

A G E N D A

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**METRO**

**Agenda**

MEETING: METRO COUNCIL REGULAR MEETING  
DATE: March 16, 2006  
DAY: Thursday  
TIME: 2:00 PM  
PLACE: Metro Council Chamber

**CALL TO ORDER AND ROLL CALL**

**1. INTRODUCTIONS**

**2. CITIZEN COMMUNICATIONS**

**3. OCEAN PLASTICS PRESENTATION BY PIGMICE TEAM** Liberty

**4. "GET ON BOARD"** Newman/Clements

**5. FREQUENT BUS SERVICE** Hansen

**6. CONSENT AGENDA**

6.1 Consideration of Minutes for the March 9, 2006 Metro Council Regular Meeting.

**7. ORDINANCES – FIRST READING**

7.1 **Ordinance No. 06-1113**, For the Purpose of Adopting the Annual Budget For Fiscal Year 2006-07, Making Appropriations, and Levying Ad Valorem Taxes, and Declaring an Emergency. (*PUBLIC HEARING*)

7.2 **Ordinance No. 06-1115**, An ordinance creating a new Metro Code Chapter 7.04 establishing a Construction Excise Tax.

7.3 **Ordinance No. 06-1116**, For the Purpose of Amending Metro Code Chapter 7.01 Relating to the Metro Solid Waste Excise Tax.

**8. RESOLUTIONS**

8.1 **Resolution No. 06-3675**, For the Purpose of Establishing the Metro Council of Economic Advisors. Hosticka

8.2 **Resolution No. 06-3676**, For the Purpose of Accepting the Damascus/ Park  
 Boring Concept Plan as recommended by the Damascus/Boring  
 Concept Plan Advisory Committee.

**9. CHIEF OPERATING OFFICER COMMUNICATION**

**10. COUNCILOR COMMUNICATION**

**ADJOURN**

**Television schedule for March 16, 2006 Metro Council meeting**

<p><b>Clackamas, Multnomah and Washington counties, and Vancouver, Wash.</b>          Channel 11 -- Community Access Network  <a href="http://www.yourtv.org">www.yourtv.org</a> -- (503) 629-8534          2 p.m. Thursday, March 16 (live)</p>	<p><b>Portland</b>          Channel 30 (CityNet 30) -- Portland Community Media  <a href="http://www.pcmv.org">www.pcmv.org</a> -- (503) 288-1515          8:30 p.m. Sunday, March 19          2 p.m. Monday, March 20</p>
<p><b>Gresham</b>          Channel 30 -- MCTV  <a href="http://www.mctv.org">www.mctv.org</a> -- (503) 491-7636          2 p.m. Monday, March 20</p>	<p><b>Washington County</b>          Channel 30 -- TVC-TV  <a href="http://www.tvctv.org">www.tvctv.org</a> -- (503) 629-8534          11 p.m. Saturday, March 18          11 p.m. Sunday, March 19          6 a.m. Tuesday, March 21          4 p.m. Wednesday, March 22</p>
<p><b>Oregon City, Gladstone</b>          Channel 28 -- Willamette Falls Television  <a href="http://www.wftvaccess.com">www.wftvaccess.com</a> -- (503) 650-0275          Call or visit website for program times.</p>	<p><b>West Linn</b>          Channel 30 -- Willamette Falls Television  <a href="http://www.wftvaccess.com">www.wftvaccess.com</a> -- (503) 650-0275          Call or visit website for program times.</p>

**PLEASE NOTE: Show times are tentative and in some cases the entire meeting may not be shown due to length. Call or check your community access station web site to confirm program times.**

Agenda items may not be considered in the exact order. For questions about the agenda, call Clerk of the Council, Chris Billington, (503) 797-1542. Public hearings are held on all ordinances second read and on resolutions upon request of the public. Documents for the record must be submitted to the Clerk of the Council to be considered included in the decision record. Documents can be submitted by e-mail, fax or mail or in person to the Clerk of the Council. For additional information about testifying before the Metro Council please go to the Metro website [www.metro-region.org](http://www.metro-region.org) and click on public comment opportunities. For assistance per the American Disabilities Act (ADA), dial TDD 797-1804 or 797-1540 (Council Office).

BEFORE THE METRO COUNCIL

FOR THE PURPOSE OF ADOPTING THE ) ORDINANCE NO 06-1113
ANNUAL BUDGET FOR FISCAL YEAR 2006-07 )
MAKING APPROPRIATIONS, AND LEVYING )
AD VALOREM TAXES, AND DECLARING AN ) Introduced by
EMERGENCY ) David Bragdon, Council President

WHEREAS, the Multnomah County Tax Supervising and Conservation Commission held its public hearing on the annual Metro budget for the fiscal year beginning July 1, 2006, and ending June 30, 2007; and

WHEREAS, recommendations from the Multnomah County Tax Supervising and Conservation Commission have been received by Metro (attached as Exhibit A and made a part of the Ordinance) and considered; now, therefore,

THE METRO COUNCIL ORDAINS AS FOLLOWS:

1. The "Fiscal Year 2006-07 Metro Budget," in the total amount of THREE HUNDRED SEVEN MILLION EIGHT HUNDRED THIRTY NINE THOUSAND FOUR HUNDRED SEVENTY FIVE DOLLARS (\$307,839,475), attached hereto as Exhibit B, and the Schedule of Appropriations, attached hereto as Exhibit C, are hereby adopted.

2. The Metro Council does hereby levy ad valorem taxes, as provided in the budget adopted by Section 1 of this Ordinance, at the rate of \$0.0966 per ONE THOUSAND DOLLARS (\$1,000) of assessed value for operations and in the amount of NINETEEN MILLION ONE HUNDRED EIGHTY SIX THOUSAND EIGHT HUNDRED ELEVEN DOLLARS (\$19,186,811) for general obligation bond debt, said taxes to be levied upon taxable properties within the Metro District for the fiscal year 2006-07. The following allocation and categorization subject to the limits of Section 11b, Article XI of the Oregon Constitution constitute the above aggregate levy.

SUMMARY OF AD VALOREM TAX LEVY

Table with 3 columns: Description, Subject to the General Government Limitation, Excluded from the Limitation. Rows include Operating Tax Rate Levy and General Obligation Bond Levy.

3. In accordance with Section 2.02.040 of the Metro Code, the Metro Council hereby authorizes positions and expenditures in accordance with the Annual Budget adopted by Section 1 of this Ordinance, and hereby appropriates funds for the fiscal year beginning July 1, 2006, from the funds and for the purposes listed in the Schedule of Appropriations, Exhibit C.

4. The Chief Financial Officer shall make the filings as required by ORS 294.555 and ORS 310.060, or as requested by the Assessor's Office of Clackamas, Multnomah, and Washington Counties.

5. This Ordinance being necessary for the health, safety, or welfare of the Metro area, for the reason that the new fiscal year begins July 1, 2006, and Oregon Budget Law requires the adoption of a budget prior to the beginning of the fiscal year, an emergency is declared to exist and the Ordinance takes effect upon passage.

ADOPTED by the Metro Council on this \_\_\_ day of June, 2006.

\_\_\_\_\_  
David Bragdon, Council President

ATTEST:

Approved as to Form:

\_\_\_\_\_  
Chris Billington, Recording Secretary

\_\_\_\_\_  
Daniel B. Cooper, Metro Attorney

## STAFF REPORT

### CONSIDERATION OF ORDINANCE NO. 06-1113 ADOPTING THE ANNUAL BUDGET FOR FISCAL YEAR 2006-07, MAKING APPROPRIATIONS AND LEVYING AD VALOREM TAXES, AND DECLARING AN EMERGENCY

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Date: March 16, 2006

Presented by: David Bragdon  
Metro Council President

## BACKGROUND

I am forwarding to the Metro Council for consideration and approval my proposed budget for fiscal year 2006-07.

Metro Council action, through Ordinance No. 06-1113 is the final step in the process for the adoption of Metro's operating financial plan for the forthcoming fiscal year. Final action by the Metro Council to adopt this plan must be completed by June 30, 2006.

Once the budget plan for fiscal year 2006-07 is approved by the Metro Council, the number of funds and their total dollar amount and the maximum tax levy cannot be amended without review and certification by the Tax Supervising and Conservation Commission. Adjustments, if any, by the Metro Council to increase the level of expenditures in a fund are limited to no more than 10 percent of the total value of any fund's expenditures in the period between Metro Council approval in early May 2006 and adoption in June 2006.

Exhibits B and C of the Ordinance will be available at the public hearing on March 16, 2006.

## ANALYSIS/INFORMATION

1. **Known Opposition** – Metro Council hearings will be held on the Proposed Budget during the months of March and April 2006. Several opportunities for public comments will be provided. Opposition to any portion of the budget will be identified during that time.
2. **Legal Antecedents** – The preparation, review and adoption of Metro's annual budget is subject to the requirements of Oregon Budget Law, ORS Chapter 294. Oregon Revised Statutes 294.635 requires that Metro prepare and submit its approved budget to the Tax Supervising and Conservation Commission by May 15, 2006. The Commission will conduct a hearing during June 2006 for the purpose of receiving information from the public regarding the Metro Council's approved budget. Following the hearing, the Commission will certify the budget to the Metro Council for adoption and may provide recommendations to the Metro Council regarding any aspect of the budget.
3. **Anticipated Effects** – Adoption of this ordinance will put into effect the annual FY 2006-07 budget, effective July 1, 2006.
4. **Budget Impacts** – The total amount of the proposed FY 2006-07 annual budget is \$307,839,475 and 671.88 FTE.

## RECOMMENDED ACTION

The Metro Council President recommends adoption of Ordinance No. 06-1113.

M:\asd\finance\confidential\BUDGET\FY06-07\BudOrd\Adoption - Ord. 06-1113\Staff Report for Adoption Ordinance.doc

BEFORE THE METRO COUNCIL

AN ORDINANCE CREATING A NEW METRO	)	ORDINANCE NO. 06-1115
CODE CHAPTER 7.04 ESTABLISHING A	)	
CONSTRUCTION EXCISE TAX	)	
	)	
	)	Introduced by Chief Operating Officer
	)	Michael J. Jordan, with the concurrence of
	)	Council President David Bragdon”

WHEREAS, the implementation of concept and comprehensive planning in expansion areas added to the Urban Growth Boundary is required by state statute and the Metro Code, and such planning will help to implement Metro’s 2040 growth concept and regional expansion; and

WHEREAS, Metro has provided a leadership role in identifying regional fiscal needs associated with concept and comprehensive planning for expansion areas recently added to the Urban Growth Boundary; and

WHEREAS, on October 13, 2005, the Metro Council adopted Resolution No. 05-3626A, For the Purpose of Establishing an Expansion Area Planning Fund Committee (“EAPF”), to serve as a tax study committee pursuant to the Metro Code, with the charge to advise and make recommendations to the Metro Council regarding aspects of the need, distribution and mechanism for funding concept and comprehensive planning needs from the 2002 and 2004 Urban Growth Boundary expansions; and

WHEREAS, the charge and focus of the EAPF Committee was narrow in scope, and the Committee was not asked to examine nor estimate the larger additional costs of planning for infrastructure, urban planning in existing urban areas, center and corridor planning, or transit oriented development, or other additional planning requirements in the region; and

WHEREAS, on February 2, 2006 the EAPF Committee forwarded its final report and recommended actions to the Metro Council, stating that a regional need exists for funding concept and comprehensive planning associated with the 2002 and 2004 Urban Growth Boundary expansions, and that a construction excise tax is the best available means for creating such a fund; and

WHEREAS, the EAPF Committee recommended that long-term planning needs be further examined and addressed at a later date either with the state legislature or with the funding mechanisms already available to Metro and local governments; and

WHEREAS, the EAPF Committee reported, and the Metro Council finds that, based on estimated costs provided by the local governments themselves, the total costs of concept and comprehensive planning (through comprehensive plan adoption) for lands added to the Urban Growth Boundary from the 2002 and 2004 expansions is estimated to be approximately \$6.3 million; and

WHEREAS, the EAPF Committee recommended that the funding mechanism to fund this gap be a Construction Excise Tax (CET) on building permit values, due to its clear nexus with development of the expansion areas; and

WHEREAS the EAPF Committee estimated that, based on historical construction activity in the region, that \$6.3 million could be collected in approximately three (3) years by imposing a 0.12% tax on the value of new construction for which a building permit is required; and

WHEREAS, the EAPF Committee recommended that the funds be collected by local jurisdictions and remitted to Metro pursuant to Intergovernmental Agreements, and that Metro would distribute the funds in the form of grants to the local jurisdictions, based on a grant request submitted by the local jurisdiction setting forth the expected completion of certain milestones associated with Title 11 of Metro Code Chapter 3.07, the Urban Growth Management Functional Plan; and

WHEREAS, Metro is willing to assist local governments to fund their concept and comprehensive planning requirements for the expansion areas recently added to the Urban Growth Boundary in 2002 and 2004, by implementing a region-wide Construction Excise Tax;

WHEREAS, Metro will exempt from the Construction Excise Tax all new construction valued at less than \$100,000 and also the construction of low-income housing; and

WHEREAS, the Construction Excise Tax will include a fee ceiling of \$10,000,000, such that if the permit value is greater than \$10,000,000, then the Construction Excise Tax imposed for that Construction is capped at a ceiling of \$12,000 (Ten Thousand Dollars).

WHEREAS, Metro will provide up-front financing of the grant funds requested by the local jurisdictions, and will sunset the Construction Excise Tax when the total amounts granted to the local jurisdictions have been received by Metro, which is estimated to take approximately three (3) years; and

WHEREAS, the Metro Council hereby directs the Metro Chief Operating Officer to execute Intergovernmental Agreements with local jurisdictions for collection of the Construction Excise Tax and remittance of such funds to Metro; and

WHEREAS, the Metro Council hereby directs the Metro Chief Operating Officer to prepare yearly reports to the Metro Council, advising the Metro Council of the amounts collected from the Construction Excise Tax and the status of the grant requests by the local jurisdictions;

**NOW, THEREFORE, THE METRO COUNCIL ORDAINS AS FOLLOWS:**

Section 1. New Metro Code Chapter 7.04 Construction Excise Tax. Effective July 1, 2006, or the effective date of this Ordinance, whichever is the latest, the new Metro Code Chapter 7.04 Construction Excise Tax, attached hereto as Exhibit A and incorporated herein by this reference, is added to the Metro Code.

