

A G E N D A

600 NORTHEAST GRAND AVENUE PORTLAND, OREGON 97232-2736



METRO

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

MEETING: METRO POLICY ADVISORY COMMITTEE

DATE: September 27, 2006
DAY: Wednesday, 5:00-7:00 p.m.
PLACE: Metro Council Chamber/Annex

NO	AGENDA ITEM	PRESENTER	ACTION	TIME
	CALL TO ORDER	Kidd		
1	SELF INTRODUCTIONS, ONE MINUTE LOCAL UPDATES & ANNOUNCEMENTS	All		5 min.
2	CITIZEN COMMUNICATIONS FOR NON-AGENDA ITEMS			2 min.
3	CONSENT AGENDA <ul style="list-style-type: none">September 13, 2006MTAC Appointment	Kidd	Decision	3 min.
4	COUNCIL UPDATE	Hosticka	Update	5 min.
5	MTIP REVIEW	Leybold	Information	10 min.
6	OREGON DEPARTMENT OF LAND CONSERVATION & DEVELOPMENT <ul style="list-style-type: none">State Land Use Program & Legislative ConceptsState Big Look	Lane Shetterly Judie Hammerstad	Discussion	60 min.
7	REGIONAL TRANSPORTATION PLAN (Outcomes Framework Discussion)	Ellis	Discussion	30 min.
8	DISPOSAL SYSTEM PLAN	Hoglund	Introduction	15 min.

UPCOMING MEETINGS:

MPAC: October 11 & 25, 2006
MPAC Coordinating Committee, Room 270: October 11, 2006

For agenda and schedule information, call Kim Bardes at 503-797-1537. e-mail: bardes@metro.dst.or.us
MPAC normally meets the second and fourth Wednesday of the month.
To receive assistance per the Americans with Disabilities Act,
call the number above, or Metro teletype 503-797-1804.
To check on closure or cancellations during inclement weather please call 503-797-1700.

METRO POLICY ADVISORY COMMITTEE MEETING RECORD

September 13, 2006 – 5:00 p.m.

Metro Regional Center, Council Chambers

Committee Members Present: Nathalie Darcy, Dave Fuller, John Hartsock, Jack Hoffman, Tom Hughes, Richard Kidd, Charlotte Lehan, Alice Norris, Wilda Parks, Chris Smith, Larry Smith, Erik Sten

Committee Members Absent: Ken Allen, Richard Burke, Larry Cooper, Rob Drake, Bernie Giusto, Diane Linn, Tom Potter, Steve Stuart, (Governing Body of School District –vacant)

Alternates Present: Shirley Craddick, John Leeper, Martha Schrader, Lane Shetterly

Also Present: Hal Bergsma, City of Beaverton; Al Burns, City of Portland; Carol Chesarek, Citizen; Bob Clay, City of Portland; Danielle Cowan, City of Wilsonville; Brent Curtis, Washington County; Cathy Daw, City of Happy Valley; Betty Dominguez, Oregon Housing & Comm. Services; Kay Durtschi, MTAC; Denny Egner, City of Lake Oswego; Jon Holan, City of Forest Grove; Hirofumi Hori, University of Tokyo; Laura Hudson, City of Vancouver; Kensuke Katayama, University of Tokyo; Gil Kelley, City of Portland; Leeanne MacCall, League of Women Voters; Pat Ribellia, City of Hillsboro; Paul Savas, Clackamas County Special Districts; Karen Shilling, Multnomah County; Mike Swanson, City of Milwaukie; Andy Smith, Multnomah County; Janet Young, City of Gresham; David Zagel, TriMet Planner

Metro Elected Officials Present: Liaisons –Robert Liberty, Council District 6 others in audience: Brian Newman, District 2; Rod Park, District 1

Metro Staff Present: Kim Bardes, Miranda Bateschell, Dick Benner, Dan Cooper, Andy Cotugno, Chris Deffebach, Amelia Porterfield, Ken Ray, Reed Wagner

1. SELF-INTRODUCTIONS, ONE MINUTE LOCAL UPDATES & ANNOUNCEMENTS

Chair Richard Kidd, called the meeting to order at 5:04.m. Chair Kidd asked those present to introduce themselves.

Mayor Charlotte Lehan, City of Wilsonville, said that she was concerned about the agenda and the lack of decisions that MPAC was requested to make. She said that except for the consent agenda, there had been no decisions for nearly a year. She said she thought that part of the reason MPAC was not attaining a quorum was that most of the things on the agenda were informational and never seemed to lead to a decision. She said that MPAC was an advisory committee that was not being asked for advice. She suggested that Metro could include in the agenda questions that would elicit MPAC's opinion and advice. She said that there should be a path leading towards a decision or recommendation. She said that attendance would then be higher. She said that it appeared as though MPAC was drifting away from being an advisory group towards turning into a discussion group.

Wilda Parks, Multnomah County Citizen Representative, distributed a flyer on "Leadership in Salem...Governatorial Candidates Speak Out," which is attached and forms part of the record.

Jack Hoffman, City of Lake Oswego, agreed with and emphasized what Mayor Lehan had said.

Chair Kidd explained that there had been a lot of information items brought to MPAC over the course of the current year, but that information would be important and lead to a series of decisions later this year,

or early next year. In the past it seemed that information was shared one month and a decision requested the next month. This year, however, there were many discussion items way ahead of the decision process, but there would be decisions tied to those issues and the informational base was very important to that process.

Andy Cotugno introduced two gentlemen from the University of Tokyo and explained their interest in Metro and MPAC.

2. CITIZEN COMMUNICATIONS FOR NON-AGENDA ITEMS

There was none.

3. CONSENT AGENDA

Meeting Summaries for June 14, June 28, July 26, and August 9, 2006:

Motion:	Mayor Alice Norris, City of Oregon City, with a second from John Hartsock, City of Lake Oswego, moved to adopt the consent agendas without revision.
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Vote:	The motion passed unanimously.
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4. COUNCIL UPDATE

Councilor Robert Liberty said that since the Metro Council had recently come off of recess, there wasn't a lot to report. He mentioned that the Natural Areas and Streams bond measure now had a number: Measure 26-80. He also emphasized the importance of the Regional Transportation Plan and asked for the members to give this topic, which was on the agenda for later in the evening, their full attention.

5. CONSTRUCTION EXCISE TAX UPDATE

Councilor Brian Newman gave an update on how the Construction Excise Tax (CET) process had proceeded regarding meetings and the process of collection. He said that the process was about one month ahead of schedule. He said that as a result of being one month ahead, the request for funds period had also been moved up by one month. The guidelines had been distributed and he thanked the Metro staff and the jurisdictions for all their help and participation. There was some discussion about how the process would proceed.

6. JPACT UPDATE

Andy Cotugno, Planning Director, said that they were deep into the Regional Transportation Plan (RTP) process and he said that there would be more discussion on this later in the agenda for this evening. He discussed staff ranking of projects for the MTIP process. He said that public meetings were set for October and November.

7. ORDINANCE 06-1124 PROPOSED TITLE 4 MAP CHANGES (Industrial and Other Employment Areas)

Dick Benner, Attorney for Metro, reviewed the purpose of the ordinance and then reviewed the materials included in the packet. He also reviewed the process for map changes. There was some discussion about cumulative impact on changes/acres of land. There was some discussion about specific sections of the ordinance.

8. NEW LOOK

8.1 Investing in our Communities (Vertical Housing Program Discussion)

Councilor Liberty gave an introduction to this topic and the three panelists who would be presenting.

Betty Dominguez, Regional Field Representative, Oregon Housing & Community Services, discussed the Vertical Housing Program for the region and the state, and the value and uses of the tool for communities.

Janet Young, Economic Development Manager, City of Gresham, distributed an overview and map for the City of Gresham Community & Economic Development pertaining to their Vertical Housing Program. She discussed the key factors of that handout, which is attached and forms part of the record.

Mike Swanson, City Manager, City of Milwaukie, distributed a packet on Investing in our Communities, Vertical Housing Program Discussion, which is attached and forms part of the record. He reviewed the main items included in that packet.

8.2 Regional Transportation Plan (RTP) (Outcomes Framework Discussion)

Held over to the next meeting per the request of Mr. Cotugno.

9. MTIP REVIEW

Held over to the next meeting per the request of Mr. Cotugno.

There being no further business, Chair Kidd adjourned the meeting at 7:14 p.m.

Respectfully submitted,



Kim Bardes
MPAC Coordinator

ATTACHMENTS TO THE RECORD FOR SEPTEMBER 13, 2006

The following have been included as part of the official public record:

AGENDA ITEM	DOCUMENT DATE	DOCUMENT DESCRIPTION	DOCUMENT NO.
Misc.	September 2006	Leadership in Salem...Gubernatorial Candidates Speak Out! flyer	091306-MPAC-01
#8 New Look	9/13/06	City of Gresham: Community & Economic Development – Vertical Housing Development Zone & Map	091306-MPAC-02
#8	September 2006	City of Milwaukie: Investing in our Communities – Vertical Housing Program Discussion – packet (maps, pictures, information)	06-MPAC-03

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 20, 2006
TO: Metro Policy Advisory Committee
FROM: Andy Cotugno, MTAC Chair
RE: **MTAC APPOINTMENTS TO FILL MID-YEAR VACANCIES**

Per MPAC's bylaws, Article IV, Section C:

Each jurisdiction or organization named [to MTAC] shall annually notify MPAC of their nomination. MPAC may approve or reject any nomination. Revision of the membership of MTAC may occur consistent with MPAC bylaw amendment procedures...

Some mid-year vacancies have occurred on MTAC. Gary Clifford, Multnomah County, is retiring. Please consider Derrick Tokos (Primary), Chuck Beasley (1st Alternate) and Karen Schilling (2nd Alternate) to replace Mr. Clifford on MTAC Seat No. 2 – Multnomah County.

Additionally, Jonathan Harker has been nominated to be Gresham's new alternate. Edward Gallagher remains the primary member for MTAC Seat No. 6 – Largest City in Multnomah County; Gresham.

If you have any questions or comments, don't hesitate to contact me at 503-797-1763 or cotugno@metro.dst.or.us

Thank you.

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DATE: September 8, 2006

TO: MPAC and Interested Parties

FROM: Ted Leybold: MTIP Manager

SUBJECT: Transportation Priorities funding allocation process summary

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The Transportation Priorities process selects local transportation projects for funding every two years. The source of this funding are two federal programs, one which is broad-based in its purpose (Urban Surface Transportation Program) and the other to help the region meet air quality objectives (Congestion Mitigation/ Air Quality). The Joint Policy Advisory Committee on Transportation and the Metro Council jointly define the policy objectives of the Transportation Priorities process and make the decision of which projects to fund.

Applications from local transportation agencies were received by Metro on June 30th. Project applications must be included in the Regional Transportation Plan. Sixty seven applications were received requesting \$133.4 million of federal funds. Approximately \$64 million will be allocated this funding cycle. Of the \$64 million, \$18.6 million has been pledged to payment on debt service for rail transit projects. \$45.4 million remains for distribution.

Policy Guidance for the 2008-11 Transportation Priorities Program

Program Objectives

The primary policy objective for MTIP and the allocation of region flexible transportation funds is to:

- Leverage economic development in priority 2040 land-use areas through investment to support:
 - 2040 Tier I and II mixed-use areas (central city, regional centers, town centers, main streets and station communities),

- 2040 Tier I and II industrial areas (regionally significant industrial areas and industrial areas), and
- 2040 Tier I and II mixed-use and industrial areas within UGB expansion areas with completed concept plans.

