bring the rate to \$70 per ton. As the Council could see on this slide, the reduction was even more significant considering the effects of inflation.

SLIDE 4

Revenue was down for several Metro functions, although not in all operations. Most significant were:
A projected loss of some \$1.7 million in property tax revenues at the Zoo resulting from Ballot Measure 47;
A drop in solid waste revenues from the proposed reduction of the tipping fee;
While there was no way to incorporate all the potential changes under the recently adopted facilities consolidation agreement, the budget did include \$600,000 from the city of Portland and the reallocation of Multnomah County hotel/motel tax revenue for the operation of the PCPA, and a 6.6% reduction in support service charges to MERC.

SLIDE 5

Total excise tax receipts were expected to remain stagnant, and the budget made no overall increases in General Fund program expenditures.

SLIDE 6

He had attempted to minimize the effects of Measure 47 on the operations of the Zoo in a number of ways, including reallocating \$170,000 in support services costs among other departments and utilizing contingency and reserve funds. However, the public would notice differences at the Zoo--the insect zoo would be closed, train hours would be reduced to peak season, landscaping would be reduced, small primates (exhibits such as the Tamarinds will be closed), and some events like the Valentine Poetry Contest and the Walk on the Wild Side would be eliminated. Also, he had had to make the tough decision to eliminate or out source 16 positions that would result in 10 lay-offs.

Measure 47 would have two major indirect effects on Metro beyond its direct impact on the Zoo:

FISCAL RESTRAINTS

Several Greenspaces acquisitions which were anticipated to be land banked and maintained by local governments would remain with Metro due to local governments' inability to absorb additional maintenance costs.

Local governments' capacity to implement 2040 and the Regional Framework Plan may be significantly reduced.

This budget reflected the focus of Metro's work in the following areas:

Preserve and enhance regional livability

Adhering to the Charter mandate to provide funds "sufficient to assure timely completion" of the Regional Framework Plan which must be adopted by December 31, 1997.

Enabled the Transportation Department to complete the Final Environmental Impact Statement for South/North Light Rail.

SLIDE 7

Continued early implementation measures for the 2040 Growth Concept. Metro had had the following requests for assistance from local governments in the planning area.

Continued Open Spaces acquisition program with funds authorized in the 1995 bond measure and included additional personnel to speed the acquisition process and meet the goal of making 85% of purchases by the end of the budget year. Provided funding for the Transit Oriented Development program to promote development around transit corridors that was compatible with 2040.

Reduced waste disposal rates and streamlines REM, while continuing Metro's commitment to waste reduction and recycling in this region.

Included \$50,000 for the Regional Arts and Culture Council (RACC) to fund neighborhood arts programs throughout the region.

Enhance Metro's ability to serve the public

Undertook major design and preliminary construction work on the Zoo's Oregon Project, following approval of a \$28.8 million bond measure in September, 1996.

Appropriated funds for needed capital improvements at Civic Stadium and the Portland Center for the Performing Arts.

Provided capacity for increased maintenance at the Oregon Convention Center.

Expanded Metro's Internet presence and capability to provide increased access and information on regional growth management and livability issues.

Included election costs for a bond measure to expand the Oregon Convention Center (as was requested by Council)

Increase Metro's efficiency

Incorporated into the budget an anticipated reduction in the solid waste tip fee from \$75 to \$71, and in the regional user fee from \$17.50 to \$16.00. And as he said, given the increase in tonnage and the re-evaluation of rates at Forest Grove, he could support a \$70 per ton rate. The department was being reorganized and had been reduced by 5 FTE.

Implemented the first phases of InfoLink, Metro's new management information system, and continued work on succeeding phases.

Established a Data Warehouse to allow increased access to geographic information and free up Data Resource Center staff to make better use of their technical expertise both internally and externally.

Improved management of the Metro Regional Center parking structure to make it self-supporting and increase revenue.
Included a Capital Improvement Program in the budget for the first time.
Provided for more efficient purchasing procedures.
Consolidated the employee benefits program with Metro's other insurance programs.

Continue building partnerships with other local governments

Made technical planning assistance available to local governments for comprehensive plan reviews, zoning ordinance revisions, and model code development.

Focused efforts in Growth Management Services on assistance to local governments and individual communities to develop and implement public information and outreach programs.

Continued region-wide coordination of transportation planning activities including development of a final alignment for South/North light rail.

Coordinated regional efforts to address funding issues resulting from adoption of Ballot Measure 47.

Continued quarterly meetings of city and county administrators from throughout the region to share information on topics of interest.

Conclusion

Mr. Burton's 1997-98 Proposed Budget focused on maintaining services geared toward realizing Metro's charter mandate to perform "planning and policy making to preserve and enhance the quality of life and the environment for ourselves and future generations."

This budget accomplished this focus with a reduction in property tax revenues and solid waste tipping fees.

This budget met Metro's challenge to continue our work with the region's citizens and their local elected representatives to effectively manage growth, provide the regional services for which Metro was responsible, and meet the requirements of our Charter in efficient and cost-effective ways.

He looked forward to working with the Council in their process of reviewing his proposed budget and adopting a final budget for 1997-98.

Councilor McLain asked Mr. Burton if there was a new way Metro Council was going to review the MERC Budget? Executive Officer Mike Burton explained that he thought that MERC would bring a global budget within this fiscal year. MERC had been included in the budget and the balance of the line items came out the same.

Councilor McCaig indicated that the budget schedules were now available in the Chamber at this meeting. She announced that meetings would be held every Wednesday. Departments would be reviewing their budgets at those times.

4. MARTIN LUTHER KING JR. BOULEVARD UPDATE

Marian Hall and John Fregonese updated the Council on the \$25,000 allocation to the Martin Luther King Jr. Boulevard. Metro provided staff support to get the MLK project going. 500 housing units were under construction. Metro had worked with the City of Portland and Councilor Washington. \$15,000 would be used to design and implement improvements, removing some of the medians, redesigning, to improve the streetscapes on MLK.

Councilor Washington expressed his appreciation for all of the staff's hard work on the MLK Project.

5. CONSENT AGENDA

- 5.1 Consideration of the Minutes of February 13, 1997 Metro Council Regular Meeting
Consideration of these minutes will occur on the February 27, 1997 Regular Council Meeting.

Presiding Officer Kvistad thanked committee members of both Metro Council and the MERC Board as well as Councilor Washington for their work in the MERC issues.

6. ORDINANCES - FIRST READING

- 6.1 **Ordinance No. 97-679**, For the Purpose of Annual Budget for Fiscal Year 1997-98; making the Appropriations and Levying Ad Valorem Taxes; and Declaring an Emergency.

Presiding Officer Kvistad opened a public hearing on Ordinance No. 97-679.

No one came forward.

Presiding Officer Kvistad closed the public hearing.

Presiding Officer Kvistad assigned Ordinance No. 97-679 to the Finance/Budget Committee.

7. ORDINANCES - SECOND READING

- 7.1 **Ordinance No. 97-659A**, For the Purpose of Adopting the Metro Code Title X, Metro Regional Parks and Greenspaces.

Motion: **Councilor Naito** moved the approval of Ordinance No. 97-659A.

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

Discussion: **Councilor Naito** said that this Ordinance was referred from Regional Facilities Committee. When Multnomah County transferred Parks and Facilities to Metro, their ordinances on those parks and facilities were kept in effect. Metro Council must now go forward with its own action. This ordinance protected the wild life, the vegetation, the structures and provided for orderly conduct within the parks and facilities. There were things such as no dogs clauses, no fireworks, no gambling, etc. The only controversial piece of this legislation might be an increase in fees. The reason for this was that this was all new ordinance language. A whole new chapter was being adopted. Overnight camping fees at Oxbow Park were being raised from \$9 to \$10. The entry fees at Blue Lake Park had been changed and the Chinook Landing Marine Park fee to \$4. The picnic area fees at Oxbow Park had been increased approximately 10%. A premium pass had been added as an annual pass in lieu of a daily entrance fee. This would cost \$50 per annum. This would be a value-added package to the public. Since this was not property tax funded in any way, this was not subject to Ballot Measure 47 and it was believed that there would be no decline in use of the parks based on these increases in fees since they had been very much in demand. It was believed that it was responsible for government to charge a reasonable rate for the service. It was also to be noted that there was a low income and disabled annual pass fee for \$10 and there was a commitment from Regional Parks and Facilities to work with people who were not able to afford the fees and still offer the services for them.

Presiding Officer Kvistad opened the public hearing.

No one came forward.

The public hearing was closed.

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

7.2 **Ordinance No. 96-655B**, For the Purpose of Designating Urban Reserve Areas for the Portland Metropolitan Area Urban Growth Boundary; Amending RUGGO Ordinance No. 95-625A and Metro Code 3.01; and Declaring an Emergency.

Motion: **Councilor McLain** moved Ordinance No. 96-655C to replace the B version.

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

Discussion: **Councilor Naito** asked if the areas the council had already adopted based on the findings were included here and, in addition, what about the additions that Mr. Shaw recommended but were not adopted at the last meeting.

Councilor McLain stated the decisions made today would be what was being referenced on the amendments to those areas, either deletions or additions.

Councilor Naito sought further clarification on the issue and Councilor McLain stated the council was dealing today reflected the deletions, not the additions.

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

Councilor Naito stated that since she was the new member of Metro Council, she felt that everyone was wondering what her philosophy was with regard to this process. Councilor Naito supports the use of a 35-year period for the Urban Reserves. She had studied the testimony, not only from her district but from MPAC as well. Councilor Naito stressed that with the 2040 Plan, Metro was trying to do things differently and change direction in how a livable yet for urban and compact future was planned. That did not happen overnight but rather took time. She was optimistic that these goals may be successfully accomplished. Farm land could be most effectively protected if that approach was taken. She stated that she had held discussions with other members of Metro Council and knew that her view was a minority position. Other members of the Council believed that a 43-year time period should be undertaken. Under her view, Metro Council would need to revisit this issue in ten years and, under the majority view, Council would most likely be able to go as long as 15 years without revisiting this issue. She stated her recognition of the fact that the other Councilors had been working on this for some time and believed that a 43-year time period fits better with the other work that they had been doing. She believed that reasonable people could disagree on this issue and, as she participated today, she would try to help this Council make a better package in terms of some of her perspectives yet she also believed strongly that Metro Council should reach resolution on this issue and so she was not interested today in revisiting some of the sites that she knew were supported by a majority of the Council and will still be included. Some of those sites may be litigated in the courts and therefore that would be the time that they would be resolved of whether they were included or not. When one considered that the City of Denver added approximately 60,000 acres last year along and our area was debating about a 5,000 acre difference for roughly the next 40-year period, she believed that the Council really was on the same page on this issue. Even though various members may advocate for some differences of opinion, the general agreement was that the bulk of growth that was going to occur in the future would occur within the existing Urban Growth Boundary and there was a great challenge ahead in terms of planning for that, community involvement for that, investments in infrastructure to handle that.

Presiding Officer Kvistad stated that Metro Council's challenge continued to be to build better urban form. This process had been a challenge and had been difficult at times. His hope was that this would be the first step building up a better and stronger region in which to live.

Presiding Officer Kvistad announced Site No. 1

Motion: **Councilor McCaig** moved to delete Site 1 and Site 2 together.

The arguments, she asserted, were the same for both sites.

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

Discussion: **Councilor McCaig** stated that much debate had occurred with Metro's partners, both on the local level as well as on the state level. This was not resource land but was exception land. There ere two very large tracts. Site No. 1 had approximately 534 acres. Testimony had been received over the last several weeks to the effect that both Sites 1 and 2 contained the headwaters to Johnson Creek. Sites No. 1 and 2 were difficult for purposes of development in terms of infrastructure needs and they did not fit with any community. They were not specifically aligned with any community. Urban form sprawl was therefore to be noted. Councilor McLain had proposed on behalf of Oregon City, approximately 400 - 500 acres in exception lands which Councilor McCaig would support. If the total goal was 18,000 acres, some of those would need the addition of exception lands which was appropriate. Councilor McCaig supported this concept. These two sites were ripe for deletion. They had environmental constraints. They were not supported by the local governments. They did not contribute to the urban form.

Councilor Naito stated that testimony had been received with respect to the flooding on Johnson Creek that had already occurring. This had been an ongoing problem. In light of the fact that the headwaters were located in these sites, she would support this motion.