Section 2. Sunset Provision. The Metro Construction Excise Tax established pursuant to the new Metro Code Chapter 7.04 shall not be imposed on and no person shall be liable to pay any tax for any construction activity that is commenced pursuant to a building permit issued on or after the last day of the month in which a total of \$6.3 million has been collected under this Chapter, received by Metro, and certified as received by Metro to the local jurisdictions.

ADOPTED by the Metro Council this \_\_\_\_\_ day of \_\_\_\_\_, 2006.

\_\_\_\_\_  
David Bragdon, Council President

Attest:

Approved as to Form:

\_\_\_\_\_  
Christina Billington, Recording Secretary

\_\_\_\_\_  
Daniel B. Cooper, Metro Attorney



**EXHIBIT A**  
**ORDINANCE 06-1115**

METRO CODE - TITLE VII FINANCE  
(New) Chapter 7.04 CONSTRUCTION EXCISE TAX

SECTIONS:

7.04.010	Short Title . . . . .	.
7.04.020	Purpose . . . . .	1
7.04.030	Definitions . . . . .	2
7.04.040	Exemptions . . . . .	3
7.04.045	Ceiling . . . . .	3
7.04.050	Rules and Regulations Promulgation . . . . .	4
7.04.060	Administration and Enforcement Authority . . . . .	4
7.04.070	Imposition of Tax . . . . .	4
7.04.080	Rate of Tax . . . . .	4
7.04.090	Failure to Pay . . . . .	4
7.04.100	Statement of Value of New Construction Required . . . . .	5
7.04.110	Intergovernmental Agreements . . . . .	5
7.04.120	Rebates . . . . .	5
7.04.130	Hearings Officer . . . . .	5
7.04.140	Appeals . . . . .	6
7.04.150	Refunds . . . . .	6
7.04.160	Enforcement by Civil Action . . . . .	6
7.04.170	Review . . . . .	6
7.04.180	Failure to Pay - Penalty . . . . .	7
7.04.190	Violation - Penalty . . . . .	7
7.04.200	Rate Stabilization . . . . .	7
7.04.210	Dedication of Revenue. . . . .	.
7.04.220	Procedures for Distribution . . . . .	7
7.04.230	Sunset Provision . . . . .	.

7.04.010 Short Title

This chapter shall be known as the "Construction Excise Tax."

7.04.020 Policy and Purpose

This chapter establishes a Construction Excise Tax to provide funding for regional and local planning that is required to make land ready for development after its inclusion in the Urban Growth Boundary.

#### 7.04.030 Definitions

As used in this chapter:

- (a) "Building Official" means any person charged by a municipality with responsibility for the administration and enforcement of a building code.
- (b) "Chief Operating Officer" means the person holding the position of Metro Chief Operating Officer established by Section 2.20.010 of the Metro Code.
- (c) "Construction" means erecting, constructing, enlarging, altering, repairing, moving, improving, removing, converting, or demolishing any building or structure for which the issuance of a building permit is required pursuant to the provisions of Oregon law, whether residential or non-residential. Construction also includes the installation of a manufactured dwelling.
- (d) "Contractor" means any person who performs Construction for compensation.
- (e) "Improvement" means any newly constructed structure or a modification of any existing structure.
- (f) "Major Renovation" means any renovation, alteration or remodeling of an existing building or structure, or portion thereof, residential or non-residential, that requires or receives a building permit.
- (g) "Manufactured Dwelling" means any building or structure designed to be used as a residence that is subject to regulation pursuant to ORS 446, as further defined in ORS 446.003(26).
- (h) "Person" means and includes individuals, domestic and foreign corporations, public bodies, societies, joint ventures, associations, firms, partnerships, joint stock companies, clubs or any legal entity whatsoever.
- (i) "Value of New Construction" means the total value of the Construction as determined by the construction permit or building permit for the Improvement and/or Major Renovation.

#### 7.04.040 Exemptions

- (a) No obligation to pay the tax imposed by Section 7.04.070 shall be imposed upon any Person who establishes that one or more of the following are met:
- (1) The Value of New Construction is less than or equal to \$100,000; or
  - (2) The Person who would be liable for the tax is a corporation exempt from federal income taxation pursuant to 42 U.S.C. 501(c)(3), or a limited partnership the sole general partner of which is a corporation exempt from federal income taxation pursuant to 42 U.S.C. 501(c)(3), the Construction is used for residential purposes and the property is restricted to being occupied by Persons with incomes less than 50 percent (50%) of the median income for a period of 30 years or longer; or
  - (3) The Person who would be liable for the tax is exempt from federal income taxation pursuant to 42 U.S.C. 501(c)(3) and the Construction is dedicated for use for the purpose of providing charitable services to Persons with income less than 50 percent (50%) of the median income.
- (b) The Building Official or Chief Operating Officer may require any Person seeking an exemption to demonstrate that the Person is eligible for an exemption and that all necessary facts to support the exemption are established.

#### 7.04.045 Ceiling

Notwithstanding the provisions set forth in Sections 7.04.070 and 7.04.080, if the Construction Excise tax imposed by this Chapter would be greater than \$12,000 (Ten Thousand Dollars) as measured by the Value of New Construction that would generate that amount of tax, then the Construction Excise Tax imposed for that Construction is capped at a ceiling of \$12,000 (Ten Thousand Dollars).

#### 7.04.050 Rules and Regulations Promulgation

The Chief Operating Officer shall promulgate rules and regulations necessary for the administration and enforcement of this chapter.

#### 7.04.060 Administration and Enforcement Authority

(a) The Chief Operating Officer shall be responsible for the administration and enforcement of this chapter. In exercising the responsibilities of this section the Chief Operating Officer may act through a designated representative.

(b) In order to carry out the duties imposed by this chapter, the Chief Operating Officer shall have the authority to do the following acts, which enumeration shall not be deemed to be exhaustive, namely: administer oaths, certify to all official acts; to subpoena and require attendance of witnesses at hearings to determine compliance with this chapter, rules and regulations; to require production of relevant documents at public hearings; to swear witnesses; and to take testimony of any Person by deposition.

#### 7.04.070 Imposition of Tax

A Construction Excise tax is imposed on every Person who engages in Construction within the Metro Area. The tax shall be measured by the total Value of New Construction at the rate set forth in Section 7.04.080. If no additional value is created or added by the Construction and if the Construction does not constitute a Major Renovation then there shall be no tax due. The tax shall be due and payable at the time of the issuance of any building permit, or installation permit in the case of a manufactured dwelling, by any building authority.

#### 7.04.080 Rate of Tax

The rate of tax to be paid for Construction and/or Major Renovation shall be 0.12% of the Value of New Construction.

#### 7.04.090 Failure to Pay

It shall be unlawful for any Person to fail to pay all or any portion of the tax imposed by this chapter.

#### 7.04.100 Statement of Entire Value of New Construction Required

It shall be unlawful for any Person to fail to state or to misstate the full Value of New Construction of any Improvement, Major Renovation, or Manufactured Dwelling. When any Person pays the tax, within the time provided for payment of the tax, there shall be a conclusive presumption, for purposes of computation of the tax, that the Value of New Construction of the Improvement, Major Renovation, or Manufactured Dwelling is the Value of New Construction as determined by the Building Official at the time of issuance of the building permit or installation permit. When any Person fails to pay the tax within the time provided for payment of the tax, the Value of New Construction constructed shall be as established by the Chief Operating Officer who may consider the Value of New Construction established by the Building Official but may consider other evidence of actual value as well.

#### 7.04.110 Intergovernmental Agreements

The Chief Operating Officer may enter into intergovernmental agreements with other local governments and jurisdictions to provide for the enforcement of this chapter and the collection and remittance of the Construction Excise Tax. The agreements may provide for the governments to retain no more than 5 percent (5%) of the taxes actually collected as reimbursement of administrative expenses, and also for the reimbursement of the government's reasonable, one time, start-up costs as set forth in the agreements.

#### 7.04.120 Rebates

(a) The Chief Operating Officer shall rebate to any Person who has paid a tax the amount of tax actually paid, upon the Person establishing that the tax was paid for Construction that is eligible for an exemption under Section 7.04.040.

(b) The Chief Operating Officer shall either rebate all amounts due under this section within 30 days of receipt of a complete application for the rebate or give written notice of the reasons why the application has been denied. Any denial of any application may be appealed as provided for in Section 7.04.140.

#### 7.04.130 Hearings Officer

The Chief Operating Officer shall appoint a hearings officer to conduct hearings related to enforcement or appeals of this chapter. All hearings shall be conducted in accordance with rules and regulations adopted by the Chief Operating Officer.

#### 7.04.140 Appeals

Any Person who is aggrieved by any determination of the Chief Operating Officer regarding liability for payment of the tax, the amount of tax owed, or the amount of tax that is subject to refund or rebate may appeal the determination in accordance with Section 7.04.130. All appeals must be in writing and must be filed within 10 days of the determination by the Chief Operating Officer. No appeal may be made unless the Person has first paid the tax due as determined by the Chief Operating Officer.

#### 7.04.150 Refunds

(a) Upon written request, the Chief Operating Officer shall refund any tax paid to the Person who paid the tax after that Person has established that Construction was not commenced and that any Building Permit issued has been cancelled as provided by law.

(b) The Chief Operating Officer shall either refund all amounts due under this section within 30 days of a complete application for the refund or give written notice of the reasons why the application has been denied. Any denial of any application may be appealed as provided for in Section 7.04.140.

#### 7.04.160 Enforcement by Civil Action

The tax and any penalty imposed by this chapter constitutes a debt of the Person liable for the tax as set forth in Section 7.04.070 of this chapter and may be collected by the Chief Operating Officer in an action at law. If litigation is necessary to collect the tax and any penalty, the prevailing party shall be entitled to reasonable attorney fees at trial or on appeal. The Office of Metro Attorney is authorized to prosecute any action needed to enforce this chapter as requested by the Chief Operating Officer.

#### 7.04.170 Review

Review of any action of the Chief Operating Officer taken pursuant to this chapter, or the rules and regulations adopted pursuant thereto, shall be taken solely and exclusively by writ

of review in the manner set forth in ORS 34.010 through 34.100, provided, however, that any aggrieved Person may demand such relief by writ of review.

#### 7.04.180 Failure to Pay - Penalty

In addition to any other fine or penalty provided by this chapter, failure to pay the tax within 15 days of the date of issuance of any Building Permit for any Improvement, Major Renovation, or installation permit for any Manufactured Dwelling shall result in a penalty equal to the amount of tax owed or fifty dollars (\$50.00), whichever is greater.

#### 7.04.190 Violation - Penalty

(a) In addition to any other civil enforcement provided herein, violation of this chapter shall be a misdemeanor and shall be punishable, upon conviction, by a fine of not more than five hundred dollars (\$500.00).

(b) Violation of this chapter by any officer, director, partner or other Person having direction or control over any Person violating this chapter shall subject each such Person to such fine.

#### 7.04.200 Rate Stabilization

In order to protect against the cyclical nature of the construction industry and development patterns, the Council shall annually as part of the budget process create reserves from the revenues generated or expected to be generated by the Construction Excise Tax, which reserves are designed to protect against future fluctuations so as to promote stability in the funds needed to support required programs.

#### 7.04.210 Dedication of Revenues

Revenue derived from the imposition of this tax after deduction of necessary costs of collection shall be dedicated to fund regional and local planning that is required to make land ready for development after inclusion in the Urban Growth Boundary.

#### 7.04.220 Procedures for Distribution

The Chief Operating Officer shall distribute the revenues from the Construction Excise Tax as grants to local governments based on an analysis of grant requests submitted by the local

jurisdiction which set forth the expected completion of certain milestones associated with Title 11 of Metro Code Chapter 3.07, the Urban Growth Management Functional Plan.

#### 7.04.230 Sunset Provision

The Construction Excise Tax shall not be imposed on and no person shall be liable to pay any tax for any construction activity that is commenced pursuant to a building permit issued on or after the last day of the month in which a total of \$6.3 million has been collected under this Chapter, received by Metro, and certified as received by Metro to the local collecting jurisdictions.



## STAFF REPORT

### IN CONSIDERATION OF ORDINANCE NO. 06-1115, AN ORDINANCE CREATING A NEW METRO CODE CHAPTER 7.04 ESTABLISHING A CONSTRUCTION EXCISE TAX

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Date: March 16, 2006

Prepared by: Reed Wagner

## BACKGROUND

Of the 2002 and 2004 Urban Growth Boundary (UGB) Expansions over 6,000 acres remain unplanned. The Metro Ordinances that brought the land into the UGB specify that the city or county with land use planning responsibility for the new areas complete Title 11 planning within two years (unless exceptions have been applied). Several of the deadlines for compliance expired in March 2005, because many of the local jurisdictions responsible for completing the Title 11 planning requirements do not have the funding to do so. Development in these areas is stalled until comprehensive plans are adopted.

On October 13, 2005, the Metro Council adopted Resolution No. 05-3626A, For the Purpose of Establishing an Expansion Area Planning Fund Committee (“EAPF”), to serve as a tax study committee pursuant to the Metro Code, with the charge to advise and make recommendations to the Metro Council regarding aspects of the need, distribution and mechanism for funding concept and comprehensive planning needs from the 2002 and 2004 Urban Growth Boundary expansions. On February 2, 2006 the EAPF Committee presented its findings and conclusions to the Metro Council, recommending that Metro implement a short-term construction excise tax to fund local planning needs for the 2002 and 2004 UGB expansion areas. A copy of the committee’s recommendation is attached to this staff report as Attachment 1.

The implementation of a regional Construction Excise Tax, with grants back to the local jurisdictions for planning, would provide these jurisdictions with funding necessary for their completion of the requisite Title 11 planning for the 2002 and 2004 expansion areas.

