

**A G E N D A**

600 NORTHEAST GRAND AVENUE PORTLAND, OREGON 97232-2736



**METRO**

TEL 503-797-1540 FAX 503-797-1793

**MEETING: METRO POLICY ADVISORY COMMITTEE**

**DATE:** June 14, 2006

**DAY:** Wednesday, 5:00-7:00 p.m.

**PLACE:** Metro Council Chamber/Annex

| NO | AGENDA ITEM                                                                                                                                                    | PRESENTER                         | ACTION                              | TIME     |
|----|----------------------------------------------------------------------------------------------------------------------------------------------------------------|-----------------------------------|-------------------------------------|----------|
|    | CALL TO ORDER                                                                                                                                                  | Kidd                              |                                     |          |
| 1  | SELF INTRODUCTIONS, ONE MINUTE LOCAL UPDATES & ANNOUNCEMENTS                                                                                                   | All                               |                                     | 5 min.   |
| 2  | CITIZEN COMMUNICATIONS FOR NON-AGENDA ITEMS                                                                                                                    |                                   |                                     | 2 min.   |
| 3  | CONSENT AGENDA <ul style="list-style-type: none"><li>• May 24, 2006</li></ul>                                                                                  | Kidd                              | Decision                            | 3 min.   |
| 4  | COUNCIL UPDATE                                                                                                                                                 | Hosticka                          | Update                              | 5 min.   |
| 5  | NEW LOOK <ul style="list-style-type: none"><li>• Regional Forum</li><li>• Investing in our Communities: Tools Discussion</li><li>• Research Findings</li></ul> | McArthur<br>Neill<br>Bolen/Condor | Information<br>Exercise<br>Briefing | 105 min. |

**UPCOMING MEETINGS:**

MPAC: June 28, 2006 & July 12, 2006

MPAC Coordinating Committee, Room 270: June 14, 2006

For agenda and schedule information, call Kim Bardes at 503-797-1537. e-mail: bardes@metro.dst.or.us

MPAC normally meets the second and fourth Wednesday of the month.

To receive assistance per the Americans with Disabilities Act,  
call the number above, or Metro teletype 503-797-1804.

To check on closure or cancellations during inclement weather please call 503-797-1700.

METRO POLICY ADVISORY COMMITTEE MEETING RECORD  
May 24, 2006 – Regular Meeting  
Council Chamber – Metro Regional Center

**Committee Members Present:** Chair Richard Kidd, Charles Becker, Nathalie Darcy, Rob Drake, Andy Duyck, Dave Fuller, John Hartsock Tom Hughes, Charlotte Lehan, Alice Norris, Wilda Parks, Chris Smith

**Committee Members Absent:** Ken Allen, Richard Burke, Bernie Giusto, John Hartsock, Jack Hoffman, Margaret Kirkpatrick, Tom Potter, Margaret Schrader, Larry Sowa, Erik Sten, Steve Stuart

**Alternates Present:** Laura Hudson, Paul Savas

**Also Present:** Bob Clay, Portland/MTAC; Valerie Counts, Hillsboro/MTAC; Danielle Cowan, Wilsonville; Brent Curtis, Washington County/MTAC; Meg Fernekees, DLCD/MTAC; Doug McClain, Clackamas County/MTAC; Joseph Readdy, Mahlum Architects/MTAC; Pat Ribellia, Hillsboro/MTAC; David Zagel, TriMet/MTAC

**Metro Elected Officials Present:**

Liaisons – Carl Hosticka, Council District No. 3; Robert Liberty, Council District No. 6.

Other Metro Councilors Present: Brian Newman, Council District No. 2; Rod Park, Council District No. 1

**Metro Staff Present:** Miranda Bateschell, Chris Deffebach, Dan Cooper, Andy Cotugno, Kim Ellis, Pat Emmerson, Michael Jordan, Lydia Neill, Robin McArthur, Tim O'Brien

Chair Kidd called the regular meeting to order at 5:05 p.m.

**1. SELF INTRODUCTIONS, ONE MINUTE LOCAL UPDATES AND ANNOUNCEMENTS**

Those present introduced themselves.

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

None.

**3. CONSENT AGENDA**

- **March 8 & 22, April 12 and May 10, 2006 Minutes**
- **MTAC Appointments**

A quorum was not present to consider the Consent Agenda at this time. (See below.)

**4. COUNCIL UPDATE**

Councilor Hosticka said the Metro Council approved \$560,000 for Nature in Neighborhoods grants on May 11, 2006. He said Metro would hold another Regional Forum on June 23. Councilor Hosticka discussed the proposed process of amending the Title 4 map and said that would be coming to MPAC soon.

The Committee discussed the Regional Forum further. Chair Kidd asked who had been invited to the Regional Forum. Councilor Hosticka listed the invited attendees. Chair Kidd emphasized the forum was open to all and all interested persons were welcome to attend. He said it was important for interested persons outside the Urban Growth Boundary to come also. Chris Smith said it was troubling that Metro was charging admission and asked Dan Cooper, Metro Attorney, if it was legal to charge for a meeting covered by the Public Meetings Law. Robin McArthur, Regional Planning Division Director, explained that the budget was very tight and that staff was trying to obtain sponsors to reduce the costs, but that if people really could not pay, fees would be waived. Nathalie Darcy said as a citizen committee member,

she did not have an agency budget to rely on and partial scholarships offered would be helpful. Chair Kidd said perhaps jurisdictional scholarships could be set up also.

## 5. JPACT UPDATE

Andy Cotugno, Planning Director, said the Joint Policy Advisory Committee on Transportation would review the Regional Transportation Plan and ODOT STIP allocations. To Chair Kidd's question, he said the STIP list was the one the public was asked to give input about in Fall 2005.

