

## A G E N D A

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METRO

## Agenda

MEETING: METRO COUNCIL REGULAR MEETING  
 DATE: September 21, 2000  
 DAY: Thursday  
 TIME: 2:00 PM  
 PLACE: Metro Council Chamber

## CALL TO ORDER AND ROLL CALL

## 1. INTRODUCTIONS

## 2. CITIZEN COMMUNICATIONS

## 3. URBAN FORESTRY AWARD

Foreman

## 4. EXECUTIVE OFFICER COMMUNICATIONS

## 5. AUDITOR COMMUNICATIONS

- The Oregon Zoo – Service Efforts and Accomplishments

## 6. MPAC COMMUNICATIONS

## 7. CONSENT AGENDA

- 7.1 Consideration of Minutes for the September 14, 2000 Metro Council Regular Meeting.

## 8. ORDINANCES – SECOND READING – PUBLIC HEARING

- 8.1 **Ordinance No. 00-871**, For the Purpose of Completing Council Consideration of Urban Growth Boundary Amendments Required by ORS 197.299, Completing Periodic Review Work Task 1 and Adopting Amendments to the Regional Framework Plan and Section 3.01 of the Metro Code. *(Final action projected for October 26, 2000, Record closes September 29, 2000 at 5:00 p.m.)*

Growth Mngmt  
Committee

## 9. RESOLUTIONS

- 9.1 **Resolution No. 00-2989**, For the Purpose of Affirming the Imposition of a Monetary Fine on Willamette Resources, Inc. for a Violation of its Metro Solid Waste Facility Franchise.

Washington

## 10. COUNCILOR COMMUNICATION



# ADJOURN

## Cable Schedule for September 21, 2000 Metro Council Meeting

	Sunday (9/24)	Monday (9/25)	Tuesday (9/26)	Wednesday (9/27)	Thursday (9/21)	Friday (9/22)	Saturday (9/23)
<b>CHANNEL 11</b> (Community Access Network) (most of Portland area)						2:00 P.M.	
<b>CHANNEL 21</b> (TVCA) (Washington Co., Lake Oswego, Wilsonville)	7:00 P.M.	1:00 A.M.		7:00 P.M.	1:00 A.M.		
<b>CHANNEL 30</b> (TVCA) (NE Washington Co. – people in Wash. Co. who get Portland TCI)	7:00 P.M.	1:00 A.M.		7:00 P.M.	1:00 A.M.		
<b>CHANNEL 30</b> (CityNet 30) (most of Portland area)		POSSIBLE 2:00 P.M. (previous meeting)					
<b>CHANNEL 30</b> (West Linn Cable Access) (West Linn, Rivergrove, Lake Oswego)	8:00 A.M. (previous meeting)	3:00 P.M. (previous meeting)	11:00 A.M. (previous meeting)	4:00 P.M. (previous meeting)	7:00 P.M. (previous meeting)	8:00 A.M. (previous meeting)	
<b>CHANNEL 33</b> (ATT Consumer Svcs.) (Milwaukie)	4:00 P.M. (previous meeting)					10:00 P.M. (previous meeting)	9:00 A.M. (previous meeting)

Agenda items may not be considered in the exact order. For questions about the agenda, call Clerk of the Council, Chris Billington, 797-1542. Public Hearings are held on all ordinances second read and on resolutions upon request of the public. Documents for the record must be submitted to the Clerk of the Council to be considered included in the decision record. Documents can be submitted by email, fax or mail or in person to the Clerk of the Council. For assistance per the American Disabilities Act (ADA), dial TDD 797-1804 or 797-1540 (Council Office).

***PLEASE NOTE THAT ALL SHOWING TIMES ARE TENTATIVE BASED ON THE INDIVIDUAL CABLE COMPANIES' SCHEDULES.***



*Agenda Item Number 5.0*

The Oregon Zoo – Service Efforts and Accomplishments

***Auditor Report***

Metro Council Meeting  
Thursday, September 21, 2000  
Metro Council Chamber



# Metro The Oregon Zoo

## *Service Efforts and Accomplishments*

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August 2000

A Report by the Office of the Auditor



**METRO**

2000-10550-AUD

**Alexis Dow, CPA**  
Metro Auditor

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**METRO**  
OFFICE OF THE AUDITOR

August 15, 2000

To the Metro Council and Executive Officer:

This is our first report on Metro Service, Efforts and Accomplishments (SEAs) – performance measures that describe an organization's resources, work efforts and accomplishments in meeting its mission, goals and objectives. This report focuses on SEAs at the Oregon Zoo. The objective of reporting SEAs is to provide more complete information about an organization's performance and effectiveness than can be provided by financial statements. SEAs can assist managers and others assess the efficiency and effectiveness of programs and services.

The report has two purposes – describing the status of SEAs at zoo divisions, and analyzing and commenting on implications of certain SEA measures. The report contains information regarding zoo-wide and division-specific missions, long-term goals, short-term objectives, work activities and effectiveness – elements to which SEA measures should often be linked. We compare the zoo's FY 1999 financial and performance data to the prior five years. We also compare goals and objectives to work activities and accomplishments. Lastly, we broadly compare the zoo's attendance and other factors to nine similar zoos.

The Oregon Zoo's SEA measures show a mix of positive and negative indicators. Some divisions have established meaningful measures and made the link between stated mission, goals and objectives to priority SEA measures. Other divisions need more emphasis on measurements. We believe that further analysis of and action on these measures can lead to enhancements in operational efficiency and effectiveness.

The report also identifies certain issues that need specific attention, such as stagnant attendance that appears to be improving at the time we issue this report and lack of preventative maintenance.

The last section of this report presents the Executive Officer's written response to a draft of this report.

We sincerely appreciate the cooperation and assistance provided by Oregon Zoo staff during our review.

Very truly yours,

Alexis Dow, CPA  
Metro Auditor

Auditor: Joe Gibbons



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Metro Executive Officer Mike Burton	



## Executive Summary

Today's emphasis on results-oriented government places a premium on information that can help agency managers and executives assess what programs are accomplishing. This report takes a systematic look at such information in one of Metro's departments – the Oregon Zoo.

Of course, gathering information about programs is nothing new. Agencies have done so for years. What differentiates this approach is the degree to which the information is tied to measuring an agency's reasons for being – its progress in meeting goals and objectives. The approach focuses on what are called Service Efforts and Accomplishments, or SEAs.

SEAs are performance measures that, in the context of an organization's defined goals and objectives, describe its resources, work efforts and accomplishments. Although the Oregon Zoo has no official SEA effort, it is a good candidate for SEA measures, because it is a major cultural and recreational resource and a large business enterprise. It is the leading paid attraction in the state, with over 1 million visitors a year. We looked at two issues: the degree to which the zoo's seven divisions are able to generate and use SEAs and the kinds of issues that are highlighted from an analysis of SEAs.

The zoo's divisions vary greatly in the degree to which they are using SEAs. Several divisions have essentially been doing so for years. For example, the Facilities Management Division, which manages the zoo's physical assets, surveys zoo visitors and workers in other divisions to gauge the quality and efficiency of its efforts. Divisions that use SEAs to a limited degree or not at all tended to feel that meaningful aspects of their jobs could not be readily captured using SEAs. After working with division managers to develop goals and objectives and to explore ways to measure them, we think all divisions have an opportunity to define and establish at least some SEAs that provide meaningful information for managers, the Metro Council and others.

In reviewing available SEA measures, we did not attempt to analyze every potential issue that emerged. However, two such issues demonstrate that reviewing SEAs could help highlight areas of success or concern:

- Zoo attendance From FY 1994 through FY 1999, attendance declined 5 percent despite the region's growth. In a comparison group of nine other zoos around the country, attendance rose during a similar period. Oregon Zoo attendance rebounded in FY 2000 to a record high. Due to the inherent importance of attendance this SEA merits regular monitoring.
- Preventive maintenance shortfalls Available data show declining hours devoted to maintaining buildings, vehicles and infrastructure. The zoo director and deputy director stated that total hours devoted to maintenance is just one indicator of zoo efforts to preserve the entire facility as a premier attraction. They documented that effort in terms of \$2.3 million expended as part of the zoo's capital repair and replacement program in FY 1999 and FY 2000. During that period the zoo repaired and replaced many facilities, such as buildings' roofs and water pump stations.

Our recommendations for addressing these issues are on the following page.



## Recommendations

The following recommendations address issues related to the Oregon Zoo's development and application of SEA measures.

1. **As part of its effort to develop, enhance and apply SEA measures, zoo management should work with divisions to establish SEAs and assure their consistent linkage with divisions' mission, goals and objectives.** The Oregon Zoo's mission and values are defined in what is essentially its 1995 strategic planning document: "A Great Zoo – Framework for the Future." Divisions have progressed to varying degrees in establishing SEA measures in the past several years. Developing relevant and useful SEA measures is a dynamic process that managers frequently revise and improve. Some divisions use measures to demonstrate what they do and how effectively they do it. Other divisions, however, struggle to establish meaningful measures. We are not suggesting that each division develop numerous SEA measures, measure for the sake of measuring, or establish measures for all objectives and goals. Such SEAs are not necessary and would be counterproductive. However, for those select goals and objectives that are most relevant to a division, managers should establish the most important workload and effectiveness measurements that clearly link a division's missions, goals and objectives. We provide division-specific examples in the report and Part 3.
2. **Based on indications from existing SEA measures, zoo management should:**
  - **Analyze the implications of and develop strategies to deal with relatively flat attendance.** After six years of relatively stagnant attendance, FY 2000 attendance rebounded to a record high. The rebound may be due to the opening of recently completed Great Northwest Project exhibits. Static attendance may have been attributable to construction of the project. Of course, future attendance numbers cannot be predicted. We believe that zoo managers should monitor this issue because, although considering construction impacts during the six year period, offsetting factors such as a booming area economy, increased population and more visitors to the area should lead to increased attendance.
  - **Establish a program to provide a means to deal with declines in preventive maintenance efforts.** Available data indicates a continuing decline in hours devoted to maintaining zoo buildings, vehicles and infrastructure. The zoo director and deputy director stated that the total hours devoted to maintenance is just one indicator of zoo efforts to preserve the entire facility as a premier attraction. They documented that effort in terms of \$2.3 million expended as part of the zoo's capital replacement and repair program in FY 1999 and FY 2000. During that time the zoo replaced and repaired many facilities, such as replacement of roofs and pump stations. We agree that the zoo has performed well in its repair and replacement efforts. Still, that issue is related to but not the same as preventive maintenance. We believe that declining hours for maintenance data should be monitored and further evaluated.

## Part 1

### Introduction and Background

Public officials are responsible for providing quality services at reasonable costs. Unlike private enterprises, however, public agencies usually do not have a financial “bottom line” that can function as a measure of success. Instead, public officials need other kinds of information about how well their programs perform. Moreover, the performance of many government agencies and programs is often difficult to measure with just one or two indicators, because goals and objectives are broad and complex, and because desired outcomes are generally not well defined.

Over the past decade, governments at all levels have turned increasingly to assessing performance using what are called Service Efforts and Accomplishments, or SEAs. The City of Portland and State of Oregon have been at the forefront of such developments. As part of our responsibility for auditing and evaluating Metro programs, we examined whether SEAs could also be a helpful management tool for overseeing Metro operations – in this case, the Oregon Zoo.

#### **SEAs: A Tool for Managing Resources, Activities and Results**

SEAs represent an extension of previous efforts to develop performance indicators, benchmarks, or other ways to measure government programs. In this report, we use the term “SEAs” to describe three types of measurements:

- Resource measures that include such things as expenditure levels and staffing levels.
- Workload measures that show the type and amount of effort expended and the target of that effort, such as the number of visitors served.
- Effectiveness measures that indicate how well the agency or program meets its long-term goals (to be achieved in about 5 years) and short-term objectives (to be achieved in about one year), such as attendance levels and profitability of programs.

To use SEAs, an agency or program needs to have goals and objectives that are clear, relevant and measurable. SEAs should link to and indicate success in meeting goals and objectives. SEAs themselves must also have several important characteristics, as shown in Table 1. SEAs are not intended as “data for data’s sake,” but rather as useful diagnostic tools for managers and for other officials who have oversight responsibilities.



**Table 1 Key Characteristics of Good SEA Measures**

<b><u>Characteristic</u></b>	<b><u>Explanation</u></b>
<b>Relevance</b>	Information should include data that are essential to provide a basis for understanding the accomplishment of goals and objectives of the division that have potentially significant decision-making or accountability implications.
<b>Understandability</b>	Information should be communicated in a readily understandable manner. It should communicate the performance of the division to any reasonably informed interested party.
<b>Comparability</b>	Information should provide a clear frame of reference for assessing the performance of the division and its programs and services.
<b>Timeliness</b>	Information should be reported in a timely manner so that it will be available to users before it loses its capacity to be of value in assessing accountability and making decisions.
<b>Consistency</b>	Information should be reported consistently from period to period to allow users to have a basis for comparing performance over time and to gain an understanding of the measures being used and their meaning. However, performance measures also need to be reviewed regularly and modified or replaced as needed to reflect changing circumstances.
<b>Reliability</b>	Information should be verifiable and free from bias and should faithfully represent what it purports to represent. Therefore, performance information should be derived from systems that produce controlled and verifiable data.

### **Use of SEAs Is Growing Across Many Types of Jurisdictions**

A growing number of federal, state and local governments are developing and using SEAs to evaluate and improve their performance, improve control and accountability mechanisms, assist budget processes and motivate staff. Here are examples of the kinds of SEA use under way at all three government levels:

- Federal government In the Government Performance and Results Act of 1993, the U.S. Congress directed agencies to establish measurable goals and monitor progress toward them. Congress passed the Act to shift the focus of government decision making and accountability away from a historic preoccupation with the activities that are undertaken – such as grants dispensed or inspections made – to a focus on the results of those activities, such as real gains in employability, responsiveness, or program quality. Agency progress in establishing and reaching these goals has become a standard part of congressional oversight.

- State government At the state level, Oregon's program – called Oregon Benchmarks – has been a very visible and effective program of SEAs within the state. Several state programs have used performance measures to focus their resources on specific targeted results, such as reduction in the number of people on welfare and their placement in jobs. The results achieved so far show that the use of performance measurement, which has been modified in recent years, is beginning to accomplish the intended results of improved performance and better accountability.
- Local government At the local level, the City of Portland effectively uses SEAs for decision making, strategic planning, performance improvement, and accountability. The City Auditor's Office issues annual SEA reports that incorporate a citizen survey as well as performance reports on major city programs. In general, the City has found SEAs to be useful in raising questions about performance and results, focusing on what government is trying to accomplish, monitoring contractor performance and terminating contracts when performance is inadequate. While SEAs are still evolving, such efforts are becoming part of the culture of city government, particularly in terms of focusing on the desires of citizens for program improvement and achievement of goals.

### **The Oregon Zoo Is a Good Candidate for SEA Measures**

The Oregon Zoo is a good candidate for SEA measures for many reasons. It is a significant part of Metro and the local community. It is a major Portland area cultural and recreational resource. It is the leading paid attraction in Oregon, attracting a yearly average of one million zoo visitors from FY 1994 through FY 1999. The zoo has defined its mission and values in a document, "A Great Zoo – Framework for the Future", that was developed essentially as a strategic plan. Although, this document did not specify performance measures for the objectives it established, it establishes a framework for establishing and using SEAs as a means to specifically track accomplishments to stated goals and objectives.

The zoo is also a large business enterprise. From FY 1994 through FY 1999, its operating budget has averaged \$14 million a year, and capital improvements have averaged \$5 million a year. The zoo employs more than 220 full-time equivalent positions and has a volunteer program now encompassing more than 2,400 volunteers. Its catering department does more business than any other zoo in the country. It sponsors entertainment concerts and other events.



The zoo is organized into seven divisions<sup>1</sup> (see Table 2). They range in size from 6 to 83 full-time-equivalent positions. The major operating divisions cover animal management, facilities management and visitor services. Other divisions contribute marketing, education and other support services.

**Table 2 Overview of the Oregon Zoo's Divisions**

<u>Division</u>	<u>Operating Budget (FY 99)</u>	<u>Responsibility</u>
Administration	\$975,374	Overall leadership and coordination of all zoo programs (includes Office of the Director)
Animal Management	\$3,080,621	Animal acquisition, animal care, veterinary services and research activities
Design Services	\$650,332	Project planning, design and construction of exhibits, and providing signs, print materials and graphics for other divisions
Education	\$915,729	Educational and volunteer programs
Facilities Management	\$4,304,964	Maintenance and repair of the zoo's buildings, grounds, railroad, fleet and equipment
Marketing	\$1,234,273	Promotional efforts to encourage zoo attendance and support
Visitor Services	\$4,144,826	Food services, retail sales, gate admissions and railroad ticketing (the major revenue-producing activities)

### **Objectives, Scope and Methodology**

Although we have reviewed many Metro programs to determine how well they are working, we had not specifically reviewed an agency or program from the perspective of developing an SEA system. Such a system can be useful because it provides a specific framework for an agency or program to take responsibility for determining how to measure what it is doing, where it is making notable progress, and where matters exist that may need more attention. This report represents our first effort at determining the usefulness of this approach for program managers, the Metro Council and the public at large. Our specific objectives were:

- to determine the degree to which the zoo's seven divisions are able to generate and use SEAs

<sup>1</sup> Subsequent to the completion of our analysis, in April 2000 zoo management restructured the functions and names of some divisions. Although certain functions have been transferred to newly named divisions, essentially the same goals, objectives, resources, workloads and desired accomplishments within those divisions have not changed. Moreover, the issue of SEAs' relevance remains.

- to analyze available SEAs for issues that merit attention by zoo and Metro management.

Major parts of our work included:

- Establishing appropriate SEA measures for each zoo division. We did this in consultation with division managers, refining existing measures as needed and developing new ones where few or no SEAs exist. The completed lists included all three types of SEAs described earlier – resource measures, workload measures and effectiveness measures. To ensure that SEAs provided information that was directly related to the division's mission, we also worked with division managers to develop or clarify a set of goals and objectives. Part 3 contains the goals, objectives and SEAs for each division.
- Collecting and analyzing available information for these SEAs. This included data that zoo managers have gathered and reported over the past several years. We also gathered and analyzed additional data. We reviewed existing workload and effectiveness data from each zoo division to determine consistency, accuracy and reasonableness. This data primarily covered the period from FY 1994 through FY 1999. To assure year-to-year consistency and adjust for inflation in our comparisons, we state all dollar amounts as FY 1999 dollars.
- Analyzing SEA data to identify a cross-section of management-related issues. Because each division may have a large number of SEAs, providing information about all of them in this report would likely overwhelm many users of this report. We therefore judgmentally selected two issues for discussion that appeared most significant. These are not the only management-related issues that could be discussed, but they will provide users with a perspective as to whether SEA-related initiatives are relevant to overseeing program operations.
- Gathering and comparing data from nine other zoos. We determined the nine zoos in consultation with zoo officials and officials at the American Zoo and Aquarium Association (AZA).<sup>2</sup> We used relevant parts of this information in our discussions of management-related issues and also present the information in more detail in Part 4.

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<sup>2</sup> The Association's responsibilities include acting as an oversight organization for 182 North American zoos and aquariums. The nine zoos are listed in Part 4.



- Preparing the report and reviewing it with zoo officials. We provided a draft report to the Oregon Zoo Director, zoo division managers and the Metro Executive Officer to get comments and suggestions on the accuracy and completeness of the report. We present the Executive Officer's comments at the end of this report.

We performed our work in accordance with applicable generally accepted government auditing standards.

## Part 2

### Greater Opportunity Exists to Develop and Use SEA Measures

The zoo's seven divisions vary greatly in the degree to which they have developed and are using SEAs as part of their management efforts. Some divisions have years of experience in doing so.

Essentially, these divisions use SEAs to demonstrate what they do and how effectively they do it. Other divisions have made less progress.

Table 3 summarizes our judgment about the extent to which divisions already have SEAs in place.

**Table 3 Extent to Which Zoo Divisions Have SEAs in Place**

<u>Divisions that use SEAs extensively</u>	<u>Divisions that use SEAs to a limited degree or not at all</u>
Education	Administration
Facilities Management	Animal Management
Marketing	Design Services
Visitor Services	

Divisions that use SEAs to a limited degree or not at all tended to feel that some meaningful aspects of their jobs could not readily be captured using SEAs. After working with division managers to develop long-term goals and short-term objectives and to explore ways to measure these goals and objectives, we think all divisions have an opportunity to define and establish at least some SEAs that provide meaningful information for managers, the Metro Council and others.

#### **Some Divisions Have Advanced Considerably in Using Performance Measures**

The Facilities Management Division is an example of a division that already makes extensive use of SEAs. The division's basic mission is management of the zoo's physical assets. The division manages the operation and maintenance of property items in the equivalent of a 64-acre "mini-city." These properties comprise 64 buildings (including 3 restaurants and 2 large banquet facilities), 55 vehicles, 3 railroad locomotives, 10 railroad passenger cars and 3.1 miles of railroad track.



The division's functions lend themselves to quantification and analysis. As part of its basic management system, the division has collected and analyzed a large amount of data related to managing zoo facilities. For about six years the division has used this data as a management tool to gauge work performed and results achieved. These measures show both positive and negative trends – and therefore items that managers can monitor and address.

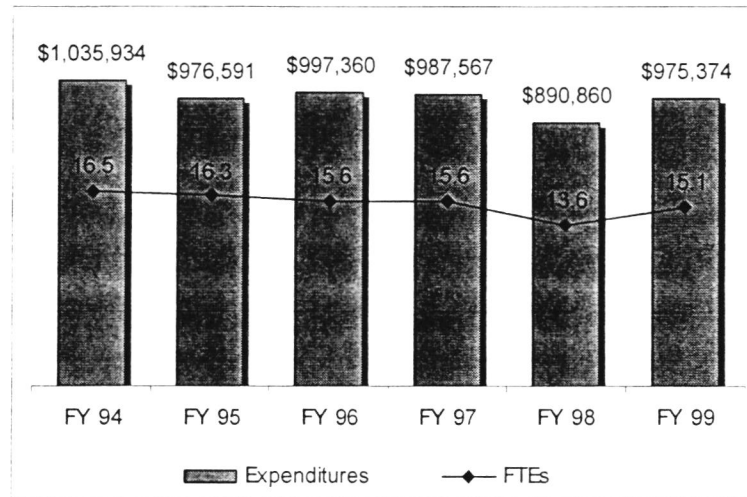
Our work with the Facilities Management Division basically involved refining its approach to SEA measures and helping make the division's efforts somewhat more systematic. For example, SEAs are most effective when they are tied clearly to a set of long-term goals and short-term objectives. We therefore worked with the division manager to identify the division's customer-driven mission, goals and objectives (see Table 4). We then worked with the manager to determine existing measures that are relevant to those goals and objectives.

**Table 4 Facilities Management Division Goals and Objectives**

<u>Long-Term Goals</u>	<u>Short-Term Objectives</u>
<b>Support enterprise activities</b>	<ul style="list-style-type: none"> <li>• Provide effective railroad operations</li> <li>• Manage zoo assets with reduced operational funds</li> <li>• Assist creating new revenue opportunities</li> </ul>
<b>Enhance visitor experiences</b>	<ul style="list-style-type: none"> <li>• Assist Visitor Services Division to assure clean grounds</li> </ul>
<b>Improve internal operations</b>	<ul style="list-style-type: none"> <li>• Develop schedules, reports and budgets from work management system</li> <li>• Improve benchmarking and performance measurement processes</li> <li>• Promote continuous improvement on effectiveness of work schedules emphasizing buildings and grounds care</li> <li>• Maintain quality standards while integrating zoo-wide project management</li> </ul>
<b>Promote resource conservation</b>	<ul style="list-style-type: none"> <li>• Provide staff and volunteer training on conservation and recycling opportunities</li> <li>• Decrease use of zoo vehicles</li> <li>• Facilitate conservation options for volunteers and community groups</li> </ul>
<b>Provide a safe, comfortable and stimulating environment for the animals</b>	<ul style="list-style-type: none"> <li>• Continue walk-through and quality assurance programs</li> <li>• Provide opportunities for intra-divisional cooperation on projects</li> <li>• Facilitate animal-related training opportunities</li> </ul>

Resource measures In the division's case, the limited number of resource-related SEAs we jointly developed show that resources have changed little over the past several years. Expressed in constant FY 1999 dollars, the division's expenditures dropped slightly in FY 1995 and FY 1996 and rose slightly in recent years (see Figure 1). Staffing remained relatively unchanged.

**Figure 1 Division Expenditures and Staffing**



Workload measures The division has a number of workload measures that relate to its goals and objectives. Here are two examples:

- Reducing on-site vehicle use. One division objective is to decrease the on-grounds use of zoo vehicles, thereby limiting the public's exposure to vehicles and enhancing the visiting experience. Information collected by the division shows that effort and emphasis on this measure has led to a consistent reduction in the number of hours that vehicles are used.
- Emphasizing preventive maintenance for equipment and buildings. Another objective calls for developing schedules, reports and budgets from the work management system in order to help improve internal operations. One of the workload measures related to this objective is the number of staff hours devoted to preventive maintenance on equipment and infrastructure items. These measures signal a cause for concern, because division data show that the number of hours devoted to preventive maintenance has slipped by about 75 percent between FY 1994 and FY 1999. We discuss this point in greater detail in the next section of the report, where we present some of the most significant issues which existing SEAs identified zoo-wide.

Effectiveness measures Division managers have gathered a large amount of data on the extent to which its activities are effective with external and internal customers – that is, people who visit the zoo and other zoo units that rely on the division's work. They gather this information in such ways as conducting surveys at zoo gates, conducting interviews with employees of other divisions and reviewing quality assurance reports. Here are examples, all of which are tied to division goals and objectives:

- Establishing high customer satisfaction for appearance of grounds and buildings. Surveys conducted at zoo exit gates indicated that more than 95 percent of visitors rated building cleanliness as good or excellent. Visitors gave similar ratings to the zoo's landscaping.
- Delivering consistently fast turn-around on work orders. The division documents its performance using work logs and customer questionnaires. In this case, as Figure 2 shows, work orders completed on time slipped from FY 1995 to FY 1999, as have customer satisfaction levels on work orders. Division officials believe this occurred primarily because the number of work orders and amount of in-house project work increased while the number of staff stayed the same.
- Maintaining positive recycling and conservation trends. The division documents its performance through recycling and utilities records. As Figure 3 shows, pounds of trash recycled grew 485 percent to 127,000 pounds per year from FY 1994 through FY 1999. Water use declined 29 percent to 99 million gallons per year. Electricity and natural gas use remained about the same.

**Figure 2 Trends on Selected Effectiveness Measures**

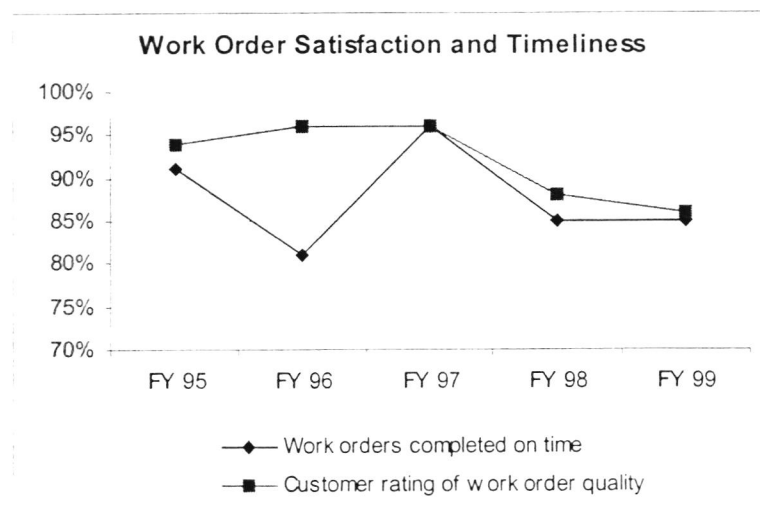
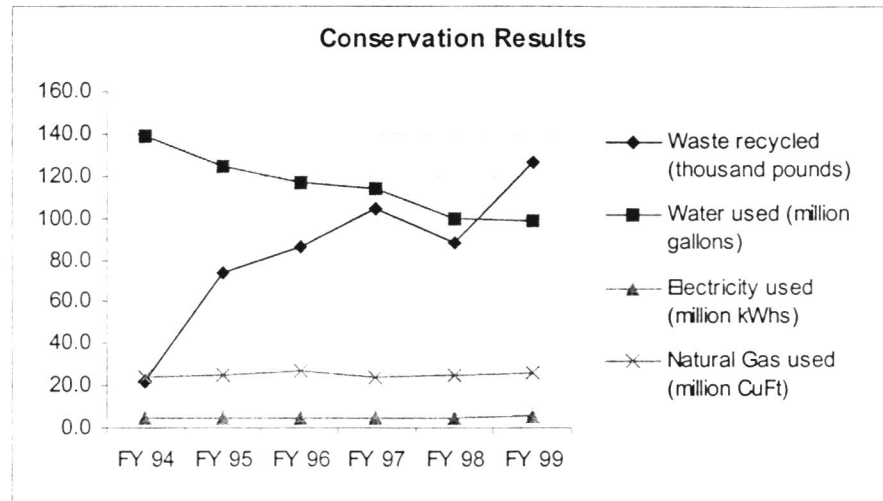


Figure 3 Trends on Selected Effectiveness Measures



While our illustrations here focus on Facilities Management, other divisions also had useful SEAs in place. For example:

- The Education Services Division documented that from FY 1994 through FY 1999 the division created the largest volunteer corps in the country and that revenue from fee-based education programs increased 72 percent to more than \$581,000.
- The Visitor Services Division documented that over the same period, revenue from regular and catered food service increased 22 percent to \$3.1 million, food service revenue per attendee increased 28 percent to \$2.93, and retail sales revenue increased 7 percent to \$998,000. At the same time, railroad ridership and revenue decreased 17 percent.

### Some Divisions Have Made Relatively Little Progress

The Animal Management, Design Services and Administration divisions had not proceeded as far with developing meaningful measures of their efforts, accomplishments and effectiveness. In each case, we worked with division managers to clarify goals and objectives and establish a possible set of SEAs that related to these objectives. For example, the Animal Management Division manager defined a set of potential SEA measures, based on Metro budget documents that mostly related to the division's goals and objectives and to the budget process.

His work in defining SEA measures showed that SEAs are easier to establish in some divisions than in others. Primary problems encountered included:



Lack of a clear tie to expectations or targets. For example, the manager of the Animal Management Division said neither he nor other managers and policy makers have determined expectations or targets for the SEA measures he drafted. He also said that if zoo management were to institutionalize SEA measures, more precise targeting of performance standards would help him manage the division and report on its accomplishments.

Coping with objectives and accomplishments that are difficult to measure. The manager of the Administration Division, in particular, felt that the division could not readily establish SEA measures because its work and effectiveness do not lend themselves to measurement. However, based on our work in all divisions and analysis of SEA applications in other jurisdictions, we believe this difficulty can be overcome. For example:

- As part of measuring workload or effort, the division might measure activities such as the steps taken to enhance relationships and steps taken to develop corporate and other sponsors. Steps may include sponsoring informative dinners or other get-togethers and mailings of promotional materials. As part of measuring the efficiency of work efforts, the division could establish a relationship between expended resources and results. Such measures might include safety-training staff hours expended per lost-time accident or security training/awareness training hours per security incidents.
- As part of measuring effectiveness or accomplishment, the division might measure such items as: visitors' overall satisfaction with the zoo experience, the significance of effective partnerships in meeting zoo objectives, and what specific operational improvements result from SEA measures.