## ANALYSIS/INFORMATION

1. **Known Opposition:** The committee decision was 5 in favor with 0 opposed and 1 abstention. The EAPF Committee report included a minority report, which stated that some jurisdictions have concerns with Metro serving as the tax agent, and that local jurisdictions could identify and pursue other funding sources. Outside the committee, Metro has received letters from Beaverton School District (Attachment 2), Sherwood School District (Attachment 3) and Tigard-Tualatin School District (Attachment 4), all requesting that the proposed exemptions be broadened to include K-12 public school construction projects in the list of construction activities that would be exempt from the construction excise tax. In addition, some individuals in the development/business community would prefer a cap on this tax for large-scale construction projects.
2. **Legal Antecedents:** In compliance with Metro Code Section 2.19.200, on October 13, 2005 Metro established a tax study committee to determine the financial need associated with

2002/2004 expansion area planning costs and a revenue mechanism for addressing this need, via Metro Resolution no. 05-3626A, "For the Purpose of Establishing An Expansion Area Planning Fund Committee." .

3. **Anticipated Effects:** The Construction Excise Tax collection would begin on July 1, 2006, at a rate of .12%. Based on current forecasts, this rate would realize approximately \$2 million annually. After the effective date of the Construction Excise Tax, Metro's planning department would accept grant requests from local jurisdictions to identify the precise revenues necessary to complete concept and comprehensive planning and establish a payment schedule based on a collation of each planning project's set of milestones. The total payments of approximately \$6.3 million would be distributed to the requestor jurisdictions, while reimbursement to Metro, via the Construction Excise Tax, would be realized within approximately 3 fiscal years, based on estimates of future construction activities.
4. **Budget Impacts:** The budget impact includes a significant amount of staff time, including data generation from the Data Resource Center, financial planning and intergovernmental fund transfer planning by Finance and Administrative Services, IGA development by the Office of the Metro Attorney, and Grant development /review and tracking by the Planning Department. These costs will be absorbed by current budgets within FAS and OMA, assuming revenues will be collected successfully through IGAs with all local jurisdictions, while the Planning Department, including DRC, will need increased resources to complete associated tasks. Planning anticipates a budget impact of an additional .5 to .75 limited duration analyst over the course of the program. This FTE would be necessary to assist in grant negotiations, grant reviews, and monitoring and tracking of the invoices against the IGAs and Metro standards; in addition, this position would assist in overall program management. This will allow existing planning staff to continue to participate in local government concept planning efforts.

Increased revenues from the Construction Excise Tax forecasted at approximately \$2 million annually, which will reimburse Metro for the amounts Metro has granted to local jurisdictions under the program. The ordinance outlines a Metro advance on funds; the advance schedule will be determined within the first year of the program (upon the receipt of all grant requests). Preliminary forecasting suggests that the majority of the funding will be spent within the first 18 months. This advance will impact the budget as Metro will need to identify advance resources for payouts. The advance resources will not exceed the total amount of the program, forecasted to be \$6.3 million dollars.

## **RECOMMENDED ACTION**

The Chief Operating Officer recommends adoption of this ordinance.

**Attachment 1  
STAFF REPORT ORDINANCE 06-1115**

**Expansion Area Planning Fund Committee (EAPF)  
Recommended Actions on the Need, Distribution and Mechanism for  
Funding Concept and Comprehensive Planning in the 2002 and 2004 Urban  
Growth Boundary Expansion Areas**

**Presented to the Metro Council**

**February 2, 2006**

**Expansion Area Planning Fund Committee Members**

Chuck Becker, Mayor, City of Gresham  
Tom Brian, Washington County Board of Commissioners  
Jim Chapman, President, Home Builders Association  
Diana Godwin, Land Use Attorney  
Gil Kelly, Planning Director, City of Portland  
John Hartsock, City Councilor, City of Damascus  
Holly Iburg, Project Manager, Newland Communities  
Wally Mehrens, Columbia Pacific Building Trades  
Bud Moore, Deputy Superintendent of Beaverton School District  
Ryan O'Brien, Land Development Specialist  
Bob Stacey, Executive Director, 1000 Friends

**Ex-Officio Non-Voting Members**

David Bragdon, Council President, Metro  
Michael Jordan, Chief Operating Officer, Metro

**Council Liaison**

Brian Newman, Councilor, Metro

**Metro Staff**

Dan Cooper, Metro Attorney, Metro  
Alison Kean Campbell, Senior Attorney, Metro  
Ken Ray, Senior Public Affairs Specialist, Metro  
Randy Tucker, Legislative Affairs, Metro  
Ray Valone, Principal Regional Planner, Metro  
Reed Wagner, Policy Specialist, Metro  
Dennis Yee, Forecasting & Modeling, Metro  
Daniel Lerch, Policy Intern, Metro  
Lake McTighe, Policy Intern, Metro

**Table of Contents**

Background.....4

Policy Development.....4

Committee Process.....5

Data and Analysis.....5

Recommended Actions.....6

Minority Report.....8

Appendices.....9

Appendix I            Resolution NO. 05-3626A

Appendix II           *Table* Title 11 New Planning Areas

Appendix III          *Map* Funding Status of 2002 UGB Expansion Areas

## **Background**

Of the 2002 and 2004 Urban Growth Boundary (UGB) Expansions over 6,000 acres remain unplanned (see Appendices II and III for a map and table of these areas). The Metro Ordinances that brought the land into the UGB specify that the city or county with land use planning responsibility for the new areas complete Title 11 planning within two years (the timelines for some areas are longer). Several of the deadlines for compliance expired in March 2005, because many of the local jurisdictions responsible for completing the Title 11 planning requirements do not have the funding to do so. Development in these areas is stalled until comprehensive plans are adopted.

## **Policy Development**

On October 13, 2005, the Metro Council passed RESOLUTION NO. 05-3626A (see Appendix I) establishing a tax study committee. The Expansion Area Planning Fund (EAPF) Committee was charged with identifying the need, distribution and mechanism for funding concept and comprehensive planning in the 2002 and 2004 Urban Growth Boundary Expansion Areas.

Specifically, the EAPF Committee was charged to advise the Metro Council on the following questions:

- a. How large is the regional need for concept and comprehensive planning?
- b. How should the funds be distributed? Are certain areas prioritized?
- c. Should the funds accompany other resources?
- d. What role should Metro play?
- e. What role should local jurisdictions play?
- f. What mechanism should be used for capturing this fee?
- g. What administrative processes and costs should be considered in regards to this fee?
- h. What should be the time period for this fee, should it sunset?
- i. What mechanism should be used to satisfy long-term needs? How can this source of funding be more directly linked to the areas that benefit?
- j. Should this funding mechanism include a portion or additional percentage for construction of affordable housing across the region?

## **Committee Process**

The Expansion Area Planning Fund (EAPF) Committee was comprised of eleven members, two ex-officio non-voting members, and a Metro Council liaison. The committee served on a short-term basis and met five times from November 9, 2005 through January 18, 2006. The original conclusion date for the committee was December 15, 2005; the committee agreed to extend this deadline in order to conduct further outreach with local leaders and jurisdictions. Not all committee members were able to attend every meeting; in most cases an alternate attended.

The committee agreed to use modified consensus with a minority dissenting report to reach decisions. Metro staff served as technical and administrative support to the committee and provided background information.

Various committee members and Metro Councilors participated in outreach discussions with local area leaders to inform them of the committee's work, gain their insight, and answer questions. This issue was also discussed at the October 12, 2005 Metro Policy Advisory Committee (MPAC) meeting and the December 7, 2005 Metro Technical Advisory Committee (MTAC) meeting.

## **Data and Analysis**

The committee utilized the following data to analyze the issue and answer the questions set forth by the Metro Council (see Appendices):

- Acreage and background information on UGB Expansion Areas that have not yet been planned
- Local jurisdictions estimations of planning costs through comprehensive plan adoption
- Totals of building permit values for Clackamas, Multnomah, and Washington Counties for the years 2003-2004
- Construction Excise Tax modeling based on various ceilings and floors
- Estimated construction costs for affordable housing units constructed between 2003 and 2004
- Draft Metro Code Chapter for a New Construction Excise Tax
- Draft Administrative Rules: Metro Code Chapter 7.04
- Sample Intergovernmental Agreement (IGA)

## **Recommended Actions**

The Expansion Area Planning Fund (EAPF) Committee recommends that the Metro Council adopt an ordinance to impose a region wide construction excise tax (CET) on all new building permits applied for within Metro's boundaries for the purpose of funding and expediting concept and comprehensive planning and development in the 2002 and 2004 Urban Growth Boundary Expansion Areas.

The EAPF Committee reached this recommendation with a majority vote of five (5) and one (1) abstention. The remaining five (5) members of the committee were unable to attend the final meeting.

### **a. How large is the regional need for concept and comprehensive planning?**

Over 6,000 acres of land brought inside the Urban Growth Boundary remains unplanned (see Appendices II and III for a list and map of these areas).

The committee determined that there is a regional need for a funding source for concept and comprehensive planning, and identified lack of funding as the major hurdle to development of these new areas.

The total cost of concept and comprehensive planning (through comprehensive plan adoption) for these areas was derived from estimates provided by the local jurisdictions. The estimated total amount is approximately \$5,628,000 (see Appendix II for the estimated amount for each individual area).

### **b. How should the funds be distributed? Are certain areas prioritized?**

- The committee recommends that local jurisdictions apply for the funding and it be distributed as planning milestones are completed.
- Funding should be distributed in the form of grants as areas move forward with the planning process and demonstrate that they are completing the process according to the requirements laid out in Title 11 of the Urban Growth Management Functional Plan.
- Planning through comprehensive plan adoption should be covered.
- Concept and comprehensive planning (through adoption of the comprehensive plan) should be within a standard timeline of 18 months, with exceptions considered on an individual basis.
- Prioritization of areas should not be necessary because all areas that apply for funding should be funded.



- The committee recommends that the Metro Council consider frontloading funds from Metro's general account in anticipation of revenues from the CET, in order to expedite planning.
- The committee recommends that jurisdictions can apply for funds to cover planning costs incurred after January 1, 2006, in the 2002 and 2004 UGB expansion areas. Costs incurred before January 1, 2006 will not be funded.

**c. Should the funds accompany other resources?**

The committee recommends that funding from the CET revenues should be combined with other sources of funding (such as TGM grants, city funds, and developers) whenever possible.

**d. What role should Metro play?**

The committee recommends that Metro hold the CET revenue collected in a separate account within Metro's general account. Metro would distribute the funds, working with local jurisdictions to determine appropriate milestones for the completion of planning and the distribution of funds as laid out in individual IGAs.

**e. What role should local jurisdictions play?**

The committee recommends that local jurisdictions collect the CET revenues when building permits are processed and pass the revenue to Metro. Local jurisdictions will apply for the funding and work with Metro to establish the appropriate timelines and milestones for the completion of planning and the distribution of funds as laid out in individual IGAs.

**f. What mechanism should be used for capturing this fee?**

The committee discussed various funding mechanisms for capturing a fee. The Construction Excise Tax (CET) on building permit values was determined to be the best funding mechanism because of its clear nexus with development of the expansion areas.

A CET is a tax on new residential and commercial/industrial building permits (including remodels and additions) and, in this case, is based on the value attached to the building permit. The tax would only apply to building permits within Metro's boundaries.

The committee recommends that:

- collection of the tax begin July 1, 2006
- building permit values below \$100,001 are exempted from the tax

- the tax be .1% of the value of the building permit (a building permit value of \$250,000 would generate \$250)
- there be no cap on the amount collected per building permit
- approximately \$2 million a year be collected for three years; the final amount to be collected will be determined based on IGAs
- the tax sunset after three (3) years
- affordable housing development building permits be exempt from the tax

**g. What administrative processes and costs should be considered in regards to this fee?**

The committee recommends that no more than 5% of the total revenue collected be used for administration costs. The committee also recommends utilizing existing administrative structures and processes for the collection of the tax. To streamline the process and keep costs down, and because the administrative processes of jurisdictions will vary, the committee recommends that Metro staff communicate early with permit processing divisions to determine administrative needs and costs.

**h. What should be the time period for this fee, should it sunset?**

The committee recommends that the fee sunset after three (3) years.

**i. What mechanism should be used to satisfy long-term needs? How can this source of funding be more directly linked to the areas that benefit?**

The committee recommends that long-term needs be addressed through discussion in the 2007 legislative session. The committee also recommends that once the CET sunsets, if no other funding mechanism has been identified, that this CET is reviewed for the possibility of extending the process and creating a revolving fund in which areas that receive funding from the CET could fund future expansion areas.

**j. Should this funding mechanism include a portion or additional percentage for construction of affordable housing across the region?**

The committee recommends that this CET be associated with concept and comprehensive planning purposes only. The committee also recommends that building permits for the construction and rehabilitation of affordable housing be exempted from this tax. The committee recognizes the work of the Housing Choice Task Force currently looking at regional affordable housing needs and solutions and believes that this is the best forum to address regional funding solutions for affordable housing.

## **Minority Report**

For some jurisdictions, predominately those on the Westside, a few issues remain regarding a construction excise tax that would fund planning in the 2002 and 2004 Urban Growth Boundary Expansion Areas. One issue is that these local jurisdictions feel that in most cases, they will be able to identify the necessary resources to complete concept and comprehensive planning on their own with mechanisms other than the construction excise tax (such as developer fees). These jurisdictions want the opportunity to pursue these other funding sources before supporting a regional funding solution.

A second concern is the perception that a regional funding solution will add an extra layer of unneeded bureaucracy. These jurisdictions do not want to collect the tax, send it to Metro, only to have to apply to Metro to redistribute the funds back to local jurisdictions through grants with attendant reporting requirements and possibly planning requirements beyond those already in place. Most of the jurisdictions want any taxes collected locally to remain in local hands and be used in the jurisdiction near where they are collected.

