

METRO POLICY ADVISORY COMMITTEE MEETING RECORD

October 12, 2005 – 5:00 p.m.

Metro Regional Center, Council Chambers

**Committee Members Present:** Nathalie Darcy, Andy Duyck, Dave Fuller, John Hartsock, Laura Hudson, Tom Hughes, Richard Kidd, Charlotte Lehan, Tom Potter, Martha Schrader

**Alternates Present:** Bob Bailey, Larry Cooper, Shirely Craddick

**Also Present:** John Anderson, City of Troutdale; Hal Bergsma, City of Beaverton; Ron Bunch, City of Gresham; Carol Chesarek, Citizen; Bob Clay, City of Portland; Valerie Counts, City of Hillsboro; Danielle Cowan, City of Wilsonville; Noelle Dobson, Active Living by Design; Kay Durtschi, MTAC; Meg Fernekees, DLCD; Jon Holan, City of Forest Grove; Jim Jacks, City of Tualatin; Gil Kelley, City of Portland; Wendie Kellingler, Attorney; Norm King, City of West Linn; Stephan Lashbrook, City of Lake Oswego; Irene Marvich, League of Women Voters; Greg Miller, AGC; Pat Ribellia, City of Hillsboro; Paul Savas, Clackamas County; Amy Scheckla-Cox, City of Cornelius; Andy Smith, Multnomah County; Thane Tienson, Landye Bennett; Terry Vanderkooy, City of Gresham; Andrea Vannelli, Washington County

**Metro Elected Officials Present:** Liaisons – Carl Hosticka, Council District 3; Susan McLain, Council District 4; Robert Liberty, Council District 6 others: Brian Newman, District 2

**Metro Staff Present:** Kim Bardes, Dick Benner, Andy Cotugno, Chris Deffebach, Mike Jordan, Robin McArthur, Ray Valone, Reed Wagner

**1. SELF-INTRODUCTIONS, ONE MINUTE LOCAL UPDATES & ANNOUNCEMENTS**

Mayor Richard Kidd, Interim MPAC Chair, called the meeting to order 5:10 p.m.

Interim Chair Kidd asked those present to introduce themselves and to give updates or announcements as pertained to their jurisdiction.

**2. CITIZEN COMMUNICATIONS FOR NON-AGENDA ITEMS**

There were none.

**3. CONSENT AGENDA**

Meeting Summary September 28, 2005 and MTAC Appointment:

Motion:	John Hartsock, Clackamas County Special Districts, with a second from Mayor Tom Hughes, City of Hillsboro, moved to adopt the consent agenda with the one revision of an added comment by Lydia Neill regarding the City of Gresham and their desire to include the Stone Road property adjacent to Springwater for consideration for amendment to the UGB Industrial Lands Remand. The MTAC appointment was also ratified by this vote.
Vote:	The motion passed unanimously.

#### **4. COUNCIL UPDATE**

Councilor Carl Hosticka reviewed the draft MPAC agenda for the rest of the year. He informed the members that the Metro Council had voted to amend a resolution to deny the Clackamas County application for an exception for Title 3, and they would be taking a formal vote at the Council meeting next week. He said that they would be voting on a resolution the next day regarding a tax study committee on expansion area planning. He announced the open house scheduled at the Hillsboro Civic Center on October 20, 2005 at 5 p.m. to discuss the industrial lands remand and the Chief Operating Officer's recommendation to meet the remand requirements.

#### **5. ORDINANCE 05-1089 UGB CODE CHANGES**

Dick Benner, Metro Attorney, referred the members to the packet material, which is attached and forms part of the record. He reviewed that material, specifically the changes to the code, for the members. He said that he would be making some changes to the code based on comments from MTAC and then it would come back to MPAC and on to the Metro Council.

Mayor Tom Hughes, City of Hillsboro, said that there was a section where the new language would give specific authority to right conditions on making expansions to the Urban Growth Boundary, whereas the previous language implied that Metro had that authority but did not spell it out. He asked Mr. Benner to explain why Metro would want to spell out specific authority.

