



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 (Twelve 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

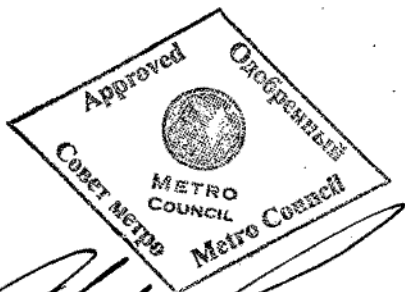
WHEREAS, the Metro Council hereby directs the Metro Chief Operating Officer to prepare yearly reports to the Metro Council, advising the Metro Council of the amounts collected from the Construction Excise Tax and the status of the grant requests by the local jurisdictions;

**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 23rd day of March, 2006.

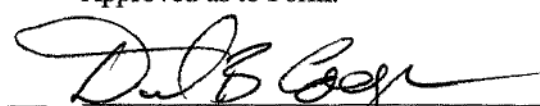


  
\_\_\_\_\_  
David Bragdon, Council President

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:

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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 (Twelve 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 (Twelve 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

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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 EXPANSION AREA PLANNING FUND COMMITTEE	) RESOLUTION NO. 05-3626A ) 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”;

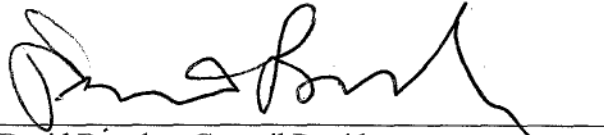
NOW, THEREFORE, BE IT RESOLVED BY THE METRO COUNCIL THAT,

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:

- 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?

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

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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

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 \_\_\_\_\_ 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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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
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.

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- 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 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)**

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>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	\$100,000 Not funded
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.	Partially funded
Brookman Road (Area 54, 55)	Sherwood	March 2007	231	914	0	City seeking grant funds for planning effort.	\$0	\$150,000 Not funded
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	\$75,000 Partially funded
99W Area	Sherwood	March 2005	18	0	0	Road Alignment	\$0	\$25,000 Not funded
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	<b>NA</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>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	See Helevita.
<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>

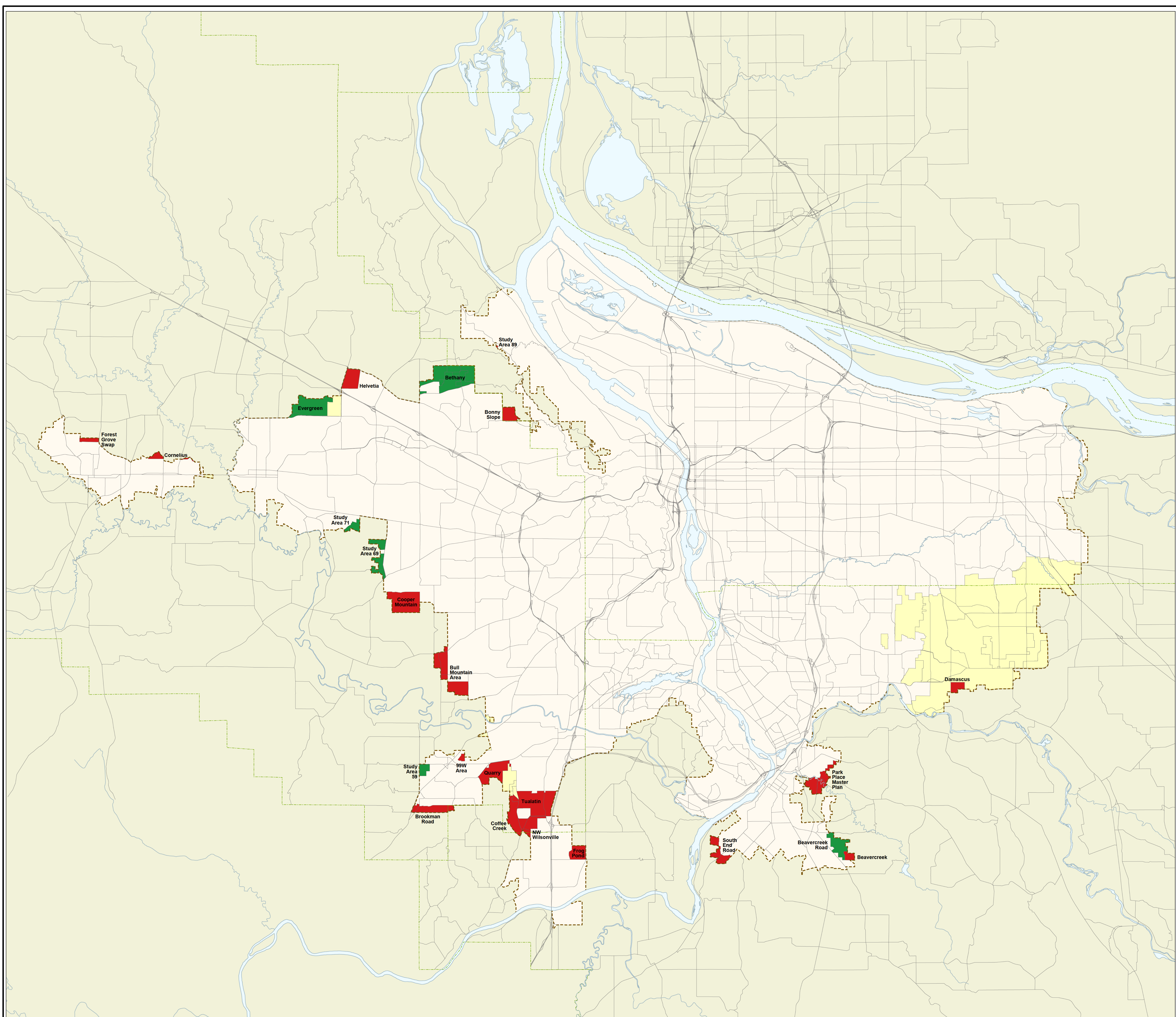
Project/ Study Area	Lead Government	Plan Deadline	Total Acres	Dwelling Unit Capacity	Total Number of units built to date	Status / Notes	Planning cost from Jan. 03 & Dec. 05 Expense Breakdown	Unfunded Cost and Cost Status
<b>2004 UGB Expansion</b>								
<b>Damascus West</b>	Clackamas County & Metro	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