Ensuring that measures meet key characteristics of good SEAs. SEAs also need to be continually evaluated against the characteristics listed early in this report: relevance, understandability, comparability, timeliness, consistency and reliability. In this regard, we identified some ways in which the workload measures developed by the Animal Management Division can be strengthened. The workload measures were sometimes too vague to be measured. The division could better define its priorities and measurable efforts in terms of such measures as: how many animal collection plans are developed, how recommendations from Species Survival Plans are actually implemented, and how many specific opportunities are developed to use endangered species for education.

Establishing additional ways to measure and evaluate some accomplishments. The manager of the Animal Management Division rightly pointed out that quantifying certain accomplishments does not adequately indicate the work that went into the achievement. To the extent such efforts represent high priorities that need to be measured and evaluated, they may need to be separated out in some way. For example:

- Regarding workload measures, the fact that many experts and organizations recognize the zoo for its special expertise on a number of conservation matters is exemplary. The division may need to define, measure and build upon the work steps involved in achieving recognition. Potentially measurable work may specify activities related to hosting various forums, such as promotional contacts to assure adequate attendance.
- Regarding effectiveness measures, the division has relevant data on such items as morbidity rates and number of animals born in captivity. These may be good measures of effectiveness and ones that the division could logically link to the zoo's acclaimed research projects. Effectiveness also may be measured through other means. For example, it may include its recent recognition from the American Zoo Association for its long-term propagation activities on the Humboldt Penguin, an endangered species. In this case, the division received substantial recognition for its hand rearing techniques on 150 chicks hatched, leading to substantially reduced chick mortality.

#### **Conclusions on SEA Status**

Divisions have made varying degrees of progress in establishing SEA measures. Some divisions use measures to demonstrate what they do and how effectively they do it. Other divisions, however, struggle to establish meaningful measures. As part of its effort to develop, enhance and apply SEA measures, zoo management should work with divisions to establish meaningful SEAs and assure their consistent linkage with divisions' mission, goals and objectives.

We agree that some divisions' work processes and accomplishments are more measurable than others. However, all divisions can develop SEA measures that are unique to their operations and present a useful picture of what they have done and accomplished. Zoo management should work with divisions to improve existing SEA measures, especially in divisions that believe their efforts and effectiveness are not measurable.

### Available SEA Measures Point to Two Areas Needing Attention

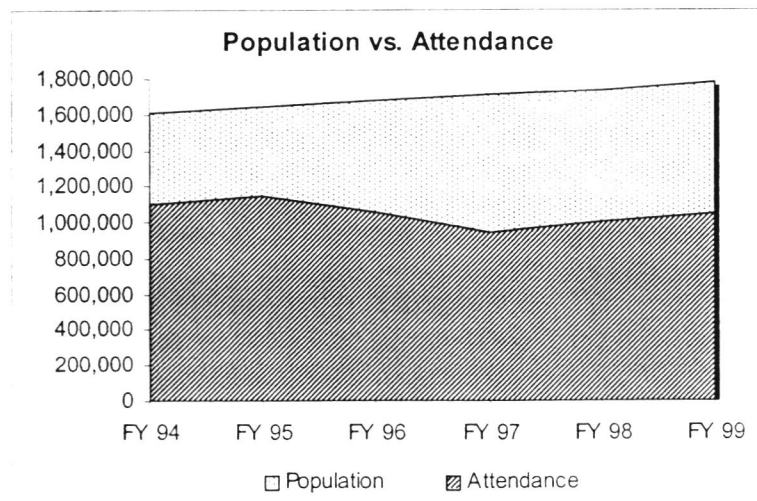
Although the zoo has not instituted a formal program for developing and reviewing SEAs, our analysis of available SEA information shows that reviewing SEAs could help highlight areas of success or concern. The SEA measures we reviewed raised potential concerns in two main areas:

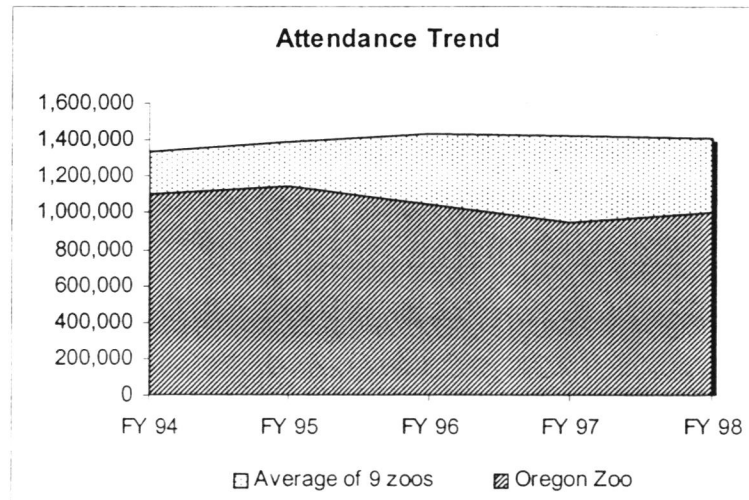
- Zoo attendance Attendance declined 5 percent between FY 1994 and FY 1999, despite the region's growth. At the nine zoos we selected for comparison, attendance was up an average of 6 percent during a similar period. Oregon Zoo attendance rebounded to a record high in FY 2000, although perhaps not to a level consistent with the metro area's growth in population and visitors.
- Maintenance shortfalls Available data indicates a several-year decline in hours devoted to preventive maintenance on vehicles and infrastructure, although offsetting expenditures on facilities' repair and replacement may mitigate the issue to some degree. This issue appears to be a potentially long-term problem that could have expensive consequences.

### Attendance Has Levelled Off

SEA measures show a potentially disconcerting trend in zoo attendance from FY 1994 through FY 1999. During the period, zoo attendance declined 5 percent to 1,047,000 (see Figure 4). However, the FY 2000 attendance rose to a record 1.2 million. Still, the six-year trend we analyzed is not consistent with the area's growth in residents and visitors. The rate of attendance by local residents fell from 69 to 59 percent, and the rate of attendance from area visitors fell from 18 to 14 percent. As Figure 5 shows, this attendance trend is not consistent with attendance at the nine zoos we contacted that were similar to the Oregon Zoo. Average attendance at those locations increased 6 percent between FY 1994 and FY 1998.

**Figure 4 Attendance Trends – Oregon Zoo and Nine Other Zoos**



**Figure 5 Attendance Trends – Oregon Zoo and Nine Other Zoos**

The Administration Division manager believes that a combination of factors led to declines, including the following:

- Decreased zoo appeal because of light rail station and Great Northwest Project construction. In FY 1998, the zoo began construction of the \$29-million Great Northwest Project. Among other things, this project expands collection of animals native to Oregon, improves conditions for animals and improves visitor access. These construction activities may have discouraged visitors, according to the some division managers.
- Lack of new exhibits or facilities. The Great Northwest Project represents the first major new exhibits since 1989. Zoo officials expect the Great Northwest Project, once completed, to increase attendance and retail sales.
- Increased competition from other attractions. The Administration Division manager singled out such examples as Newport's aquarium featuring Keiko, the killer whale and, major attractions at the Portland Art Museum.

This is one SEA that zoo managers should monitor closely. They should also begin developing strategies for addressing attendance issues. Although negative factors like construction were possibly at work, positive factors like increased numbers of tourists and residents did not produce an offsetting benefit. The zoo needs to be prepared if attendance does not continue its current upward trend.

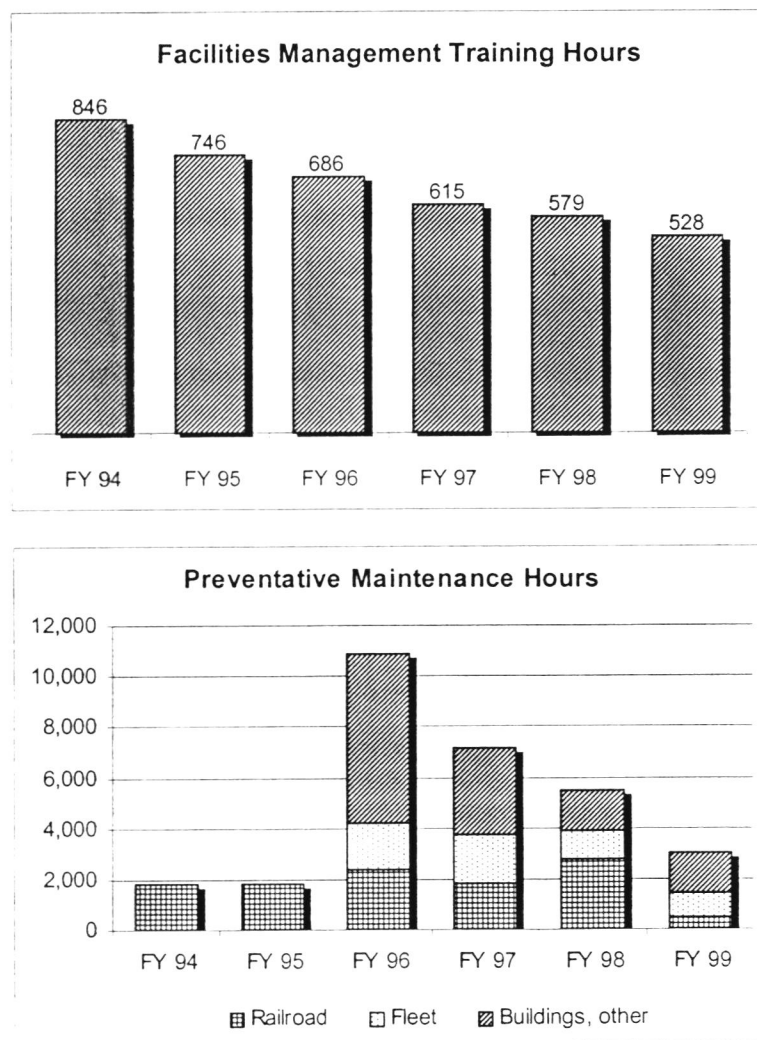


**Resources  
Devoted to  
Preventive  
Maintenance  
Have Declined**

Deferring preventive maintenance is sometimes referred to as a “ticking time bomb,” because experience shows that insufficient preventive maintenance often leads to negative long-term consequences. Last minute or emergency repairs and overhauls are generally more expensive than consistent preventive maintenance.

SEAs related to preventive maintenance and related staff training show that the zoo may be on this course. Data compiled by the Facilities Management Division show substantial declines in staff hours devoted to preventive maintenance and training (see Figure 6). Maintenance figures for the zoo railroad, which are available from FY 1994 through FY 1999 show a 76-percent decline in the number of hours spent on preventive maintenance. As Figure 7 shows, declines are similar for maintenance on buildings and fleet (these numbers were not available for FY 1994 and FY 1995). In all, staff time devoted to maintenance activities declined 75 percent.

**Figures 6 and 7 Maintenance Trends**



The manager of the Facilities Management Division said that hours devoted to maintenance declined primarily because the division's workload increased while the number of staff stayed the same. Additional duties included design work on the Great Northwest Project and construction of small exhibits, such as koala, lorikeet and meerkat displays. She believes the division has either too many "top priorities" or not enough resources to routinely perform this important function.

The zoo director and deputy director stated that extensive repair and replacement efforts mitigate the preventive maintenance. They noted that during FY 1999 and FY 2000 the zoo spent \$2.3 million on maintenance-type projects, such as replacements of roofs, sidewalks and parts of buildings. This effort is similar to preventive maintenance and represents a significant investment in zoo upkeep. We believe that the resource and work effort measures related to "replacement" and "repair" should be better distinguished from preventive maintenance because the two issues are distinct. For example, yearly maintenance work on roofs and gutters should be distinguished from repair and replacement of roofs and gutters. This issue represents a significant opportunity for zoo managers to develop appropriate SEAs that distinguish between replacement, repair and scheduled preventive maintenance.

### **Conclusions on SEA Application**

Attention to SEAs at the zoo-wide and division level can help zoo managers, the Metro Council and the public become aware of what the zoo is accomplishing and what key issues the zoo and its divisions need to address to meet goals and objectives. SEAs can help stimulate discussion about what, if anything, needs to be done to better prepare for the future. For example, careful monitoring of maintenance figures over the next several years can help identify whether the downward trend continues or whether it was an aberration. If the trend continues, the zoo will need a more specific program for preventive maintenance. We are making specific recommendations for action in two of the areas – attendance and maintenance. These are in the front of this report.

## **Part 3**

### **Summary of SEAs for Oregon Zoo Divisions**

This Part summarizes SEA measurement activities in the seven divisions of the zoo. For each division, it contains the following information:

- overview, long-term goals and short-term objectives
- SEA measures for resources, workload and effectiveness
- our observations on SEA measurement within the division.

The seven divisions are:

- Administration
- Animal Management
- Design Services
- Education
- Facilities Management
- Marketing
- Visitor Services.

## Administration Division

This division leads, manages and coordinates all other zoo divisions, activities and functions. It is primarily geared to overseeing the effectiveness of other divisions and the “bottom line” of the total organization. Division services include such things as executive leadership, financial management and administration of safety and security services. The division manager believes the division’s work and effectiveness are not easily measured.

**Table 5 Administration Division’s Goals and Objectives**

<u>Long-Term Goals</u>	<u>Short-Term Objectives</u>
Form effective partnerships to meet mission	<ul style="list-style-type: none"> <li>Enhance relationships with Metro managers, Metro Council, public and private entities and the regional community</li> </ul>
Enhance an effective fundraising program through the Oregon Zoo Foundation (OZF) <sup>3</sup>	<ul style="list-style-type: none"> <li>Develop corporate and other supporters</li> <li>Expand donor cultivation and individual giving</li> <li>Increase financial support</li> </ul>
Demonstrate effective leadership for all zoo functions and responsibilities	<ul style="list-style-type: none"> <li>Establish and implement performance measures</li> <li>Lead development of the Great Northwest Project</li> </ul>
Establish and implement effective fiscal monitoring programs	<ul style="list-style-type: none"> <li>Monitor expenditures, revenues and program effectiveness</li> <li>Provide financial reports</li> <li>Implement PeopleSoft programs</li> </ul>
Enhance an effective safety and security program	<ul style="list-style-type: none"> <li>Minimize staff and visitor accidents</li> <li>Provide a safe and secure environment for staff, visitors and animals</li> </ul>

### Division SEAs

*Resource Measures* The division had 7 percent of the total zoo budget and 8 percent of the zoo’s full-time-equivalent (FTE) positions from FY 1994 through FY 1999. During this period, division spending decreased 6 percent and staffing decreased 9 percent (1.5 positions).

<sup>3</sup> The Oregon Zoo Foundation is a non-profit organization that contributes to zoo resources. Its membership arm, Friends of the Zoo, has about 30,000 member households and offers benefits, including free admission to the zoo and 125 reciprocal zoos. The foundation supports the zoo through membership drives, fund-raising, promotions and special projects.



*Workload Measures*

The division's primary work activities include:

- delivering briefings and communications to Metro Council, Executive Officer, media and others
- working with the Oregon Zoo Foundation to enhance financial support
- implementing performance measures for all divisions
- keeping the Great Northwest Project on time and on budget
- monitoring costs and benefits of critical programs
- providing analysis and reports on zoo safety and security program.

Generally, the division has not quantified the work steps for accomplishing its goals and objectives. The division manager believes that because the division has overall responsibility for management and effectiveness of all divisions, there is essentially no need for SEAs specifically related to the division's own work activities. She believes this is especially the case with constrained budgets the zoo has experienced. She provided descriptions of selected work activities.

Although not consistently measured, division workload appears to have increased over 6 years. For example, the number of briefings, correspondence and related policy work, and oversight of capital improvement projects increased significantly.

*Effectiveness Measures*

The division measures its effectiveness primarily in terms of how well other divisions collectively meet their goals and objectives. Its primary measures of accomplishment include:

- increasing attendance
- visitors highly rating the quality of the zoo experience
- increasing levels of donations and sponsorships
- increasing OZF contributions
- maintaining zoo operations that lead to enhanced public image
- establishing performance measures as "way of business"
- keeping Great Northwest Project on time and on budget
- enhancing safety and security.

Besides attendance, as discussed on pages 16 and 17, these measures show such trends as the following over the six-year period reviewed:

- Expenditures for zoo operations increased 11 percent to \$15.3 million. Staffing expenses increased 9 percent to \$9.1 million as FTE positions increased 14 percent to 222. Overall, FTE positions per 10,000 attendees increased 20 percent.
- Operating expenditures per FTE increased 11 percent to \$464,000. The zoo's operating expenditures per zoo visitor increased 17 percent to \$14.60.
- Friends of the Zoo memberships increased 8 percent to 24,482 in FY 1999. Memberships further increased to about 30,000 in FY 2000. Donations and bequests to the zoo increased 28 percent to \$1.1 million. Corporate sponsorships increased 116 percent to \$774,000. Contributions from private foundations increased 264 percent to \$176,000. However, Friends of the Zoo donations declined 59 percent to \$120,000.

### **Auditor Observations**

We agree with the division manager's position that some current workload and effectiveness measures (for example, numbers of meetings held and briefings) do not meaningfully portray what work the division does or how well it performs. However, we believe the division could develop division-specific quantifiable and relevant SEA measures that are linked more to mission, goals and objectives. As noted above, a potential SEA workload measure would be to quantify certain activities, such as steps taken to develop corporate and other sponsors. A potential effectiveness measure would be visitors' overall satisfaction with the zoo experience and specific operation improvements that result from SEA measures.

## Animal Management Division

The division maintains, propagates, researches and exhibits a healthy representative collection of exotic, native and domestic animals. We worked with the division manager to create the division's first set of performance measures. He itemized potential SEA measures, based on Metro budget documents, that relate to the division's mission, activities and effectiveness.

**Table 6 Animal Management Division's Goals and Objectives**

<u>Long-Term Goals</u>	<u>Short-Term Objectives</u>
Enhance expertise on breeding programs	<ul style="list-style-type: none"> <li>• Develop and maintain animal collection plan activities</li> <li>• Incorporate recommendations from Species Survival Plans (SSP) into animal collection plans</li> <li>• Sponsor meetings to monitor collection plans and other issues</li> </ul>
Effectively use endangered and threatened species collections	<ul style="list-style-type: none"> <li>• Provide coordination of animal keepers to insure proper care of animals</li> <li>• Develop opportunities to use animals for education</li> <li>• Initiate and participate in conservation research and collaborate with other conservation organizations</li> <li>• Administer full range of veterinary care</li> </ul>
Comply with government regulations on humane care, acquisition and disposition of animals	<ul style="list-style-type: none"> <li>• Review and implement USDA, AZA and related certification and accreditation criteria</li> </ul>
Exhibit animals in a manner that attracts viewers and provides for their best care	<ul style="list-style-type: none"> <li>• Review and implement policies and protocols for animal care</li> <li>• Implement and monitor environmental enrichment programs to increase animals' natural behavior</li> </ul>

### Division SEAs

*Resource Measures* The division has had 22 percent of the total zoo budget and 24 percent of the zoo's FTEs from FY 1994 through FY 1999. Division spending has not changed. However, staffing decreased 3 percent by 2 positions.

*Workload Measures*

The division's primary work activities include the following:

- monitoring safety practices to ensure a safe environment and to minimize on-the-job injuries
- completing design work for exhibits and holding facilities for the Great Northwest Project
- monitoring construction of exhibits (mountain goats, waters, bears, etc.)
- completing Species Survival Plans for elephants
- updating collection plans for all 232 species
- improving ability to freeze/thaw elephant semen
- publishing studbooks for zebra, fruit bat, langur, cougar and Asian elephants.

The division manager stated that workload has increased significantly from FY 1994 through FY 1999. He noted that increased workload is evidenced on many issues, such as: developing work teams to plan and implement new exhibits, mostly with no additional internal resources or outside contractors; implementing Great Northwest exhibits that are part of the Great Northwest Project; interfacing with a growing number of local, national and international entities that participate with the zoo on animal conservation issues; and assuring compliance with USDA and AZA standards on animals that include 232 species and 1,200 specimens. However, the division was unable to provide quantifiable data on most of its activities.

*Effectiveness Measures*

The division's primary measures of accomplishment are:

- receiving recognition for special expertise in breeding programs and environmental enrichment leadership
- complying with government regulations and AZA accreditation standards
- completing Species Survival Plan (SSP) master plans for multiple species on time
- managing elephant semen, leading to enhanced species populations and health
- updating collection plans for zoo species, leading to enhanced conservation



- completing studbooks for various species, leading to enhanced conservation
- promoting conservation message to audiences through zoo visitor education and graduate training programs.

It generally appears that the division has been effective in meeting significant parts of its mission, goals and objectives.

Division officials believe that the SEA effectiveness measures cited above do not fully reflect what they do and how well they do it. They believe that precise quantification of their overall achievements is difficult to capture with numbers or checkmarks. For example, the division manager stated:

- The Asian Elephant SSP required coordinating people and animals at 84 zoos around the world in order to successfully determine genetically desirable and physically practical elephant relocations as part of a plan to facilitate reproduction. As part of the accomplishment, the division hosted an international elephant foot care conference attended by 100 delegates from 23 states and 3 continents. The division will publish a book based on the conference to share the information and help elephants suffering from foot disease. However, managers find that they cannot easily define or quantify the accomplishments that follow from the large amount of related work.
- The division hosted monthly “zoo research group” meetings for dozens of zoo-affiliated researchers to discuss current conservation and research projects. Many of the participants are faculty at universities and other institutions that inform and involve undergraduate and graduate students. Likewise, from FY 1994 through FY 1999 division staff has held more than 100 workshops that served nearly 2,500 schoolteachers. Although the division designs classes to improve the quality of science teaching, the division also exposes educators from many disciplines to conservation and research messages. In such cases, most participants who receive presentations from the division know that the division’s effectiveness is significant. Again, managers find that they cannot easily define or quantify these accomplishments.

**Auditor Observations**

The division has made strides to establish SEA measures. As part of its continued work, the division should build on these to establish more measures that are useful. This may include making closer links between quantified workload measures and mission, goals and objectives. Examples of steps the division could undertake to measure its own activities are cited on pages 13 through 15.

## Design Services Division

The division is responsible for creating a stimulating environment that inspires and educates zoo visitors by providing leadership for project planning, designing and constructing exhibits and new facilities, designing and publishing interpretive materials, and establishing the “look and feel” of the zoo. The division had two managers during the course of our work. We worked primarily with the former division manager as we developed the division’s first set of SEA measures. We updated division information with the current manager toward the conclusion of our work. The former manager stated that the performance measure concepts have been a low priority due to a combination of factors, primarily inadequate resources and inconsistent management directives that often shift division priorities. Such factors have forced the division to operate in a reactive mode.

**Table 7 Design Services Division’s Goals and Objectives**

<u>Long-Term Goals</u>	<u>Short-Term Objectives</u>
Improve the look and feel of zoo exhibits to establish a rich environmental experience for guests	<ul style="list-style-type: none"> <li>Establish development plans for exhibit facilities and a style standard for exhibit areas</li> </ul>
Improve awareness of zoo enrichment and conservation efforts as a reflection of the regional culture and as an outgrowth of zoo vision and values	<ul style="list-style-type: none"> <li>Establish a signage system that creates a consistent “voice of the zoo” identity</li> <li>Implement exhibit improvements on new projects, including upgrades to the wayfinding system and interactive interpretives at exhibits</li> </ul>
Serve as interdepartmental artistic advisor in order to maintain consistent design and production of communications media	<ul style="list-style-type: none"> <li>Develop and communicate to other divisions zoo-wide standards for communication media</li> </ul>

### Division SEAs

*Resource Measures* The division has had 4 percent of the total zoo budget and 3 percent of the zoo’s FTEs from FY 1994 through FY 1999. Division spending declined 20 percent. Staffing decreased 8 percent (one position).

- Workload Measures* The division's primary work activities include:
- developing design standards for division work as the "voice of the zoo"
  - repairing and maintaining all exhibit interpretives and other signs
  - establishing informational, directional, event and activity signage for specified areas
  - updating division operations plan and budget proposals for FY 2000 and FY 2001.

Work related to the division's responsibilities could be measured, including SEAs linked to efforts for developing wayfinding signage, and designing and maintaining interpretive graphics for animal exhibits.

The former and current managers believe there has been a significant reduction in the division's ability to repair and maintain signs and exhibits throughout the zoo. Current data that compare available staff time to planned project work show that the division has about half the needed staffing to perform its prescribed work. The zoo director and deputy director believe that the issue has been lessened in FY 2000 because some of the work is now being contracted and the division has an additional FTE – thereby closing the work-resource gap to some degree.

- Effectiveness Measures* The division's primary measures of accomplishment are:
- visitors' ratings for signage at wayfinding and exhibit interpretives
  - peers and other independent reviewers' ratings for division graphics, in terms of quality and effectiveness
  - implementing interactive technologies that are proven effective
  - ratings from other divisions' for quality of work and turnaround time on work orders.

The division determines customer satisfaction from surveys conducted by the Marketing Division. These surveys generally rate visitors' zoo experience as "very good." Specific customer comments have led to product redesign and helped the division identify areas of need, such as improvements in the elephant and primate facilities. The division has essentially no other data on how customers view the impact of its products and services.

## Auditor Observations

Developing SEA measures is a new function for the division. Due to a combination of factors, it had not established measures for its work activities or effectiveness. Therefore, the division has little data to help it evaluate workload trends, efficiency, effectiveness or the extent to which its accomplishments tie to its mission, goals and objectives.

We believe the division can improve its SEA measurements by:

- Establishing a minimal number of meaningful measures that demonstrate links between mission-goals-objectives and its work and accomplishments. The current division manager has accomplished some of this. The division should continue to establish measures related to specific work that leads to designing and producing communications media and creating exhibit-based products. For example, the division may measure its training hours invested in creative education courses that identify effective design and communication approaches.
- Quantifying more of its efforts and accomplishments, primarily in terms of efficiency measures. For example, the division provides support services and products to other divisions and could meaningfully measure its work in terms of efficiencies. Similar measures exist in the Facilities Management Division and may include turnaround times to complete work specific orders and monthly averages of work order cycles.
- Soliciting peer reviewers and customers comments regarding the effectiveness or outcomes of products and services, such as designs for wayfinding systems.



## Education Division

The division develops educational programs that support the zoo's vision and values, provide learning experiences, prompt positive action, provide diversity and establish a balance between its expenditures and benefits. The division historically has quantified many aspects of its operations and effectiveness.

**Table 8 Education Service Division's Goals and Objectives**

<u>Long-Term Goals</u>	<u>Short-Term Objectives</u>
Develop and implement a consistent, dynamic educational message	<ul style="list-style-type: none"> <li>• Provide program materials, staff and volunteer resources to educate on conservation</li> <li>• Establish a vital educational resource for the community</li> <li>• Evaluate program effectiveness</li> <li>• Communicate the zoo's mission and messages at events</li> <li>• Provide training for staff and volunteers to enthusiastically impart education messages</li> </ul>
Establish the division as a community leader in nurturing a conservation ethic and building science literacy	<ul style="list-style-type: none"> <li>• Provide opportunities that result in knowledge about the zoo, animals, conservation and how individuals can take action</li> <li>• Partner with the education community</li> <li>• Use technology to communicate conservation</li> <li>• Create funding opportunities</li> </ul>
Establish the division as a center for life-long learning for staff, zoo visitors, students and the community	<ul style="list-style-type: none"> <li>• Provide an environment for visitors to explore and understand the natural world</li> <li>• Work with volunteers to enhance programs</li> <li>• Provide services to teachers and students through outreach programs, training and curriculum</li> </ul>

### Division SEAs

*Resource Measures* The division has had 6 percent of the total zoo budget and 9 percent of the zoo's FTEs from FY 1994 through FY 1999. Division spending declined 1 percent, although its staffing increased 20 percent by 4 positions. Spending for materials and services, such as printing and supplies, decreased 16 percent.

*Workload  
Measures*

The division's primary work activities include:

- increasing attendance in summer camps, holiday camps, overnight programs and other classes
- initiating partnership opportunities with educational community
- developing education programs for zoo visitors
- recruiting, training and organizing volunteers
- implementing youth volunteer program to include interns, summer programs and counselors
- providing volunteer hours of support for services.

The division's workload has grown from FY 1994 through FY 1999. Such work has led to enhancements in its operations and program effectiveness. The division organizes and presents various educational fee-based classes, primarily for school-age children. Attendance at summer camps increased 92 percent to 3,200 during the period. Attendees occupied about 95 percent of available spaces. Similarly, holiday camps enrollment increased 80 percent to 1,600 and overnight program enrollment increased 154 percent to 3,800. However, total enrollment at educational classes declined 7 percent to 1,700. The number of new interns recruited within the division increased 326 percent to 64. New volunteers accepted and trained within the division also increased.

*Effectiveness  
Measures*

The division's primary measures of accomplishment include:

- improving effectiveness of working partnerships with the educational community
- educating customers through training programs
- increasing customers and profits at fee-based programs
- maintaining volunteer program at consistently high numbers of volunteers and hours.

Division officials have gathered a large amount of data that demonstrate aspects of its effectiveness. From FY 1994 through FY 1999, the division created the largest volunteer corps in the country. Volunteers increased 23 percent, and volunteer hours increased 26 percent. The division established working partnerships with 9 outside organizations, such as the Audubon Society. Revenue from tuition and lectures increased 40 percent to \$476,000. Revenues from all programs increased 72 percent to \$581,000.

### **Auditor Observations**

The division's mission, goals and objectives readily lend themselves to SEA measurements. The division gathers and analyzes large amounts of data that generally demonstrate continued effectiveness.

## Facilities Management Division

The division manages the physical assets of the zoo. It is responsible for maintaining and repairing buildings, grounds, railroad, fleet and equipment; planning, managing and implementing capital repair and replacement plan projects; and coordinating zoo-wide conservation efforts. The division has collected and analyzed a large amount of data related to managing zoo facilities for about six years. Division officials have used measurement data for several years as a management tool to gauge work performed and results achieved. We worked with the division manager to identify the division's customer-driven mission, goals and objectives. We then worked with her to determine existing measures that are relevant and identified new measures that may be appropriate.

**Table 9 Facilities Management Division's Goals and Objectives**

<b><u>Long-Term Goals</u></b>	<b><u>Short-Term Objectives</u></b>
<b>Support enterprise activities</b>	<ul style="list-style-type: none"> <li>• Provide effective railroad operations</li> <li>• Manage zoo assets with reduced operational funds</li> <li>• Assist creating new revenue opportunities</li> </ul>
<b>Enhance visitor experiences</b>	<ul style="list-style-type: none"> <li>• Assist Visitor Services Division to assure clean grounds</li> </ul>
<b>Improve internal operations</b>	<ul style="list-style-type: none"> <li>• Develop schedules, reports and budgets from work management system</li> <li>• Improve benchmarking and performance measurement processes</li> <li>• Promote continuous improvement on effectiveness of work schedules emphasizing buildings and grounds care</li> <li>• Maintain quality standards while integrating zoo-wide project management</li> </ul>
<b>Promote resource conservation</b>	<ul style="list-style-type: none"> <li>• Provide staff and volunteer training on conservation and recycling opportunities</li> <li>• Decrease use of zoo vehicles</li> <li>• Facilitate conservation options for volunteers and community groups</li> </ul>
<b>Provide a safe, comfortable and stimulating environment for the animals</b>	<ul style="list-style-type: none"> <li>• Continue walk-through and quality assurance programs</li> <li>• Provide opportunities for intra-divisional cooperation on projects</li> <li>• Facilitate animal-related training opportunities</li> </ul>

## Division SEAs

*Division Resources* The division has had 28 percent of the total zoo budget and has 20 percent of the zoo's FTEs from FY 1994 through FY 1999. Division spending increased 12 percent to \$4.3 million. Division capital expenditures increased 477 percent to \$532,000. This included expenditures for items such as buildings, vehicles and railroad equipment. Division staffing increased 2 percent or 1 position.