Other policy objectives include:

- Emphasize modes that do not have other sources of dedicated revenues,
- Complete gaps in modal systems,
- Develop a multi-modal transportation system with a strong emphasis on funding: bicycle, boulevard, freight, green street demonstration, pedestrian, regional transportation options, transit oriented development and transit projects and programs, and
- Meet the average annual requirements of the State Implementation Plan for air quality for the provision of pedestrian and bicycle facilities.

Factors Used to Develop Narrowing Recommendations

In developing narrowing recommendations, technical staff are to consider the following information and policies:

- Honoring previous funding commitments made by JPACT and the Metro Council.
- Program policy direction relating to:
 - Economic development in priority land use areas;
 - Modal emphasis on bicycle, boulevard, green streets demonstration, freight, pedestrian, RTO, TOD and transit;
 - Addressing system gaps;
 - Emphasis on modes without other dedicated sources of revenue; and
 - Meeting SIP air quality requirements for miles of bike and pedestrian projects.
- Funding projects throughout the region.
- Technical rankings and qualitative factors:
 - The top-ranked projects at clear break points in technical scoring in the bicycle, boulevard, freight, green streets, pedestrian, regional travel options, transit and TOD categories (with limited consideration of qualitative issues and public comments).
 - Projects in the road capacity, reconstruction or bridge categories when the project competes well within its modal category for 2040 land use technical score and overall technical score, and the project best addresses

(relative to competing candidate projects) one or more of the following criteria:

- Project leverages traded-sector development in Tier I or II mixed-use and industrial areas;
 - Funds are needed for project development and/or match to leverage large sources of discretionary funding from other sources;
 - The project provides new bike, pedestrian, transit or green street elements that would not otherwise be constructed without regional flexible funding (new elements that do not currently exist or elements beyond minimum design standards).
- Recommend additional funding for existing projects when the project scores well and documents legitimate cost increases relative to unanticipated factors. It is expected, however, that projects will be managed to budget. Only in the most extraordinary of circumstances will additional monies to cover these costs be granted.
- When considering nomination of applications to fund project development or match costs, address the following:
 - Strong potential to leverage discretionary (competitive) revenues.
 - Partnering agencies illustrate a financial strategy (not a commitment) to complete construction that does not rely on large, future allocations from Transportation Priorities funding.
 - Partnering agencies demonstrate how dedicated road or bridge revenues are used within their agencies on competing road or bridge priorities.
 - As a means of further emphasis on implementation of Green Street principles, staff may propose conditional approval of project funding to further review of the feasibility of including green street elements.

**Transportation Priorities
2008-2011
Application Summary**

Project code	Project name	Funding request	Technical Score
Bike/Trail			
Bk1126	NE/SE 50s Bikeway: NE Thompson to SE Woodstock	\$1.366	78
Bk1048	Willamette Greenway Trail in South Waterfront Phase I: SW Gibbs to SW Lowell.	\$1.800	72
Bk5053	PE for trail between Milwaukie TC and Lake Oswego TC	\$0.583	69*
Bk5026	Trolley Trail : Arista to Glen Echo	\$1.875	65
Not in RTP	NE/SE 70s Bikeway 70s: NE Killingsworth to SE Clatsop	\$3.698	65
Bk3012	Rock Creek Trail: Orchard Park to NW Wilkins	\$0.600	64
Bk4011	Marine Dr. Bike Lanes and Trail Gaps: NE 6th Ave. to NE 185th Ave.	\$1.873	61
Bk5193	Willamette Falls Drive Improvement: Hwy 43 to 10th St	\$2.987	48
Bk3114	NE 28th Ave : E. Main St to NE Grant	\$0.300	47*
<i>Bike/Trail Project Development</i>			
N/A	Sullivan's Gulch Planning Study: Eastbank Esplanade to 122nd Ave	\$0.224	n/a
Bk3014, 3072, 3092, 6020	Westside Corridor Trail (aka Beaverton Power Line Trail) - Tualatin River to Willamette River following the BPA power line corridor.	\$0.300	n/a
Subtotal		\$15.606	
Boulevard			
Bd3169	E Baseline: 10th to 19th	\$3.231	96
Bd3169	E Burnside/Couch Street: 3rd to 14th	\$4.700	93
Bd5134	McLoughlin Blvd Phase 2: Clackamas River to Dunes Dr.	\$2.800	91
Bd2015	NE 102nd Avenue Phase 2: Glisan to Stark	\$1.918	90
Bd2104	Burnside Road: 181st to Stark	\$1.500	90
Bd1221	Killingsworth Phase 2: Commercial to MLK	\$1.955	84
Bd3020	Rose Biggi extension: Crescent St. to Hall	\$5.387	78
Bd6127	Boones Ferry Rd: Red Cedar to S of Reese Rd	\$3.491	78
Subtotal		\$24.982	
Diesel Retrofit			
DR0001	Sierra Cascade SmartWay Technology and outreach center	\$0.200	n/a
DR8028	Transit Bus Diesel Engine Emission Reduction	\$3.592	n/a
Subtotal		\$3.792	
Freight			
Fr4044	82nd Avenue/Columbia Blvd Intersection Improvement	\$2.000	86.75
Fr0001	N. Burgard/Lombard Street PE/ROW: Columbia to UPRR Bridge	\$3.967	70
<i>Freight Project Development</i>			
Fr0002	N. Portland Rd/Columbia Boulevard Intersection Improvements	\$0.538	n/a
Subtotal		\$6.506	
Green Streets Culvert			
GS5049	McLoughlin Blvd (Hwy 99E) PE: Kellogg Lake culvert/dam removal	\$1.055	100
Subtotal		\$1.055	
Green Streets Retrofit			
GS1224	NE Cully Boulevard: Prescott to Killingsworth	\$3.207	77.50
GS6050	Tigard Main Street: Hwy 99W to Commuter Rail	\$2.540	72
Subtotal		\$5.747	
Large Bridge			
RR1010	Morrison Bridge Deck Replacement	\$2.000	75.75
Subtotal		\$2.000	
Pedestrian			
Pd2057	Hood Avenue: SE Division to SE Powell	\$0.887	90
Pd1160	Foster-Woodstock: SE 87th to SE 101st	\$1.931	87
Pd5052	17th Ave: SE Ochoco to SE Lava Drive	\$1.655	82
Pd1120	Sandy Blvd Pedestrian Improvements	\$0.712	70
Pd6117	Pine Street: Willamette Street to Sunset Blvd	\$1.100	47
<i>Pedestrian Project Development</i>			
Pd6007	Hall Blvd Bike/Ped crossing study: Fanno Creek trail and Hall	\$0.359	n/a
Pd8035	Pedestrian Network Analysis and transit access	\$0.247	n/a
Subtotal		\$6.890	

**Transportation Priorities
2008-2011
Application Summary**

Project code	Project name	Funding request	Technical Score
Planning			
PI0002	Metro Livable Streets Policy and Guidebook Update	\$0.200	n/a
PI0003	Tanasborne Town Center	\$0.200	n/a
PI0001	Metro Big Streets: design solutions for 2040 corridors	\$0.250	n/a
PI0004	Hillsboro Regional Center	\$0.350	n/a
PI0007	Happy Valley Town Center	\$0.432	n/a
PI0005	Metro RTP Corridor	\$0.600	n/a
PI0006	Metro MPO planning	\$1.993	n/a
Subtotal		\$4.025	
Regional Travel Options			
n/a	RTO Program	\$4.447	n/a
n/a	Individualized Marketing Program Add	\$0.600	n/a
n/a	Additional TMA Program Support	\$0.600	n/a
Subtotal		\$5.647	
Road Capacity			
RC5069	Harmony Road: 82nd Ave to Highway 224	\$1.500	84.50
RC3030	Farmington Road: SW Murray to SW Hocken	\$4.284	80.75
RC3016	Tualatin-Sherwood Road ATMS: 99W to I-5	\$1.561	77.00
RC3113	10th Avenue: Southbound right turn lane	\$0.600	76.25
RC7036	190th: Pleasant View/Highland to 30th	\$3.967	75.50
RC7000	172nd Avenue: Sunnyside Road to Multnomah County line	\$1.500	69.50
RC3150	Cornell Road System Management: Downtown Hillsboro to US 26	\$2.002	67.75
RC2110	Wood Village Boulevard: Halsey to Arata	\$0.643	61.50
RC3192	Sue/Dogwood Connection	\$3.455	30.25
Road Capacity Project Development & Programs			
RC5101	Clackamas County ITS (Pedestrian, etc.)	\$0.592	n/a
RC0001	ITS Programatic Allocation	\$3.000	n/a
RC3023	Highway 217 Environmental Assessment: Allen to Denny	\$0.500	n/a
Subtotal		\$23.603	
Road Reconstruction			
RR1214	Division Streetscape and Reconstruction Project: SE 6th to 39th	\$2.000	79
RR2081	223rd RR Undercrossing	\$1.000	76
Subtotal		\$3.000	
Transit			
Tr1106	Eastside Streetcar: NW 10th to NE Oregon	\$1.000	80
Tr8035	On-Street Transit Facilities	\$2.750	74
Transit Project Development			
Tr1003	South Corridor Ph. 2: Preliminary Engineering	\$2.000	n/a
Tr8025	Tigard Transit Center Redesign	\$0.160	n/a
Subtotal		\$5.910	
Transit Oriented Development			
TD8005a	TOD Implementation Program	\$4.000	97
TD8005b	Centers Implementation Program	\$2.000	82
TOD Project Development			
TD8025	Hollywood Transit Center Redesign and Development	\$0.202	n/a
Subtotal		\$6.202	

Bond Repayment \$18.600

Grand Total \$133.564



METRO

**2007 Transportation Priorities
And 2008-11 MTIP:
*Investing in the 2040 Growth Concept***

Calendar of Activities

2006

February	JPACT/Metro Council adopt Program policy objectives.
June 30	Final applications due to Metro
August 14	MTIP Subcommittee review and comment on draft Transportation Priorities technical scores.
August 25	TPAC review of draft Metro Staff recommended First Cut List.
September 7	JPACT review of draft Metro Staff recommended First Cut List.
September 29	TPAC action on First Cut List.
October 10	Metro Council work session on release of First Cut List.
October 12	JPACT action on release of First Cut List.
October 13 – December 1	Public comment period, listening posts on First Cut List and Draft ODOT STIP (including TriMet TIP and SMART programming).

Listening Posts:

November 9 (Thursday) 5 – 8 pm
Springwater Trail Room: City Hall Building
1333 NW Eastman Parkway, Gresham

November 13 (Monday) 5 – 8 pm
Beaverton Community Center: Community Room and Vose Room
12350 SW Fifth Street, Beaverton

November 14 (Tuesday) 5 – 8 pm
Pioneer Community Center
615 Fifth Street, Oregon City

November 16 (Thursday) 5 – 8 pm
Metro Central: Council Chamber and Council Annex
600 NE Grand Ave., Portland

- December** Metro Council work session: policy discussion and direction to staff on narrowing to the Final Cut List.
- December** JPACT briefing on public comment report and policy discussion about direction to staff on narrowing to the Final Cut List.

2007

- January** JPACT action on policy direction to staff on narrowing to the Final Cut List.
- January** TPAC action on Final Cut List.
- February** Public hearing on draft Final Cut List at Metro Council.
- March** JPACT action on Final Cut List pending air quality analysis.
- March** Metro Council action on Final Cut List pending air quality analysis.
- April - June** Programming of funds. Air quality conformity analysis.
- July** Public review of draft MTIP with air quality conformity analysis.
- August** Adopt air quality conformity analysis and submit to USDOT for approval. Adopt MTIP, including final Metro area state highway programming and TriMet and SMART Transit Investment Plan, and submit to Governor for approval. Governor approves incorporation of MTIP into STIP. OTC approves submittal of STIP to USDOT.
- September** Receive approval of air quality conformity and STIP from USDOT.
- October** Obligation of FFY 2008 programming begins.