## 6. MAY 19 MAYORS/CHAIRS LEADERSHIP FORUM RECAP

Chair Kidd discussed the May 19 forum titled "How To Get Here from There" and said it was a great workshop. Mayor Alice Norris, City of Oregon City, said the modeling exercise they worked on all day was very good. Chair Kidd said David Landis was a really good moderator for the event.

## 7. NEW LOOK

- **2035 RTP Draft Work Plan**
- **Shape of the Regional: Proposed Methods & Approach**
- **Investing in Our Communities: Tools & Strategies**

Kim Ellis, Principal Transportation Planner, explained her memo titled "2035 RTP Update Work Program – Recommendations to TPAC and JPACT Requested" to MPAC dated May 17, 2006 printed in the agenda packet. She reviewed the three Discussion Items/Comments in Attachment 1.

The Committee discussed the memo. Chris Smith asked if there would be a speakers bureau for neighborhood associations, etc. Kim Ellis said Metro normally does that, but it was not described in the work plan, however. She said to contact Pat Emmerson, Senior Public Affairs Specialist (503-797-1551) about that for further information. Chris Smith asked how the "White Paper: Future Oil Supply Uncertainty and Metro" dated April 18, 2006 and written by Daniel Lerch, Policy Associate, would fit into the RTP work. Kim Ellis said that would fit into the broader New Look work program.

Chris Smith asked about setting up a blog for citizen communications. Kim Ellis said that was a resource question and a blog could be difficult for a staff person to moderate. Nathalie Darcy said it would be a good way to engage the private sector that typically does not participate. Kim Ellis said Metro held the April 20 Transportation Forum and invited those who traditionally have not come in the past. She said part of this outreach program was meant to reach out to those who are not on MPAC, JPACT, etc. Nathalie Darcy supported Chris Smith's comments about the blog. Mayor Rob Drake, City of Beaverton, said blogs never stay on topic and can get nasty and personal. He asked if the staff time spent on the blog would be meaningful or if just a few anonymous people be participating. He said he had always advocated all kinds of public involvement and that he would go anywhere in his community to speak but did not think blogs were helpful.

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| <b>Motion #1</b> | Wilda Parks moved, seconded by Mayor Tom Hughes, City of Hillsboro, for approval of Attachment 1 as written. |
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| <b>Vote #1</b> | All those present voted aye. The vote was unanimous and the motion passed. |
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Chair Kidd noted MPAC was about to lose its quorum and asked those present to vote on the Consent Agenda.

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| <b>Motion #2</b> | Chris Smith moved, seconded by Commissioner Andy Duyck, Washington County, for approval of the Consent Agenda listed above. |
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Councilor Liberty had a correction for the May 10 MPAC minutes, page 3, paragraph 10. He said paragraph 10 should read as follows: Councilor Liberty asked the MPAC members if they believed the

projects listed in the RTP would actually result in the 2040 Growth Concept. The members present all answered "no."

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| <b>Vote #2</b> | All those present voted aye except for Nathalie Darcy and Chris Smith who abstained from the vote. The vote was unanimous and the motion passed with the May 10, 2006 minutes as corrected. |
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The Committee resumed consideration of the Shape of the Region agenda item. Tim O'Brien, Senior Regional Planner, gave an update on the "Shape of the Region: Proposed Methods & Approach." He said the seven guiding questions for the project were:

1. Where to grow?
2. How big to grow, given the surrounding context?
3. How to grow – what are the planning and design issues that matter?
4. How to finance and fund growth in an equitable manner?
5. How to govern new growth areas?
6. Where and how to stop contiguous growth?
7. Where and how to create new towns or add to neighboring cities?

Tim O'Brien discussed the Ag/Urban Coordinating Committee held earlier the date of this meeting, discussed the consultants hired, and said the next AUCC meeting would be held June 14.

Lydia Neill, Principal Regional Planner, reviewed "Investing in Our Communities: Tools & Strategies" and distributed a matrix/flowchart titled "Focus Investment Inside of the UGB." She said MTAC had done a break-out discussion exercise on the hand-out at their May 17 meeting. Mayor Drake said it would have been helpful to have the materials ahead of time. Wilda Parks suggested carrying the exercise over to the next MPAC. Lydia Neill said there was enough time to do so before the June 23 Regional Forum.

The Committee discussed the issues further. The Committee thanked the MTAC members present who had come to help facilitate the break-out groups: Valerie Counts, Joseph Readdy and Meg Fernekees.

## **NEW DISCUSSION**

John Hartsock said he was concerned about MPAC's lagging attendance. He asked if it was a content issue. Mayor Kidd said he is keeping a record of who is attending and who is not. He said per MPAC's bylaws, members can be replaced. He said Lane Shetterly and Councilor Jack Hoffman called him and let him know why they could not attend this meeting. He said there were vacancies on MPAC including the school representative position. He said members should let their school districts know and see if someone from the schools was interested in serving. He said several times, a TriMet staff person was present but not the TriMet member or alternate. He said MPAC would be dealing with some timelines soon, especially transportation-related ones, and said if members did not attend, they could not say they knew nothing about important decisions made after the fact. He said members needed to attend. Mayor Kidd said it was embarrassing to go nine weeks without being able to appoint MTAC members or approve the minutes. He said attendance was critical for MPAC members.

All business items completed, Chair Kidd adjourned the regular meeting at 6:35 p.m.