*Workload Measures* The division's primary work activities include:

- emphasizing preventive maintenance program for equipment and buildings
- completing scheduled capital improvements plus unbudgeted projects
- establishing measures to quantify zoo visitor and staff awareness on resource conservation
- enhancing benchmarking and performance measures through collection of division-specific data and measure against past performance and other institutions.

The division's workload has grown in recent years, as evidenced by its work in completing projects, such as the Koala, Meerkat and Lorikeet exhibits. The division's workload measures from FY 1994 through FY 1999 showed that:

- Staff hours invested in preventive maintenance for the railroad decreased 76 percent.
- Preventive maintenance hours applied to the vehicle fleet, buildings and other facilities decreased about 60 percent.
- Staff time devoted to all maintenance activities slipped 75 percent.
- Staff training hours declined 38 percent.

*Effectiveness Measures* The division's primary measures of accomplishment include:

- completing priority projects
- establishing high customer and staff satisfaction for appearance of grounds and buildings
- exceeding standards on quality of work products/services
- establishing performance standards as a way of business
- decreasing on-grounds use of service vehicles
- increasing railroad ridership and income



- maintaining a positive recycling trend
- reducing backlog of preventive maintenance requirements.

Division officials have a large amount of data on satisfaction levels of external and internal customers. They gathered customer satisfaction data from various sources, including gate surveys, quality assurance reports and employee interviews. This information for FY 1994 through FY 1999 shows such trends as:

- work orders completed on time slipped 7 percent
- quality ratings on work orders slipped 9 percent
- division officials believe that internal customers' satisfaction is below desired effectiveness
- over 95 percent of visitors rated building cleanliness as good or excellent. Visitors gave similar ratings to the zoo's landscaping.
- pounds of trash recycled within the zoo grew 485 percent to 127,000 pounds per year
- water use declined 29 percent to 99 million gallons per year
- electricity and natural gas use increased slightly.

### **Auditor Observations**

The division has established meaningful measures of its work and effectiveness. It has monitored such data and used it for planning and management purposes. In particular – and as discussed in the body of this report – the data on declining hours applied to preventive maintenance merits attention by zoo management.

## Marketing Division

The division demonstrates the energy of the zoo and generates dividends that improve the zoo. The division is in the competitive business of attracting paying customers to a cultural and recreational resource. Many of its activities and outcomes are measurable. It has defined SEA measures and collected and analyzed workload and performance data for about six years. We reviewed the division's data. However, despite our repeated requests, the division did not provide measurement data for FY 1999, nor did it comment on the accuracy and completeness of this section of the report.

**Table 10 Marketing Division's Goals and Objectives**

<u>Long-Term Goals</u>	<u>Short-Term Objectives</u>
Increase attendance to 1.25 million by 2004	<ul style="list-style-type: none"> <li>• Enhance attendance through publicity, promotions and advertising</li> <li>• Enhance working relationship with the news media</li> <li>• Delight zoo visitors with events that generate profits to fund programs</li> </ul>
Ensure public support	<ul style="list-style-type: none"> <li>• Maintain high visibility</li> <li>• Continue to use marketing research to measure progress toward goals and visitor satisfaction</li> <li>• Refine the zoo's web page</li> </ul>
Increase the reach of the zoo's vision and values	<ul style="list-style-type: none"> <li>• Satisfy corporate event sponsors</li> <li>• Cooperate with the hospitality industry and others on promotional activities</li> </ul>
Ensure that other divisions are satisfied	<ul style="list-style-type: none"> <li>• Support photography, videography and event set-up needs</li> <li>• Conduct marketing research</li> <li>• Assist planning and publicizing the Great Northwest Project</li> <li>• Use volunteers and interns to minimize expenses</li> <li>• Provide advice to other divisions on public relations and marketing issues</li> </ul>

### Division SEAs

*Division Resources* The division has had 9 percent of the total zoo budget from FY 1994 through FY 1999. It has 5 percent of the zoo's FTEs and its staffing increased one position. Division spending increased 15 percent.

- Workload Measures* The division's primary work activities include:
- presenting zoo promotional information and slide shows in community
  - enhancing media relations through press releases, talk show appearances and brochures
  - producing major entertainment events and other shows
  - conducting zoo visitor surveys
  - maintaining an up-to-date marketing plan.

The division's many activities lend themselves to relatively easy measurement. The division has collected and analyzed a large amount of workload data as management tools. For example, from FY 1994 to FY 1998:

- promotional brochures increased 39 percent to 197,000
- press releases increased 18 percent to 40 per year
- talk show appearances increased 25 percent to 75 per year
- community presentations and slide shows declined from 37 to 13
- entertainment events increased 18 percent to 40 (from FY 1996 to FY 1998).

- Effectiveness Measures* The division's primary measures of effectiveness include:
- ensuring that advertising reaches a wide audience
  - increasing event attendance and revenue
  - enhancing show attendance
  - increasing event sponsorships
  - using volunteers for events
  - maintaining strong audience satisfaction levels.

The division has a large amount of data that addresses quantitative and qualitative aspects of its effectiveness for external customers and other zoo divisions. The division determines satisfaction from visitor comment cards and gate surveys, surveys at events, surveys on new topics (such as ideas on renaming the zoo), and debriefing sessions with partners and sponsors (such as media representatives) to discuss effectiveness, problems and recommendations for future events.

This information shows such trends as the following from FY 1995 to FY 1998:

- Attendance at division events slipped 15 percent to 182,000.
- Gross revenue from events increased 2 percent to \$1,273,000.
- Sponsorships for events, in terms of percent of costs contributed, increased from 27 to 112 percent.
- Increased use of volunteers, who performed 63 percent of the work, enhanced profitability of events.
- Advertising “reach” remained stable--About 70 percent of area residents have seen zoo ads.
- Overall satisfaction levels for events remained steady with ratings between 4.3 and 4.6 on a 5.0 scale.

### **Auditor Observations**

The division has established meaningful measures of its work and effectiveness.

## Visitor Services Division

The division functions as a profitable enterprise, providing customers with products and services that create unique and quality experiences. The division is a “profit and loss” enterprise through its operation of food and catering services, retail sales, train rides and other services. It has collected and analyzed results-related data for at least six years because the division manager believes that measurements of performance and effectiveness in the business environment are imperative. Division officials manage division work through SEA measures to the financial “bottom line.” Accordingly, the division has established more effectiveness measures than workload or output measures.

**Table 11 Visitor Services Division’s Goals and Objectives**

<u>Long-Term Goals</u>	<u>Short-Term Objectives</u>
<b>Effectively provide operating revenue</b>	<ul style="list-style-type: none"> <li>• Increase spending per zoo visitor</li> <li>• Maintain current staffing while opening new facilities</li> <li>• Expand seasonal outlets</li> <li>• Decrease cash outages</li> <li>• Hire and train management and line staff to operate new facilities</li> </ul>
<b>Introduce new products and increase customer service levels</b>	<ul style="list-style-type: none"> <li>• Create new training programs</li> <li>• Take action on visitor comments</li> <li>• Work with vendors to increase product appeal</li> <li>• Budget for product development, such as clothing with the zoo logo</li> </ul>
<b>Increase training and reduce labor costs</b>	<ul style="list-style-type: none"> <li>• Increase “train the trainer” support</li> <li>• Emphasize safety</li> <li>• Evaluate programs through “mystery shopper” service and customer comments</li> <li>• Cross-train seasonal staff</li> <li>• Emphasize productivity</li> </ul>

### Division SEAs

*Resource Measures* The division has had 24 percent of the total zoo budget and 32 percent of the zoo’s FTEs from FY 1994 through FY 1999. Spending increased 36 percent, mostly for staffing, materials and contracted services, including cleaning, point-of-sale maintenance and catering area design. Staffing increased 37 percent to 83 positions, primarily due to



the addition of expanded food and catering facilities, new retail facilities and an expanded visitor entrance area. Most of the facilities are part of the Great Northwest Project expansion program. Spending per zoo visitor increased 43 percent to \$4.00, primarily because of Oregon law requiring that minimum wages increase from \$5.00 to \$6.50 between FY 1997 and FY 1999.

*Workload Measures*

The division's primary work activities include:

- enhancing profitability--opening new facilities, expanding seasonal outlets, training management and staff to operate new facilities
- ensuring cost-effective productivity--increasing contract purchasing of food products, decreasing cash outages and cross-training seasonal staff
- ensuring cleanliness and safety in visitor facilities--evaluating customer comments and holding regular safety awareness sessions
- ensuring customer satisfaction on critical items--evaluating and responding to customer comments, and working with vendors to increase product appeal.

The division's workload increased significantly over six years. Much of the increased workload is due to expanded food and catering areas and facilities associated with the Great Northwest Project.

The division has assumed a number of new responsibilities in recent years, such as performing litter patrol (requiring 5,200 and 9,300 staff hours in FY 1998 and FY 1999 respectively), operating new exhibits such as the lorikeet display (requiring 6,900 staff hours in FY 1999), and operating the "Zoomer" (a free on-grounds transportation system requiring 2,600 hours in FY 1999). Information collected by the division for FY 1994 through FY 1999 shows such trends as:

- Catering-related staff hours increased 123 percent to 19,600.
- Staff hours for regular food sales increased 1 percent to 59,400.
- Staff hours for retail sales and rental staff hours decreased 4 percent to 15,600.
- Staff hours for admissions increased 21 percent to 14,200.
- From FY 1998 to FY 1999, seasonal staff hiring increased 19 percent to 455. The hiring created more work, such as interviewing, tracking disciplinary actions and processing payroll.

- Staff hours for training increased 99 percent between FY 1998 and FY 1999 to 4,900. The emphasis on training was part of the division manager's commitment to enhance customer satisfaction before opening new facilities.

*Effectiveness Measures* The division's primary measures of accomplishment include:

- ensuring the profitability of critical division functions
- ensuring cost-effective productivity of division operations
- ensuring cleanliness in all facilities
- ensuring customer satisfaction on critical measures
- increasing per-visitor spending
- increasing catering sales.

From FY 1994 to FY 1999:

- Total revenues from admissions, food, retail and railroad activities increased 1 percent to \$7.3 million.
  - Total food service revenue increased 22 percent to \$3.1 million. Food service revenue per attendee increased 28 percent to \$2.93.
  - Admissions revenues declined 13 percent to \$2.8 million
  - Retail and rental revenue increased 7 percent to \$998,000.
  - Railroad revenue slipped 17 percent to \$472,000.
- Catered event attendees increased 84 percent to 29,000.
- Railroad riders decreased 17 percent to 248,000.

The cost effectiveness ("profitability") of certain operations, as measured by gross revenue per labor hour, was mixed. For example:

- Food service and catering revenue produced per employee hour rose from \$37 to \$39.
- Retail sales productivity increased from \$58 to \$64 per hour.
- Admission productivity fell 28 percent from \$275 to \$197 per hour.

- Customer satisfaction on the division's products and services generally increased. On a 10 point scale:
  - the division's management ratings averaged 9.4
  - overall satisfaction with service ratings averaged 9.6
  - overall indoor food service ratings averaged 9.2
  - overall outdoor food service ratings averaged 9.0.
- Overall service and products averaged 9.4.

County Health Department ratings for restaurant facilities remained steady at about 98.5 percent.

### **Auditor Observations**

The division has a great deal of performance-related measurements, especially those relating to its profitability. The division generally does not gather or analyze measurements related to day-to-day work activities, such as hours per location by each employee, or time spent on specific activities. Gathering such data into report form has not been a priority for the division because of other assignments for staff resources.

## Part 4

### Comparisons Between the Oregon Zoo and Nine Other Zoos

We made selected comparisons between the Oregon Zoo and other zoos. In consultation with Oregon Zoo management and officials at the American Zoo and Aquarium Association<sup>4</sup> (AZA) in Bethesda, MD, we gathered data from the following zoos:

- Cleveland (Ohio) Metroparks Zoo
- Columbus (Ohio) Zoo
- Denver (Colorado) Zoo
- Detroit (Michigan) Zoological Park
- Lincoln Park Zoo (Chicago, IL)
- North Carolina Zoological Park (Asheboro, NC)
- Omaha's Henry Doorly Zoo (Nebraska)
- Phoenix (Arizona) Zoo
- Woodland Park Zoological Gardens (Seattle, WA).

These zoos have demographics, such as local populations, service areas, attendance, governance and income sources that generally compare to the Oregon Zoo. They also represent a broad geographic distribution. We sent to the zoos a questionnaire requesting comparative data. We also contacted personnel at some zoos to verify certain information. We analyzed statistics and converted financial data to current dollars. We summarize the comparisons in Table 12.

We believe that our comparisons are fair, but we also acknowledge that any comparisons must be viewed with caution. The purpose of comparing the Oregon Zoo to other zoos is to give the reader broad perspective on selected measures, such as attendance trends and expenditures. Deviations in expenditures, attendance and other measures may be attributable to factors our review did not identify. Therefore, readers should not draw precise conclusions about large deviations from averages. Rather, deviations should be a starting point for discussion and more analysis.

<sup>4</sup> Founded in 1924, the AZA mission is conservation of the natural world. Among its responsibilities, AZA acts in a clearinghouse and oversight role for 182 North American zoos and aquariums. Through an extensive accreditation program, it supports membership accomplishments in conservation, education, science and research.

The comparison shows:

- The Oregon Zoo is the only zoo that is owned and managed by a regional government. Of nine others, city or county governments own seven, a state government owns one and a private organization owns one.
- The Oregon Zoo has generally lower numbers of animal species (232) and specimens (1,193). Nine other zoos average 310 species and 1,739 specimens.
- As of July 1, 1999, the admission price at the Oregon Zoo was relatively low-priced at \$5.50.<sup>5</sup> The Lincoln Park Zoo does not charge admission. The average admission price for the other zoos is \$7.50.
- The Oregon Zoo attendance has been stable from FY 1994 through FY 1999, averaging about 1.1 million attendees. Most of the other zoos showed attendance growth, averaging about 1.4 million attendees.
- The Oregon Zoo was slightly high in its operating expenses, averaging \$13.7 million from FY 1994 through FY 1999. Nine other zoos averaged \$12.6 million. Additionally, the Oregon Zoo averaged 200 FTEs over the period. Nine other zoos averaged 185 FTEs.
- The Oregon Zoo averaged \$4.9 million in capital expenditures from FY 1994 through FY 1999. Nine other zoos averaged \$4.7 million.
- The Oregon Zoo excelled in its volunteer program, averaging 2,100 volunteers and 120,000 volunteer hours from FY 1994 through FY 1999. Nine other zoos averaged 530 volunteers and 49,000 volunteer hours.

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<sup>5</sup> In October 1999 the zoo increased adult admission to \$6.50.

Table 12 Data for Comparative Zoos as of July 1, 1999

	Oregon Zoo	Cleveland	Columbus	Denver	Detroit	Lincoln Park	North Carolina	Omaha	Phoenix	Woodland Park
Area Population	1,700,000	2,800,000	1,300,000	2,200,000	4,500,000	7,800,000	1,000,000	670,000	2,000,000	2,200,000
Owned By	Regional Government	City Government	City/County Government	City/County Government	City Government	City Government	State Government	City Government	Private	City Government
Managed By	Regional Government	City Government	Columbus Zoological Parks Association	Denver Zoological Foundation	City Government	Lincoln Park Zoological Society	State Government	City Government	Arizona Zoological Society	City Government
Support Organization	Oregon Zoo Foundation	Cleveland Zoological Society	Columbus Zoological Parks Association	Denver Zoological Foundation	Detroit Zoological Society	Lincoln Park Zoological Society	North Carolina Zoological Society	Omaha Zoological Society	Arizona Zoological Society	Woodland Park Zoological Society
Parking Spaces	840	2,442	3,400	650	2,200	710	2,600	2,900	1,576	500
Acres	64	165	100	80	125	35	550	130	125	90
Adult Admission	\$5.50	\$7.00	\$7.00	\$7.00	\$7.50	Free	\$8.00	\$7.25	\$8.50	\$8.00
Attendance	FY 99	1,047,279	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A
	FY 98	1,004,795	1,100,000	1,200,000	1,650,000	1,485,000	3,000,000	788,000	1,168,299	1,175,000
	FY 97	945,013	1,247,125	1,160,733	1,560,134	1,392,485	3,000,000	782,016	1,215,083	1,210,000
	FY 96	1,052,810	1,101,178	1,204,087	1,756,373	1,217,575	3,000,000	788,043	1,602,831	1,165,064
	FY 95	1,151,444	1,183,775	1,103,240	1,958,842	1,192,977	3,000,000	934,455	1,086,789	1,117,034
	FY 94	1,104,369	1,262,059	1,249,470	1,721,170	1,134,655	3,000,000	604,677	1,095,386	1,018,817
Operating Expenses	FY 99	\$15,306,119	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A
	FY 98	\$13,741,112	10,412,000	17,487,000	13,750,000	14,137,101	14,036,300	14,121,063	11,660,000	12,000,000
	FY 97	\$13,126,697	\$10,385,490	\$17,145,413	\$12,603,020	\$15,087,596	\$13,412,660	\$12,536,820	\$11,876,767	\$12,385,750
	FY 96	\$13,243,970	\$9,830,440	\$16,961,936	\$12,109,811	\$12,307,273	\$13,465,498	\$12,973,028	\$11,740,194	\$12,357,480
	FY 95	\$13,231,270	\$9,440,280	\$15,397,583	\$11,037,673	N/A	\$10,879,920	\$13,577,241	\$9,631,031	\$10,156,320
	FY 94	\$13,812,151	\$9,246,300	\$14,527,913	\$9,996,588	N/A	\$9,449,097	\$11,842,396	\$9,043,949	\$9,749,130
Capital Expenses	FY 99	\$13,670,054	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A
	FY 98	\$10,237,483	\$3,483,000	\$10,000,000	\$2,540,000	\$3,152,435	\$7,736,300	\$1,597,757	\$6,322,000	\$2,000,000
	FY 97	\$2,304,825	\$1,906,530	\$9,310,782	\$5,029,737	\$2,697,157	\$17,224,896	\$331,687	\$6,766,250	\$2,270,120
	FY 96	\$118,378	\$2,620,320	\$5,316,803	\$5,715,326	\$4,182,950	\$8,488,480	\$471,322	\$2,544,988	\$1,751,120
	FY 95	\$435,483	\$1,175,173	\$1,715,684	\$11,886,967	N/A	\$567,540	\$1,492,593	\$17,710,391	\$2,130,840
	FY 94	\$2,726,827	\$873,429	\$2,107,660	\$3,232,348	N/A	N/A	\$5,039,196	\$1,259,339	\$1,014,540
Funding Sources*	B(27%) D(3%) E(33%) L(30%) M(1%) O(6%)	E(51%--M&D) L(49%)	D(7%) E(38%) L(47%) M(8%)	D(16%) E(26%) M(13%) O(20%) S(25%)	B(6%) D(14%) E(45%) L(15%) M(15%) O(5%)	D(44%) E(10%) O(46%--Park Dist.)	N/A	D(9%) E(50%) M(21%) O(20%)	E(65%) D(16%) M(17%) O(2%)	E(30%) L(19%) D(36%) B(15%)
FTEs	FY 99	222	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A
	FY 98	193	195	187	185	154	154	345	189	181
	FY 97	196	191	181	181	145	151	N/A	170	185
	FY 96	195	190	176	169	144	150	N/A	151	180
	FY 95	198	190	166	160	141	150	N/A	136	180
	FY 94	195	185	157	155	140	63	N/A	120	170
Volunteers/Hours	FY 99	2,450/117,640	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A
	FY 98	2,450/127,357	520/49,810	450/31,500	450/67,000	450/34,000	1,070/80,000	100/14,000	400/37,500	673/ N/A
	FY 97	2,025/127,084	470/47,091	425/30,746	402/60,839	400/30,000	860/73,000	100/14,001	220/21,628	660/ N/A
	FY 96	2,025/125,536	402/48,840	410/31,045	390/65,541	325/25,000	730/71,300	150/11,762	270/23,686	623/ N/A
	FY 95	2,025/115,336	450/45,679	400/31,644	347/59,527	N/A	770/79,800	150/14,227	296/28,003	612/ N/A
	FY 94	2,000/101,147	461/49,044	395/29,325	328/55,833	N/A	780/76,900	N/A	225/33,896	594/ N/A
Species/Specimens (includes invertebrate species)	Mammals	55/337	110/445	81/286	122/655	62/338	97/488	65/276	117/648	90/404
	Birds	77/310	147/551	80/175	167/510	96/604	95/323	82/341	189/881	148/559
	Reptiles	21/46	55/129	134/803	94/317	74/245	68/240	53/200	80/623	59/220
	Amphib.	8/20	25/162	25/152	24/102	36/283	16/58	17/81	38/850	16/2,743
	Total	232/1,193	617/3,072	618/5,816	685/3,437	269/1,470	289/1,297	239/1,149	636/19,202	363/18,607
* Funding Sources B=bonds D=donations E=earned revenue L=local prop. tax M=memberships O=other S=sales tax	N/A = not available		Admission: \$8.00 summer \$6.00 winter	All food, gift and ride concessions are contract. Concession staff not included. About 30 interns not included.	Some figures for three combined facilities: Detroit Zoo, Belle Isle Zoo, and Belle Isle Aquarium	Attendance is estimated, zoo has no gate count.	\$1.00 admission reduction for King County Residents Fiscal and Calendar years the same.			



# Appendix A

Acknowledgements

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## Appendix A

### Acknowledgements

As we performed this project, we patterned much of our approach and work from various sources, all of which have successfully established or reported on SEA measurements. In particular, we recognize the following for their help on our work:

- The Governmental Accounting Standards Board (GASB) developed standards for SEAs that are designed to improve the ability of government reports to present information to monitor and assess the results of operations of governmental entities. We applied GASB standards.
- Richard Tracy, Director of Audits, Office of the City Auditor in Portland, Oregon, is a member of GASB and nationally recognized for his achievements reporting annually on the city's SEAs. We patterned much of our work and report format on his undertakings.
- Anthony Rainey, former Administrator of Benchmarks and Strategic Planning, City of Gresham, Oregon, is a recognized expert on benchmarking and performance measures. We relied on his instruction and materials regarding SEAs for a community-focused city government.
- Jeffrey Tryens, Executive Director of the Oregon Progress Board, has been instrumental in successfully implementing the acclaimed Oregon Benchmarks and Performance Measures program. We drew on his presentations and publications as part of our SEA analysis. Additionally, we relied on SEA reports by the Oregon Secretary of State Audits Division.
- We relied on many publications for knowledge and approaches to our work. Such sources included: Government Finance Review publications; The Oregon Certified Public Accountant publications; U.S. General Accounting Office analyses and reports on the Government Performance and Results Act; the International Federation of Accountants publication on Performance Reporting by Government Business Enterprises; the Office of the City Auditor in Austin, Texas reports on Performance Measurement and Reporting; National Performance Review studies on benchmarking and performance measures; American Productivity and Quality Center publications on benchmarking; and American

Society for Public Administration publications on performance measurement.

We especially recognize the managers and staff of the Oregon Zoo. In the face of increasing duties and responsibilities, they helped us establish SEA measures, collect a great deal of data and prepare the report.

## **Response to the Report**



METRO

TO: Alexis Dow, Metro Auditor  
FROM: Mike Burton, Executive Officer  
DATE: August 14, 2000  
SUBJECT: RESPONSE TO SERVICE EFFORTS AND ACCOMPLISHMENTS REPORT –  
THE OREGON ZOO, JULY, 2000

Thank you for the opportunity to respond to the Zoo's Benchmarking report. The report reflects a considerable amount of research on service efforts and accomplishments (SEAs) that can be helpful to the Zoo.

I believe it very important to identify, measure and record key performance indicators for all Metro departmental programs and services. This is especially true with our enterprise activities. They rely heavily on being efficient and effective. With some facilities, such as the Zoo, customer satisfaction can be measured easily by attendance figures. I am pleased to report that substantial progress has occurred since your initial research on this report.

In the following portion of my response, I have restated your specific recommendations with my response as follows:

- 1. As part of its effort to develop, enhance and apply SEA measures, Zoo management should work with divisions to establish SEAs and assure their consistent linkage with divisions' mission, goals and objectives.**

Agreement with Recommendation: I agree.

Proposed Action Plan: As you note, the Zoo already uses meaningful measurements very successfully and to a large extent throughout the organization. This, however, is an ongoing process that should be reviewed regularly. The Zoo will identify and implement SEA measures for those divisions that use SEAs to a limited degree. In those divisions where SEAs are already being used extensively, the Zoo will continually review and update the measures already in place.

Proposed Timetable: This is an ongoing effort for those divisions that currently use SEAs and it will continue. The Zoo will identify and implement SEAs in other divisions by January 2001.

**2. Based on indications from existing SEA measures, Zoo management should:**

- **Analyze the implications of and develop strategies to deal with relatively flat attendance.**

Agreement with Recommendation: I agree.

Proposed Action Plan: Attendance is the major indicator in the overall success of the Zoo. Your report notes that Zoo attendance declined over the past few years. It was assumed that during construction of the new exhibits, and knowing that existing exhibits had been decreased that attendance would stagnate or decrease slightly. That assumption proved to be correct. I'm pleased to report that Zoo attendance in FY 99-00 reached an all-time record high level. The attendance during July, 2000, immediately after the opening of the new Steller Cove Exhibit, was the highest month on record at the Zoo. This attendance surpassed even the furor and worldwide attention that surrounded Packy's historic birth in the early 1960's. The Zoo will continue to monitor attendance very closely. The Zoo will also carefully plan activities, including new exhibits, events, advertising and access to continue to grow attendance levels.

Proposed Timetable: Ongoing

- **Establish a program to provide a means to deal with declines in preventive maintenance efforts.**

Agreement with Recommendation: I agree.

Proposed Action Plan: The Zoo has gained additional knowledge and insight since establishment of the preventive maintenance program. We plan to use this knowledge and insight and our annual budget process to properly address the Zoo's preventative maintenance activity levels. With this information, the standing work orders will be reviewed to ensure that they accurately reflect the preventative maintenance needs of the facilities.

As noted in your report, the Zoo has committed considerable resources towards maintaining its infrastructure, over \$2.3 million in the last two years alone. The Zoo has also been able to perform some limited "repair by replacement" by reconstructing some facilities that are encompassed in the Great Northwest exhibit, which is funded through a voter-approved bond measure.

Proposed Timetable: Ongoing with annual reviews during the normal Metro budget process.

**General Observations about Report**

You and your audit team have focused upon an area that is a priority for Metro and me. Our success as an agency depends upon our ability to be as effective and efficient as possible. I concur with your assessment that measuring our performance in a limited number of key factors is critical. My Chief Operating Officer has been working with each Metro department to identify and begin measuring a set of individual departmental measures that will help us monitor our efficiency, effectiveness, and level of customer satisfaction. The Zoo has been one of the leaders in this effort.



## Metro Auditor Report Evaluation Form

### Fax... Write... Call... Help Us Serve Metro Better

Our mission at the Office of the Metro Auditor is to assist and advise Metro in achieving honest, efficient management and full accountability to the public. We strive to provide Metro with accurate information, unbiased analysis and objective recommendations on how best to use public resources in support of the region's well-being.

Your feedback helps us do a better job. If you would please take a few minutes to fill out the following information for us, it will help us assess and improve our work.



**Name of Audit Report:** \_\_\_\_\_

Please rate the following elements of this report by checking the appropriate box.

	Too Little	Just Right	Too Much
Background Information	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Details	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Length of Report	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Clarity of Writing	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Potential Impact	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>

Suggestions for our report format: \_\_\_\_\_

\_\_\_\_\_

Suggestions for future studies: \_\_\_\_\_

\_\_\_\_\_

Other comments, ideas, thoughts: \_\_\_\_\_

\_\_\_\_\_

Name (optional): \_\_\_\_\_

**Thanks for taking the time to help us.**

Fax: 503.797.1831

Mail: Metro Auditor, 600 NE Grand Avenue, Portland, OR 97232-2736

Call: Alexis Dow, CPA, Metro Auditor, 503.797.1891

Email: [dowa@metro.dst.or.us](mailto:dowa@metro.dst.or.us)



Consideration of the September 14, 2000 Regular Metro Council Meeting minutes.

Metro Council Meeting  
Thursday, September 21, 2000  
Metro Council Chamber

BEFORE THE METRO COUNCIL

FOR THE PURPOSE OF COMPLETING	)	ORDINANCE NO. 00-871
COUNCIL CONSIDERATION OF URBAN	)	
GROWTH BOUNDARY AMENDMENTS	)	
REQUIRED BY ORS 197.299, COMPLETING	)	Introduced by Growth Management
PERIODIC REVIEW WORK TASK 1 AND	)	Committee
ADOPTING AMENDMENTS TO THE	)	
REGIONAL FRAMEWORK PLAN AND	)	
SECTION 3.01 OF THE METRO CODE	)	

WHEREAS, Metro is responsible for the regional Urban Growth Boundary ("UGB") for the 24 cities and urban portions of 3 counties under ORS 268.390(3); and

WHEREAS, the courts have determined that the regional UGB, including Metro's UGB amendment process, is a comprehensive plan provision subject to Land Conservation and Development Commission ("LCDC") acknowledgment and Periodic Review for compliance with applicable statewide land use goals; and

WHEREAS, Metro's established UGB last completed Periodic Review by LCDC in December, 1992; and

WHEREAS, Metro's regional UGB is subject to its regional urban growth goals and objectives, including the Region 2040 Growth Concept which was acknowledged by LCDC in 1996; and

WHEREAS, Metro adopted Ordinance 96-647C the Urban Growth Management Functional Plan ("UGMFP"), in November 1996, to implement Metro's acknowledged Region 2040 Growth Concept which establishes the policies and identifies the compact urban form for the region to the year 2040 on the acknowledged concept map; and

WHEREAS, the UGMFP required local governments in Metro's jurisdiction to adopt new measures to increase the zoned capacity for housing to meet target capacities for residential dwelling units set forth in Title 1, Table 1 of the UGMFP (Metro Code 3.01.110); and

WHEREAS, local governments were required to adopt these new measures in their comprehensive plans and zoning ordinances by February, 1999. Most local governments in Metro's jurisdiction have complied with Title 1 or have or requested an extension from the Metro Council; and

WHEREAS, in December, 1997, to carry out Section 5(2)(b)(2) of the Metro Charter, Metro adopted Ordinance 97-715B the Regional Framework Plan ("RFP") which included provisions for "management and amendment of the urban growth boundary;" and

WHEREAS, the RFP sets forth nine variables that Metro is required to consider during any legislative amendment of the UGB; and

WHEREAS, also in December, 1997, as part of its five-year legislative review of the UGB, Metro completed an Urban Growth Report applying the nine variables for legislative amendments of the UGB consistent with the RFP; and

WHEREAS, pursuant to ORS 197.299, Metro was required to meet three deadlines to determine whether the regional UGB required expansion for the period 1997-2017; and

WHEREAS, the Metro Council met the first deadline in 1997 by completing an inventory of buildable lands based on 1994 data and adopting a need in for approximately 32,370 dwelling units that could not otherwise be accommodated in the UGB; and

WHEREAS, in 1998, the Metro Council complied with the second deadline in ORS 197.299 by adding 3,527 acres of land to the UGB, by ordinance, to provide capacity for

approximately one-half of the dwelling units needed for a 20-year housing capacity inside the UGB; and

WHEREAS, DLCD Director Benner concluded that Metro's 1998 UGB amendments met the second deadline in ORS 197.299; and

WHEREAS, to estimate the remaining housing capacity inside the UGB to determine any need for UGB amendments to meet the third deadline in ORS 197.299, and meet the requirements of Goal 14, Metro worked throughout 1999 to publish the 1997 Urban Growth Report Update containing the best available data for the period 1994-1998, and again applying the nine variables required by the RFP; and

WHEREAS, the 1997 Urban Growth Report Update revised the 1997 assumptions on the extent of riparian protection for environmentally sensitive areas to reflect the vegetated corridor requirements in the water quality and flood management sections of Title 3 of the UGMFP (Metro Code 3.07.340); and

WHEREAS, the Metro Council accepted the calculation of need in the 1997 Urban Growth Report Update for the purpose of requesting an extension from the LCDC for meeting the third deadline in ORS 197.299; and

WHEREAS, LCDC granted the extension to allow Metro to review calculations for accessory dwelling units, environmentally constrained land and the potential impact of Metro's Fish and Wildlife Habitat Conservation program which would amend Title 3, Section 5 of the UGMFP; and

WHEREAS, on April 13, 2000, the Metro Council requested that LCDC initiate periodic review of the Metro UGB; and

WHEREAS, on May 25, 2000, the Metro Council adopted a periodic review work program and thereafter transmitted the work program to LCDC for approval; and

WHEREAS, Task 1 of the periodic review work program requires Metro to determine the supply of buildable land for housing and jobs for 20 years and accommodate any need, if such a need were determined, through UGB expansion; and

WHEREAS, on July 28, 2000 LCDC approved Metro's periodic review work program; and

WHEREAS, Metro staff completed an Urban Growth Report 2000 Update to address the work identified by LCDC in its January 3, 2000 order granting Metro's extension; and

WHEREAS, The computation of need described in Exhibit A applies the nine variables identified in the RFP for considering legislative amendments to the regional UGB. This computation demonstrates that the UGB contains sufficient buildable lands to accommodate housing needs for the years 1997-2017 resulting in a 100 dwelling unit surplus for that 20 year period; and

WHEREAS, notice of hearing, consistent with Metro Code and ORS 197.610(1), was sent to the DLCD at least 45 days prior to the first evidentiary hearing on September 14, 2000; and

WHEREAS, hearing(s) were held before the full Metro Council on September 14 and 21, 2000, and October 12, 19 and 26, 2000; now, therefore,

THE METRO COUNCIL ORDAINS AS FOLLOWS:

1. That the Metro Council adopts the inventory of buildable lands, and estimate of housing need required by ORS 197.299(2)(b) and 197.296(3) attached and incorporated herein as Exhibit A.