PROPOSED DLCD LEGISLATIVE CONCEPTS

The Land Conservation and Development Commission (LCDC) authorized the department to propose the following legislative concepts for the 2007 legislative session. The Oregon Department of Administrative Services (DAS) has authorized DLCD to submit these concepts for drafting by Legislative Counsel.

1. Proposed DLCD Legislative Concept 1: Industrial Land Sanctuaries

This proposed legislation is intended to expand the supply of “prime industrial land” statewide, including sites eligible for certification under the Oregon Industrial Site Certification Program.¹ The proposed legislation would direct LCDC to adopt rules that encourage local governments to provide additional prime industrial land inside urban growth boundaries (UGBs). In addition to measures intended to make existing industrial sites more “shovel ready,” such rules should amend UGB criteria so as to encourage and streamline UGB expansion for new prime industrial land for “industrial sanctuaries.” Industrial sites added to a UGB under this amended process may not be converted to other uses. LCDC rules already define “prime industrial land” as a special category of industrial land that has site characteristics that are difficult or impossible to replicate in the planning area or region. Prime industrial land must have access to transportation and freight infrastructure, including, but not limited to, rail, marine ports and airports, multimodal freight or transshipment facilities, and major transportation routes.

Expanding the supply of prime industrial land would help attract new industry and encourage the retention of industry already in Oregon. There continues to be a need for large industrial sites that can be developed in the near-term (six months to two years). There is also a need to protect prime industrial land from conversion to other uses over the long-term.

2. Proposed DLCD Legislative Concept 2: Sites Dedicated to Affordable Housing

This concept would direct LCDC to encourage local governments to plan new sites dedicated to affordable housing, through amended requirements for expansion of urban growth boundaries (UGBs). This legislative concept may amend current statutes regarding the UGB amendment process, and would direct LCDC to amend statewide goals or administrative rule requirements as necessary. The amended requirements may encourage new sites dedicated to affordable housing to be added to UGBs, through streamlined UGB requirements and amended UGB “land supply” restrictions, if necessary. The legislation would relax current statutes that prevent local governments from regulating housing price, but only with regard to sites designated for affordable housing added to UGBs under the amended requirements described above. Use of any

¹ A certified industrial site is ready for construction within six months or less after being chosen for development and must meet other documentation criteria, such as the availability/capacity of water, sewer, electrical power and telecommunications, environmental investigation, land use conformance, and transportation accessibility. The Oregon Economic and Community Development Department (OECD) is responsible for certification requests.

new UGB expansion process for this purpose would be voluntary on the part of local governments. Sites that are placed in UGBs under this process may not be rezoned or developed for uses other than affordable housing, except as allowed under narrow terms described in the legislation. Affordability would be generally defined in the legislation, but LCDC would be required to refine the definition through rulemaking.

Affordable housing advocates agree there is a shortage of land available for affordable housing statewide, in part due to land costs. This legislation is intended to encourage more affordable housing land in UGBs, provided such land is dedicated to affordable housing, both rental and owned, over the long term if necessary. The proposed legislation could include provisions that are especially targeted toward providing replacement sites for pre-existing manufactured housing parks in UGBs that are converted to other uses. The UGB rules developed by LCDC under this legislation must ensure that a substantial amount of the housing built on the new sites remain “affordable” over the long term, through local planning and zoning or other measures. DLCD believes some relaxation of state laws that prevent local governments from restricting housing price (only for sites added under this process) would help local governments keep such sites “affordable.” In order to encourage local governments to provide sites dedicated to affordable housing, this legislation may authorize local governments to add certain rural lands to UGBs, including farmland that would otherwise have a low priority for urban use.

3. Proposed DLCD Legislative Concept 3: Standard of Review for Rule Consistency with Statewide Goals

This concept would directly address DLCD and DOJ concerns about the “standard of review” employed by the Court of Appeals in a recent decision invalidating LCDC’s “Subregional” administrative rules (OAR 660, division 26). In that decision, *City of West Linn v LCDC*, the Court of Appeals declared LCDC’s rule to be invalid because of the mere possibility that the rule could be applied contrary to one or more of the statewide goals, without regard to whether the rule had ever been applied in such a manner.

This legislative concept would amend ORS 197 to include a clear standard of review for consistency between rules and statewide goals. That standard would specify that the mere possibility of application of a rule in a manner that conflicts with a goal is not sufficient to invalidate the rule.

DLCD and DOJ are concerned that the problem created by the courts’ standard of review in *West Linn* may adversely affect all rulemaking by the Land Conservation and Development Commission (LCDC). Under the standard of review applied by the court in this case the court could conceivably invalidate any administrative rule adopted by LCDC that interprets a statewide planning goal – including current rules that have been in effect for many years.

It's Time to Take a Big Look at Land Use Planning in Oregon

30-Year Review of Oregon's Planning Program

In January, 2006, Governor Ted Kulongoski, Speaker of the House Karen Minnis and Senate President Peter Courtney announced the appointment of the ten-member Oregon Task Force on Land Use Planning. The purpose of the Task Force is to chart the future of the state's land use planning system.

Commonly referred to as the 'Big Look,' the Task Force was created under Senate Bill 82, which calls for a broad review of the state land use planning program and recommendations for any needed changes to land use policy.

Senate Bill 82 required members of the Task Force to be appointed jointly by the Governor, Senate President and the Speaker of the House.

What will the Task Force do?

Specifically, the Task Force is charged with studying and making recommendations on the:

- (a) Effectiveness of Oregon's land use planning program in meeting the current and future needs of Oregonians in all parts of the state;
- (b) Respective roles and responsibilities of state and local governments in land use planning; and
- (c) Land use issues specific to



areas inside and outside urban growth boundaries and the interface between areas inside and outside urban growth boundaries.

What issues will the Task Force focus on?

In July 2006, the task force identified six key land use issues for further analysis and evaluation as part of its comprehensive review of the state land use program. The questions are:

- What are the appropriate roles of state and local governments in land use in Oregon?
- What is the appropriate role of citizen involvement in land use?
- What role should land use

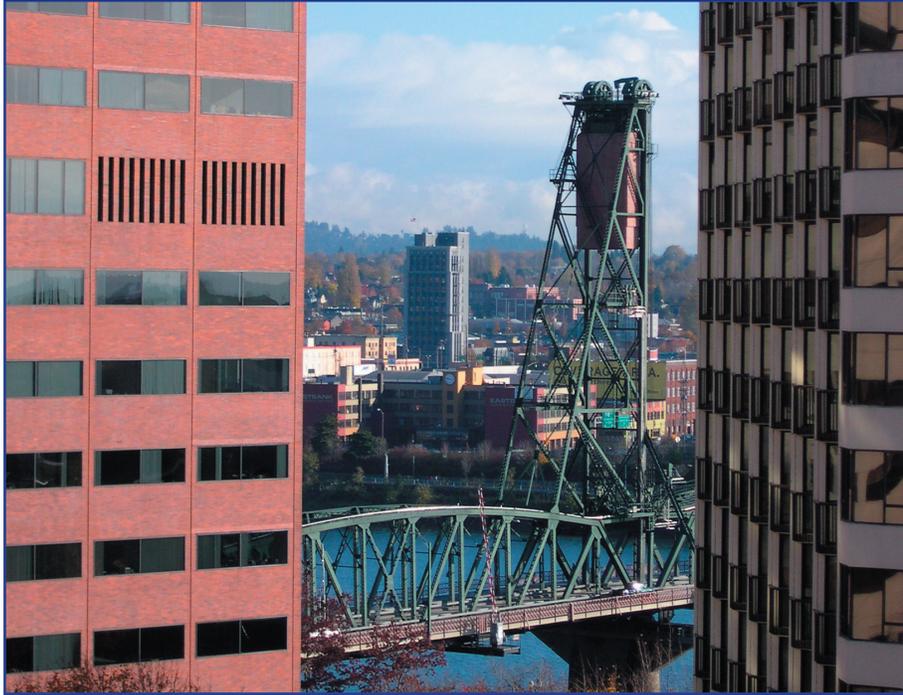
planning play in enhancing Oregon's economy now and in the future?

- What are the most effective tools to manage population growth to achieve community goals?
- How should Oregon's system of infrastructure, finance, and governance influence land use?
- How can the land use process appropriately address the benefits and burdens that fall on individual land owners and the general public?

Who are the Task Force members?

Members of the Task Force are:

- **Ken Bailey:** Vice President and Shareholder in Orchard



View Farms, Inc. in The Dalles.

- **David Bragdon:** Portland Metro Council's first regionally elected President.
- **Steve Clark:** President of the Portland Tribune newspaper and President and Publisher of Community Newspapers in the Portland area.
- **Jill S. Gelineau:** A litigator who represents landowners in condemnation and land use matters.
- **Judie Hammerstad:** Mayor of Lake Oswego and former Clackamas County Commissioner and state legislator.
- **Wes Hare:** Albany City Manager.
- **Cameron Krauss:** General Counsel for Swanson Group, Inc., a forest products company in Glendale.

- **Gretchen Palmer:** Secretary/Treasurer for Palmer Homes in Bend.
- **Mike Thorne (Chair):** A Pendleton rancher. Chair Thorne is the former Executive Director of the Port of Portland and a former state legislator.
- **Nikki Whitty (Vice-Chair):** Coos County Commissioner.

When will the Task Force deliver its recommendations?

Staff from the Department of Land Conservation and Development will support the Task Force. The Task Force is required to provide a status report to the legislature and Governor by 2007, and a final report and recommendations to the legislature and Governor no later than February 1, 2009.

The Task Force will meet about once per month in Salem and in locations around the state.

For More Information

For regular updates on the work of the Task Force, check the Department of Land Conservation and Development website:

<http://www.oregon.gov/LCD/BIGLOOK/index.shtml>

To sign up for free email alerts for meeting notices, agendas and other updates of the task force, please fill out an online form at:

http://listsmart.osl.state.or.us/mailman/admin/sb82_task_force.

To send comments to the Task Force, you can email: big.look@state.or.us.

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**Land Conservation and
Development Commission
(LCDC)**

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Dennis Derby
Marilyn Worrix
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LCDC members may be contacted through Sarah Watson at: 503-373-0050 x271, or at: sarah.watson@state.or.us

Task Force picks key issues

Becky Steckler
Statewide Land Use Review
Project Manager

The Oregon Task Force on Land Use Planning has made progress in defining key issues to help guide its evaluation of Oregon's land use program.

The Task Force is now in the process of developing work plans that will help identify more specific issues, options, and tradeoffs under each of the general topics.

The Task Force was established under Senate Bill 82 (2005). The purpose of the Task Force is to study and make recommendations on:

1. The effectiveness of Oregon's land use planning program in meeting current and future needs of Oregonians in all parts of the state;
2. The respective roles of state and local governments in land use planning; and
3. Land use issues inside and outside urban growth boundaries, and at the interface between areas inside and outside urban growth boundaries.

On May 24, the Task Force met in Salem and approved the final draft of its work program. The work program was subsequently submitted to and received by Gov. Kulongoski, Senate President Courtney and House Speaker Minnis. The final draft of the work program can be downloaded from DLCD's website at: <http://www.oregon.gov/LCD/BIGLOOK/reports.shtml>

In the interest of framing Oregon's land use program and related public concern, the Task Force conducted outreach efforts to the public and interested parties. Over 3,000 people or groups responded to an Internet survey. Comments and reports were compiled and reviewed prior to its next meeting.

Members form six work groups

The Task Force met for a two-day work session on July 23-24 in Lincoln City, where it developed six key issues and assigned work groups to each of them.

Each work group was assigned an

issue question of which it will develop a work plan.

