

MINUTES OF THE METRO COUNCIL WORK SESSION MEETING

Tuesday, November 21, 2006
Milwaukie City Hall Work Session Room

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

Councilors Absent: Susan McLain (excused)

Council President Bragdon convened the Metro Council Work Session Meeting at 2:02 p.m.

1. ADMINISTRATIVE/CHIEF OPERATING OFFICER/COUNCILOR AND CITIZEN COMMUNICATIONS

There were none.

2. REGIONAL TRANSPORTATION PLAN (RTP) UPDATE

Kim Ellis, Planning Department, distributed three handouts (a copy of each is included in the meeting record). She was seeking direction on finalizing the outcomes framework. The team planned to return in January with revised RTP Chapter 1 goals and measures. The current plan was set to expire in March 2008. Councilor Liberty asked what the minimum work would be to meet the federal requirements. Ms. Ellis said that they had changed; they were trying to find better measures. She indicated that Metro policy needed to be updated to acknowledge new Transportation Planning Rule (TPR) requirements.

Councilor Liberty wondered if a year was enough time to accomplish this phase. Was it possible to continue the process beyond the requirements? Councilor Park understood that if we did not complete the work, we would not be eligible for federal funds. Ms. Ellis talked about the requirements. Council and staff discussed how the process could best accomplish the goals. Councilor Burkholder said the RTP would include future work. He felt that the big projects and problems would not be addressed within a year. The current process would be a step along that goal. Councilor Newman agreed that the work would never be totally finished, but he would like to see a conversation about what defined success from our perspective. Council President Bragdon thought that the deadline needed to be met. Councilor Liberty concurred, adding that Metro had an opportunity to broaden the conversation beyond federal requirements.

Ms. Ellis gave a process overview. She talked about outreach and stakeholder activities. Councilor Liberty asked about the advisory committee. Ms. Ellis said it was routine. It would be determined by the public's responses. The Councilor liaisons to the various committees would be the conduits. She described how this process was intended to be different, to better reflect Metro goals and values. She talked about 2040 desired outcomes for the region. Terry Moore, EcoNorthwest, commented on the research and policy development and the work plan. What Metro wanted from the process was an RTP that did the best job of achieving the fundamentals and outcomes. He had been working on the technical details of an evaluation framework; how would we know if one set of projects achieved a better outcome? He talked about technical and policy development, communications, and goals and measures for the RTP. Chapter 1 would state what we were trying to achieve and include the evaluation process. Process and technical pieces would have to come together. He gave some details about each piece and about the subcontractor work. Councilor Liberty had some questions about the content of the questionnaire. Mr. Moore

said the exact questions had not been finalized; he gave some ideas about the general shape of the questionnaire. Council needed to think about how they wanted to review the questions. Council President Bragdon said the Council liaisons should bring the concepts back, but they did not want to wordsmith every question.

Councilor Newman asked what kind of response had been received from the survey. Ms. Ellis said there had been about 60 responses, including postcards and online surveys. Councilor Newman wanted to see some data on what worked and what didn't, as we increased our use of online surveys. Mr. Moore gave an update on the technical piece, the outcomes and measures, finance fact base, and scenarios approach. Councilor Burkholder had some questions about what the money would be spent on. Mr. Moore said he was corroborating numbers that Metro staff had developed before. He felt they would find that the revenues over the 29-year period would be less than the projects that were out there. It was being documented. Equally important was, where were the revenues coming from? Were they restricted? We needed to give people an idea of how the moneys could be moved around, and what it would take from other revenue sources to cover the projects. There would be a lot more work on operations, maintenance, and preservation (OMP), which had been overlooked in other studies. Councilor Liberty asked about the geographic area. Mr. Moore said it was clearly focused on the Portland metropolitan area, but a lot of it was state funds, so we needed to pay attention to that too. He felt all the issues that had been raised would be addressed in the study. They were going into greater depth than any other work he had ever seen.

Councilor Liberty asked if the study would incorporate any analysis of private budgeting, like combining public and private public transportation spending. Mr. Moore said that such work was not a scheduled deliverable. He had some data to offer if Council desired. Councilor Liberty would like to see something along those lines acknowledged in the work. Councilor Burkholder thought some quantifiable results, based on our investment strategy in light rail, and how that had saved money, would be helpful. Mr. Moore clarified that it was one thing to deliver rigorous technical information; it was another thing to package it in a way that made sense in a public process. He then talked about "where we are headed." He reviewed the outcomes evaluation framework. Distribution of impacts would be important. He talked about the process of evaluating equity and fiscal stewardship.

Councilor Hosticka followed up on the stewardship. We usually meant this in the sense of being good fiscal stewards; was there also an element about stewardship in terms of impacts on future generations? We didn't want to create bigger problems or obligations for future generations—for example, building freeways without fixing the bridges. Mr. Moore thought that was very important and was one reason maintenance issues would be highlighted in the study.