2. That the Regional Framework Plan is amended as shown in Exhibit B, attached and incorporated herein.
3. That the Metro legislative amendment criteria (Metro Code 3.01.020) for amending the regional urban growth boundary are amended as shown in Exhibit C, attached and incorporated herein.
4. The provisions of this ordinance are separate and severable. The invalidity of any clause, sentence, paragraph, section, subsection, or portion of this ordinance or the invalidity of the application thereof to any city, county, person or circumstance shall not affect the validity of the remaining provisions of this ordinance or its application to other cities, counties, persons or circumstances.

ADOPTED by the Metro Council this \_\_\_\_ day of \_\_\_\_\_ 2000.

\_\_\_\_\_  
David Bragdon, Presiding Officer

ATTEST:

Approved as to Form:

\_\_\_\_\_  
Recording Secretary

\_\_\_\_\_  
Daniel B. Cooper, General Counsel

ORDINANCE NO. 00-871  
EXHIBIT A  
AVAILABLE AT FIRST READING



**Exhibit "A" of  
Ordinance No. 00-871**

**State Law Requirements for 20 Year Buildable Land Supply**

State law requires that at the time of periodic review or any other legislative review of the urban growth boundary ("UGB") Metro must "provide sufficient buildable lands" within the urban growth boundary ("UGB") to "accommodate estimated housing needs for 20 years." ORS 197.296(2). In 1997, the Oregon Legislature adopted legislation requiring Metro to accomplish three tasks related to the regional UGB. ORS 197.299. The legislation first required Metro to complete an inventory of buildable lands<sup>1</sup> within the UGB. Metro completed this task by calculating the inventory of buildable lands in the 1997 Urban Growth Report and adopting the conclusions of that report in the Regional Framework Plan. As of 1997, the calculations indicated a need for approximately 32,370 dwelling units for the period 1997-2017 based on 1994 data. As a second task, the legislation required Metro to "take such action as necessary" to provide one-half of the land needed to accommodate housing need for 20 years by the end of 1998. Metro complied with this provision by adopting UGB amendments to add land to accommodate approximately 18,100 dwelling units.

As the third task, the legislation required Metro to "take all final action \* \* \* necessary to accommodate a 20 year buildable land supply." ORS 197.299(2)(b). In 1999, Metro staff compiled data in the 1997 Urban Growth Report Update (September 1999) ("UGR Update") to respond to this requirement. The data and analysis in the UGR Update was accepted by the Metro Council in Resolution 99-2855C in November, 1999, for the purpose of requesting that the Land Conservation and Development Commission ("LCDC") grant Metro an extension from the requirements of ORS 197.299(2)(b). The data in the UGR Update showed that the area within the UGB as of 1999 contained a surplus of 200 dwelling units. However, Metro identified a potential need for up to 15,000 dwelling units resulting from regional regulations to protect Fish and Wildlife Habitat pursuant to Title 3, Section 5 of the Urban Growth Management Functional Plan that Metro anticipated adopting by the end of 2000.

On January 3, 2000 LCDC granted Metro extension to ORS 197.299(2)(b) to October 31, 2000 to complete additional calculations regarding environmentally sensitive lands, jobs/housing imbalances, and estimated numbers of accessory dwelling units. During early 2000, the Metro Council determined that the process to adopt regional regulations for Fish and Wildlife Habitat protection would likely extend into 2001.<sup>2</sup> For this reason, calculations to estimate the dwelling unit capacity of environmentally sensitive areas were limited to areas regulated by Metro's Water Quality and Flood Management areas identified in Title 3, Sections 1-4 of the Urban Growth Management Functional Plan

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<sup>1</sup> "'Buildable lands' means lands in urban and urbanizable areas that are suitable, available and necessary for residential uses. 'Buildable lands includes both vacant land and developed land likely to be redeveloped.'" ORS 197.295(1).

<sup>2</sup> Resolution 00-2912.

(“UGMFP”). To complete the work required to comply with ORS 197.299(2)(b), and to comply with Statewide Planning Goal 14 which requires local governments to use the best available data when considering UGB amendments, Metro staff conducted a review of the data in the UGR Update accounting for the first year (1997-1998) of development that occurred for the period 1997-2017, addressing the estimates required by LCDC and calculating the remain dwelling unit need for 1998-2017. This data is contained in the 1997-2017 Land Need Report.

## **Data and Calculations to Support Final Action to Accommodate 20 Year Buildable Land Supply**

### 20 Year Forecast of Population

A calculation estimating whether sufficient buildable land exists within the UGB starts with a forecast of population as required by state law and Statewide Planning Goal 14. ORS 195.036. The RFP requires Metro to base its assessment of UGB capacity on “a forecast of population and jobs for the new 20 year period.” Chapter 1, RFP, p. 41. Metro’s compliance with ORS 197.296 and 299 are based on the “2015 Regional Forecast.”<sup>3</sup> The forecast estimates that by the year 2017, the four county area of Washington, Clackamas, Multnomah and Clark counties will have approximately 579,700 new residents. Historically, the Metro UGB has attracted about 70 percent of new population growth. That means by 2017, the Metro UGB will have a need to accommodate housing for about 410,000 more residents resulting in a demand for approximately 205,200 new dwelling units for the period 1997-2017.

### Inventory of Buildable Lands

To ensure that urban growth boundaries contain sufficient land to accommodate estimated housing needs for 20 years local governments and Metro must “inventory the supply of buildable lands within the urban growth boundary.” ORS 197.296(3). This inventory is then compared to the forecasted need for housing. State law does not prescribe any particular methodology for conducting the inventory. In 1997, the Metro Council adopted variables in the Regional Framework Plan that Metro must consider in calculating the supply of buildable lands for the region. The variables were applied in the 1997 Urban Growth Report, 1997 UGR Update and are the basis for completing the additional work required by LCDC in its January 3, 2000 extension order. The estimates related to these variables are the data used to determine whether the UGB contains sufficient buildable lands for 20 years in compliance with ORS 197.296(2).

The RFP requires Metro to complete specific estimates for buildable lands, reductions for public facilities and services and additions for redevelopment, infill development and upzoning by local governments. Chapter 1, RFP p. 41.

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<sup>3</sup> The analysis in the 2015 Regional Forecast was extended to calculate a population forecast to 2020 to account for the 20 year period 1997-2017.

### *Estimate of Unbuildable Land*

The RFP requires that Metro “estimate the amount of unbuildable land (land over 25 percent slope, etc.).” The 1997 Urban Growth Report estimated unbuildable lands by considering steep slopes and assuming a 200 foot unbuildable area on both sides of streams within the UGB. Since Metro has not yet completed regulations for Fish and Wildlife Habitat areas, the UGR Update assumes that only the area regulated by Title 3 Water Quality and Flood Management regulations and areas with slopes equal to or exceeding 25 percent will be unbuildable.<sup>4</sup> This means that for most streams in the region, the area between 50 and 200 feet from the edge of streams will be assumed to be buildable to some degree. The UGR Update estimated the dwelling unit capacity of these lands to be approximately 3,200 dwelling units based on historical densities.

After reductions for Title 3 regulated areas and steep slopes, the estimate of Gross Buildable Acres (all buildable lands) inside the UGB is 37,600 acres.

### *Reductions for Infrastructure and Facilities*

The RFP requires that the calculation of need make reductions to the buildable land estimate for “streets, parks, etc.” Metro staff identified several categories land that are not available for housing or employment because the land provides for infrastructure, public facilities, religious and social services or is already platted and legally buildable for single family residential use.

### *Exempt Land*

These are lands that are owned by federal, state, county or city governments in their proprietary capacities. The land is assumed to be available for facilities and services essential to those governmental bodies’ respective functions. The estimate for these exempt lands within the UGB is 1,900 acres.

### *Land Already Platted for Single Family Residential Use*

Lands already platted for single family lots are assumed to already be available for residential use and, therefore, are unavailable for other categories of use that may occur on buildable lands generally. These platted lots, approximately 16,300 lots, are considered part of the supply of residential land supply in a subsequent step in the RFP analysis. The estimate for the number of acres of legally buildable single family lots is 2,900 acres.

### *Streets*

The number of acres needed for the provision of future streets is estimated on a sliding scale. No reduction is applied for parcels of land less than 3/8 of an acres in size. A 10 percent reduction is applied for lots between 3/8 and one acre in size. An 18.5 percent

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<sup>4</sup> 1997 Urban Growth Report Update p. 66.

reduction is applied to parcels larger than one acre. The estimate for the amount of land needed to provide for future streets is 5,400 acres.

### *Schools*

The number of acres needed for future schools is estimated by calculating students per acre for each school category - elementary, middle and high schools. Metro gathered information on students per acre through informal surveys of school districts in the Metro area. The estimate for the amount of land needed for future schools is 1,100 acres.

### *Parks*

Land needed to provide for future parks is estimated by determining existing number of park acres within the UGB per 1,000 persons. Metro owned lands outside the UGB purchased with Open Spaces Bond Measure funds anticipated to provide park land amenities to residents inside the UGB. For this reason, the estimate of land needed for future parks inside the UGB is reduced by those acres of open space lands already purchased by Metro and the number of acres anticipated to be purchased outside the UGB in the future. The estimate for the amount of land needed for future parks is 3,700 acres.

### *Churches and Social Organizations*

Like the parks estimate, the amount of land needed for future places of worship and social organizations is calculated by determining the existing number of acres for such uses within the UGB per 1,000 persons. Metro estimates this ratio to be 1.4 acres of church and social organization land per 1,000 persons. Based on this ratio, future need for these lands is about 600 acres. However, Metro staff identified approximately 717 acres of vacant land currently owned by churches and social organizations. This amount of land will satisfy the 600 acre identified need, and because the surplus 100 acres will not necessarily be available for future housing or employment use, the actual amount of land owned by these organizations is considered the amount that will be needed for future use. The estimated amount of land needed for churches and social organizations is 700 acres.

### Calculation of Net Vacant Buildable Acres

The estimate of net vacant buildable acres is calculated by subtracting the RFP variable estimates for unbuildable lands, exempt lands, legally buildable single family lots, streets, schools, parks, churches and social organizations from the estimate of gross vacant buildable acres. After these reductions, there are estimated to be 21,900 net vacant buildable acres within the UGB. This estimate includes vacant land available for all types of urban uses such as, residential, commercial and industrial use.

The RFP variables require further estimates and reductions to determine the estimated number of dwelling units that can occur on vacant residential land. Residential land is a subset of the 21,900 acres of net developable land. It is estimated that approximately

13,200 acres of the 21,900 net developable acres are available for residential use.<sup>5</sup> Based on Standard Regional Zoning Designations for residential and mixed use zones, it is estimated that the 13,200 acres of residentially zoned land within the UGB can accommodate approximately 88,600 dwelling units.

### ***Difference Between Zoning Maximum Densities and Actual Built Densities***

The RFP requires that the estimate of the number of dwelling units that can be accommodated on residentially zoned lands be reduced to account for the “probable difference between zoning maximum densities and actual built densities.” This requirement is addressed by an estimate of the “underbuild rate.”<sup>6</sup> Underbuild represents the number of dwelling units that are not likely to occur on residentially zoned lands because property owners, for a variety of reasons, decide not to develop their property to the maximum allowed under local zoning codes. In 1996, the Metro Council adopted requirements in Title 1 of the UGMFP that local governments to adopt measures to insure residential zones are developed to at least 80 percent of the maximum allowed density. This regional requirement is the basis for the assumption that the underbuild rate will be no more than 20 percent for residential development within the UGB. The estimate of the difference between zoning maximum densities and actual built densities is a reduction of 25,800 dwelling units.

The reduction for underbuild is partially offset by two additional estimates that will add to the number of dwelling units that can be accommodated within the UGB for 20 years. Those estimates are for development in mixed use zones and dwelling units estimated to result from local government upzoning to meet Region 2040 Growth Concept goals. The estimate for the number of dwelling units that may occur as a result of local implementation of mixed use zones is an additional 4,300 dwelling units for the 20 year period.<sup>7</sup>

The estimate for the number of dwelling units that may be added as a result of local implementation of the Region 2040 Growth Concept assumes higher densities along transit corridors, main streets and regional and town centers. The estimate for the number of dwelling units to be added due to 2040 upzoning is 36,200 dwelling units for the 20 year period.

### ***Reductions for Parcels with Full Buildout Obstacles***

The RFP requires estimates of the number of dwelling units that may not occur due to development obstacles including lands with “8-24 percent slopes.” The UGR Update estimated that most of the buildout obstacles in areas of moderate slopes would occur in lands regulated by Metro’s Title 3 water quality and flood management regulations.

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<sup>5</sup> 1997 Urban Growth Report Update, p. 37.

<sup>6</sup> 1997 Urban Growth Report Update, p. 38.

<sup>7</sup> 1997 Urban Growth Report Update, p. 37.

Based on historical levels of development, the 1997 UGR Update estimated that approximately 3,200 dwelling units could be accommodated in Title 3 regulated areas.<sup>8</sup>

As part of its extension order, LCDC required Metro to reassess development capacity in environmentally sensitive areas. Staff analysis examined the lots that were partially and fully regulated by Title 3. Where existing residences were already located in Title 3 areas it was assumed that Title 3 would likely limit full buildout. However, for vacant lots that are located completely inside the Title 3 regulated area it was assumed that at least one single family residence would be allowed consistent with the UGMFP. Approximately 500 lots were identified in these areas yielding an estimate of 500 dwelling units for these lots. Staff also identified approximately 250-300 permits issued on vacant lands in Title 3 regulated areas during 1998 and 1999 that would add to the number of dwelling units allowed in environmentally sensitive areas.<sup>9</sup>

### ***Consideration of Time to Allow Local Jurisdictions to make Zoning Changes***

The RFP requires that Metro consider the “time to allow local jurisdictions to make zoning changes if higher densities are to be allowed and required.” Identified as “ramp up,” this calculation is related to Title 1 UGMFP requirements to achieve 80 percent of zoned densities in existing residential zones within the UGB. This consideration is accomplished by estimating the number of dwelling units per year, over a five year period (1994-1999), that will not be accommodated because local governments region wide have not fully implemented Title 1 of the UGMFP. The number of unrealized dwelling units is estimated for 1999, the final year of ramp up, at 1,300 dwelling units.

### ***Redevelopment and Infill***

The RFP requires “an estimate of the probable amount of additional redevelopment” and “projections of probable infill on built land.” Redevelopment occurs when a structure is demolished and others are constructed in its place. Infill occurs when residential land that already supports dwelling units adds additional dwelling units as permitted in the zone. The UGR Update combines these two estimates into one estimate called “refill.” Lands within the UGB are estimated to refill at an average rate of 28.5 percent over the period to 2017. Applying this rate results in an estimated additional accommodation of 58,500 dwelling units over 20 years.

Infill also includes estimates for accessory dwelling units. The UGR Update estimated approximately 7,500 dwelling units could be accommodated through accessory dwelling units in residential zones. As part of LCDC’s extension order, Metro was required to review this estimate. Metro staff completed this review and determined that 7,500 dwelling units is the best estimate based on available data.<sup>10</sup>

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<sup>8</sup> 1997 Urban Growth Report Update, p. 25.

<sup>9</sup> July 6, 2000 memorandum, “Re: Projected Development Capacity in Title 3 regulated areas.”

<sup>10</sup> March 31, 2000 memorandum, “Re: Accessory Dwelling Units.”



## **Conclusion - Comparing Regional Forecast and Supply of Buildable Lands**

Total supply of residential land to accommodate housing needs within the UGB is calculated by making the additions and reductions for the estimates required in the RFP. This calculation is summarized in the 1997-2017 Land Need Report and in Exhibit B, Table 1.1 of this ordinance. The calculation required by the RFP shows a dwelling unit supply prior to the UGB amendments adopted by the Metro Council in 1998 of approximately 185,100 dwelling units.<sup>11</sup> The UGB amendments adopted in 1998, using the same assumptions to determine net developable land and dwelling unit capacity result in approximately 18,100 additional dwelling units to accommodate housing need to 2017. Additional land to accommodate housing need was added to the UGB by the Metro Council in 1999. There were comprised of portions of former urban reserve areas 41 and 65, and a locational adjustment that in total added an additional estimated 2,100 dwelling units. Adding the capacity of these UGB amendments to the estimate housing supply in 1997 results in a total supply of 205,300 dwelling units to accommodate housing need for the period 1997-2017.

The Regional Forecast discussed above estimates that approximately 205,200 dwelling units will be needed within the Metro UGB to accommodate projected population increases to 2017. Comparing the estimated supply of dwelling units to the Regional Forecast results in a 100 dwelling unit surplus for 2017. This calculation demonstrates that there is no “demonstrated need to accommodate long-range urban population growth requirements” to satisfy Goal 14. The 100 dwelling unit surplus also demonstrates that no further UGB amendments are required to satisfy the requirements of ORS 197.299(2)(b).

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<sup>11</sup> This includes the estimated 16,300 existing legally buildable lots identified in the calculation of net vacant land.



ORDINANCE NO. 00-871  
EXHIBIT B  
AVAILABLE AT FIRST READING

**Exhibit "B" of  
Ordinance No. 00-871**

Amend Chapter 1 of the Regional Framework Plan (Ord. 97-715B), UGB Analysis pg. 41:

The Urban Growth Boundary is one of the primary tools available to the region for managing urban form. In turn, the estimated capacity of the boundary to accommodate growth is of critical importance to managing the UGB. ~~Assessment of the current UGB capacity includes analysis of nine variables.~~ At periodic review or any other legislative review of the urban growth boundary Metro shall calculate, consistent with ORS 197.296 (1999), the supply of buildable lands for housing and employment within the urban growth boundary by determining estimates of at least the following variables:

- ~~a~~ A 20 year forecast of population and jobs for the land inside the existing urban growth boundary consistent with ORS 195.036. ~~next 20 year period~~
- ~~an estimate of~~ The amount of unbuildable land (land over 25 percent slope, etc.); including regulated Water Quality and Flood Management areas, Fish and Wildlife Habitat Conservation areas and lands having slopes equal to or exceeding 25 percent.
- The number of dwelling units that may occur on buildable parcels considering buildout obstacles, including Water Quality and Flood Management Areas, Fish and Wildlife Habitat Conservation areas and land with 8-24 percent slopes.
- ~~reductions to remaining buildable land for streets, parks, etc.~~ The amount of land unavailable for development that is used for streets, schools, parks, churches and social organizations, vacant legally buildable single family lots, and federal, state, county and city owned lands.
- The number of dwelling units that may occur on vacant buildable land inside the existing urban growth boundary based on current residential zoning designations.
- Reductions of the number of dwelling units that may occur due to the probable difference between zoning maximum densities and actual built densities.
- The number of additional dwelling units, if any, that may occur in mixed use zones and other zone changes required in local implementation of the Region 2040 Growth Concept.
- ~~consideration of time to allow local jurisdictions to make zoning changes if higher densities are to be allowed and required~~ If Metro adopts new measures to increase residential densities inside the existing urban growth boundary the number of additional dwelling units resulting from the new measures, and an estimate of the amount of time for local implementation.
- ~~reductions for buildable parcels with full buildout obstacles (e.g., land with 8-24 percent slopes, etc)~~

- ~~an estimate of t~~The number of dwelling units resulting from probable amount of additional redevelopment of land inside the existing urban growth boundary and infill development on built land including accessory dwelling units.
- ~~projections of probable infill on built land~~
- ~~evaluation of the amount of farm tax assessment lands within the current UGB that are likely to be urbanized.~~

The application of these variables shall take into account changes to local government comprehensive plans and implementing ordinances that have been made pursuant to the Region 2040 Growth Concept and the Urban Growth Management Functional Plan. The Urban Growth Management Functional Plan, particularly Title 1 "Requirements for Housing and Employment Accommodation," includes measures which increase the likelihood that residential development will occur at densities sufficient to accommodate housing needs for the period 1997 to 2017.

Metro shall determine the actual density and the actual average mix of housing types of residential development and conduct an analysis of housing need by type and density range consistent with ORS 197.296 (1999). Metro shall conduct an analysis using available data to determine whether local governments are meeting the target capacities set forth in Title 1, Table 1 of the Urban Growth Management Functional Plan.

If Metro determines that the supply of buildable lands is not sufficient to accommodate housing needs for 20 years at the actual developed density since the last periodic review of the urban growth boundary or that the target capacities in Title 1, Table 1 of the Urban Growth Management Functional plan are not being met, Metro shall:

1. Consider additional measures that demonstrably increase the likelihood that residential development will occur at densities sufficient to accommodate housing needs for 20 years or will assist local governments in meeting the target capacities in Title 1, Table 1 of the Urban Growth Management Functional Plan; and
2. Adopt any additional measures the Metro Council determines are appropriate to accommodate housing need for 20 years; and
3. Estimate the probable number of additional dwelling units that may occur resulting from the additional measures the Metro Council adopts, if any.
4. If the Metro Council finds that the adoption of additional measures is not sufficient to fully accommodate housing and employment needs for 10 years, the Council shall amend the urban growth boundary to include sufficient lands to accommodate that need consistent with ORS 197.296 (1999) and applicable statewide land use goals.

In 19972000, as part of completing the review of the regional urban growth boundary required by state law, the Metro Council concluded that lands within the existing urban growth boundary were sufficient to accommodate estimated housing needs to the year capacity for the additional

~~dwelling units needed to accommodate the year 2017; forecasted need was not totally available within the current Urban Growth Boundary.~~ The following tables provides a step-by-step description of that process, assumptions and conclusions about the capacity of the region's Urban Growth Boundary in ~~1997~~2000.

Table 1.1 of the RFP is replaced by Table 1.1 Calculation of Current Urban Growth Boundary Capacity - Housing and Table 1.2 Calculation of Current Urban Growth Boundary Capacity – Employment of this exhibit.

Table 1.2 of the RFP is replaced by Table 1.3 Regional Housing Need by Type and Density Range of this exhibit.

Table 1.1

**Calculation of Current Urban Growth Boundary Capacity - Housing**

		<b>Net Capacity</b>	<b>Dwelling Unit Demand</b>	
<b>Residential Demand Estimates (in Dwelling Units)</b>				
1998-2017 Capture 70% of 4-County Forecast in Metro UGB			205,200	
<b>Land Supply Estimates -- ACRES</b> (Excludes UGB areas added 12/98 by Ordinance)				
All Gross Vacant Buildable Acres in UGB (with Title 3)	ACRES	37,600		
Less: Vacant Federal-, State-, County- and City-owned lands		(1,900)		
Less: Acres of Platted Single Family Lots (16,300 Lots)		(2,900)		
Less: Acres for Streets		(5,400)		
Less: Acres for Schools		(1,100)		
Less: Acres for Parks		(3,700)		
Less: Acres for Churches & Social Organizations		(700)		
Net Vacant Buildable Acres (NVBA) in UGB without Reserves		21,900		
<b>Residential Supply Estimates (in Dwelling Units)</b>				
Dwelling Unit Capacity at Current Local Zoning (13,200 net acres)	UNITS	88,600		
Add: Residential Development in Mixed Use Areas (MUC)		4,300		
Add: Units from 2040 Growth Concept Upzone		36,200		
Less: Units Lost to Underbuild (20%)		(25,800)		
Less: Units from Ramp-Up (1 year)		(1,300)		
Add: Units from Residential Refill (28.5%)		58,500		
Add: Minimal Development Capacity on Title 3 Land		800	(change from 3,200)	
Add: Units from Accessory Dwelling Units		7,500	(verified - no change)	
Add: Number of Dwelling Units from Single Family Platted Lots		16,300		
<hr/>				
	<b>Dwelling Unit Loss/Gain</b>	<b>Supply</b>	<b>Demand</b>	<b>Surplus/ (Deficit)</b>
<b>Dwelling Unit Capacity before 12/98 UGB Amendments:</b>		185,100	205,200	
Add: Dwelling Capacity gained with 12/98 UGB Amendments		18,100		
<b>Dwelling Capacity with 12/98 UGB Amendments:</b>		<u>203,200</u>		<u>(2,000)</u>
<b>UGB Adjustments to 2000 UGR Update:</b>				
<b>Dwelling Capacity with 12/99 UGB Amendments</b>				
Add: Dammasch Master Plan (part of UR 41)	1,300			
Add: SW Wilsonville (UR 39, school site)	0			
Add: Bethany (part of UR 65)	700			
Add: Jenkins - Kim	100			
		2,100		
		<u>205,300</u>	<u>205,200</u>	
<b>Surplus Dwelling Need:</b>				<b>100</b>

Table 1.2

**Calculation of Current Urban Growth Boundary Capacity - Employment****DEMAND****Non-Residential (Employment/Jobs) Demand Estimates (in net acres):****8,364**

1998-2017 Captured (82 %) Metro Urban Growth Boundary Demand

Forecasted Employment Demand (1998-2017) = 340,600 jobs based on historical development trends.

(Jobs measurement includes full &amp; part time wage &amp; salary positions and self-employed workers.)

Source: land need determined by Zonal Employment Land Demand Analysis Model - ZELDA)

Metro, Data Resource Center (DRC)

<b>DEMAND (net acres)</b>	<u>Clack.</u>	<u>Mult.</u>	<u>Wash.</u>	<u>Total</u>
<b>Industrial</b>	996	1,605	1,486	4,088
<b>Commercial (non-Industrial)</b>	1,085	1,587	1,605	4,276
<b>Total</b>	<b>2,081</b>	<b>3,192</b>	<b>3,091</b>	<b>8,364</b>

**SUPPLY - Long Run Inventory Capacity Estimate****Non-Residential Land Supply Estimates (in net acres):**

source: 1998 Vacant Land Study, Metro DRC

	<u>Clack.</u>	<u>Mult.</u>	<u>Wash.</u>	<u>Total</u>
Commercial - Central City	13	62	61	136
Commercial - General	138	164	331	633
Commercial - Neighborhood	4	41	32	77
Commercial - Office	79	35	220	334
Industrial - Heavy	129	2,524	740	3,393
Industrial - Light	239	715	1,884	2,838
Industrial / Commercial Mix	372	389	69	830
Town Center Mixed Use	1	143	75	219
Regional Center Mixed Use	3	36	193	232
Central City Mixed Use	0	0	0	0

<b>SUPPLY (net acres)</b>	<u>Clack.</u>	<u>Mult.</u>	<u>Wash.</u>	<u>Total</u>
<b>Industrial</b>	740	3,628	2,693	7,061
<b>Commercial</b>	234	302	644	1,180
<b>Mixed Use</b>	4	179	268	450
<b>Total</b>	<b>978</b>	<b>4,109</b>	<b>3,605</b>	<b>8,691</b>

Net Vacant Buildable Employment Land (before UGB Amendments):

8,691

less: Residential Development/Utilization in Mixed Use Areas

(202)

(source: ZELDA analysis to avoid mixed use "double-counting")

**Capacity without 12/98 UGB Amendments:**

8,489

add: Employment land from UGB amendments (Productivity Analysis)

145

**Non-Residential Land Supply Estimates (in net acres):****8,634**

Industrial	7,063 net acres
Commercial (non-Industrial)	1,571 net acres

**8,634**

Less: Projected Land Demand Estimate to Year 2017

**8,364****Composite Employment Land Need: Surplus Capacity (net acres):****271**

less: Placeholder - Title 3 and 200 foot buffer (in net acres)

(964)

**Employment Land Need: Deficit Capacity (net acres):****(694)**

Page 5 - Exhibit "B" of

Ord. No. 00-871

Exhibit "B" of Ordinance No. 00-871

Table 1.3  
Regional Housing Need by Type and Density Range

		(Original 1997 UGR)	(REVISED 1999 UGR Update)	Detached Housing		Attached Housing			
Monthly Rental Cost	Approximate Equivalent Ownership Price	Number of New Housing Units Needed (1994-2017)	Number of New Housing Units Needed (1998-2017)	Detached Single Family & Manufactured Homes on Individual Lots	Detached Small Lot Single Family & Mobile and Manufactured Housing in Parks	Attached Single Family & Rowhouses	Multi- Family Low Rise	Multi- Family Mid Rise	Multi- Family High Rise
\$ 0 – 299	\$ under 50,000	2,381	1,956	N/A	N/A	N/A	A,R	A,R	A,R
300 – 399	50,000 – 59,999	10,340	8,494	N/A	N/A	N/A	A,R	A,R	A,R
400 – 499	60,000 – 74,999	25,859	21,242	N/A	N/A	A,R	A,R	A,R	A,R
500 – 599	75,000 – 89,999	32,993	27,102	O	O	A,R	A,O,R	A,O,R	A,O,R
600 – 749	90,000 – 114,999	38,823	31,891	O	O	O,R	O,R	O,R	O,R
750 – 999	115,000 – 149,999	51,823	42,570	O	O	O,R	O,R	O,R	O,R
1,000 – 1,165	150,000 – 174,999	39,082	32,104	O	O	O,R	O,R	O,R	O,R
1,166 – 1,330	175,000 – 199,999	12,693	10,427	O	O	O,R	O,R	O,R	O,R
over 1,330	over 200,000	35,806	29,413	O	O	O,R	O,R	O,R	O,R
<b>Total Units:</b>		<b>249,800</b>	<b>205,200</b>						

"O" means that the new housing is expected to be primarily owner occupied;

"R" means that the housing is expected to be primarily renter occupied;

"A" means assisted housing.

