

MINUTES OF THE METRO COUNCIL WORK SESSION

October 30, 1997

Room 601

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

Councilors Absent:

Presiding Officer Jon Kvistad called the meeting to order at 12:30 p.m.

I. REGIONAL FRAMEWORK PLAN (ORDINANCE NO. 97-715)

A. Introduction

Councilor McLain thanked Emily Kaplan, Metro Outreach Assistant, Suzanne Myers, Metro Council Assistant, and Michael Morrissey, Metro Council Analyst for organizing the working document for the Framework plan. She called attention to a paper she distributed that summarized the issues that have arisen over the past six months, as the Framework Plan has been under discussion. One of the major issues was the Framework Plan content. Some items needed more work than others. Some items, such as the Regional Transportation Plan and Title III, would not be added until after the document has been approved by Council.

Councilor McLain also noted that the beginning of each chapter will have an executive summary that can act as a stand-alone document for distribution to the general public. She said Chapter 1 on land use needed work. One of the suggestions made in the past six months was that it needed to be briefer. Toward that end, the RUGGOs language and policies could be put in an appendix. Also, the policy statement relating to Metro's policies and role could be made briefer and clearer. A section could be added outlining what the local jurisdictions would be expected to do as partners in this plan.

Councilor McLain said Andrew Cotugno, Director of Metro's Transportation Department, would explain later how much of the work has been done on Chapter 2 and how much was planned for 1998. She said the workshops that were underway this fall would provide input from citizens on Chapter 2.

Chapter 3, which related to Parks, Openspaces, and Recreational Facilities, had been discussed at GTAC and MPAC. The key policy question here was whether and to what extent standards would be established for trails, open spaces, and recreational facilities. MPAC discussed this at its last meeting and information coming from that meeting would provide some direction for that.

Chapter 4, the Water Resources Chapter, dealt with stormwater, flood mitigation, and so forth. Stormwater standards was the only issue outstanding.

Chapter 5 addressed Regional Natural Hazards, which was primarily informational.

Chapter 6 dealt with Clark County. Officials from Clark County would be officially requesting language and policy changes.

Chapter 7 dealt with environmental education. The primary sentiment seemed to be that rather than dealing with this in a standalone chapter; it should be worked into the management sections in some of the other chapters.

Chapter 8, the management chapter, had issues that needed to be clarified, the main one was what applied to Metro and what applied to the local jurisdictions. Comments made at MPAC suggested that legal language needed to be included in this chapter that made the relationship clear between the Regional

Framework Plan and the functional plans. Other good suggestions made on this chapter addressed some of the funding requirements and funding elements.

Chapter 9 dealt with implementation. Again, this clarified requirements made on Metro and on local jurisdictions. Input from legal counsel would be needed to complete and refine this chapter.

Additional topics include affordable housing. A great deal of support existed in the community for assembling a “tool box” of affordable housing techniques. The outstanding issue concerned inclusionary zoning. She said Councilor Washington was putting together a seminar scheduled for November 3, which would bring together the major players to focus on this topic. She said she personally would support a replacement ordinance as part of the basic toolbox and as a minimum, some inclusionary zoning based on incentives. She would also personally like to see stronger language regarding coordination between the school districts and local jurisdictions regarding school siting and other broader issues. MPAC had been developing language that she, personally, would in the majority support.

B. Overview

John Fregonese, Director, Metro Growth Management Services Department, gave an overview of each topic areas and the changes that had been suggested in each area.

The Introduction had no policy in it except for the citizen participation policies. The only change suggested here was to move citizen involvement to the front of the document. No real changes were suggested for the policy itself, only the placement. In Chapter 1, land use, a number of changes were under discussion. The major issue here concerned affordable housing. Two alternatives received support of MPAC. One was to adopt “fair share” targets for each area.

Councilor McFarland asked about the legal implications of inclusionary zoning. She said the way she understood the judge’s ruling, contractors could not be forced to take a loss. She wondered about mandatory inclusionary housing.

Mr. Cooper said that lots of legal issues were buried in the concept of inclusionary zoning. There were many definitions of inclusionary zoning. The legal implications depended on the exact definition. Legal counsel would need to know more specifically what Metro proposed before it could provide an opinion on the legal implications of the plan.

Councilor Lisa Naito said that in discussions of inclusionary zoning, the specifics were important. Inclusionary zoning could be thought of as a tool for local jurisdictions or as a tool only for the urban reserves. It also depended on what you were requiring. If you were building 10 units, were builders asked to provide two affordable units or half.

Presiding Officer Kvistad suggested moving off this topic for now, as it was not an easy issue, and coming back to it later in the discussion. He asked Mr. Fregonese to continue with the overview.

Mr. Fregonese suggested writing a summary of those things required by the charter. On school policies, he said school-siting policies required coordination between the school districts and the regional government. There was proposed that we have a functional plan within the first six months that would address coordination of growth forecast, school and park site coordination, contiguous siting, regional school site acquisition funds, and school and urban design coordination. MPAC was considering that, which came out of the school subcommittee. There was alternative language that would not call for a functional plan, but would call for Metro to review both the comprehensive plans that provided for demonstration of compliance with the Regional Framework Plan when school facilities were considered and that in additions to the UGB include consideration of the Master Plan to provide for adequate facility for school facilities. And that Metro facilitated resolution of school facility funding throughout the region through the use of some tools: 1) The Functional plan required coordination of school facilities and also that we take an active role in school funding and school funding problems; 2) facilitating the Master Planning of school sites by local governments and resolving disputes if they arise.