The six key issue questions and associated work groups are (the chair of the group is indicated with an asterisk):

■ What are the appropriate roles of state and local governments in land use in Oregon? (*Judie Hammerstad, Nikki Whitty, Mike Thorne)

■ What is the appropriate role of citizen involvement in land use? (*Gretchen Palmer, Jill S. Gelineau, Judie Hammerstad)

■ What role should land use planning play in enhancing Oregon's economy now and in the future? (*Steve Clark, Nikki Whitty, Cameron Krauss, Ken Bailey)

■ What are the most effective tools to manage population growth to achieve community goals? (*Ken Bailey, Gretchen Palmer, Steve Clark, David Bragdon)

■ How should Oregon's system of infrastructure, finance and governance influence land use? (*David Bragdon, Wes Hare, Mike Thorne)

■ How can the land use process appropriately address the benefits and burdens that fall on individual land owners and the general public? (*Jill S. Gelineau, Cameron Krauss, Wes Hare)

Work groups continue to develop work plans and outreach strategies for the issue questions they are assigned.

The next full Task Force meeting will be held Sept. 18 in Pendleton. At that meeting, the work groups will reconvene to share the information they have gathered, propose possible outreach strategies, and identify resources needed to appropriately address the topics.

To stay current on the activities of the Task Force, sign up for free email alerts at: http://lists.mart.osl.state.or.us/mailman/listinfo/sb82_task_force.

Persons who wish to comment on the identified issues and provide information to the Task Force are encouraged to contact it in writing at: Big Look, 635 Capitol Street NE, Suite 150, Salem, OR 97301-2540, or by email at: big.look@state.or.us.

For more information, contact Becky Steckler at 503-373-0050 x286, or via email at: becky.steckler@state.or.us.



Oregon

Theodore R. Kulongoski, Governor

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June 2, 2006

Governor Theodore R. Kulongoski
State Capitol Building
900 Court S., Rm. 160
Salem, Oregon 97301-4047

Dear Governor Kulongoski,

On behalf of the Oregon Task Force on Land Use Planning, I am pleased to present the work program for the Big Look, per the requirements of SB 82.

The work plan has five phases:

- Phase 1: Identification of major issues (May – July 2006).
- Phase 2: Analysis of key issues and identification of tradeoffs between different policy options in addressing the key issues. (August to December 2006.)
- Phase 3: Targeted, interactive discussion with stakeholders and the public on the major issues and the policy tradeoffs inherent in different options that address the major issue. The activities would be designed so that the stakeholders and public would be asked to choose between the trade-offs. (Calendar 2007)
- Phase 4: Task force debate and consideration on these major issues; development of recommendations. (January – July 2008)
- Phase 5: Present recommendations and advocate for their adoption. (Late 2008 – early 2009)

Assumptions Underlying Preparation of the Work Plan

The following assumptions were used to create the Big Look Work Plan:

- Members of the task force come to the task with experience, backgrounds, and networks of contacts, which should be deemed among the most valuable assets to be tapped in our work.
- One of our key strengths as a group, regardless of our differing backgrounds or the differing conclusions that we may ultimately draw as individuals on particular issues in 2008, is our collective knowledge of where “the rubs” in the system are. Another strength is our ability to frame those issues in a thoughtful manner, one which will be conducive to useful debates that in turn lead to the conclusive resolution of debates.
- We should move quickly, yet methodically, to those difficult and contentious issues that the Governor and legislature have charged the task force to address. Another positive corollary of this assumption is that if we can reach early agreement that, say 80% of the land use system is functioning adequately, then we have made a useful statement, in effect defining our task as reforming the problematic aspects rather than throwing out the whole thing and starting from scratch.
- The most useful “public involvement” engages informed stakeholders and forces debate about actual trade-offs, by presenting specific choices and eliciting reactions about the real conflicts which exist.

Open-ended “public involvement” on generalized topics simply yields unrepresentative anecdotes or ideological platitudes, which will not help anyone resolve real issues.

- The research presented in detail at the May 10 Task Force meeting provided a sufficient snapshot of generalized public opinion at this time. This information, like other public opinion polling, was more valuable in highlighting the contradictions than in resolving them.
- The work plan belongs to the task force, who can amend it as needed during the course of our work.
- Of the two syllables in the term “work plan,” the emphasis should be on the first syllable. The task force will play a significant role in doing the work described in the work plan. Our intent is that the task force take a hands on approach to framing the issues (Phase II), selecting consultants, and working with the target focus groups, rather than delegating those issues to staff.

The Task Force is honored to conduct the Big Look. Please contact me if you have any questions about the enclosed work program.

Sincerely,

Mike Thorne, Chair
Oregon Task Force on Land Use Planning

cc: Senate President Peter Courtney
cc: Speaker of the House Karen Minnis

Work Plan for the Oregon Task Force

On Land Use Planning

May 26, 2006

Phase I: Identify major issues (May-July 2006)

A. Identify major issues of existing land use system based on committee members' expertise (including information shared at a brainstorming session at the March 20, 2006 meeting and comments at subsequent meetings); recent survey information provided in May 10, 2006 meeting (and other surveys as relevant); invited testimony in May 24, 2006; other articles and reports; outreach to the public and interested parties, public comments, and discussion by the Task Force with interested persons.

B. Develop a tentative budget (staff).

C. Set Task Force "ground rules" for how members and staff will conduct Phase II(A) and (B); e.g., rights and responsibilities to one another, etc.

❖ **Completion Date of Phase I: July 2006 (Retreat)**

Phase II: Frame the issues (July-December 2006)

Phase II(A): Frame the issues and identify possible options for solutions, including identification of tradeoffs embedded in possible solutions

A. Develop one sentence description of each topic. Chair to assign two Task Force members as liaisons to each topic at the July Retreat. Rely on the expertise of Task Force members and their interest areas to make the assignments.

B. To conduct this work, the liaisons will, as to each issue:

1. Assess existing information resources via a bibliography of reports and research and surveys (staff).

2. Analyze existing conditions.

a. Retain neutral and independent consultants (perhaps out-of-state) or form a technical advisory committee (or both) as necessary to assist in describing existing conditions pertinent to the topic at hand.

3. Analyze and outline trends if helpful in framing the relevant issue.
 - a. Retain neutral and independent consultants or form a technical advisory committee (or both) to identify trends as necessary.
 4. Develop possible solutions and tradeoffs.
 - a. Retain neutral (perhaps out-of-state) consultants or form a technical advisory committee (or both) as necessary to assist in identifying solutions and tradeoffs on various issues.
 5. The liaisons should evaluate their need for staff and consultants but the need should be specific to the issue at hand rather than overarching.
 6. The liaisons will present a neutral draft written statement of each issue with possible options for solutions identified and analysis of the tradeoffs. The statement of the issue will not include or suggest a recommended solution, but will only identify a range of possible solutions and tradeoffs involved in each solution.
 7. Full Task Force meets as a group to review and provide revisions to the written statements of issues with solutions and tradeoffs.
- C. Consider public meetings, hearings, and other outreach for the remainder of Phase II to vet and receive comment on the issues identified and to consider other issues.

Phase II(B): Determine whether or not recommendations to the 2007 Legislature are feasible to produce

- A. Phases I and II are drafted on the assumption that the Task Force is on schedule to make its recommendations to the Governor and Legislature in advance of the 2009 Legislative Session. However, some Task Force members have suggested that the door be open to some limited recommendations which could be possible in advance of the 2007 Legislative Session. At some point during Phase II, but no later than the November 2006 Task Force meeting, the Task Force would need to decide whether or not such advance recommendations are desirable and feasible on a shortened timeframe, or whether the Task Force should continue with the original intent of reporting all recommendations as a comprehensive package for the 2009 Legislative Session.

Phase II(C): Progress report for Legislature

- A. A combined statement of the issues with possible options for solutions and possible tradeoffs from Phase II (A and B) will be summarized in a Progress

Report delivered to the Governor, the 2007 Legislative Assembly, and the Land Conservation and Development Commission.

❖ **Completion date of Phase II: December 2006**

Phase III: Conduct targeted outreach to garner stakeholder and public reaction on specific topics (2007)

- A. Conduct public outreach using the statement of issues, possible solutions and tradeoffs developed in Phase II(A). The outreach would be organized around specific questions and issues and would include the framing of tradeoffs, NOT open ended generalities.

The Task Force will conduct the following activities:

1. **General public outreach.** The Task Force will host public hearings throughout the state based on geographic diversity. Desirable to have at least two Task Force members attend each meeting. The Task Force may conduct a survey (web, telephone, or mailed) to explore public opinion about those tradeoffs using the statement of issues, options for solutions and tradeoffs.
2. **Focus groups.** Identify and target individuals that use the system or have an interest in the system, such as local government officials (both elected and staff), state employees (including but not limited to the Department of Land Conservation and Development), business owners and managers, land use attorneys, planners (both private and public), builders/developers (both commercial/industrial and residential), neighborhood activists, environmentalists, private property rights advocates, farmers, and forest products industry representatives.
 - a. The Task Force Chair should make assignments to each Task Force member to a target group based on expertise.
 - b. Each Task Force member to be responsible for one or more target groups and would prepare the report after each target group.
3. **Consider other outreach as necessary.** i.e., major summer activities; interactive website; radio advertising; media contact; and other activities.

❖ **Completion Date of Phase III: December 2007**

Phase IV: Assemble information from outreach efforts, prepare a report regarding the findings, and Task Force debate on recommendations for solutions (JANUARY-OCTOBER 2008)

- A. Prepare final recommendations and consider additional outreach.

❖ **Completion Date of Phase IV: October 2008**

Phase V: Promote recommendations to the Governor and Legislature before the 2009 Legislature (OCTOBER 2008-JUNE 2009)

- A. Task Force will undertake the following actions:
 - 1. Consider need for legislative counsel or other legal experts to draft proposed legislation based on the recommendations of the Task Force;
 - 2. Meet with legislators, members of the press, and stakeholders to promote recommendations.

❖ **Completion Date of Phase V: June 2009**



DATE: September 20, 2006
TO: MPAC and Interested Persons
FROM: Kim Ellis, Principal Transportation Planner
SUBJECT: Integrating An Outcomes-Based Approach to Update the Regional Transportation Plan

Purpose

This item was carried over from the September 13 MPAC meeting. The purpose of the September 27 MPAC agenda item is to provide committee members with a brief overview of the next steps for the 2035 RTP update as described in this memo and begin discussion of desired outcomes (*goals*) and measures (*objectives*) to analyze performance of the regional transportation system and assess the degree to which current policies (*actions*) are achieving the broader desired outcomes embodied in the 2040 Growth Concept.

Background

The Metro Council directed the 2035 Regional Transportation Plan (RTP) update to incorporate an outcomes-based approach on September 22, 2005 with approval of Resolution #05-3610A (for the Purpose of Issuing a Request for Proposals to Develop a Work Scope for an Expanded 2005-08 Regional Transportation Plan Update that Incorporates the “Budgeting for Outcomes” Approach to Establishing Regional Transportation Priorities).

With Metro Council approval of the 2035 Regional Transportation Plan (RTP) work program on June 15, 2006, the update passed from a scoping phase (Phase 1) into a research and analysis phase (Phase 2). From the end of June through December 2006, Phase 2 of the process will focus on research and analysis that will be used to re-tool the current plan’s policies to better implement the 2040 Growth Concept and to address new policy issues that have emerged since the last major update in 2000, including the New Look policy direction. The research will include an analysis of current regional transportation system conditions and financial, transportation, land use, environmental and economic/demographic trends.