Councilor McLain stated that she would vote against this deletion. First, the notion that it was difficult to serve and difficult insofar as expenses were concerned, was relative. Some of the work that Metro had done in the preliminary cost studies on infrastructure had demonstrated that this particular acreage looked about the same. The difference between the high and low on some of the basic services was really very small. Second, it was exception land. Secondary to the findings done on this urban reserve package, one of the items considered in the second state letter discussed the consistency of the package and the consistency of the findings. These exception lands were similar to other exception lands that had been included. It was also part of the responsibility that Metro had taken on in the findings of making sure that it followed the 2040 Growth Concept and we had some very specific reasons about why Metro did not take the exception land to the north of Highway 26 to honor the separation of community and not having to penetrate the green corridor between Gresham and Sandy. It was important to remember that Sites 1 and 2 were exception lands. They were needed for the consistency of the findings package and they did help with the 2040 Growth Concept.

Presiding Officer Kvistad stated that he would not support deletion of this since it was exception land and it was land that Metro is trying to use instead of farm land.

Councilor McCaig closed by stating that if the issue was exception land and if Metro Council had decided that interest existed in arriving at a target figure of 18,000 acres, it was possible to arrive at that target only using exception lands. If that was the goal, then she would move to delete farm land. Two opportunities had existed on how to put this package together. The overall number of acres could be reduced and put together a package that allowed the inclusion of some exception land and, in specific cases where a special needs case could be made, bring in some farm land. What Metro Council had moved into doing was believing that as long as exception lands were jammed into this process, somehow justification was obtained for adding farm land. That was not what the state letter said. That was not the case that the State of Oregon made. The state had been critical of the package that Metro had assembled. They had asked specifically to remove farm land and, in some cases, exception lands. They had asked Metro to give specific sites another review for additional exception lands. This was not a case of balancing the number of exception acres against farm land acres.

Motion: **Councilor McCaig** moved the deletion of Sites 1.

Second: **Councilor McFarland** seconded the motion.

Vote: The vote was 3 aye/ 4 nay/ 0 abstain. The motion failed with Councilors Washington, McLain, Morissette and Presiding Officer Kvistad voting nay.

Presiding Officer Kvistad announced Site 2.

Motion: **Councilor McCaig** moved deletion of Site 2.

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

Discussion: **Councilor McCaig** stated the same discussion applied to Site 2 as did to Site 1.

Vote: The vote was 3 aye/ 4 nay/ 0 abstain. The motion failed with Councilors Washington, Morissette, McLain and Presiding Officer Kvistad voting nay.

Presiding Officer Kvistad announced Site 5.

Motion: **Councilor McLain** moved deletion of the EFU (exclusive farm use) land from Site 5 which was approximately 48.5 acres.

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

Discussion: **Councilor McLain** stated that as the findings were improved as per Metro's own analysis as well as the State of Oregon review, it was important for us to take out as much of the EFU (exclusive farm use) land as made sense. Findings did not exist for these 48.5 acres of EFU (exclusive farm use) land. The rest of the land was exception land. This deletion would improve the findings and would improve the total package.

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

Presiding Officer Kvistad announced Site 14.

Motion: **Councilor McLain** moved the addition of the Rock Creek Stream Corridor in Clackamas County to Site 14.

Councilor McLain explained this addition seemed necessary not only for the 2040 Growth Concept but also for water quality, flood mitigation issues as well as protection of green space. It would allow for more protection under the jurisdictions of the urban reserve and the urban reserve planning Title III as well as the model ordinance. For the protection, not development, of Rock Creek, Councilor McLain asked for this addition.

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

Discussion: **Councilor McCaig** asked which staff was involved in this decision.

John Fregonese, Director of Metro Growth Management Services, replied that Rock Creek was a very steep corridor; a steeply incised channel. Because of the topography, Area 14 did not include any of that Rock Creek Corridor because it was not buildable. When the analysis was completed, it was not included since it was not appropriate for building purposes. At this point, however, if Rock Creek was not added to the urban reserve, it could not be added to the Urban Growth Boundary. Therefore, the Urban Growth Boundary would exclude the Rock Creek Corridor. It must be zoned open space, not developed and must be protected. This would be an unincorporated area running through what will one day be a city. Metro Staff completed this assessment, in answer to Councilor McCaig's query.

Councilor McLain stated that the decision as to whether to include a green space within or without the Urban Growth Boundary was made on a case-by case basis, deciding as to whether which status ('in' or 'out') would offer the most protection to the area under question.

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

Presiding Officer Kvistad announced Site 15.

Motion: **Councilor McLain** moved deletion of the area north of the power lines which ran parallel to Monner Creek.

Councilor McLain continued that this did not interfere with the Clackamas County issues regarding with the State Route 147 which was in the process of being upgraded for safety purposes.

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

Discussion: **Councilor McCaig** stated that this would delete approximately 30 acres.

Councilor McLain stated that was her estimate as well.

Vote: The vote was 5 aye/ 2 nay/ 0 abstain. The motion passed with Councilor Morissette and Presiding Officer Kvistad voting nay.

Presiding Officer Kvistad announced Sites 17 through 26.

Motion: **Councilor McLain** proposed the addition of approximately 400 acres of exception land to the above named urban reserve areas.

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

Discussion: **Councilor McFarland** asked if Councilor McLain was proposing the addition of 400 exception acres to areas 22-26. Was this Metro staff who proposed this or was it the City of Oregon City staff?

Councilor McLain replied that both staffs agreed with this proposal.

Presiding Officer Kvistad asked concerning Site 24: Had a deletion already been made on this Site?

Councilor McLain stated that this was the case.

Councilor McCaig asked Mr. Fregonese if the 400 acres were originally in urban reserve study areas?

Mr. Fregonese replied that these acres were on the edge of the urban reserve study areas and the data which was true for the study areas was also true for these acres. Only exception land was being added in these cases.

Councilor McCaig asked that if a person was a property owner, not originally in a study area, would there be property owners who would find themselves newly in this process as a result of this action. She stated that she would support the motion.

Mr. Fregonese replied that a few were in as a result of this. Most people were added as a result of the City of Oregon City squaring up the border with regard to property lines. Some areas were not in the original study area that were on the edge where whole new parcels were added when the parcels were on the order of a few acres. There may be some people who would be in the urban reserve that were not in the urban reserve study areas.

Councilor McLain answered that all of the maps of the urban reserve study areas had been blobs. There were no definite lines. These people that had been in these areas had been invited to the public meetings through a number of different strategies. The first definite area would be coming after this particular package had gone forward. Metro had not, up until this time, had definite edges.

Councilor Naito wondered if what Metro Council adopted at next week's meeting would be lot line specific.

Councilor McLain answered that next week, after the vote, the urban reserve would become a lot-line specific area.

Presiding Officer Kvistad announced that the action taken by Metro Council today actually set in place what would be voted on February 27, 1997.

Councilor Naito questioned whether or not in the intervening week, this will become lot-line specific?

Councilor McLain answered her in the affirmative.

Councilor McFarland asked that if any land owner found themselves inside the urban reserve boundary who had not had prior knowledge or prior awareness, would they have an opportunity come before this body if they so desired?

Councilor McLain answered that because there were no definite lines, those people had already had three years of review to come forward with those comments. She stated that at the Beavercreek Open House, people stated they were not in the urban reserve study area and that had gone on at all the open houses. Constituents had not been notified as being in an urban reserve. They had been notified that they were close to an urban reserve study area.

Councilor McFarland once again asked: Would land owners have an opportunity to come before this body? Councilor McLain replied that they would have this opportunity at next week's council meeting.

Councilor McCaig stated that she would be voting for the proposal because she believed that fundamentally that the argument about the criteria being generic and having a spill-over effect on the additional land was correct. She further stated that she believed it was problematic for those property owners if the logic held that it was just a blob, then everybody in the state would be appearing before Metro Council because they wouldn't know where the blob ends and, in fact, it didn't. Metro did identify study areas and it was safe to assume that some people may have believed they were safe from Metro.

Councilor McLain stated that just because of the thoroughness of this discussion, people from Jackson County had testified on this issue. People from the State Department of Agriculture had also testified concerning this matter. Letters had been received from many different state agencies addressing these concerns. Everyone in the State of Oregon was interested.

Councilor Washington asked of John Fregonese approximately how many homeowners were in that area.

Mr. Fregonese replied that a few dozen were involved.

Councilor Washington said that, in addition to sending these property owners notices, Metro should attempt to contact them by telephone so that they may come to testify if they so desired.

Councilor McLain stated that this was a delightful idea and volunteered to make all the telephone calls.

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

Presiding Officer Kvistad announced Site 30.

Motion: **Councilor McCaig** moved deletion of 190 acres from this parcel.

Seconded: No second was forthcoming.

Presiding Officer Kvistad declared the motion had failed due to the lack of a second.

Presiding Officer Kvistad announced Site 31.

Motion: **Councilor McCaig** moved the deletion of Site 31.

Seconded: No second was forthcoming.

Presiding Officer Kvistad declared the motion had failed due to the lack of a second.

Presiding Officer Kvistad announced Site 32.

Motion: **Councilor McCaig** moved the deletion of Site 32.

Seconded: No second was forthcoming.

Presiding Officer Kvistad declared the motion had failed due to the lack of a second.

Presiding Officer Kvistad announced Site 35.

Motion: **Councilor McLain** moved removal of 1.6 acres of EFU (exclusive farm use) land from this parcel.

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

Discussion: **Councilor McLain** stated that the middle section of this parcel contained two or three exception areas that had a small piece of EFU (exclusive farm use) land that simply was not deleted. No findings existed for these small acreage's of EFU (exclusive farm use) and there were no special needs for these small pieces. Deletion improved the findings a great deal.

Councilor Morissette stated that since he owned property relatively close to this parcel, he would abstain from the voting on this property.

Vote: The vote was 6 aye/ 0 nay/1 abstain. Presiding Officer Kvistad declared the vote had passed on a 6/0/1 vote with Councilor Morissette abstaining.

Presiding Officer Kvistad announced Site 36. He stated that two amendments on this parcel are presently before the Council for consideration.

Motion: **Councilor McCaig** moved that 33 acres be added to Site 36.

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

Discussion: **Councilor McCaig** stated that this was a site right next to Site 37 in Wilsonville. The Mayor of Wilsonville testified at the last meeting that if Site 37 was to be kept, then she would prefer that Site 36 also be kept in its open space designation. Originally the County believed that it would be safer if it were to be left out which was why Metro moved it out in the first place. Site 36 need to be added for protection purposes.

Councilor McLain stated her support for this proposition.

Presiding Officer Kvistad stated his support for this proposition. The City of Wilsonville had a very aggressive tree and open spaces ordinance in place which would protect this area. The City of Wilsonville was very appreciative with Metro's reconsideration of this item.

Councilor McFarland stated that she was ready to vote.

Vote: The vote was 6 aye/ 0 nay/ 1 abstain. Presiding Officer Kvistad declared the motion passed on a 6/0/1 vote with Councilor Morissette abstaining.

Presiding Officer Kvistad announced Site 41.

Motion: **Councilor McCaig** moved the deletion of a portion of Site 41.

Seconded: There was no second to the motion.

Presiding Officer Kvistad declared that this motion failed due to the lack of a second.

Councilor McCaig stated that it was important for the record to reflect that Site 41, which was known as the Wilsonville Site, had significant resource lands; 285 acres of resource lands. It was not supported by the State of Oregon. Wilsonville did not want it. It would cost Metro a world of trouble. It had no local government support; it did not have the Executive Officer's support and it did not have the state support. It was prime farm land and it was not surrounded. Why were we leaving it in? That was the reason she moved to delete portions of Site 41.

Councilor McLain stated that the findings with regard to Site 41 would speak for themselves.

Presiding Officer Kvistad announced Site 46.

Motion: **Councilor McLain** made the motion for inclusion of 110 acres in Site 46.

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

Discussion: **Councilor McLain** stated that Site 46 had had some exception land removed earlier. Testimony had been subsequently received on this exception land. The State of Oregon had declared that consistency was needed in the category of exception land that was in the package including some of the Oregon City area exception land just recently. There was a YMCA that was sitting near the site. There were road improvements that had been put in place. There was a frontage road and both the City as well as the State had been working together in partnership on some of those issues so the efficiency and ease of service were issues that deal with this exception land. It was important for Metro to have a consistent package that we sent forward on urban reserves and this should be included.

Councilor McCaig commented that this was exception land and the entire reason for the discussion was for the purpose of determining urban form. Look at the big picture of what Metro Council was attempting to do. Because something was an exception land did not necessarily mean that it should be included in an urban reserve. There was not a logical extension that exception lands must be urban reserves. They provided buffers all by themselves. Site 46 had only one constituent supporting it. It was not originally supported by the City of Sherwood. It was only exception land that would, in fact, protrude into prime agricultural land and set a direction for development of agricultural land that was not a good thing. If Metro wanted to believe that the State of Oregon's messages should be applied to this product, then there were a whole series of issues that the State had raised from the numbers that we were using to the consistency of application of the numbers to the inclusion of specific sites of farm land, many of which, so far, we had ignored. She would question the State as the reason to include this property. There were four votes to keep it out before. She would hope that we would continue to keep it out because it set the wrong direction for development in the region.