Andrew Cotugno, Director, Metro Transportation Department, talked about Chapter 2, which addressed transportation. Originally the chapter integrated what the Council had previously adopted as a policy direction for the Regional Transportation Plan into this document. The version of Chapter 2 in the working document reflected proposed amendments approved by MPAC and JPACT at a joint meeting they held in September, which added to that the following topics: criteria on motor vehicle level of service (LOS), transit LOS, street design requirements, maps of transportation systems. This version of chapter 2 was the one that went to public hearings. The staff was compiling all the comments that had arisen from the hearings and made recommendations on which to incorporate. Another round of amendments would be forthcoming. The important thing was that what was in here for transportation was policy direction. The rest was in the RTP--funding, actual projects, the details of the plan. This just set the policy. The RTP would be the implementing document. Six workshops were scheduled with the public in November.

Councilor McLain asked if a piece of the appendix to the Framework Plan would have a summary of what would be in the RTP.

Mr. Cotugno said no. The RTP would become part of the appendix. He said staff was also recommending changes to Title VI of the Urban Growth Functional Plan to bring Chapter 2 into compliance with that plan.

Councilor McCaig said that at the two workshops that had been done, but particularly at the one in Beaverton, there was a whole lot of interest in connectivity and asking us to do a better job of that with bikes and pedestrians and street designs. She asked whether those would be compiled again and passed through all the advisory groups before they were ultimately included.

Mr. Cotugno said yes. There were two sets of comments. Comments that related to the draft out on chapter 2 of the framework plan, and comments out on Title VI amendments to the Urban Growth functional plan. Staff was separating those into two memos.

Councilor McCaig said one of the issues that was brought up at the Beaverton workshop related to transportation funding. Where did the funding to achieve the goals of the function plan come from? Where was the proper place to discuss that?

Mr. Cotugno said that such discussions relating to transportation would take place in the regional transportation plan.

Councilor McLain said chapter eight might address that, but the regional transportation plan addressed funding constraints.

Presiding Officer Kvistad asked for clarification on what Councilor McCaig wanted. Was she saying that somewhere in the Framework Plan there should be a place to address funding, specifically?

Councilor McCaig said she was asking where the funding discussion should be included, and asking whether this might be the place. She said the question addressed issues beyond transportation, but happened to be brought up in a discussion on transportation. This might not be the meeting to discuss this and the framework plan might not be the document where it should be included.

Councilor Naito supported the notion of discussing funding issues in general, regarding not only transportation but also with regard to affordable housing, schools, and buying parks. She recommended setting a meeting to go over funding issues and perhaps putting place-holder language in the framework plan so that a later Council could revisit that.

Presiding Officer Kvistad reminded the group that the purpose of this meeting was as a first step to get some of the issues on the table that had not been addressed up to now and address them in the next couple of weeks, to meet the charter-mandated requirements to have a document by the end of the year.

Councilor Washington asked whether the funding issue was a public involvement item or whether it was a Council involvement. Councilor McCaig said her question was directed to the Council.

Councilor McLain called attention to part of Chapter 8, Regional Funding and Fiscal Element.

Jennifer Budhabhatti from Metro's Parks Department provided a brief overview of Chapter III. She gave a brief history of the work that had been done. She called attention to the green handout. She said the document had been through several committees. It summarized policy choices before the council. First, Metro discussion draft, which presented the staff's proposal for itself. It was based on managing and protecting the regional system of greenspaces, open spaces, parks, natural areas, trails and recreational facilities. It was basically implementing the greenspaces master plan. This document went through the Greenspaces technical advisory committee, which approved of the plan, but asked about local parks and greenspaces. These areas were not protected by the 2040 growth concept. A minority opinion in that committee said that Metro needed standards for those areas. Others said the responsibility lay with local jurisdictions. It came down to a discussion of local versus regional control. The final decision was that responsibility for local parks lay with local jurisdictions. That proposal went to MPAC, where the minority also said Metro needed to set standards for local parks. MPAC and GTAC met and came up with modified language that said Metro and local jurisdictions should jointly come up with goals and criteria to determine level of standards for parks and recreation in a functional plan process.

The document in front of the group presented the choices. The first choice was separating the regional control which Metro discussion draft talked about. The second choice was GTAC and MTAC recommendations, which was to include the local section, come up with a functional plan that determined both local and regional jurisdiction and work to establish a supplemental funding source for parks. The third choice was, the Council adopt the citizen's recommendations that the citizens report directly to Council; they did not have to go through GTAC or MTAC. The citizens said here was where Metro did a great job; Metro managed the regional system. Second, the citizens suggested mandating in the functional plan that parks have to be within 1/2 mile from every house, mandating that 20% of the land be set aside for parks and open spaces. Those were the three options.

Michael Morrissey asked about creating a functional plan that would designate that a park be located 1/2 mile from every household and 20% of land be set aside for parks and opens spaces. He noted that would be controversial.

Presiding Officer Kvistad moved the discussion on to water.

Mr. Fregonese said the water chapter had two sections: 1) water supply--i.e., drinking water; and 2) stormwater and water quality. With regard to water supply, this was what the charter mandates. Metro was the water-quality management agency. The main draft report had two sections. One repeated the policies out of the regional water provider's plan; and the other repeated existing policies and RUGGOS, and Metro's implementation of many of those policies through title III of the functional plan, which included protection of water quality through buffers along streams.

