

MINUTES OF THE METRO COUNCIL MEETING

August 1, 1996

Council Chamber

Councilors Present: Jon Kvistad (Presiding Officer), Rod Monroe, Ed Washington, Don Morissette, Susan McLain, Ruth McFarland

Councilors Absent: Patricia McCaig

Presiding Officer Jon Kvistad called the meeting to order at 2:08 p.m.

1. INTRODUCTIONS

None.

2. CITIZEN COMMUNICATIONS

None.

3. EXECUTIVE OFFICER COMMUNICATIONS

Mike Burton introduced Mr Ken Cook of the Port of Portland, Airport Operations and Fire Department Manager, who wished to recognize one of the Metro employees.

Ken Cook's recognized the extraordinary efforts of Mr Dan Cromer who through timely project managing helped to set in place a program to relocate the water rescue program. He facilitated the involvement of the Port in dredging planning as well as the intergovernmental agreement between Metro, the Port of Portland and Multnomah County. He asked that Mr Cromer come forward. The current response time for Water Rescue Program is approximately 18 minutes. With the relocation of the Water Rescue Program, it will take only about a minute to respond, this mean lives will be saved. He presented a plaque to Mr Cromer which acknowledged his efforts.

Mr Burton noted he was at Tryon Creek State Park today to celebrate the purchase of another 25 acres of park area in the Open Spaces Program. Both Presiding Officer Kvistad and Councilor McCaig attended the celebration. He acknowledged the tremendous number of volunteers who participated in this celebration. There was a presentation to Judy Wyers' family in recognition of the role she played in helping with the purchase.

4. CONSENT AGENDA

4.1 Consideration of the Minutes for the July 25, 1996 Metro Council Meeting.

Motion: **Councilor Washington** moved the adoption of the minutes of the July 25, 1996 Metro Council Meeting.

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

Discussion: **Councilor Morissette** indicated that the spelling is Jenne Butte, not Genny.

Vote: The vote was 6 aye / 0 nay / 0 abstain. Presiding Officer Jon Kvistad declared the minutes approved as amended.

5. INFORMATIONAL PRESENTATION

Bob Ridgley, 220 NW 2nd Portland, OR 97209 CEO of Northwest Natural Gas and Chair of the Central City 2000 Strategy briefed the Council on the Task Force's recommendations. Mr Ridgley noted that the work of this Task Force is now complete and the City Council unanimously adopted all of the recommendations. TriMet has also pledged to work towards the goals that the Task Force has set out. He noted that Metro's role in these recommendations is essential and meshes with the 2040 planning process. He believes the Task Force has oriented the activities of central Portland to the achievement of the 2040 goals.

He reviewed the specific recommendations of the Central City 2000 Strategy. The Central City 2000 Task Force members are listed in the condensed version of the document. He acknowledged Councilor Washington's work on the Business Development and Work Development Task Force, which contributed some of the most significant recommendations to the Central City 2000 Task Force. He felt that there was an excellent cross section of representation on this task force both from the private and public sector.

The study undertaken by the Task Force could be seen as a business plan with specific recommendations including timing, where and the funding to support this plan. In the back of the full report is a complete a financial summary.

The Task Force started out by looking at the Council's 2040 planning process because they felt this was critical to their process. He noted that the 2040 Plan called for the creation of 10,500 net new households and 71,000 new jobs by the year 2015. He reviewed the figures for household and job growth over the past five years. The market will not support these projected figures without the involvement of government to build low income and affordable housing. If there is to be a mixed housing block, there is a need for substantial resources to plan for this. The job creation projections will be even more difficult to accomplish.

Over a 12 year period from 1983 to 1995, housing prices have jumped 100% while wages have only increased 42%. This is creating an ever widening gap between housing and wages. This makes it difficult for people to get into housing if housing prices continue to increase.

The Task Force's strategies are laid out in the document:

- 1) Avoid regional sprawl.
- 2) In housing, foster affordable mixed and middle income housing so that we can have the consumer and labor markets needed for job growth.
- 3) Focus city business recruitment efforts on high growth, quality jobs in the business sector
- 4) Plan for the development of an integrated workforce for the tri-county area including state legislation that would permit the encouragement of employer driven training and educational programs for employees through a 50% tax credit program in the unemployment insurance fund.

