

## MINUTES OF THE METRO COUNCIL WORK SESSION MEETING

Tuesday, September 12, 2006  
Metro Council Chamber

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

Councilors Absent: Carl Hosticka (excused), Susan McLain (excused)

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

### **1. ADMINISTRATIVE/CHIEF OPERATING OFFICER AND CITIZEN COMMUNICATIONS**

Alexis Dow, Metro Auditor, described eight upcoming reports, the smallest of which would be presented at work sessions instead of regular Council meetings. She summarized the fund consolidation audit. Many small funds had been collapsed together, so they could be administered more efficiently. The audit revealed that accepted accounting principles were being followed and that we had transparency and accountability in the fund. Legal restrictions that had been attached to the smaller funds before consolidation were being followed as well. The audit contained no recommendations. Councilor Liberty commented that, as a general principle, fewer accounts were better. Multiple accounts could provide accountability for those funds; the benefit of consolidation was to focus responsibility onto the voters' representatives. Ms. Dow said the Council could un-create the account if they wished. She felt there were efficiencies in a consolidated account, because there was less work in tracking the money. Councilor Liberty emphasized that we had had too many funds before. Ms. Dow agreed, adding that people with a particular interest needed to know that their funds were being spent in the dedicated way. Transfers of funds were expensive and time-consuming.

### **2. TRANSIT ORIENTED DEVELOPMENT AND CENTERS IMPLEMENTATION PROGRAM EVALUATION**

Phil Whitmore, Planning Manager, Andy Cotugno, Planning Director, and Meganne Steele, Associate Regional Planner, facilitated a discussion of the Transit-Oriented Development (TOD) and Centers program evaluation. They distributed a handout reviewing the program (a copy is included in the meeting record). Councilor Liberty reviewed the history of TOD and Centers. He wanted to talk more about the approach to the review than the review itself. Topics were program evaluation, investment strategies, relationship to the New Look, and process and timeline. Councilor Liberty felt more time might be needed to do everything thoroughly. Mr. Whitmore talked about the work they had been doing. He reviewed some of the ideas that had been tried and the potential for improvements. Regarding investment strategies, they were still trying to figure out the urban living infrastructure and its effects on affordable housing. He was excited to explore creative ways to achieve results with limited funds.

Councilor Liberty said that his goal for today was to get Council to discuss what they wanted in the evaluation, who should be involved, and the timeline. He commended the Planning Department for achieving some impressive results. Very importantly, we needed to fill in something under the New Look relationship. Mr. Cotugno said we needed to ask for advice, lessons learned, or just to remind ourselves of what had been accomplished.

Council President Bragdon supported the comments under program evaluation. He had some concerns regarding investment strategies. Councilor Liberty agreed that there were some open questions there. Council President Bragdon said that this continued to be the challenge—how to link investment and the New Look to policy initiatives. We needed to encourage policies that achieved our objectives. This should be filled out under the relationship to the New Look—structurally, in terms of personnel and their interactions, in terms of advocacy and changes in state law. Councilor Liberty said that the investment strategies piece was fairly generic. We wanted to get some more creative ideas for Centers. A fishing metaphor developed. Council President Bragdon said that, three or four years ago, the program was about giving some people some fish; then we taught some people to fish while still distributing fish; now we needed to make it easier for people to fish. These were things that could occur through the marketplace, conditioned by government actions.

Councilor Park observed that, with transit-oriented *economic* development, it was a matter of who was provided for—it used to be the railroads, then it was the interstates. He wanted a better understanding of motivations; what was government's motivation, if a project did not benefit them directly? Some policies added to the tax base but others didn't. Mr. Whitmore agreed that the work plan needed some administrative cleanup; these were forthcoming. Councilor Park wondered how people would know how to submit an unsolicited proposal; how would they know which properties were available? Mr. Whitmore responded that revisions to the work plan could make this easier.

Councilor Newman found the outline very helpful, particularly the program evaluation portion. With regard to investment strategies, he would like to add something about building capacity at the local level and making the fishing easier, investing in human capital. Part of our success has been our ability to partner with local governments to help them become more sophisticated and creative. He was most interested in developing the part of the outline under the relationship to the New Look. How would we get to the next level of support? We needed less reliance on the Metropolitan Transportation Improvement Program (MTIP) funds. He would appreciate more information from staff. Some developers were finding that it was easier to break into the market in other parts of the country. There were few undiscovered gems left in Portland.

Councilor Burkholder was concerned about advertising access to opportunities. We needed to examine the relationship, going both ways, between the New Look and the Regional Transportation Plan (RTP). He would like to see more information on returns on investment. Most projects did not yet include such data. We had a responsibility to follow up on our experiments, and to use the results to support better decisions and investments. On the process and timeline, he agreed that December might be too soon.