Source: Housing Needs Analysis – Final Draft, December 18, 1997, p. 80



ORDINANCE NO. 00-871  
EXHIBIT C  
AVAILABLE AT FIRST READING

**Exhibit "C" of  
Ordinance No. 00-871**

Amends Metro Code 3.01.020(b)(1):

- (A) The district shall develop 20-year Regional Forecasts of Population and Employment, which shall include a forecast of net developable land need, providing for ~~review and comment by~~ coordination with cities, counties, special districts and other interested parties. After deliberation upon all relevant facts the district shall adopt a forecast. This forecast shall be completed at least every five years or at the time of periodic review, whichever is sooner. Concurrent with the adoption of the district's ~~growth forecast~~ 20 – year Regional Forecast, the district shall complete an inventory of net developable land calculating the supply of buildable land within the urban growth boundary by applying the variables set forth in Chapter 1 of the Regional Framework Plan. – The district shall provide ~~ing~~ the opportunity for review and comment by all cities and counties in the district.
- (i) In calculating the supply of buildable lands in the urban growth boundary, the district shall estimate the effect, based on the best information available, of changes to zoned capacity that have been adopted and implemented by local governments to comply with the Region 2040 Growth Concept and all titles the Urban Growth Management Functional Plan.
- (ii) The district shall estimate the number of gross vacant buildable acres within the urban growth boundary.
- (iii) The district shall estimate the number of net vacant buildable acres within the urban growth boundary from the gross vacant buildable acres. The number of acres estimated to be unavailable for housing development shall be subtracted to estimate the net acres, including, but not limited to:
- (I) Lands in environmentally sensitive areas and lands with slopes equal to or exceeding 25 percent.
- (II) Lands for streets, schools, parks, churches and social organizations.
- (III) Vacant legally buildable lots zoned for single family residential use.
- (iv) The district shall estimate the number of net vacant buildable acres that are available for residential use based on current local government zoning designations. The district shall also estimate the number of dwelling units that these residentially zoned lands can accommodate under existing zoning designations.
- (v) The district shall reduce the estimated number of dwelling units that can be accommodated on vacant residential lands to account for the following:

- (I) The number of dwelling units estimated to be lost when property owners do not develop to maximum residential densities; and
  - (II) If Metro adopts additional measures to increase residential densities inside the existing urban growth boundary, the number of additional dwelling units estimated to be accommodated as the result of the new measures.
- (vi) The district shall increase the estimated number of dwelling units that may be accommodated on vacant residential lands due to changes in zoning or development patterns, including but not limited to, the following:
  - (I) Local adoption of mixed use zoning designations;
  - (II) Local adoption of increased residential densities to meet Region 2040 Growth Concept and Title 1 of the Urban Growth Management Functional Plan;
  - (III) The estimated number of dwelling units that may be accommodated as a result of redevelopment and infill development and accessory dwelling units;
  - (IV) The estimated number of dwelling units allowed on legally buildable lots in environmentally constrained areas;
  - (V) Development on vacant and legally buildable lots zoned for single family at a rate of one dwelling unit per lot.
- (B) The forecast and inventory, along with all other appropriate data shall be considered by the district in determining the need for urban net developable land. Appropriate data includes, but is not limited to, estimates of the actual density and the actual average mix of housing types of residential development that have occurred within the urban growth boundary since the last periodic review of the urban growth boundary or last five years, whichever is greater. The results of the inventory and forecast shall be compared, and if the net developable land equals or is larger than the need forecast, then the district council shall hold a public hearing, providing the opportunity for comment. The council may conclude that there is no need to move the UGB and set the date of the next five-year review or may direct staff to address any issues or facts which are raised at the public hearing.
- (C) If the inventory of net developable land is ~~less than the need forecast~~, insufficient to accommodate the housing need identified in the 20-year Regional Forecast at the actual developed density that has occurred since the last periodic review of the urban growth boundary, the district shall:

- (i) Conduct a further analysis of the inventory of net developable land to determine whether the identified need can reasonably be met within the urban growth boundary including a consideration of whether any significant surplus of developable land in one or more land use categories could be suitable to address the unmet forecasted need;
- (ii) Estimate city and county progress toward meeting the target capacities for dwelling units and employment set forth in Title 1 of the Urban Growth Management Functional Plan (Metro Code, Table 3.07-1);
- (iii) Consider amendments to the Urban Growth Management Functional Plan that would increase the number of dwelling units that can be accommodated on residential land within the urban growth boundary;
- (iv) Adopt amendments to the Urban Growth Management Functional Plan that the Metro Council determines are appropriate;
- (v) Estimate whether the increased number of dwelling units accommodated within the urban growth boundary due to amendments to the Urban Growth Management Functional Plan will provide a sufficient number of dwelling units to satisfy the forecasted need.
- (vi) The Metro Council shall hold a public hearing prior to its determination of whether any estimated deficit of net developable land is sufficient to justify and analysis of the locations for a legislative amendment of the UGB.

Amend definition of net developable lands:

- (o) “Net developable vacant land” means the ~~amount of land remaining when gross developable vacant land is reduced by the amount of the estimated land needed for the provision of additional roads, schools, parks, private utilities and other public facilities~~ number of acres that are available for all types of development after the total number of developable acres within the UGB is reduced by the amount of land for the provision of roads, schools, parks, private utilities, churches, social organizations, legally buildable single family lots, and other public facilities.

THE 1997-2017 LAND NEED REPORT IS AVAILABLE AT THE  
METRO WEBSITE [www.metro-region.org](http://www.metro-region.org)  
LIMITED COPIES WILL BE AVAILABLE AT COUNCIL  
PUBLIC HEARING ON 9/14/00 and 9/21/00

# **1997-2017 Land Need**

July 2000

# Metro Report



**METRO**

## STAFF REPORT

### ORDINANCE NO. 00-871, FOR THE PURPOSE OF COMPLETING COUNCIL CONSIDERATION OF URBAN GROWTH BOUNDARY AMENDMENTS REQUIRED BY ORS 197.299, COMPLETING PERIODIC REVIEW WORK TASK 1 AND ADOPTING AMENDMENTS TO THE REGIONAL FRAMEWORK PLAN AND SECTION 3.10 OF THE METRO CODE

Date: September 14, 2000

Presented by: Andy Cotugno  
Mark Turpel  
Mary Weber

#### Purpose

This ordinance is intended to complete a periodic review of the region's urban growth boundary for the period 1997-2017 as required by State law. The ordinance does so through consideration of the 1997-2017 Land Need Report (this can be found on Metro's web page see: [http://www.Metro.dst.or.us/growth/1997\\_2017\\_Land\\_Need.pdf](http://www.Metro.dst.or.us/growth/1997_2017_Land_Need.pdf)), which compares the capacity to accommodate growth with the expected forecast growth during this twenty year time period. Amendments to the Regional Framework Plan and section 3.10 of the Metro Code (this pertains to Metro urban growth boundary procedures) reflecting this latest information are also included in order to ensure that Metro policies are consistent with this information.

#### Background

State law (ORS 197.296) requires Metro to periodically update the region's Urban Growth Boundary (UGB). This task includes the comparison of an inventory of buildable lands for housing within the UGB with a 20-year forecast of housing need. It also requires that within this overall supply there be an adequate supply of single family and multi-family housing land. Completion of this work determines if there is sufficient buildable land within the UGB to accommodate the 20-year housing need by type (single family/multi-family) and density range.

#### Factual Analysis

The detailed analysis for this ordinance is documented in the 1997-2017 Land Need Report. This document provides the assumptions and computations for the requirements established by the State Legislature, through ORS 197.299, that require Metro to complete various analyses and meet several deadlines. The first deadline was that no later than January 1, 1998, Metro was to complete an initial inventory, determination and analyses of the housing need for expansion of the UGB. This was completed by Metro in December 1997, with the adoption of the 1997 Urban Growth Report. This report estimated that there was a housing capacity deficit of 32,370 dwelling units that could not otherwise be accommodated within the existing UGB. This analysis was based on the assumption that riparian corridors would eventually regulate a 200 feet wide area.

The second State requirement was that within one year of completing the analysis (by December 1998), Metro was to accommodate at least one-half of any identified deficit in order to ensure a 20-year buildable land supply. Metro added 3,547 acres (17,900 dwelling unit capacity) to the UGB in December 1998. This addressed 55 percent of the potential 32,370 dwelling unit need.

The third State requirement was that Metro was to take final action to accommodate the 20 year need by December 1999. The State Department of Land Conservation and Development also notified Metro that it could only base capacity on adopted regulations. This meant that the 200-foot assumption for riparian areas used in the 1997 Urban Growth Report would have to be modified to reflect only adopted Metro regulations. The significant result was that the adopted water quality and storm water protection requirements along rivers, streams, lakes and wetlands in the region could be addressed, but not – future potentially more restrictive requirements of Goal 5 fish and wildlife habitat could not be accounted for at this time..

In response to these requirements, Metro worked through September 1999 to publish the Urban Growth Report 1999 Update containing new data reflecting the period 1994 to 1998. This report included calculation of the housing capacity of buildable lands inside the UGB based only on the adopted water quality portion of Metro Title 3. This report estimated that when the forecast 20-year need was compared with the capacity (including 1998 UGB expansions) it resulted in a 200 dwelling unit surplus. Alternatively, it found that if a 200-foot assumption was made about limiting growth in riparian corridors, a deficit of as much as 15,000 dwelling units could exist. After the analysis was reviewed by the Metro Council, the Council called for further examination of the development capacity of environmentally sensitive land (Title 3 areas) and accessory dwelling units (Resolution No. 99-2855C). It also directed that the Regional Goal 5 Program proceed, a time extension be sought and that local government implementation of Title 1, Table 1 of the Urban Growth Management Functional Plan be analyzed for consistency with urban growth report estimates.

Metro then requested a time extension. The State Land Conservation and Development Commission authorized a time extension for good cause and did so for a new deadline of October 31, 2000.

The 1997-2017 Land Need report is the documentation for the final action by the Metro Council to conclude task 1 of its periodic review of the region's urban growth boundary. Key conclusions are:

- The potential need for as much as 15,000 dwelling units to address lost capacity as a result of a future regional Goal 5 program will be deferred to later UGB decisions.
- The development capacity estimate of accessory dwelling units of 7,500 units (remaining unchanged).
- The development capacity on Title 3 lands is decreased to 800 units (a reduction of 2,400 units).

- UGB amendments in late 1999 and 2000 added 2,300 units. [This includes the legislative amendments in 1999 (2000 dwelling units) and the one quasi-judicial amendment made in 2000 (100 dwelling units) for a total of 2,100 dwelling units. In addition, an adjustment of 200 dwelling units to the 1998 amendments was made to reflect Title 3 regulations only.]
- As a result of these changes, overall the estimated housing capacity changed from a 200-unit surplus to a 100-unit surplus.
- A reconciliation of this capacity with the Title 1, Table 1 implementation analysis, found that the 2000 Update is within the range reported by local governments as a result of their actions to change zoning to meet the Title 1, Table 1 targets.

It must be noted, however, that these estimates do not reflect the impact of future regulations or additional analyses in our periodic review work plan. That is, the future UGB is tied to completion of the regional Goal 5 program, the subregional need analysis part of Task 2 of the work plan and the 2022 forecast and UGB review part of Task 3 of the work plan.

Also accompanying the ordinance are proposed changes to the Regional Framework Plan and section 3.10 of the Metro Code. These changes are proposed in order to ensure consistency between these documents and the analysis contained within the 1997-2017 Land Need Report, if accepted by the Metro Council.

#### Budget Implication

There are no direct budget implications to adoption of this ordinance.



**Actual Density and Mix of Housing (1992-1998).**

Issue: Conduct an analysis of actual density and mix of housing in accordance with ORS 197.296.3(b) and statewide planning goals to determine compliance with state laws.

Summary Findings: State law requires the responsible government body to maintain a 20 year supply of residential land inside its UGB to accommodate future need. If aggregate capacity falls short of expected total need, the local government may (1) expand its UGB to satisfactorily accommodate its forecasted 20 year need (2) amend its local zoning ordinances and/or functional plan to increase densities and residential capacity to accommodate expected future growth in its current UGB (3) or a combination of (1) and (2). In addition, the referenced statute also requires local jurisdiction with authority to amend its UGB to consider the actual mix of housing units (i.e., single family, manufactured homes and multi-family units) that have occurred in recent years.

The following table, figure 4.1, demonstrates three items: (1) the actual mix of housing types by single family, manufactured, and multi-family residential units. (2) actual densities per gross acres (3) and the actual densities per net acre. The difference between gross and net is the deduction of the following gross to net factors to achieve a net acre estimate: exempt land, schools, parks, churches, and streets. The amount or rate of deduction assumed in the gross-to net calculation is documented in the 1999 Urban Growth Report Update, September 1999.

Recommendations: None. This material is included to comply with requisite State law concerning actual development densities.

Figure 4.1  
Actual Density and Mix of Housing Units inside UGB  
1992-1998

Mix of Housing Types				
Year 1/	Single-family Units 2/	Manufactured Homes	Multi-family Units	Total Units
1992	4,421	128	2,153	6,702
1993	4,361	413	1,415	6,189
1994	5,042	396	2,672	8,110
1995	5,687	589	5,200	11,476
1996	5,388	363	4,085	9,836
1997	5,455	167	4,564	10,186
1998	5,844	251	4,491	10,586
<b>TOTAL</b>	<b>36,198</b>	<b>2,307</b>	<b>24,580</b>	<b>63,085</b>
<b>Housing Mix Percent of Total</b>	57.4%	3.7%	39.0%	100%

Actual Density per Gross Acre 3/			
	Single family 5/	Multi-family	Total Residential Land Developed
Gross Residential Land Developed (1992-98) in gross acres 4/	10,827	1,827	12,654
Average Gross Density by Housing Types (units/acre)	3.3	13.5	
Average Gross Density of <u>All</u> Housing Types (units/acre)			5.0

Actual Density per Net Buildable Acre			
	Single family 5/	Multi-family	Total Residential Land Developed
Net Residential Land Developed (1992-98) in net buildable acres	5,893	1,067	6,960
Average Net Density by Housing Types (units/acre)	6.1	23.0	
Average Net Density of <u>All</u> Housing Types (units/acre)			9.1

sources: RLIS database, 1992-98; RLIS Buildable Lands Report, 1992-98; 1999 Urban Growth Report Update, Sep. 1999  
reference: HousingNeed.xls

1/ Calendar Year basis

2/ Single family definition includes detached and attached (rowhouses, townhomes, etc.) single family units - also manufactured and mobile homes.

3/ Gross Acres includes environmentally constrained land (i.e. Title 3). Does not deduct for streets, parks, schools, churches, and public facilities.

4/ Amount of developed land is calculated as a residual of vacant land. The change in measured vacant land in 1992 less 1998 is the assumed amount of vacant land consumed (or developed). This number is adjusted to match changes in land accounting between 1996-97 in which the parks inventory was updated, Portland tax lots were re-mapped, additional water miles were identified through the Title 3 process, improved aerial photos identified more vacant land.

5/ Includes land used for both attached and detached single-family units, and manufactured homes.

6/ Net buildable acres removes environmentally constrained land (i.e. Title 3) and reduces gross acres by an amount for streets, parks, schools, churches, and other public facilities (per 1999 UGR Update, Sep. 1999, p.6)

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**Ordinance No. 00-871**, For the Purpose of Completing Council Consideration of Urban Growth Boundary Amendments Required by ORS 197.299, Completing Periodic Review Work Task 1 and Adopting Amendments to the Regional Framework Plan and Section 3.01 of the Metro Code. *(final action projected for October 26, 2000, record closes September 29, 2000 at 5:00pm)*

***Second Reading***

Metro Council Meeting  
Thursday, September 21, 2000  
Metro Council Chamber

**Resolution No. 00-2989**, For the Purpose of Affirming the Imposition of a Monetary Washington Fine on Willamette Resources, Inc. for a Violation of its Metro Solid Waste Facility Franchise.

Metro Council Meeting  
Thursday, September 21, 2000  
Metro Council Chamber

BEFORE THE METRO COUNCIL

RESOLUTION NO. 00-2989	)	RESOLUTION NO. 00-2989
FOR THE PURPOSE OF AFFIRMING THE	)	
IMPOSITION OF A MONETARY FINE ON	)	
WILLAMETTE RESOURCES, INC. FOR A	)	Introduced by Mike Burton,
VIOLATION OF ITS METRO SOLID WASTE	)	Executive Officer
FACILITY FRANCHISE	)	

WHEREAS, the Executive Officer issued Solid Waste Facility Franchise No. F-005-98 to Willamette Resources, Inc. (WRI) in December of 1998; and

WHEREAS, Section 4.2 of that franchise prohibits the franchisee from disposing of more than 50,000 tons of putrescible waste and processing residual within each calendar year; and

WHEREAS, WRI knowingly and intentionally disposed of more than 50,000 tons of putrescible waste and processing residual during calendar year 1999; and

WHEREAS, Code Section 5.01.200 provides for the imposition of monetary fines for violations of the terms of Metro-issued franchises; and

WHEREAS, a fine of \$2,219 has been imposed by the Regional Environmental Management Department on WRI for the violation of its tonnage cap; and

WHEREAS, such fine has been upheld by the Regional Hearings Officer upon a contested case hearing; now therefore,

THE METRO COUNCIL RESOLVES AS FOLLOWS:

The Regional Hearings Officer's proposed order No. 00-0553 upholding the imposition upon WRI of a \$2,219 penalty for violation of the 50,000 ton annual disposal cap stipulated in Section 4.3 of its Metro Solid Waste Facility Franchise is affirmed.

ADOPTED by the Metro Council this \_\_\_\_ day of \_\_\_\_\_, 2000.

\_\_\_\_\_  
David Bragdon, Presiding Officer

ATTEST:

Approved as to Form:

\_\_\_\_\_  
Recording Secretary

\_\_\_\_\_  
Daniel B. Cooper, General Counsel

BEFORE THE HEARINGS OFFICER OF METROPOLITAN SERVICE DISTRICT  
RE: CONTESTED CASE-SOLID WASTE FACILITY FRANCHISE

In The Matter of Citation No. M 1008	)	PROPOSED ORDER
Issued to	)	
WILLAMETTE RESOURCES, INC.	)	MSD # 00-0553
Respondent	)	

**PROCEDURAL POSTURE-BACKGROUND**

On or about April 21, 2000, a Notice of Violation and Notice of Imposition of Civil Penalty, was mailed to Willamette Resources, Inc. (hereinafter WRI) by METRO Executive Officer Mike Burton. Pursuant to METRO Ordinance 2.03.040.

On April 28, 2000, pursuant to METRO Ordinance 5.01.180 and 5.01.200(c), Citation M1008 was issued by METRO alleging WRI, as Respondent, had violated METRO Ordinance, Chapter 5, Section 4.2 of the Solid Waste Facility Franchise by exceeding the 50,000 ton limitation by 2, 219 tons from December 13, 200 through December 31, 2000. Attached and

1 included with the Citation sent to Respondent was a "Findings of Fact" pursuant to METRO  
2 Ordinances 2.03.080 and 5.01.180.

3 On May 1, 2000 a "Contested Case Notice" was mailed first class mail, return receipt  
4 requested, to respondent pursuant to METRO Ordinance 2.03.080.

5 All of these mailings were sent to Merle Irvine, District Manager, Metro Division,  
6 WRI, 10295 S.W. Ridder Road, Wilsonville, Oregon, 97070. None of these mailings were  
7 returned.

8 On May 4, 2000, Respondent requested a Contested Case Hearing pursuant to METRO  
9 Ordinances and Oregon Statute.

10 On May 11, 2000, METRO, through Roy Brewer, Administrator of Regulatory Affairs,  
11 sent to Mr. Irvine confirmation that a Contested Case Hearing had been set for July 13, 2000,  
12 at 9:30 a.m. to be held at METRO offices located at 600 N.E. Grand Avenue, Portland, Oregon  
13 97232. The Notice was sent to WRI at the same address as stated above, and not returned.

14 On June 7, 2000, WRI, through Mr. Merle Irvine, General Manager, mailed to METRO  
15 a letter with enclosures. In the letter, Mr. Irvine waived a public Hearing in this matter, and  
16 requested that the Hearings Officer proceed based on the materials submitted by METRO and  
17 WRI. WRI waived notification of rights pursuant to METRO Ordinance 2.05.007. METRO  
18 Stipulated to this procedure, and also waived public hearing in this matter. WRI also submitted  
19 payment in the amount of \$2,219.

#### 20 **EVIDENTIARY RULINGS AND DESIGNATION OF RECORD**

21 Based on the stipulation of the parties, the following exhibits are accepted and made a  
22 part of the evidentiary record.

23 1. Letter of April 21, 2000: Finding of Violation and Notice of Imposition of  
24 Penalty (submitted by METRO).

25 /////



- 1           2.       Citation M1008, with attached Findings of Fact, dated April 28, 2000
- 2 (submitted by METRO).
- 3           3.       Contested Case Notice, with Certificate of Mailing, dated May 1, 2000
- 4 (submitted by METRO).
- 5           4.       Letter from Respondent dated May 4, 2000: Request for Contested Case
- 6 Hearing (submitted by WRI).
- 7           5.       Letter of May 11, 2000 from METRO; Contested Case Response (submitted by
- 8 METRO).
- 9           6.       Letter of June 7, 2000 from Respondent to METRO (submitted by WRI).
- 10          7.       Letter of June 7, 2000 from Respondent to Hearings Officer RE: Statement of
- 11 Mitigation (submitted by WRI).
- 12          8.       SOLID WASTE FACILITY FRANCHISE AGREEMENT (submitted by
- 13 METRO).
- 14          9.       Executive Summary, Ordinance No. 00-865 (submitted by WRI).
- 15          10.      Report on the Subcommittee Recommendations for Regional Policy Toward
- 16 Transfer Stations (submitted by WRI).
- 17          11.      Letter of June 22, 2000 from METRO in response to Respondents Statement of
- 18 Mitigation (submitted by METRO).
- 19          12.      Letter from Hearings Officer to Metro and WRI asking for additional
- 20 information.
- 21          13.      Letter from METRO dated August 4, 2000, in response to Hearings Officers
- 22 Inquiries (submitted by METRO).
- 23          14.      Letter from Respondent dated August 4, 2000, in response to Hearings Officers
- 24 Inquiries (submitted by WRI).
- 25        /////

## LEGAL ISSUES

1. Did Respondent Willamette Resources, Inc., violate section 4.2 of its Solid Waste Facility Franchise Agreement with METRO by accepting in excess of 50,000 tons of solid waste during the 1999 calendar year.
2. If there is a violation of said agreement, what is the legal penalty that may be imposed.

## APPLICABLE LAW

1. METRO Ordinance 5.01.030(b) states that:  
Except as otherwise provided in this chapter, or in Metro Code chapter 5.05 it shall be unlawful...

(b) For a recipient of a ...Franchise to receive, process or dispose of any Solid Waste not authorized under the recipient's...Franchise.

2. METRO Ordinance 5.01.180 allows the Executive Officer of METRO to investigate alleged violations of Franchise agreements, to make findings of fact regarding said violations and to impose appropriate remedies or sanctions pursuant to METRO Ordinance 5.01.200.

3. METRO Ordinance chapter 5.01.200(a) States:  
Each violation of this chapter shall be punishable by a fine of not more than \$500 Each day a violation continues constitutes a separate violation.

## FINDINGS OF FACT

1. On December 31, 1998, Metro issued a Solid Waste Facility Franchise to WRI.
2. Section 4.2 of the Franchise Agreement limits WRI to disposal of 50,000 tons of solid waste within each calendar year.
3. An investigation of WRI was conducted by reviewing the records of the operations of WRI for the year 1999.

1           4.       During 1999 and early in 2000, as required under the terms of its franchise, WRI  
2 reported to Metro on the amount of tonnage that it received during the year 1999.

3           5.       From January 1, 1999 through December 12, 1999, WRI received a total of  
4 50,000 tons of solid waste at its facility.

5           6.       By December 12, the facility had reached its tonnage limitation.

6           7.       Nevertheless, on December 13 and each day thereafter until the end of the year,  
7 WRI continued to accept solid waste at its facility in excess of its tonnage limitation and in  
8 violation of its franchise.

9           8.       In total, by December 31, 2000, WRI reported to Metro that it exceeded the  
10 50,000 tonnage limit total by 2,219 tons.

11          9.       Because of the nature of the violation, WRI is unable to cure the violation.

12          10.      By letter dated April 21, 2000, Willamette Resources was notified of my findings  
13 and was further notified that penalties would be imposed pursuant to Metro Code Section  
14 5.01.200.

15          11.      The General Manager of Willamette Resources Inc. was aware that its facility was  
16 reaching its permitted limit prior to December 12<sup>th</sup>, 1999. The management made a conscious  
17 decision to continue to take solid waste at its facility, knowing it would be exceeding its  
18 permitted limit.

19          12.      WRI management based its decision to continue to receive solid waste at its  
20 facility on the following reasoning:

- 21               a.     If WRI refused to accept waste material from haulers, the waste would be  
22                       redirected to Metro South Transfer Station, according to WRI this would  
23                       increase costs for the citizens served by the haulers.
- 24               b.     WRI stated it depended on dry waste from commercial and industrial  
25                       customers to maintain the required retrieval rate and to meet market

requirements for materials retrieved from the dry waste. It also relied on the revenue received from the Metro System User Fee Credit Program.

c. WRI stated that it didn't want to close down the plant for the last eighteen days of December due to its concern that it would be a financial hardship to its employees, and they may lose its skilled work force.

d. WRI believed there was a likelihood that the 50,000 ton limitation would be removed from future Franchise Agreement, and felt it was possible that the change would occur prior to its reaching the 50,000 ton limit for 1999.

13. WRI has no history of violations, although this violation of its Franchise Agreement was intentional.

#### **ULTIMATE FINDINGS OF FACT REASONING AND CONCLUSIONS OF LAW**

1. On December 31, 1998, Metro issued a Solid Waste Facility Franchise to WRI.

2. Section 4.2 of the Franchise Agreement limits WRI to disposal of 50,000 tons of solid waste within each calendar year.

3. An investigation of WRI was conducted by reviewing the records of the operations of WRI for the year 1999.

4. During 1999 and early in 2000, as required under the terms of its franchise, WRI reported to Metro on the amount of tonnage that it received during the year 1999.

5. From January 1, 1999 through December 12, 1999, WRI received a total of 50,000 tons of solid waste at its facility.

6. By December 12, the facility had reached its tonnage limitation.

7. From December 13, 1999 until December 31, 1999, Respondent Willamette Resources, Inc., was in violation of its Franchise agreement, and thus in violation of METRO Ordinance 5.01.030(b) in that it accepted solid waste at its transfer station on a daily basis in excess of its annual allowed tonnage.

8. The acceptance of solid waste by Willamette Resources Inc. was a continuing violation of METRO Ordinance 5.01.030. Each Day, from December 13 to December 31, inclusive is a separate and distinct violation. Each violation is subject to a maximum fine of \$500.

## DISCUSSION

There is no dispute that WRI was in violation of its franchise agreement with METRO and that this violation continued for nineteen (19) days. The only real dispute between Willamette Resources Inc., and METRO is the appropriate sanction, if any, that should be imposed. WRI argues that although it intentionally and knowingly violated its franchise agreement it should receive only a de minimus civil penalty because there was no harm in its violation. METRO argues that a \$1.00 per ton penalty is a proportionate penalty for the violation.

Although not made a specific finding of fact, there is in evidence stated reasons for METRO's decision to limit local transfer stations to 50,000 tons (see exhibit 12). Although the reasoning may have changed during the discussions about amendments to the ordinance in winter of 1999 and spring of 2000, that the reasons stated in exhibit 12 are rational.

Willamette Resources, Inc. argues that only the public and its employees benefited by the violation. However, It is also clear, using common sense and logic, that Willamette Resources, Inc. must have earned a profit by accepting the extra 2,219 tons of solid waste. Therefore, there was an economic benefit to Willamette Resources Inc., as well as the other benefits admitted to by Willamette Resources Inc.

No one should complain when a company earns a profit. But where public franchises are awarded a semblance of fairness and balance in competition must be maintained for the public good. And regional concerns, which may be of little or no concern to a single franchisee must be weighed. Because of these issues, a single franchisee cannot be allowed to unilaterally

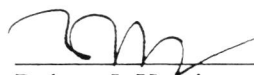
1 decide which of its contractual obligations it will honor. Importantly, Willamette resources had  
2 a remedy available if it believed it needed to take the extra solid waste, yet it chose to not  
3 utilize that process. Instead it simply decided to violate its franchise agreement.

4 Some civil penalty is appropriate for Willamette Resources Inc's intentional violation  
5 of its franchise contractual obligation. Based on WRI's fees for disposal of putrescible and  
6 non-putrescible solid waste, and taking into account the average profit margin a for profit  
7 business typically earns, a civil penalty of \$1.00 per ton for the excess solid waste accepted is  
8 not unreasonable.

### 9 ORDER

10 Based upon the above findings of fact, ultimate findings of fact, reasoning and  
11 conclusions of law, Willamette Resources, Inc. is found to be in violation of METRO  
12 Ordinance 5.01.030(b) from December 13, 1999, until December 31, 1999, each day being a  
13 separate and distinct violation, (19 separate violations) and is hereby required to pay Metro the  
14 following amount: *Two Thousand Two Hundred and Nineteen Dollars and no cents*  
15 (\$2,219.00)

16 As Willamette Resources Inc. has posted the full amount of the Civil Penalty, Said  
17 amount shall be applied as Satisfaction.

18  
19 

20 Robert J. Harris  
Hearing Officer

21 Dated: August 8, 2000.  
22  
23  
24  
25

**EXECUTIVE SUMMARY**  
**RESOLUTION 00-2989**  
**AFFIRMING THE IMPOSITION OF A MONETARY FINE ON WRI FOR**  
**A VIOLATION OF ITS SOLID WASTE FRANCHISE**

**PROPOSED ACTION**

- Approves the imposition of a \$2,219 fine imposed by REM and upheld by the Regional Hearings Officer following a contested case hearing.

**WHY NECESSARY**

- Metro Code Section 2.05.035 requires that, following a contested case hearing, the Hearings Officer's proposed order, including Findings of Fact and Conclusions of Law be submitted to the Council for final approval.
- WRI did not file an exception to the Hearings Officer's proposed order. However, the Council must approve the proposed order to bring closure to this enforcement action.

**DESCRIPTION**

- WRI was fined \$2,219 by the REM Department for knowingly and intentionally violating its Solid Waste Facility Franchise by disposing of more than 50,000 tons of solid waste during calendar year 1999. Following a contested case hearing, the Hearings Officer found in favor of Metro. Resolution 00-xxxx affirms the Hearings Officer's decision.

**ISSUES/CONCERNS**

- None

**BUDGET/FINANCIAL IMPACTS**

- An increase in revenue in the amount of the \$2,219 fine.

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## STAFF REPORT

### IN CONSIDERATION OF RESOLUTION NO. 00-2989, FOR THE PURPOSE OF APPROVING THE IMPOSITION OF A MONETARY FINE ON WILLAMETTE RESOURCES, INC. FOR A VIOLATION OF ITS METRO SOLID WASTE FACILITY FRANCHISE

September 21, 2000

Presented by: Terry Petersen,  
Leann Linson

## BRIEF DESCRIPTION OF RESOLUTION

Approval of Resolution No. 00-xxxx will affirm a \$2,219 fine imposed by Metro on Willamette Resources, Inc. (WRI) for exceeding the 50,000 ton annual tonnage limitation stipulated in its Metro Solid Waste Facility Franchise during calendar year 1999. The fine amounts to one dollar for each ton disposed in excess of the 50,000 ton cap. The decision to impose such a fine was contested by WRI but upheld by Mr. Robert Harris, the Regional Hearings Officer in proposed order No. 00-0553.

## EXISTING LAW

*Metro Code Section 5.01.180 authorizes the Executive Officer to investigate an alleged franchise violation and, upon finding that a violation exists, to provide notice to the franchisee that penalties pursuant to Code Section 5.01.200 shall be imposed.*

The Executive Officer made such investigation and, based on data reported to Metro by WRI, found that WRI had violated its franchise by exceeding the 50,000 ton annual disposal cap. Metro notified WRI of the violation and of the imposition of a fine on April 21, 2000.