5) Offer an environment that the development market perceives is worth the extra costs

The Housing Strategy would be based upon a 1% housing tax. Metro would play a role in this property transfer tax. This tax would not apply to parcels of \$100,000 and under. The bankers and home builders associations testified before the Task Force and indicated that they would support such a tax if it were dedicated to trying to solve the housing problem but not if it were a general fund tax. They expressed the desire to have it be as comprehensive geographically as possible so there are not 36 separate county taxes to deal with. If it can't be statewide they asked that it be Metro or region wide. There is a coalition of organizations that have approached the governor and support this tax and its use for housing and dealing with infrastructure issues. If it were to fail at the state level, the Task Force would then approach Metro with this consideration.

\$4 million a year is planned through tax increment financing for middle income housing. This is very valuable resource. If there is another property tax measure, particularly the cut and cap measure, it is unlikely there would be tax increment financing. The plan will need to be reassessed if this happens. There is a consensus that the housing problem is a severe problem and the only way to address this problem is devote substantial resources over a long period of time.

The plan also calls for the creation of a Central City public school near Portland State University, also supporting the housing strategy of a high density urban environment.

There is a need to bring land parcels together. Since Measure 5, PDC has been out of this process. It is difficult to build one and two infills, there is a need to have bigger parcels to put together. The 100 acres available in the River District provides potential for building a high density, urban environment, and would supports 5000 homes of the 10,000 housing unit goal. There is a lot of under utilized property and a need for a lot of infill in this district.

The Task Forces is also setting up an employment opportunity fund that will be used for land assembly, to attract particular businesses and get them located in the Central City. These businesses would need to commit to the workforce strategies, the hiring strategies to provide the jobs and the training which is necessary. One of the main concerns is whether the B and C buildings in town can be upgraded to provide that space. There a huge space available in the under utilized B and C buildings. There is now different seismic standards than before and increased costs because of the Disabilities Act which could limit those upgrades. To overcome these barriers, the Task Forces will be going to the legislature for approval of a 35% state income tax for seismic retrofit and a property tax abatement if the local jurisdiction calls for it.

He reviewed the target industries which include creative services, biotech/health services, information services, destination retail and tourism. He focused on tourism including the Convention Center expansion and hotel problem. The Task Force proposed that there be an integrated 500 room block committed for convention purposes. This would allow a promise of so many rooms several years in advance of the convention. This could be done by expanding an existing hotel or building a new one. He recommended that Metro consider this, adding that the City was willing to put up half the incentive for such a project. The Task Force believes that the hotel problem needs to be done first prior to the expansion of the Convention Center. He added that there is a tremendous opportunity for cultural tourism in the City as well.

The workforce development will happen because the City wants it to happen. Training programs close at hand putting people and jobs together in this community is essential.

Major Katz's Business Round Table group will continue to oversee this process with the addition of Northeast and Southeast Portland members to the committee.

Mr Ridgley said that the two most dramatic things that will come out of the report is, first, the opening of the river to the people. There will be \$14 million dollars spent over the next few years to create an east side esplanade along the river with public access down from the arena and the bridge. McCall Park will also be extended to the PGE property. The river program will include the a contiguous park all the way up to Centennial Mills. Secondly, the addition of the 100 acres in the river district will allow for the building of a new community with public transit. This concepts requires transportation, critical to this plan is a street car circulator supporting the lightrail. Although TriMet is supportive of the concept, they are not interested in being responsible for the proposal. Currently, there is a non-profit corporation set up to plan for this street car circulator with \$6 million set aside for the first phase of the project. There is also a plan to extend the Mall to Portland State and develop a true urban center.

Mr Ridgley concluded by quoting Commissioner Hale, "one thing that makes him feel good is that this lays out very specific strategies for the Central City of Portland by which they will meet all of your goals so that when you call them up and say what you are doing about your 2040 plan, they will say, we have a yellow book that we have adopted." If the City achieves everything they have committed to achieving, the City will have made a major contribution to the achievement of the 2040 Plan.

Councilor McFarland appreciated that the Central City 2000 Task Force was not asking for adoption of the plan today. She asked about the differentiation of housing for the poor and affordable housing. What is affordable housing?

Mr Ridgley responded by saying that there is confusion on the definitions. Housing for the poor is where a person could not provide more than 20% of the investment costs. Affordable housing goes from the 20% to 50%, this still needs to be subsidized, housing for the poor would need to be subsidized almost entirely. Low interest loans, grants, federal, state and local government programs provide subsidy. There has been hardly any subsidized housing built in the Central City in the last five years.

Councilor McFarland asked again about affordable housing. She understands the subsidized housing for the poor but not the affordable housing concept.

Mr Ridgley indicated that he was talking about rental housing as well as owner occupied units.

Steve Siegel responded by saying that the concept is that the average household should spend no more than 30 percentage of its monthly income on housing needs. The truth of the matter is that a substantial amount of households are spending more than that so this means less money for other things including those expenditures that generate jobs.