## **Appendices**

**Appendix I** - Resolution NO. 05-3626A

**Appendix II** – *Table* Title 11 New Planning Areas

**Appendix III** - *Map* Funding Status of 2002 UGB Expansion Areas

### **Additional Materials on file:**

- Meeting Agendas
- Meeting Minutes
- Committee member contact list
- Housing Choice Task Force memos regarding affordable housing
- Local jurisdiction communications on planning costs
- *Table* Building Permit Values
- *Draft* Administrative Rules: Metro Code Chapter 7.04
- *Draft* Metro Code Chapter for a New Construction Excise Tax
- Sample Intergovernmental Agreement (IGA)
- Title 11, Metro Functional Plan
- Committee members, Metro Councilor, Metro staff, and local jurisdiction email communications

BEFORE THE METRO COUNCIL

FOR THE PURPOSE OF ESTABLISHING AN ) RESOLUTION NO. 05-3626A  
EXPANSION AREA PLANNING FUND COMMITTEE ) Introduced by  
Metro Council President  
David Bragdon

WHEREAS, Metro has taken a leadership role in identifying regional fiscal needs associated with concept and comprehensive planning for areas added to the Urban Growth Boundary; and

WHEREAS, the implementation of concept and comprehensive planning in areas added to the Urban Growth Boundary is consistent with state statute, the Metro Code, and will help to implement Metro’s 2040 growth concept; and

WHEREAS, discussions with regional elected officials, developers, municipal planning staff, Realtors, and representatives of the general population generally encouraged the establishment of a revenue study committee to develop a mechanism for the funding of concept and comprehensive planning; and

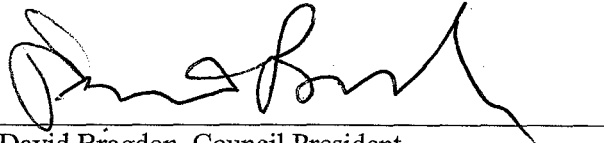
WHEREAS, the Metro Council adopted Ordinance No. 00-860A, on November 9, 2000 “For the Purpose of Adding a New Chapter 2.19 to the Metro Code Relating to Advisory Committees,” amended by Ordinance 02-955A, on June 27, 2002 “For the purpose of amending chapter 2.19 of the Metro Code to conform to the charter amendments adopted on November 7, 2000,” and authorized under Metro Code No. 2.19.200 “Tax Study Committee” and the creation and purpose states that “before considering the imposition of any new tax or taxes, which do not require prior voter approval under the Charter, the Council shall create a tax study committee by adoption of a resolution”;

NOW, THEREFORE, BE IT RESOLVED BY THE METRO COUNCIL THAT,

1. The Metro Council hereby establishes an Expansion Area Planning Fund Committee to serve as the tax study committee authorized under Ordinance No. 00-860A and hereby appoints the Committee Chair and committee members as set forth in Exhibit A attached hereto and incorporated herein;

2. The Tax Study Committee shall meet 3 to 4 times between now and December 15, 2005, with administrative and technical support from the Metro staff, and the committee shall advise and make recommendations to the Metro Council regarding aspects of the need, distribution and mechanism for funding concept and comprehensive planning as more specifically set forth in Exhibit B attached hereto, and the Committee shall return to the Metro Council by December 15, 2005 with specific recommendations.

ADOPTED by the Metro Council this 13<sup>th</sup> day of October, 2005.



David Bragdon, Council President

Approved as to Form:



Daniel B. Cooper, Metro Attorney

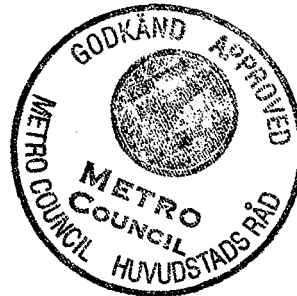


Exhibit A  
Resolution 05-3626A

The Expansion Area Planning Fund Committee is being asked to serve on a short term basis, beginning in late October and concluding by December 15<sup>th</sup>, 2005, and meet 3 to 4 times to analyze funding mechanism options for concept and comprehensive planning in the Metro Region. Metro staff will serve as technical and administrative support to the committee and provide background information.

11 Metro residents have been identified as possible committee members. They are

Ryan O'Brien	Land Development Specialist
Jerome Colonna	Superintendent of Beaverton School District
Bob Stacey	Executive Director, 1000 Friends
Wally Mehrens	Columbia Pacific Building Trades
Diana Godwin	Land Use Attorney
Tom Brian	Chair, Washington County Board of Commissioners
Gil Kelley	Planning Director, City of Portland
John Hartsock	City Councilor, City of Damascus
Holly Iburg	Project Manager, Newland Communities
Jim Chapman	President, Home Builders Association
Chuck Becker	Mayor, Gresham

Exhibit B  
Resolution 05-3626A

The Expansion Area Planning Fund Committee is being asked to serve on a short-term basis, beginning in late October and concluding by December 15<sup>th</sup>, 2005, and meet 3 to 4 times to analyze funding mechanism options for concept and comprehensive planning in the Metro Region. Metro staff will serve as technical and administrative support to the committee and provide background information.

The Committee will be asked to advise the Council on the following specific questions:

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- i. What mechanism should be used to satisfy long term needs? How can this source of funding be more directly linked to the areas that benefit?
- j. Should this funding mechanism include a portion or additional percentage for construction of affordable housing across the region?

Following the completion of the Committee's work by December 15, 2005, they will issue their recommendations about the funding to the Metro Council. The Council will then ask the community at large to review and comment on those recommendations.



## STAFF REPORT

### IN CONSIDERATION OF RESOLUTION NO. 05-3626A, FOR THE PURPOSE OF ESTABLISHING AN EXPANSION AREA PLANNING FUND COMMITTEE

---

Date: September 29, 2005

Prepared by: Reed Wagner

## BACKGROUND

The majority of acreage added in the 2002 Urban Growth Boundary expansion has yet to be developed. It is argued by much of the development community and expansion area jurisdictions that the major hurdle in development, of these new Metro areas, is the lack of funding for concept and comprehensive planning. Initial discussions with developers, realtors, planners and elected officials from the Metro region suggests that a regional funding mechanism may be welcomed in an effort to expedite development in expansion areas.

## ANALYSIS/INFORMATION

1. **Known Opposition** None known
2. **Legal Antecedents** According to Metro Code No. 2.19.200 "Tax Study Committee", "before considering the imposition of any new tax or taxes, which do not require prior voter approval under the Charter, the Council shall create a tax study committee by adoption of a ordinance;" Metro Council Ordinance No. 00-860A.
3. **Anticipated Effects** The identified committee of 11 will be convened and a recommendation will be made to the Metro Council by December 15, 2005 as set forth in Exhibit B to the Resolution.
4. **Budget Impacts** The impact includes a minimal amount of staff time, including data from the Data Resource Center, support by Metro's office of the Chief Operating Officer and Office of the Metro Attorney.

## RECOMMENDED ACTION

The Chief Operating Officer recommends adoption of this resolution.

BEFORE THE METRO COUNCIL

FOR THE PURPOSE OF ESTABLISHING AN ) RESOLUTION NO. 05-3626  
EXPANSION AREA PLANNING FUND COMMITTEE ) Introduced by  
Metro Council President  
David Bragdon

WHEREAS, Metro has taken a leadership role in identifying regional fiscal needs associated with concept and comprehensive planning for areas added to the Urban Growth Boundary; and

WHEREAS, the implementation of concept and comprehensive planning in areas added to the Urban Growth Boundary is consistent with state statute, the Metro Code, and will help to implement Metro's 2040 growth concept; and

WHEREAS, discussions with regional elected officials, developers, municipal planning staff, Realtors, and representatives of the general population generally encouraged the establishment of a revenue study committee to develop a mechanism for the funding of concept and comprehensive planning; and

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1. The Metro Council hereby establishes an Expansion Area Planning Fund Committee to serve as the tax study committee authorized under Ordinance No. 00-860A and hereby appoints the Committee Chair and committee members as set forth in Exhibit A attached hereto and incorporated herein;

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ADOPTED by the Metro Council this \_\_\_\_\_ day of \_\_\_\_\_,  
2005.

---

David Bragdon, Council President

Approved as to Form:

---

Daniel B. Cooper, Metro Attorney

Exhibit A  
Resolution 05-3626

The Expansion Area Planning Fund Committee is being asked to serve on a short term basis, beginning in late October and concluding by December 15<sup>th</sup>, 2005, and meet 3 to 4 times to analyze funding mechanism options for concept and comprehensive planning in the Metro Region. Metro staff will serve as technical and administrative support to the committee and provide background information.

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Tom Brian	Chair, Washington County Board of Commissioners
Gil Kelley	Planning Director, City of Portland
John Hartsock	City Councilor, City of Damascus
Cindy Catto	Public Affairs Manager, Associated General Contractors
Jim Chapman	President, Home Builders Association
Chuck Becker	Mayor, Gresham

Exhibit B  
Resolution 05-3626

The Expansion Area Planning Fund Committee is being asked to serve on a short-term basis, beginning in late October and concluding by December 15<sup>th</sup>, 2005, and meet 3 to 4 times to analyze funding mechanism options for concept and comprehensive planning in the Metro Region. Metro staff will serve as technical and administrative support to the committee and provide background information.

The Committee will be asked to advise the Council on the following specific questions:

- a. How large is the regional need for concept and comprehensive planning?
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- h. What should be the time period for this fee, should it sunset?
- i. What mechanism should be used to satisfy long term needs? How can this Funding be more directly linked to the areas that benefit?

Following the completion of the Committee's work by December 15, 2005, they will issue their recommendations about the funding to the Metro Council. The Council will then ask the community at large to review and comment on those recommendations.

## STAFF REPORT

### IN CONSIDERATION OF RESOLUTION NO. 05-3626, FOR THE PURPOSE OF ESTABLISHING AN EXPANSION AREA PLANNING FUND COMMITTEE

---

Date: September 29, 2005

Prepared by: Reed Wagner

## BACKGROUND

The majority of acreage added in the 2002 Urban Growth Boundary expansion has yet to be developed. It is argued by much of the development community and expansion area jurisdictions that the major hurdle in development, of these new Metro areas, is the lack of funding for concept and comprehensive planning. Initial discussions with developers, realtors, planners and elected officials from the Metro region suggests that a regional funding mechanism may be welcomed in an effort to expedite development in expansion areas.

## ANALYSIS/INFORMATION

1. **Known Opposition** None known
2. **Legal Antecedents** According to Metro Code No. 2.19.200 "Tax Study Committee", "before considering the imposition of any new tax or taxes, which do not require prior voter approval under the Charter, the Council shall create a tax study committee by adoption of a ordinance;" Metro Council Ordinance No. 00-860A.
3. **Anticipated Effects** The identified committee of 11 will be convened and a recommendation will be made to the Metro Council by December 15, 2005 as set forth in Exhibit B to the Resolution.
4. **Budget Impacts** The impact includes a minimal amount of staff time, including data from the Data Resource Center, support by Metro's office of the Chief Operating Officer and Office of the Metro Attorney.

## RECOMMENDED ACTION

The Chief Operating Officer recommends adoption of this resolution.

**TITLE 11 NEW AREA PLANNING STATUS REPORT – 2002 and 2004 UGB Expansion Areas  
(revised February 2006)**

<b>Project/ Study Area</b>	<b>Lead Government</b>	<b>Plan Deadline</b>	<b>Total Acres</b>	<b>Dwelling Unit Capacity</b>	<b>Total Number of units built to date</b>	<b>Status / Notes</b>	<b>Planning cost from Jan. 03 &amp; Dec. 05 Expense Breakdown</b>	<b>Unfunded Cost and Cost Status</b>
<b>2002 UGB Expansion</b>								
<b>Springwater Community Plan (Areas 6, 12)</b>	Gresham	March 2005	1,151	1,417*	0	Completed	Total: \$1,300,000 \$247,000 –staff \$945,000 - state loans to be paid back from general fund	NA
<b>Damascus/Boring (Areas 10-11, 13-19)</b>	Clackamas County	March 2007	12,214	25,595	0	Draft plan under review. Completion expected December 2005	Total: \$2 million \$271,867 county general fund \$25,000 Happy Valley general fund	NA
<b>Park Place Master Plan (Areas 24, 25, 26)</b>	Oregon City	March 2007	512	577	0	The City planning on funding concept planning from general funds and is attempting to negotiate approx. \$90,000 in assistance from a developer.	\$0	<b>\$250,000 Not funded</b>
<b>Beavercreek Road (Area 26)</b>	Oregon City	March 2007	245	0	0	Total cost \$250,000. Recently received \$170,000 TGM grant. Industrial land. The city will pay for the remaining \$80,000 from general funds.	\$0	<b>\$80,000 Partially funded</b>
<b>South End Road (Area 32)</b>	Oregon City	March 2007	919	413	0	No money or staff to take on third concept planning effort at this time.	\$0	<b>\$250,000 Not funded</b>

Project/ Study Area	Lead Government	Plan Deadline	Total Acres	Dwelling Unit Capacity	Total Number of units built to date	Status / Notes	Planning cost from Jan. 03 & Dec. 05 Expense Breakdown	Unfunded Cost and Cost Status
East Wilsonville (Frog Pond) (Area 45)	Wilsonville	March 2007	183	660	0	Developers have had discussions with city but no formal process has begun.	\$0	<b>\$100,000 Not funded</b>
Northwest Wilsonville (Area 49)	Wilsonville	March 2007	216	0	0	<b>Total cost \$100,000. Received \$100,000 TGM grant.</b> Designated by Metro as Regionally Significant Industrial Area. City had consultant do a preliminary urban reserve plan in 1998. City is working with developers/owners on revised master plan.	\$100,000 TGM grant plus match in kind, no other general fund expenses. Grant should cover all expenses.	<b>Partially funded</b>
Brookman Road (Area 54, 55)	Sherwood	March 2007	231	914	0	City seeking grant funds for planning effort.	\$0	<b>\$150,000 Not funded</b>
Study Area 59	Sherwood	March 2006	85	313	0	Metro Council approved Title 11 extension request to March 2006. City has started concept planning; <b>85% complete.</b> New school.	\$9,000 staff \$1,900 general fund \$25,000 school district	<b>\$75,000 Partially funded</b>
99W Area	Sherwood	March 2005	18	0	0	Road Alignment	\$0	<b>\$25,000 Not funded</b>
NW Tualatin/ Cipole Road	Tualatin	March 2005	15	0	0	Industrial Area. Completed	Total: \$50,189 General fund \$17,575	NA
Tonquin Site (part of SW Tualatin)	Tualatin	March 2007	431	0	0	Tonquin and Tigard Sand/Gravel industrial sites, known as 'SW Tualatin', were planned together. Planning completed.	Total: \$221,913 General fund: \$52,016	NA
Tigard Sand and Gravel Site Site (part of SW Tualatin)	Tualatin	March 2007						NA



