

MINUTES OF THE METRO COUNCIL WORK SESSION MEETING

Tuesday, July 25, 2006
Metro Council Chamber

Councilors Present: David Bragdon (Council President), Carl Hosticka, Rod Park, Robert Liberty, Rex Burkholder, Brian Newman

Councilors Absent: Robert Liberty (excused), Susan McLain (excused)

Council President Bragdon convened the Metro Council Work Session Meeting at 2:05 p.m.

1. ADMINISTRATIVE/CHIEF OPERATING OFFICER AND CITIZEN COMMUNICATIONS

There were none.

2. THE NEW LOOK: ELEMENTS OF A STRATEGY

Council President Bragdon distributed a discussion draft of the proposed policy elements (a copy is included in the meeting record). He emphasized his wish to identify what has been agreed upon and what remained to be agreed upon. Robin McArthur, Planning Department, focused on the need for clarity and precision.

Council and staff discussed the first element—"Focus fiscal resources and taxation tools to stimulate development in centers, corridors and employment areas." Councilor Hosticka appreciated the addition of the desire to protect existing residential neighborhoods. Councilor Burkholder asked whether we were favoring centers over new communities. He would like to see a more strongly worded emphasis on prioritizing existing centers.

Council President Bragdon wanted to see a specific goal regarding public subsidies, as well as some acknowledgement of our legislative agenda. Councilor Burkholder asked for a better understanding of how to use incentives to level the playing field. Andy Cotugno, Planning Director, said we needed to broaden our use of tools and resources. Councilor Park asked to include wording about recycling land to the brownfields section.

On the second element, "Designate and plan urban reserves," Councilor Burkholder observed that the objective did not actually mention the planning process. He felt that all urban reserves should be concept planned after being designated an urban reserve but before being brought into the urban growth boundary (UGB). Council President Bragdon wondered what would happen if land was used up sooner than anticipated. Councilor Hosticka asked how we would keep designated urban reserves from morphing into other uses. Councilor Newman questioned the ability to protect urban reserves, in light of Measure 37. Councilor Park stated that the designation of certain urban reserves would not preclude other urban reserves. Councilor Burkholder thought the order of the questions should be changed. Urban reserves should come later in the process. He also wanted to add financing and infrastructure under the list of items to be determined.

Moving to the third element, "Protect key areas outside urban reserves," Councilor Newman said it should be as explicit as possible. He liked the use of the terms "hard edges" and "preserves." Councilor Park was concerned about protecting resources outside the UGB but within urban reserves. Could we include more information about easements? Ms. McArthur mentioned that we

always had Goal 5 to use as a tool. Councilor Burkholder asked that the question of how to treat natural areas within urban reserves be added to the list of items to be determined.

Council President Bragdon had major concerns about private property owners who did not want to be “protected.” He felt there should be greater separation between the treatment of agricultural and natural areas. Also, what other tools, such as easements or development rights, could be used as insulation against Measure 37? Regarding types of activities to be used, he felt the wording there was too detailed. He would prefer a broader question, such as what measures were needed to ensure the financial viability of these areas (either forested or agricultural). Richard Benner, Senior Attorney, stated that we did not want to imply that Metro would be protecting agricultural land. The land was already protected by the state and county. Council and staff debated the roles of the various jurisdictions and the likelihood of Measure 37 claims. Some language on the multi-jurisdictional nature of the situation should be included. Chief Operating Officer (COO) Michael Jordan suggested adding a preamble that covered the overarching themes and that would imbue the entire document with those values, rather than attaching it to each individual element.

Councilor Burkholder felt that outright purchase should not be limited to natural areas; we might want to buy other types of areas some time in the future. Councilor Park thought the purchase of agricultural land outside of urban reserves warranted a broader discussion.