Councilor McLain closed by responding to a couple of those issues. First of all, the Council was not done with their package yet. What the amendments that deal with the farm land as per State of Oregon requests and State comments. Number two, she would like to also point out that the numbers in the findings and in the package would support the Council numbers. Additionally and most importantly, the 2040 Growth Concept was served with this particular piece. There were some issues that we had already talked about in the Sites 1 and 2 over in Gresham that we retained. We took out part of that area because it did not suit our growth management growth concept 2040 because of penetration of a green corridor. We made a conscious choice that we would not use the exception land to the north of Highway 26 because of both a good boundary for the 2040 compact urban form and also because of one of the basic separation of community elements that we had running through the 2040 Growth Concept. This particular issue also had to deal with efficiency of service including transportation service and where the center of the Sherwood downtown / oldtown was and where the State highways were and where the new frontage roads would be and where would be the best place to build the future Sherwood in the next 50 years? Looking at the infrastructure and looking at wanting to make sure we had full

service community, this offered some of those opportunities through this 2040 Growth Concept. She hoped the Council would vote their heart and that was fine with her.

Councilor Morissette stated that since he had some property close to this area, he would withdraw his second.

Presiding Officer Kvistad called for an additional second on this item.

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

Vote: The vote was 2 aye/ 4 nay/ 1 abstain. The motion failed with Councilors McCaig, Naito, Washington and McFarland voting nay and Councilor Morissette abstaining.

Presiding Officer Kvistad announced Site 49.

Motion: **Councilor Naito** moved the exclusion the northern most portion of Site 49.

Second: **Councilor McCaig** seconded the motion.

Discussion: **Councilor Naito** stated that when the Council voted on this parcel in December, 1996, and to exclude that middle EFU (exclusive farm use) portion, it changed the efficiency factors as far as this portion went. Testimony had come in with respect to the steepness of this exception land and also Summer Creek ran through there. Since the Council was voting to exclude exception land at this point, she thought the record needed to be very clear on what the factors were that warranted that exclusion. As far as utility feasibility, the sewers were not available in that portion. Washington County Commissioners opposed the site. They believed that it was a very difficult one to serve. There was a road problem here. There was no direct access from the existing Urban Growth Boundary on Murray Hill. A lot of internal streets were already developed. There was private easements. There was no transit available. As far as efficiency factors, there was about a 15% slope generally and some of it was quite steep. It was already highly parcelized and there were deed restrictions on some of the properties. There were significant environmental constraints. We were purchasing, through the Green Spaces program, some area near here. It was a significant natural resource area. It was the headwaters of Summer Creek. It was a wildlife corridor. Some of the slopes were about 25%. The Audubon Society had submitted testimony to request removal. In terms of access to town centers, she talked with people in the Murray Hill area who often drove to Lake Oswego which was much farther away rather than Beaverton just because of the traffic and road problems in that area. The Council was not going to achieve the kind of compact design and would not get any kind of density out of this area because of significant environmental concerns here, she did think that northern portion should be excluded.

Councilor McLain said in looking at the findings, which were really important to her as far as the exception land being deleted. One of the elements that she was concerned about was that Metro had used the reasoning of efficiency because of steepness and also because of the fact that there were a number of parcels that were small and partitioned. There was, on the corner, what she would call the northeast corner - there were 27 acres there that was in one contiguous piece and had been clear cut. Also, if one would look down at the bottom - (she noted on the map) - on Road 175, there was a fire station and there was at least a twenty-acre piece going up from there that had one or two ownership's and was it a contiguous piece? Would it be Councilor Naito's purpose to exclude all of it and just what she considered to be steep and not efficiently served?

Councilor Naito said in light of the environmental constraints, she believed that the whole northernmost portion should be deleted. With regard to the issues she spoke to earlier, it was not just the topography of individual parcels of the land that may be included but all of the factors that she had mentioned before including the headwaters of the creek, the wildlife corridor, the steepness of the slopes, and the local government had indicated that it was very expensive and difficult to serve and transportation issues as well. She thought all of those factors supported deleting the whole northern portion.

Vote: The vote was 6 aye/ 0 nay/ 1 abstain. The motion passed with Councilor Morissette abstaining.

Presiding Officer Kvistad announced that Site 50 would be considered.

Mr. Michael Morrissey, Council Analyst, asked staff how many acres that was. His guess was that it was about 250 acres.

Mr. John Fregonese affirmed that it was about 250 acres.

Motion: **Presiding Officer Kvistad** moved to delete Site 50.

Seconded: **Councilor Morissette** seconded the motion to delete.

Discussion: **Presiding Officer Kvistad** said that Site 50 was the other area on the top of Cooper Mountain. He noted the site on the map. This area was on the northern portion of Cooper Mountain. He noted the parcelization of this parcel on the map. This area has about 80% developed with minimum lots sizes of about 1 acre. Most of the homes were limited to one acre minimum lot size by deed restrictions, with prohibitions against subdividing lots. These deed restrictions had been consistently upheld by the courts. The small area of undeveloped land in Site 50 was scattered throughout. He noted the small bits of undeveloped land on the map in three areas. It had been parcelized on the local maps. Of those sites, two of those had CCRs in place once they were subdivided. Therefore, it would be very difficult to get any density what so ever. What separated undeveloped areas from developed areas with deed restrictions was not practical and only a few acres of undeveloped land were adjacent to the Urban Growth Boundary, he noted the parcels on the map. The largest acre of undeveloped land was about 20 acres, it had the steepest slopes and was effected by an adjacent creek. He asked the Council to move for deletion of this parcel in that Metro would not be able to achieve densities on this land, therefore, to put it in simply for the sake of having acreage would not be productive.

Vote: The vote was 6 aye/ 1 nay/ 0 abstain. The motion passed with Councilor McCaig voting nay. Presiding Officer Kvistad announced that Site 50 was deleted.

Presiding Officer Kvistad announced that Site 51 would be considered.

Motion: **Councilor McLain** moved to amend 6.2 acres out of Site 51.

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

Discussion: **Councilor McLain** noted that these acres were EFU and noted these areas on the map.

Vote: The vote was 5 aye/ 2 nay/ 0 abstain. The motion passed with Councilor Morissette and Presiding Officer Kvistad voting nay.

Presiding Officer Kvistad announced that Site 53 would be considered. He had two competing amendments from Councilors Morissette and McFarland.

Motion: **Councilor McFarland** moved to add Site 53.

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

Discussion: **Councilor McFarland** said that this site was known to the Council as the "stump farm". It was 204 acres with 183 acres of resource land and 21 acres of exception land. This had not been farmed in many years, the City of Hillsboro had encouraged the Council to put it in so that they could include the site in their planning activities and make a logical extension of the city limits. While it seemed that it was farm land, she had gotten

considerable calls from people who had talked about how hard it would be to farm and with the surrounding area, part of which the Council had passed up and part of which the Council may yet consider, she believed that it would be completely enclosed in the same kinds of binding Urban Reserves that would prevent its use as farm land. She urged the Council to add this to the Urban Reserves.

Councilor McCaig commented that part of her difficulty on this was that these sites were not independent, they were related to each other. It was one of her reasons for requesting that the Council put off Stafford and St. Mary's until the Council saw what happened with some of the other farm lands because the total product would be reviewed not site by site but as a total product. She understood that the relationship of this site was not because of its independent nature as a stump farm, whether it could or couldn't be farmed, but because it was next to St. Mary's. Who in their right mind would not want to add that piece of property if St. Mary's was in. She had said all along she would be prepared to deal with Site 53 once the Council had gotten through the process and saw what was left in terms of prime farm land versus exception lands and the total number of acres. As it was because the Council was not allowed to take things out of order she would be voting no on Site 53.

Councilor McFarland said she understood Councilor McCaig's remarks about this piece but she still felt that it had not been farmed in quite some time and in deed would take a great deal of effort to put it back into a position where it could be farmed. She urged the Council's aye vote.

Vote: The vote was 5 aye/ 2 nay/ 0 abstain. The motion passed with Councilors McCaig and Naito voting nay. Presiding Officer Kvistad announced that this site was added to the urban reserve.

Presiding Officer Kvistad announced Site 54.

Motion: **Councilor McCaig** moved to delete 189 acres, Site 54.

Seconded: **No second**, the motion died for lack of a second.

Councilor McCaig stated that it mattered to her how the whole product looked and she had been willing to consider St. Mary's as a potential site. Unfortunately by the way the process had come together she thought the State had been very clear that it was not an acceptable piece of property given the other pieces of property that were currently contained within the Urban Reserves. Again, had the Council been able to deal with this at the end of the process she might have been able to make or not make a motion depending upon what was done with sites 56, 59, 62, 64. It was prime farm land, not surrounded, there was a lot of controversy around it and it allowed for future urbanization in areas that she thought the Council was not interested in seeing urbanized.

Councilor McLain said that the findings would speak for themselves. This was the reason she did not second the motion. First she wanted the audience to understand that the Council was not willy-nilly, not knowing how many acres they would end up with as far as the package whether the Council started at Site 1 or Site 72. There were many of the Councilors who had been working on this for over 5 years, read the findings and knew when they were voting that they would end up with a particular type of package. She believed that the findings did strongly support efficiency reasons, regional job center reasons, dealt with the reason that there was exception land to the left of St. Mary's that she thought did give this particular acreage some coverage of urbanization around this vote.

Presiding Officer Kvistad said what he would like to do in the future was to allow Councilors to explain their votes without commenting to their vote explanation.

Presiding Officer Kvistad moved to Site 56. He had competing amendments, Councilors McLain and McCaig.

Motion: **Councilor McLain** moved to delete Site 56.

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

Discussion: **Councilor McLain** explained that this particular site was in her district, Site 56 was at Forest Grove known as the Zueker property. Because of the fact that the findings had not shown or proven to be worthy of the entire package of urban reserves that would go forward, it was all EFU land, there was only 22 to 23 buildable acres in this site, and there were no findings that were defensible or could be forwarded, she asked for all of the EFU Site 56 to be removed.

Councilor McCaig indicated there had been a very heated debate between Councilor McLain and her originally where she had moved to delete the site. This property had a long history in front of the Metro Council, having gone to LUBBA, been appealed, and did not receive support from the State that it should have been an amendment at that time. It was in the flood plain, it was not the proper place for future development. She urged the Council's support to delete Site 56.

Councilor Naito supported the motion. It tied in with several other sites in this region that were proposed for industrial sites. While she understood that the local jurisdictions had some economic development needs in terms of their tax base and may desire additional land for industry, this really reflected the huge problem in the west end with the jobs housing imbalance. It did not make sense to her to add more industrial sites in this area, rather the Council should be looking into the Oregon City or Clackamas County area for industrial sites to address the jobs housing imbalance. These three sites specifically in terms of adding industrial sites would exacerbate the existing problem. She did not believe that they met the specific land need exception in terms of the findings.

Presiding Officer Kvistad said one concern on this site and the next site the Council would be voting on was that there were two independent cities, the cities of Forest Grove and Cornelius. The Council was looking at the regional urban forum and the jobs housing balance. It was very difficult for him to simply say jobs or industry should be exported somewhere else in the region when there were cities in need of those jobs and in need of land on which to site them. Unfortunately this site, while he would like to support it, he had to reluctantly agree with Councilors McCaig and McLain. He did not believe that due to its current configuration that it was supportable. He would not be able to support the site.

Councilor McLain said the main reason for her vote was because she did not believe that there were not enough findings for the special needs that it would take to go forward.

Vote: The vote 6 aye/ 1 nay/ 0 abstain. The motion passed with Councilor Morissette voting nay. This site was deleted.

Presiding Officer Kvistad announced Site 59. Councilors McCaig and McLain had competing amendments on this site.

Motion: **Councilor McLain** moved to delete Site 59.

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

Discussion: **Councilor McLain** said that this was the Cornelius site they had just discussed. Councilor McCaig was right, they had quite a lengthy debate in the last go around about this site. She felt it was extremely important to try to let Site 59 and 56 get through the entire findings process to see if they could find appropriate special needs that they would have to come under because it was EFU. She was convinced that they did not have enough of a findings in this area for the special needs designation that it would have to come under. As much as she hated, as a District Four Councilor, not to give some of that industrial land to those particular communities, she thought it was important for the Council to have the integrity and consistency of the findings that would let them have defensible findings for the process.

Councilor McCaig urged the support of the Council to delete Site 59.