Project/ Study Area	Lead Government	Plan Deadline	Total Acres	Dwelling Unit Capacity	Total Number of units built to date	Status / Notes	Planning cost from Jan. 03 & Dec. 05 Expense Breakdown	Unfunded Cost and Cost Status
<b>Bull Mountain Area (Study Area 63 and 64)</b>	Tigard or Washington County	March 2005	258 and 262	688 and 1,047	0	Measure to annex to Tigard unincorporated area between city boundary and area added to UGB was defeated by voters in Nov 2004. County in talks with residents about future service provision and planning responsibility. <b>Areas 63 and 64 will be planned together.</b>	\$0	<b>\$745,000 Not funded</b>
<b>Cooper Mountain (Area 67)</b>	Washington County or Hillsboro or Beaverton	March 2005	507	1,019	0	Who plans area still to be determined	\$0	<b>\$213,000 Not funded</b>
<b>Study Area 69</b>	Washington County or Hillsboro	March 2005	384	884	TBD	Hillsboro developed South Hillsboro Concept Plan which includes both areas 69 and 71 but also includes areas not yet in UGB. Metro should be getting concept plan soon. Working with owner for possible owner contributions.	\$0	<b>\$150,000</b>
<b>Study Area 71 (portion)</b>	Hillsboro	March 2005	88	416	TBD	Portion contained in Witch Hazel Community Plan, which is completed. Remainder of area included in South Hillsboro Concept Plan.	\$0	<b>\$25,000</b>
<b>Study Area 77</b>	Cornelius	March 2005	16	0	NA	Completed	TBD	NA

Project/ Study Area	Lead Government	Plan Deadline	Total Acres	Dwelling Unit Capacity	Total Number of units built to date	Status / Notes	Planning cost from Jan. 03 & Dec. 05 Expense Breakdown	Unfunded Cost and Cost Status
<b>Shute Road Site</b>	Hillsboro	March 2005	203	0	NA	Industrial Area. Completed	Total: approx. \$50,000 Approx. \$25,000 from city general fund	NA
<b>Evergreen</b>	Washington Co or Hillsboro & Metro	July 2007	532	0	0	Area added in remand. <b>Will be planned with Helevita.</b>	\$0	<b>See Helevita.</b>
<b>Forest Grove Swap</b>	Forest Grove	June 2006 & June 2007	0	0	NA	Industrial land. Metro Council approved Title 11 extension request to June 2006 for comp plan amendments and rezoning and June 2007 for long-range boundary recommendations	\$0	<b>\$90,000 Not funded</b>
<b>Bethany (Areas 84-87)</b>	Washington County	March 2005	716	3,546	0	<b>Total cost \$1,170,000. Recently received \$150,000 TGM grant for concept planning.</b>	\$0	<b>\$1,020,000 Partially funded</b>
<b>Bonny Slope (Study Area 93)</b>	Multnomah County	March 2005	159	524	0	Metro Council adopted Resolution 04-3518 directing Metro staff to facilitate completion of concept planning. Metro is in process of bringing local governments together to facilitate concept planning.	\$0	<b>\$225,000</b>

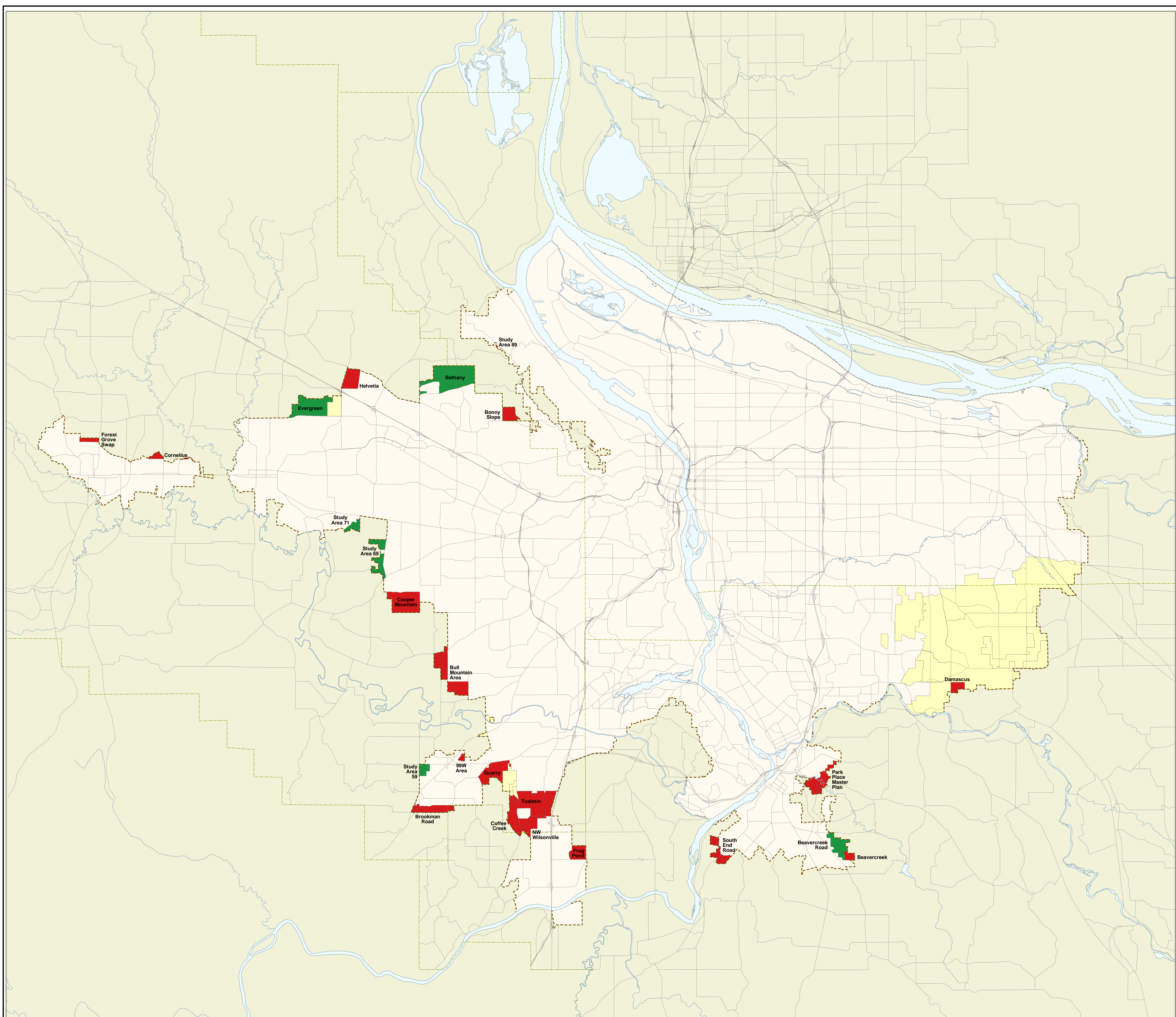
Project/ Study Area	Lead Government	Plan Deadline	Total Acres	Dwelling Unit Capacity	Total Number of units built to date	Status / Notes	Planning cost from Jan. 03 & Dec. 05 Expense Breakdown	Unfunded Cost and Cost Status
<b>2004 UGB Expansion</b>								
<b>Damascus West</b>	Clackamas County & Metro	July 2007	102	0	NA	Industrial land. Part of Damascus /Boring Concept Plan	\$0	<b>\$125,000 Not funded</b>
<b>Beavercreek (Portion of area 26)</b>	Clackamas County or Oregon City & Metro	July 2007	63	0	NA	Industrial land. Included in 2002 expansion area 26 for concept planning. Will be planned with Beavercreek Road Area 26 Plan	\$0	<b>Cost included with Area 26</b>
<b>Quarry (Portions of areas 48 &amp; 49)</b>	Washington County, Tualatin, or Sherwood & Metro	July 2007	354	0	NA	Industrial land. Tualatin and Sherwood applied for TGM grant for concept planning but grant request not approved.	\$0	<b>\$233,000 Not funded</b>
<b>Coffee Creek (Portions of areas 48 &amp; 49)</b>	Washington & Clackamas counties or Tualatin or Wilsonville & Metro	July 2012 or 2 years after selection of ROW alignment for 99W/I- 5 connector whichever is earlier	264	0	NA	Industrial land. Concept planning not yet begun. Applied for TGM grant for concept planning but request not approved.	\$0	<b>\$270,000 Not funded</b>
<b>Tualatin (Portions of areas 47 &amp; 49)</b>	Washington County, Tualatin or Wilsonville & Metro	July 2012 or 2 years after selection of ROW alignment for 99W/I- 5 connector whichever is earlier	646	0	NA	Industrial land. Concept planning not yet begun.	\$0	<b>\$400,000 Not funded</b>

<b>Project/ Study Area</b>	<b>Lead Government</b>	<b>Plan Deadline</b>	<b>Total Acres</b>	<b>Dwelling Unit Capacity</b>	<b>Total Number of units built to date</b>	<b>Status / Notes</b>	<b>Planning cost from Jan. 03 &amp; Dec. 05 Expense Breakdown</b>	<b>Unfunded Cost and Cost Status</b>
<b>Cornelius</b>	Washington Co or Cornelius & Metro	July 2007	64	0	NA	Industrial land.	\$0	<b>\$50,000(TBD) Not funded</b>
<b>Helvetia</b>	Washington Co or Hillsboro & Metro	July 2007	249	0	NA	Industrial land. <b>Will concept plan Helvetia and Evergreen together.</b>	\$0	<b>\$200,000 Not funded</b>

### 2002 - 2005 UGB Expansion Land

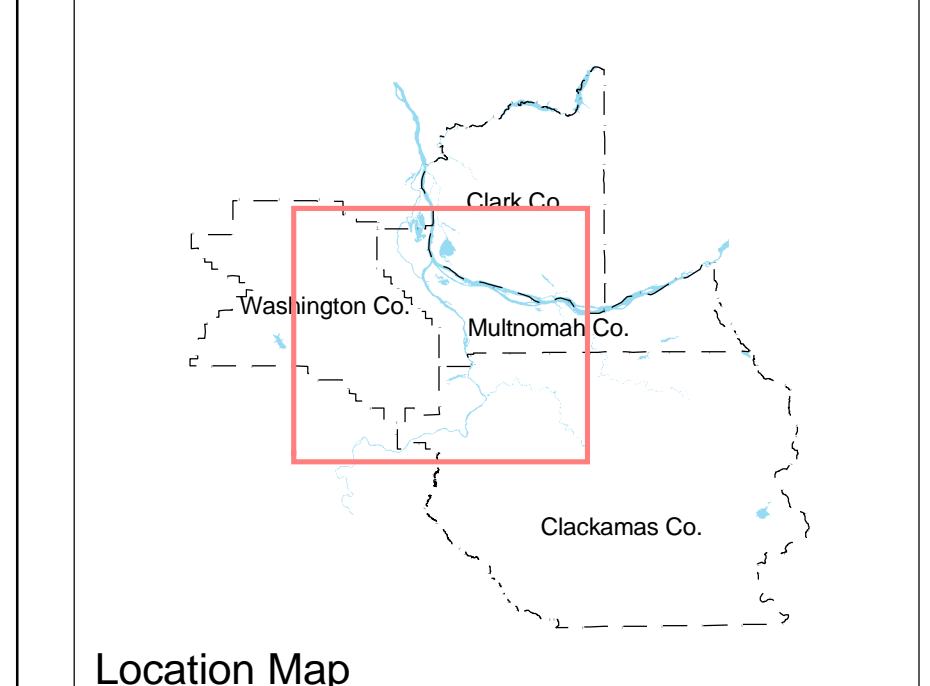
## FUNDING STATUS

- 2002 UGB Expansion**
  - Other Expansion Areas
  - No Funding
  - Partial Funding
- 2004 UGB Expansion**
  - Other Expansion Areas
  - No Funding
- 2005 UGB Expansion**
  - No Funding
  - Partial Funding



The information on this map was derived from digital databases on Metro's GIS. Care was taken in the creation of this map. Metro cannot accept any responsibility for errors, omissions, or positional accuracy. There are no warranties, expressed or implied, including the warranty of merchantability or fitness for a particular purpose, accompanying this product. However, notification of any errors will be appreciated.

1 inch equals 1 mile  
0 0.5 1 2 3 4 5



Location Map

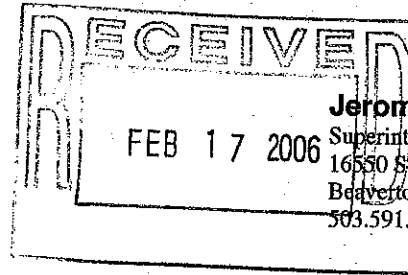


METRO DATA RESOURCE CENTER  
600 NORTHEAST GRAND AVENUE PORTLAND, OREGON 97232-2736  
TEL: (503) 797-1742 FAX: (503) 797-1999  
drc@metro.dst.or.us www.metro-region.org

Distributed to:  
All Councilors  
Lydia Neill/Tim O'Brien  
UGB Record & *reed Wagner MW*



Attachment 2  
Staff Report Re: Ord. #06-1115



**Jerome Colonna**  
Superintendent  
16550 SW Merlo Road  
Beaverton, OR 97006  
503.591.4401 FAX 503.591.4175

*"One Goal, One Focus"*

*District Goal for 2004-2009: Increase academic achievement Districtwide with a special emphasis on literacy and mathematics gains for each student. The intent is to give every student the skills to succeed in challenging courses, meet academic standards, graduate from high school and be fully prepared for a range of post-secondary education and vocational options.*

February 14, 2006

Councilor Susan McLain  
Metro Council  
600 NE Grand Ave.  
Portland, OR 97232

Dear Councilor McLain,

It has come to my attention that the Metro Council has received a report, including a set of recommendations, from the Expansion Area Planning Fund (EAPF) Committee which was appointed by the Council. The report includes recommendations about assessing an additional construction excise tax, above currently assessed fees and conditioned off-site improvements for new and remodel construction. The proposed tax, in the amount of .1% of building permit values in excess of \$100,000, is intended to specifically assist with concept and comprehensive planning for land brought into the UGB in 2002 and 2004. It is my further understanding that recommended exemptions from the tax do not include K-12 public schools.