On the fourth element, “Establish high and low forecast ranges,” Councilor Hosticka stated the general consensus that a point forecast was not helpful. It was important to have a range forecast, with discussion of the consequences for planning at levels within that range. This would help shift the focus from quantitative to qualitative. Councilor Newman agreed, adding that he would rather have the debate be about where we would land on the range and where we would grow. Council President Bragdon added his support. Mr. Jordan thought using the range forecast was valuable, but we needed to bear in mind our obligation for a 20-year land supply. Councilor Burkholder agreed that there were statutory issues. He thought the policy position should be rewritten. Council debated the use of the range forecasts. Council President Bragdon asked staff to present a range of reasonable forecasts, rather than an exact prediction, with an accompanying discussion of some of the consequences at either end. Council would then pick a point, for future planning. Councilor Burkholder supported Council President Bragdon’s statement but thought that the existing language was not clear enough about it.

Council President Bragdon addressed the possibility of relaxing the 20-year land supply requirement. This would require statutory change. Councilor Burkholder thought it was key to pick a more desirable number. Was 20 years really enough to plan effectively? Maybe it should be 50 years. Councilor Park thought that, if we adopted the range forecast, the 20-year land supply might become moot. Councilor Hosticka concurred.

Ms. McArthur asked Council to clarify their direction. She was instructed to make sure the range forecast was included in the policy position. Also, Council supported the policy position while reserving the right to decide whether or not to implement it. Council President Bragdon wanted to include some language about the five-year expansion cycle. Mr. Cotugno asked whether the range forecasts should be applied to other issues, such as utility sizing. Council approved.

Council President Bragdon wondered whether the range forecast issue wasn’t of a rather different character than the other elements, in that it related more to Metro’s own internal processes. Maybe it should be subsumed under one of the other elements. Councilor Newman agreed. He wanted to keep people focused on the bigger picture, not the technical level. He suggested, and

Council agreed, to direct staff to proceed using the process but to eliminate it as an official policy position. Councilor Park thought it would be a huge issue, with lots of attention. A lot of people would be hanging their hats on it. Council President Bragdon agreed that it was important, but it wasn't something that needed to be negotiated with someone else. Mr. Jordan said, even if we had the authority to do it unilaterally, it could be politically insensitive. But it needed to be a high profile change in policy with our partners, because they would have a huge interest in it.

Ms. McArthur asked whether Council wanted to keep it in or out. Council felt it would be more happily located under the fifth element, "Base UGB expansion decisions on urban performance," which discussion then focused on. Councilor Burkholder said he was trying to figure out a way to talk about qualitative outcomes. Councilor Hosticka approved of figuring out the criteria in advance and relating them to performance. He supported the inclusion of financing or self-financing criteria. The ultimate meter was four votes on the Metro Council.

Council President Bragdon emphasized his concern about the "burn rate"—what would happen if the urban reserves did not last as long as planned? Councilor Park talked about performance measurements, regional versus subregional bases, and the need to measure UGB expansion. Mr. Cotugno said the subregional rule was written to put the regional need first. Mr. Jordan thought both quantity and location should be added under the question of the appropriate meter. Councilor Newman added a question about the timing of the process, the administrative and legislative cycles.

The sixth element, "Coordinate growth with neighboring communities," was then discussed. Councilor Newman supported it. Councilor Park asked if Metro had authority for population coordination, but not for jobs and housing. Mr. Benner said that the statute talked about coordination—jobs and population were not excluded. Councilor Hosticka had a question about enforceability—there were certain things that were not enforceable. Councilor Burkholder wanted to mention the appropriate state agencies that needed to be part of the coordination efforts.

Under the seventh and last element, "Prioritize and invest in transportation improvements that support efficient development and strengthen the economy," Councilor Hosticka liked the language about land use and transportation decisions being integrated. He would like more specific language saying that land use patterns could support, weaken, or obviate transportation systems. Councilor Park asked for a geographic scope. He didn't want it to come back and bite us. What did "strengthen the economy" really mean?

3. HEADQUARTERS HOTEL DISCUSSION

Bill Stringer, Chief Financial Officer, Jeff Miller, Metropolitan Exposition Recreation Commission (MERC) General Manager, and Dan Cooper, Metro Attorney, updated Council on the status of the proposed headquarters hotel. Mr. Cooper gave a summary of the current schedule. The Portland Development Commission (PDC) asked for a report from their staff by September 27. That should help give a greater understanding of the feasibility of the project.