Since the main draft, the water supply section had been clarified. No policy changes had been made. In terms of water quality and storm water, WRPAC had recommended modifications. One was that the quantity of stormwater leaving a developed site should be no greater than it was before development. Second, that the quality of the stormwater be equal to or better than before development. Third, that transportation projects address stormwater quality and quantity. MPAC was still reviewing this chapter, and more changes might yet be suggested. The main controversy related to the WRPAC stormwater additions.

Councilor Morissette asked how the stormwater could be made better after development than before. Mr. Fregonese said he wasn't sure, but it might be through treatment.

Councilor McLain said this chapter related to Title III of the functional plan in a major way and would be important to remember what was in Title III and how the model ordinance related to chapter 4.

Mr. Fregonese said his personal view was that water quality needed to be addresses on a watershed basis, rather than on a development by development basis. In absence of a watershed approach, it would default to a project by project approach.

Presiding Officer Kvistad reminded that the purveyors of the regional water supply plan would push for Metro to adopt most of that recommendation without much change. He said Metro should make sure to protect the regional option for water sourcing, because sourcing would determine livability. He said to pay attention to sourcing.

Councilor McFarland said she thought it was essential to pay attention to the source of the storm runoff. She said that addressing the big problem small unit by small unit was extremely important. Bioremediation through small wetlands, for example, played a crucial role in stormwater treatment. Doing a great big thing in one place was not the appropriate approach.

Mr. Fregonese said he did not mean to imply that treatment should not be done onsite. He said, for example, along the Johnson Creek watershed many areas had been developed to far already. The improvements that could be done might be done upstream.

Presiding Officer Kvistad asked if regional gray water had been addressed. Mr. Fregonese said no, gray water had not been separated out.

Councilor McFarland said the question was asked recently by a member of a group to which she had spoken why codes required that toilets be flushed with potable water. She said she thought that was a shortsighted program.

Councilor Morissette said that currently there was a lot of vagueness about the responsibility of a project toward storm water mitigation. He suggested that the requirements for taking care of the water coming off of a project be clarified. What about water coming into the project.

Mr. Fregonese said he did not see conflict. The water coming out of Councilor Morissette's project compared with that coming in before he put in his project just left you responsible for the difference your project made.

Presiding Officer Kvistad recommended spending more time on this chapter, as some of the elements had considerable impact.

Councilor Naito said other jurisdictions had expressed fear over the water chapter and what Metro might be taking away from them. **Mr. Fregonese** said he thought those fears had been addressed.

Presiding Officer Kvistad moved the discussion on to chapter 5, regional natural hazards.

Mr. Fregonese said this goal was not in the RUGGOs. Policies addressing natural hazards were listed as an optional activity in the Metro charter. It listed hazards of earthquake, flood, and landslide and policies were listed, but there was no mandatory implementation policies in there currently for natural hazards. It had been reviewed by HAZTAC, which was an advisory committee the council appointed, that included the emergency management specialists from around the region. The text would revise the policy to ensure the earthquake hazard maps were used in planning and delete any language about seismic hazard mitigation measures. In addition to seismic, there were some hazard policies in the flood-plain management codes adopted in title III, which were repeated here. They had plans to include landslide hazards, for which they did not yet have information.

Councilor McFarland asked where the proper place would be to deal with hazards from radioactivity. She said she believed a plume of radioactivity would come this way from the Hanford Reservation, and she wondered how Metro would handle that or if they had thought about preparing for that. **Mr. Fregonese** said because radioactivity was not a natural hazard, it had not been addressed in the plan so far.

Councilor Naito said she believed Metro would be the agency to deal with hazards from Hanford. Even though it was not a naturally caused disaster, it could be handled in this section, under a different title.

Council Analyst Michael Morrissey said he believed the State had responsibility for the transportation of radioactive waste through the state. Perhaps that would cover this.

Councilor Naito said this would not fall under state responsibility for transport. **Presiding Officer Kvistad** said he believed that such a disaster would be too large for Metro to handle, and would probably fall under federal and state responsibility. He said Metro would have a role, but probably a helping role rather than a lead role.

Councilor McFarland said in view of how the Federal government had handled things like this in the past, Metro should be prepared to handle this itself. **Councilor Naito** said she agreed. **Presiding Officer Kvistad** recommended noting this possibility and having staff consider it.

Mr. Fregonese summarized Chapter 6, Coordinating Policies with Clark County. He said that this chapter had been modified since originally written. He said Clark County staff and the City of Vancouver were currently making their revisions. They would provide their recommendations soon, through MPAC.

Presiding Officer Kvistad said Clark County had been particularly helpful on transportation policy, knowing their growth was coming and what the capacities were on interstate bridges.

Mr. Fregonese summarized Chapter 7, Environmental Education. This chapter was developed through coordination of the staffs of Regional Environmental Management, Washington Park Zoo, Regional Parks and Greenspaces, and Growth Management. The biggest controversy about this was whether this chapter should exist or whether the issues should be dealt with in other chapters, as appropriate. This might be moved into an appendix. The chapter did not contain any policies, except participating in environmental education through these various agencies.