Councilor Naito said there was testimony from farmers that were actively farming this property. The creek that was cited as a barrier was in fact not a barrier and the farmers could go on the road around with their equipment. It was important to recognize the importance of the agricultural economic development in the county as well as the need to have industrial uses.

Councilor McCaig followed up she thought it was important, as we talk about allocating industrial land or other kinds of lands, to ensure that the local jurisdictions were in fact using the land for the purposes in which they were allocated. This was a prime example where there in fact had been some industrial lands set aside, which from appearances indicated that it was not being used for industrial development, one saw a cinema and residential kinds of things on the land. She hoped as the Council looked forward to the Functional Plan about what was going on inside the boundary that the Council was assured that in fact the kinds of development the Council wanted see were actually happening.

Presiding Officer Kvistad echoed his comments that he had on the last parcel.

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

Presiding Officer Kvistad announced Site 62 and noted that he had competing amendments from Councilor McCaig and McLain.

Motion: **Councilor McLain** moved to delete the EFU land in Site 62 below the Sunset Highway and add Site 63A and 62 above the Sunset Highway.

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

Discussion: **Councilor McLain** reviewed the map, the top part of the site was exception land, the part on the very top side of Sunset Hwy., Sites 62 and 63A, were lands that had shown a great deal of efficiency in the findings for affordable housing for the job base that was so close. She reiterated that her motion was to just delete the EFU land in the circle. There was approximately 195 to 200 acres. She felt that at this time, Site 62, because of consistency with the other findings and the other urban reserves that the Council had that the Council did not have the findings at this time to forward it. She thought that in the future this urban reserve process was not over forever, there would be other years when the cities in District Four would have issues that they needed to bring forward. At this point with the rest of the package, Site 62 was not defensible. It was important that Site 63 and Site 62 above the north because of defensible affordable housing issue and also the exception land below the Sunset Hwy. remain in.

Presiding Officer Kvistad reviewed the motion, to delete Site 62 below the Sunset Hwy. in the circle area. Above the Sunset Hwy., Site 63A and 62 would remain in the urban reserves. Was that correct?

Councilor McLain said that was correct, the addition of 63A and 62 above the Sunset Hwy.

Presiding Officer Kvistad said that all of the resource lands encircled would be deleted.

Councilor McLain reiterated that all of the resource lands in the circle would be deleted.

Councilor McCaig said that Site 63A was not on the table right now.

Presiding Officer Kvistad said that it was part of the motion. The motion was to delete the resource land in Site 62 because 62 extended above the Sunset Highway. The motion made by Councilor McLain was the deletion of all of the resource land in 62 encircled and the addition of Site 63A which was outlined by dots.

Councilor McCaig asked why 63A was not being dealt with separately?

Councilor McLain said that this was part of the discussion in the original vote. The Council dealt with all of these in one discussion. She reiterated that the top parts where in, noting the dotted line. She reviewed the map. The findings that the Council had that she could support were 63A addition and 62 north of the Sunset as affordable housing high efficiency and being close to the job base in Hillsboro.

Presiding Officer Kvistad clarified that the small circle would be the land that was currently in Site 62 that would be retained as well as the land just south of the Sunset Hwy. Site 63A would be the land that would be added if the motion passed. The deletion would be the area encircled in red.

Councilor McCaig said that her motion would be to delete all of 62 which did not deal with Site 63A because 63A had the tip of 62 and the rest of a site called 63A. She argued the point about keeping Site 62 separate from Site 63A. There were exception lands that Councilor McLain said she would include in her proposal which would be part of Site 62. Councilor McCaig argued that these should not be included. Councilor McCaig asked if they could separate Site 63A.

Councilor McLain asked Mr. Shaw if this would be OK.

Mr. John Fregonese said that 63A was the entire piece in the dotted line that had the circle and the cross out. Site 63A was a diagonal line with the southern portion of 63, about 8 acres. It would be appropriate to treat them separately.

Councilor McLain said that if Mr. Shaw was comfortable with this, she was also. She would accept a friendly amendment to consider each site separately.

Presiding Officer Kvistad announced that this would split into two motions. The first motion would be on the deletion of the southern portion which would be 62 outlined in the circle. An additional motion would be on the addition or non-addition of Site 63A. Should the motion fail there would be an additional opportunity for an additional motion from Councilor McCaig who had one before the Council which would delete the entire parcel.

Motion: **Councilor McLain** moved to amend her motion to delete Site 62 outlined in red.

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

Discussion: **Councilor McLain** believed that, the circled red area of Site 62 which was the industrial area of approximately 195 to 200 acres, the findings on EFU land was not compelling enough to go forward with this package of urban reserves. She believed that this city as well as Forest Grove would have opportunities to make their case but she did not believe it helped the findings nor did she believe it was defensible at this point, it was all EFU land.

Councilor McCaig clarified Site 62, with the 200 acres of EFU land, left about 42 acres of exception land, of those 42 acres of exception that were not included in Councilor McLain's motion, when the Council considered Site 63A, would land be added on to that site?

Councilor McLain said that they were just talking about the red for Councilor McCaig's benefit.

Councilor McCaig continued that the State had said that on Site 62 the exception lands in fact were fundamentally changed by the removal of just the circle red and argued that for the purposes of this discussion that the Council should be deleting both the EFU lands and the exception lands. The removal of these ag lands changed the character of those exception lands located in the northern part. The exception area protruded out into ag lands, designation as an urban reserve would allow for the future urbanization of a finger of land amongst the highly productive agriculture land. The State recommended that this exception area not be designated as an urban reserve. She wanted to make sure that she could vote yes with Councilor McLain to take out this piece and then come forward with a motion to delete the rest of the exception lands.

Presiding Officer Kvistad told Councilor McCaig that she would be allowed to do that under the circumstances that they both had a competing amendment that overlapped.

Councilor McCaig said, rather than just one motion to delete the whole package?

Presiding Officer Kvistad clarified for Councilor McCaig that she could move to amend what was on the table or follow-up with her own motion.

Councilor McCaig said she understood and that the motion on the table was to delete the EFU land?

Presiding Officer Kvistad said that was correct.

Councilor Naito indicated that she supported the motion to delete the EFU portion of Site 62, in light of the fact that she believed it was not supported with the findings. Hillsboro had this other site, the Seaport properties, that was designated for industrial now and they wished to convert that to residential. Her philosophy on this was to support adding that exception land and even the Site 63A later for residential development. There could be some high density residential development on the Site 63A piece which was not being farmed now in order to serve the industrial uses and jobs out in that area. This was the rationale she was going through, trying to address the jobs housing imbalance by taking this industrial piece out of the urban reserves, the Council was now putting the Seaport property back into an industrial type of designation. She was trying to balance these competing needs.

Presiding Officer Kvistad said this was any area of real concern for him. He had been oscillating on this, his personal feeling was that this was industrial land and the Council should bring it in for that purpose. It was located near high tech plants, there was a major problem with farming next to high tech plants that needed filtered air in order to function and he believed that farming in this area could harm the new plants that were going out there and providing jobs. At this time based on the information that the Council had received from the State and other factors, he had to support the deletion of this item.

Councilor McLain said that the whole issue on this site was timing. She thought that it was a contradiction of other sites that were important to Hillsboro. Independently on their own they might be able to stand but because of the timing and the issues that they were trying to be bundled with it was not going to work. She urged the Council to delete Site 62 at this time. She clarified that it was the EFU in the red circle.

Presiding Officer Kvistad reviewed the motion, to delete the area of resource land which was surrounded by red on the map before the Council. If the Council voted yes, they would delete the land, if they voted no it would be to retain it.

Vote: The vote was 6 aye/ 1 nay/ 0 abstain. The motion passed with Councilor Morissette voting nay. This item was deleted.

Motion: **Councilor McCaig** moved to delete the remaining land in Site 62 which did not include Site 63A.

Councilor McLain asked about the lighter gray in the middle circle, the Council was talking only about the exception land.

Presiding Officer Kvistad said that was correct. The motion that was before the Council was the area that was indicated by Mr. Fregonese plus the land that was north that was currently in. The motion was to delete all of the rest of the area that was before the Council.

Councilor McCaig restated her motion, it was the remaining exception land south of the Sunset and the additional EFU land which was north of the interstate was what was left of Site 62 that she was moving to delete.

Presiding Officer Kvistad said that there was no Site 62 south of the exception land at this point because the Council voted it out.

Seconded: There was no second on the motion.

Presiding Officer Kvistad moved to the motion on Site 63A.

Motion: **Councilor McLain** moved to include Site 63A.

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

Discussion: **Councilor McLain** said that the Council left the rest of Site 62 in. The findings indicated that with the efficiency of both of the roads and a major freeway exit/entrance on the Sunset Hwy. that these eight acres would be

very efficient for affordable housing. It was very close to the job base that was just talked about in Hillsboro. She asked the Council to support Site 63A, which was not being farmed.

Councilor McCaig said she would be voting against this again. The reasons for voting against this motion had to do with the overall pattern of development that the Council was attempting to design. She appreciated the need for affordable housing but as the Council looked at that parcel, not isolated by itself, but look north, the Council was beginning a pattern of development. As Councilor Naito said, if you put high rises in there and start having more transportation needs in there, that was going to be where five to ten years from now, the Council would come back and look for future development. She thought this was the wrong direction for this region to go in order to accomplish the goals that had been set out in 2040 and particularly since the Council had just added a variety of opportunities for affordable housing down along the northern part of Washington County. She would be voting no.

Presiding Officer Kvistad commented that he would disagree with that particular judgment on this item as well as some others in that he thought what it did was assumed the failure of the 2040 Growth Process and assumed that the regional and local partners would not be able to do the things that they had committed to do. He believed that the five years of work that he, many of the members of staff and Council had been in, would be far more productive in terms of providing better for urban form for the long term and that Metro would be successful.

Councilor McCaig said as a result of that she would like to point out that the site itself was not recommended by the State, the Executive, local partners, or another universe of partners that Metro had who would be pursuing this broader goal with Metro.

Presiding Officer Kvistad followed up by saying that the responsibility of this Council was to build better urban form and picking sites that did that. The State recommendations were fine, he believed that in certain respects they had a job to do to bring forward in terms of general discussion as well as comments by the regional partners but they did not have the responsibilities that the Council did to put this package and program together. He thought that the work the Council had done spoke for itself. He thought it was very good work. He respectfully disagreed, he believed it did qualify.

Councilor McCaig said that she did not disagree that the Council had a role of leadership, to take some risks. In fact she was willing to take some risks with both St. Mary's and Stafford but the result of the remainder of this process and the fact that in order for the Council to be successful they had to have some partnerships with people in the region, the Council could not be out there entirely by themselves with this product. In her view this had no legs, it did not even have a moderate level of support from anyone else who in the past had been Metro's partners in pursuing 2040 goals. This was what worried her.

Councilor McLain responded that the Metro Code was coming next. As far as the partnerships, she had sat through every meeting on these issues and there was support out there. There was support for the 2040 Growth Concept and its was an acknowledge growth plan along with the RUGGOs document. She believed the Council was doing their job by showing some leadership with the 2040 growth concept as well as the Council's responsibility of management of the Urban Growth Boundary.

Presiding Officer Kvistad said that they had based their decisions on Urban Reserves based on MPAC and Council decisions about the Growth Report and what the needs would be. That Growth Report was developed with optimistic numbers based on information that was put forward by the local partners prior to Measure 47. At this point the local partners were talking about that they might not be able to accomplish some of those goals. That did not mean that the region would need less land, it meant that the region would need more land in terms of the urban reserves because of the long term need for land if the region couldn't accomplish inside the boundary what was needed to accomplish. He thought that rather than expand the number of acres that the Council wanted to add that this reduction was healthy. He felt that the Council would come up with a number below the Growth Report number. In the long run this should be a very positive and pro-active way to go.

Presiding Officer Kvistad reviewed the motion on the table, this motion added Site 63A.

Vote: The vote was 6 aye/ 1 nay/ 0 abstain. The motion passed with Councilor McCaig voting nay.

Presiding Officer Kvistad said that they would consider Site 64 next.

Motion: **Councilor McLain** moved to delete the EFU land from Site 64 and add 17 acres to make a better boundary at the road.

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

Discussion: **Councilor McLain** explained that in Site 64 the Council had taken out the EFU land to the north and to the east. There was a portion of EFU that staff forgot to take out. She asked for that EFU land to be amended out and add 17 to 18 acres of triangle to make a better boundary at the road. Metro had been approached by the property owner there indicating that if the Council was going to leave all of it out, then fine. But they were completely surrounded with urbanization and there was a hard road on the other side. The Council had also taken away the only other filbert orchard that the farmer leasing the farm land was farming, thereby no longer making it profitable to farm this 17 acres by itself. She asked the Council to make a better boundary and to take out the EFU land to the east.