Council President Bragdon asked about the recent turnover of PDC commissioners. There appeared to be varying levels of interest and commitment to this project. Mr. Cooper said there had not yet been any discussion with the new PDC commissioners. The model we were looking at assumed that PDC, having bought the land, would turn it over at no cost for the hotel and contribute about \$4 million. One Portland City Council member believed there were at least three votes for it there. The model would be financed with tax-exempt money to cover the cost plus

reserves and capitalized interest; the expectation was that the hotel revenue together with the hotel room taxes would cover the debt service. There were still lots of questions about financing.

Councilor Burkholder said that was the \$79 million question. We were assuming that private development was more efficient, but they would want a profit. He'd like to see a comparison. Also, the fallback position would be that we owned a hotel that could be rented out like any other; it would still be an asset. Mr. Cooper said there were various factors that could influence occupancy and the rates we could charge. This information should be available coincident with PDC's schedule of the end of September.

Councilor Park asked if it was good cash flow. Mr. Cooper thought it would be. Councilor Park asked whether the gap of funding to the convention center would be filled. Mr. Miller said, with the drop in business that was forecast, we would be in the hole pretty quickly. With the new business, we'd be back in the black by 2014/2015. Councilor Newman wondered who was guaranteeing the bonds. Mr. Cooper talked about some of the options being considered. He discussed the pros and cons of some of the models and about the 30-year period of the bonds. In response to Councilor Newman, he briefly described the financing model—a management agreement with a hotel company, that would pay off the debt service. We could even make a profit. Mr. Stringer emphasized that we were developing our own pro forma in addition to the developer's. Council and staff discussed some particulars of the financing and repayment. Mr. Cooper said that the collection process was fairly transparent and enforceable. Mr. Miller mentioned that we would be bound not to “dump” rooms on the market. Councilor Newman asked about scheduled maintenance. Mr. Cooper said that was incorporated into the model. Council and staff debated some of the finer points of the project, such as financing, politics, neighbors, the Rose Quarter, and urbanization.

Council advised staff to stay the course.

4. BREAK

5. DINOSAUR EXHIBIT

Tony Vecchio, Oregon Zoo Director, said the Nature in Neighborhoods kiosk at the zoo was ready. It would highlight conservation organizations in the region. There were 8 or 10 organizations lined up who wanted to participate. It would be across from the endangered western pond turtle project and would open up to an interactive table area.

He also had some bad news. The 51-year-old elephant matriarch, Pet, had been suffering for a long time from bone infections in her feet. She was where Belle was back in the mid-90s. The vets did not think she was a good candidate for surgery; they regretfully recommended euthanasia. This would be a big event. Animal rights groups might be upset. Council President Bragdon asked about life expectancy in the wild. Mr. Vecchio said it was about 31 years; in a zoo, about 34 years. The maximum longevity in both was 70. Council President Bragdon asked how we could support the staff. How would the rest of the herd react? Mr. Vecchio said he was very concerned; she was the matriarch, and there would be some turmoil. He planned to let the other cows see her body. This was what they did with Belle. The staff would be hit very hard.

Councilor Newman asked how Pet's being bow-legged had contributed to her health problems. Mr. Vecchio said that had indeed been a problem for her. It had been an ongoing battle for many years. They kept her going much longer than they thought and tried alternative therapies like

acupuncture and Tellington Touch. The event would take place next week. They wanted to bury her in the condor area. Council President Bragdon asked why they wanted to wait a week. Mr. Vecchio said they needed to line up a lot of people first. The animal rights people would probably ask for an investigation, so he wanted to have independent observers.