*Section 4.2 of Franchise No. F-005-98 issued to WRI on December 31, 1998 stipulates that; "The franchisee shall dispose of no more than 50,000 tons of putrescible waste and processing residual, as a combined total, within each calendar year."*

WRI did not dispute the fact that it disposed of 52,219 tons of solid waste during calendar year 1999.

*Metro Code Section 5.01.200 stipulates that each violation of Chapter 5.01 shall be punishable by a fine of not more than \$500. Each day a violation continues constitutes a separate violation.*

WRI continued to dispose of waste from its facility for 19 days after reaching its 50,000 ton cap. Metro imposed a fine of approximately \$117 per day. This amount is the equivalent of \$1 per ton in excess of 50,000 tons.



*Article XI, Section 14 of the Oregon Constitution, the 1992 Metro Charter, ORS Chapter 268, including ORS 268.317, Metro Code Chapter 2.05, and Metro Code § 5.05.035 sets forth the procedure for a contested case hearing.*

WRI requested a contested case hearing to present mitigating circumstances for exceeding the 50,000 ton cap. After due consideration of Metro's reasons for imposition of the fine and WRI's written explanation of the circumstances under which the tonnage cap was exceeded, the Hearings Officer ruled in favor of Metro and upheld a fine in the amount of \$2,219.

*Metro Code Section 2.05.035 stipulates that*

*Within 30 days of a hearing before a hearings officer in a contested ... the hearings officer shall prepare and submit a proposed order together with the record compiled in the hearing, to the council. The proposed order, including Findings of Fact and Conclusions of Law, shall be served upon the parties.*

The Hearings Officer prepared such an order including Findings of Fact and Conclusions of Law. They were served upon the parties and are being submitted to Council as Exhibit A to this resolution.

*...the executive officer shall mail notice to all parties of the date by which written exceptions to the proposed order must be filed... The proposed order and any exceptions received to it shall be forwarded to the council of the Metropolitan Service District for consideration at its next scheduled meeting at least two weeks after the deadline for filing exceptions.*

Such notice was mailed.

*The council may, by majority vote, decide to consider objections received following the deadline established, but must allow at least two weeks between the date the exception is filed and the date the council reviews it. Only parties may file exceptions, and exceptions may address only issues raised in the hearing. Upon approval of the council, parties who have filed written exceptions may present oral argument in support of the exceptions, and other parties shall be given the opportunity to orally rebut exceptions made. Oral argument shall be limited to the specific objections raised in the written exceptions.*

*A party may, in addition to filing written exceptions, file a written request to submit evidence that was not available or offered at the hearing provided for in Code section 2.05.025.*

WRI did not file an exception to the Hearings Officer's proposed Finding of Fact and Conclusions of Law.

## **BACKGROUND**

Metro Code Chapter 5.01 establishes 50,000 tons of annually disposed solid waste as the dividing line between a local transfer station and a regional transfer station, the latter being required to provide additional services such as accepting solid waste from the general public and providing the general public with free recycling drop-off and periodic household hazardous waste collection. In December of 1998, the Forest Grove Transfer Station suspended solid waste deliveries to the Riverbend Landfill and diverted all of its waste to Metro in order to avoid exceeding its cap for the calendar year. In December of 1999, Recycle America monitored its tonnage carefully and reduced its facility throughput in order to stay within its 50,000 ton cap. In contrast, WRI exceeded its cap by 2,219 tons.

Prior to this violation, WRI had an excellent record of compliance. For this reason, the fine imposed was only \$117 per day of violation (equivalent to just \$1 per ton in excess of the cap), far below the \$500 per day fine that the Code allows. WRI submitted a check for the full \$2,219 but contested the fine and the case was referred to a Hearings Officer. The Regional Hearings Officer, based on written testimony from the REM Department and from WRI, decided in Metro's favor. WRI acknowledged that it knowingly and deliberately exceeded the tonnage cap. However, it cited mitigating circumstances. The circumstances cited were that adherence to the 50,000 ton cap restricts efficient operation of the facility and increases costs to its customers, and that the cap is not needed. The facility operator also cited his belief that the cap would soon be removed by the Metro Council, and that closure of the facility during the latter half of December would have been a hardship on the facility's employees. The operator further stated that he intentionally chose not to go through the process of seeking a variance from the cap. The Hearings Officer found in favor of Metro.

## **BUDGET IMPACT**

The budget impact of approval of Resolution No. 00-xxxx is additional revenue in the amount of the \$2,219 fine.

## **OUTSTANDING QUESTIONS**

None

## **EXECUTIVE OFFICER'S RECOMMENDATION**

The Executive Officer recommends approval of Resolution No. 00-xxxx, affirming the Regional Hearings Officer's proposed order No. 00-0553 upholding the imposition upon WRI of a \$2,219 penalty for violation of the 50,000 ton annual disposal cap stipulated in Section 4.3 of its Metro Solid Waste Facility Franchise.

092100c-01

**CITY OF TUALATIN**

PO BOX 369  
TUALATIN, OREGON 97062-0369  
(503) 692-2000  
TDD 692-0574

February 3, 2000

Oregon Urban and Community  
Forest Council  
c/o Julie Porter  
110 NE Jessup Street  
Portland, Oregon 97211

RE: 2000 Urban and Community Forest Awards

Dear Ms. Porter,

I would like to nominate Lynn Wilson-Dean of Metro Regional Government for a 2000 Urban and Community Forestry Award in the category of Individual, sub-category Professional.

I have been personally associated with Lynn for the past five years through the Education and Habitat Restoration Grant Program at Metro, and have nothing but praise for her tireless efforts. The focus of her job at Metro is administering the Habitat Restoration and Education Grant Program in addition to overseeing the newly created Salmonid Education Grant Program. The objective of these programs has been to provide grants to local individuals and organizations for environmental restoration and education.

The programs service volunteers, residents, youth of all ages, civic groups, private property owners, businesses; the list goes on and on. Literally hundreds, if not thousands, of people have benefited positively from the programs in one way or another.

The urban forest resources of our region have benefited tremendously from these programs and Lynn's attention to making the effort a success. In a sampling of less than 15% of the projects that have been carried out under Lynn's supervision, there have been over 5,000 trees planted, and over 25,000 small plants and shrubs planted. In all, Lynn has been responsible for helping over 200 such projects reach completion.

2 of 5  
Lynn works endlessly to promote the benefits that can be realized by participating in and supporting environmental restoration. Lynn is continually encouraging people to network on environmental restoration and urban forestry issues, create projects, and become involved. I often pity those of us that are on


her email list. She must single handedly link together more environmentally minded groups and individuals than any other person in the region. Barely a day goes by that Lynn is not providing resources and information to those that have taken part in her programs.

Her efforts have helped unite schools with communities, individuals with each other, government with citizens, volunteers with community groups and agencies, and people with their environment. All of this has been done with the hope of creating a stewardship ethic among those associated with her programs. I know the ethic has been created, because I have seen it in dozens of kids participating in one of the many projects Lynn has helped promote.

As with any program there is the story statistics can provide, and then there are the personal experiences that let you know things are right. In one particular project that involved the restoration of a large wooded wetland, a young 6<sup>th</sup> grade boy walked up to me at the end of 6 months worth of effort and said to me, "I had no idea trees were so cool. Thanks for doing this project". Lynn later helped that young man and several other kids from the same class receive an appreciative thank you from Mike Burton before the City Club of Portland for their work. The kids were simply in awe of what they had done.

Lynn has received no notoriety for her efforts, and she would never ask that she be recognized. However, I think she is long overdue for being publicly thanked for what she has helped accomplish in bringing people together with their environment in the Metro region. Please consider her as a candidate for this award. I cannot think of a more deserving individual.

Sincerely,



Justin Patterson  
Parks and Recreation Division Manager

## OREGON URBAN AND COMMUNITY FOREST COUNCIL'S URBAN AND COMMUNITY FORESTRY AWARD

### WHAT IS OUR PROGRAM?

The Metropolitan Greenspaces Program is one of two national demonstration projects whose purpose is to develop new and innovative ways of preserving natural areas and wildlife habitat in metropolitan areas and utilizing them for educational and passive recreational activities while preserving their ecological values. It is a bi-state program coordinated by Metro in which over 100 governmental agencies, private non-profit organizations and business are working cooperatively to establish an interconnected web of natural areas, open spaces, trails, and greenways in the four-county Portland, Oregon-Vancouver, Washington metropolitan area. In a sampling of 28 grant projects out of the 217 it shows 5,436 trees, 10,971 shrubs and 14,061 forbs being planted. This shows tremendous capacity for reforestation within the urban area. The Metropolitan Greenspaces Program was established as a partnership between Metro and US Fish and Wildlife Service via federal year 1990-91.

### WHO DO WE SERVICE?

Grants are awarded to 501(c)(3) organizations, local jurisdictions, government agencies, small businesses and schools. Volunteers, school children, at-risk youth, private property owners, businesses and neighbors near sites have all participated in actual work. We have over 200 projects in the ground through the grants program.

### WHAT ARE OUR OBJECTIVES?

The Greenspaces program objectives include: carrying-out needed enhancement and restoration projects that might not otherwise be completed; increasing public awareness of the loss of our urban natural resources and the importance of saving and preserving wetlands and streams; implementing projects that include numerous jurisdictions, agencies and "friends groups"; to show that cooperative and regional approaches offer real solutions to natural resources management issues.

Habitat Restoration grant objective is to restore and enhance fish and wildlife habitat, wetlands, streams, riparian corridors and upland sites.

Environmental Education grant program objective is to provide hands-on field experiences for learners of diverse ages and abilities, using local greenspaces as "living" laboratories.

Salmonid Education and Education grants program objective is to support projects that develop programs and projects that will benefit salmon, steelhead and watershed health for native fish populations.

### RESTORATION GRANTS

Restoration grants run a wide gambit of types from invasive, non-native plant species removal to wetlands restoration. All restoration grants are charged with improving greenspaces for wildlife habitat, natural resource conservation, and human co-existence. Restoration and enhancement must take place on public lands or properties that have a conservation easement in perpetuity. Because most grants are awarded to jurisdictions there is a high amount of community volunteerism involved, which improves the likelihood of success and long-term maintenance of the site.

4

### EXAMPLE

Metro grants establish long term partnerships between the grantee and Metro. The grant project themselves lead to increased interest and other enhancement efforts on the project site or close by natural areas and parks. This type of domino effect is what the Metro grants program encourages. City of Hillsboro Parks and Recreation Department on their Metro project at Turner Creek Park is such an example. The project entailed planning, design and implementation of a 1.5 acres wooded hillside at Turner Creek Park. This wooded hillside had been significantly degraded over the years with the development of homemade trails, dumping of yard debris, illegal spraying and vegetation removal. Frequent use of bicycles in the woodland led to erosion and compacted soils, exacerbating runoff problems and indirectly killing at least 5 mature trees. This project presented a unique opportunity for the physical restoration of the woodlands and coordinating environmental education and interpretation activities with the adjoining elementary school to ensure that the project will receive long term success. A pedestrian trail bridge provides access to the woodland area from the developed portion of the park, and a wood chip trail provides connection through the woodland area to the school. Over 700 plants were installed, fencing, natural barriers, rock walls and formal trails along with reclaiming informal trails utilizing 1,539 volunteer hours from five different schools, five different girl and boy scout groups along with five Eagle Scout candidates, various neighbors and City of Hillsboro staff. The project cost \$23,135 with the local share being \$16,085 and the Metro grant of \$7,050.

### ENVIRONMENTAL EDUCATION GRANTS

The purpose of the grants is to promote the characteristics of an environmentally literate citizenry which include: understanding and application of ecological principles and concepts that tie human behavior, the environment and economics into a cohesive package for a healthy environment; develop personal and social action skills to understand and contribute to decision-making processes that effect the environment; nurture an attitude of caring and stewardship for the environment in urban and rural settings that reflect an understanding of ecology and civic responsibilities. Projects Metro has funded range from puppet shows to school yard naturescaping.

### EXAMPLE

One of the greatest accomplishments of these grants is that it draws a diverse group of individuals and groups together to serve a common purpose. All the grants have a community service aspect to them that promotes a healthy environment and fosters a stewardship ethic of a greenspace, park or resource. **Neighborsheds Pilot Project** is an example of this. Neighborsheds is a combination of *Neighborhood* and *Watersheds* denoting the need to realize that your neighborhood is indeed in a watershed and connected to the resource of land, water, air and wildlife. This grant involved 13 different agencies and groups: Portland Water Bureau, Portland Parks, Metro Solid waste, Metro Water Resources, Metro Parks, OSU Extension Master Gardens, Oregon Dept. of Environmental Quality, US Fish and Wildlife Service, Audubon, Friends of Trees, East Portland District Coalition, American Society of Landscape Architects, Partners in Flight. These partners signed on at the beginning of the project, more partners were added as the project got under way such as local neighborhood associations, local school groups and private business. Neighborsheds' goal is to increase and improve wildlife habitat, reduce quantity of water runoff, increase quality of water runoff, protect and recharge groundwater, reduce air pollution, solid waste, water use, and energy use. These goals were accomplished through planting native plants, supplying water for wildlife, using fewer chemicals in home and garden environments, planting tree cover, replacing lawns with groundcover, grouping plants by watering needs.

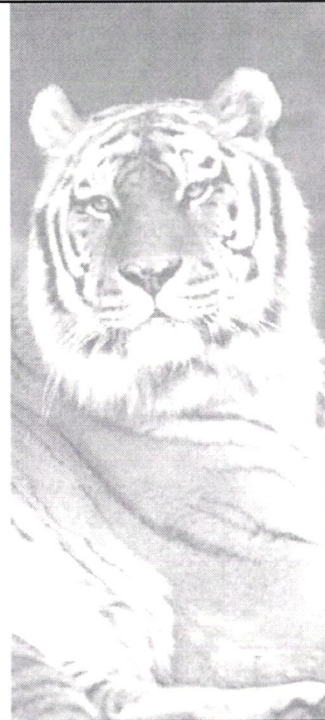
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# **The Oregon Zoo Service Efforts and Accomplishments**

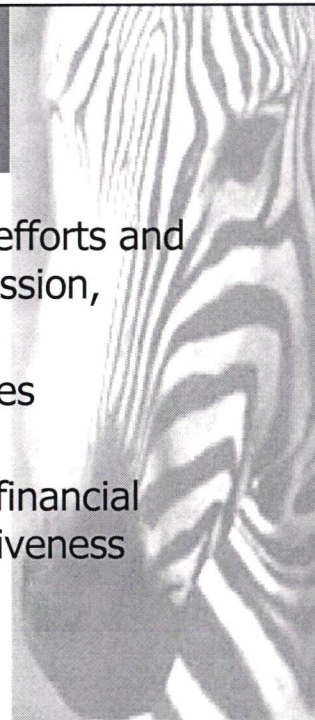
August 2000

Alexis Dow, CPA, Metro Auditor  
Joe Gibbons, Senior Auditor



## **Service Efforts and Accomplishments**

- SEAs describe resources, work efforts and accomplishments in meeting mission, goals and objectives
- Help manage resources, activities and results
- Provide more information than financial statements, emphasis on effectiveness



## SEAs - A Tool for Managing

- SEAs include 3 types of measurements:
  - resource measures (inputs)
  - workload and production measures (outputs)
  - effectiveness measures (outcomes)



## SEAs - A Tool for Managing

- Goals and objectives must be:
  - clear
  - relevant
  - measurable
  - customer-driven



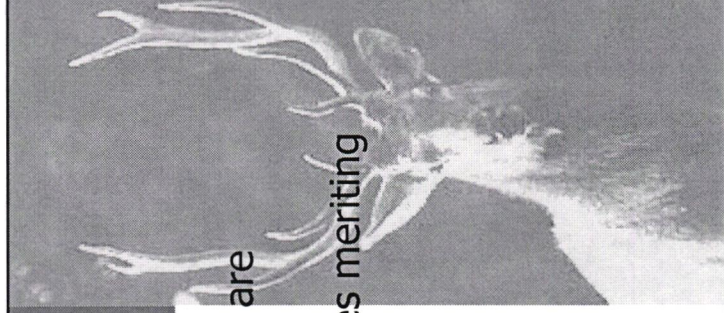


## Use of SEAs Growing in Government



- Federal - Government Performance and Results Act of 1993
- State - Oregon Benchmarks
- Local - City of Portland uses SEAs for decision making, strategic planning, performance improvement and accountability

## Objectives



- Determine degree zoo divisions are generating and using SEAs
- Analyze available SEAs for issues meriting attention

## Scope and Methodology

- Establish appropriate SEA measures for each division
- Collect and analyze available information
- Analyze SEA data
- Gather and compare data from 9 zoos
- Prepare report and review with managers



## Findings

- Mixed results in establishing and implementing SEAs
- Opportunity to develop and use SEA measures

### Divisions that use SEAs extensively

Education  
Facilities Management  
Marketing  
Visitor Services

### Divisions that use SEAs to a limited degree or not at all

Administration  
Animal Management  
Design Services



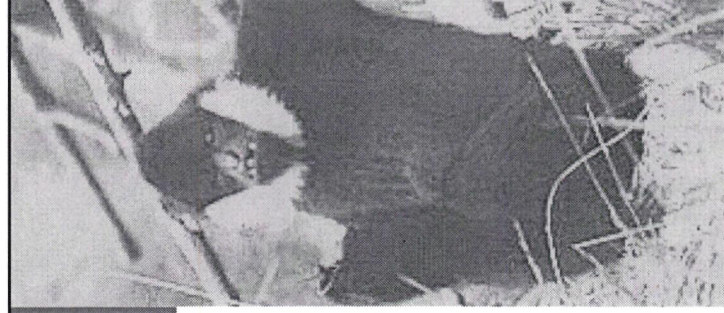


## Facilities Management Examples



- Preventative maintenance
- Customer satisfaction for appearance of grounds and buildings
- Turn-around on work orders
- Recycling and conservation

## Division Examples



### Divisions with useful SEAs:

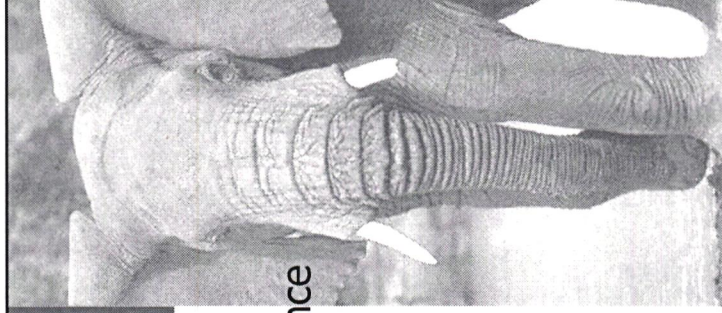
- Facilities Management
- Education Services
- Visitor Services
- Marketing

## Problems



- Lacking clear ties to expectations or targets
- Coping with difficult-to-measure objectives and accomplishments
- Ensuring that SEAs meet standards
  - relevance
  - timeliness
  - understandability
  - consistency
  - comparability
  - reliability

## SEAs Point to Two Areas

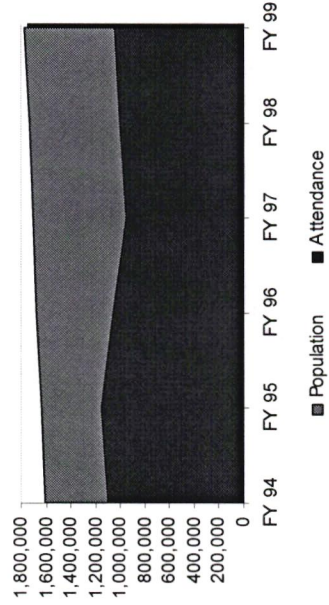


- Stagnant attendance
- Slipping preventative maintenance



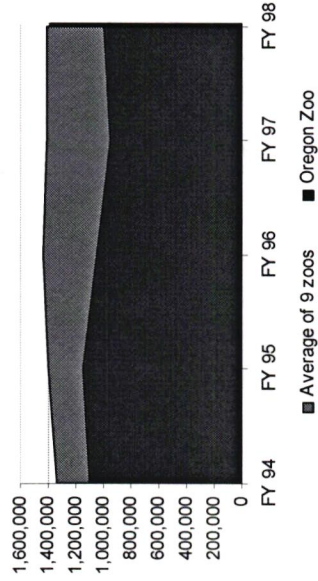
# Attendance Trends

Population vs. Attendance

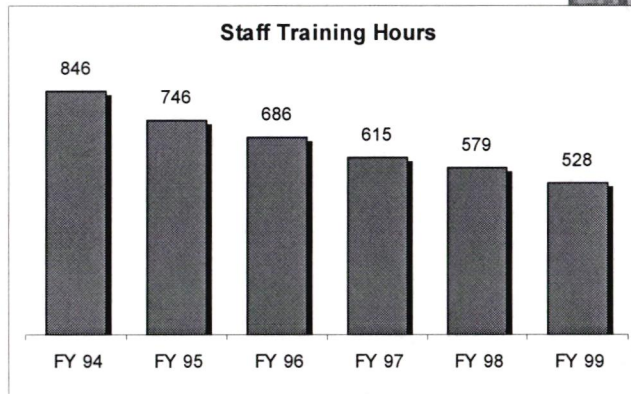


# Attendance Trends

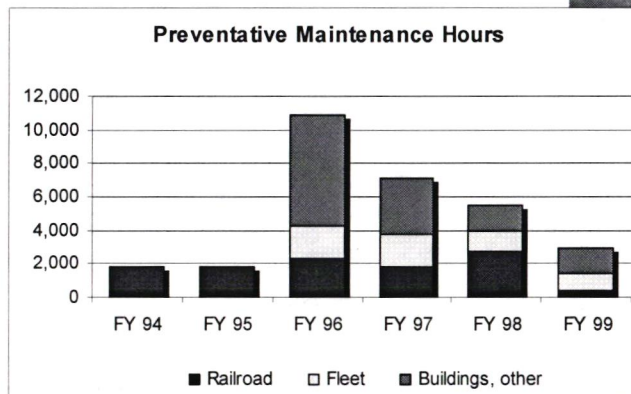
Oregon Zoo vs. 9 Other Zoos



## Maintenance Trends



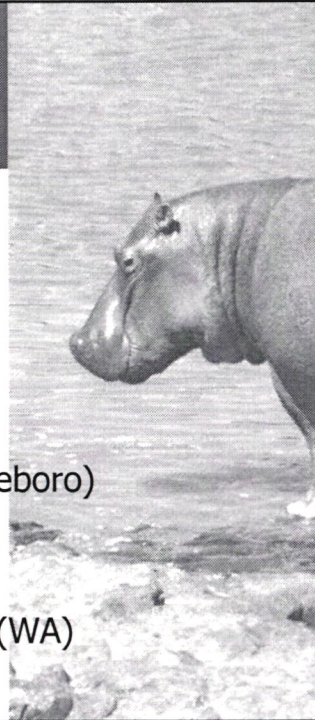
## Maintenance Trends





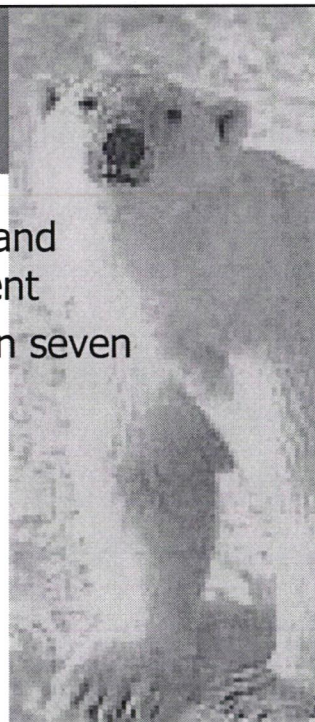
## Comparisons Between Oregon Zoo and 9 Zoos

- Cleveland Metroparks Zoo (OH)
- Columbus Zoo (OH)
- Denver Zoo (CO)
- Detroit Zoological Park (MI)
- Lincoln Park Zoo (Chicago, IL)
- North Carolina Zoological Park (Asheboro)
- Omaha's Henry Doorly Zoo (NE)
- Phoenix Zoo (AZ)
- Woodland Park Zoological Gardens (WA)



## Ownership

- Oregon Zoo is only zoo owned and managed by regional government
- City or county governments own seven
- State government owns one
- Private organization owns one



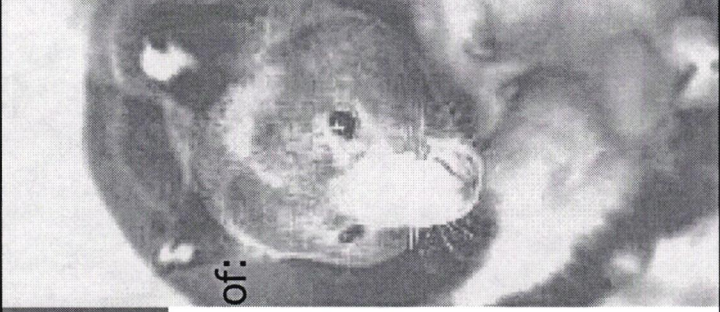
## Species and Specimens

- Oregon Zoo has lower numbers of:

- species (232)
- specimens (1,193)

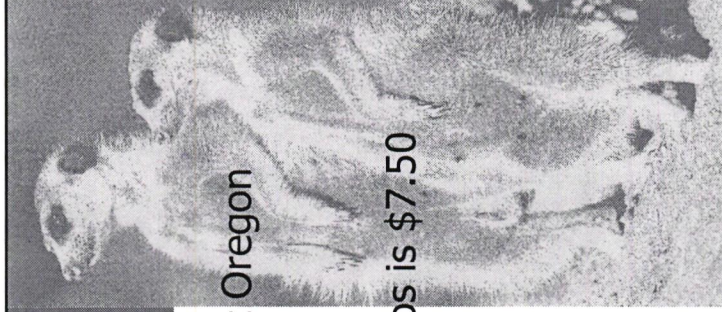
- Nine zoos average:

- 310 species
- 1,739 specimens



## Admission Price

- As of July 1, 1999, admission at Oregon Zoo was \$5.50
- Lincoln Park Zoo is free
- Average admission for other zoos is \$7.50





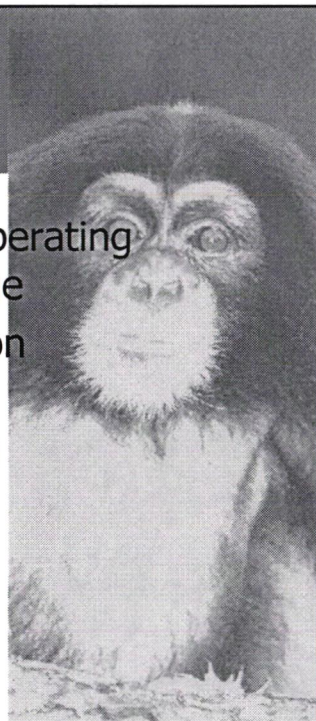
## Attendance

- Oregon Zoo attendance stable FY 1994 to FY 1999, averaging about 1.1 million
- Most other zoos had increased attendance, averaging 1.4 million



## Operating Expenses and FTEs

- Oregon Zoo had slightly high operating expenses - \$13.7 million average
- Nine zoos averaged \$12.6 million
- Oregon Zoo averaged 200 FTEs
- Nine zoos averaged 185 FTEs

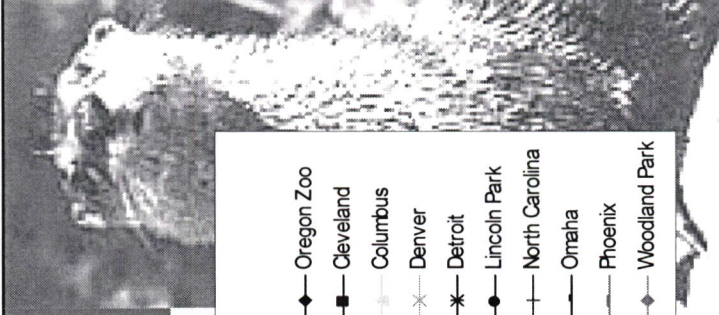
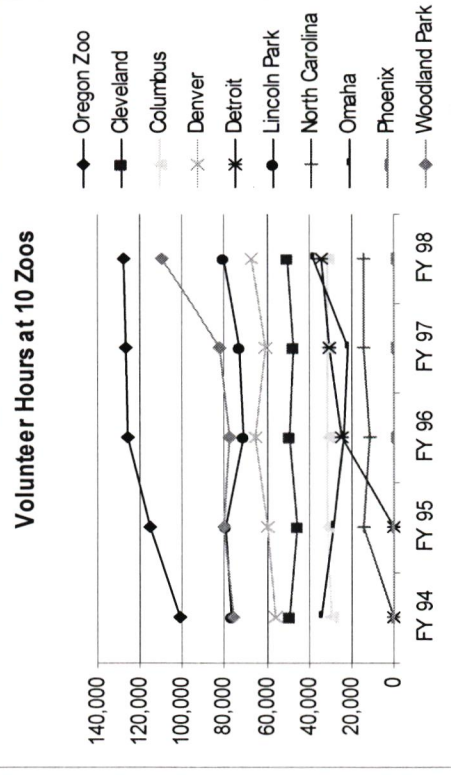


## Volunteers

- Oregon Zoo excelled in volunteer program:
  - averaged 2,100 volunteers and 120,000 volunteer hours
- Nine zoos:
  - averaged 530 volunteers and 49,000 volunteer hours



## Volunteers

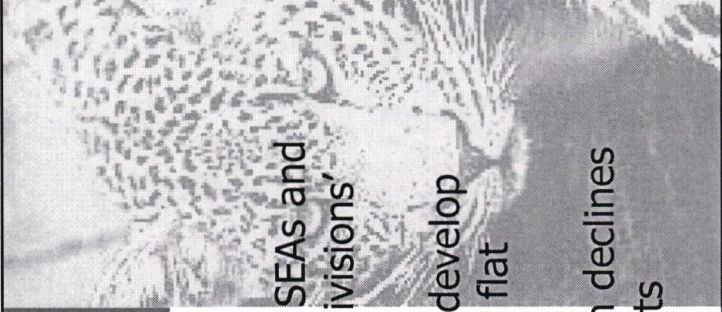




## Recommendations

Zoo management should:

- Work with divisions to establish SEAs and assure consistent linkage with divisions' mission, goals and objectives
- Analyze the implications of and develop strategies to deal with relatively flat attendance
- Establish a program to deal with declines in preventive maintenance efforts



## MINUTES OF THE METRO COUNCIL MEETING

September 14, 2000

Washington County Chamber

Councilors Present: David Bragdon (Presiding Officer), Susan McLain, Ed Washington, Rod Park, Bill Atherton

Councilors Absent: Jon Kvistad, Rod Monroe

**Presiding Officer Bragdon** convened the regular Council meeting at 5:34 p.m. He noted that Councilors Kvistad and Monroe were both out of town.

### 1. INTRODUCTIONS

There were none.

### 2. CITIZEN COMMUNICATIONS

**Sharon Cornish**, Post Office Box 312, Hillsboro, noted that she lives outside of Metro's jurisdiction. She said she was confused by Metro's action on the St. Mary's property, versus its action in Bethany. She asked how Metro determines when exclusive farm use (EFU) land can be added to the urban growth boundary (UGB). She said Metro will be criticized about its conflicting decisions, because to the average person, it appears to have been a political decision.