Meeting record prepared by Paulette Copperstone, Program Assistant 2, Regional Planning Division

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# Focus Investment Inside of the UGB.

| <b>New Look Strategy:</b><br>Determine feasibility, commitment and approach. | <b>Acquire Fiscal Resources</b>                                                                                                                                                                     |                                                                                                                                                                                                                                                                                                                                        |                                                                                                                                                                                                                                                                                                                         |
|------------------------------------------------------------------------------|-----------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|----------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|-------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
|                                                                              | <b>1. Tax on UGB expansion areas.</b>                                                                                                                                                               | <b>2. Assist in formation of Urban Renewal Districts</b>                                                                                                                                                                                                                                                                               | <b>3. Create a grant-writer position for centers, brownfield, and affordable housing.</b>                                                                                                                                                                                                                               |
| <b>Idea</b>                                                                  | Tax revenue is generated on lands added to the UGB to assist with infrastructure development to urbanize these lands. Use 10% of the proceeds of this tax to redevelop inside of the UGB.           | Metro could offer technical assistance and expertise to local jurisdictions to identify legal ability, blight, need, political will, and determine effective UR projects. Possibly, explore effect of expiring UR districts in region, offer a workshop, and/or provide legislative support to resolve Measure 50 issues.              | Position would seek new revenue sources to meet Council priorities and could obtain funding to pass through to local governments. Other alternatives are to budget more time so program professionals can write grants or contract with a grant writing expert.                                                         |
| <b>Pros &amp; Cons</b>                                                       | Concerns with measuring future value and ensuring landowners are not double-taxed with windfall tax & capital gains tax. Jurisdictions need multiple sources of funds to meet infrastructure needs. | Small jurisdictions like Damascus cannot wait to acquire capacity for UR, assistance from Metro could be appropriate vehicle to help localities with projects that are regional in nature. Could provide a significant benefit. Another idea was mentioned- if Metro were to form regional UR agency that could be very controversial. | Difficult to fund these types of positions. Advising localities on applicability and provide technical skills would be very helpful. Regional applications could eliminate competition between jurisdictions. Is untapped money that great? How would Metro be neutral and serve every jurisdiction with a fair system? |
| <b>Local experiences</b>                                                     |                                                                                                                                                                                                     |                                                                                                                                                                                                                                                                                                                                        |                                                                                                                                                                                                                                                                                                                         |
| <b>Authority to Implement</b>                                                | Legislative                                                                                                                                                                                         | Metro                                                                                                                                                                                                                                                                                                                                  | Metro                                                                                                                                                                                                                                                                                                                   |

| 4. Develop a Brownfield Program                                                                                                                                                                                                                                                                                                 | 5. Expand the legal authority to create LIDs.                                                                                                                                                                                                                                                           | 6. Create a New Market Tax Credit (NMTC) program.                                                                                                                                                                                                                                                                                                                                                                                                    | 7. Explore other sources of capital.                                                                                                                                                                                                                                                                                                                                                                      | 8. Develop a revolving loan fund to Finance Progressive Development                                                                                                                                                                                                                                                                                                                      |
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| <p>Recycle land in key centers and corridors, fund demonstration projects, set up an a program that emphasizes small parcels because they are problematic. Inventory brownfields noting levels of contamination, and build expertise on identification of liability, financing and provide assistance to small communities.</p> | <p>LIDs have been used to group property owners to share the cost of capital improvements for infrastructure improvements like streets, lighting and water/sewer improvements. Consider other uses of LIDs by Metro in centers and corridors that may go beyond traditional services (sewer/water).</p> | <p>NMTC program encourages private sector investment in low-income communities. Provides new financial resources for business loans and stimulates investments in commercial real estate, business ventures, and home-ownership in low-income urban and rural census tracts. Most of the NMTCs are deployed in the City of Portland. Metro could help set up a managing entity and apply for NMTCs that would be targeted at serving the region.</p> | <p>Potential new sources of funding for development projects include venture capital investment, mission-driven real estate investment trust funds (such as public employee, teachers or union funds), 1031 exchange programs and private foundations. Explore non-traditional sources of funding to offset additional risk and up-front investment requirements of progressive development projects.</p> | <p>Create a revolving loan fund to finance progressive development such as affordable workforce housing or to fund project concept development. Initial funding could come from grant funds, a progressive foundation, or a new income tax or other sources.</p>                                                                                                                         |
| <p>Redeveloping brownfields is important in centers and especially smaller jurisdictions without project manager capacity. Care need to be taken to recognize that designation of a brownfield can be a stigma. The process already includes so many representatives, would Metro be an unnecessary hand in the pot?</p>        | <p>Gaining momentum and agreement to set up LIDs is difficult and time-consuming; this could be even more politically difficult for Metro. Corridors, however, present an opportunity for Metro to assist and/or administer with LIDs for improvements that are cross jurisdictional.</p>               | <p>NMTCs are limited, sunset in 2007 and work well for large projects. Complex- best managed by org/banks. Support commercial investments to create "new markets", equity gained from NMTCs do not often provide financing to for-sale housing, unless part of mixed-use project. Large financial/legal/ mortgage banking firms are comfortable but smaller lenders are uninterested.</p>                                                            | <p>Direct equity contributions to developers is most helpful. Concerns with whether Metro can be objective.</p>                                                                                                                                                                                                                                                                                           | <p>Lower interest financing for projects is only valuable as the savings in interest expense compared to conventional loans; commercial lenders will only loan up to a fixed percent of the projects value so banks correspondingly reduce their loan funding. There is a need for predevelopment funding but these funds would likely not be recouped unless the project was built.</p> |
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| Metro                                                                                                                                                                                                                                                                                                                           | Shared                                                                                                                                                                                                                                                                                                  | Metro                                                                                                                                                                                                                                                                                                                                                                                                                                                | Shared                                                                                                                                                                                                                                                                                                                                                                                                    | Metro                                                                                                                                                                                                                                                                                                                                                                                    |