Councilor Newman asked about the scenarios. Were funds fungible, or would the restrictions be similar to today's? Mr. Moore hoped to incorporate that in the budget amount. His recent experience showed that legal constraints were less than he had expected. Councilor Liberty asked about equity; it went beyond environmental justice and included impacts on neighborhoods. Some people made money and others lost. We needed to account for that. As far as how much money was available for OMP, it was a hot potato. We needed to think about what we wanted to do and get confidence around it, not just assume that it would somehow all fall into place.

Council President Bragdon asked that Mr. Moore flag Council decision points in the process. Mr. Moore agreed, going on to talk about scenarios and project solicitation. He described how the results would inform the New Look and RTP policy and investment recommendations. The

scenarios would have to be composed of projects and be 2040-compliant. Councilor Liberty said this was the part he was most concerned about; he hoped that if we had a broad discussion about the scenarios, and if our local government partners felt comfortable, if we could do that analysis without a second round of project-focused commitments, he would rather have the particular investments or programs that made up the scenario not become the focus of new loyalty oaths and lobbying. We had to overcome project-itis. Mr. Moore responded that he'd like to put a veil over the actual projects. He'd like people to say, okay, we trust you that this is a highway thing. It had to be composed of projects; there was no other way to do the analysis. But we would emphasize our orientation around the highway scenarios compared to transit scenarios, then have a policy debate. Councilor Liberty thought that made sense. He liked the veil, but what made him anxious was the image of local governments bringing in 27 projects. Would we be seen as making proto-commitments? Ms. Ellis clarified that the scenarios analysis and solicitation needed to be based on projects currently in the plan; once we learned the policy implications, the plan pool would be used to create the draft of the financially constrained system. Councilor Liberty asked what kinds of projects would be included. Ms. Ellis described the process and the budget constraints. She wanted to think that through more to bring it back for further discussion in January.

Councilor Newman said he hoped to avoid cartoonish black and white contrasts between a transit scenario and a highway scenario. He was somewhat unclear on the solicitation, but it was helpful to have some constraints, like we did with the Metropolitan Transportation Improvement Program (MTIP) process; instead of throwing every project into the hopper, before it even got to us, they would have to make some tradeoffs, including budgeting. He would like to enforce some discipline. Councilor Burkholder wanted to see a sense of trends from the scenarios, then they could debate how far they wanted to go and where it would take us. On the solicitation process, Council would have to work with the jurisdictions about the direction the world was going. We would be short on money. We needed to be creative and innovative. We needed something to show the jurisdictions, to help them submit their projects.

Councilor Park picked up on the theme of fiscal stewardship. For example, in Orange County, there was a half-mile grid system, you couldn't go anywhere without a car, and there was a high locked-in maintenance. He contrasted that with the goal of getting around with a different system. On the scenario planning, we should key into the different types, showing a certain area that, done in this particular way, gave you certain outcomes.

Councilor Liberty was not confident that existing projects were good returns on investment, in outcomes or costs. We needed to find better ways to spend money that achieved better results. It was logical to involve people in the development of the scenarios, have a group discussion, and let that be the technical best guess as to what would deliver the best results for the money. Out of that would come ideas about the projects. He asked for more talk about return on investment. Mr. Moore gave his view of return on investment. He felt that would be included in the study. He then turned to the outcome evaluation framework. The fundamentals were done. The RTP goals and measures were still being worked out. Council was being asked to sign off on the structure. He explicated the weighting definitions. There was no formal weighting process. He thought visuals would help when going to the public. Council agreed on the weighting and visual displays.

Mr. Moore reviewed the finance fact base and policy decisions. Timing would be within a month. Ms. Ellis invited the full Council to attend the Joint Policy Advisory Committee on Transportation (JPACT) meeting on November 14. Councilor Liberty stated we should give some thought to the release of the information, in terms of framing the discussion. Councilor Hosticka asked, what was a "fact" in the financial world? This would be political fodder in the discussions

at the state and federal levels. What kinds of financial facts would we be creating? Would the scenarios assume something at a moderate level, or just what we had now, assuming no changes at any other levels? Mr. Moore said it could be called something other than the finance fact base, but in the current situation, he would describe current conditions, how financing occurred, and ask about reasonable assumptions about the future and what would be considered optimistic. He would get a set of assumptions, one conservative and one optimistic, and go from there. Below conservative was nothing but existing. He thought that was off the table. Council and staff talked about the best approach, balancing the politics with the policy.