**Councilor McLain** thanked Ms. Cornish for her testimony, and offered to speak with her further on the issue. She noted that the Land Use Board of Appeals (LUBA) remanded Metro's decisions on both the Bethany and Stafford areas, and the St. Mary's decision was still in court. The court cases involved a number of legal issues, including Metro's inclusion of EFU land in its UGB expansion decisions. She added that Metro is required to follow an exacting findings process when making any UGB decision, to demonstrate compliance with state land use laws.

### 3. EXECUTIVE OFFICER COMMUNICATIONS

There were none.

### 4. AUDITOR COMMUNICATIONS

There were none.

### 5. MPAC COMMUNICATIONS

**Councilor Park** updated the Council on the September 13, MPAC meeting. MPAC heard a presentation on the 1997-2017 Land Need report. MPAC also reconsidered the question of Metro extending the UGB beyond a 20-year land supply, in order to fulfill the 2040 Growth Concept. Previously, MPAC had voted to oppose the idea. Last night the members voted to have no position.

**Councilor McLain** added that an MPAC subcommittee also forwarded its recommendation on the Goal 5 Vision Statement. She noted that the Vision Statement was developed through a joint effort of Washington County jurisdictions, Metro staff, and others.

**6. CONSENT AGENDA**

**6.1** Consideration of minutes of the September 7, 2000 regular Council meeting

**Motion:** **Councilor Park** moved to adopt the minutes of September 7, 2000, Council meeting.

**Seconded:** **Councilor Washington** seconded the motion.

**Vote:** The vote was 4 aye/ 0 nay/ 0 abstain. Councilors Atherton, Kvistad and Monroe were absent. The motion passed.

**7. ORDINANCES – FIRST READING – PUBLIC HEARING**

**7.1 Ordinance No. 00-871, For the Purpose of Completing Council Consideration of Urban Growth Boundary Amendments Required by ORS 197.299, Completing Periodic Review Work Task 1 and Adopting Amendments to the Regional Framework Plan and Urban Growth Management Functional Plan**

**Presiding Officer Bragdon** referred Ordinance No. 00-871 to the Council Growth Management Committee.

**Dan Cooper, General Counsel, and Ken Helm, Assistant Counsel,** gave a brief explanation of Ordinance No. 00-871. A staff report to the ordinance includes information presented by Mr. Cooper and Mr. Helm, and is included in the meeting record. A copy of Ordinance No. 00-871, complete with Exhibits A through C, and a cover memo from Mr. Helm, are also included in the meeting record.

**Mark Turpel, Manager, Long-Range Planning,** gave a presentation on the 1997-2017 Land Need report. A printed copy of his presentation, and the 1997-2017 Land Need report, include information presented by Mr. Turpel and are included in the meeting record.

**Mary Weber, Manager, Community Development,** reviewed the Task 1 Timeline Adoption Schedule for the Metro UGB Periodic Review Work Program. A copy of the schedule is included in the meeting record.

**Presiding Officer Bragdon** opened a public hearing on Ordinance No. 00-871.

**Gordon Faber, Mayor, City of Hillsboro,** thanked the Metro Council for holding its meeting in Washington County. Mayor Faber submitted a letter of testimony into the meeting record. He asked Metro to coordinate and incorporate its estimate of regional land need, or subregional land need, with Hillsboro's need for more suitable land to accommodate a projected city housing need for 10,635 additional units over the next 20 years, as described in the Hillsboro Housing Needs Study.

**Councilor Atherton** thanked Mayor Faber for hosting the Metro Council's meeting. He asked Mayor Faber if Hillsboro currently has an excess of industrial land, which could be converted to residential land.

**Mayor Faber** said Hillsboro's available industrial lands are not suitable for residential use. He noted that Hillsboro recently converted about 70 acres from industrial use to residential use. He said it begs the question, is the state ready to give up on industrial development?

**Patrick Ribellia**, Senior Planner, City of Hillsboro, added that most of Hillsboro's industrial land is necessary to meet its employment targets in Metro's Urban Growth Management Functional Plan.

**Ralph Brown**, Mayor, City of Cornelius, thanked Metro's staff for working closely with Cornelius staff to develop the city's growth management plans. He said he is concerned about the area between Cornelius and Hillsboro. He does not want to force annexation on the residents in that area. However, the septic systems are failing, and something needs to be done. He concluded by noting that Cornelius needs additional industrial land, in order to maintain a reasonable jobs/housing balance.

**Councilor Atherton** asked if the Cities of Hillsboro and Cornelius have ever discussed sharing Hillsboro's industrial land tax base, since Cornelius acts as a bedroom community for Hillsboro.

**Mayor Brown** said it was politically unlikely that such an approach would work.

**Tom Hughes**, 2722 Southeast Hollyhock Court, Hillsboro, said he lives near the South Hillsboro Urban Reserve area, and has been a member of the Hillsboro Planning Commission for the past 15 years. He noted that he is neither in favor, nor opposed, to Ordinance No. 00-871. While he recognizes Hillsboro's housing shortage, he believes it is only one element of accommodating growth, and should be considered in conjunction with other elements, such as transportation and preservation of farmland. He said he is glad to hear that the region currently has a surplus of 100 housing units, because that will give more time to find solutions to the transportation problems facing the South Hillsboro area. He supports Metro's approach of looking at a regional housing supply, rather than trying to balance jobs and housing within each city's boundaries. He noted that Councilor Atherton's suggestion to convert industrial land to residential use is problematic, because most of the industrial land is already owned, and plans have already been made.

**Steve Larrance**, Citizens Against Irresponsible Growth, 20660 Southwest Kinnaman Road, Aloha, spoke about the South Hillsboro Urban Reserve area. Adoption of Ordinance No. 00-871 would enable the Council to look at areas for UGB expansion next winter. He said he has spoken with a number of the homeowners' associations that would be affected by development of South Hillsboro, and they are opposed to urbanization because of the lack of transportation infrastructure. He said in order for any area added to the UGB to meet Metro's required densities, the growth will need to be placed in areas where transportation infrastructure improvements are the most affordable. He said expanding the capacity of Highway 26 would cost less money per trip than any other road in the area. He added that the area south of Highway 26 would provide plenty of land for future industrial and residential development.

**Sandra Kennemer**, Secretary, Stoddard Homeowners Association, 20507 Southwest Venice Court, Aloha, submitted a letter from the Stoddard Homeowners Association. A copy of the letter includes information presented by Ms. Kennemer and is included in the meeting record.

**Greg Malinowski**, Malinowski Farm, 13450 Northwest Springville Lane, Portland, said he supports a delay in the expansion of the UGB, and in counting the 200-foot riparian areas. He said Washington County is not supportive of the riparian areas. A few years back, Wink Brooks, Hillsboro Planning Director, told him that Hillsboro's approach to water and wetlands is to fill them, so that the water will run as quickly as possible into the Tualatin River. He said there are regional issues, such as water quality, that cannot be addressed subregionally. He said there is no money to address the area's transportation problems, and Washington County does not know where it will get the money. He said extra time is needed to address the subregional transportation problems, while keeping in mind the region as whole. He gave an anecdotal account of the development problems in Charlotte, North Carolina, which resulted from a lack of regional planning. He concluded his testimony by urging the region to decide whether Hillsboro should become an industrial city of 400,000 people, or whether there should be agriculture in and around this part of Washington County.

**Robert Schmitt**, Cross Creek Homeowners Association, 20555 Southwest Rosa Road, Aloha, submitted a letter into the record. A copy of the letter includes information presented by Mr. Schmitt and is included in the meeting record. He added on a personal note, that much of the new high-density development has been poorly built, and will be run down in 25 years. He said development needs more planning and architectural standards, which are common in other cities.

**Councilor Washington** noted that the City of Portland created a stir when it opposed "snout" houses. He suggested that Mr. Schmitt speak with planners in Portland about their experience with design standards.

**Councilor Park** asked if Mr. Schmitt would recommend that Metro begin setting building standards, as it is not currently one of Metro's responsibilities.

**Mr. Schmitt** said architectural standards may help, although Metro may not be the right agency to impose them.

**Presiding Officer Bragdon** noted that the Cities of Portland and Forest Grove have set design standards, which Mr. Schmitt may wish to look into.

**Councilor Atherton** noted that Lake Oswego also has design standards for each neighborhood.

**Mr. Schmitt** said the Cross Creek neighborhood is 25 years old. The homes were well built and designed, with many amenities which are not found in most of today's developments.

**Robin Kuehnast**, 4140 Southwest 209<sup>th</sup>, Aloha, said she has lived in her current home since 1978, and has seen the area develop over the years. She described the current traffic problems, and noted that traffic in front of her home on SW 209<sup>th</sup> is completely backed up by 7 a.m. She said her history with Metro is checkered, and she wonders when Metro staff and elected officials will begin listening to citizens. She noted that many of Metro's decisions have been successfully appealed. She said she does not oppose growth, but infrastructure improvement must be taken into consideration, and expansion must be done responsibly. She said the density proposed for the St. Mary's property is absurd. She closed by thanking the Council for coming out to Washington County, and she urged the Council to listen to the area's residents.

**Presiding Officer Bragdon** closed the public hearing at 6:43 p.m.



**Councilor Park** said much of tonight's testimony has been focused on possible expansion of the South Hillsboro area. He noted that if the Land Need report is adopted as presented, Metro will not be looking at a UGB expansion. Instead, Metro will be looking at its needs, as required by state law, into the year 2002. Some of the concerns raised by Mayor Faber and citizens, like subregional need, will be considered. He clarified that Metro is not looking at a UGB expansion.

## **8. ORDINANCES –SECOND READING**

**8.1 Ordinance No. 00-877**, For the Purpose of Annexing Approximately 14 Acres of Land in the Jackson Bottom Wetland Preserve Near the City of Hillsboro and Declaring an Emergency.

**Motion:** **Councilor McLain** moved to adopt Ordinance No. 00877.

**Seconded:** **Councilor Washington** seconded the motion.

**Councilor McLain** presented Ordinance No. 00-877. A staff report to the ordinance includes information presented by Councilor McLain and is included in the meeting record.

**Presiding Officer Bragdon** opened a public hearing. No one appeared to speak with regard to Ordinance No. 00-877. Presiding Officer Bragdon closed the public hearing.

**Vote:** The vote was 5 aye/ 0 nay/ 0 abstain. Councilors Kvistad and Monroe were absent. The motion passed.

## **9. ORDINANCES – SECOND READING – QUASI-JUDICIAL PROCEEDINGS**

**9.1 Ordinance No. 00-872**, For the Purpose of Approving Urban Growth Boundary Locational Adjustment 00-1; Jackson Bottom, and Adopting the Hearings Officer's Report including Findings and Conclusions.

**Motion:** **Councilor McLain** moved to substitute Ordinance No. 00-872 with Ordinance No. 00-872A, which includes an emergency clause.

**Seconded:** **Councilor Washington** seconded the motion.

**Councilor McLain** presented Ordinance No. 00-872A. A staff report to the ordinance includes information presented by Councilor McLain and is included in the meeting record. She noted that while the criteria for similarly situated land was not a factor for this application, she would like the Council to address the criteria for locational adjustments in the next year.

**Presiding Officer Bragdon** said this is a quasi-judicial decision, and asked Mr. Cooper if any parties had standing to testify on this matter.

**Mr. Cooper** said the record to this matter is closed, and no exceptions were filed. Under Metro's procedures, there was no further opportunity for argument on this matter. On August 17, the Council heard the hearings officer's report and heard from the applicant. The matter is now up for Council decision.

**Councilor Park** asked Councilor McLain for clarification of her request to review locational adjustment criteria in the future.

**Councilor McLain** said she is not adverse to locational adjustments, but she believes Metro's criteria needs to be improved. One of the problems in the criteria is trying to address similarly situated land. It is a difficult criteria to investigate, analyze and prove.

**Vote:** The vote was 5 aye/ 0 nay/ 0 abstain. Councilors Kvistad and Monroe were absent. The motion passed.

## 10. RESOLUTIONS

10.1 **Resolution No. 00-2968**, For the Purpose of Granting an Easement to Multnomah County for Non-Park Use through Metro Property on Troutdale Road at Douglas Cemetery.

**Motion:** **Councilor Atherton** moved to adopt Resolution No. 00-2968.

**Seconded:** **Councilor Park** seconded the motion.

**Councilor Atherton** presented Resolution No. 00-2968. A committee report to the resolution includes information presented by Councilor Atherton, and is included in the meeting record.

**Councilor Park** added that passage of the resolution would not impact the cemetery.

**Vote:** The vote was 5 aye/ 0 nay/ 0 abstain. Councilors Kvistad and Monroe were absent. The motion passed.

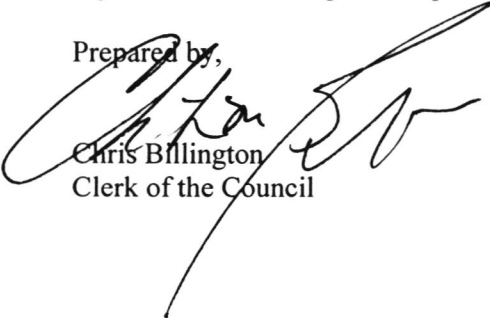
## 11. COUNCILOR COMMUNICATIONS

**Councilor McLain** invited the Council to Forest Grove that evening to watch her daughter play soccer at 7 p.m.

## 12. ADJOURN

There being no further business to come before the Metro Council, Presiding Officer Bragdon adjourned the meeting at 6:53 p.m.

Prepared by,



Chris Billington  
Clerk of the Council

Document Number	Document Date	Document Title	TO/FROM	RES/ORD
091400c-01	9/7/2000	Minutes of the Metro Council Meeting, September 7, 2000		Consent Agenda
091400c-02	9/14/2000	Ordinance No. 00-871 and Exhibits A, B, C; with cover memo	TO Metro Council/ FROM Ken Helm	Ordinance No. 00-871
091400c-03	9/14/2000	Staff report to Ordinance No. 00-871, with Attachments A	TO Metro Council/ FROM Andy Cotugno, Mark Turpel, Mary Weber	Ordinance No. 00-871
091400c-04	9/14/2000	Presentation of the 1997-2017 Land Need Report to the Metro Council	TO Metro Council/ FROM Mark Turpel	Ordinance No. 00-871
091400c-05	9/14/2000	Metro Urban Growth Boundary Periodic Review Work Program 2000, Task 1 Timeline Adoption Schedule, Ordinance No. 00-871		Ordinance No. 00-871
091400c-06	7/2000	1997-2017 Land Need Report		Ordinance No. 00-871
091400c-07	9/14/2000	Letter RE: 1997-2017 Land Need Report	TO Metro Council/ FROM Gordon Faber, City of Hillsboro	Ordinance No. 00-871
091400c-08	9/14/2000	Memo opposing inclusion of St. Mary's property in the UGB.	TO Metro Council and Hillsboro Board/ FROM Rob Combs, Stoddard Homeowners Association; submitted by Sandra Kennemer	Ordinance No. 00-871
091400c-09	9/14/2000	Letter RE: development of the St. Mary's property	TO Metro Council/ FROM Robert Schmitt, Cross Creek Homeowners Association	Ordinance No. 00-871
091400c-10	9/14/2000	Email RE: UGB Issues	TO Susan McLain/ FROM Greg Martin, Carlin Homeowners Association	Ordinance No. 00-871
091400c-11	9/14/2000	Ordinance No. 00-872A		Ordinance No. 00-872A
091400c-12	9/14/2000	Operations Committee Report on Resolution No. 00-2968		Resolution No. 00-2968

**Pre hearing announcements - Ordinance 00-871**

Schedule update:

→ Staff presentation was made last week

1. Today will be the second public hearing for Ordinance 00-871.
2. At the first public hearing of this ordinance we announced that the record would close September 29, 2000 at 5:00 pm.
3. That schedule has been extended to allow for additional public ~~input~~ <sup>involvement</sup>. The record will now close on October 6, 2000 at 5:00 pm.
4. We have had one request for coordination from a local government. Other local governments that wish to coordinate with Metro on this ordinance must submit their request by September 29, 2000 to allow the Council time to coordinate before the record closes on October 6<sup>th</sup>.



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September 21, 2000

Metro Council  
600 NE Grand Avenue  
Portland, OR 97232

Re: Ordinance No. 00-871

Dear Metro Council Members:

We appreciate the opportunity to be able to both comment on this proposed Ordinance regarding the urban growth boundary, and to compliment your staff on the excellent work they have done to bring this before you in a fairly short period of time.

Most of our comments and suggestions are minor. Throughout the text of the ordinance and its exhibits, we have indicated suggested language changes through strikeouts and italics, and we have interspersed comments and questions either in brackets or in footnotes.

However, several of our suggested language changes focus on 3 issues that we believe are significant:

(1) The need to reconcile the manner in which Metro calculates the capacity of the UGB with both the Urban Growth Management Functional Plan, and the actual performance of local jurisdictions complying with that Functional Plan. While the proposed ordinance and exhibits take steps in this direction, we believe those can be clarified, and we have made suggestions to that effect. This is also important because actual local government performance will, presumably, be measured against Metro's own performance standards, when we have an opportunity to focus on that as yet incomplete portion of the Framework Plan.

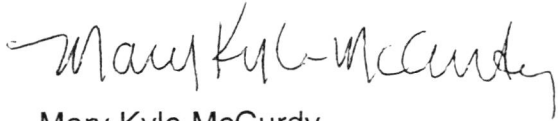
(2) The need for public review and comment of the Regional Forecasts for population and employment. The current draft refers only to coordination with local government, special districts, and "other interested parties." The public is also an interested body and should be included.

(3) We believe that many of the current assumptions underestimate the amount of land that is available for development inside the current UGB, as well as the capacity of lands inside the UGB. While this may not have an impact on the decision before you now, we hope to work with staff and local governments to

refine the methodology in the future. We have included comments and suggestions to insure that Metro has the room to do just that in the future, and is not bound by what might prove to be an inaccurate or out-of-date methodology.

Thank you for consideration of our comments.

Sincerely,

A handwritten signature in cursive script that reads "Mary Kyle McCurdy". The signature is written in dark ink and is positioned above the printed name.

Mary Kyle McCurdy  
Staff Attorney  
Urban Program



BEFORE THE METRO COUNCIL

FOR THE PURPOSE OF COMPLETING	)	ORDINANCE NO. 00-871
COUNCIL CONSIDERATION OF URBAN	)	
GROWTH BOUNDARY AMENDMENTS	)	
REQUIRED BY ORS 197.299, COMPLETING	)	Introduced by Growth Management
PERIODIC REVIEW WORK TASK 1 AND	)	Committee
ADOPTING AMENDMENTS TO THE	)	
REGIONAL FRAMEWORK PLAN AND	)	
SECTION 3.01 OF THE METRO CODE	)	

WHEREAS, Metro is responsible for the regional Urban Growth Boundary ("UGB") for the 24 cities and urban *and urbanizable* portions of 3 counties under ORS 268.390(3); and

WHEREAS, the courts have determined that the regional UGB, including Metro's UGB amendment process, is a comprehensive plan provision subject to Land Conservation and Development Commission ("LCDC") acknowledgment and Periodic Review for compliance with applicable statewide land use goals; and

WHEREAS, Metro's established UGB last completed Periodic Review by LCDC in December, 1992; and

WHEREAS, Metro's regional UGB is subject to its regional urban growth goals and objectives, including the Region 2040 Growth Concept which was acknowledged by LCDC in 1996; and

WHEREAS, Metro adopted Ordinance 96-647C the Urban Growth Management Functional Plan ("UGMFP"), in November 1996, to implement Metro's acknowledged Region 2040 Growth Concept which establishes the policies and identifies the compact urban form for the region to the year 2040 on the acknowledged concept map; and

*WHEREAS, Metro incorporated the UGM Functional Plan into the Regional Framework Plan and into Metro Code Chapter 3.07, and*

WHEREAS, the UGMFP required local governments in Metro's jurisdiction to adopt new measures to increase the zoned capacity for housing to meet target capacities for residential dwelling units, *for mixed-se areas, and for employment, as set forth in Title 1, Table 1 of the UGMFP (Metro Code 3.01.110); and*

WHEREAS, local governments were required to adopt these new measures in their comprehensive plans and zoning ordinances by February, 1999. Most local governments in Metro's jurisdiction have complied with Title 1 or have or requested ~~an~~ *limited*<sup>i</sup> extension from the Metro Council; and

*WHEREAS, future analysis of the capacity of the regional UGB will take into account the performance of local governments in complying with the UGM Functional Plan; and*

WHEREAS, in December, 1997, to carry out Section 5(2)(b)(2) of the Metro Charter, Metro adopted Ordinance 97-715B the Regional Framework Plan ("RFP") which included provisions for "management and amendment of the urban growth boundary;" and

WHEREAS, the RFP sets forth nine variables that Metro is required to consider during any legislative amendment of the UGB; and

WHEREAS, also in December, 1997, as part of its five-year legislative review of the UGB, Metro completed an Urban Growth Report applying the nine variables for legislative amendments of the UGB consistent with the RFP; and

WHEREAS, pursuant to ORS 197.299, Metro was required to meet three deadlines to determine whether the regional UGB required expansion for the period 1997-2017; and

WHEREAS, the Metro Council met the first deadline in 1997 by completing an inventory of buildable lands based on 1994 data and adopting a need in for approximately 32,370 dwelling units that could not otherwise be accommodated in the UGB; and

WHEREAS, in 1998, the Metro Council complied with the second deadline in ORS 197.299 by adding 3,527 acres of land to the UGB, by ordinance, to provide capacity for approximately one-half of the dwelling units needed for a 20-year housing capacity inside the UGB;<sup>ii</sup> and

WHEREAS, DLCD Director Benner concluded that Metro's 1998 UGB amendments met the second deadline in ORS 197.299; and

WHEREAS, to estimate the remaining housing capacity inside the UGB to determine any need for UGB amendments to meet the third deadline in ORS 197.299, and meet the requirements of Goal 14, Metro worked throughout 1999 to publish the 1997 Urban Growth Report Update containing the best available data for the period 1994-1998, and again applying the nine variables required by the RFP; and

WHEREAS, the 1997 Urban Growth Report Update revised the 1997 assumptions on the extent of riparian protection for environmentally sensitive areas to reflect the vegetated corridor requirements in the water quality and flood management sections of Title 3 of the UGMFP (Metro Code 3.07.340); and

WHEREAS, the Metro Council accepted the calculation of need in the 1997 Urban Growth Report Update for the purpose of requesting an extension from the LCDC for meeting the third deadline in ORS 197.299; and

WHEREAS, LCDC granted the extension to allow Metro to review calculations for accessory dwelling units, environmentally constrained land, and the potential impact of Metro's Fish and Wildlife Habitat Conservation program which would amend Title 3, Section 5 of the UGMFP; and

WHEREAS, on April 13, 2000, the Metro Council requested that LCDC initiate periodic review of the Metro UGB; and

WHEREAS, on May 25, 2000, the Metro Council adopted a periodic review work program and thereafter transmitted the work program to LCDC for approval; and

WHEREAS, Task 1 of the periodic review work program requires Metro to determine the supply of buildable land for housing and jobs for 20 years and accommodate any need, if such a need were determined, through UGB expansion; and

WHEREAS, on July 28, 2000 LCDC approved Metro's periodic review work program; and

WHEREAS, Metro staff completed an Urban Growth Report 2000 Update to address the work identified by LCDC in its January 3, 2000 order granting Metro's extension; and

WHEREAS, The computation of need described in Exhibit A applies the nine variables identified in the RFP for considering legislative amendments to the regional UGB. This computation demonstrates that the UGB contains sufficient buildable lands to accommodate housing needs for the years 1997-2017 resulting in a 100 dwelling unit surplus for that 20 year period; and

WHEREAS, notice of hearing, consistent with Metro Code and ORS 197.610(1), was sent to the DLCD at least 45 days prior to the first evidentiary hearing on September 14, 2000; and

WHEREAS, hearing(s) were held before the full Metro Council on September 14 and 21, 2000, and October 12, 19 and 26, 2000; now, therefore,

THE METRO COUNCIL ORDAINS AS FOLLOWS:

1. That the Metro Council adopts the inventory of buildable lands, and estimate of housing need required by ORS 197.299(2)(b) and 197.296(3), attached and incorporated herein as Exhibit A.
2. That the Regional Framework Plan is amended as shown in Exhibit B, attached and incorporated herein.
3. That the Metro legislative amendment criteria (Metro Code 3.01.020) for amending the regional urban growth boundary are amended as shown in Exhibit C, attached and incorporated herein.
4. The provisions of this ordinance are separate and severable. The invalidity of any clause, sentence, paragraph, section, subsection, or portion of this ordinance or the invalidity of the application thereof to any city, county, person or circumstance shall not affect the validity of the remaining provisions of this ordinance or its application to other cities, counties, persons or circumstances.

ADOPTED by the Metro Council this \_\_\_\_\_ day of \_\_\_\_\_ 2000.

\_\_\_\_\_  
David Bragdon, Presiding Officer

ATTEST:

Approved as to Form:

\_\_\_\_\_  
Recording Secretary

\_\_\_\_\_  
Daniel B. Cooper, General Counsel

<sup>i</sup> The point of this suggestion is to indicate that the extensions requested have been for a limited range of issues and for limited periods of time; i.e., the relative impact is small.

<sup>ii</sup> Need to include UGB expansions made in 1999 (Bethany, Dammasch, Wilsonville, and Jenkins/Kim).

**Exhibit "A" of  
Ordinance No. 00-871**

**State Law Requirements for 20 Year Buildable Land Supply**

State law requires that at the time of periodic review or any other legislative review of the urban growth boundary ("UGB") Metro must "provide sufficient buildable lands" within the urban growth boundary ("UGB") to "accommodate estimated housing needs for 20 years." ORS 197.296(2). In 1997, the Oregon Legislature adopted legislation requiring Metro to accomplish three tasks related to the regional UGB. ORS 197.299. The legislation first required Metro to complete an inventory of buildable lands<sup>1</sup> within the UGB. Metro completed this task by calculating the inventory of buildable lands in the 1997 Urban Growth Report and adopting the conclusions of that report in the Regional Framework Plan. As of 1997, the calculations indicated a need for approximately 32,370 dwelling units for the period 1997-2017 based on 1994 data. As a second task, the legislation required Metro to "take such action as necessary" to provide one-half of the land needed to accommodate housing need for 20 years by the end of 1998. Metro complied with this provision by adopting UGB amendments to add land to accommodate approximately 18,100 dwelling units.

As the third task, the legislation required Metro to "take all final action \* \* \* necessary to accommodate a 20 year buildable land supply." ORS 197.299(2)(b). In 1999, Metro staff compiled data in the 1997 Urban Growth Report Update (September 1999) ("UGR Update") to respond to this requirement. The data and analysis in the UGR Update was accepted by the Metro Council in Resolution 99-2855C in November, 1999, for the purpose of requesting that the Land Conservation and Development Commission ("LCDC") grant Metro an extension from the requirements of ORS 197.299(2)(b). The data in the UGR Update showed that the area within the UGB as of 1999 contained a surplus of 200 dwelling units. However, Metro identified a potential need for up to 15,000 dwelling units resulting from regional regulations to protect Fish and Wildlife Habitat pursuant to Title 3, Section 5 of the Urban Growth Management Functional Plan that Metro anticipated adopting by the end of 2000.

On January 3, 2000 LCDC granted Metro extension to ORS 197.299(2)(b) to October 31, 2000 to complete additional calculations regarding environmentally sensitive lands, jobs/housing imbalances, and estimated numbers of accessory dwelling units. During early 2000, the Metro Council determined that the process to adopt regional regulations for Fish and Wildlife Habitat protection would likely extend into 2001.<sup>2</sup> For this reason, calculations to estimate the dwelling unit capacity of environmentally sensitive areas were limited to areas regulated by Metro's Water Quality and Flood Management areas identified in Title 3, Sections 1-4 of the Urban Growth Management Functional Plan

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<sup>1</sup> "'Buildable lands' means lands in urban and urbanizable areas that are suitable, available and necessary for residential uses. 'Buildable lands includes both vacant land and developed land likely to be redeveloped.'" ORS 197.295(1).

<sup>2</sup> Resolution 00-2912.



("UGMFP"). To complete the work required to comply with ORS 197.299(2)(b), and to comply with Statewide Planning Goal 14 which requires local governments to use the best available data when considering UGB amendments, Metro staff conducted a review of the data in the UGR Update accounting for the first year (1997-1998) of development that occurred for the period 1997-2017, addressing the estimates required by LCDC and calculating the remain dwelling unit need for 1998-2017. This data is contained in the 1997-2017 Land Need Report.

## **Data and Calculations to Support Final Action to Accommodate 20 Year Buildable Land Supply**

### 20 Year Forecast of Population

A calculation estimating whether sufficient buildable land exists within the UGB starts with a forecast of population as required by state law and Statewide Planning Goal 14. ORS 195.036. The RFP requires Metro to base its assessment of UGB capacity on "a forecast of population and jobs for the new 20 year period." Chapter 1, RFP, p. 41. Metro's compliance with ORS 197.296 and 299 are based on the "2015 Regional Forecast."<sup>3</sup> The forecast estimates that by the year 2017, the four county area of Washington, Clackamas, Multnomah and Clark counties will have approximately 579,700 new residents. Historically, the Metro UGB has attracted about 70 percent of new population growth. That means by 2017, the Metro UGB will have a need to accommodate housing for about 410,000 more residents resulting in a demand for approximately 205,200 new dwelling units for the period 1997-2017.

### Inventory of Buildable Lands

To ensure that urban growth boundaries contain sufficient land to accommodate estimated housing needs for 20 years local governments and Metro must "inventory the supply of buildable lands within the urban growth boundary." ORS 197.296(3). This inventory is then compared to the forecasted need for housing. State law does not prescribe any particular methodology for conducting the inventory. In 1997, the Metro Council adopted variables in the Regional Framework Plan that Metro must consider in calculating the supply of buildable lands for the region. The variables were applied in the 1997 Urban Growth Report, 1997 UGR Update and are the basis for completing the additional work required by LCDC in its January 3, 2000 extension order. The estimates related to these variables are the data used to determine whether the UGB contains sufficient buildable lands for 20 years in compliance with ORS 197.296(2).

The RFP requires Metro to complete specific estimates for buildable lands, reductions for public facilities and services and additions for redevelopment, infill development and upzoning by local governments. Chapter 1, RFP p. 41.

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<sup>3</sup> The analysis in the 2015 Regional Forecast was extended to calculate a population forecast to 2020 to account for the 20 year period 1997-2017.

### *Estimate of Unbuildable Land*

The RFP requires that Metro “estimate the amount of unbuildable land (land over 25 percent slope, etc.).” The 1997 Urban Growth Report estimated unbuildable lands by considering steep slopes and assuming a 200 foot unbuildable area on both sides of streams within the UGB. Since Metro has not yet completed regulations for Fish and Wildlife Habitat areas, the UGR Update assumes that only the area regulated by Title 3 Water Quality and Flood Management regulations and areas with slopes equal to or exceeding 25 percent will be unbuildable.<sup>4</sup> This means that for most streams in the region, the area between 50 and 200 feet from the edge of streams will be assumed to be buildable to some degree. The UGR Update estimated the dwelling unit capacity of these lands to be approximately 3,200 dwelling units based on historical densities.

After reductions for Title 3 regulated areas and steep slopes, the estimate of Gross Buildable Acres (all buildable lands) inside the UGB is 37,600 acres.

### *Reductions for Infrastructure and Facilities*

The RFP requires that the calculation of need make reductions to the buildable land estimate for “streets, parks, etc.” Metro staff identified several categories of land that are not available for housing or employment because the land provides for infrastructure, public facilities, religious and social services or is already platted and legally buildable for single family residential use.

[Why is land that provides for public facilities, religious, or social services not available for housing or employment? Presumably these are things such as fire stations, churches, health clinics, homeless shelters, etc... that provide both employment and housing.]