## Focus Capital Investment

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| <p>9. Apply to the State for designation of an <b>enterprise zone</b>.</p>                                                                                                                                                                                                                                                                                                                                     | <p>9. Authorize use of a <b>Site Value Taxation system</b>.</p>                                                                                                                                                                                              | <p>10. <b>Prioritize and coordinate CIP projects and regional investments</b>.</p>                                                                                                                                                                                                                                                                                                                                                                                         | <p>11. Use <b>SDCs to re-enforce desired development</b> patterns.</p>                                                                                                                                                                                                                                                     | <p>12. <b>Buy, assemble and obtain entitlements</b> to remarket for mixed use development.</p>                                                                                                                                                                  |
| <p>Cities and counties can apply for an enterprise zone in low-income communities to create a focal point for local development efforts and incentives. Eligible businesses receive total exemption from property taxes for at least 3 years if they locate in an enterprise zone and up to 5 if they meet higher wage standards. The property is also tax exempt for up to two years during construction.</p> | <p>Changes tax structure to be weighted more on land rather than improvement values. Could be structured to be revenue neutral. Aligned with region's growth management objectives, provides an incentive to use land efficiently.</p>                       | <p>Could include both Metro and local government investments. Prioritize Metro and local investments in targeted areas. Metro investments could include TOD, NIN, MTIP, Enhancement Grants, Federal transportation planning grants (RTP). Metro could require areas with LRT and street car to include minimum zoning of 4-story mixed use (or equivalent densities) to maximize the investment. Use state and federal transportation funds to invest in projects that</p> | <p>SDCs could be used as an incentive for good design and could be weighted to encourage development in centers. Create a rate schedule, which reflects that compact growth costs less to service. Use SDCs to fund services not just infrastructure. Metro can adopt SDCs if the use is a matter of regional concern.</p> | <p>The TOD and Centers Implementation Program uses this strategy but is limited by funding constraints. With additional funding this program could be broadened to additional centers, corridors and for mission specific purposes like affordable housing.</p> |
| <p>It requires local project management. Each zone expires after 10yrs requiring an application for redesignation. The exemption period can significantly reduce tax revenue. "Non-urban" zones can receive long-term exemptions for qualifying facilities. Most zones did not result in the dominance of large industries and dislocation of existing businesses.</p>                                         | <p>Merits further consideration but is complicated and would be controversial. Brownfields could be negatively affected, because many of these sites have a low or no real market value. Impacts to special districts, schools etc need to be evaluated.</p> | <p>Require better coordination between agencies, maybe a community solutions team approach. Create incentives, give funding or use TOD in areas that rezone to higher density. Partner with local jurisdictions to determine public improvements that have the greatest impacts. Map all CIPs in region, coordinate water &amp; sewer, and/or direct CIP funds.</p>                                                                                                        | <p>Apply SDCs consistently throughout the region. Metro could adopt SDC's, but it loses its linkage back to the local level. Survey SDC's rates. Develop a pilot project to illustrate benefits of projects funded from SDCs. Need to consider nexus issues in setting rates.</p>                                          | <p>Concept is good but how would it be funded? Funding requirements create major barriers for public or non-profit agencies to implement.</p>                                                                                                                   |
|                                                                                                                                                                                                                                                                                                                                                                                                                |                                                                                                                                                                                                                                                              | <p>State needs to coordinate with local investments.</p>                                                                                                                                                                                                                                                                                                                                                                                                                   | <p>Used in Vancouver B.C.</p>                                                                                                                                                                                                                                                                                              |                                                                                                                                                                                                                                                                 |
|                                                                                                                                                                                                                                                                                                                                                                                                                | <p>Legislative</p>                                                                                                                                                                                                                                           | <p>State/Reg/Local</p>                                                                                                                                                                                                                                                                                                                                                                                                                                                     | <p>Local</p>                                                                                                                                                                                                                                                                                                               | <p>Metro</p>                                                                                                                                                                                                                                                    |

| 13. Extend use of Vertical Housing Abatement program.                                                                                                                                                                                                                                            | 14. Invest in public amenities to catalyze mixed use development.                                                                                                                                                                                                             | 15. Recruit a master developer through the TOD program to develop multiple sites.                                                                                                                                                                                                                                                                                           | 16. Develop a regional parking management strategy.                                                                                                                                                                                                                                                                                                                                                      | 17. Pursue tax base sharing between centers.                                                                                                                                                                                                                                             |
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| Oregon Vertical Housing tax abatement program is administered by the State and in areas that are proposed by local governments. Can be used to offset the costs of multi-story construction and low income housing. Provide education on this tool to encourage development in center/corridors. | Finance public amenities that are used to attract private mixed-use development. Examples include: plazas, amenities such as fountains, street furniture, parks, street improvements etc. Explore using a bond measure to fund civic amenities and neighborhood enhancements. | Creates an economy of scale (multiple sites) that in theory allows better development to occur on a wider scale throughout the region.                                                                                                                                                                                                                                      | Develop a broader understanding of best practices and appreciation of negative impacts of parking on urban vitality. Consider taxing surface parking where transit is available to fund projects in centers. Consider investing in structured parking in key centers. Create an incentive for local governments or provide subsidy to fund extra cost of structured parking to stimulate higher density. | The concept is to create a revenue sharing program among jurisdictions to make more strategic investments in centers. All jurisdictions would share in the benefits.                                                                                                                     |
| Simple for local governments to use. Local governments apply to State to set boundaries. Can be used for single projects. Metro should facilitate information sharing among jurisdictions through a workshop.                                                                                    | Good idea. Could be funded by an LID, business improvement district, local revenue bonds, federal highway dollars, enterprise zone funds or urban renewal. Separate concept from construction dollars. Apply regional dollars to fund investments.                            | Involve the private sector. Idea is at odds with objectives of the TOD program which is to increase local interest for developing compact mixed use projects. Most TOD projects involve working with a variety of small and medium sized developers on relatively small sites that are spread across the region. This does not lend itself to an economy of scale approach. | Structured parking could be counter-productive to efforts to create vibrant, walkable downtowns. Apply just to specific developments. Parking drives development. Can regional bonding capacity be used to subsidize structured parking? If in the form of a loan, offer long-term payback behind other mortgage instruments.                                                                            | Long-term concept. Must determine structure of a revenue sharing agreement, which may prove difficult. Sub-regional sharing may be more palatable and a better match for the concept. Neighboring communities often have a symbiotic relationship and sharing revenue may be beneficial. |
| In use by Gresham and Milwaukie.                                                                                                                                                                                                                                                                 |                                                                                                                                                                                                                                                                               |                                                                                                                                                                                                                                                                                                                                                                             |                                                                                                                                                                                                                                                                                                                                                                                                          |                                                                                                                                                                                                                                                                                          |
| Shared                                                                                                                                                                                                                                                                                           | Local                                                                                                                                                                                                                                                                         | Metro                                                                                                                                                                                                                                                                                                                                                                       | Shared                                                                                                                                                                                                                                                                                                                                                                                                   | Legis./Local                                                                                                                                                                                                                                                                             |