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

Presiding Officer Kvistad announced the consideration of Site 65. He said that there were three members of the Council who had competing amendments in this area, Councilors McCaig, Naito and McLain.

Motion: **Councilor Naito** moved to delete the EFU land and exception lands in the middle of parcel 65.

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

Discussion: **Councilor Naito** said the reason for the motion was that Springville Road was a good barrier between all of the development that was occurring and the resource land to the north. Once you developed farther it would lead to urban sprawl because there was no other good barrier. According to the findings she did not believe that they passed muster and the State had also said there was no specific need that they were pointing to in terms of a jobs/housing imbalance or any other specific need that had been identified. It was not within the Hillsboro district. The efficiency factors should go way down if a new analysis was done because she believed it was this portion that was excluded by the Council in December that actually added to the increase in the efficiency ratings for the rest of the parcel. She did not believe that Site 65 would pass muster in terms of the findings when you considered that EFU land was included. The State's letter indicated that if this parcel was brought in, the fact that the parcel was surrounded on three sides by development or exception land did not necessarily justify bringing it in.

Councilor McFarland asked how much of the land that was being taken out was being farmed?

Councilor Naito said that she believed this area was being farmed (pointing to the map) as well as an area that had a nursery on it, the Fishback property.

Councilor McFarland indicated she had received calls from the Fishbacks and other farmers on the part that was being recommended to be taken out.

Councilor McCaig said that the aerial picture showed fairly clearly where the farming was in that site. She spoke to the exception land contained within the proposal. In reviewing the findings and the State's position they made it very clear that they believed that by leaving those exception lands in and taking the ag lands out that we would fundamentally be changing the character of those exception lands and the land around it. This was the reason for the proposal to take out that whole batch including the exception lands in the middle. It changed the overall composition land around it by leaving those exception lands along. She reiterated that the proposal was to take out both the EFU and the exception lands in the middle of the parcel.

Councilor McLain said she had voted no to exclude this twice but she could not vote for that amendment because of what was just done. If everything along Springville Road was removed it created a finger of land that came up, a narrow piece and that road over there to the right, Kaiser, where she questioned the efficiency there or what was left was worth doing at all. If there was going to be a deletion of the whole thing, she had voted no twice on that. She had an amendment that was on the board that would delete just the EFU to the right because there was efficiency and at least two major facilities and road to deal with that way. She could not vote for this motion in that configuration.

Councilor Naito said she would consider a friendly amendment to delete what Councilor McLain spoke of, however, she had talked with Legal Counsel and in light of the fact that it was exception land she was advised that it was preferable to leave this in terms of the exception land and because of the road that could service it. The reason she made the motion she had was on the advise of Legal Counsel.

Councilor McLain said that this was one of those areas that was hard because there was exception land and their was EFU land. The issue was that when you leave EFU land in, you must make sure that there was a reason for efficiency or special need. There must be a reason that you can prove that that EFU land was different than some other EFU land that had been deleted. This piece had been carved up many times. In carving it up again the Council must have something that was defensible. She asked Mr. Shaw to respond.

Mr. Shaw said that he did not mean to advise that the exception land finger had to stay in. He merely said that because exception land was the first priority under the Urban Reserve Rule, it would be defensible to leave exception land in. This was part of the problem with the Urban Reserve Rule, it did not get very specific about issues like the Council had just dealt with on Site 46, a chunk of exception land surrounded by EFU land. The State of course felt that the Council should take this land. In effect if the Council approved this motion as stated, they would be deleting exception land that was surrounded by a farm land once again. He thought the individual area and the Council's knowledge of it, especially on boundaries and the major urban services like streets, sewer and water must be the way that findings were supported on these parcels.

Councilor McCaig said she started from the position that she would move to delete the whole parcel. Given that Councilor McLain said that she originally supported deletion, Councilor McCaig asked that the Councilors consider this as a friendly amendment.

Councilor Naito said she would accept this friendly amendment. She said she may have misunderstood Legal's recommendation.

Presiding Officer Kvistad announced the amended motion which was complete deletion of the parcel in total.

Councilor McLain said if there was not enough votes on this she would be coming back with her motion.

Motion

To Amend: **Councilor Naito** moved a friendly amendment to delete all of Site 65.

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

Vote: The vote was 3 aye/ 4 nay/ 0 abstain. The motion failed with Councilors Washington, Morissette, McFarland and Presiding Officer Kvistad voting nay.

Motion: **Councilor McLain** moved to delete the resource land east of Kaiser Road on Site 62.

Seconded: There was no second on the motion, it died for lack of a second.

Discussion: **Councilor McLain** said that it was at the edge of the site and with the two pieces of exception land in there, she thought that there was a corner of that that fed into what was left of that area of resource land. She

noted that she had voted against 65 twice and this was her last attempt to do the right thing about the exception land and the EFU land in this area because it was mixed.

Presiding Officer Kvistad asked Mr. Fregonese if that was a power corridor along 66 or a road?

Mr. Fregonese said it was the power corridor.

Councilor McFarland asked Mr. Fregonese to show her where the two farms were on the map.

Presiding Officer Kvistad responded that the two farms were the two squares within the triangle.

Presiding Officer Kvistad said that the parcel portion of this meeting was completed and called for any further additions or corrections, indicating they would require four votes. There were no further additions or corrections to the parcels. He announced that the Council would move to the Code portion of the ordinance. He had proposed a Code ordinance, however, Councilor McLain was moving forward the Code change recommendation so he withdrew his code motion. The items before Council was dealing with the Code itself. He noted the set of amendments brought forward by Councilor McLain, Chair of the Growth Management Committee.

Councilor McLain asked to attach Exhibit A to the Urban Reserve Ordinance. The Exhibit A were the amendments to the Metro Code 3.01. She brought to the attention of the Council that these amendments on the Metro Code Urban Growth Boundary amendment procedures including amendments based on recommendations made by the advisory groups and also members of the Growth Management Committee had review them. It had been to MTAC four times, MPAC four times and WRPAC twice. The Committee also had comments back from affordable housing advocates and Legal Counsel on wording for many of the jurisdictions. There was also a meeting with two of the subcommittee members of MPAC and John Fregonese who were on a subcommittee that would be reviewing this one more time at the MPAC meeting on February 26, 1997. The significant changes that had been made she listed for the Council on the front of the packet. She read these and added numbers 5 and 6. Number One was that the new 3.01.012E2 to allow a UGB amendment without city agreement or annexation if necessary to comply with the 2040 Growth Concept or State requirements for needing housing or a 20 year land supply. What this did was allow Metro to fulfill their responsibilities of management of the Urban Growth Boundary. Two, adding descriptions of orphan sites for application 3.01.012E3. At the committee level they had gotten discussion from both lawyers and from consultant and local jurisdictions that Metro needed to call out the orphan sites and they did so. Three, the deletion without public subsidy. There was a section on affordable housing which both Mr. Washington and herself and the affordable housing advocates and Coalition for a Livable Future had been trying to work through to take care of the major issues and concerns. It had been brought to her committee's attention by some MPAC members, some lawyers, and consultant that they were denying affordable housing with the wording 'to be dealt with any public subsidy'. They were at the point where it was important to have all strategies for both private and private funding of the affordable housing issue. That was an issue that should be discussed at this meeting and one that she had found some agreement on this particular issue among this Council. At least three or four members had discussed this issue with her so she brought this forward. Four, revising 3.01.012E13 to require city or county review not approval of the Urban Reserve Plans. These were Metro Urban Reserve Plans, this was the Metro Code and the Metro designation of Urban Reserves. How the city and county reviewed it and how they were involved was both through the MPAC reviews, through the local jurisdiction reviews and also through the building of their own comprehensive plans from the basic 2040 Growth Concept Plan and designation that was in the Metro Code. There would be further chances for local jurisdiction to put their own finger prints on their own comprehensive plans and their own implementation of the 2040 Growth Concept through their comprehensive plans and through the building of their Urban Reserves. This was a coordination and partnership with both local jurisdictions and Metro on these issues but Metro was trying to make sure that they had not given away any of the Metro Council responsibilities, tactics or techniques to be able to do the Council's job. It was important for the partners to be able to recognize that Metro had a specific responsibility to the management of the Urban Growth Boundary as well as to the management of the 2040 Growth Concept. Without the Council having those abilities those individual jurisdictions would not have a regional blue print. Number five which she would add, noted on page 3, under Urban Reserve Plan requirement number 2 on line four the word "with the 2040 Growth Concept or to assist the region, a city or a county, in demonstrating compliance with statute, rule or statewide goal requirements for land within the Urban Growth Boundary" were added. Again, making sure that they understood that this was Metro's responsibility and always had been. Number six, on page 4 there was a typo under the school section and that typo said 11) a conceptual

school plan which provides for the amount of land and improvements needed for school facilities, estimates of the need shall be coordinated among effected school districts, the effected city or county and effected special districts consistent with the procedures in ORS 195.1103, it should not be ORS 197.1103, 4 and 7. Also she brought up the controversial issue of HB 2289, their concern was that the Council had not used the language out of there that said 'high growth school district'. In the comments made at the Growth Management Committee level as well as at a couple of the other subcommittee meetings, it was the consensus of the group that the committee was reacting to that they wanted all school districts not just high growth school districts that would have to deal with the Urban Reserve planning. This was the reason for the wording change was made. Those were the issue within this document and she had asked Mr. Fregonese and Mr. Shaw to be available to walk the Council through Exhibit A with as much detail as needed. She asked direction from the Council as to how they would like her to proceed.

Presiding Officer Kvistad indicated that these items were presented in the form of amendments to the Ordinance, therefore, they could be considered as a package of amendments if so moved by the Councilor presenting them. If so the Council would vote on them as a packet of amendments. If not the Council could vote on them individually.

Councilor McCaig appreciated the work that had gone into these recommended revision. Councilor McLain truly had single handily moved these through a variety of different groups. Councilor McCaig said she felt there was not a lot of disagreement with the proposal but it had to move quickly because of the other work being done with Urban Reserves. She guessed that there may be individuals who would see these amendments for the first time at this meeting. These amendments were reviewed in Growth Management Committee on Tuesday. She asked if it would be appropriate of some of the amendments to ask for testimony if there were a question about it? The one in particular she was interested in was the deletion of the public subsidy which had been talked about at the Committee.

Councilor Naito said that this had been briefly touched on in committee and there was still confusion in her mind as to what the appropriate language should be. She thought it would be helpful to get some comments or to have a general discussion among the Council members as to what the Council would be doing by deleting those words. What was the effect of that, was it a positive one or negative one?

Presiding Officer Kvistad suggested the amendments be put on the table before the Council.

Motion: **Councilor McLain** moved Ordinance No. 96-655C with the packet of amendments.

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

Discussion: **Presiding Officer Kvistad** asked the Council if they would like a public hearing opened on these amendments.

Councilor McLain said she was happy to hear discussion on this item.

Presiding Officer Kvistad opened a public hearing on Ordinance No. 96-655C.

Presiding Officer Kvistad indicated he had two letters, one from the City of Tualatin and one from the City of Beaverton (both which were placed into the Permanent Record of this meeting maintain in the Council Office).

Councilor McCaig asked about item number 1. This was briefly touched on in the Tuesday, Growth Management Committee meeting. She addressed questions to Councilor McLain. What amendment did was fundamentally remove the city as being another opportunity for a check on annexation or the adding of new land to the city boundaries. Was this correct. She believed that MPAC had, in the meeting she attended, felt pretty strongly about requiring city agreement.

Councilor McLain responded by saying that she would bring the Council's attention back to the fact that right now under the Metro Code, the cities and counties as local partners who would eventually make comprehensive plans on any Urban Growth Boundary amendment change that the Council made were given the opportunity to react or to put in testimony. Right now for amendments either major or minor was requested to go to the city and the county and let them know that

they were approaching Metro for an Urban Growth Boundary amendment but there was nothing under the Metro Code right now that required the city or the county to approve that particular Urban Growth Boundary amendment. She reiterated that these were Metro responsibilities. The Metro responsibilities were to manage and make any amendments to the Urban Growth Boundary that were made. Metro had made sure that the city and the county had more in the way of a review than they had ever had. They had more of a way of a review in the fact that they would be working with Metro on the Urban Reserve Plans, that they had now under charter, an MPAC group that reviewed almost every single land use decision that Metro did. Because of the responsibilities that Metro had with the Functional Plan and the oversight and implementation of that Functional Plan and later the Regional Framework Plan. They had improved what they had in the way of review of these types amendments, Metro had increased the responsibility of this agency to work with these jurisdictions in this area. Review was their responsibility as far as amendments that was the Council's responsibility.