Mr. Fregonese summarized Chapter 8, Management of the Regional Framework Plan. This chapter included word for word, Goal One of the RUGGOs, which set up the entire process of how Metro operated its regional functional plan authority and how it related to MPAC. MPAC had proposed that the sections on citizen involvement be moved from this chapter to the front of the document. What had been proposed since May was an addition of a section concerning region-wide fiscal and funding, which would be a placeholder for additional work. The issues of funding region-wide infrastructure improvements had not been fleshed out, but in this would be a commitment to work on this in the future.

Mr. Cooper explained that the purpose was to revise the format to make it flow better. The purpose of Chapter 8 would be to clarify what was meant by management. Management meant how future amendments, future adoption of functional plans, future funding mandates would be handled. Metro needed to somewhere clarify what it agreed to do, what goals it had set for itself, and what it required of local governments.

Mr. Fregonese explained Chapter 9 was basically an index. If you wanted to know how Metro planned to implement a particular policy, you looked up the policy in Chapter 9 and found the implementation. This was intended to ensure your limitations were delineated in the plan. The staff had completed the table.

Mr. Cooper called attention to a packet that contained some text that might provide a little more clarification. One of the pieces they would like everyone to understand was that they had set out what the Council currently required local governments to do directly, where were the pieces the Council had already adopted by ordinance (such as the code requirements for UGB amendments). But the charter also spoke to the adoption of implementing ordinances to require compliance with the framework plan itself. Those had yet to be written. Mr. Cooper said the intention was to clarify how those would be written and when. More clarification was needed, but the pieces out there for public comment already contained all the policy issues. The only thing left was to make sure this was presented neatly and clearly.

Mr. Fregonese said in the past, policy had been written without regard for how its was implemented. In the past, the courts had settled that. This was an attempt to do otherwise.

Councilor Morissette asked about the target areas for expansions. Was this where those processes would be established for doing that? **Mr. Fregonese** said that the policy should be written in Chapter 1 and implemented through changes to Chapter 3 in the code. This was the general goal here, and the specific changes went in the code.

Mr. Cooper added that what the intention in Chapter 9 was that Metro clearly sets out how and when the decisions had been made and what they would look like. **Councilor Morissette** asked if changes were still possible. **Mr. Cooper** said that changes were still being made.

Councilor Morissette asked if it was the intent to make it simpler to accomplish the goals Metro had set. For example, would the process be easier to move the boundary in the future? He asked if staff had been working on ideas for doing that.

Mr. Fregonese said staff had been working with Council on that, but had not scheduled any time to bring it forward. **Councilor Morissette** asked if staff would schedule that time. **Mr. Fregonese** said his staff was waiting for direction on that.

Presiding Officer Kvistad said one of the reasons for this meeting was to give Council an opportunity to talk about issues that needed to be included and changed--affordable housing, funding, etc.

Councilor Naito said this draft did not talk about master planning. She thought the public would want to know what was happening in that regard, so they realized Metro was not involved in development without planning. She said she would like to see policies included in what Metro intended to accomplish there.

Councilor McLain agreed with Councilor Naito's comments. She added that there were three pieces of work that needed to be worked on in parallel: the legal context of the regional framework plan, the legislative review and update that the Council would need to put into practice to change the code, and the cross references in this chapter that helped promote that picture. Legal staff would be seeking suggestions from staff and from the Councilors on direction. She said the Council had talked about administrative review, but only with the caveat of master planning that must be done and must be reviewed to be sure it followed the goals set out in chapter 3. The only onus out there was to be sure there was master planning, that the master planning goal and the quality of the master plan met the goal of Metro's text. In addition, if there was administrative review, it should be limited and limited in certain ways. That was where the debate will be among the Councilors.

Councilor Morissette asked for a nod to the question. He wanted to add to Councilor McLain's direction. He wanted to know how moving the UGB could be made into a process that was relatively user-friendly.

Mr. Fregonese said he thought Councilor Naito was seeking something that dealt with master planning and the Urban Growth transition. Perhaps the best approach would be to draft language about what to do when Metro was in that situation, to beef up the policies for the master planning already adopted, and pass specific policies that related to that as implementation, and talk about what to do when we were in the situation when the Council had said the need was there, we know the best location, what happened next? We should work to put it on the table on November 13.

Mr. Cooper reminded the group that the framework plan was the "big picture" document, setting the broad policies. Much of what Mr. Fregonese talked about was in the details. It was in an ordinance the Council had adopted that was one of the tools used for carrying out the policies in the framework plan. There might be a need/desire to get into some of that level of detail to do what the Council was suggesting. Legal could work with Council on that.

Councilor Naito reinforced Councilor Morissette's suggestion that the procedure for expanding the UGB be ultimately uncomplicated, once the criteria had been met for expanding it.

Mr. Fregonese suggested adopting the policy that was what the Council wanted in the Framework Plan, then Mr. Cooper and Mr. Fregonese could work on the details later.

Councilor Morissette said he would defer to Mr. Fregonese to develop ways to simplify the process, then have Council debate the possibilities. He said he did not personally have ideas on this.

Councilor McLain said she agreed in principle with Councilor Morissette, but wanted to make it clear that there was a clear distinction between the need assessment and the master planning and service assessment process. A clear distinction must be made between these two processes. The application process up to now had had to prove a need as well as to prove you had all of your documentation from the local jurisdiction that they agreed and were willing to provide the services. There was a difference between the service level and master planning and the actual need assessment they had to do. She said the master planning still needed to be reviewed stringently, but the need assessment--the new process simplified that.