The last major update to the RTP was completed in August 2000, and was the culmination of a 4-year effort to reorganize the plan to serve as a catalyst to implement the 2040 Growth Concept. The policy component of that update expanded the scope of the plan accordingly to include a

broad range of new land use and transportation considerations. While this element of the RTP continues to closely reflect the region's latest thinking on 2040 implementation, the current update will require refinements to RTP policy to reflect the New Look effort and other policy gaps that have emerged since 2000.

This memo describes a recommended approach to guide RTP research and policy development, and targeted stakeholder engagement activities during Phase 2 to address identified policy gaps and integration of an outcomes-based framework to support those activities. During Phase 3, the updated RTP policies and outcomes-based framework will guide the RTP investment solicitation, prioritization and evaluation process from February to June 2007.

New Look Policy Elements

The Council has identified a series of policy elements that reflect Council priorities for the New Look effort, all of which have policy implications for the RTP update. Within the Council's framework, all regional urbanization decisions, including infrastructure finance and transportation investments, should reinforce growth in centers, corridors and employment areas. In addition, the region will support and facilitate, when warranted, expansions of the urban growth boundary to develop vibrant new communities and employment areas, while balancing new development with the protection of the region's agricultural industry and important natural areas. They include the following:

1. Focus policies, fiscal resources and taxation tools to stimulate development in centers, corridors and employment areas.
2. Coordinate growth with neighboring communities/affected jurisdictions.
3. Base urban growth boundary expansion decisions on urban performance.
4. Designate and plan urban reserves.
5. Designate and protect key areas that should not be urbanized.
6. Prioritize and invest in transportation improvements that support efficient development and strengthen the economy.

The update to the RTP goals and objectives (Chapter 1 RTP Policy) will focus on reframing the current plan to incorporate all of these New Look policy elements and provide a more direct relationship to the 2040 fundamentals into the plan as part of developing an "outcomes-based" plan.

Other Policy Gaps

Since the 2000 RTP was adopted, several new trends have emerged that are not encompassed by the New Look framework, and will be considered as part of the policy update to the RTP during Phase 2. They include the following:

1. **Transportation Equity** - This policy area includes the general equity of the RTP in providing access to the transportation system for the all residents in the region, and the concept of "environmental justice," which is a systematic approach to ensure that

minority and traditionally underserved populations, such as the elderly and people with disabilities, are considered in developing an equitable plan.

2. **Healthy Environment** - This policy area would consolidate existing policies that support protecting the environment, such as Green Streets and the Regional Travel Options program, under a broad concept of system sustainability. The expanded concept would also include the new element of "active living," an emerging approach to planning that seeks to foster physical activity in daily living through urban design. For transportation plans, this new element would also include the idea of considering public health benefits as part of evaluating transportation policies and improvements.
3. **Transportation Security** - The September 11, 2001 terrorist attacks have triggered an array of new security considerations for critical infrastructure, public transportation facilities and public spaces that are not considered in the RTP. This new policy area would provide a context for considering transportation security in the planning process, and would be consolidated with existing transportation safety policies. This component would address growing traveler perceptions of risks involved in using public transportation or public spaces.
4. **Highway Reliability** - The 2000 RTP included a transitional policy for highway level-of-service that recognized the increasingly limited utility of this measure as a tool for sizing the regional highway system. This update will likely require the level-of-service policy to be replaced with a family of performance measures that better reflect the New Look vision and financial realities in the region. However, such a shift in policy will also require a new approach to providing mobility and reliability on segments of the highway system that are most important to goods movement and providing access to ports and industrial areas. The resulting policy will focus on new operational strategies for providing mobility in select corridors, and managing congestion on all facilities.
5. **Transportation Marketing** - Since the adoption of the 2000 RTP, the region's Regional Travel Operations program has undergone a major transition to a new focus on marketing. This emphasis would be reflected in the updated demand management policies, and integrated with the highway reliability policies where commuting and goods movement competes for capacity.
6. **Fiscal Stewardship** - Since the adoption of the 2000 RTP, declining federal and state dollars for transportation (no increase in federal or state gas tax since 1993) have combined with an aging transportation system in need of maintenance and growing uncertainty about energy supply and prices to create a need to update the RTP in a different manner to better the face these realities. This new policy emphasis would address these realities in a manner that stewardship of the public infrastructure would ensure that the needs and expectations of the public are met in an efficient and fiscally sustainable manner.
7. **Governance** – Geographic changes in the region are outpacing current governance structures further complicating the multi-jurisdictional roles and responsibilities that exist for planning, operating and funding the region's transportation system. This new policy emphasis would address the efficient integration of land use, infrastructure and

transportation investments on a wider geographic scale and the role of public-public and public-private partnerships in the equitable provision of public services.

The RTP research and policy analysis, and targeted stakeholder engagement activities will focus on these new policy areas and evaluating overall progress toward meeting the 2040 Growth Concept Vision using the outcomes-based framework described in the next section.

Recommended Outcomes-Based Framework

This section describes a recommended framework and vocabulary that is consistent with Council discussions during the RTP scoping phase and, more recently, as part of developing of the New Look policy elements. The values and desired outcomes of the public are very important, and the decision-making process will focus on those values and outcomes. The framework relies on the 2040 Fundamentals (*broadly defined desired outcomes that the residents of the region value*) to serve as the broad umbrella to focus the scope of what the New Look scenarios and RTP update will evaluate.

OUTCOMES			INPUTS
2040 Fundamentals	Goals	Objectives	Actions
<i>Broad outcomes that frame the regional vision for growth beyond the plan horizon.</i>	<i>Long-term specific desired outcomes for implementing the 2040 vision beyond the plan horizon.</i>	<i>Shorter-term, measurable outcomes that are desired within the 25-year plan horizon.</i>	<i>Planning, regulations, programs, projects, investments and coordination that achieve the objectives.</i>
<ul style="list-style-type: none"> • Healthy economy • Vibrant communities • Environmental health • Transportation choices • Equity • Fiscal stewardship 	<i>To be developed</i>	<i>To be developed</i>	<i>To be developed</i>

More specific goals (*specific desired outcomes*) and key objectives (*evaluation measures*) will be identified to quantitatively analyze performance of the RTP and assess the degree to which policies (*actions*) are achieving the broader 2040 Growth Concept goals as embodied in the 2040 Fundamentals. **Attachment 1** applies this framework to organize the current RTP goals (*Chapter 1 policies*) for reference.

Next Steps

The 2040 Fundamentals-based framework will be used in conjunction with the results of the RTP research, policy evaluation and targeted outreach to re-organize the current RTP and its associated policies to create an updated plan that is affordable, realistic and better reflects public priorities. There may be other policy gaps that will emerge as part of the systems background work that is already underway, and these will be incorporated into the effort.

The process will lead to updated RTP *goals* and *objectives* that are reorganized under the 2040 Fundamentals umbrella and a report on the State of Transportation in the region by early 2007. With JPACT, MPAC and Council approval, the updated goals and objectives will then be used to guide the RTP investment solicitation, prioritization and evaluation process from February to June 2007. **Attachment 2** shows a general timeline for this work.

2035 Regional Transportation Plan – Integrating An Outcomes-Based Approach

OUTCOMES		INPUTS	
2040 Fundamentals <i>Broad outcomes that frame the regional vision for growth beyond the plan horizon.</i>	RTP Goals <i>Long-term specific desired outcomes for implementing the 2040 vision beyond the plan horizon.</i> (to be developed Sept. – Nov. '06 using 2004 RTP Policies as a starting point)	RTP Objectives (Measurements) <i>Shorter-term, measurable outcomes that are desired within the 25-year plan horizon.</i>	RTP Actions <i>Planning, regulations, programs, projects, investments and coordination that achieve the objectives</i>
<p>Healthy economy <i>A healthy economy that generates jobs and business opportunities and sustains the region's agricultural industry.</i></p>	<p>Policy 15.0. Regional Freight System Provide efficient, cost-effective and safe movement of freight in and through the region.</p> <p>Policy 15.1. Regional Freight System Investments Protect and enhance public and private investments in the freight network.</p>	<p><i>To be developed Nov. '06-Jan. '07 using 2004 RTP objectives as a starting point (amended to become measurable objectives/performance measures)</i></p>	<p><i>To be developed Jan. – June '07 using 2004 RTP objectives and implementation strategies as a starting point</i></p>
<p>Vibrant communities <i>A vibrant place to live and work, and compact development that uses both land and infrastructure efficiently and focuses development in 2040 centers, corridors, and industrial and employment areas.</i></p>	<p>Policy 3.0. Urban Form Facilitate implementation of the 2040 Growth Concept with specific strategies that address mobility and accessibility needs and use transportation investments to leverage the 2040 Growth Concept.</p> <p>Policy 4.0. Consistency Between Land-use and Transportation Planning Ensure the identified function, design, capacity and level of service of transportation facilities are consistent with applicable regional land use and transportation policies as well as the adjacent land-use patterns.</p> <p>Policy 18.0. Transportation System Management Use transportation system management techniques to optimize performance of the region's transportation systems. Mobility will be emphasized on corridor segments between 2040 Growth Concept primary land-use components. Access and livability will be emphasized within such designations. Selection of appropriate transportation system techniques will be according to the functional classification of corridor segments.</p> <p>Policy 19.1. Regional Parking Management Manage and optimize the efficient use of public and commercial parking in the central city, regional centers, town centers, main streets and employment centers to support the 2040 Growth Concept and related RTP policies and objectives.</p> <p>Policy 20.1. 2040 Growth Concept Implementation Implement a regional transportation system that supports the 2040 Growth Concept through the selection of complementary transportation projects and programs.</p>		

OUTCOMES		INPUTS	
2040 Fundamentals <i>Broad outcomes that frame the regional vision for growth beyond the plan horizon.</i>	RTP Goals <i>Long-term specific desired outcomes for implementing the 2040 vision beyond the plan horizon.</i> (to be developed Sept. – Nov. ' 06 using 2004 RTP Policies as a starting point)	RTP Objectives (Measurements) <i>Shorter-term, measurable outcomes that are desired within the 25-year plan horizon.</i>	RTP Actions <i>Planning, regulations, programs, projects, investments and coordination that achieve the objectives</i>
<p>Environmental health <i>Forests, rivers, streams, wetlands, air quality and natural areas are restored and protected.</i></p>	<p>Policy 7.0. The Natural Environment Protect the region's natural environment.</p> <p>Policy 8.0. Water Quality Protect the region's water quality.</p> <p>Policy 9.0. Clean Air Protect and enhance air quality so that as growth occurs, human health and visibility of the Cascades and the Coast Range from within the region is maintained.</p> <p>Policy 10.0. Energy Efficiency Design transportation systems that promote efficient use of energy.</p>		
<p>Transportation choices <i>An integrated transportation system that supports land use and provides reliable, safe and attractive travel choices for people and goods.</i></p>	<p>Policy 11.0. Regional Street Design Design regional streets with a modal orientation that reflects the function and character of surrounding land uses, consistent with regional street design concepts.</p> <p>Policy 12.0. Local Street Design Design local street systems to complement planned land uses and to reduce dependence on major streets for local circulation, consistent with Section 6.4.5 in Chapter 6 of this plan.</p> <p>Policy 13.0. Regional Motor Vehicle System Provide a regional motor vehicle system of arterials and collectors that connect the central city, regional centers, industrial areas and intermodal facilities, and other regional destinations, and provide mobility within and through the region.</p> <p>Policy 14.0. Regional Public Transportation System Provide an appropriate level, quality and range of public transportation options to serve this region and support implementation of the 2040 Growth Concept, consistent with Figures 1.15 and 1.16.</p> <p>Policy 14.3. Regional Public Transportation Performance Provide transit service that is fast, reliable and has competitive travel times compared to the automobile.</p>		