Councilor McCaig asked Councilor McLain to help her understand, it went through all of the reviews that she had just mentioned with that language included that would have allowed for the cities to have agreement until Tuesday's Growth Management Committee meeting. She was clarifying time frame.

Councilor McLain responded that the situation was that the discussion and the issues that people had had around that language, there wasn't 100% agreement that this language was the best language, was the fact that they had some issues about city veto. The Committee had some issues about if a city or a jurisdiction decided they did not want to do their part then they would not review it or be part of that issue. The debate was over did Metro want to allow a city to veto an annexation that Metro thought was necessary to take care of Metro's responsibility of following state law of a 20 year land supply or following the state law of being about to follow 2709 or to follow the state law dealing with 122 annexation and service agreements. It was proposed to the Council by legal staff to defend and protect Metro's responsibility as well as their obligations.

Councilor McCaig said she did not know enough about the specific, the substitute issue to argue the point. What she was trying to understand was where in the process did this amendment surface and who had reviewed it. Part of her comfort in voting on it was understanding that it had had some review and comment on it. When she reviewed the document that first time Councilor McLain presented and then again at the Growth Management Committee meeting Tuesday, it did not include the language before the Council at this meeting. It included that the cities would have the opportunity. This was an amendment that came out of the Growth Management Committee discussion on Tuesday. It had not been to MPAC yet?

Councilor McLain indicated that the amendment would be going to MPAC on February 26, 1997. Mr. Fregonese and MPAC staff, Barbara Herget, had agreed to send out the Growth Management Committee's version of this particular document to the MPAC members as soon as this meeting was over.

Councilor Morissette addressed Councilor McCaig and said that he believed without some modification to the language there would be veto to the Council's authority which under statute the Council was required to be in charge of. This amendment clarified what the law was and allowed the Council the opportunity to do their job.

Councilor McCaig said she was more than willing to have the discussion about the merits of the proposal but she also wanted to understand whether the impression that the Council had left with the people that had been asked to review it up to this point had been, it would be included. As of now after review from Councilors McLain and Morissette there were further amendments which Councilor McCaig felt were appropriate. She was just trying to figure out when this came to the table and who proposed it.

Councilor McLain said she felt that the Council was getting there. The issue had been that this had been a working draft and that refinement amendments had come in for almost eight weeks. There was a situation with MPAC where they chose not to do it at their last meeting, they felt they did not have time. She said she would come to the Presiding Officer and the Council to let them know that MPAC wanted to review the document again on February 26, 1997. The MPAC staff as well as Councilor McLain herself assured MPAC that they would get whatever the decision was at this meeting to them so that they could discuss it on February 26th. The Council was making a commitment to give out any work, this was Metro's product, its Code, to go along with the Urban Reserve designation, but the Council had to have time to work. Right now this was the opportunity to amend it so that it could go back to MPAC on February 26, 1997.

Councilor Naito reviewed this amendment for the first time and shared her conflicting impressions. One was the timing of it, if the Council adopted some amendments at this meeting with the expectation of voting on it next week, the Council would not be able to amend it next week.

Councilor McLain said that this Council had choices. The Council could choose to extend a debate a week or two. The Council's options were to vote out amendments at this meeting so Metro's partners have an opportunity to review it which she had guaranteed to them that they would have on February 26, 1997. Then the Council could come back, if there were further amendments, and chose not to vote on the package on February 27, 1997 but rather the first week in March.

Councilor Naito said it was important to her that MPAC had the ability to look over the amendments. However, as a policy matter, she felt that Metro must not allow a jurisdiction to decide on their own that they did not want to participate when on a regional basis the Council had decided this was where the region should go. She supported this in policy but she did want the local jurisdictions to have a chance to comment on it and maybe some language could be drafted that accommodated both needs. This allowed for their input, the opportunity for them to be heard and to discuss the merits of opposing or agreeing to an annexation so that at least they had a process where their concerns and voice could be heard. This was kind of a balance that she felt the Council could find, she was unsure as to whether this language did that or if there was something else needed.

Councilor Morissette said he felt that most Councilors had some concerns about the language, his was that he felt that 10 units per acre was high at the fringe of the Urban Growth Boundary, in highly partitioned land. However, he had left some of this by the wayside. He did support the fact that Councilor McLain had brought forward an amendment to make sure that the Council maintained the control that he felt the Council was elected to operate within. He whole heartedly supported not giving up the Council's control to determine what happened with the Urban Growth Boundary.

Councilor McLain asked this Council what they would like to do. She had done her work, she had carried it through all of the groups, brought it through the legal staff and had done her best job to put forward a package of amendments that she felt covered Metro, the agency and Metro, the manager of the Urban Growth Boundary. It was up to the Council to decide when they wanted to make their amendments, vote on those amendments and vote on the final package.

Presiding Officer Kvistad asked for further questions on the amendments.

Councilor McCaig asked Councilor McLain to speak on the intent, concerning public subsidy.

Presiding Officer Kvistad opened a public hearing on the six amendments before the Council. He asked members of the public to keep their comments specific to those amendments.

Mr. Mike Burton, Executive Officer, said that Councilor McLain had mentioned the work that had gone on with MPAC regarding the Code. He felt that Councilor McLain and the staff had done a tremendous job in trying to inform local governments. However, he indicated that these amendments were new to him and to any local governments. He was unsure how amendment number one got on the list particularly however he would guess that it was probably recommended by someone representing someone who owned some property in the specific place and that the particular draft of this by legal counsel was directed rather than recommended. He also suggested that the annexation questions would be left with the boundary commission until the statutes in the State changed, this would be their prerogative, neither Metro's nor local jurisdictions. He felt that this needed to be discussed in the context of these amendments. Also, he suggested that the first and fourth amendment on the list would create a tremendous reaction from local governments who already viewed Metro as an 800 pound gorilla. Without a lot of discussion with them Mr. Burton suggested that all of the Council attend the MPAC meeting to get the sense of what local jurisdictions may feel about this rather than relying on letters that were coming in from local jurisdictions. He reminded the Council that the local jurisdictions were Metro's partners and certainly the Council's responsibilities were clear in both the Charter and the Statutory Regulations but the local jurisdictions were the ones who had to actually do the developments and carry out the aspects of this. If the Council wanted to cut off discussion with them they might just be doing that.

On the issue of deletion without subsidy, effectively what this did was said that any affordable housing units would have to be paid for out of the public trough and not by the developers. This was the difference about what this meant. What was being attempted was to try to find a balance where if there was going to be some built that some of it be developed with the development efforts that came into it. He thought that this issue was a large one and did deserve a great deal more discussion before it went forward. He supported what Councilor McLain said, it needed a lot more discussion. He felt that to eliminate this would foreclose one option the Council might have.

Councilor McLain asked when did the Council get to do their work? She had told MPAC that she would bring back to them on February 26th the Council's thoughts and amendments and document to review. If the Council did not vote on any documents or amendments then MPAC would not know what the Council thought. If these items were controversial and she believed they were, then there needed to be a vote so that MPAC knew where the seven Councilors were coming from. So on February 26th, she could go to MPAC, indicate the Council had reviewed and amended it and ask what MPAC thought. If they did not like it, this was fine, they could let the Council know. If the Council agreed with MPAC amendments, then the Council could bring those amendments forward. When did Council get to work, Mr. Burton? Were they just a rubber stamp? She did not believe so.

Ms. Peggy Lynch, 3840 SW 102nd, Beaverton, OR 97005 appreciated the discussion the Council had and certainly hoped that the Council would consider an extension of time in order to complete this discussion. She understood that she was to be speaking on the six amendments but she told the Council that there were other portions of the document that were amended on Tuesday at the Growth Management Committee besides these six amendments that had not been seen by anyone. As a member of MPAC she encouraged the Council to listen to the review on February 26, 1997's MPAC meeting and listen to some of MPAC's concerns. MPAC had dealt with this conceptually, they wanted to have a plan. But it had never been language specific. The language specific targets kept moving. For instance, the school's issue which was amendment six. First, the document that Ms. Lynch gave Councilor McLain was a copy of the ORS so that she knew what she was talking about when Council said ORS 195.110 3, 4 and 7. Section 4 of that ORS talked about high growth school districts which included a definition of 'high growth school districts'. There wouldn't be any high growth school districts when one first did an urban reserve plan, it was the whole idea of making a plan so that the growth was created. Therefore, she was very concerned and the school's representative on MPAC who provided the initial information and language for this was very concerned about having an opportunity to be assured that the school districts like sewer, water and the rest of the school districts had the opportunity to participate in the urban reserve planning in an appropriate manner. She also asked the Council look at the entire urban reserve plans when the Council talked about whether or not local jurisdictions got to review or approve them. The Council had on page 2, number 3, where the Metro got to do the blobs, the growth concepts. Then one got into the urban reserve plan which was very specific talking about densities, transportation plan, open plan, public facilities, if not local jurisdictions then who? She respected Metro Council's final responsibility in all of this but she was very puzzled by this process because the local jurisdictions would be the ones to make those urban reserves communities. So either there needed to be a revamping of the way this was written so that the Council had reasonable responsibility and authority while the people who actually have to do the work had that responsibility.

Councilor McLain asked Ms. Lynch what her understanding from MPAC of what an urban reserve plan was and what had been the discussion between too detailed and not detailed enough, general versus specific?

Ms. Lynch responded that she was not sure that there had been a complete discussion compared to the current urban reserve plan that was before Council at this meeting.

Councilor McLain asked if it were true that in the MPAC group as well as some of the other groups that they had been asking for more specific language on some of these issues or not? Did they want more specificity or less?

Ms. Lynch responded that she thought it depended on the issue. She thought they wanted clarity about who was responsible for what and they wanted to make sure that all portions of a community were considered when Metro was doing the plan. She was not sure if she could answer this.

Councilor McLain asked what about schools and affordable housing?

Ms. Lynch responded that she did not know how to answer that question. The document that was before the Council removed the House Bill number on it, the document itself was the ORS number. She said the Council should have that portion of ORS that was cited in the document so that they knew what they were voting on.

Mr. Kelly Ross, representing the Home Builders Association of Metropolitan Portland spoke to amendment number 3 which dealt with the deletion of the words 'without public subsidy' from the urban reserve planning requirements. He had not planned to make a presentation at this meeting and in fact he was planning to have a detailed presentation to MPAC at their meeting. This provision before the Council surfaced at the MTAC meeting one week ago. It was voted out on a split vote. It was an extremely significant provision. It put in place very serious policy. Metro's own housing needs analysis projected that there could be up to sixty thousand households during the next 20 years that needed some kind of subsidized housing that were putting in up to 30% of their gross income into housing. If the words 'without public subsidy' were left in the provision, it would be looking at requiring the private sector, the home builders, to provide those kind of subsidized housing units. In the areas around the county that had this kind of a requirement and they were fairly limited, there had been discussion that they may violate the 5th amendment of the constitution, the takings amendment, because it in effect required a developer, a property owner, to give up a certain amount of their income or potential income to build these homes, to provide something at less than market value. The reason that they had assumed to be in conformance with the constitution was because there was usually trade offs, benefits provided to the developer to trade off those kind of costs. This amendment did not require that, it was a simple very basic sentence that dealt with the huge area of requirements. He urged the Council to go as slowly as possible and carefully consider this before there was any decision made on it.

Councilor Washington asked Mr. Ross, if not this then what?

Mr. Ross said that this was a valid question because he thought affordable housing was a big issue. He felt that this was an extremely simplistic way of dealing with this issue. It would take a public and private partnership to deal with this issue. He felt it was very unwise to limit this completely to the private sector and put the entire burden on them, a burden that should be legitimately borne by the public has a whole because it was a societal problem.