Mr. Fregonese said the process before emphasized need but did not address the quality of development. Now, the quality of development had been addressed, but you had not taken away the part that required a total burden of proof of need.

Councilor McLain said there was another element to that, and that was the fact that if a parcel was not in first tier or if it was a situation where they had to prove an exception, then the applicant would need to go back and prove the criteria of exception on why they couldn't walk the map and find it someplace where we said we were going first. So those elements of need still must be proven by state law.

Presiding Officer Kvistad said some jurisdictions were now saying they could not now take the first tier lands they requested Metro include as first tier. A bigger discussion would be had on this, but Metro would need flexibility as it dealt with this for the first time. The next six months would involve hard decisions.

Councilor Morissette said that the most flexibility would probably mean arriving at the best possible solution. But state law still required that Metro get this thing done. We had to be realistic about the amount of master planning we could argue or debate over. Now, it was probably best to just try to meet the requirements. We needed to be realistic that it was pretty hard to plan every last lot.

Councilor Naito said she agreed. She said density criteria had already been set, but all the criteria needed to be made clear, and Metro needed to allow considerable flexibility for local developers and jurisdictions to create the kinds of communities they wanted. That could be a potential source of conflict between Metro and local jurisdictions and individuals. One of the trade-offs in the land-use system was predictability was the piece the development community would agree to land-use planning if they knew what the criteria was ahead of time, with no new criteria thrown in after the fact. So additions to the code should be done now.

Councilor Morissette said he agreed that predictability was important. He said, however, that in some areas people didn't have a good idea of what density requirements meant. He said 10 units per acre in areas where one house per acre or two had been the norm would cause quite an uproar. He said he hoped there would be some flexibility when communities faced the requirements. He said otherwise the process could be stopped in its tracks.

Mr. Fregonese clarified that the requirement was for 10 units per developable acre, so the Council would have the policy option to decide what was developable and what was not. That might help. But there was not much flexibility now. There were some smaller reserves that might not be able to get 10 units an acre. He said perhaps an average across the 4500 acres would be more practical, rather than 10 in every spot.

Councilor Morissette said that to accomplish that, you would have to look beyond tier 1.

Presiding Officer Kvistad reminded the group that the task at hand was not to decide on implementation, but on the general policy that would go into the Framework Plan, and that a general statement making it clear that density requirements referred to an average across the entire urban reserves could be included.

Mr. Fregonese said other things in the current code that said we were supposed to use conceptual planning and rough cost estimates. It would help to have in the document a policy explaining what Metro meant by that. He suggested that the appropriate policy level discussion to occur now would be describing what Council wanted to have happen. Then, go back to the code modification that Councilor Morissette would like to see.

Councilor Morissette expressed concern that policy language adopted now might preclude the flexibility that might be wanted later.

Presiding Officer Kvistad clarified what he thought Mr. Fregonese said: he would come back with language on some of the items for the Framework Plan that would take care of the one side, the actual ordinance changes, the change in Metro code, that would allow the Council the implementation side. Presiding Officer Kvistad understood the Council and Growth Management had agreement on the drafting of the policy. But there was a difference between drafting the policy and the implementation points that would need to be put in code changes to make that happen.

Presiding Officer Kvistad said that the words "with executive approval" could be removed, because this was a Council discussion with the staff doing the work.

Councilor Morissette asked the Presiding Officer to spell out how he would help with the real implications of each of the aspects and recommend whether they were successful.

Presiding Officer Kvistad said that work was currently underway on implementation issues such as split parcels.

Councilor McLain asked if the Council would be willing to have another work session at 12:30 p.m. on November 13?

Presiding Officer Kvistad returned to the issues of affordable housing and schools, mentioned at the beginning of the work session. He said he did not believe we could have an affordable housing component ready in time to be included in the Framework Plan before the end of the year. He wanted to make sure the deadlines were met and the big items were dealt with that met the requirements of the charter. He said that additional elements could be added in the next year or two. He said that if we didn't have an affordable housing chapter completed, it did not mean Metro had abandoned a commitment to the concept. It allowed an opportunity for flexibility on when we would implement that or bring it before the Council for a vote.

Councilor McLain said that did not meet the intent of the charter, to have a completed Regional Framework Plan by December of 1997. MPAC had said it was willing to work to achieve completion by the end of the year, including schools, including parks, including the funding element, including the housing element, knowing that it could be refined in the months from January to April. She said we needed to put in language, as we did in the Functional Plan with Title 8. She could commit to a refinement plan from January to April, but not an unfinished product.

Presiding Officer Kvistad said he was not precluding a place-holder in the Framework Plan for that. He said he meant to emphasize that much more needed to be done in other areas, and with the controversy that surrounded this issue it might not be possible to complete everything. That did not mean we were not concerned and committed to getting this done. We could put a place-holder in there, but we needed to have flexibility as to when we had it completed.

Councilor McCaig said she believed the expectation had been established that the process would be completed and we had a responsibility to complete it. The whole Plan was full of controversies. That was what Metro did--resolve controversies. At the last meeting, the Council had 99% of the testimony from

people fearful of not having affordable housing. They asked the Council to deal with this issue. The Council had had more public testimony on that issue than on anything else. It would be a public relations mistake and a moral mistake not to address it and resolve it in the next couple of months, regardless of the solution.