OUTCOMES		INPUTS	
2040 Fundamentals <i>Broad outcomes that frame the regional vision for growth beyond the plan horizon.</i>	RTP Goals <i>Long-term specific desired outcomes for implementing the 2040 vision beyond the plan horizon.</i> (to be developed Sept. – Nov. '06 using 2004 RTP Policies as a starting point)	RTP Objectives (Measurements) <i>Shorter-term, measurable outcomes that are desired within the 25-year plan horizon.</i>	RTP Actions <i>Planning, regulations, programs, projects, investments and coordination that achieve the objectives</i>
	<p>Policy 16.0. Regional Bicycle System Connectivity Provide a continuous regional network of safe and convenient bikeways connected to other transportation modes and local bikeway systems, consistent with regional street design guidelines.</p> <p>Policy 16.1. Regional Bicycle System Mode Share and Accessibility Increase the bicycle mode share throughout the region and improve bicycle access to the region's public transportation system.</p> <p>Policy 17.0. Regional Pedestrian System Design the pedestrian environment to be safe, direct, convenient, attractive and accessible for all users.</p> <p>Policy 17.1. Pedestrian Mode Share Increase walking for short trips and improve pedestrian access to the region's public transportation system through pedestrian improvements and changes in land-use patterns, designs and densities.</p> <p>Policy 17.2. Regional Pedestrian Access and Connectivity Provide direct pedestrian access, appropriate to existing and planned land uses, street design classification and public transportation, as a part of all transportation projects.</p> <p>Policy 19.0. Regional Transportation Demand Management Enhance mobility and support the use of alternative transportation modes by improving regional accessibility to public transportation, carpooling, telecommuting, bicycling and walking options.</p>		
<p>Equity <i>Equitable access to affordable housing, jobs, transportation, recreation and services for people in all income levels is provided.</i></p>	<p>Policy 1.0. Public Involvement Provide complete information, timely public notice, full public access to key decisions and support broad-based, early and continuing involvement of the public in all aspects of the transportation planning process that is consistent with Metro's adopted local public involvement policy for transportation planning</p> <p>Policy 5.0. Barrier-Free Transportation Provide access to more and better transportation choices for travel throughout the region and serve special access needs for all people, including youth, elderly and disabled.</p>		

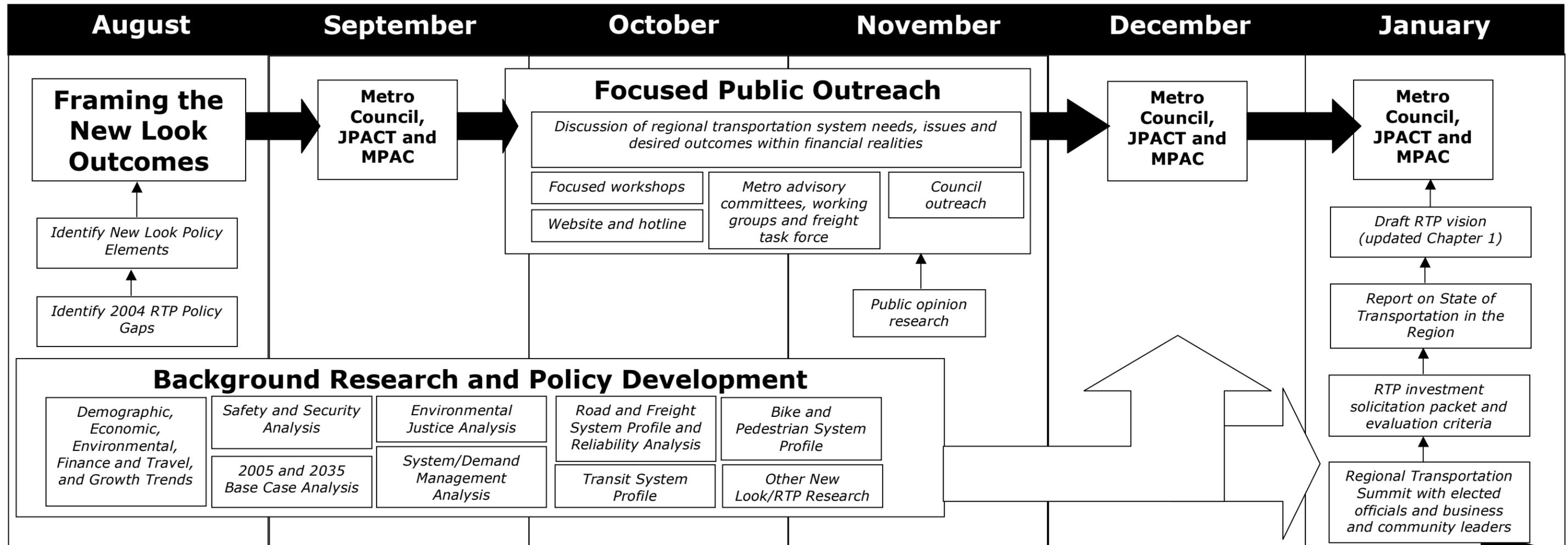
OUTCOMES		INPUTS	
2040 Fundamentals <i>Broad outcomes that frame the regional vision for growth beyond the plan horizon.</i>	RTP Goals <i>Long-term specific desired outcomes for implementing the 2040 vision beyond the plan horizon.</i> (to be developed Sept. – Nov. ' 06 using 2004 RTP Policies as a starting point)	RTP Objectives (Measurements) <i>Shorter-term, measurable outcomes that are desired within the 25-year plan horizon.</i>	RTP Actions <i>Planning, regulations, programs, projects, investments and coordination that achieve the objectives</i>
	<p>Policy 5.1 Interim Job Access and Reverse Commute Policy Serve the transit and transportation needs of the economically disadvantaged in the region by connecting low-income populations with employment areas and related social services.</p> <p>Policy 6.0. Transportation Safety and Education Improve the safety of the transportation system. Encourage bicyclists, motorists and pedestrians to share the road safely.</p> <p>Policy 14.1. Public Transportation System Awareness and Education Expand the amount of information available about public transportation to allow more people to use the system.</p> <p>Policy 14.2. Public Transportation Safety and Environmental Impacts Continue efforts to make public transportation an environmentally-friendly and safe form of motorized transportation.</p> <p>Policy 14.4 Special Needs Public Transportation Provide an appropriate level, quality and range of public transportation options to serve the variety of special needs individuals in this region and support implementation of the 2040 Growth Concept.</p> <p>Policy 14.5 Special Needs Public Transportation Provide a seamless and coordinate public transportation system for the special needs population.</p> <p>Policy 14.6 Special Needs Public Transportation Encourage the location of elderly and disabled facilities in areas with existing transportation services and pedestrian amenities.</p> <p>Policy 20.3. Transportation Safety Anticipate and address system deficiencies that threaten the safety of the traveling public in the implementation of the RTP.</p>		

OUTCOMES		INPUTS	
2040 Fundamentals <i>Broad outcomes that frame the regional vision for growth beyond the plan horizon.</i>	RTP Goals <i>Long-term specific desired outcomes for implementing the 2040 vision beyond the plan horizon.</i> (to be developed Sept. – Nov. ' 06 using 2004 RTP Policies as a starting point)	RTP Objectives (Measurements) <i>Shorter-term, measurable outcomes that are desired within the 25-year plan horizon.</i>	RTP Actions <i>Planning, regulations, programs, projects, investments and coordination that achieve the objectives</i>
<p>Fiscal stewardship <i>Stewardship of the public infrastructure ensures that the needs and expectations of the public are met in an efficient and fiscally sustainable manner.</i></p>	<p>Policy 2.0. Intergovernmental Coordination Coordinate among the local, regional and state jurisdictions that own and operate the region's transportation system to better provide for state and regional transportation needs.</p> <p>Policy 19.2 Peak Period Pricing Manage and optimize the use of highways in the region to reduce congestion, improve mobility and maintain accessibility within limited financial resources.</p> <p>Policy 20.0. Transportation Funding Ensure that the allocation of fiscal resources is driven by both land use and transportation benefits.</p> <p>Policy 20.2. Transportation System Maintenance and Preservation Emphasize the maintenance, preservation and effective use of transportation infrastructure in the selection of the RTP projects and programs.</p>		



A New Look at Transportation

Phase 2: Research and Policy Development (August – December 2006)



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 1797



METRO

DATE: September 20, 2006
TO: MPAC
FROM: Michael Hogle, Director
Metro Solid Waste and Recycling

RE: Disposal System Planning – Resolution No. 06-3729

At the September 27 MPAC meeting, Metro Solid Waste and Recycling staff will be presenting the results of the Disposal System Planning Study (DSP). Councilor Rod Park, Disposal System Planning Council Liaison, wanted to ensure that local government leaders were briefed on this planning effort and upcoming activities. Solid waste issues that Metro will be further investigating over the next few years could impact the location of transfer station and related operational facilities as well as the cost and availability of transfer and disposal services to the region's citizens.

To summarize the DSP effort, Metro's Solid Waste and Recycling Department conducted a planning study over the past year to determine how solid waste facility ownership might affect delivery of waste transfer and disposal service to the public. Three waste transfer station ownership options were examined: 1) public; 2) private; and 3) a hybrid public/private system. Each option was evaluated based on a set of study goals, cost, and risk of implementation. Based on the findings of this Disposal System Planning effort, the Metro Council has indicated that the hybrid system of public and private transfer stations best meet public objectives.

The recommended system physically resembles the current system, although Council has directed staff to examine and implement, as appropriate, changes to ensure system stability and transparency (rates, services, etc.) over the next few years. Given that no immediate changes are scheduled to the system, the attached staff report and resolution are for MPAC information only. ***MPAC is not being asked to take a position at the September 27 meeting.*** As noted, the attached resolution directs Metro Solid Waste and Recycling staff to conduct further analysis on a number of issues that were identified during the study. Metro will work closely with local government staff members through the Solid Waste Advisory Committee (SWAC) as planning efforts proceed. As issues of regional policy arise, MPAC may be asked to comment in the future.

BEFORE THE METRO COUNCIL

RECOGNIZING THE CONTINUATION OF A) RESOLUTION NO. 06-3729
PUBLIC/PRIVATE SYSTEM OF WASTE)
TRANSFER STATIONS IN THE REGION, AND) Introduced by: Michael Jordan,
DIRECTING THE CHIEF OPERATING OFFICER) Chief Operating Officer, with the
TO EXPLORE OPPORTUNITIES TO IMPROVE) concurrence of David Bragdon,
THE REGIONAL SOLID WASTE DISPOSAL) Council President
SYSTEM)

WHEREAS, Metro is a regional government providing a variety of services for the urbanized portions of Clackamas, Multnomah and Washington counties of Oregon; and

WHEREAS, solid waste planning and disposal are two of the principal responsibilities of Metro; and

WHEREAS, solid waste planning is guided primarily through the Regional Solid Waste Management Plan (RSWMP) currently under revision; and

WHEREAS, one of the key RSWMP issues identified to date is ensuring adequate public services are provided through the regional solid waste system in the decade ahead; and

WHEREAS, on July 21, 2005 the Metro Council adopted Resolution No. 05-3601A entitled: Authorizing Issuance of Request for Proposals 06-1154-SWR for Competitive Sealed Proposals to Provide Consulting Services regarding Disposal System Planning for Alternative Service Delivery and thereby authorized an analysis of alternative transfer station system options and a determination of the valuation of the publicly owned transfer facilities; and

WHEREAS, a Disposal System Planning Consultant was retained to conduct the analysis utilizing the Metro Council's values for the solid waste system as the basis for evaluating different transfer system ownership options; and

WHEREAS, the year long analysis concluded that a publicly owned transfer system best met Council values; and

WHEREAS, when the analysis was expanded to include risk and cost factors associated with each ownership option it was concluded that a mixed system of continued Metro ownership of two transfer stations together with additional privately owned stations was the highest ranked option (see Exhibit A attached hereto); and

WHEREAS, the analysis also identified opportunities where the current system could be improved such as in the areas of the transparency of rates associated with private transfer stations, the allocation of waste amongst facilities, potential public ownership of additional facilities and additional long term planning issues as summarized in Exhibit B, attached hereto; now therefore

BE IT RESOLVED:

1. The Metro Council acknowledges that continued ownership of the Metro South and Metro Central transfer stations is in the region's best interests.