Tasha Harmon, Steering Committee for the Coalition for a Livable Future, 802 SE 27th, Portland, OR 97214 spoke to the issue of the language 'without public subsidy'. She was part of the group that worked on the drafting of this language. It was in her mind insufficient compromise language even without words struck. She wished to clarify the intention of this language. Number 5 and 6 were intended to be taken together. Five read demonstrable measures that would provide a diversity of housing stock that would fulfill needed housing requirements as defined in Oregon Revised Statutes. That said jurisdictions needed to look at housing need in terms of income levels and rents. Number six was a piece of the tool. It said demonstrate how residential developments would include housing afford households with below median incomes without public subsidy. The original language when it was proposed to MTAC said 'an inclusionary housing policy'. Inclusionary housing policy said that private developers will include moderately priced dwelling units was the language they used in Montgomery County where this policy had been in place for twenty years and had withstood many legal challenges. No one was suggesting, in this language, that we couldn't use public subsidy dollars to produce affordable housing. They were suggesting that in addition to whatever they were going to do under number five, they needed to demonstrate that housing for people below median income, 80 to 100% of median income for instance, would be provided by the private sector as part of what it did in those regions. They were not saying in this language that they could not use public subsidies to provide housing for very low income people, people that were below 60%. They were saying the private sector needed to do its share. The private sector had been telling them that they could be part of the solution to the affordable housing problem. In Montgomery County it meant that one built some town houses and some fourplexes in the suburban subdivisions. It meant that the builders provided some starter homes. It meant that the builders did just build large, middle and top end market housing. Yes there could be city bonuses and she still thought that, at ten units per acre average, they could provide density bonuses to help off set costs. It was crucial that the developers knew when they began to bid on this land in the urban reserves in anticipation of an Urban Growth Boundary expansion that they would be required to do something beyond provide upper class housing. If there was no language in the Code that said this, they would bid the price of land up so high that they would not be able to provide anything at below market. Recognize that on the transit line between Gresham and Portland 80% of median was market. They were not asking the builders to provide housing that would require deep subsidy, they were asking them to diversify what they build, to build communities that included a real income mix, and to take some of that responsibility on for themselves not to expect

public subsidies to provide for the low end of market rate housing or could be the low end if they were willing to build smaller on smaller lots, build multi-family dwellings in these areas and maybe take a slightly smaller profit. Taking these legislations in this county did not say that the developer was guaranteed the maximum possible profit on their piece of land, that was not guaranteed by the constitution. It had been held constitutional in many places that developers needed to include a broader spectrum of housing. It was a clear public good. There would be huge windfalls generated by the drawing of these lines that the Council had been so carefully thinking through. Those windfalls could accrue to a very small group of people or part of them could be captured to deal with a region wide quality of life issue called the jobs housing balance and affordable housing for working class people, for the people who worked at Fujitsu, who worked at Starbucks, who were retired and on fixed incomes, who were adult children who would be in their parent's house until they were 35 if there was no affordable housing in these areas.

Councilor Morissette said that from a person who bought land, the supply and demand mechanism was alive and well in the county. With so many people vying for so few pieces he did not think it was so much that they were bidding it up because they want to but they were bidding it up because there were too few amount of it so that when something did come available there was a lot of people chasing it to get it to happen. This was more of a comment to Ms. Harmon's issues than the other points in relation to who should pay. He felt for the problem, he cared about affordable housing, but he sometimes felt like thumping himself in the forehead when he said he cared about affordable housing but what was the biggest reason why his houses were going up, was because land prices were going up. He said that "we not you" have a wrestling match with that that needed to be worked out and try and find a solution. Supply and demand was alive and well when so many people were going after a limited commodity. This was a big reason why the prices were going up so fast.

Ms. Harmon said she understood that issue. What she was trying to accomplish with this piece of language, and it would work a lot better if there were real numbers attached to it, such as 20% of the units at 80% or below, or some other clear expectation for developers. If it was zoned for residential development people would bid for the land. No one would bid higher prices that they thought they could make a profit on. As a builder one would not bid more for the land than they thought they could recover. If the Council said up front, affordable housing must be provided in the region as part of what was being done, without additional government subsidy, not for 30% of median income but for 80% if it was renters, 100% if it were home owners. Then every one who was bidding on that land had that piece in their head when they were bidding. The builder would not be competing against someone who did not have the restriction. They were trying to level the playing field across the region and say to people who would be bidding on land, here was a constraint. It was the same thing in terms of pulling the buildable lands out first, here was a constraint, here was a parcel but you could only build on this piece of it so don't bid for it as though you could build on another piece.

Councilor Naito said she was struggling with this because she had a problem with the demonstration of "without public subsidy" in the sense that if there were public subsidies available or abatement of SDC charges or other kinds of local options, she thought the Council needed to consider those. The Council should look at these as a community. She wondered at the wording of the language now. If the amendment passed, in terms of an urban reserve plan, the Council was putting this on the table that the Council would require a showing of where the developments would include housing with below medium income. She guessed that by deletion of the language she thought they were taking care of a potential problem if there were public subsidies available rather than requiring a showing that no public subsidies were allowed.

Ms. Harmon responded that the issue was who was going to be responsible, the issue was about expectation. If that language did not exist in the amendment she would be happy to rewrite the amendment to say, developers must understand that 20% of the units that they developed in any project over 20 units, if it were a rental project, it would have to be affordable at 80% or below, if it were a home ownership project, it would have to be affordable at 100% or below without public subsidy. Anything below that and you would start talking public subsidy. The jurisdiction, in its plan, (number five) would have to deal with the full spectrum, not just the piece that number six talked about, but the full spectrum. She worked with Mr. Shaw on this language. The original idea was to talk about inclusionary housing policy but because there was not working legal definition yet through the Metro Council about what inclusionary housing policies would be, it did not work in terms of the legal language. Again, we had a unique opportunity in the urban reserves, the land prices hadn't been bid up yet, the land as it was valued at much lower rates than it would be when it was brought into the Urban Growth Boundary. It part of that value was not captured by telling the developers ahead of time that they couldn't bid the prices up that high because they were responsible for dealing with part of this need then we would be in a position where there must be subsidy housing at 80% and 100%. We already knew that we didn't have enough public

subsidy dollars to meet the need even for people at or below 80% or at or below 60%. We were struggling with an incredibly difficult prospect even just in the City of Portland on those levels. We could not afford to ask the government something that the market could provide.

Councilor Washington said that this was one of the toughest issues that the Council was dealing with, the issue of affordable housing. He thought that most people were committed to trying to do something about it. If there was another piece of information that was going to be developed Councilor Washington suggested Mr. Ross from the Home Builders Association, Ms. Harmon and Mr. Shaw get together to see what they could craft collectively. He thought that it would be a lot better if these individuals were talking together and not separate from each other. He asked if this was a possibility.

Ms. Harmon said she would meet with anyone who was serious about working on this issue. She retained her rights to testify to what she actually thought needed to happen rather than whatever the compromise language that got drafted was.

Councilor Washington said in his request he was not telling anyone what they needed to do, he thought that since Mr. Ross and Ms. Harmon really were the keys to this, they ought to be talking.

Mr. Ross indicated he would be happy to talk.

Presiding Officer Kvistad spoke to Ms. Harmon indicating that he was fairly private property oriented. When he heard capture of value and he was trying to be there with her on this issue, he wondered how we got there when we looked at income that would be derived to someone that owned a piece of property that they and their family owned and would rely on whatever the income would be for whether it was a sale or private property ownership and we transferred that without due compensation. How did he justify that kind of a shift of resources.

Ms. Harmon responded that we heard a lot in this culture about government takings. Dollard was a good example of the legal response to takings. It was important to talk about this because as defined, a government takings meant that the government was not allowed to restrict in any enormously detrimental manner what somebody could do with their property in a way that substantially reduced the value of that land without providing compensation. That was in essence what the 'takings law' said. There was no case law in the United States about government givings. When a government made a choice to invest in infrastructure, to rezone for increased density, to whole variety of other things, the government in essence increased the value of a piece of property. The government made a choice of increasing the value of that piece of property, in this case enormously. Next week, the Council would be drawing a set of lines that said these land owners land may suddenly become much more valuable while these land owners over here weren't going to gain from this process, their land remained rural or exception land. The Council had already made a set of choices which arbitrarily increased the value of some people's land and not others. These people would not be screaming about a "takings" because it was not an affirmative action that the Council had taken. The Council had taken an affirmative action to increase the value of this land.

Presiding Officer Kvistad clarified that you had no increase in value until you had a sale. Once you had a sale, you had a private sector person that had in their hand a value for an asset that they owned that they had a right to expect compensation for and the dollars due to them on that sale.

Ms. Harmon said, let us say, that you own a piece of property that the government decided in this urban reserve area to zone low density residential and the neighbor had a piece of property that the government decided to zone high density residential. Because of a government decision, one person's property increased in value more than the other person. What she was asking the Council to do was to make a government decision that said, we were imposing what was essentially zoning, the way inclusionary housing was talked about in Montgomery County, was that it was an inclusionary zoning policy, it was part of the police powers of government, and the police powers of government were required to benefit the public as a whole. What she was asking the Council to do was to make a police power zoning decision that said the value of this land was as residential housing zoned with a requirement for affordability, that 20% of the units be affordable. It was exactly the same kind of decision if the Council decided that different parcels were low density versus high density.

Presiding Officer Kvistad said he appreciated Ms. Harmon's discussion on affordable housing. He thanked her for her presentation.

Mr. Doug Draper, General Manager of GENSTAR Land Company NW, said that the focus of his company's efforts had been on the Urban Reserve decision as if effected St. Mary's property, Sites 54 and 55. He had now seen Code changes, he asked that there be an opportunity for individuals and companies to provide written testimony to these changes. In principle he felt that it was a great idea, the urban reserve plan requirements were sound idea. They would like a bit more time to prepare constructive comments. On the issue of affordable housing, he felt that it was an important aspect of development. He thought that the Council needed to be careful and take out the words public subsidy. He understood the arguments made and did not necessarily disagree with those but others would have a different interpretation of what public subsidy might mean. As the Council knew, people could get tax credits for providing rental housing at below median income levels. Some would argue that the tax credits were public subsidies or public moneys, he did not believe this. It was not uncommon for the developers through their process of doing their planning and developing to negotiate issues with the approving authorities. He suggested not to take away the opportunity for approving authority, municipality through that process of trade offs, that some would construe as public subsidy, because may be you would only give 12 acres of park, don't take away the opportunity to trade that off for some affordable housing. Leave all of your options open. The final thing that Metro should look at in terms of affordable housing was for Metro to consider location. Again, market on transit routes was 80% of median. There was a reason for that, because they used public transit. So there may be locations in the urban reserves where it may not be a sensible to promote the same kind of inclusionary zoning type rules relative to affordable housing as it would be in others. He cautioned the Council to take this into account.

Councilor McLain said that they had talked about if inclusionary housing belonged in this document. Again, it was the situation where the Council was talking about specificity versus general. The urban reserve concept as per today's discussion was to remember that Metro was the general blue print. Metro did not do comprehensive plans or implementation. Her question was, how detailed did they want this concept plan to be, remembering that it was the blue print from the Metro Council and not part of the comprehensive plans that the jurisdictions would make. Second, she directed her question to Mr. Shaw, she asked if inclusionary planning or housing belonged in a regional framework.

Presiding Officer Kvistad said he felt that was obvious.

Councilor McLain said she felt that it was not obvious or they would not be debating the issue.

Presiding Officer Kvistad said that this was a policy discussion the Council needed to have.

Ms. Wendie Kellington, Lane, Powell, Spears, Lubersky, responded to Mr. Burton's comment. She did not like everything that was in it but she felt it was a good document and she thought it was a particularly defensible document with the amendments that Councilor McLain had made. She thanked Councilor McLain for her courage especially this very controversial provision that said that the Metro Council may approve a Urban Growth Boundary amendment if it was required to assist the region with complying with 2040 Growth Concept or a statute, a rule or state wide planning goal like needed housing. These were novel concepts, give her a break. This had nothing to do with the Boundary Commission, it had nothing to do with anything except for one idea, a red neon light, what goal three was to counties, goal ten was to cities. In the twenty plus years of this planning program most local governments had been willing to step up to the plate and to swallow the tough political pill that were these state wide planning goals. Cities had not had to do this yet. In those 20 years there had been several counties that had given the State a hard time on goal three compliance and in that 20 years they would see some cities giving Metro a hard time on goal ten compliance. The Council had already seen some of this. Annexation should not be a condition of the Council performing their job on determining that the Council had a Urban Growth Boundary that had an adequate supply of land for affordable housing, needed housing, jobs all of those things.

Presiding Officer Kvistad announced the close of the public hearing.

Discussion: **Councilor McCaig** stated that Councilor McLain made it clear that some opportunity was present to do a little bit of time gyrations and given what had been heard at the public hearing, what would be the proposal if another week should be accommodated.

Presiding Officer Kvistad stated that it was not his intention to put this forward if, after the present items was received by MPAC, should there be four members of the Council who wished to amend any of these code documents, four votes at the next council meeting would allow them to bring forward any amendments or changes. At that time, as with all ordinances, changes could be made. It was not his intention to change the date for final action on this ordinance.

Councilor McLain stated that she hoped that Metro Council would not sit here and walk away from this document. She stated her preference for voting on this document. She stated that she wished to present it to MPAC at the present time.

Councilor Morissette asked Mr. Larry Shaw if these amendments could go separately with the ordinance? Mr. Shaw replied that they could go separately. The way the ordinance was written, they were set to go with the ordinance. The ordinance would have to be rewritten but it could be rewritten any way the Council wished to do it. Councilor Morissette stated that he was comfortable with putting out his positions based upon the work Councilor McLain had done on this matter. He did not wish to extend the urban reserve discussion. He stated the need to draw the matter to a conclusion at some point.

