

A G E N D A

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METRO

Agenda

MEETING: METRO COUNCIL REGULAR MEETING
DATE: January 8, 1998
DAY: Thursday
TIME: 2:00 PM
PLACE: Council Chamber

Approx.
Time*

Presenter

- | | | |
|---------------------|---|--|
| 2:00 PM | CALL TO ORDER AND ROLL CALL | |
| (15 min.) | 1. COUNCIL REORGANIZATION | |
| | 1.1 Presiding Officer Nominations | |
| | 1.2 Resolution No. 98-2595, For the Purpose of Reorganizing the Metro Council for 1998. | |
| (5 min.) | 2. INTRODUCTIONS | |
| (5 min.) | 3. CITIZEN COMMUNICATIONS | |
| (5 min.) | 4. EXECUTIVE OFFICER COMMUNICATIONS | |
| (10 min.) | 5. MPAC COMMUNICATIONS | |
| | 6. CONSENT AGENDA | |
| 2:40 PM
(5 min.) | 6.1 Consideration of Minutes for the December 18, 1997 Metro Council Regular Meeting. | |
| | 7. ORDINANCES - FIRST READING | |
| 2:45 PM
(5 min.) | 7.1 Ordinance No. 98-721, For the Purpose of Amending Ordinance No. 96-647C and 97-715B to revise Title 6 recommendations and requirements for regional accessibility. | |

8. RESOLUTIONS

2:50 PM
(5 min.)

- 8.1 **Resolution No. 97-2589**, For the Purpose of Consenting to the Assignment by the Oregon Museum of Science and Industry to the City of Portland of OMSI's Interest in the Parking Lot Adjacent to the Metro Washington Park Zoo.

McFarland

9. CONTRACT REVIEW BOARD

2:55 PM
(5 min.)

- 9.1 **Resolution No 98-2590**, For the Purpose of Authorizing Change Order No. 23 to the Contract for Waste Transport Services.

Morissette

3:00 PM
(10 min.)

10. COUNCILOR COMMUNICATION

ADJOURN

CABLE VIEWERS: Council Meetings, the second and fourth Thursdays of the month are shown on City Net 30 (Paragon and TCI Cablevision) the first Sunday after the meeting at 8:30 p.m. The entire meeting is also shown again on the second Monday after the meeting at 2:00 p.m. on City Net 30. The meeting is also shown on Channel 11 (Community Access Network) the first Monday after the meeting at 4:00 p.m. The first and third Thursdays of the month are shown on Channel 11 the Friday after the meeting at 2:00 p.m. and the first Sunday and Wednesday after the meeting on Channels 21 & 30 at 7:00 p.m.

PUBLIC HEARINGS: Public Hearings are held on all Ordinances second read and on Resolutions upon request of the public. All times listed on the agenda are approximate: items may not be considered in the exact order. For questions about the agenda, call Clerk of the Council, Chris Billington. 797-1542. For assistance per the American Disabilities Act (ADA), dial TDD 797-1804 or 797-1540 (Council Office).

Consideration of the December 18, 1997 Regular Metro Council meeting minutes.

**Metro Council Meeting
Thursday, January 8, 1998
Council Chamber**

MINUTES OF THE METRO COUNCIL MEETING

December 18, 1997

Council Chamber

As amended

Councilors Present: Jon Kvistad (Presiding Officer) Ruth McFarland, Susan McLain, Patricia McCaig, Ed Washington, Don Morissette, Lisa Naito.

Councilors Absent:

Presiding Officer Kvistad convened the Regular Council Meeting at 2:03 p.m.

1. INTRODUCTIONS

None.

2. CITIZEN COMMUNICATION

None.

3. EXECUTIVE OFFICER COMMUNICATIONS

None.

4. PRESENTATION OF THE AUDITED FINANCIAL STATEMENT FOR FY 1997

Alexis Dow, Auditor, introduced two representatives from Peat Marwick who would be presenting the results of their financial audit.