Councilor Liberty supported the philosophy of investing in human capital. He wanted to make sure that Metro provided the resources to amplify and unify the TOD program. We needed to allow people to discover that they liked fish.

Mr. Whitmore felt that he had been provided with good direction. He was angling for more feedback on the timeline. Regarding his recent interview with the British Broadcasting Corporation (BBC), he felt it was strange that Europe was looking to Portland for inspiration. Metro was unique as an elected regional body. Our reputation was spreading. We wanted to involve more people, more developers—not just in reviewing the program but in changing our investments, integrating the New Look, and leveling the playing field. This work would be ongoing. There was still a lot of pressure to make conventional investments. Things that could

happen in Portland would never happen in Tucson. Councilor Liberty emphasized the need for Council to draw in more partners for the program and for Metro generally, and to become more visible. Mr. Cotugno said the boulevard program was a good example. They reinforced Phil's programs, the site was right in front of the boulevard, and they complemented one another well.

Mr. Jordan summarized that Council wanted to grow the program, link it to leadership on the Council and to other programs, to create an ambient environment for projects to happen organically, and not to lose what we were doing now. From a management perspective, he felt we had started a successful small business, and that the Council wanted it to become a medium small business. This was a danger point, when a business tried to grow.

### **3. BREAK**

### **4. STATE LEGISLATIVE AGENDA**

Council President Bragdon said this was the first time a legislative agenda had been put together. We needed to have our ducks in a row. On October 25, at the convention center with all the mayors, we would see if we could really form a united front. The key between now and early October was to get as much clarity as possible about our objectives.

Randy Tucker, Public Affairs and Government Relations, had three handouts (a copy of each is included in the meeting record). He wanted to follow up on questions from last time, present a couple of new legislative concepts, and discuss the September 26 work session. He first went over the proposed Measure 48—a so-called "Taxpayers' Bill of Rights" (TABOR). Almost everything but federal funds would be restricted. The fate of this measure was uncertain. Another measure making federal tax income deductible from Oregon state income tax was likely to pass.

Janet Matthews, Solid Waste and Recycling, provided Council with some information about ideas for dealing with electronic waste (e-waste). Oregon's neighbors to north and south have each adopted e-waste legislation. California imposed a fee with purchase, for disposal by state agency. Washington was asking consumers to return products to the manufacturer. The Oregon legislation was more similar to the latter approach. Council and staff discussed many of the issues around collection and disposal of e-waste.

Mr. Tucker then reviewed three legislative concepts being proposed by the Land Conservation and Development Commission (LCDC), dealing with urban growth boundary (UGB) and Court of Appeals procedures. He had not yet acquired draft legislation. Councilor Burkholder stressed the need for creative tools, using zoning and the UGB as resources to build more affordable housing closer-in. Councilor Liberty added that we wanted to have jobs closer to housing, but that things changed over time, so we needed to stay flexible. Councilor Park was nervous about the meaning of an "industrial job." Council and staff also discussed the use of the subregional rule. Daniel B. Cooper, Metro Attorney, reviewed some court cases.

Councilor Newman had comments about the meaning of "prime industrial land." How permissive would uses be? A lot of people have been using the term "shovel-ready." Did DLCD have an understanding of what this land would be used for? Council President Bragdon stressed that he wouldn't want to see Metro burned again, by providing "industrial land" that was subsequently rejected. Councilor Liberty stressed the importance of following the recommendations of the Housing Choices Task Force (HCTF), which had recently been adopted by the Metro Council. Mr. Tucker agreed to tie the current information into those guidelines.

He briefed Council on the issue identification worksheets. Councilor Newman asked for a list of things that had Metro's name attached. It was his understanding that the Oregon Metropolitan Planning Organization Consortium (OMPOC) did not have a legislative agenda.

Mr. Tucker discussed the ConnectOregon II multi-modal transportation package. The governor was proposing a very similar package. Mr. Tucker suggested that a major talking point should be that ConnectOregon was not a sufficient response to the transportation needs of the region and the state. Council was supportive. They discussed possible pots of funding. Councilor Burkholder commented on the effort to spend money in a comprehensive, planned fashion, rather than piece-meal pork projects.

On the transportation funding package, Mr. Tucker reviewed some of the history of how we got to this point. He talked about the timeline of the work that was being done. There was no funding proposal yet, so this was kind of a placeholder. Councilor Liberty said, regarding system planning, he didn't want to set the example that people could go to Metro and get separate funding. Councilor Burkholder emphasized the need to use criteria, rather than earmarking. They discussed the legislative process. Councilor Liberty wanted to see some language included in our legislation about the philosophy of our approach—that it should be comprehensive and thoughtful. They commented on the lack of a consistent funding source for transit in Oregon. Maybe we could promote that philosophy. Councilor Burkholder said he would like a broader discussion on system development charges (SDCs) for parks.