**Cultivate Innovative Development**

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| <p>18. Inventory and manage surplus property throughout the region.</p>                                                                                                                                                                                                            | <p>19. Develop a land trust model for long-term ground leases of mixed use development.</p>                                                                                                                                                                                                                             | <p>20. Build capacity to administer and interpret building codes to allow more flexibility for mixed use development.</p>                                                                                                                                                                                                            | <p>21. Provide education and information to smaller developers on development opportunities.</p>                                                                                                                                                                                                                                       | <p>22. Host a high profile design competition in select centers or corridors.</p>                                                                                                                                                                                                                                         |
| <p>Create a single entity to manage and recycle surplus city/county property. Sale of proceeds could be used to fund infrastructure needs throughout the region. Manage the pool of land as assets. Sale of property could fund infrastructure or be used to fund development.</p> | <p>Establishing land trusts to retain ownership of the land on an ongoing basis after it is developed is a way to ensure that the uses continue to provide its intended public benefits. With the trust framework, it may be feasible to charge below market rents but in early years this would require a subsidy.</p> | <p>Provide information and education to building officials regarding interpreting building codes to support mixed-use development and community character. Provide technical assistance through a peer network to developers, planners, and city officials. Develop a workshop at the fall building officials statewide meeting.</p> | <p>Consider partnering with ULI to engage the development community regarding redevelopment vision, tools and opportunities. Continue to assist HBA in providing education for smaller builders to heighten opportunities in centers/corridors. Expand types of areas that are used for TOD and allow the use of brownfield sites.</p> | <p>Use a design competition or charrette process to generate creative design concepts, engage media and attract investors. Include local experts, high-profile designers, local practitioners, developers, investors and students. Include green architecture and sustainable practices.</p>                              |
| <p>Provides benefits to smaller communities. Could include contaminated properties. Local governments may be best suited to manage surplus land. Be creative-churches, non-profits, small city/county/federal land could be used more efficiently. Could be a powerful tool.</p>   | <p>Benefits include locating uses in centers and corridors that have serve community functions. The cons include the additional responsibility and on-going expenses of retaining property ownership.</p>                                                                                                               | <p>A state-authorized council could define the objective (public good) that mixed-use development and alternative types of housing should serve, include building codes that allow flexible pathways to meet the objectives, and list adaptable (to changing circumstances) templates for feasible mixed use projects.</p>           | <p>Develop a model process for setting guidelines and test through small projects. Hold a forum to brainstorm with developers and planners. Metro's strength is disseminating information.</p>                                                                                                                                         | <p>Produce case studies of good examples. Don't focus only on building design; incorporate local context. Involve small firms where innovative ideas often arise as well as students and educational institutions. Have flexible RFP for creative users. Request designs that can easily be replicated across region.</p> |
|                                                                                                                                                                                                                                                                                    |                                                                                                                                                                                                                                                                                                                         | <p>Mixed-use projects in Rockwood are inhibited by income, rooftops, social infrastructure, public amenities, over-expectation (FAR).</p>                                                                                                                                                                                            |                                                                                                                                                                                                                                                                                                                                        | <p>Review City of Portland's family friendly design competition.</p>                                                                                                                                                                                                                                                      |
| <p>Local</p>                                                                                                                                                                                                                                                                       | <p>Shared</p>                                                                                                                                                                                                                                                                                                           | <p>Legislative</p>                                                                                                                                                                                                                                                                                                                   | <p>Metro</p>                                                                                                                                                                                                                                                                                                                           | <p>Metro</p>                                                                                                                                                                                                                                                                                                              |