Karla Lenox, Financial Reporting and Control Supervisor for Metro, provided an overview of the financial audit. She called attention to two documents, the "Audit of Federal Awards" and the "Comprehensive Annual Financial Report," which report the audit findings. She explained the purpose of the documents and the organization of the Comprehensive Annual Financial Report. Both of these documents are included in full, as part of the meeting record. She called attention to three items in the Financial Report. One, on page 28, noted an over-expenditure. She explained that this was due to refinancing on a loan to obtain a better interest rate and, thus, was allowed by State law. Another, on page 33, disclosed pension information differently from the way it had been disclosed in the past. This was due to changes in federal standards. The third, on page 63, showed receipt of bond funds for the Oregon Project at the zoo. This was new this year.

Joe Hoffman, Audit Partner with KPMG Peat Marwick LLP, introduced his associate, Tiffany Rasmussen, the audit manager. Mr. Hoffman said he and Ms. Rasmussen had worked together on the audit. He said that the financial statements received an unqualified opinion, that the audit went well, and that no problems or disagreements arose. The accounting records were found to be correctly prepared. He noted that the financial statements were Metro's responsibility, and

KPMG's responsibility was to audit them for compliance with general accounting principles.

Page 2 of the financial sections noted the unqualified opinion.

Mr. Hoffman called attention to the smaller document, the "Audit of Federal Awards," and noted that, like the larger audit, this one found no instances of noncompliance. Suggestions for improving internal financial management were too minor to warrant an official letter.

Tiffany Rasmussen summarized the suggestions the auditors had made for improvement. She said these were not problem areas, simply ways to improve. One related to the timeliness of employee performance reviews to avoid the need for making retroactive pay increases. Another related to the single audit requirements. The federal government had changed its standards, shifting the focus of audits from reviewing all federal grant money to reviewing just the large projects. However, the expenditure of other federal funds must still comply with the same standards. She noted that Metro has formed an internal committee to oversee these smaller grants.

Mr. Hoffman then offered two additional suggestions. One related to the implementation of Metro's new accounting system. He recommended that a post-implementation review of that system be conducted to be sure the system operated as it should. He noted that technological advances sometimes perpetuate problems. The other suggestions related to making sure computer software was compatible with the year 2000. He emphasized that this was more than a computer issue: it was also an organizational issue that involved vendors, clients, partners, and other systems with which Metro's system interfaced.

5. MPAC COMMUNICATION

None.

6. CONSENT AGENDA

6.1 Consideration of the meeting minutes of the December 11, 1997, Regular Council Meeting.

Motion: Councilor McFarland moved to adopt the meeting minutes of December 11, 1997 Regular Council Meeting.

Seconded: Councilor McLain seconded the motion.

Councilor Morissette had a correction. He said the phrase that now reads "and he said that he still supported 2040 and right densities," should read "...densities in the right places."

Presiding Officer Kvistad said the minutes would be corrected.

Vote: The vote was 7 aye/ 0 nay/ 0 abstain. The motion passed and the minutes were adopted as corrected.

7. ORDINANCES - FIRST READING

7.1 **Ordinance No. 97-710**, For the Purpose of Establishing a Coordinated 2017 Population Forecast for use in Maintaining and Updating Comprehensive Plans.

Presiding Officer Kvistad assigned Ordinance No. 97-710 to the Growth Management Committee.

7.2 **Ordinance No. 97-719**, Amending the FY 97-98 Budget and Appropriations schedule by transferring \$9,985 from the general fund contingency and transferring .50 FTE from the Office of Citizen Involvement to the Growth Management Department of the planning fund to provide additional committee support, and declaring an emergency.

Presiding Officer Kvistad assigned Ordinance No. 97-719 to the Finance Committee.

8. ORDINANCES - SECOND READING

8.1 **Ordinance No. 97-718**, For the Purpose of Granting a Solid Waste Franchise to USA Waste of Oregon, Inc., doing business as Metropolitan Disposal and Recycling Corporation, for the Purpose of Operating a Solid Waste Transfer Station; and Declaring an Emergency

Motion: **Councilor McLain** moved to adopt Ordinance No. 97-718.