## **5. 4<sup>TH</sup> QUARTER FINANCIAL REPORT**

Bill Stringer, Chief Financial Officer, and Brad Stevens, Finance, distributed the fourth quarter fiscal report (a copy is included in the meeting record). Mr. Stringer said the report summarized revenues and expenditures at the second close; this was where the corrections—or, shall we say, clarifications—were made. The third close would be the final and complete data sent to the auditor. Mr. Stevens talked about final adjustments for the cost allocation. Mr. Stringer said the current document was pretty close, but not 100%. There were no significant concerns. Everything was in very good shape. The funding requirements for projects carried forward in the technical amendments were being met. He reviewed the executive summary.

Mr. Stevens compared the 05-06 ending balances to the budgeted 06-07 beginning balances. Basically we were ending with slightly higher reserves than expected. Council and staff reviewed the individual funds. Councilor Burkholder was concerned about the "crisis" and subsidy at the Oregon Convention Center (OCC) and Expo Center. He wanted to monitor this and see what the real experience of the building operations were, especially in light of the push for a headquarters hotel as a mechanism for channeling more funds to the OCC.

Councilor Newman commented on the cyclical nature of Zoo funding; they have good years and bad years, with a lot depending on the weather. It would be better to have more stable staffing. During the good years, we ought to invest in capital rather than operations. Overall, Council thought revenue forecasting could be refined.

Mr. Stringer pointed out the increased relevance of the report by including reserves in the executive summary. He said that baseline historical information was being included so that Council could evaluate current expenditures in a historical context.

**6. EXECUTIVE SESSION HELD PURSUANT TO ORS 192.660(1)(d), FOR THE PURPOSE OF DELIBERATING WITH PERSONS DESIGNATED TO CONDUCT LABOR NEGOTIATIONS**

Time Began: 4:26

Time Ended: 4:46

Members Present: Ruth Scott, Lisa Colling, Michael Jordan

**7. COUNCIL BRIEFINGS/COMMUNICATIONS**

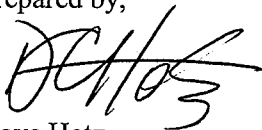
Councilor Newman announced that the fund-raising goal for the design competition had been met; it was fully funded with other people's money, not counting the considerable value of Metro's staff time. He passed around a sponsorship proposal (a copy is included in the meeting record). He thanked Mr. Jordan for his help in obtaining \$20,000 from Clean Water Services.

Councilor Burkholder reported on an upcoming issue, the Sunrise Corridor. This project was unique in the region in being the only major project of regional significance that moving forward without a policy level advisory committee. The issue has come up of whether it would be a major disappointment to that project if they came to the end of the process without ever talking to the local mayors, etc. Councilor Burkholder wondered how to get some policy level review into a project like that, that was pretty far along. They were looking at an alternatives analysis, but there were a lot of concerns that came from around the region. He wondered how best to approach this issue politically.

Council talked about the implications of some of the various approaches. Metro staff were sensitive to the need for policy level review. They debated policy changes vs. technical changes, how policy affected outcomes, the importance of getting the politics right and of Metro's being fiscally responsible, how to manage any backlash, and how to have a successful project. We needed a game plan for the politics. Mr. Jordan said he hadn't talked to our staff, and he didn't know what level of technical work was being done, but he knew the stress being put on Clackamas County's staff about how to proceed. Council discussed ways to minimize potential damage.

There being no further business to come before the Metro Council, Council President Bragdon adjourned the meeting at 5:10 p.m.

Prepared by,



Dove Hotz  
Council Operations Assistant

**ATTACHMENTS TO THE PUBLIC RECORD FOR THE MEETING OF  
 SEPTEMBER 12, 2006**

<b>Item</b>	<b>Topic</b>	<b>Doc Date</b>	<b>Document Description</b>	<b>Doc. Number</b>
2	TOD	5/17/05	To: Metro Council From: Meganne Steele Re: TOD/Centers Program Review	091206c-01
4	Legislative Agenda	undated	To: Metro Council From: Randy Tucker Re: Measure 48	091206c-02
4	Legislative Agenda	undated	To: Metro Council From: Randy Tucker Re: Current list of likely legislative concepts	091206c-03
4	Legislative Agenda	7/12/06	To: Metro Council From: Randy Tucker Re: Metro 2007 Legislative Issue Identification	091206c-04
5	4 <sup>th</sup> Quarter Financial Report	9/12/06	To: Metro Council From: Bill Stringer Re: Quarterly Report Fourth Quarter	091206c-05
7	Council Communications	Fall 2006	To: Metro Council From: Brian Newman Re: Nature in Neighborhoods, Design for Habitat and Clean Water Competition	091206c-06