2. The Chief Operating Officer is directed to explore disposal system planning opportunities to improve the solid waste recycling and disposal system as illustrated in Exhibit B.
3. The Chief Operating Officer is instructed to develop and define disposal system-related policies, goals and objectives and incorporate them into the integrated RSWMP for Council consideration.
4. The Chief Operating Officer will provide periodic updates and present policy, program and project choices associated with activities identified in Exhibit B.

ADOPTED by the Metro Council this ____ day of _____, 2006.

David Bragdon, Council President

Approved as to Form:

Daniel B. Cooper, Metro Attorney

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STAFF REPORT

IN CONSIDERATION OF RESOLUTION NO. 06-3729, FOR THE PURPOSE OF RECOGNIZING THE CONTINUATION OF A PUBLIC/PRIVATE SYSTEM OF WASTE TRANSFER STATIONS IN THE REGION, AND DIRECTING THE CHIEF OPERATING OFFICER TO EXPLORE OPPORTUNITIES TO IMPROVE THE REGIONAL SOLID WASTE DISPOSAL SYSTEM

Date: September 28, 2006

Prepared by: Mike Hoglund and Paul Ehinger

BACKGROUND

Solid waste planning and disposal are two of the principal responsibilities of Metro. The solid waste planning function is guided primarily through the Regional Solid Waste Management Plan (RSWMP). RSWMP is intended to provide a 10-year framework for waste disposal and recycling as specified in ORS 268.390. Metro is in the process of updating the RSWMP document.

A key RSWMP issue is to ensure that adequate public services are provided through the regional transfer station system in the next decade. Disposal System Planning (DSP) rose out of this issue. During the summer of 2005, the Metro Council indicated interest in obtaining information on how the Region's solid waste management system could be improved. They were particularly interested in determining whether the system could be improved by changing the current system of public and private ownership of the region's transfer facilities. The primary purpose of DSP was to answer the question: What is the best way to deliver safe, environmentally sound and cost-effective waste transfer and disposal services to the public and private users in this region?

Solid Waste and Recycling department (SW&R) staff developed a work plan that was approved by the Metro Council. The work plan envisioned the use of two consultant teams and significant in-house resources to complete the work plan. A system consultant was to be hired to evaluate system alternatives and another was to be hired to estimate the value of the two publicly owned solid waste facilities.

A request for proposals was issued for the system consultant who would conduct an analysis of ownership alternatives. The alternatives were to range from a completely publicly owned system to a fully private system. A consulting team of two firms, CH2M Hill and Ecodata, was selected to be the "system consultant" to conduct the alternative analysis. Mr. Dan Pitzler of CH2M was the project manager for the consulting team. Dr. Barbara Stevens, a nationally recognized expert in the economics of solid waste systems provided significant support in the area of economic analysis.

The Office of Metro Attorney (OMA) provided support to the project by reviewing legal issues. Based on advice from OMA, a real estate appraiser was hired by OMA to provide an opinion on the value of the two Metro transfer stations. This data was not used in analyzing alternatives so that the values could remain confidential in the event that a sale of one or more of the facilities was to take place.

METRO TRANSFER SYSTEM OWNERSHIP STUDY

Metro's system consultant conducted a detailed analysis of the region's solid waste disposal system and how changing the ownership structure of the facilities providing solid waste transfer and disposal

services would impact the system. The purpose of the study was to provide information for the Metro Council to decide what Metro's role should be in the disposal system.

The approach to the study consisted of five major elements. These elements were:

1. Documentation and consideration of stakeholder input.
2. Analysis of the economics of the Metro solid waste system.
3. Definition of system alternatives and identification of system objectives.
4. Evaluation of the system alternatives to characterize their performance at meeting system objectives, cost, and the risks associated with each alternative.
5. Legal analysis of system issues.

Disposal System Economics

Dr. Barbara Stevens of Ecodata reviewed the economics of the Metro disposal system and provided some key observations to help guide the study. The economic analysis considered the entire solid waste system, including the collection system since it is one integrated system economically. The analysis resulted in the following conclusions:

- It is estimated that collection accounts for 81 percent of the total cost of residential disposal, and a very high percentage of the total cost of commercial disposal. As the largest component of system cost, changes in the collection system are likely to have a greater impact on increasing or decreasing system cost than any other system component.
- Tipping fees at the two Metro transfer stations are used in setting collection rates, which is good, particularly since Metro competitively procures transfer station operation services. This injects an important element of competition in a market that otherwise would not have many characteristics of a competitive market. Metro may want to take steps to improve the pricing information that they send to the local governments who regulate collection rates.
- In recent years, national solid waste firms have increased market share in the local solid waste industry. These large national firms are frequently vertically integrated, thus earning profits on transfer, transport and/or disposal services in addition to collection. This provides them a competitive advantage over collection companies that do not provide those services.
- Economies of scale are significant in transfer; thus, adding transfer stations to the system, and thereby reducing throughput at existing stations, increases per-ton costs at those stations. Also, handling small loads (i.e., self-haul) increases per-ton costs compared to handling large loads. The Metro region currently has unused transfer capacity, and increases in unused capacity could lead to higher costs.
- Transfer is the smallest cost component of the collection, transfer, transport and disposal system costs that comprise total system costs.
- The private sector typically earns its highest profit margins on disposal. This fact provides significant incentive for vertically integrated firms to maximize the amount of waste going to their own landfills.

System Values

The Metro Council outlined the following values associated with the disposal system:

1. Protect public investment in solid waste system
2. "Pay to Play" - ensure participants pay fees/taxes
3. Environmental Sustainability - ensures system performs in a sustainable manner
4. Preserve public access to disposal options (location/hours)

5. Ensure regional equity- equitable distribution of disposal options
6. Maintain funding source for Metro general government
7. Ensure reasonable/affordable rates

These values were revised to better facilitate the analysis of transfer station ownership alternatives. One value (ensure reasonable/affordable rates) was eliminated, as it was captured in the economic analysis, and one value was added: *System endorsed and supported by all system participants*.

These values were discussed with the Metro Council and the Council assigned importance weights to each value statement. An analysis of ownership alternatives was then conducted to assess the extent to which each alternative met the Council values.

Alternative Analysis

The initial phase of the development of alternative ownership structures involved meeting with a variety of stakeholders. Their input was used to help identify the critical components of the system that might be impacted by an ownership change. They were also consulted to help determine key risk factors that should be evaluated. The stakeholder groups and a summary of their comments are included at the end of this section of the staff report.

The system consultant developed three alternative scenarios of facility ownership in the Metro region. The three scenarios were developed to demonstrate the impact that various ownership options would have on the solid waste disposal system. One option included a hybrid of public and private ownership of facilities, similar in most respects to the existing system. Changes were proposed to improve the way the hybrid system would operate when compared to the current system. The other two alternatives were a private alternative with no public ownership of facilities and a public alternative where Metro would own all of the wet waste transfer capacity in the region.

The advantages and disadvantages of private, public, or a hybrid transfer system were analyzed from a variety of perspectives, including:

- An analysis of how well each option met the Metro Council's stated values
- The estimated cost of each alternative
- The risk associated with the implementation of each alternative

The results of the value modeling analysis indicated that a fully public system best met the Metro Council's stated values. The results of a sensitivity analysis indicated that this result is not sensitive to the relative importance assigned to each Council value.

One additional sensitivity analysis was performed that incorporated challenges associated with implementation. That analysis showed that as more importance is placed on the difficulties associated with acquiring existing private transfer stations, the hybrid system eventually outranks the public system.

For each of the alternatives analyzed, costs in the disposal system are not expected to increase or decrease by more than about two percent.

The results of the assessment indicate that there is more risk associated with implementing the private system than the public or hybrid system. However, the only risk scored as critical are the challenges associated with implementation in the public system. These include either not renewing franchises and licenses, or possibly having to condemn private facilities in order to place them in public ownership. The hybrid system has relatively low risk.

Legal Analysis

Additionally, the Metro Solid Waste & Recycling Department sought the comments of the Office of Metro Attorney in three areas: (1) limitations on the use of the proceeds from any sale of the solid waste transfer facilities that Metro owns; (2) issues related to Metro's contract with Waste Management for the disposal of solid waste if Metro chose to divest its solid waste transfer facility assets; and (3) issues related to changes in transfer station operations that might occur following the defeasance of the transfer station revenue bonds in 2009.

OMA provided its advice in a May 10, 2006 memorandum. Concerning limitations on the use of transfer station sale proceeds, OMA advised that under state law the proceeds of any sale of the transfer station facilities would also be limited to solid waste purposes. OMA further advised that the Metro Charter would likely be construed to require that any sale proceeds from the sale of an asset purchased with funds derived from rates subject to the Charter limitation must be applied either to reduce the costs of the services provided or be returned to the users of the service.

Concerning issues related to Metro's contract with Waste Management, OMA stated that with or without ownership of the transfer stations, Metro remains obligated under its contract with Waste Management to fulfill the terms of the agreement. Accordingly, if Metro chose to divest itself of its transfer stations, OMA advised that such an action by itself would not automatically divest Metro of its contractual obligations to Waste Management.

Regarding matters following bond defeasance, OMA advised that Metro would no longer be required to follow the bond covenant that Metro set rates raising revenues that equal 110 percent or more of the annual debt service of the bonds. In addition, Metro would no longer be limited as to the length of contracts that it could have for operation of the transfer station. Finally, once the transfer station bonds are retired, certain federal rules would no longer be applicable, and Metro would no longer have to limit the means of payment of the transfer station operator so that the variable portion of any payment does not exceed the fixed-payment portion.

Stakeholder Communications

Stakeholders representing a wide range of parties that could be affected by changes to the solid waste disposal system were contacted to obtain their input. The groups contacted can be categorized as:

- **Private sector transfer station owners** - separate interviews were held with representatives of Allied Waste Systems, Pride Disposal, Waste Connections, and Waste Management.
- **Independent haulers** - a workshop was conducted with representatives of the following companies: Cloudburst Recycling, Deines Brothers Disposal, Flannery's Drop Box Service, Oak Grove Disposal, Portland Disposal and Recycling, West Slope Garbage Service; and a representative from the Oregon Refuse and Recycling Association.
- **Independent dry waste facility owners** – separate interviews were held with representatives of East County Recycling and Greenway Recycling.
- **Local government staff members** - a workshop was conducted with representatives from the following jurisdictions: Portland, Clark County, Troutdale, Milwaukie, Beaverton, Oregon DEQ, Gresham, Clackamas County, Washington County and Clackamas County. Separate interviews were also held with senior executives from Gilliam County and Oregon City.

- **Metro staff members** - a workshop was conducted with representatives from a number of Metro departments.
- **Customers at Metro transfer stations** – Intercept interviews were conducted with commercial customers (182 interviews) and a mail-in survey was provided to self-haul homeowner and business customers (341 responses).