Affordable

housing is looking at 80% of medium income. For a four person household this translates to \$35,000 per year.

Presiding Officer Kvistad added that these were some of the big decisions which need to be made over the next few months. What is affordability?

Steve Siegel concluded by saying that the cost of developing housing in downtown Portland that is affordable at the 80% of medium income will exceeds 30% of that

households income. When the City uses the term "affordable housing", it is referring to medium income of about 50%, the low and very low categories tend to be about 30% of medium income, in the range to provide housing that is affordable, the whole unit has to be subsidized. There is the need to provide assistance to developers who might be developing with the condition that at least a certain percent of the households in that unit would provide rents affordable to that medium income household.

Councilor McFarland added that clearly we need more study.

Steve Siegel reviewed the assumptions on costs of development that in Part II, page 5.

Councilor Washington thanked Mr Ridgley for his comprehensive review of the document. He noted that there is a transition committee which is dealing with the issue of the Performing Art Center, the Convention Center, the Civic Stadium, the Civic Auditorium. The toughest challenge being faced is the issue of capital costs and how funding is maintained.

Councilor Morissette asked about the real estate transfer tax. He asked if the committee had talked about this tax.

Mr Ridgley responded that the committee had looked at the tax, had met with the statewide groups that are looking at it. He believes that there is a consensus being built that that tax should not be adopted by local government for general fund purposes. If it is not dedicated to housing in the near future, there will be a proliferation of adoption of the tax all over the state which won't be good for anyone. This is why the home builders, the bankers and other entities are willing to support something which originally they indicated they wouldn't.

Councilor Morissette referred to the chart, noted that affordable housing is what people can afford, 30% is what the lenders use to qualify people for loans. The problem with this is as the gap for what they earn and what they have to pay grows, there is more people in that pool. He asked Mr Ridgley and Mr Siegel about Environmental Zone.

Mr Ridgley responded that there are issues related to ground fields and polluted lands, there is a grant that will help the City mitigate this but nothing beyond that.

Presiding Officer Kvistad asked about the Water Avenue ramps. One of his priorities is to acknowledge the need for these ramps or the planning targets won't be met.

Mr Ridgley acknowledged that the Water Avenue ramps is an issue but it was decided that if this issue was put in the study, there would not have been unanimous adoption of the Central City 2000 Strategy. The access question is included but not resolved.

Presiding Officer Kvistad noted that the ramps is a regional issue not a local one. He suggested that Metro may be able to take care of this issue.

6. ORDINANCES - FIRST READING

- 6.1 **Ordinance No. 96-651**, An Ordinance Amending the FY 1996-97 Budget and Appropriations Schedule for the Purpose of Adjusting the Growth Management Department Budget in the Planning Fund to Recognize Additional Funding from the State of Oregon and Authorizing Additional FTE to staff the 2040 State Task Force; and Declaring an Emergency.

Ordinance No. 96-651 was assigned to the Finance, Growth Management and Governmental Affairs Committees.

- 6.2 **Ordinance No. 96-649**, For the Purpose of Granting a Franchise to Oregon Recycling Systems for Operating a Solid Waste Processing and Recovery Facility.

Ordinance No. 96-649 was assigned to the Regional Environmental Management Committee.

- 6.3 **Ordinance No. 96-648**, Amending the FY 1996-97 Budget and Appropriations Schedule Transferring \$50,143 from the Support Services Fund Contingency to Administrative Services Department Materials and Services, to Provide Funding to Prepay Mainframe Computer Maintenance Support and Operating System Licensing; and Declaring an Emergency.

Ordinance No. 96-648 was assigned to the Finance Committee.

7. COUNCILOR COMMUNICATIONS

Presiding Officer Kvistad distributed a draft of the Urban Growth Report, Functional Plan and Urban Reserves Decision calendar. He asked for feedback by next week so that this can be on the next week's Council agenda.

Councilor McLain thanked Councilors Kvistad and Washington for their help at the Washington County Fair Metro booth. She invited other Councilors to volunteer.

Councilor Washington announced the work session on the Performing Arts Center issues on August 8th. Ms Sims and Mr Cooper will also be available There will be a packet in the next several days for all Councilors. He encouraged attendance at the work session.

Presiding Officer Kvistad noted that August 8th will be the last scheduled Council meeting during the month of August.

8. ADJOURN

With no further business to come before Metro Council this afternoon, the meeting was adjourned by Presiding Officer Jon Kvistad at 3:26 pm.

Prepared by

Chris Billington
Clerk of the Council