Councilor Washington said he believed he would have something on this after the affordable housing seminar next Monday, November 3. He said the issue was serious.

Councilor Naito said the problem has become acute in the past couple of years. She expressed concern over legal issues that could and could not be done. The experience of other areas, for example, Maryland, might not work here where we were already pushing densities to the maximum. She said this area had more room for consensus building. We could be in danger of making critical mistakes from an economic standpoint if we were not careful. This was an important public policy issue as well as an economic and legal one. The only way she said she would feel comfortable putting it off was if a date were set by which more work would be done. She said she could not support solutions that had obvious problems.

Presiding Officer Kvistad said with this issue, consensus was crucial. This issue was too important not to spend time on it. This was central to everything we were doing with regard to land use, housing, and with what real people faced trying to find a place to live. It didn't matter whether you supported or opposed UGB expansion. Metro's policy must be clear, concise, and put together carefully.

Councilor McCaig said that consensus was over-rated and over-used. There were places and times for consensus. No one proposed doing sloppy or careless work. We had invested staff work and time in numerous discussions on this. We had what we needed to begin to make our way through it. It would be controversial. There was no way it could not be controversial. We had the opportunity to strike out and do something that had not been done before in a way that could change the fabric of this plan and this region for the next decade. This was the opportunity in this plan to do that. This was a huge opportunity for the Council and for this government, in spite of the controversy.

Councilor McFarland said she did not believe we should go into this with a place-holder. She recommended tackling the problem head on, and if it became clear that more time would be needed, then talk about postponing it. But planning not to accomplish it was not acceptable. This piece of planning was too important not to begin. If after we had begun it, it became controversial, then let us consider compromise.

Councilor McLain commented on the MPAC vote, which was 8 to 9. That vote, in her eyes, was not weak. The comments made afterwards, reflected in options B and C, contained overlaps. There were places of agreement. The word after the meeting from three or four people was that the Council should take action now. She agreed with Councilors McFarland and McCaig that the motivation should be exploited to produce the best possible product. The worst thing was to not produce a product at all.

Councilor Washington said the issue was huge. He guaranteed the Council would have something.

Presiding Officer Kvistad brought up the schools issue. He said this was another area he was prepared to put in place-holder language if policy could not be completed by the end of the year.

Councilor McLain said a subcommittee was working on better language and on developing more consensus around a more finished product. They were committed to this being part of the public facilities and part of the master planning and part of the overall blueprint for a good community. She recommended working hard on this, and if it couldn't be finished, then we would need to put in place-holder language. She said she expected to have something to consider on time.

Presiding Officer Kvistad reiterated the need to take a close look at both the housing and schools issues.

Councilor Morissette asked how the Council could obtain information that would prevent adopting legislation or that violated existing laws.

Mr. Cooper said the answer lay in the process by which the Framework Plan and the ordinances got reviewed and appealed. The Framework Plan was subject to compliance acknowledgment by LCDC for compliance with all state laws and statewide goals. When the plan was adopted, it would be sent to LCDC for review. They had as long as they wanted to take to acknowledge it. As soon as it had been acknowledged, anyone who wanted to appeal it could do so directly through the Court of Appeals. On the other hand, the LCDC could say they didn't like the Plan. Then Metro could appeal that decision. The process for amending the UGB, which was in Metro's Code, had already been acknowledged by LCDC. Therefore, amendments to that took a different path: we gave them 45-day notice that we were proposing amendments, they commented on the proposed amendments if they thought they were not in compliance, then after the amendments were adopted anyone who objected had 21 days to appeal to LUBA. LUBA then decided about compliance.

Councilor Morissette said he had another point. For example, there was debate about the legality of inclusionary zoning. As the debate proceeded and policies were developed, at what point did legal counsel advise Council on the legality of proposed policies. He asked whether counsel would forewarn about proposed policies that might be found illegal.

Mr. Cooper said yes. He said that inclusionary zoning at this point was a concept. There were lots of different examples of ordinances that had been adopted in other jurisdictions that carried that label. Some of them had been upheld when they had been challenged. Some had never been challenged. In addition to those examples, there were concepts of what inclusionary zoning could mean here. These weren't fully defined, and no single model had been suggested to Metro. So inclusionary zoning meant lots of things.

Presiding Officer Kvistad said both Mr. Cooper and Mr. Shaw have paid close attention to the legal ramifications of developing policies. He announced a break before tackling the budget component of the work session.

Presiding Officer Kvistad: Presiding Officer Kvistad stated that Executive Officer Mike Burton and his staff have submitted to Metro Council overview regarding upcoming budget items. This overview concerned decisions Metro Council will need to make in the near future regarding budget matters. Presiding Officer Kvistad stated that Metro will need to hold discussions on the Council budget over the next couple of days. He assured members of Metro Council that a draft budget would be available within the next couple weeks.

II. BUDGET REVIEW

Jennifer Sims predicted that the completed budget will available the first week of February, 1998.

Councilor Washington asked if an acronym list was available. He was answered in the affirmative.

Ms. Sims then proceeded to give the members of Metro Council an overview of the new budget. She stated that all budget materials would be related to a Mission and Values statement. Value statements such as clean air and water, access to nature, the ability to get around the region easily, stable neighborhoods, resources for future generations as well as a strong regional economy were the basic vision around which the Metro budget would be constructed.