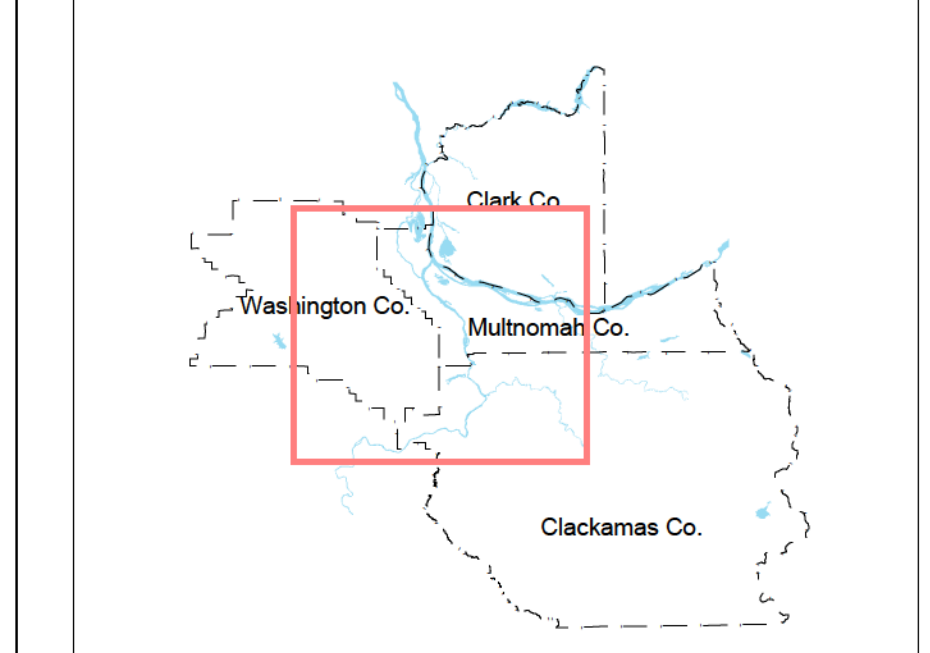
#### FUNDING STATUS

- 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



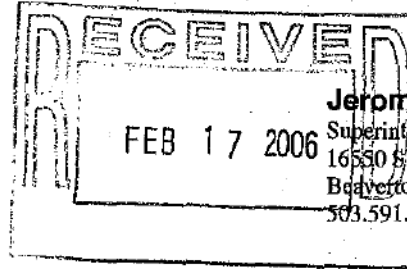
Location Map



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



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



Jerome Colonna  
Superintendent  
16530 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

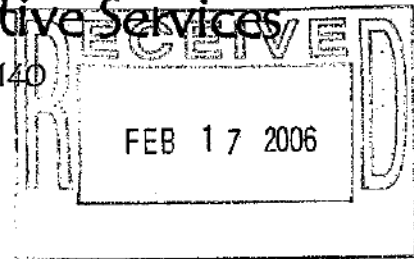


# SHERWOOD SCHOOLS

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.

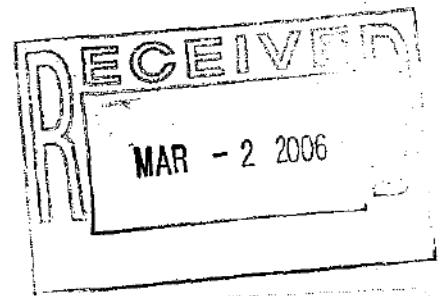
Thank you for consideration of this request.

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