Councilor Naito supported moving forward, making a decision and submitting a working document to MPAC so that they might know 'where the Council is coming from.' She supported the concept of two separate ordinances since she was in favor of the code concepts and yet not supportive of the entire urban reserve decision. She recommended separation of the two ordinances because, in that sense, Council could delay one more week on the code changes if amendments were to be made to that.

Councilor Washington asked Ms. Harmon and Mr. Ross if they could get the work requested by Councilor Washington done in one week. He stated that the parties involved should meet and try to reach some sort of conclusion. If this could not be done, the matter must be referred to Metro Council for action.

Presiding Officer Kvistad stated that based on what Council was working on, based on what was before Council this afternoon, he did not believe that it was the consensus of the Metro Council to put off any portion of this document for another subcommittee to review. Presiding Officer Kvistad further stated that Councilor Washington should meet with the two parties in question and discuss the matter after Council meeting today.

Councilor Washington asked Councilor McLain if this was OK with her.

Councilor McLain replied that she hoped all would do work next week. The situation was that she had a package and she wanted some votes on the amendments. When she goes to MPAC, she wanted to discuss the first cut that Metro Council made. If there was then some compelling information that came out of MPAC, she would listen to it. Then there must be four votes at the next meeting that wanted to hold up that vote for another week so more amendments could be made. She stated that she was ready to vote.

Councilor McLain stated that she would like to see Metro Council pass these amendments. The only two that she was really involved with were Amendments 1 and 4.

Councilor McCaig asked if the amendments would be voted on individually. Her second question was with the document - we wouldn't be voting on the total document. We would be then taking the document as amended without voting on it because there was a fine distinction there.

Presiding Officer Kvistad stated that this was incorrect. Metro Council would make the amendments and then forward the document in a motion that Councilor McLain would make accepting the document and moving it forward for final action at next week's Council meeting. Any changes or adjustments would come from review by whoever reviewed it and brought forward and had a consensus of the Council to bring forward an amendment. If there was not a consensus of the Council for an amendment, final action would be held next week.

Councilor McCaig stated that this was like having to have four votes to delete. She stated that her hope was just to vote on the amendments. Councilor McLain was correct in wanting to have a position from the Council for people to react to.

By voting on the amendments, Council would have altered the document but postponed the final vote on the document so that four votes were not needed to make an affirmative action.

Councilor McLain stated that Council had to vote on the urban reserve sites today so that they could be forwarded to the next meeting. This document also must be voted on today with its amendments so that it could be forwarded as a final package. Next week, if there were Councilors who believed that the work that needed to be done was compelling enough that the Council wanted to add another week on the discussion, the Council could do that. It could be amended next week. Something, however, must be passed forward in order to amend.

Presiding Officer Kvistad stated his position that this had been Metro Council action on an ordinance from the beginning of the ordinance function as an agency. It took one week to forward actions on for final action. The Council could amend any ordinance at any time; it required an additional week to sit on the table. It was his intention and understanding of the amendment before Council, if voted forward and accepted by the Council, then the entire package would be together - code changes and the actual parcel decisions and that would be the package that would go for final action next week. If a motion to amend was made at that time, then the amendments would be voted on. If they passed, it would be one more week before Council could take final action.

Councilor McCaig stated that she had no intention of delaying the vote or separating the vote and would be happy to keep the two together. Councilor McLain would attest that from the time that Council received this Code revision that she attended two MPAC meetings and had understood that this was important to be tied to the urban reserve decision. She would like to see the two moved and stated that she has consistently said that there needed to be a little wedge more of time for Council to be able to accommodate the information contained in the code. Given the testimony heard today and given the amendments that were today before Metro Council, her opinion was that the process was not being derailed by providing an additional week. In her opinion, criticism would be reduced by following this plan.

Presiding Officer Kvistad stated that under Metro's process, the opportunity to bring up amendments was never denied. The only time a restriction was in force was when specific amendments addressed specific parcels and all must see the amendments so they could look them up and be prepared for the meeting.

Presiding Officer Kvistad called for the final vote on each amendment.

Motion: **Councilor McLain** moved Ordinance No. 96-655C with the packet of amendments.

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

Amendment No. 1

Vote: The vote was 6 aye/ 1 nay/ 0 abstain. The motion passed with Councilor McCaig voting nay.

Amendment No. 2

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

Amendment No. 3

Vote: The vote was 3 aye/ 4 nay/ 0 abstain. The motion failed with Councilors McLain, McCaig, Naito, and Washington voting nay.

Amendment No. 4

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

Amendment No. 5

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

Amendment No. 6

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

Councilor McLain stated that Metro Council now needed to vote on the package to send it forward so that there was something on which testimony may actually be received.

Motion: **Councilor McLain** moved a vote on the acceptance of the attached Exhibit A ordinance that is listed as Ordinance No. 96-655C.

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

Vote: The vote was 7 aye/ 0 nay/ 0 abstain. Presiding Officer Kvistad declared that upon an unanimous vote of Metro Council, the code changes are amended to the Ordinance which will remain Ordinance - C.

Motion: **Councilor McLain** moved the full ordinance, No. 96-655C forward to the next Metro Council meeting for a vote.

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

Vote: The vote was 4 aye/ 2 nay/ 0 abstain. The motion passed with Councilors McCaig and Naito voting no. Councilor McFarland was absent for the vote.

8. RESOLUTIONS

8.1 **Resolution No. 97-2460**, For the Purpose of Endorsing the South/North Light Rail Project Finance Plan.

Motion: **Councilor Washington** moved the approval of Resolution No. 97-2460.

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

Discussion: **Councilor Washington** gave a presentation on Resolution No. 97-2460, which would endorse the South/North Light Rail Project Finance Plan. He stated that it was essential to the 2040 plan, to provide multimodal mobility and also to meet air quality standards. Citizens of the region first supported South / North in 1994 when the Tri-Met bond measure was approved. Again in 1996, this region's voters said 'yes' when voters statewide said 'no' to state lottery funds. In a follow up poll, 70% of the residents stated that they wished to move forward with the South / North project in some form. There was a broad base of support for the recommendations with approval from Metro's partner jurisdictions, the South / North steering committee and JPAC. All approvals were unanimous. There had been numerous community meetings in favor of the project. Congress had stated that the ISTEA game was on. Now was the time to aggressively pursue federal funds. A good track record was evident. Metro could not sit by and just hope that something would happen. The gun had been fired and the game had started. We must be there.

Mr. Richard Brandman, Transportation Planning Department said when Ballot Measure 32 failed, there was an extensive amount of public involvement with respect to how should Metro move forward as a region with respect to the South / North project. As Councilor Washington stated, a survey revealed that more than 70% of respondents from this region stated their preference to move forward with the South / North project. That was a scientific survey conducted by Tim Hibbetts and Adam Davis. What was often overlooked in the discussion about the South / North project was that Ballot Measure 32 passed in this region by 56%. Much public involvement had been conducted since November. More

than 200 public meetings were underway at this point. Those meetings were not all being conducted by Staff but rather by citizen volunteers. More than 55 citizen volunteers were involved. 100,000 mailers had been mailed to households throughout the region regarding the South / North project. There was a survey in the mailer and 3400 had been received back at this time. 80% of the respondents to those had said 'move forward with the South / North project.' One thing learned from the Hibbetts survey was that there was a concern about the cost of the project so there had been a tremendous amount of activity geared to reducing the cost of the project since November. That effort had been successful. More than \$500 million had been cut from the project. That had cut the cost per mile which was also a frequent criticism down to \$58 million per mile which was the same cost per mile as the current westside light rail project. These cuts had included some deferrals and some eliminations. At Clackamas Town Center, for example, the terminus was being shortened and in downtown, there was a new alignment. In Milwaukie there was also a new alignment. The project now also extended into North Portland as part of the first phase. The South / North project had been significantly reduced in its cost. It had been lengthened to go into North Portland. It had 13,000 more rides by going into North Portland. This gave a cost-effective and competitive project for Congress to consider. The current recommendation had passed through the South / North Steering Committee where it passed unanimously; it also passed unanimously in MPAC. This measure requested \$487 million from the federal government to provide funding that would be in addition to the funds that were available locally to construct the project.

Councilor Morissette asked who would pay what in the total cost of the project?

Mr. Brandman answered that the total cost of the project was the result of the various elements of the project. \$487 million was being sought from the federal government. That would match \$540 million available locally. That gave a match ration of 49% of federal funds, Section III funds, for the segment I project. For the full project to Lombard street in North Portland, that was the \$1.3 billion project where Metro would be seeking an additional \$769 million in total Section III funds with the remaining other local funds remaining the same. What this plan was doing was that it was asking over two ISTEA periods, the next period which was what Metro was dealing with right now and the following ISTEA period five years down the road. The remaining federal funds would be sought at that time to complete the South / North project. \$760 million of Section III funds (federal money); \$55 million STP (regional funds); \$10 million of tax increments funds from Clackamas County; \$475 million from the general obligation bond. All of those numbers related to a 58% federal share for this project, the first segment, which was a \$1 billion project, the numbers were \$487 million of Section III funds plus the same amount of local funds adding to approximately \$1 billion project.

Ms. Loretta Pickerell said she was testifying on behalf of **Sensible Transportation Options for People (STOP)** STOP was a grass roots organization based in Washington County that supports transportation systems that foster livable communities. They were founded in 1989 to oppose the Westside Bypass. Now STOP educated the public on how transportation choices influence our region. They advocated for transportation policies and programs that enhanced communities. They were here to lend their support for the South / North light rail proposal. She made four point.

First, the Metro region continued to support light rail. Measure 32 passed in the region and three times in the past six years, the region had voted to approve light rail funding measures. The 'no' votes had been largely due to concerns about project costs although many of those voters did support light rail. She thought the proposal before the Council addressed project cost concerns. Those costs had been substantially reduced.

Her second point was that South / North was critical to the region's growth management efforts. Light rail had been an integral part of transportation and growth management strategy since the 1970s. Light rail was a significant public investment that attracted private investment. It shaped our urban form and enhanced our communities. Steve Fostler, a Portland architect who spoke at Congressman Blumenauer's light rail form in late January described the addition of the South / North light rail to the East / West lines as 'a plus for the region.' He used that 'plus' that these lines form when the cross on the map as a visual image for the value that light rail would add to transportation, to land use planning, to community, and to our economic vitality for the region.

The third point was that light rail worked. From 1990 to 1995, regional transit use outpaced both population and VMT (vehicle miles traveled). Our population increased by 8%, our VMT increased by 14% and transit ridership increased by 16%. MAX ridership was up 48% since it began operating ten years ago and it still was climbing. It was at 35% last summer. Investments along the eastside MAX was not at \$3 billion, both public and private. Last year housing starts in

Portland were higher than in any other city in the region for the first time since the late 1950s. That was one indicator that light rail was helping shape the compact communities that Metro was after without Region 2040 planning.

Finally, the new development figures for westside light rail were also encouraging. Since 1990, almost 5000 dwelling units and \$230 in public and private residential and nonresidential development had occurred just along the westside light rail. These were Tri-Met figures and were fairly conservative. With Oregon's loss of seniority in congress, we needed a strong residential consensus if we were to remain competitive for federal funds. STOP was encouraging the Council to unanimously support the South / North light rail proposal.

Councilor Washington closed the discussion by thanking Mr. Cotugno and Mr. Brandman for their efforts on his behalf in this regard to get Council to this point.

Vote: The vote was 6 aye/ 0 nay/ 0 abstain. Councilor McCaig was absent. Presiding Officer Kvistad declared that the motion passed.

8.2 **Resolution No. 97-2452**, For the Purpose of Authorizing the Executive Officer to Make any Adjustments to the Salary Ranges Required to Implement Current and Future Minimum Wage Increases.

Motion: **Councilor McFarland** moved the approval of Resolution No. 97-2460.

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

Discussion: None.

Vote: The vote was 6 aye/ 0 nay/ 0 abstain. Councilor McCaig was absent. Presiding Officer Kvistad declared the motion passed.

9. COUNCILOR COMMUNICATIONS

None.

10. ADJOURN

There being no further business to come before the Metro Council, Presiding Officer Kvistad adjourned the meeting at 6:30 p.m.

Prepared by,

Chris Billington
Clerk of the Council

DOCUMENT NUMBER	DOCUMENT DATE	DOCUMENT TITLE	TO/FROM
022097c-01	022097	ExecOff Budget	Mike Burton
022097c-02	021197	staff report MLK street	Mary Weber
022097c-03		Ord 96-659A	Mike Burton