### *Exempt Land*

These are lands that are owned by federal, state, county or city governments in their proprietary capacities. The land is assumed to be available for facilities and services essential to those governmental bodies’ respective functions. The estimate for these exempt lands within the UGB is 1,900 acres.

[Again, why is land that provides for a governmental service or facility presumed to not provide for at least employment? ]

### *Land Already Platted for Single Family Residential Use*

Lands already platted for single family lots are assumed to already be available for residential use and, therefore, are unavailable for other categories of use that may occur on buildable lands generally. These platted lots, approximately 16,300 lots, are considered part of the supply of residential land supply in a subsequent step in the RFP

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<sup>4</sup> 1997 Urban Growth Report Update p. 66.

analysis. The estimate for the number of acres of legally buildable single family lots is 2,900 acres.

### *Streets*

The number of acres needed for the provision of future streets is estimated on a sliding scale. No reduction is applied for parcels of land less than  $\frac{3}{8}$  of an acres in size. A 10 percent reduction is applied for lots between  $\frac{3}{8}$  and one acre in size. An 18.5 percent reduction is applied to parcels larger than one acre. The estimate for the amount of land needed to provide for future streets is 5,400 acres.

### *Schools*

The number of acres needed for future schools is estimated by calculating students per acre for each school category - elementary, middle and high schools. Metro gathered information on students per acre through informal surveys of school districts in the Metro area. The estimate for the amount of land needed for future schools is 1,100 acres.

[Is employment assigned to this category? ]

### *Parks*

Land needed to provide for future parks is estimated by determining *the* existing number of park acres within the UGB per 1,000 persons. Metro owned lands outside the UGB purchased with Open Spaces Bond Measure funds *are* anticipated to provide park land amenities to residents inside the UGB. For this reason, the estimate of land needed for future parks inside the UGB is reduced by those acres of open space lands already purchased by Metro and the number of acres anticipated to be purchased outside the UGB in the future. The estimate for the amount of land needed for future parks is 3,700 acres.

[Does this estimate refer to just inside the UGB, or does it include possible future purchases outside the UGB? Does "parks" include developed recreation, natural spaces, neighborhood parks, etc...? ]

### *Churches and Social Organizations*

Like the parks estimate, the amount of land needed for future places of worship and social organizations is calculated by determining the existing number of acres for such uses within the UGB per 1,000 persons. Metro estimates this ratio to be 1.4 acres of church and social organization land per 1,000 persons. Based on this ratio, future need for these lands is about 600 acres. However, Metro staff identified approximately 717 acres of vacant land currently owned by churches and social organizations. This amount of land will satisfy the 600 acre identified need, and because the surplus 100 acres will not necessarily be available for future housing or employment use, the actual amount of land owned by these organizations is considered the amount that will be needed for future

use. The estimated amount of land needed for churches and social organizations is 700 acres.

[Again, since this is under the "Reductions" category, why reduce this for housing or employment? All churches and social organizations provide for employment, and many also provide for housing, e.g., St.. Anthony's Village in northeast Portland. ]

#### Calculation of Net Vacant Buildable Acres

The estimate of net vacant buildable acres is calculated by subtracting the RFP variable estimates for unbuildable lands, exempt lands, legally buildable single family lots, streets, schools, parks, churches and social organizations from the estimate of gross vacant buildable acres. [ Again, we see no reason to assume there will not be employment and housing located on many of these areas. ] After these reductions, there are estimated to be 21,900 net vacant buildable acres within the UGB. This estimate includes vacant land available for all types of urban uses such as, residential, commercial and industrial use.

The RFP variables require further estimates ~~and reductions~~ to determine the estimated number of dwelling units that can occur on vacant residential land. Residential land is a subset of the 21,900 acres of net developable land. It is estimated that approximately 13,200 acres of the 21,900 net developable acres are available for residential use.<sup>5</sup> Based on Standard Regional Zoning Designations for residential and mixed-use zones, it is estimated that the 13,200 acres of residentially zoned land within the UGB can accommodate approximately 88,600 dwelling units.

#### ***Difference Between Zoning Maximum Densities and Actual Built Densities***

The RFP requires that the estimate of the number of dwelling units that can be accommodated on residentially zoned lands be reduced to account for the "probable difference between zoning maximum densities and actual built densities." This requirement is addressed by an estimate of the "underbuild rate."<sup>6</sup> Underbuild represents the number of dwelling units that are not likely to occur on residentially zoned lands because property owners, for a variety of reasons, decide not to develop their property to the maximum allowed under local zoning codes. In 1996, the Metro Council adopted ~~requirements in~~ Title 1 of the UGMFP that *required, among other things*, local governments to adopt measures to insure residential zones are developed to at least 80 percent of the maximum allowed density. This regional requirement is the basis for the assumption that the underbuild rate will be no more than 20 percent for residential development within the UGB. The estimate of the difference between zoning maximum densities and actual built densities is a reduction of 25,800 dwelling units.

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<sup>5</sup> 1997 Urban Growth Report Update, p. 37.

<sup>6</sup> 1997 Urban Growth Report Update, p. 38.

The reduction for underbuild is partially offset by ~~two~~ *three* additional estimates that will add to the number of dwelling units that can be accommodated within the UGB for 20 years. Those estimates are for development in mixed use zones and dwelling units estimated to result from local government upzoning to meet Region 2040 Growth Concept goals. The estimate for the number of dwelling units that may occur as a result of local implementation of mixed use zones is additional 4,300 dwelling units for the 20 year period.<sup>7</sup> *Finally, local compliance with the UGM Functional Plan indicates that many jurisdictions are requiring and achieving minimum densities of greater than 80%, so that the actual underbuild in the future may be less than 20%.*

The estimate for the number of dwelling units that may be added as a result of local implementation of the Region 2040 Growth Concept assumes higher densities along transit corridors, main streets and regional and town centers. The estimate for the number of dwelling units to be added due to 2040 upzoning is 36,200 dwelling units for the 20 year period.

### ***Reductions for Parcels with Full Buildout Obstacles***

The RFP requires estimates of the number of dwelling units that may not occur due to development obstacles including lands with "8-24 percent slopes." The UGR Update estimated that most of the buildout obstacles in areas of moderate slopes would occur in lands regulated by Metro's Title 3 water quality and flood management regulations. Based on historical levels of development, the 1997 UGR Update estimated that approximately 3,200 dwelling units could be accommodated in Title 3 regulated areas.<sup>8</sup>

As part of its extension order, LCDC required Metro to reassess development capacity in environmentally sensitive areas. Staff analysis examined the lots that were partially and fully regulated by Title 3. Where existing residences were already located in Title 3 areas it was assumed that Title 3 would likely limit full buildout. However, for vacant lots that are located completely inside the Title 3 regulated area it was assumed that at least one single family residence would be allowed consistent with the UGMFP. Approximately 500 lots were identified in these areas yielding an estimate of 500 dwelling units for these lots. Staff also identified approximately 250-300 permits issued on vacant lands in Title 3 regulated areas during 1998 and 1999 that would add to the number of dwelling units allowed in environmentally sensitive areas.<sup>9</sup>

### ***Consideration of Time to Allow Local Jurisdictions to make Zoning Changes***

The RFP requires that Metro consider the "time to allow local jurisdictions to make zoning changes if higher densities are to be allowed and required." Identified as "ramp up," this calculation is related to Title 1 UGMFP requirements to achieve 80 percent of zoned densities in existing residential zones within the UGB. This consideration is

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<sup>7</sup> 1997 Urban Growth Report Update, p. 37.

<sup>8</sup> 1997 Urban Growth Report Update, p. 25.

<sup>9</sup> July 6, 2000 memorandum, "Re: Projected Development Capacity in Title 3 regulated areas."

accomplished by estimating the number of dwelling units per year, over a five year period (1994-1999), that will not be accommodated because local governments region wide have not fully implemented Title 1 of the UGMFP. The number of unrealized dwelling units is estimated for 1999, the final year of ramp up, at 1,300 dwelling units.

### ***Redevelopment and Infill***

The RFP requires “an estimate of the probable amount of additional redevelopment” and “projections of probable infill on built land.” *Residential Redevelopment* occurs when a structure is demolished and others are constructed in its place. Infill occurs when residential land that already supports dwelling units adds additional dwelling units as permitted in the zone. The UGR Update combines these two estimates into one estimate called “refill.” *Residential Lands* within the UGB are estimated to refill at an average rate of 28.5 percent over the period to 2017. Applying this rate results in an estimated additional accommodation of 58,500 dwelling units over 20 years.

Infill also includes estimates for accessory dwelling units. The UGR Update estimated approximately 7,500 dwelling units could be accommodated through accessory dwelling units in residential zones. As part of LCDC’s extension order, Metro was required to review this estimate. Metro staff completed this review and determined that 7,500 dwelling units is the best estimate based on available data.<sup>10</sup>

### **Conclusion - Comparing Regional Forecast and Supply of Buildable Lands**

Total supply of residential land to accommodate housing needs within the UGB is calculated by making the additions and reductions for the estimates required in the RFP. This calculation is summarized in the 1997-2017 Land Need Report and in Exhibit B, Table 1.1 of this ordinance. The calculation required by the RFP shows a dwelling unit supply prior to the UGB amendments adopted by the Metro Council in 1998 of approximately 185,100 dwelling units.<sup>11</sup> The UGB amendments adopted in 1998, using the same assumptions to determine net developable land and dwelling unit capacity result in approximately 18,100 additional dwelling units to accommodate housing need to 2017. Additional land to accommodate housing need was added to the UGB by the Metro Council in 1999. There were comprised of portions of former urban reserve areas 41 and 65, and a locational adjustment that in total added an additional estimated 2,100 dwelling units. Adding the capacity of these UGB amendments to the estimate housing supply in 1997 results in a total supply of 205,300 dwelling units to accommodate housing need for the period 1997-2017.

The Regional Forecast discussed above estimates that approximately 205,200 dwelling units will be needed within the Metro UGB to accommodate projected population increases to 2017. Comparing the estimated supply of dwelling units to the Regional Forecast results in a 100 dwelling unit surplus for 2017. This calculation demonstrates

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<sup>10</sup> March 31, 2000 memorandum, “Re: Accessory Dwelling Units.”

<sup>11</sup> This includes the estimated 16,300 existing legally buildable lots identified in the calculation of net vacant land.



that there is no “demonstrated need to accommodate long-range urban population growth requirements” to satisfy Goal 14. The 100 dwelling unit surplus also demonstrates that no further UGB amendments are required to satisfy the requirements of ORS 197.299(2)(b).

**Exhibit "B" of  
Ordinance No. 00-871**

Amend Chapter 1 of the Regional Framework Plan (Ord. 97-715B), UGB Analysis pg. 41:

The Urban Growth Boundary is one of the primary tools available to the region for managing urban form. In turn, the estimated capacity of the boundary to accommodate growth is of critical importance to managing the UGB. ~~Assessment of the current UGB capacity includes analysis of nine variables.~~ At periodic review or any other legislative review of the urban growth boundary Metro shall calculate, consistent with ORS 197.296 (1999), the supply of buildable lands for housing and employment within the urban growth boundary by determining estimates of at least the following variables:

- aA 20 year forecast of population and jobs for the land inside the existing urban growth boundary consistent with ORS 195.036. next 20 year period
- an estimate of tThe amount of unbuildable land (land over 25 percent slope, etc.); including regulated Water Quality and Flood Management areas, Fish and Wildlife Habitat Conservation areas and lands having slopes equal to or exceeding 25 percent.
- The number of dwelling units that may occur on buildable parcels considering buildout obstacles, including Water Quality and Flood Management Areas, Fish and Wildlife Habitat Conservation areas and land with 8-24 percent slopes.
- reductions to remaining buildable land for streets, parks, etc. The amount of land unavailable for development that is used for streets, schools, parks, churches and social organizations, vacant legally buildable single family lots, and federal, state, county and city owned lands.
- 
- [ Consistent with our comments on Exhibit A, many of these uses do provide for employment and housing, and should not be included in this category. These would include schools, churches, social organizations, and many types of government uses on government lands. ]
- 
- The number of dwelling units that may occur on vacant buildable land inside the existing urban growth boundary based on current residential zoning designations.
- Reductions of the number of dwelling units that may occur due to the probable difference between zoning maximum densities and actual built densities, taking into account zoned minimum densities.
- The number of additional dwelling units, if any, that may occur in mixed use zones and other zone changes required in local implementation of the Region 2040 Growth Concept.

- ~~consideration of time to allow local jurisdictions to make zoning changes if higher densities are to be allowed and required~~ If Metro adopts new measures to increase residential densities inside the existing urban growth boundary the number of additional dwelling units resulting from the new measures, and an estimate of the amount of time for local implementation.
- ~~reductions for buildable parcels with full buildout obstacles (e.g., land with 8-24 percent slopes, etc)~~
- ~~an estimate of~~ The number of dwelling units resulting from probable amount of additional redevelopment of land inside the existing urban growth boundary and infill development on built land including accessory dwelling units.
- *The amount of employment accommodated through infill and redevelopment inside the existing urban growth boundary.*
- ~~projections of probable infill on built land~~
- ~~evaluation of the amount of farm tax assessment lands within the current UGB that are likely to be urbanized.~~

The application of these variables shall take into account changes to local government comprehensive plans and implementing ordinances that have been made pursuant to the Region 2040 Growth Concept and the Urban Growth Management Functional Plan. The Urban Growth Management Functional Plan, particularly Title 1 "Requirements for Housing and Employment Accommodation," includes measures which increase the likelihood that residential development will occur at densities sufficient to accommodate housing needs for the period 1997 to 2017.

Metro shall determine the actual density and the actual average mix of housing types of residential development and conduct an analysis of housing need by type and density range consistent with ORS 197.296 (1999). Metro shall conduct an analysis using available data to determine whether local governments are meeting the target capacities set forth in Title 1, Table 1 of the Urban Growth Management Functional Plan.

If Metro determines that the supply of buildable lands is not sufficient to accommodate housing needs for 20 years at the actual developed density since the last periodic review of the urban growth boundary or that the target capacities in Title 1, Table 1 of the Urban Growth Management Functional plan are not being met, Metro shall:

1. Consider additional measures that demonstrably increase the likelihood that residential development will occur at densities sufficient to accommodate housing needs for 20 years or will assist local governments in meeting the target capacities in Title 1, Table 1 of the Urban Growth Management Functional Plan; and
2. Adopt any additional measures the Metro Council determines are appropriate to accommodate housing need for 20 years; and

3. Estimate the probable number of additional dwelling units that may occur resulting from the additional measures the Metro Council adopts, if any.
4. If the Metro Council finds that the adoption of additional measures is not sufficient to fully accommodate housing and employment needs for 10 years, the Council shall amend the urban growth boundary to include sufficient lands to accommodate that need consistent with ORS 197.296 (1999) and applicable statewide land use goals.

In 19972000, as part of completing the review of the regional urban growth boundary required by state law, the Metro Council concluded that lands within the existing urban growth boundary were sufficient to accommodate estimated housing needs to the year capacity for the additional

~~dwelling units needed to accommodate the year 2017. forecasted need was not totally available within the current Urban Growth Boundary.~~ The following tables provides a step-by-step description of that process, assumptions and conclusions about the capacity of the region's Urban Growth Boundary in ~~1997~~2000.

Table 1.1 of the RFP is replaced by Table 1.1 Calculation of Current Urban Growth Boundary Capacity - Housing and Table 1.2 Calculation of Current Urban Growth Boundary Capacity – Employment of this exhibit.

Table 1.2 of the RFP is replaced by Table 1.3 Regional Housing Need by Type and Density Range of this exhibit.

**Exhibit "C" of  
Ordinance No. 00-871**

Amends Metro Code 3.01.020(b)(1):

- (A) The district shall develop 20-year Regional Forecasts of Population and Employment, which shall include a forecast of net developable land need, providing for ~~review and comment by~~ coordination with cities, counties, special districts and other interested parties, ~~and review and comment by the public~~. After deliberation upon all relevant facts the district shall adopt a forecast. This forecast shall be completed at least every five years or at the time of periodic review, whichever is sooner. Concurrent with the adoption of the district's ~~growth forecast~~ 20 – year Regional Forecast, the district shall complete an inventory of net developable land calculating the supply of buildable land within the urban growth boundary by applying the variables set forth in Chapter 1 of the Regional Framework Plan. ~~The district shall provide the opportunity for review and comment by all cities and counties in the district, and by the public.~~
- (i) In calculating the supply of buildable lands in the urban growth boundary, the district shall estimate the effect, based on the best information available, of changes to zoned capacity that have been adopted and implemented by local governments to comply with the Region 2040 Growth Concept and all titles the Urban Growth Management Functional Plan.
- (ii) The district shall estimate the number of gross vacant buildable acres within the urban growth boundary.
- (iii) The district shall estimate the number of net vacant buildable acres within the urban growth boundary from the gross vacant buildable acres. The number of acres estimated to be unavailable for housing development shall be subtracted to estimate the net acres, including, but not limited to:
- (I) Lands in environmentally sensitive areas and lands with slopes equal to or exceeding 25 percent, provided those lands are zoned so as to be unavailable for housing development.
- (II) Lands for streets and schools, parks, churches and social organizations.
- (III) Vacant legally buildable lots zoned for single family residential use.
- (iv) The district shall estimate the number of net vacant buildable acres that are available for residential use based on current local government zoning designations. The district shall also estimate the number of dwelling units that these residentially zoned lands can accommodate under existing zoning designations.



- (v) The district shall reduce the estimated number of dwelling units that can be accommodated on vacant residential lands to account for the following:
  - (I) The number of dwelling units estimated to be lost when property owners do not develop to maximum residential densities; taking into account zoned minimum densities, and
  - (II) If Metro adopts additional measures to increase residential densities inside the existing urban growth boundary, the number of additional dwelling units estimated to be accommodated as the result of the new measures.
- (vi) The district shall increase the estimated number of dwelling units that may be accommodated on vacant residential lands due to changes in zoning or development patterns, including but not limited to, the following:
  - (I) Local adoption of mixed use zoning designations;
  - (II) Local adoption of increased residential densities to meet Region 2040 Growth Concept and Title 1 of the Urban Growth Management Functional Plan;
  - (III) The estimated number of dwelling units that may be accommodated as a result of redevelopment and infill development and accessory dwelling units;
  - (IV) The estimated number of dwelling units allowed on legally buildable lots in environmentally constrained areas;
  - (V) Development on vacant and legally buildable lots zoned for single family at a rate of one dwelling unit per lot.
- (B) The forecast and inventory, along with all other appropriate data, shall be considered by the district in determining the need for ~~urban net~~ developable land. Appropriate data includes, but is not limited to, estimates of the actual density and the actual average mix of housing types of residential development that have occurred within the urban growth boundary since the last periodic review of the urban growth boundary or last five years, whichever is greater. The results of the inventory and forecast shall be compared, and if the net developable land equals or is larger than the need forecast, then the district council shall hold a public hearing, providing the opportunity for comment. The council may conclude that there is no need to move the UGB and set the date of the next five-year review or may direct staff to address any issues or facts which are raised at the public hearing.
- (C) If the inventory of net developable land is less than the need forecast, insufficient to accommodate the housing need identified in the 20-year Regional Forecast at the actual developed density that has occurred since the last periodic review of the urban growth

boundary, the district shall:

- (i) Conduct a further analysis of the inventory of net developable land to determine whether the identified need can reasonably be met within the urban growth boundary including a consideration of whether any significant surplus of developable land in one or more land use categories could be suitable to address the unmet forecasted need;
- (ii) Estimate city and county progress toward meeting the target capacities for dwelling units and employment set forth in Title 1 of the Urban Growth Management Functional Plan (Metro Code, Table 3.07-1);
- (iii) Consider amendments to the Urban Growth Management Functional Plan that would increase the number of dwelling units that can be accommodated on residential and mixed-use land within the urban growth boundary;
- (iv) Adopt amendments to the Urban Growth Management Functional Plan that the Metro Council determines are appropriate;
- (v) Estimate whether the increased number of dwelling units accommodated within the urban growth boundary due to amendments to the Urban Growth Management Functional Plan will provide a sufficient number of dwelling units to satisfy the forecasted need.
- (vi) The Metro Council shall hold a public hearing prior to its determination of whether any estimated deficit of net developable land is sufficient to justify and analysis of the locations for a legislative amendment of the UGB.

Amend definition of net developable lands:

(o) “Net developable vacant land” means the ~~amount of land remaining when gross developable vacant land is reduced by the amount of the estimated land needed for the provision of additional roads, schools, parks, private utilities and other public facilities~~ number of acres that are available for all types of development after the total number of developable acres within the UGB is reduced by the amount of land for the provision of roads, schools, parks, private utilities, churches, social organizations, and legally buildable single family lots. , and other public facilities.

**TALKING POINTS FOR RESOLUTION No. 00-2989**

I WOULD LIKE TO PROVIDE YOU WITH SOME BRIEF BACKGROUND CONCERNING WHY THIS RESOLUTION IS BEFORE THE COUNCIL TODAY

WILLAMETTE RESOURCES (WRI) IS FRANCHISED BY METRO TO OPERATE A FACILITY IN WILSONVILLE THAT ACCEPTS DRY WASTE FOR PROCESSING AND WET WASTE FOR DISPOSAL

THE FRANCHISE PROHIBITS WRI FROM DISPOSING OF MORE THAN 50,000 TONS OF MATERIAL IN ANY CALENDAR YEAR

IN CALENDAR YEAR 1999, THE FACILITY DISPOSED OF OVER 52,000 TONS, EXCEEDING ITS TONNAGE CAP

THE METRO CODE PROVIDES FOR THE IMPOSITION OF FINES FOR VIOLATING THE TERMS OF A SOLID WASTE FRANCHISE

THE REM DEPARTMENT ASSESSED A FINE OF \$2,219 (OR \$1 FOR EACH TON OVER THE TONNAGE CAP)

WRI EXERCISED ITS RIGHT TO REQUEST A CONTESTED CASE HEARING FOR THE PURPOSE OF ENTERING CERTAIN FACTS AND DATA INTO THE RECORD

THE HEARINGS OFFICER ISSUED A PURPOSED FINAL ORDER THAT UPHELD THE FINE IMPOSED BY THE DEPARTMENT

WRI DID NOT EXERCISE ITS RIGHT TO APPEAL THE PROPOSED ORDER TO THE COUNCIL,

**HOWEVER**, THE METRO CODE DOES REQUIRE THE COUNCIL TO TAKE ACTION ON THE PROPOSED FINAL ORDER AT ITS NEXT SCHEDULED MEETING AT LEAST TWO WEEKS AFTER THE APPEAL DEADLINE

RESOLUTION NO. 00-2989 WOULD AFFIRM THE PROPOSED FINAL ORDER OF THE HEARINGS OFFICER

IT IS MY UNDERSTANDING THAT WRI HAS PAID THE PROPOSED FINE AND THAT IT DOES NOT INTEND TO COMMENT ON THIS PROPOSED RESOLUTION TODAY.

## M E M O R A N D U M

600 NORTHEAST GRAND AVENUE | PORTLAND, OREGON 97232 2736  
TEL 503 797 1700 | FAX 503 797 1794



METRO

Date: September 6, 2000  
To: JPACT  
From: Michael Hoglund, Metro *MH*  
Subject: *Proposed Comments on Federal Planning Rules*

Attached for your review are comments that have been prepared in response to the Notice of Proposed Rulemakings (NPRM) that were published in the Federal Register in May 2000. The comments represent the draft recommended policy positions for JPACT and Metro Council consideration on the NPRM. A second set of comments will be distributed at your September 14 meeting and represent a Metro staff perspective on the more technical planning level components of the new rules. They will be provided for your information.

It was the recommendation of TPAC that JPACT focus their comments on the broader issues and implications of the rules and that specific comments on the esoteric aspects of the rules be submitted on an agency or jurisdictional basis.

For the purpose of JPACT and Metro Council review and discussion, the proposed positions are consolidated on the attachment. Once approved by JPACT and the Metro Council, the region's comments will be submitted to three separate dockets no later than the end of the comment period, September 23, 2000. The three dockets relate to proposed rule revisions for:

- *Statewide and Metropolitan Planning*
- *NEPA and Related Procedures for Transportation Decision-making*
- *ITS Architecture and Standards*

For JPACT and Council benefit, a brief introduction to each issue is provided prior to stating the regional position. More information on each issue can be provided at your September 14 meeting. Copies of the regulations will also be available. However, if you would like a copy of the three sets of regulations prior to the meeting, please call Rooney Barker at 797-1755.

## DRAFT

### Portland Metropolitan Area Proposed Positions on Notice of Proposed Rulemakings September 6, 2000

#### ISSUE: Cooperative Revenue Forecasting

The current and proposed planning regulations require development of "financially constrained" plans and programs. The Notice of Proposed Rulemaking (NPRM) mirrors the wording of TEA-21 in this area. The rules calls for each state to work with Metropolitan Planning Organizations (MPOs – Metro is the federally designated MPO for the Oregon portion of the Portland-Vancouver metro area) and transit operators to establish a cooperative process to estimate revenues available for each MPO. This process has traditionally worked well in Oregon on an ad hoc basis. The rules also allow the inclusion of "illustrative" projects in the federal long-range plan. Such illustrative projects would be comparable to the Metro region's list of "strategic" improvements that are included in the recently adopted RTP.

#### Proposed Position:

The Joint Policy Advisory Committee on Transportation for the Portland, Oregon metropolitan area (JPACT) and the Metro Council support the requirement to have states, transit operators, local governments, and MPOs cooperatively establish a set of procedures governing the projection of future revenues for use in developing financially constrained plans and programs. Given the tie of financial constraint to air quality conformity requirements under the Clean Air Act, we also recommend that state or regional air quality authorities be required to participate, as well. We believe such a requirement lays important groundwork for improving the consistency of revenue forecasts used by MPOs, thereby improving the quality of regional transportation decision-making.

However, we recommend that the language be limited. Only the procedures for forecasting revenues should be required and that the specifics be required to be included in a Statewide Memorandum of Understanding between the state, transit operator(s), air quality authorities, and the MPOs within each state. Any additional requirements may become cumbersome and conflict with the successful approach already in place in the state of Oregon.

Regarding "illustrative" projects, JPACT and the Metro Council strongly support that they be allowed in long-range transportation plans. The listing of illustrative projects allows states and regions to better work with the public to pursue new programs and funding sources that may not be reasonable to assume under financial constraint, but may be critical to addressing transportation needs that are outpacing the growth of existing revenue sources.

**ISSUE: MPO Long-Range Planning; 20-Year Planning Horizons**

The proposed rules require a minimum 20-year horizon at time of long-range plan adoption (e.g., the RTP in the Portland metropolitan area). Long-range plans must be updated every three years in air quality non-attainment or maintenance areas (e.g., Portland-Vancouver). If changes made to the STIP/MTIP between updates trigger a federal review of the long-range plan, the draft NPRMs require that the plan being reviewed still have a twenty-year horizon. The only way MPOs could avoid the possibility of having to update their long-range plan with every TIP would be to adopt a long range plans with at least a 23-year horizon in non-attainment areas. Metro's nearly complete five-year process to update the RTP will result in an adopted plan with a 20-year horizon. It may therefore become out of compliance with the proposed rule after January 1, 2001.

**Proposed Position:**

MPOs' long range plans should continue to have 20-year horizons. If TIP amendments trigger federal review, reviews should be done based on the existing long range plans, even though it may be less than 20-years to the planning horizon. However, if the requirement stays as stated in the NPRM, it should be phased-in at the time of the next three-year update.

**ISSUE: Environmental Justice**

NPRMs require processes that demonstrate explicit consideration of comments from minority, low income and elderly communities, and from persons with disabilities. Public involvement processes for long-range plans, TIPs, and federally funded projects must seek out and consider input from the transportation disadvantaged as defined above. Such procedures and resulting input must be evaluated periodically with specific attention to engaging minorities and low income persons.

Plans, the TIP, and federally funded projects must be consistent with Title VI of the Civil Rights Act, the Older Americans Act and the Americans with Disability Act; and must avoid or mitigate disproportionately high and adverse impacts on low income and minority populations. An analysis of impacts is required at each stage of the process (planning, programming of funds, and project development). The NPRM does allow for some level of adverse impact at the project level

However, the NPRMs do not give guidance as to how these requirements may be met, nor do they set performance criteria. This may be problematic given the potential created by the NPRMs for MPOs (actions and decisions to be subject to legal challenge under Title VI). An additional concern is that the lack of specific guidance is likely to result in different offices of US DOT making different decisions on environmental justice requirements anyway.

TPAC discussed the environmental justice provision within the NPRM at length. The key issue was whether rule language would be helpful to planning agencies, with the possibility of requiring substantial compliance; or whether no guidance would be better, with the understanding that planning agencies must address Title VI and other requirements.

**Proposed Position:**



JPACT and the Metro Council supports the intent of NPRM changes, and also the specific requirements with respect to data collection and analysis, and public outreach.

To create certainty and clarity, and to avoid the high potential for litigation created by the NPRM proposals, the following additions and changes should be made:

- MPOs and states should be given explicit guidance on how to meet environmental justice objectives and/or related performance measures and standards. A series of best management practices should be provided.
- The need for the new definitions found in the NPRMs should be reviewed, and where possible these definitions should be replaced by definitions that have already been tested in the courts. In particular, the definition or interpretation of "adverse benefit" should be defined or be allowed to be defined through the MPO planning process.

**ISSUE: MIS Replacement/NEPA**

The NPRM attempt to link systems-level planning analysis (such as the done for the RTP) with project-level environmental analysis. The intent is to streamline processes and eliminate duplicative steps and data collection. In addition, as required by TEA-21, the stand alone Major Investment Study (MIS) is eliminated and planning and environmental processes are linked. A key area where they are linked is through the requirement to include a "purpose and need" statement for each project identified in the planning phase. The purpose and need statement can then carry over to NEPA and should have the effect of narrowing alternatives.

The NPRMs also appear to allow a great amount of local discretion in deciding how much data and analysis is required at the planning stage, but provide neither clear guidance on what amount of data and analysis is required in order to satisfy NEPA demands. Neither does the NPRM provide any assurance that planning studies will be given sufficient weight in the NEPA process. The NPRMs potentially allow a federal agency to overrule a decision made through the MPO process at the planning stage.

The NPRMs also lack specific guidance in many areas – notably in how secondary and cumulative impacts should be treated early in the planning process

**Proposed Position:**

The NPRMs, as written, do not provide much potential for streamlining, avoidance of duplication and speeding up of projects. They may result in significant additional duplication and other work on MPOs. In order to minimize unnecessary work and to achieve streamlining goals, language should be added to:

- Allow the long-range plan and TIP to group or bundle smaller projects under a single purpose and need statement (for example, general bicycle improvements, transit service expansions, pavement over-lays, etc.). This should result in consistency with NEPA while eliminating extensive work for MPOs; and
- Provide specifics on expectations for analysis of secondary and cumulative impacts in the planning process.

**ISSUE: Intelligent Transportation Systems (ITS)**

To implement section 5206 (e) of TEA-21, the NPRMs call for:



- Development of a regional ITS integration strategy within 2 years, including identification of major ITS projects.
- Regional interagency agreements on interoperability, ITS standards and routine operations.
- Design of a regional ITS architecture that is compatible and interoperable with the national ITS architecture, within 2 years. This could be a state or MPO responsibility.
- All highway and transit projects to be consistent with regional ITS architecture

MPOs, including Metro, lack resources and expertise to do quality work in ITS, particularly within a two year time frame.

**Proposed Position:**

JPACT and the Metro Council support a coordinating role for MPOs in development of regional ITS strategies and regional inter-agency ITS agreements. MPOs should only be required to include sufficient ITS policies in the long-range plans. MPOs should coordinate and report on, but not lead, ITS implementation efforts. DOTs, local governments, and transit operators are the appropriate implementation agencies.