**Adapt Policy to Accommodate Viable Solutions.**

|                                                                                                                                                                                                                                                                                                                                             |                                                                                                                                                                                                                                                                                                                                                                       |                                                                                                                                                                                                                                                        |                                                                                                                                                                                                                                                                                          |                                                                                                                                                                                            |
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| <p><b>23. Sponsor placemaking initiatives for specific Centers and Corridors.</b></p>                                                                                                                                                                                                                                                       | <p><b>24. Change zoning that restricts building heights</b> to less than four stories in centers and corridors.</p>                                                                                                                                                                                                                                                   | <p><b>25. Change or eliminate rigid parking requirements</b> in centers and corridors to match the intended uses.</p>                                                                                                                                  | <p><b>26. Change the mix of uses in corridors</b> to accommodate more residential demand.</p>                                                                                                                                                                                            | <p><b>27. Investigate how developments with regional impact affect centers and corridors.</b></p>                                                                                          |
| <p>Metro would sponsor a placemaking initiative for specific centers to create complete communities. The focus would be site specific but could include urban design, parking strategies, green building, pedestrian and transit linkages, and amenities like grocery stores, day care centers that serve a variety of household needs.</p> | <p>Increase density in centers and corridors through changes in regulations and education regarding parking requirements, design impacts, and housing choices. Determine the public purpose that is being served by adopted codes. Possibly deregulate building heights to let the market determine how high to build. Develop a pilot program?</p>                   | <p>Update parking ratios standards in communities so they do not create an over-abundance of on-site parking that is land inefficient and expensive for private developers. Provide education regarding the benefits of shared parking strategies.</p> | <p>Determine zoning in corridors and analyze against best management practices. Pick candidate sites for demonstration projects and connect projects to neighborhoods.</p>                                                                                                               | <p>Analyze areas between centers and determine the impacts of large retail development and large employers (i.e. hospitals) to assess whether they detract from investment in centers.</p> |
| <p>Good demonstration project that has potential to be applied throughout the region. Provides a model that could be replicated around the region. Do these types of projects actually get built?</p>                                                                                                                                       | <p>Are there financing issues? Too many designated centers. Do we need to refine or redesignate? Think about phasing development and attention to specific centers. Focus on centers that are “ready” and assist by subsidizing. Redevelopment not allowed by regulation. Allow residential in commercial zones. Be more flexible and plan for evolution of uses.</p> | <p>Parking can be an inefficient use of land. Transportation access and connectivity in regional centers is needed to balance the need for on-site parking -- focus investment.</p>                                                                    | <p>What is the density we want? May negatively effect mixed-use in centers and main streets. Analyze how to increase project density to existing zoning. Could make problem worse by adding corridors to increase redevelopment to the mix. Focus residential projects in corridors.</p> | <p>Research is needed to validate whether this concept has measurable effects on centers.</p>                                                                                              |
|                                                                                                                                                                                                                                                                                                                                             |                                                                                                                                                                                                                                                                                                                                                                       |                                                                                                                                                                                                                                                        |                                                                                                                                                                                                                                                                                          |                                                                                                                                                                                            |
| <p>Metro</p>                                                                                                                                                                                                                                                                                                                                | <p>Shared</p>                                                                                                                                                                                                                                                                                                                                                         | <p>Shared</p>                                                                                                                                                                                                                                          | <p>Shared</p>                                                                                                                                                                                                                                                                            | <p>Metro</p>                                                                                                                                                                               |

**Additional Strategies**

28. Incorporate small scale **commercial uses into neighborhoods.**

29. Explore using the **GMELS concept for zoning** to allow the market to direct use of land.

Expand neighborhood commercial uses to enhance the functionality of residential areas.

Use the format developed in the Greater Metropolitan Employment Land Study (GMELS) to provide flexibility for using land efficiently. GMELS was a study that considered how uses were allocated between different zoning classifications. The GMELS concept allows the market to determine where to locate residential and commercial uses.

Research is needed to determine whether this is a problem that needs to be solved. How prevalent is this throughout the region? Are there problems associated with these types of uses?

This system is counter to Title 4 restrictions that segregate industrial uses from commercial and residential.

Shared

Shared

**MTAC – 5.03.06**  
**Matrix Break Out Discussions**  
**Summary Notes**

**New Ideas:**

- Eliminate farm tax deferral inside of the UGB to encourage redevelopment to occur
- Enterprise zones
- Prioritize investments in centers- can't do all of them at once

**Investing In Our Communities- “Acquiring Fiscal Resources”**

**1. Create tax on UGB expansion areas**

- Problems with determining value and collecting tax. Without knowing the future zoning, how would you know the value and collect the money.
- It can be measured if assessment is made prior to UGB expansion and then at time of sale.
- Has merit if details can be resolved. Also, need to consider other CIP programs.
- Concept is really important for local jurisdictions infrastructure needs. Local jurisdiction needs to capture a piece of the value gained by individual landowners to use for improvements.
- However, make sure the landowner is not double-taxed by the tax on their capital gains and this windfall tax.
- Will this be a problem in areas where owners are not interested in development? Since the dollars are gained at the application for a construction permit, is this too long of a delay and an uncertainty for dollars for the jurisdiction. A shorter road could be using LID's.
- Need multiple sources of money; this is an important piece. Have some money coming in sooner as well, but don't discredit this source because it may take a long time to acquire.
- Some of these issues are resolved by the Council Report. Everyone should look at a copy of this.

**2. Develop capacity for urban renewal region-wide.**

- Metro determining regionally significant projects becomes political and difficult as well as controversial with local jurisdictions.
- Metro's role would have to be narrowly defined in terms of funds and projects – limited to cross-jurisdictional lines (roads, sewers).
- Cannot wait for areas like Damascas to get capacity to acquire own urban renewal resources, the assistance of Metro would be a great asset.
- Does this require changing State law?
- Process and structure of urban renewal isn't likely to allow the creation for a regional urban renewal area. So, instead, Metro could look at all the jurisdictions and determine legal ability to have an urban renewal area, the need for one, and the political will to create one and complete projects.
- This could be the appropriate vehicle to help localities with projects that help the region.

- Metro could offer technical assistance and share expertise to help local jurisdictions identify blight in their areas and effective project types.
- Metro could also offer legislative support to help local jurisdictions get around the difficulties caused by Measure 50.
- If involved in projects, there should be an emphasis in assisting existing infrastructure before expansion.