If EAPF Committee recommendations are adopted and implemented as outlined in the report, the additional construction fees (tax) will have a significant impact on the limited capital improvement resources of the Beaverton School District. Certain intended capital improvements for District schools will need to be eliminated to accommodate projected additional construction tax requirements.

I encourage you and Deputy President Carl Hosticka to include K-12 public schools in the list of exempt construction activities to be assessed the UGB planning tax.

Thank you for your careful consideration of this request.

Sincerely,

Jerome Colonna  
Superintendent of Schools

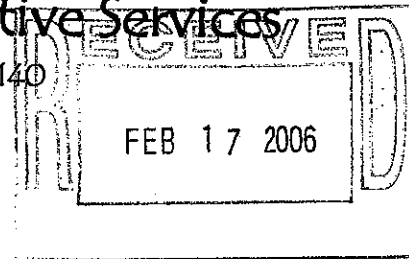


# SHERWOOD SCHOOLS

a great place for kids

## Sherwood School District Administrative Services

23295 S.W. Main Street \* Sherwood, Oregon 97140



February 15, 2006

The Honorable Carl Hosticka  
Metro Councilor, District 3  
Metro  
600 NE Grant Avenue  
Portland, OR 97232

Dear Councilor Hosticka,

It has recently come to my attention that the Metro Council has received a report, including a set of recommendations, from the Expansion Area Planning Fund (EAPF) Committee, appointed by the Council, that includes recommendations about assessing an additional construction excise tax, above currently assessed fees and conditioned off-site improvements for new and remodel construction. Apparently the proposed tax, in the amount of .1% of building permit values in excess of \$100,000, is intended to specifically assist with concept and comprehensive planning for land brought into the UGB in 2002 and 2004. It is my further understanding that recommended exemptions from the tax do not include public schools.

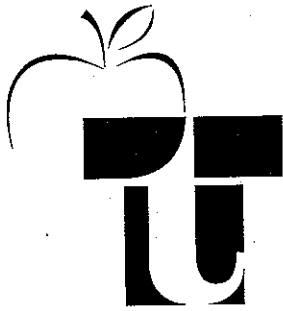
If EAPF Committee recommendations are adopted and implemented as per the report, the additional construction fees (tax) will have a significant impact on the limited and precious capital improvement resources of the Sherwood School District.

I encourage you and your fellow Councilors to include public schools in the list of exempt construction activities to be assessed the UGB planning tax.

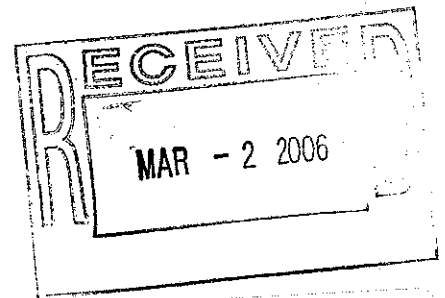
Thank you for consideration of this request.

Sincerely,

Dan C. Jamison  
Superintendent



**Tigard - Tualatin School District 23J**  
**Larry Hibbard Administration Center**  
6960 SW Sandburg Street  
Tigard, Oregon 97223  
503-431-4000 • fax 503-431-4047  
www.ttsd.k12.or.us



Distributed to:  
All Councilors  
Lydia Neill/Tim O'Brien  
Reed Wagner  
UGB Record

February 22, 2006

Metro Councilors  
Metro Regional Center  
600 NE Grand Ave.  
Portland, OR 97232-2736

Dear Metro Councilors,

It has recently come to my attention that the Metro Council has received a report, including a set of recommendations, from the Expansion Area Planning Fund (EAPF) Committee, appointed by the Council, that includes recommendations about assessing an additional construction excise tax, above currently assessed fees and conditioned off-site improvements for new and remodel construction. Apparently the proposed tax, in the amount of .1% of building permit values in excess of \$100,000, is intended to specifically assist with concept and comprehensive planning for land brought into the UGB in 2002 and 2004. It is my further understanding that recommended exemptions from the tax do not include public schools.

If EAPF Committee recommendations are adopted and implemented as per the report, the additional construction fees (tax) will have a significant impact on the limited and precious capital improvement resources of the Tigard-Tualatin School District. To be determined intended capital improvements for District schools will need to be eliminated to accommodate projected additional construction tax requirements.

I encourage you and your fellow Councilors to include public schools in the list of exempt construction activities to be assessed under the UGB planning tax.

Thank you for consideration of this request.

Sincerely,

Rob S. Saxton  
Superintendent



BEFORE THE METRO COUNCIL

AMENDING METRO CODE CHAPTER 7.01 ) ORDINANCE NO. 06-1116  
RELATING TO THE METRO SOLID WASTE )  
EXCISE TAX ) Introduced by Council President David  
Bragdon and Councilor Rod Park

WHEREAS, the Metro Solid Waste Excise Tax is a component of the fee for disposal of solid waste at the Metro South and Metro Central Transfer Stations that is set forth in Metro Code Section 5.02.025; and

WHEREAS, pursuant to Metro Code section 7.01.020(e)(1), Metro has traditionally established the beginning of each fiscal year as the effective date for any changes in the Metro solid waste excise tax rate; and

WHEREAS, in 2004, the Metro Council established September 1 as the effective date for modifications to the disposal charges for solid waste adopted pursuant to amendments to Metro Code Section 5.02.025; and

WHEREAS, adjusting the fee for disposal of solid waste at the Metro transfer stations at both the start of the Metro fiscal year and on September 1<sup>st</sup> of each year creates hardships for both the local government units that annually set collection rates for solid wastes, and for private solid waste companies that change their rates concurrently with any adjustment that Metro makes to the fee for disposal of solid waste; now therefore

THE METRO COUNCIL ORDAINS AS FOLLOWS:

SECTION 1. Metro Code Section 7.01.020(e)(1) is amended as follows:

7.01.020 Tax Imposed

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

(b) The Council may for any period commencing no sooner than July 1 of any year and ending on June 30 of the following year establish a tax rate lower than the rate of tax

provided for in subsection 7.01.020(a) or in subsections 7.01.020(c)-(e) by so providing in an ordinance adopted by Metro. If the Council so establishes a lower rate of tax, the Chief Operating Officer shall immediately notify all operators of the new tax rate. Upon the end of the fiscal year the rate of tax shall revert to the maximum rate established in subsection 7.01.020(a) unchanged for the next year unless further action to establish a lower rate is adopted by the Council as provided for herein.

(c) For the privilege of the use of the solid waste system facilities, equipment, systems, functions, services, or improvements, owned, operated, licensed, franchised, or provided by Metro, each user of solid waste system facilities and each solid waste facility licensed or franchised under Chapter 5.01 of this Code to deliver putrescible waste directly to Metro's contractor for disposal of putrescible waste shall pay a tax in the amount calculated under subsection (e)(1) for each ton of solid waste exclusive of compostable organic waste accepted at Metro Central or Metro South stations and source separated recyclable materials accepted at the solid waste system facilities. In addition, each user of solid waste system facilities and each solid waste facility licensed or franchised under Chapter 5.01 of this Code to deliver putrescible waste directly to Metro's contractor for disposal of putrescible waste shall also pay the additional tax in the amount set forth under Section 7.01.023 for each ton of solid waste exclusive of compostable organic waste accepted at Metro Central or Metro South stations and source separated recyclable materials accepted at the solid waste system facilities. The tax constitutes a debt owed by the user to Metro which is extinguished only by payment of the tax directly to Metro or by the operator to Metro. The user shall pay the tax to Metro or to an operator at the time payment for the use is made. The operator shall enter the tax on his/her records when payment is collected if the operator keeps his/her records on the cash basis of accounting and when earned if the operator keeps his/her records on the accrual basis of accounting. If installment payments are paid to an operator, a proportionate share of the tax shall be paid by the user to the operator with each installment.

(d) For the Metro fiscal year beginning July 1, 2002, the tax rate imposed and calculated under this section shall be sufficient to generate net excise tax revenue of \$6,050,000 after allowing for any tax credit or tax rebate for which provision is made in this chapter. For each Metro fiscal year thereafter the tax rate imposed and calculated under this section shall be sufficient to generate net excise tax revenue equal to the net excise tax revenue authorization in the previous fiscal year as adjusted in accordance with Section 7.01.022.

(e)(1) The excise tax rate for each ton of solid waste, exclusive of (i) source separate recyclable materials accepted at the solid waste system facilities, (ii) inert materials, (iii) Cleanup Materials Contaminated by Hazardous Substances, and (iv) compostable organic waste delivered to Metro Central or Metro South stations, shall be the amount that results from dividing the net excise tax revenue amount set forth in sub-section (d) by the amount of solid waste tonnage which the Chief Operating Officer reports to the Council under sub-section (f)(2). Subject to the provisions of subsection 7.01.020(b), the rate so determined shall be Metro's excise tax rate on solid waste during the subsequent Metro fiscal year. **Commencing with Metro fiscal year 2006-07, and each fiscal year thereafter, the rate determined by this subsection shall be effective as of September 1<sup>st</sup> unless another effective date is adopted by the Metro Council.**

(f) By ~~December 1, 2000, and by~~ March 1st of each year ~~thereafter~~, the Chief Operating Officer shall provide a written report to the Metro Council stating the following:

- (1) For the twelve (12)-month period ending the previous December 31; the amount of solid wastes, exclusive of inert materials, delivered for disposal to any Solid Waste System Facility that is not exempt pursuant to Section 7.01.050(a) of this chapter, and
- (2) The amount of such solid wastes that would have been delivered for disposal to any such non-exempt Solid Waste System Facility if the Regional Recovery Rates corresponding to each calendar year set forth on the following schedule had been achieved:

<u>Year</u>	<u>Regional Recovery Rate</u>
<del>1999</del>	<del>43%</del>
<del>2000</del>	<del>46%</del>
<del>2001</del>	<del>48%</del>
<del>2002</del>	<del>50%</del>
<del>2003</del>	<del>52%</del>
<del>2004</del>	<del>54%</del>

The result of such calculation by the Chief Operating Officer shall be used to determine the excise tax rate under sub-section (e)(1).

(g) (1) A solid waste facility which is licensed or franchised by Metro pursuant to Metro Code Chapter 5.01 shall be allowed a credit against the Excise Tax otherwise due under Section 7.01.020(e)(1) for disposal of Processing Residuals from such facility. The Facility Recovery Rate shall be calculated for each ~~six (6)~~ **twelve (12)** month period before the month in which the credit is claimed. Such credit shall be dependent upon the Facility Recovery Rate achieved by such facility and shall be ~~equal to the amount resulting from reducing the Excise Tax due by the amount corresponding with the Facility Recovery Rates~~ **no greater than as provided on the following table:**

Excise Tax Credit Schedule		
Facility Recovery Rate		Excise Tax
From	Up To &	Credit of no more than
Above	Including	
0%	30%	0.00
30%	35%	1.92
35%	40%	2.75
40%	100%	3.51

- (2) During any Fiscal Year, the total aggregate amount of excise tax credits granted under the provisions of this subsection shall not exceed the dollar amount budgeted for such purpose without the prior review and authorization of the Metro Council.
- (3) The Chief Operating Officer may establish procedures for administering the Excise Tax Credits set forth in sub-section (g)(1), including, but not limited to establishing eligibility requirements for such credits and establishing incremental Excise Tax Credits associated with Recovery Rates which fall between the ranges set forth in paragraph (g)(1).

SECTION 2. Metro Code Section 7.01.023 is amended as follows:

Commencing September 1, ~~2004,~~ 2006, the additional excise tax authorized in Section 7.01.020(c) shall be ~~\$3-~~ \$3.14 per ton. ~~Of such additional excise tax, \$2.50 per ton shall be dedicated to funding Metro's Regional Parks and Greenspaces programs, and \$0.50 per ton shall be dedicated to funding Metro's Tourism Opportunity and Competitiveness Account.~~ For each fiscal year following fiscal year ~~2004-05-2006-07~~, the additional excise tax ~~dedicated to Metro's Regional Parks and Greenspaces programs and Metro's Tourism Opportunity and Competitiveness Account~~ shall be not less than the amount of the additional excise tax in the previous fiscal year increased by a percentage equal to (a) the annualized rate of increase in the Consumer Price Index, All Items, for Portland-Salem (All Urban Consumers) reported for the first six (6) months of the federal reporting year as determined by the appropriate agency of the United States Government or (b) the most nearly equivalent index as determined by the Metro Council if the index described in (a) is discontinued, or such lesser amount as the Chief Operating Officer deems appropriate ~~and shall be effective as of September 1<sup>st</sup> each year unless another effective date is adopted by the Metro Council.~~

SECTION 3. Metro Code Section 7.01.028 is amended as follows:

7.01.28 Budgeting of Excess Revenue

Commencing with the Metro fiscal year beginning July 1, 2000, and each year thereafter, if the tax revenues collected under the tax rate imposed by Section 7.01.020 (e) exceed the net excise tax revenue amount set forth in Section 7.01.020 (d) as adjusted by Section 7.01.022, such additional revenue shall be apportioned as follows:

(a) Such excess net excise tax revenue shall first be placed in a Recovery Rate Stabilization Reserve established in the Metro General fund. The amount of excess net excise tax revenues in such account shall not exceed an amount equal to 10 percent of the total amount of excise tax collected under Metro Code ~~Section 7.01.020(e)~~ Chapter 7.01 during the period of the two (2) most recent Metro fiscal years. The budgeting or expenditure of all such funds within this account shall be subject to review and approval by the Metro Council.

(b) If at the end of any fiscal year, the maximum permitted balance for the Recovery Rate Stabilization Account has been reached, during the following fiscal year any additional excess net excise tax revenues shall be used to increase the tax credit provided under Metro Code Section 7.01.020(g) for any solid waste facility that has achieved a Facility Recovery Rate greater than 45%. Such excess revenue shall be used on a dollar-for-dollar basis to reduce the tax liability of all such qualifying facilities. The amount of the additional tax credit shall not exceed the total excise tax otherwise due from the facility under this chapter.

(c) Any remaining excess revenue over the amounts apportioned in subsections (a) and (b) of this section shall be placed in the account established in subsection (a).

ADOPTED by the Metro Council this \_\_\_\_\_ day of \_\_\_\_\_ 2006.