Mr. Benner said that Mayor Hughes was talking about 040 in the code that talked about conditions of approval. He said that the Council amended it a couple of years ago to state expressly that the Council could place a condition on taking land in to accomplish the policies of the regional framework plan. He said that the proposed change was to language already in the code that stated that Metro could not put in certain conditions that related to a use. For example: if the Council were to expand the UGB, while working with the priorities and statute, in order to address a specific identified need such as a school, the language in the code today could be interpreted to inhibit the Council from designating a certain 20-acres to only be used for school. The new code language would remove that language so that it was no longer unclear whether or not Council could impose that kind of condition.

Mayor Hughes asked if the current or proposed language allowed for the application of conditions that did not relate directly to the property. For example – bring in a certain property with the condition that the city center rezones the downtown area to include denser residential populations?

Mr. Benner said that the limitation in the current code was that the Council could not add a condition that had nothing to do with the subject of the UGB expansion and the policies in the regional framework plan.

Shirley Craddick, City of Gresham, said that one of the reasons that they had the UGB was to discourage sprawl. She expressed concern that allowing schools outside the boundary would undermine the original intent of the UGB. She asked if there would be a rigorous process before schools could locate outside the UGB area?

Mr. Benner said that the bill 1032 said and the only response that Metro had made to it had to do with the speed of decision-making. Therefore, no criterion had changed to make it easier.

## **6. GROWING AT THE EDGE**

### 6.1 Concept Planning

Ray Valone, Metro Principal Regional Planner, distributed a handout that summarized the current status of the expansion from 2004. He reviewed the material in that handout, which is attached and forms part of the record.

Bob Bailey, City of Oregon City, said that Oregon City had three (3) substantial areas to be planned. He said that they were at the point where being able to fund a process by which cities felt empowered to have a voice in how they would grow and determining the density that was necessary for everyone's objectives was needed.

Mr. Valone said that one of the other challenges was to balance local and regional needs during the process.

### 6.2 Expansion Area Planning Fund Committee

Mike Jordan, Metro Chief Operating Officer, said that there were certain elements of the process used to manage the edge that was also used to try to manage positive growth within the centers. He said that Mr. Wagner's proposed tool would be attempting to develop funds in order to help with the concept planning for UGB expansions since lack of funds seemed to be slowing down or stopping that process. Metro Council understood the fiscal stress at the local level for long range planning needed in order to make the expansions happen.

Reed Wagner, Metro Policy Advisor, explained that Metro had pulled a varied group of partners from around the region to discuss the need for funding for concept planning for land brought into the UGB. The need was identified as \$10 million. The tool was identified as a building permit fee. The group/committee discussed various ways to collect a fee for this. He said that if the resolution was passed by the Metro Council this Thursday, then it would establish an 11-member committee that would need to meet several times between now and December 15, 2005 to discuss a recommendation for the Metro Council. If everything moved forward accordingly then the fee could go into effect as early as next year. He said that the discussion group had looked at a three-year increment sun-setting at the end of that period. This would break out to about 3.5 million per year to reach the \$10 million. He said that the average building permit fee, on new development only, would come in at approximately \$300 on a \$250,000 development.

Mr. Jordan referred the members to the draft resolution and materials in the meeting packet and Mr. Wagner reviewed those materials for the members.

Councilor Robert Liberty said that Damascus seemed to have more money to do things than some other areas. He wondered if Mr. Wagner had a per acreage amount.

Mr. Wagner and Mr. Valone said that the range was much too broad to give a valid average.

Councilor Brian Newman said that he had participated with the Tax Study committee and he was pleased to realize that the building industry seemed to see the need for this fee. He said that there had been

concern expressed for how the fee would be structured, whether it would sunset, and how the money would be spent, but overall they seemed to see the need for the fee.

Ms. Craddick said that the City of Gresham had borrowed money to finish their plan and she wondered if this fee would be retroactive.

Interim Chair Kidd said that the committee had suggested sun-setting this fee in 3 years, however, there was another round of possible urban growth expansion in the next 2-5 years. He wanted to know how they would fund those needs for concept planning.