### **3. Create a grant-writer position to help local jurisdictions**

- Is there really that much money out there that the local jurisdictions and Metro don't already know about?
- A source, either a person, website, or combination, who knows about each funding opportunity and can advise localities to whether it would be applicable in their situation and assisting them in the technical process of writing the grants would be very helpful.
- Grant writing is a very technical skill and would be a valuable service, especially for Federal money. Oftentimes localities do not have the time to dedicate, or don't have the experience and do not get funding because they do not have the technical skills.
- Does it warrant a whole position?
- How do you make sure every jurisdiction is considered, and how everyone gets a turn? Neutrality is unrealistic.
- Funding the position through its own grants is difficult; funders want to fund deliverables and not positions.
- Lower priority for me. Second that thought.

### **4. Develop Brownfield Program**

- Great redevelopment tool for assessments/clean-up; important to centers. Banks are beginning to require assessments.
- Is Metro the appropriate agency? Yes, it is worth pursuing. It provides money for the region, and yet, local projects would be financed through separate funds.
- Every cycle, refunding this program is questionable, and if Metro is involved, they could put this issue on their federal legislation radar and speak for the entire region.
- Smaller jurisdictions without project manager capacity could have help from Metro to get it done.
- Is one less hand in the pot, better when you already have local representatives, the EPA, etc. involved?

### **5. Expand the legal authority to create LIDs**

- Momentum and agreement for LIDs is difficult to obtain and very time-consuming; Metro's involvement, politically, could make it more difficult.
- Cross-jurisdictional corridors, however, present an opportunity for Metro to go into the communities and assist in the collaboration and agreement. Make Metro's role be as a unique tool to help in this type of situation.

- Maybe Metro can combine the ideas and needed parts of SDCs/LIDs/Urban renewal to develop a tool or program to accomplish the specific goals of the region.
- New: Use Zones of Benefits/Latecomer Agreements – for jurisdiction/initial developer to get reimbursed as additional projects develop along area where services were extended.
- New: Business Improvement Districts should be part of the discussion.

#### **6. Create a New Market Tax Credit program**

- Is it applicable regionally?
- Lenders really like this program and developers get money a lot cheaper.
- We support private investments and programs that create that incentive.
- We would like more information regarding how the program works and potential Metro roles so we can better discuss our ideas and the opportunities of this program in our region.

#### **7. Explore state capital and OPM**

- Investment happens based on the market, and not a government's sell job
- Do local jurisdictions need Metro's help, and in what capacity? Financially or advisory?
- Investors need security and long-term information about growth not just in the immediate area, but the security of the entire region. Metro is the agency most qualified to give this information and speak regionally. To what extent is Metro already doing this (through DRC)? Is it enough? Metro could also provide presentations to potential investors.
- Can Metro be objective or just supportive of centers?
- Is Metro qualified to give financial advice?
- It is easier for Metro to acquire money. And borrowing Metro's financial capacity to acquire the first developer would be extremely helpful. Once the first developer comes, others follow. Helping fund the "risk gap" is a good idea.

#### **8. Financing Progressive Development**

- If this is really a regional income tax to fund or give loans to fund progressive development, we think this is great!
- Full support, but may be difficult to sell politically.

### **“Focus Capital Investment”**

#### **Overall Summary:**

- Enhanced coordination is the key to using any of these tools
- Prioritize to maximize and leverage investments
- Link policies to public investments
- Develop project examples to illustrate how tools could be used

## **9. Site Value Tax:**

### **Overall- merits further investigation**

- Brownfield sites are effected differently than other vacant sites by this tax. Brownfields could be negatively effected by a tax structure that places a greater burden on vacant sites because many of these sites have a low or no real market value.
- Concern that this valuation system could bleed value from providing services to existing developed areas
- This is a complicated issues that requires more information
- Need to do a feasibility analysis of how the values would be structured to determine the impact for individual communities

## **10. Prioritize and Coordinate regional investment and in all CIP projects**

### **Overall- merits spending time on**

- Needs to have a linkage to New Look Policies
- The use of certain types of dollars needs to be predicated on achieving density. An example is not using TOD or dollars for street car investments if jurisdictions will not support rezoning of areas to allow 4 story mixed use. i.e. Lake Oswego.
- Metro should be the coordinator of water, sewer and transportation
- Develop a linkage strategy based on a partnership with local jurisdictions to determine what types of public improvements need to be made
- Warrants developing a community solutions team approach
- Have Metro direct CIP \$
- Metro should map all CIP improvements throughout the region, would be a powerful tool

## **11. Consider ways to use SDC's to reinforce desired development patterns**

### **Overall- important to understand how they are used and applied regionally**

- First Step: how are they being collected and applied (actual vs. average- analyze regionwide)
- Examine how to acknowledge that compact growth costs less to services and determine how to charge an appropriate SCD
- Lots of SDC's are backward looking so they do not fully capture the current and future costs of providing public facilities
- Linked to the CIP
- Coordination is the key
- ODOT: concurrency requirements vary around the region but does not consider State facilities
- ODOT needs to be a participatory partner that is seeking solutions
- Metro should take responsibility or get rid of its authority. Do all the CIP planning for the region
- If Metro adopts SDC's then we loose the linkage back to the local level
- Determine how SDC's are capped
- Build on the good work that has already been completed by local governments

## **12. Buy, assemble and obtain entitlements on land...**

### **Overall- Concept is good but how do we fund?**

- Concept raised a number of questions about the use of urban renewal, the methods under which this would be done and how effective it would be towards the regions overall goals
- Q- can you have two urban renewal agencies (local and regional)?
- Q- subject to the 15% cap on land and improvement?
- Provide assistance to private land owners to make this happen on their own through education
- Education could be on assemble, cooperation, forming partnerships, LLC's etc.