Each department would structure their materials to relate to these values. Two process enhancements had been put in place. First, enhancement of public involvement would occur by having each department have an advisory committee who would report to the Executive Officer. In some departments such a committee was already in existence. In other departments an ad hoc committee would be appointed. Secondly, employee involvement had been enhanced in the budgetary procedure.

Ms. Sims addressed three primary areas of concern:

- 1) Metro was working now to evaluate a reduction in the tip fee in the range of \$5 to \$7 per ton and that was expected to go to the rate review committee within the next couple weeks.

2) At the same time, the structure of the tip fee would be evaluated with an eye toward restructuring regional user fees. A higher tonnage for the next fiscal year which tied into the excise tax. Approximately 80% of Metro excise tax was derived from the tip fee. This argument was predicated upon the assumption that next year the present rate structure would remain in place; this was 8.5% for solid waste and 7.5% on other revenue sources. These rates were based upon a rate of \$63 per ton.

3) The other excise tax sources would remain stable.

Councilor McFarland asked if these projections were predicated upon a rate \$63 per ton.

Ms. Sims continued with 4) New projections about revenues for next year were based upon 10% decline in the \$63 per ton tipping fee. That would bring in an additional \$7.4 of new excise tax revenue.

Councilor Morissette asked that if even with the reduced tipping fee, with the increase in population, we were dealing with a 10% decrease.

This was answered in the affirmative by **Ms. Sims**. Because the tonnage forecast was off, the impact on that tax was approximately 10%.

Ms. Sims then displayed a chart which showed the excise tax divided into three categories:

- 1) New excise tax revenues;
- 2) Fund balance that was carried forward year-to-year, around \$7,00000 - \$800,000 which was set aside for stabilization in case there were deviations in Metro's cyclic-type businesses such as the Zoo, MERC and Regional Environmental Management as well as to provide cash flow; the contingency was also recognized in this category;
- 3) Unanticipated discretionary fund balance that was derived from underexpenditures in any one fiscal year and the amount that had been received from extra tonnage at the disposal sites that was in addition to what was forecasted.

Next year's forecast predicted a fund balance of approximately \$1.9. There was a difference between the acquirements and the actual projected dollar stream. More significant was the fact that Metro must not continue to rely upon the discretionary money each year. An assessment of the possible loss of these discretionary funds in the 1999-2000 fiscal year must be undertaken at this point. In terms of next year, it would appear the excise tax forecast and the revenue stream was approximately \$300,000 short. Although the Executive Officer would present a balanced budget, this projection would provide a challenge for the present.

Councilor Naito asked if this was assuming that all general fund programs continued at their current levels?

Ms. Sims stated that the projection for requirements for next year was \$9.6 and that assumed standard personnel cost increases as well as the continuation of all Metro's basic programs in place today.

Councilor Naito asked that if what Ms. Sims was saying was Metro next year should evaluate making this look as though there would not be a shortfall in 1999-2000.

Ms. Sims stated that a plan for dealing with the future must be created.

Councilor Morissette stated that the current rates had been rising which helped to get the distance between the pink and orange. If the solid waste going to the landfills continued to grow, that bar would continue to grow as well and the blue bar would stay pretty level.

Craig Prosser stated that the orange bar on the chart was the unanticipated growth to the extent Metro did a better job of projecting the tonnage after which time Metro would not be able to rely upon unanticipated growth.

Councilor Morissette asked about the raise off the increased tonnage, would the blue bar offset help mitigate the distance between the pink and orange bars? If the rate of solid waste revenues continued to grow, the pink bar would continue to grow as well and on that chart, it didn't.

Mr. Prosser again stressed that the orange portion of the bar was the unanticipated growth to the extent that we do a better job of projecting the tonnage and, at that time, Metro would not experience that unanticipated growth. In 1998-1999, if the entire amount of the restricted fund balance was budgeted and spent, it would not be available and a larger gap would exist in the unrestricted fund balance.

Councilor McCaig asked certain questions regarding **Councilor Naito's** queries. Regarding Fiscal Year 1997-1998 and Fiscal Year 1998-1999 with the one-percent anticipated growth, Metro's current services would be at 9.6 for 1998-1999?

Councilor Naito answered in the affirmative.

Ms. Sims stated that there was a definite lack of information in this regard; all local governments across the State of Oregon were in the dark on this issue. On the graph, the top line was what the old law would have provided to the Zoo from property taxes. This was for the operation of the Zoo. The bottom line was what Measure 47 would have generated and the blue line was what we were projecting Measure 50 would provide. There was still a marked impact on revenues to the Zoo.

Michael Morrissey asked if there was any additional information?

Mr. Prosser stated that Metro staff had been calling other jurisdictions and everybody was in the dark.

Mr. Morrissey then inquired as to whether this was a "worst case scenario" or a "best case scenario."

Ms. Sims stated that these issues were the main revenue consequences.

Councilor McCaig stated that when the Zoo cuts were reviewed last time, 'filled' positions were reinstated. Many vacant positions were not filled. Were projections made which stated how to accommodate the next phase of this issue?

Ms. Sims answered in the negative.

Councilor McCaig then stated that the whole process must be begun over.

Presiding Officer Kvistad said that the initial phasing was brought before the Council and Ms. Sheng stated that even with the cuts, a pretty substantial step would be left for the coming year.