Mr. Jordan said that the suggestion for sun setting was to sunset inside the current UGB that had not been concept planned. The new areas that would benefit from the fee and get planned would retain that fee. The fee would stay on those areas as development occurred which would hopefully help with the next round of expansions. He said that there were a lot of variables involved and there was no guarantee that each cycle of expansion would be substantial enough to fund the next cycle. He said that this tool was a stopgap measure to deal with the 2002 expansion areas. He said that he couldn't imagine having discussion in 2007 about expanding the UGB again when the region hasn't be able to turn dirt in many of the areas already brought into the boundary. The sunset issued was brought in by the development partners who did not want to see this across the region forever. Metro Council had an interest in sun-setting this fee also because Metro has a cap in total expenditures in the Metro charter that would bring Metro to within \$1 million of that cap. He said that the costs of Metro, just like most everyone else, was going up faster than CPI and that cap only goes up by CPI which creates a structural problem within the Metro revenue system. Therefore, that fee would eat up most of the cap for Metro operations.

Interim Chair Kidd said that Damascus had their plan almost ready to go and the new development would be paying into that fee system.

Mr. Jordan said that the Metro Council had not yet received the recommendation from the committee.

Diane Linn, Multnomah County, said she would like to see a specific breakdown of how much would be collected and where the money would go by jurisdiction before a decision could be made. She said she wanted Metro to be sure about reaching for a certain number and making sure that number was what each jurisdiction would really need to make this a successful program.

Mr. Wagner said that the number they had come up with was based on what they had done in the past, the type of planning that they were looking at for the remaining area, but it had not been calculated area by area yet.

### 6.3 Springwater Community Plan

Ms. Craddick introduced Terry Vanderkooy, New Communities Manager for City of Gresham.

Mr. Vanderkooy reviewed the challenges of developing the Gresham Springwater Community Plan. He said that Gresham had done the concept, implementation and master plans concurrently and he thought that was a good process, which made for a quicker and better product. He said that Gresham was essentially annexation ready in both areas. He said that the City of Gresham had adopted the plans, and they had an intergovernmental agreement with Multnomah County, but there were some technical difficulties regarding city versus county processes of adopting policies and plans.

Councilor Robert Liberty asked about affordable housing.

Mr. Vanderkooy said that he would suggest, in terms of Title 11, that Metro look at the relationship between the housing types requirements and the affordable housing and maybe meld the two. He said that affordable housing tended to be equated for financial as well as other reasons with multi-family, but he said he thought it didn't have to be.

John Anderson, City of Troutdale, said that other states often use a low impact development (LID) approach. This had a financing benefit and created an incentive to getting the assessment reporting which helps to make the decision on how to develop. He asked if City of Gresham had considered that tool.

Mr. Vanderkooy said that was the most likely tool they would use for Happy Valley. He said that with development for the new community areas they would assess all the properties that benefit, the problem was that in the new community areas the farmer was still farming and had no intention of developing their property. At some point someone would offer them enough money that they would sell, but that is not their intention. LID works best for properties that are ready to sell and develop, and not for those who have no intention of selling.

#### 6.4 Damascus Concept Plan

John Hartsock, City of Damascus, reviewed the Damascus Concept Plan challenges.

Andy Cotugno, Metro Planning Director, said that having the vote in Damascus created very different results than what had happened in Gresham and Springwater; he said there seemed to be more public support due to the vote.

There was discussion about public involvement costs and the process and best practices in order to achieve the best possible goals.

There being no further business, Chair Hoffman adjourned the meeting at 7:00 p.m.

Respectfully submitted,



Kim Bardes  
MPAC Coordinator

ATTACHMENTS TO THE RECORD FOR OCTOBER 12, 2005

The following have been included as part of the official public record:

<b>AGENDA ITEM</b>	<b>DOCUMENT DATE</b>	<b>DOCUMENT DESCRIPTION</b>	<b>DOCUMENT NO.</b>
<b>#6 Growing at the Edge</b>	October 2005	Title 11 New Area Planning Status Report	101205-MPAC-01