Regarding the proposed dinosaur exhibit, it could be a big financial deal. At his last zoo, Mr. Vecchio brought the dinosaurs in as a special summer attraction. They were life-sized, somewhat animated, and very popular. It would be around a \$400-700,000 investment, with anticipated annual revenue of about \$300-500,000. It would be located between the railroad tracks, by the elk yard, along the old nature trail. No tree cutting or permitting would be required. There would be a separate charge of \$3. Tyrannosaurus Rex was the star, but it would include other popular species. There were plans for dinosaur gifts, a dino train ride, and stegosaurus fries. Mr. Vecchio felt that the dinosaur attraction was fairly impervious to trends. Councilor Newman asked what current experience was. Mr. Vecchio said at other zoos, they had an 80% capture rate. The numbers looked good. Council said go for it. Councilor Park asked if it would draw away from other exhibits. Mr. Vecchio said it was net. Councilor Burkholder wondered if it was incompatible with the serious character of our zoo. Mr. Vecchio said, back in Providence, they tried really hard to talk about the conservation and extinction issues, but visitors didn't want to hear it. Then they focused more on fun facts.

6. CONSERVATION SURCHARGE

Mr. Vecchio and Brad Stevens, Finance, said the surcharge would be a conservation surcharge. Mr. Vecchio said he did not want an admission increase; he wanted to call it out to specify that the money was going to conservation. He would like to see the increased revenue go towards endangered species conservation in the region. It had been approved in the budget, but the mechanism had not been outlined. Mr. Vecchio would like the money to go to the existing consortium, the Future for Wildlife Fund. Councilor Burkholder clarified that there were two actions requested—an ordinance for the increased ticket price and an exemption from the excise tax. Councilor Newman said he wanted to make sure it was very specific as to what the new revenue would be spent on. Would it be restricted to use in the consortium? Mr. Vecchio preferred to emphasize regional conservation; we wanted flexibility if we didn't like the way the things were going. He wanted to stay away from a focus on endangered species; by that time, it was almost too late. He preferred to focus on protecting habitat.

Councilor Hosticka asked if Zoo memberships would increase also. Mr. Vecchio said yes, by \$1 per membership. The Zoo Board said they would rather just designate a certain amount towards the wildlife fund, from their general fund. They were already increasing the membership fee by \$5. It would not be a designated \$1 but would come from general fund. Mr. Vecchio would need to go back every year and ask the board to devote that certain amount. Councilor Newman thought we should indicate to the Board that we were authorizing the surcharge, consistent with conservation direction, and that everyone needed to do their part.

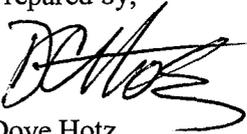
Councilor Park asked if Mr. Vecchio had talked to Teri Dresler of Metro's Parks Department. He thought she would have some helpful suggestions about revenues. Mr. Vecchio responded that they talked regularly. Council President Bragdon asked about attendance at the summer Zoo concert series. Mr. Vecchio said it was a very good season, with several sell-outs, including for the weekday shows. The sellout number for the premium shows was 3,750; for weekday shows, 5,000. Food sales were also good.

5. COUNCIL BRIEFINGS/COMMUNICATIONS

Councilor Burkholder mentioned the Lake Oswego/Portland streetcar meetings, including Council concerns about the bridge, the Environmental Impact Statement process, and the Portland to Milwaukie light rail. Moving forward on the concept of the high capacity transit system was the next item. Council discussed the various options and the consequences.

There being no further business to come before the Metro Council, Council President Bragdon adjourned the meeting at 4:42 p.m.

Prepared by,



Dove Hotz

Council Operations Assistant

**ATTACHMENTS TO THE PUBLIC RECORD FOR THE MEETING OF
JULY 25, 2006**

Item	Topic	Doc Date	Document Description	Doc. Number
1	New Look	7/25/06	To: Metro Council From: David Bragdon Re: New Look at Regional Choices: Proposed Policy Elements	072506c-01
1	New Look	7/20/06	To: Metro Council From: David Bragdon Re: Tuesday Work Session re Growth Management and Investment	072506c-02
1	New Look	7/12/06	To: Metro Council From: David Bragdon Re: Follow-up on June 28 "Elements of a Strategy" Discussion	072506c-03