\_\_\_\_\_  
David Bragdon, Council President

Attest:

Approved as to Form:

\_\_\_\_\_  
Council Clerk Recording Secretary

\_\_\_\_\_  
Daniel B. Cooper, Metro Attorney

## STAFF REPORT

### IN CONSIDERATION OF ORDINANCE NO. 06-1116, FOR THE PURPOSE OF AMENDING METRO CODE CHAPTER 7.01 RELATING TO THE METRO SOLID WASTE EXCISE TAX

---

Date: March 6, 2006

Prepared by Karen Feher

#### BACKGROUND

One of the main purposes of this legislation is to align the Metro Excise Tax Code with Metro Financial Policies and the intent of the consolidation of the General Fund. By way of background on these issues, the FY 2005-06 Budget introduced changes in both process and presentation in order to provide greater transparency, provide stronger adherence to Financial Policies and dovetail with the Council's strategic planning process. This action is a continuation of those changes as well as accomplishing necessary housekeeping changes to Metro Code Chapter 7.01.

Over the years, Metro's growth has involved taking on unique activities that are deemed regional in nature. During that process Metro tacked on each of those activities budgetarily by creating separate Budget Funds for each activity. This was partially done to meet funding restrictions for those new activities or allow for time to decide or formalize permanent acceptance of the activities. The need for maintaining separate funds no longer exists, therefore, effective July 1, 2005 Metro combined all discretionary budgetary funds into one fund in order to more effectively accomplish the following:

- Provide fiscal and budgetary transparency
- Emphasize agency programs rather than department budgetary funds
- Relate programs to Council objectives
- Enable flexibility in setting of priorities for the overall agency as well as funding those priorities.

This was the first step in changing Metro's operational culture of separate department activities by setting Council priorities and constructing programs that meet those priorities. A natural outcome of these actions is to review performance measures to insure outcomes that are consistent with Metro Council goals and to review financial policies to insure consistency with generally accepted practices and Metro existing policies.

A review of the Excise Tax code demonstrated some inconsistencies with Metro's financial policies and evident constraints on the Metro Council's flexibility to meet the changing needs of Metro's programs. When a per-ton Excise Tax was provided to Regional Parks for funding Parks operations, and later to establish a Metro Tourism Opportunity and Competitiveness Account for MERC, those provisions were written into Metro Code. This action takes away those dedications in compliance with Metro's existing financial policies. The Council would make the distribution of Excise Tax each year during the budget process.

As the budget continues to consolidate and financial management of Metro continues to evolve, the review of this portion of excise tax code revealed that that funds accumulated by the Recovery Rate Stabilization Reserve should be tied to the broader goals of the entire agency. Therefore, the section of the Code that establishes an amount not to exceed in the Recovery Rate Stabilization is broadened to include all Excise Tax generated by Metro. (7.01.028(a))

## Staff Report for Ordinance 06-6111

The housekeeping changes to this code are as follows:

- Sets the effective date of the new Excise Tax per ton rate to coincide with any other changes to the Solid Waste rates on September 1 of each fiscal year. (7.01.020(e)(1))
- Extend the Regional Recovery Rate used in the per-ton calculation to 2009. This Recovery rate is calculated by a linear interpolation of State goals, less the six percent recovery percentage points awarded for Metro's current waste reduction programs. (7.01.020(f)(1))
- The following two changes make the calculation of excise tax credits consistent with the Regional System Fee Credits (RSF) and current practice. These actions provide for administrative consistency between both the Regional System Fee and Excise Tax credit programs:
  - Authorize administrative procedures for excise tax credits that include establishing eligibility requirements, and interpolating credits between recovery rates. The existing language does not allow for degrees of recovery therefore discouraging the motivation to do any recover over the current step until the next higher step can be reached. (New section 7.01.020(g)(3))
  - Change the basis of recovery rate calculation from six months (rolling sum) to twelve months.

### ANALYSIS/INFORMATION

1. Known Opposition: None known
2. Legal Antecedents: This amends the Metro Code Chapter 7.01
3. Anticipated Effects.
  - a. Provides consistency with Financial Policies
  - b. Provides Council greater flexibility in budgeting and strategic planning
  - c. Accomplishes housekeeping changes for consistency with other portions of the Metro Code.
4. Budget Impacts. This action places into code the change of the Excise Tax rate to September 1<sup>st</sup>. For the past several years that date has been used so this makes the Code consistent with practice. This action does not change the rate of or calculation of the Excise Tax per-ton rate but rather moves the dedication of those funds from Code to the Budget. Finally this action expands the section of the Code that establishes an amount not to exceed in the Recovery Rate Stabilization to include all Excise Tax generated by Metro. (7.01.028(a)) This change increases that amount from \$1,865,160 to \$2,408,397 in FY 2005-06.

BEFORE THE METRO COUNCIL

FOR THE PURPOSE OF ESTABLISHING THE ) RESOLUTION NO. 06-3675  
METRO COUNCIL OF ECONOMIC ADVISORS )  
AND CONFIRMING APPOINTMENTS ) Introduced by Council President Bragdon

WHEREAS, Metro periodically prepares a regional forecast of population and employment growth for purposes of evaluating the capacity of the urban growth boundary (UGB) pursuant to ORS 197.299; and

WHEREAS, the regional forecast is the single most important element of Metro’s capacity analysis and should have the full confidence of the Metro Council and the people of the region; and

WHEREAS, an independent review of the forecast methodology and assumptions that underlie the forecast would enhance the credibility and acceptance of the forecast; and

WHEREAS, the Metro Council President has appointed the individuals listed below to serve on the Metro Council of Economic Advisors, contingent upon its creation by the Metro Council and subject to Metro Council confirmation; now, therefore

BE IT RESOLVED that the Metro Council:

1. Hereby establishes the Metro Council of Economic Advisors, as described in the Roles and Responsibilities, attached to this resolution as Exhibit A, to advise the Metro Council on the methodology and assumptions that produce the regional forecast.

2. Hereby confirms the appointments of Mary Allender, Lawrence Cooper, George Hough, Andrew Plantinga, Dr. Thomas Potiowsky, Timothy McDaniel and Marshall Vest to the Metro Council of Economic Advisors.

ADOPTED by the Metro Council this \_\_\_\_\_ day of \_\_\_\_\_, 2006.

\_\_\_\_\_  
David Bragdon, Council President

Approved as to form:

\_\_\_\_\_  
Daniel B. Cooper, Metro Attorney



## **Roles and Responsibilities of the Council of Economic Advisors**

### **Duties:**

Due to the importance of the Regional Forecast to regional growth management policy decisions the Metro Council will establish a Council of Economic Advisors to provide peer review of the Regional Forecast. The role of the Council of Economic Advisors (CEA) will be to independently review the validity of the Regional Forecast for use in growth management planning and recommend changes in our approach. The duties and responsibilities include (but are not limited) to an independent review of Metro's economic models, macroeconomic input assumptions, independent comment on land use and transportation assumptions, and advice to Metro Council on the reliability of the Regional Forecast and its methodology.

### **Reporting Structure:**

The President of the Metro Council will appoint members to the CEA for confirmation by the Council. The CEA will report directly to Metro's Chief Operating Officer.

### **Duties and Responsibilities:**

The role of the CEA is to review and attest to the consistency and validity of the Regional Forecast. Specifically they will be asked to:

- Review and affirm the U.S. macroeconomic inputs (i.e., forecast outlook and assumptions);
- Review and consider methodological improvements to the Regional Forecast;
- Review and recommend adjustments, if any, to a draft 2035 Regional Forecast and a 50-year forecast;
- Review the methodology for producing a probabilistic forecast to provide a range for forecast variables used within the model and recommend whether this methodology is appropriate for Metro's growth management work; and
- Review, discuss and advise the Metro Council on issues that have potential long-term economic and demographic impacts on the region.

These duties may be broadened in the future as other issues arise.

### **Membership Composition:**

A seven-member committee will be appointed by the Council and a chairperson from the committee will be selected to conduct meetings and to provide reports to the Chief Operating Officer and the Metro Council. Members may be asked to serve beyond 2006.

Membership will be drawn from public and private agencies and may include a combination of members with the following qualifications:

- Oregon State Economist (coordination with the State is required per ORS 195.025, 195.036 and ORS 197.712)
- Professional Demographers
- Industry Economist (from a key regional sector, e.g., high-tech)
- Financial Analyst (an expert in the financial markets)

- Real Estate Economist
- Utility Economist (e.g., BPA, PGE, Pacific Power, NW Natural)
- Economics or Urban Planning Academic

**Stipend:**

Each committee member will be paid a \$500 (\$750 for members located outside of Portland) stipend per meeting in addition to travel expenses. The stipend is small compensation for the level of effort required to review Metro's forecast due to the complex linkages that have been established between Metro's land use and transportation models. Committee members will need to look beyond traditional forecasting methods and requirements to understand the suite of models that are used to evaluate land use, transportation and policy decisions made by Metro.

**Attendance:**

Three meetings of the CEA are scheduled for the 2006 year. Each member is expected to review materials provided and attend the meetings.

**Meeting Schedule and Anticipated Topics**

1. *April Meeting:* Review of the macroeconomic forecast assumptions, land use, transportation, demographic and industry assumptions and the value of the agricultural economy included in a draft 2035 Regional Forecast and a 50-year long-term forecast. A comparative review of related forecasts is also proposed – e.g., State of Oregon, State of Washington, Bonneville Power Administration, Tri-Met, etc.
2. *June Meeting:* Review a memorandum discussing the development of a probabilistic model to estimate ranges in forecast variables. The committee will be asked to comment on the use of this type of forecast and to determine the feasibility of developing this type of model and whether it is an appropriate tool for use by Metro.
3. *September Meeting:* Review issue papers that discuss possible long-term economic impacts to the economy. The topics ranging from peak oil pricing and its transportation effects, age related population shifts and their impacts on housing choices and the west coast port system and its effects on the local distribution and logistics sector.

## **STAFF REPORT**

### **RESOLUTION NO. 06-3675, FOR THE PURPOSE OF ESTABLISHING THE COUNCIL OF ECONOMIC ADVISORS AND CONFIRMING APPOINTMENTS**

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**Date: February 22, 2006**

**Prepared by: Lydia Neill**

#### **INTRODUCTION**

The Metro Regional Forecast represents a technical assessment of future economic conditions. The growth outlook for the region is used for transportation and land use planning studies and as a basis for managing the urban growth boundary (UGB). Oregon Revised Statutes (ORS) 197.296 directs Metro to prepare a 20-year analysis of regional growth that considers demographic and population trends and economic trends and cycles.

A regional econometric model developed by Metro staff is used to forecast population and employment growth for the Portland-Vancouver-Beaverton OR-WA PMSA. A second economic model, MetroScope (an urban land use real estate forecast model), is used to spatially disaggregate the regional forecast into subarea growth projections for employment and households. The Regional Forecast is based on the best available demographic and economic information at the time the forecast is prepared. Economic assumptions are derived from a national forecast (usually purchased from Global Insight) and demographic assumptions are obtained from U.S. Census and State Department of Vital Statistics.

Presently, the Regional Forecast is prepared by Metro staff and is peer reviewed by a panel of local experts. The Regional Forecast is incorporated in findings adopted during the process of reviewing the capacity of the UGB. The Land Conservation and Development Commission (LCDC) acknowledges the Metro Regional Forecast as part of Metro's Periodic Review of the UGB. Transportation analysis zone (TAZ) sub-area growth allocations of the forecast receive extensive peer review by local jurisdictions including cities, counties, Port of Portland and the Portland Development Commission.

#### **Duties and Responsibilities of the Council of Economic Advisors:**

Due to the importance of the Regional Forecast to regional growth management policy decisions the Metro Council will establish a Council of Economic Advisors to provide peer review of the Regional Forecast. The role of the Council of Economic Advisors (CEA) will be to independently review the validity of the Regional Forecast for use in growth management planning and recommend changes in our approach. The duties and responsibilities include (but are not limited) to an independent review of Metro's economic models, macroeconomic input assumptions, independent comment on land use and transportation assumptions, and advice to Metro Council on the reliability of the Regional Forecast and its methodology.

#### **Reporting Structure:**

The President of the Metro Council will appoint members to the CEA for confirmation by the Council. The CEA will report directly to Metro's Chief Operating Officer.

**Duties and Responsibilities:**

The role of the CEA is to review and attest to the consistency and validity of the Regional Forecast. Specifically they will be asked to:

- Review and affirm the U.S. macroeconomic inputs (i.e., forecast outlook and assumptions);
- Review and consider methodological improvements to the Regional Forecast;
- Review and recommend adjustments, if any, to a draft 2035 Regional Forecast and a 50-year forecast;
- Review the methodology for producing a probabilistic forecast to provide a range for forecast variables used within the model and recommend whether this methodology is appropriate for Metro's growth management work; and
- Review, discuss and advise the Metro Council on issues that have potential long-term economic and demographic impacts on the region.

These duties may be broadened in the future as other issues arise.

**Membership Composition:**

A seven-member committee will be appointed by the Council and a chairperson from the committee will be selected to conduct meetings and to provide reports to the Chief Operating Officer and the Metro Council. Members may be asked to serve beyond 2006.

Membership will be drawn from public and private agencies and the proposed members are indicated below. Members are recommended to have the following qualifications:

- Oregon State Economist (coordination with the State is required per ORS 195.025, 195.036 and ORS 197.712), Dr. Potiowsky
- Professional Demographers: George Hough, Lawrence Carter
- Industry Economist (from a key regional sector, e.g., high-tech)
- Financial Analyst (an expert in the financial markets)
- Real Estate Economist
- Utility Economist (e.g., BPA, PGE, Pacific Power, NW Natural)
- Economics or Urban Planning Academic: Timothy McDaniel, Marshall Vest, Mary Allender and Andrew Platinga

**Stipend:**

Each committee member will be paid a \$500 (\$750 for members located outside of Portland) stipend per meeting in addition to travel expenses. The stipend is small compensation for the level of effort required to review Metro's forecast due to the complex linkages that have been established between Metro's land use and transportation models. Committee members will need to look beyond traditional forecasting methods and requirements to understand the suite of models that are used to evaluate land use, transportation and policy decisions made by Metro.