These stakeholders expressed a wide range of views on their preferred ownership structure for the solid waste disposal system. While support for the existing ownership structure was the most prevalent view, support was expressed for each of the alternatives. The solid waste industry had widely varying views depending in large part on whether or not they owned a transfer facility and a landfill. For example:

- Companies that owned a disposal site and did not own the disposal contract with Metro generally favored a private system, since they appeared to anticipate that additional waste would flow to their landfills under the private ownership alternative.
- Independent haulers were of the unanimous opinion that public ownership was preferred for a number of reasons related to concerns about delivering waste to vertically integrated transfer station owners that are also their competitors in the collection business.
- Independent facility operators generally favored the current system and felt that independent operators have more incentive to recycle than facility owners that also own disposal facilities.
- Local government generally preferred either the hybrid or public alternatives and wanted to ensure that transfer station rates are transparent, that environmental standards are consistent, convenient transfer station access is provided for all, and that there would be continued focus on increased recycling/recovery and minimizing toxics.
- Metro staff generally preferred either the hybrid or public alternative.
- Metro customers were generally pleased with the service provided by Metro at its transfer stations.

Policy Issues

The primary focus of the initial phase of DSP was to identify how different ownership structures would impact the provision of disposal services in the region. During the course of the study the Council and stakeholders identified a number of other policy issues related to the disposal system. The proposed resolution calls for the COO to conduct additional investigations of these policy issues and report back to the Council. These issues include:

- How can Metro foster more competition in the disposal system?
- What is the best way to ensure rate transparency and fairness?
- How can Metro maximize cost savings in its disposal contract?
- What opportunities are available to minimize the environmental impacts of waste transport?

Attached as Exhibit B to the resolution is a schematic representation of the work program that the Solid Waste and Recycling Department Staff proposes to more fully investigate these other policy issues that were raised during DSP. The chart in the exhibit provides a graphical representation of the tasks to be addressed and the general timeframes for completing the tasks. Key events in the future, such as renewal dates of facility franchises or licenses are also identified since these may provide opportunities to implement policy changes that result from completion of tasks.

Each of the questions noted above is addressed in one or more tasks shown in Exhibit B. For example, costs and opportunities for reducing the environmental impacts of transporting solid waste from transfer stations to a disposal site will be examined during the Transportation Options Study task of the category labeled "Waste Transportation Rebid." After a review with the Metro Council, the information from this study will be used to procure transportation services that best meet the policy direction received from Council. Other policy drivers will be addressed in a similar fashion.

ANALYSIS/INFORMATION

1. **Known Opposition** - Some representatives of the solid waste industry may object to the findings of the system consultant's report and oppose continued Metro ownership of facilities.
2. **Legal Antecedents** - Metro Council Resolution No. 05-3601A, entitled: Authorizing Issuance of Request for Proposals 06-1154-SWR for Competitive Sealed Proposals to Provide Consulting Services regarding Disposal System Planning for Alternative Service Delivery.
3. **Anticipated Effects** - Metro staff will initiate planning activities to address policy issues identified by the council and move forward with procuring contracts necessary for continued functioning of the disposal system.
4. **Budget Impacts** - Expenditures of approximately \$227,000 were anticipated during preparation of the SW&R budget for DSP related activities during the 2006-07 fiscal year. Staff estimates that the work identified can be completed for the budgeted amount.

RECOMMENDED ACTION

The Chief Operating Officer recommends adoption of Resolution No. 06-3729.

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Summary of Results
Metro Transfer System Ownership Study

Major Objectives – Council Values

1. Maximize ongoing business value and/or public use value of Metro Stations.
2. Ensure all participants pay fees and taxes (polluter pay principle)
3. Ensure the system is making progress toward compliance with RSWMP sustainability goals.
4. Preserve current and future access to disposal services for self-haul customers (location and hours)
5. Ensure equitable distribution of wet and dry waste delivery options for all communities (current and future)
6. Ensure funding is available for Metro general government
7. System endorsed and supported by all system participants

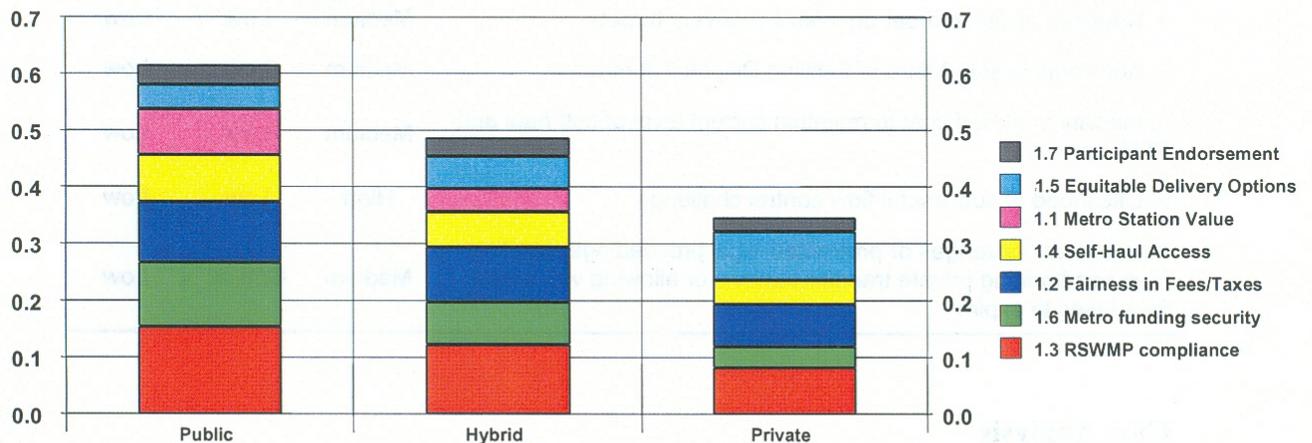


EXHIBIT 4-9
 Objectives Contributions to Value Score

Other Policy Drivers

- Competition
- Metro as regulator and competitor
- Rate transparency and fairness
 - Uniform rates for all haulers at a facility
 - Ensure rates reflect cost of providing service
- Maximize cost saving potential in Metro’s disposal contract
- Land use compatibility
 - Local comp plans
 - 2040 plan
- Flexibility to use alternative transport modes

Risk Analysis

EXHIBIT E-1
Risk Assessment

Risk	Risk Signature		
	Private	Public	Hybrid
1. More difficult politically to collect regional system fee and excise taxes	High	Low	Low
2. Metro's credit rating could worsen if it is perceived to be less able to collect taxes	High	Low	Low
3. It could be more costly and more difficult administratively for Metro to respond to future changes in state-mandated Waste Reduction requirements	High	Low	Low
4. It could be more costly and more difficult administratively for Metro to deliver new WR/R initiatives	High	Low	Low
5. Potential increase in vertical integration and potential resulting increases in transfer station tip fees	High	Low	Low
6. Reduced ability to meet dry waste recovery targets	Medium	Low	Low
7. Additional cost to Metro of fulfilling Disposal contract	Medium	Low	Low
8. Inability or added cost to maintain current level of self-haul and HHW service	Medium	Low	Low
9. Likelihood of successful flow control challenge	High	Low	Low
10. Political challenges or protracted legal proceedings resulting from condemning private transfer stations or allowing wet waste franchises to expire	Medium	Critical	Low

Cost Analysis

Summary of Results

	Private	Public	Hybrid
Cost – Estimated long-run percent change in system cost.	Low: 1.4% High: 2.2%	Low: 0.1% High: 0.7%	Low: -0.5% High: 0.1%

Opportunities for Improving the Solid Waste System

Below are brief explanations of each of the projects shown on the accompanying chart *Opportunities for Improving the Solid Waste System*. Descriptions are organized by taking projects from the chart beginning in the upper left corner, then left-to-right and top-to-bottom, as if reading a book.

Transfer Station Ownership

Response to Questions & Comments – Metro staff continue to obtain comments from stakeholders regarding the findings of the Disposal System Planning study, and staff will continue to relay stakeholder feedback to the Metro Council.

Council Resolution – Metro staff prepared the attached resolution for the Metro Council's consideration in providing direction to the COO to improve the region's disposal system.

RSWMP

Disposal System Goals & Objectives – Goals and objectives for the disposal portion of the solid waste system will be integrated into the broader Regional Solid Waste Management Plan, which also provides guidance to the region on waste reduction and recycling, household hazardous waste management, and system financing.

Waste Transportation Rebid

Transportation Options Study – Portland is in the enviable geographic position of having multiple transportation modes available for moving cargo long distances: truck, barge, and train. With today's higher-priced fuel and an increasing focus on the environmental impacts of burning fuel, as well as the 2009 expiration of Metro's long-haul contract, a more general study of the viability of different modes for transporting solid waste will provide information that will allow development of a transportation services procurement that addresses the objectives of the Metro Council.

Establish RFP Parameters/Procurement of Contractor/Select Contractor – If Metro chooses to procure a long-haul garbage hauler through competitive bidding after the CSU contract expires, a number of tasks will be required: establishing the parameters of the RFP, evaluation of proposals, and, finally, negotiations with the successful proposer.

Initiate New Contract – A new (or renewed) long-haul contract must be in effect by January 1, 2010.

Transfer Station System Optimization

10% Bid – The Disposal System Planning consultants’ report identified opportunities for introducing more competition into the waste transfer system. One opportunity is to bid out the right to dispose of the 10% of waste not guaranteed contractually for delivery to Waste Management. There is no deadline for putting the 10% out for bid, though it is anticipated that Metro will need to develop a method for allocating the rights to this waste if additional firms request portions of the 10%.

Waste Allocation – Metro limits the wet waste tonnage that local transfer stations in the region can accept. A review of this system of tonnage caps could form the basis for the development of a new, better-functioning disposal system.

Rate Transparency – Transfer prices are not regulated in the Metro region, yet certain pricing practices among private companies seem non-competitive. Additional controls on transfer rates could improve rate transparency.

Renew NSLs – Metro issues limited duration non-system licenses to haulers authorizing the delivery of waste to *non-designated* facilities. Many so-called NSLs will come up for renewal at the end of 2007. Particularly if the 10% of non-Waste Management waste goes to bid, the Metro Council may wish to reevaluate its policies with respect to NSLs.

Forest Grove Transfer Station – The regional transfer station franchise that Metro granted Waste Management to operate Forest Grove Transfer Station will expire December 31, 2007. The Metro Council may wish to incorporate new policies into its decision about renewing the Forest Grove franchise agreement.

Other Private Transfer Station Franchises – Local Transfer Station franchises (Pride, WRI, Troutdale) will expire on December 31, 2008. This timing provides the opportunity to implement disposal system policies established by the Metro Council.

Greening the System

Facility Standards – With stakeholders, SW&R staff plan to develop operating standards for regulated solid waste facilities to provide “greener” services, e.g., through renewable energy use, procurement of products made from renewable or recycled material, and better storm water management.

Long-term Transfer Station System Planning

New Facility Entry Standards –Metro has placed moratoriums on the development of new wet and dry waste facilities in the region. Reviewing the current criteria for allowing construction of new facilities could provide a clearer set of entry standards and provide a basis for eliminating the two moratoriums.

Disposition of Metro South – For now, a transfer station appears to be the highest and best use of the Metro Central and Metro South properties. With discussions of future high-end retail development near Metro South, it would be prudent to scope plans to reposition the Metro South property in the event that the neighborhood changes its current industrial focus.

Dry Waste System

Enhanced Dry Waste Program – Metro staff are currently working with stakeholders to develop the program details for enhancing recovery from dry waste by ensuring that all dry waste be processed for recyclables first prior to landfilling.

MRF Standards – Metro SW&R staff are currently developing operating standards for dry waste processing facilities to protect health and safety, and to promote good operating practices in the urban region.

Opportunities for Improving the Solid Waste Disposal System

Rectangles enclose projects that are already underway or that *must* be completed by a time certain

 Ovals indicate *optional* projects, or those around which timing or necessity is less certain

Time Frame for Bringing About Change



Desired Outcome