Councilor McCaig stated her memory of the discussion concerning the next five years. Was a pattern established for further cuts or would new, different cuts need to be made this time?

Presiding Officer Kvistad stated that Ms. Sheng had brought forward a package but then the positions were restored. Next year, some "heavy lifting" would need to be done.

Councilor Naito said that according to her understanding, it was unclear what Metro's ability was to raise fees, and so forth at the Zoo under Measure 47. She asked if Zoo prices had been raised?

Ms. Sims reported that rates and fees had not raised but that was a budget issue that would be brought in this term.

Councilor McCaig stated that part of this issue was the commitment Metro made in taking that measure to the ballot. Metro's intent, included as part of the bond measure literature, was not to raise fees since the bond measure that was passed was for capital improvements.

Ms. Sims continued with Growth Management issues. Some special planning functions were being discussed at this time with MPAC and Metro Council. Urban Reserve master planning and how to pay for that was an issue at this time. There was a need to provide assistance to local governments in accomplishing the Regional Framework Plan. A number of issues pertained to transportation. Metro would be at the final Environmental Impact Statement process on the South/North Light Rail in the near future. Metro would also be looking at the need to broaden transportation planning from being heavily people-oriented to also include goods and services. Better data for models was imperative. Presenting transportation issues in the context of 2040 was important. Ms. Sims briefly discussed increased acreage that Metro had acquired in Parks and Greenspaces and the increased land banking costs. She touched briefly upon solid waste and regional environmental issues in the matter of rate restructuring. There were some waste reduction impacts that needed to be taken into account in these matters. Administrative Services and Human Resources would be in the final stages of the Infolink project implementation. Attention was being directed to long-range issues of information management at Metro. MERC and the convention center project were touched upon. Zoo issues impacted by Measures 47 and 50 as well as the opening of the Oregon Exhibit next autumn were explained. Paid parking at the Zoo was discussed in conjunction with the opening of the Zoo Light Rail as well as consideration of increased user fees and admission prices at the Zoo.

Councilor Morissette asked whether Metro or the City of Portland received the revenue for the paid parking?

Ms. Sims stated that Metro would receive this money in order to pay for debt service. This would help to pay for construction of the parking lot and other services of this nature. Metro's projections indicated that the parking lot would most likely not need all of the money. At some point, these funds would be available for other Zoo Projects. A parking committee was being formed consisting of representatives of OMSI, the Forestry Center and the Zoo. Possibly with the old OMSI site being converted into a City of Portland Children's Museum, the City of Portland might be substituted for OMSI.

Councilor Morissette stated that there would be no real expectation that there would be a benefit, revenue-wise for the shortfall.

Ms. Sims stated that this was correct; Metro was looking at approximately five to eight years and then the revenue stream would be divided between the three agencies at the Zoo.

Ms. Sims stated that departments at Metro were preparing their budgets at the current time and would be submitting them for review. Budgeting Services would be reviewing them with the Executive Officer throughout the month of December. The budget was scheduled to be sent back to the Office of Budget on January 6, 1998. It would then be printed and sent to Metro Council during the month of February, 1998.

Councilor McLain stated that if Metro Council needed to wait until it was printed and prepared, it became difficult for the Council to act in a proactive fashion. She thought that if each one of the individual departments could put together a list of possible programs that were being considered for change of status. Possible concerns that department chairpersons were beginning to flesh out could be presented to Metro Council in late December or early January.

Ms. Sims stated that her schedule for preparing items would allow this material to be available around the middle of January.

Councilor McLain stated that this would give Metro Council important preparatory information and thanked Ms. Sims for her concerns in this area.

Councilor McCaig asked if the Capital Improvement Plan was a part of this budget process? Should that not be given to Metro Council somewhere in November, 1997? Where did the advisory groups reviewing budgets fit in to this schedule?

Ms. Sims stated that process was happening now, before the budgets were submitted to her office.

Mr. Prosser stated that the CIP would come to the Finance committee on November 19, 1997 which would be the first look at the CIP. A second meeting on December 11, 1997 would be held.

Councilor McCaig noted that the reason for it not coming earlier was due to the new relationship with MERC, all other departments had gotten their information in.

Councilor Morissette stated that we had a much larger contingency building up in the solid waste contingency fund. He asked if Metro Council wanted to consider this right now or wait?

Presiding Officer Kvistad advised that Metro Council take courses of action at this time: as the council moves forward over the next couple weeks, items of interest should be flagged to ensure that each committee chair knew about them in order to provide general council discussions; also, new programs must be noted - if there were any, they needed to be highlighted rather than have to sift through a great deal of material in order to identify them; programs that were to be eliminated needed to be noticed as well. If changes were to be made in FTE, it must be ascertained as to where the FTE had originated and where it would eventually reside.

Councilor Washington expressed interest in the possible rate increase at the zoo as well as the parking revenue situation at the zoo.

Ms. Sims said it was a timing issue, there had not been an admissions increase at the zoo for the past four years.

Councilor Washington indicating he was not debating this, he just wanted to express his interest in these two issues.

Presiding Officer Kvistad stated that in his opinion, children's admission to Metro Washington Park Zoo were too expensive at the present time.

10. ADJOURN

There being no further business to come before the Metro Council, Presiding Officer Kvistad adjourned the meeting at 3:30 p.m.

Prepared by,
Chris Billington Clerk of the Council