## **13. Tax abatement strategy**

### **Overall- good idea, opportunity for Metro to convene**

- Metro can provide information

## **14. Invest in public amenities that catalyze development**

### **Overall- good idea**

- Use a supplemental LID to fund
- A small amount of Federal highway dollars could be used for these types of projects
- Enterprise zone dollars can also be tapped
- Separate concept from construction dollars
- Apply regional dollars to fund investments

## **15. Recruit a master developer through the TOD program...**

### **Overall- not much discussion**

- Create an open door with developers
- Need to involve the private sector

## **16. Develop a parking management strategy**

### **Overall- important tool that can have big impacts**

- Parking drives development
- Can regional and/or statewide bonding capacity be used to generate dollars to subsidize structured parking
- If money for subsidizing structured parking is in the form of a loan it should have a long-term payback and be behind other mortgage instruments
- Other bonding mechanisms need to be explored (GI and revenue)

## **17. Pursue tax based sharing**

### **Overall- long-term concept**

- Expand the concept, don't be so narrow and confine the discussion to just centers.
- One of the larger questions is how to structure a revenue sharing agreement
- Sub-regional sharing of funds may be more palatable and a better match for the concept
- Communities located nearby one another often have a symbiotic relationship so sharing of revenues might provide some benefit



## **18. Use surplus land more efficiently in the region or develop a land trust model**

### **Overall- good idea, could be combined with ground lease idea**

- Be creative, churches, non-profits, small city/county/federal land could be used more efficiently
- Could be a powerful tool

## **19. Develop a land trust model for long-term ground leases for mixed use development**

- Buy land, lease to non-profits for low or no \$ per month

## **“Cultivate Innovative Development”**

### **20. Interpret building codes to allow more flexibility for mixed-use development.**

#### **Problem:**

Planners who are reviewing and interpreting mixed-use codes are often unfamiliar with newer (innovative) design types. The cost/confusion around International Building Code (IBC) interpretation often requires major structural changes and slows the review process.

#### **Solution:**

A state-authorized council could define the objective (public good) that mixed-use development should serve. This should include an official interpretation of building codes that allows flexible pathways to meeting these objectives. It should also include templates that can be used to make innovative development feasible. These templates should be adaptable to changing circumstances and should be made available to mixed-use developers and planners.

#### **Example**

#### **Local problem:**

In Rockwood, innovative mixed-use development is inhibited by these factors:

#### **1. Income**

Current low-income population cannot afford the higher costs of new development.

#### **2. Rooftops**

Some multi-family development disrupts stable single-family neighborhoods.

#### **3. Social Infrastructure**

Public safety: 70-80% of Gresham Police night shift is dedicated to Rockwood.

#### **4. Public Amenities**

Corridors, light rail and large apartment blocks have divisive effects on public perception/comfort.

#### **5. Over-expectation**

F.A.R. for mixed-use in the area may take years to pencil out.

**Local solution:**

Phase realistic development:

- More attention to automobile needs such as parking
- Lower initial FAR expectations
- Funding network including developers and planners
- Reevaluation of 2017 Housing Capacity Exercise from 1994

**21. Provide education and information on market changes for smaller developers. Expand TOD program.**

1. The Urban Land Institute (**U.L.I.**) may offer a forum as an objective party with its focus on both the development and planning community. In this forum, planners should ask the development community to help us answer three questions:
  - Where can money be saved to make innovative development more feasible?
  - Which regulations actually stifle innovative mixed-use development?
  - How can necessary regulation be more clear and consistent?
2. **Metro** should organize and provide access to regional tools that can be applied locally. (NO REGIONAL CODE)
3. Professional organizations such as the **A.P.A.** could develop a model process for establishing building heights, setbacks, etc. and guidelines for parking lots, street trees, etc. These guidelines could be tested through small projects that address persistent problems.

**22. Host a high profile design competition for center/corridor development.**

- Metro could produce case studies of good examples. Good design (especially sustainable design) must extend beyond the footprint to incorporate the site with its context (infrastructure, parks etc). More relevant and innovative ideas will bubble up from small firms working on small projects. Educational institutions/students should also be involved.
- Reach out to the creative community with a flexible RFP process designed for creative users.
- The City of Portland's family friendly design competition may offer some overlap.

**“Adapt Policy to Accommodate Viable Solutions”****23. Change zoning that restricts building heights****24. Change parking ratios to flexible standards**

## 25. Change the mix of uses in corridors to accommodate more residential development

- All are inter-related
- Too many designated centers (for the 2040 time period) for market so they're not developing as expected. – We should think about phasing development in centers
- Need to re-set/re-establish centers based on market conditions: focus on ones that are “ready” and assist/extra push by subsidizing
- Not certain that barriers listed are actual barriers; development is not living up to existing zoning -- market issue (small parcel size/density/development needs to pencil out)
- How do we get more intense redevelopment?
- Not able to do redevelopment by **regulation**
- Could make problem worse by adding corridors to increased redevelopment to mix
- Focus corridor redevelopment on **residential**
- Allow residential in commercial zones
- **Building code** issues come into play for more than 3 story buildings. New set of standards/criteria for 3+ (or 6+?) story buildings.
- Should also talk to **builders** on zoning and **building codes**
- Should we reconsider **where** centers are designated based on emerging developments? (e.g. Sunnyside Kaiser, PCC Rock Creek)
- Prioritize regional centers first, then town centers etc. for investments and development strategies/inventories/assessments
- Maybe revisit what is allowed in office zone in regional center; what is appropriate mix of uses?
- **Lead with housing** in centers; other uses will come later
- Back off **use** requirements -- who knows what needs/uses will be in the future?
- Plan for evolution of uses
- Basic/General **transportation access and connectivity** in regional centers -- focus investment

More materials for the New Look segment of the agenda will be presented at the meeting.