### **Meeting Schedule and Topics**

1. *April Meeting:* Review of the macroeconomic forecast assumptions, land use, transportation, demographic and industry assumptions and the value of the agricultural economy included in a draft 2035 Regional Forecast and a 50-year long-term forecast. A comparative review of related forecasts is also proposed – e.g., State of Oregon, State of Washington, Bonneville Power Administration, Tri-Met, etc.
2. *June Meeting:* Review a memorandum discussing the development of a probabilistic model to estimate ranges in forecast variables. The committee will be asked to comment on the use of this type of forecast and to determine the feasibility of developing this type of model and whether it is an appropriate tool for use by Metro.
3. *September Meeting:* Review issue papers that discuss possible long-term economic impacts to the economy. The topics ranging from peak oil pricing and its transportation effects, age related population shifts and their impacts on housing choices and the west coast port system and its effects on the local distribution and logistics sector.

### **Review by Metro Policy Advisory Committee (MPAC)**

MPAC reviewed a memorandum describing the role of the CEA and its proposed composition. MPAC raised concerns that the CEA should contain industry and business representation. It was also discussed that describing the group as a council of “economic” advisors does not accurately describe the role predicting population growth in the region. The importance of understanding demographic trends like household formation and net migration are an important determinant of the reliability of the forecast. As a result it was recommended that the council contain an adequate number of demographers to address these issues.

### **ANTICIPATED EFFECTS**

Forming the CEA will facilitate a broader review and will lend additional credibility to Metro’s Regional Forecast. Recommendations may include modifications to the model.

### **LEGAL ANTECEDENTS**

None

### **BUDGET IMPACTS**

It is estimated that the project will require an expenditure of \$20,000 for stipends, travel and meeting expenses for the three meetings that are scheduled during the 2006 calendar year. Staff resources and materials and services for this project are included in the New Look budget up through July 2006 and can be carried over to the next fiscal year to meet the CEA schedule. If additional meetings are scheduled and/or the work is extended beyond 2006 additional funding will be required.

BEFORE THE METRO COUNCIL

FOR THE PURPOSE OF ACCEPTING THE )  
DAMASCUS/BORING CONCEPT PLAN AS )  
RECOMMENDED BY THE DAMASCUS/BORING )  
CONCEPT PLAN ADVISORY COMMITTEE )

RESOLUTION NO. 06-3676

Introduced by Councilor Rod Park

WHEREAS, the Metro Council adopted Ordinance No. 02-969B (For the Purpose of Amending the Metro Urban Growth Boundary, the Regional Framework Plan and the Metro Code in Order to Increase the Capacity of the Boundary to Accommodate Population Growth to the Year 2022) on December 5, 2002, adding Study Areas 10 through 19, known as the Damascus area, to the urban growth boundary; and

WHEREAS, Title 11 of the Urban Growth Management Functional Plan (UGMFP) requires the completion of an urban growth plan diagram and policies that comply with the UGMFP and the 2040 Growth Concept design types assigned to the area by Ordinance No. 02-969B; and

WHEREAS, the Metro Council approved Resolution No. 01-3098A (For the Purpose of Amending the Metropolitan Transportation Improvement Program to Allocate FY 2004 - 05 Congestion Mitigation/Air Quality (CMAQ) and Surface Transportation Program (STP) Funds) in September, 2001, to amend the Metropolitan Transportation Improvement Program to allocate \$2 million of Surface Transportation Program funds for concept planning for the Damascus area (\$1.4 million) and to complete the Draft Environmental Impact Statement for the Sunrise Corridor Unit 1 (\$600,000); and

WHEREAS, Metro entered into intergovernmental agreements with ODOT, Clackamas County, and the cities of Damascus, Happy Valley and Gresham to coordinate participation in the planning process; and

WHEREAS, the Damascus/Boring Concept Plan Advisory Committee, made up of area residents and property owners, neighborhood associations, business and environmental organizations and representatives from the cities of Damascus, Happy Valley and Gresham, Clackamas County, ODOT and Metro, guided the creation of a concept plan for the 12,200-acre Damascus/east Happy Valley/Boring area; and

WHEREAS, the Damascus/Boring Concept Plan Advisory Committee recommended a final concept plan map and implementation strategies on November 29, 2005, to assist the cities in complying with Metro Functional Plan Title 11 and to serve as guidelines for use in updating / developing their comprehensive plans; now therefore,

BE IT RESOLVED:

- 1 That the Metro Council accepts the Damascus/Boring Concept Plan as endorsed and recommended by the Damascus/Boring Concept Plan Advisory Committee on November 29, 2005, as shown on the Exhibit A, attached and incorporated herein.
2. That the Metro Council recognizes the Damascus/Boring Concept Plan as the basis for completion of Title 11 planning by the local governments responsible for comprehensive planning in the area.

3. That the Metro Council will continue working with its regional partners to coordinate future planning and funding actions related to the Damascus/Boring Concept Plan.

ADOPTED by the Metro Council this \_\_\_\_\_ day of \_\_\_\_\_, 2006.

\_\_\_\_\_  
David Bragdon, Council President

APPROVED AS TO FORM:

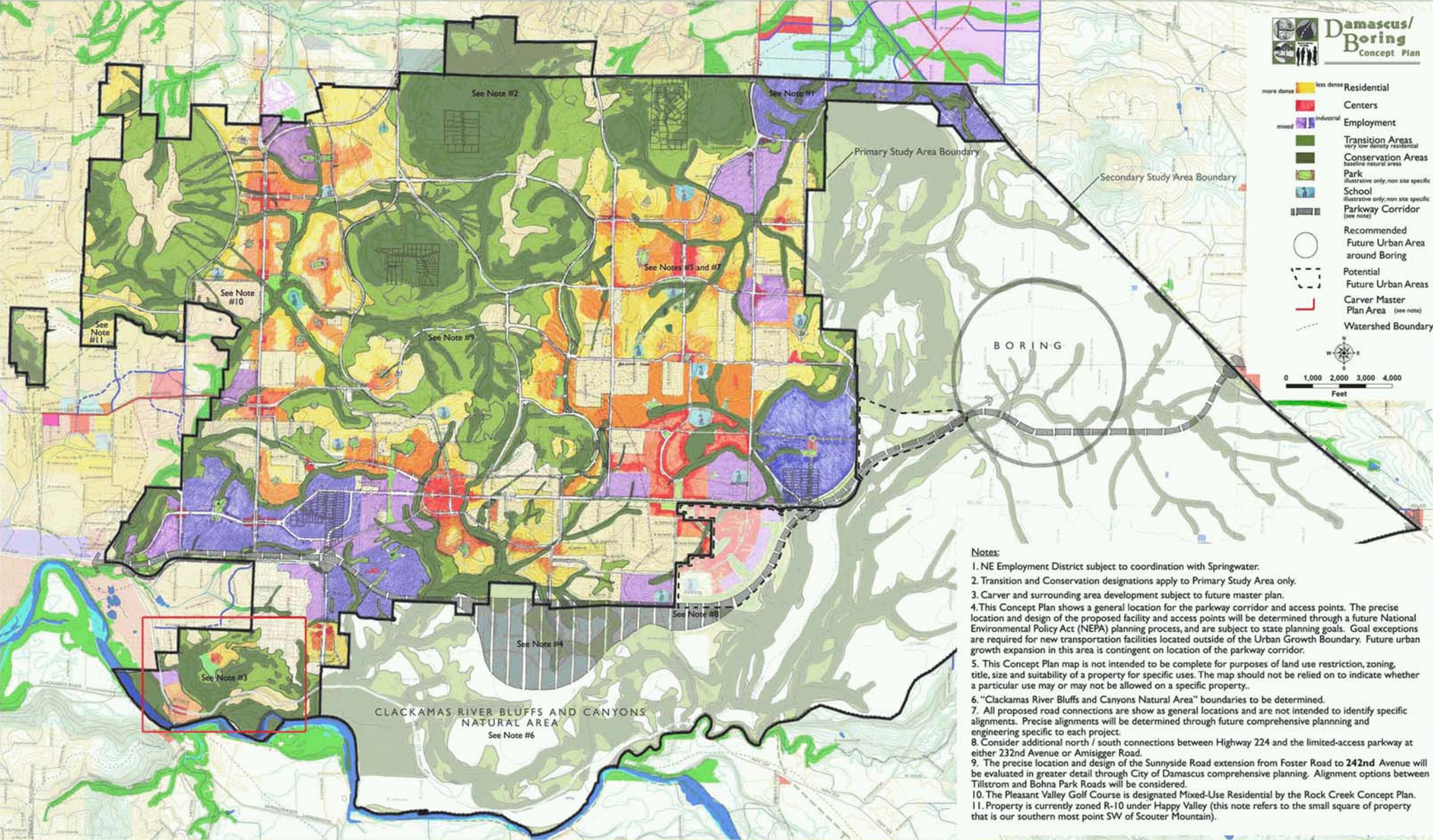
\_\_\_\_\_  
Daniel B. Cooper, Metro Attorney

**Exhibit A**  
**Damascus/Boring Concept Plan**

**[Placeholder]**



- less dense Residential
- Centers
- Employment
- Transition Areas
- Conservation Areas
- Park
- School
- Parkway Corridor
- Recommended Future Urban Area around Boring
- Potential Future Urban Areas
- Carver Master Plan Area
- Watershed Boundary



- Notes:**
1. NE Employment District subject to coordination with Springwater.
  2. Transition and Conservation designations apply to Primary Study Area only.
  3. Carver and surrounding area development subject to future master plan.
  4. This Concept Plan shows a general location for the parkway corridor and access points. The precise location and design of the proposed facility and access points will be determined through a future National Environmental Policy Act (NEPA) planning process, and are subject to state planning goals. Goal exceptions are required for new transportation facilities located outside of the Urban Growth Boundary. Future urban growth expansion in this area is contingent on location of the parkway corridor.
  5. This Concept Plan map is not intended to be complete for purposes of land use restriction, zoning, title, size and suitability of a property for specific uses. The map should not be relied on to indicate whether a particular use may or may not be allowed on a specific property.
  6. "Clackamas River Bluffs and Canyons Natural Area" boundaries to be determined.
  7. All proposed road connections are shown as general locations and are not intended to identify specific alignments. Precise alignments will be determined through future comprehensive planning and engineering specific to each project.
  8. Consider additional north / south connections between Highway 224 and the limited-access parkway at either 232nd Avenue or Amisiger Road.
  9. The precise location and design of the Sunnyside Road extension from Foster Road to 242nd Avenue will be evaluated in greater detail through City of Damascus comprehensive planning. Alignment options between Tillstrom and Bohna Park Roads will be considered.
  10. The Pleasant Valley Golf Course is designated Mixed-Use Residential by the Rock Creek Concept Plan.
  11. Property is currently zoned R-10 under Happy Valley (this note refers to the small square of property that is our southern most point SW of Scouter Mountain).

## **STAFF REPORT**

IN CONSIDERATION OF RESOLUTION NO. 06 - 3676 FOR  
THE PURPOSE OF ACCEPTING THE DAMASCUS/BORING  
CONCEPT PLAN AS RECOMMENDED BY THE  
DAMASCUS/BORING CONCEPT PLAN ADVISORY  
COMMITTEE

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Date: March 16, 2006

Prepared and Presented by: Ray Valone

### **BACKGROUND**

In December 2002, the Metro Council adopted Ordinance No. 02-969B to amend the Urban Growth Boundary (UGB) to include approximately 12,200 acres south of the Clackamas/Multnomah county line and east of the city of Happy Valley. According to Title 11 of the Urban Growth Management Functional Plan (UGMFP), any new territory added to the UGB shall be included within affected local governments' comprehensive plans before urbanization can take place. The intent of this requirement is to integrate the new territory into the existing community or provide for the establishment of new communities. The first step towards inclusion within a comprehensive plan is the development of an urban growth plan diagram and strategies consistent with the 2040 Concept Plan and UGMFP. The completion of the Damascus/Boring Concept Plan (DBCP) concludes this first step.

In September 2001, the Metro Council approved Resolution No. 01-3098A to amend the Metropolitan Transportation Improvement Program to allocated \$2 million of Surface Transportation Program funds for concept planning for the Damascus area (\$1.4 million) and to complete the Draft Environmental Impact Statement for the Sunrise Corridor Unit 1 (\$600,000). In April 2003, JPACT approved and the Metro Council adopted Resolution 03-3306, approving the DBCP work program. Intergovernmental agreements were signed with ODOT and Clackamas County in November 2003, with the cities of Happy Valley and Gresham in April 2004, and with the city of Damascus in April 2005 to allocate grant funds and participate in the project. A consulting team, lead by Otak, Inc., was hired in March 2004.

The planning effort was a unique partnership among one county, three cities, ODOT, Metro and the Committee for Public Involvement, an organization comprised of three county Community Planning Organizations and the former Committee for the Future of Damascus recognized through a Memorandum of Understanding signed in September 2003. The 2-year planning effort commenced with a separate process to elicit the core values of the area residents. The final core values were used to develop project goals.

The plan was guided by a 26-member Advisory Committee representing area residents and land owners, participating governments, affected organizations including a school district, business

and neighborhood associations, a watershed council and environmental/livability groups. Public involvement included four community forums and a 10-day design charrette, newsletters, several newspaper articles, a web site and smaller focused meetings.

The project treated the natural resource component on an equal basis as land use and transportation. Balancing these three elements was an important approach of the project, especially given the extraordinary landscape and natural resource features in the area. This landscape presents many challenges for urbanization. The use of a landform analysis helped structure a solution to the challenge presented by the three large creek systems, surrounding buttes and lack of flat land within the study area.

The process culminated in November 2005 with the Advisory Committee recommending a final concept plan map and associated implementation strategies. Based on a series of land use design types, the concept plan could yield approximately 25,000 dwelling units and 45,000 jobs at full build-out.

### **ANALYSIS/INFORMATION**

1. **Known Opposition:** None known
2. **Legal Antecedents:** Ordinance 98-772B (amended Functional Plan adding Title 11); Ordinance 99-818A (amending Title 11 to clarify purpose and intent); Ordinance No. 02-969B (adopting UGB expansion for Damascus area)
3. **Anticipated Effects:** Indicate Metro's acceptance of the DBCP as a template for compliance to Title 11.
4. **Budget Impacts:** None

### **RECOMMENDATION**

Adoption of Resolution No. 06-3676

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