Councilor Park wondered how far down the case would be taken. Mr. Moore said they couldn't go into every jurisdiction's finances. Council and staff talked about how the figures would be arrived at and presented to the jurisdictions and who would cover what. Ms. Ellis said those figures would be available in December. The discussion would take place next February. Councilor Park thought it was a key policy point, when the number was arrived at, the effects needed to be known. Council President Bragdon added it was an important publicity point also. Councilor Park said the policy needed to be out in front, should it be at 100% or not? If we accepted less, it could go below, but people needed to have the information.

Councilor Liberty said this was helpful. We should encourage the publicity and the debate, and the proving of the assumptions and the facts. We should encourage that discussion before we showed anyone; people would understand what it meant to have a fiscally prudent level of investment. Mr. Moore said, under fiscal constraints, were we okay? Council said yes, but they were looking for publicizing strategies. Mr. Moore then asked about integration of the scenario analysis with the New Look. Councilor Liberty said that OMP needed to be public and high profile, with a lot of involvement with our partners. How did that fit with the schedule? Councilor Burkholder said this was a key question. Ms. Ellis said they would prepare a recommendation on a summit based on today's discussion. Mr. Moore said there was a policy decision there. He thought the summit might be best placed when some results of the scenarios were available, not to have the summit to define the scenarios. This would be done by staff with Council and JPACT approval. Integration with the RTP would need more time.

3. WORK PLAN UPDATES

Jim Desmond, Regional Parks and Greenspaces Director, said he was using the 1995 bond measure work plan as a template. They had learned a lot in 10 years. He went quickly through the substantive changes. Acquisition parameters were the heart of the document. He identified recommended changes. Extraordinary assumptions would be brought to Council. The auditor had been concerned that the process was driving the price. Properties at \$125K or less could use a standard appraisal. Councilor Liberty asked how Measure 37 would apply. Mr. Desmond and William Eadie, Real Estate Appraiser, said there was no precedent. Mr. Eadie said there had been no legislative action. Appraisers still had some unknowns. It might lead to some extraordinary assumptions. Mr. Desmond talked about raising the Chief Operating Officer's (COO) authority to authorize 10% above appraised value if not more than \$100K. He reviewed the formal process for deciding what to buy first. He recommended adding a document confirming the inspections, reflections, and priorities, and how it fit into the refinement plan. He wanted to delete the section on early acquisition opportunities. He talked about due diligence, stabilization and land banking. Bond money could be used for stabilization. Also, reporting could be better in this area. Local share would be described in more detail in the next work session.

A lot of jurisdictions wanted to hire Metro for technical services. Mr. Desmond would like to offer that as a gesture of goodwill, not to charge for the service, it could be paid out of interest on the bonds that the locals would not be earning on the local share. He wanted to add a provision about the annual oversight audit committee, to set it up as an exhibit and have Council plug the names in. Lastly, he wanted to formalize the resolution that the Council passed about the special considerations on ag/urban. Councilor Park agreed, maybe some pre-work would be needed. Regarding charging the local jurisdictions for technical services, he felt that something just given away was often perceived to be of lesser value. Maybe the fee could be tracked but then waived; the actual value should be known.

Mr. Desmond then moved to the staffing plan. The primary difference ~~from~~ last time was, this was being set up with due diligence reporting to the attorney's shop. Fourteen additional FTE were planned. Councilor Newman asked how things compared to the last bond measure. Mr. Desmond said the biggest change was the grant program. Council and staff debated staffing needs and the need for new staff. They discussed some of the finance details. Mr. Desmond stated that, overall, the deals may be a bit tougher. Mr. Desmond committed to the staffing, they were all limited duration jobs; he expected the ramp-up and slowdown to be comparable to last time.

Dan Cooper, Metro Attorney, said that last time it started the same, and after a year they realized they needed an additional person. He wanted to plant the seed that more attorney staff could be needed. Council President Bragdon said he was totally comfortable with it. Mr. Desmond said a resolution would be forthcoming. He requested and received head nods.

4. TOUR OF MILWAUKIE TRANSIT ORIENTED DEVELOPMENT SITE

There being no further business to come before the Metro Council, Council President Bragdon adjourned the meeting at 3:51 p.m. for the tour.

Prepared by



Dove Hotz

Council Operations Assistant

**ATTACHMENTS TO THE PUBLIC RECORD FOR THE MEETING OF
NOVEMBER 21, 2006**

Item	Topic	Doc. Date	Document Description	Doc. Number
2	RTP update	11/21/06	TO: Metro Council FROM: Kim Ellis RE: A New Look at Transportation, Project Status Report and Briefing	112106c-01
2	RTP update	11/14/06	TO: Kim Ellis FROM: John Rehm, Metropolitan Group RE: 2035 Regional Transportaiton Plan Update, Stakeholder Workshops, Preliminary Findings	112106c-02
2	RTP update	11/20/06	TO: Metro Council FROM: Kim Ellis RE: Phase 3: System Development and Analysis	112106c-03