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

Councilor McLain said she was pleased with the work staff had been doing on the proposed franchise for the USA Waste Sanifill Forest Grove Transfer Station. This had been going on for the past 2-1/2 years. She asked that Mr. Warner provide a review of this ordinance.

Bruce Warner, Director of REM, reviewed the history of this agreement. He said this franchise had involved extensive negotiations between the REM staff and USA Sanifill. He said he believed this franchise reflected Metro's direction and direction received from the Solid Waste Advisory Committee (SWAC). He said all members of SWAC had copies of the franchise and the accompanying staff reports. He introduced Paul Inger, who negotiated the franchise.

Paul Inger, Senior Engineer on the REM staff, summarized the major objectives of the negotiations: 1) obtain savings similar to those if the waste were sent to the Columbia Ridge landfill under the terms of amendment 7; 2) provide an alternative to the formalize rate review process that has caused problems with AC Trucking in the past. He noted that the process needed to be changed, because under the new franchise, the transfer site, the trucking and landfill would be owned by the same company. The old process would not be effective; 3) ensure that the transfer station would provide services consistent with a regional transfer station according to a matrix developed by SWAC; 4) obtain a designated facility agreement with the River Bend Landfill, to better monitor what was happening with regional wastes; 5) ensure a fair and reasonable rate to the operator of the transfer station.

Mr. Inger said all the objectives were met. He said to accomplish those objectives, the REM staff developed a new fee, called the "metro differential fee," of \$5/ton, tied to the Metro tipping fee. This fee could be adjusted as tipping fees rise or fall. The new franchise also prevented unequal treatment of any user, and it limited the amount of waste that could be disposed of at a general purpose landfill to 10% of the region's waste. This would allow Metro to meet its

contract obligations with Oregon Waste Systems. Mr. Inger said the new franchise increased recycling at the transfer station and included a provision for Metro to collect hazardous waste.

The contract was for a 5-year franchise, with automatic renewal as long as they did not default on the terms of the franchise. With this, the franchise terminated with AC Trucking. USA Waste has agreed to enter a designated facility agreement with Metro for use of the Riverbend Landfill.

Mr. Inger mentioned two other issues that have arisen. One was the issue of vertical integration. He said vertical integration had been in practice for some time in Metro's waste contracts. He also addressed a concern raised by Councilor Naito in previous discussions about a confidentiality clause. He said that clause allowed confidential industry information to be provided to Metro.

Councilor Naito asked Marvin Fjordbeck about the confidentiality issue. She said it seemed to be a broad clause. She asked how it would provide protection.

Marvin Fjordbeck, Metro Legal Counsel, said these provisions were included in the minimum reporting requirement section, section 7, of the franchise. They were designed to deal with the kind of information Mr. Warner's staff now obtained concerning tonnage and recycling information. This provision allowed the franchise holder to mark as confidential, information considered proprietary to the business. Metro, in turn, must keep that information confidential until it received a request to disclose that information.

Councilor Naito said she did not see anything in clause 7.6 that limits the information to this agreement. She said she was concerned that this gave the franchise holder the right to stamp any information as confidential and expect it to be treated as such.

Mr. Fjordbeck said the document did allow any information to be labeled "confidential." The intent, however, was to limit that information to the reporting requirements in section 7.

Councilor Naito said that was fine, but the document did not say that.

Mr. Fjordbeck responded that Metro had not experienced in previous franchises, documents not related to the franchise, having a claim of confidentiality. Further, if such a document were claimed confidential, it did not mean the government could not act on that document nor did it mean it would never be distributed. It meant that distribution would have to be in response to a request for the document from outside the government and that the franchise holder would need to be informed of that request.

Councilor Naito asked whether Metro would be able to take action if it noticed suspicious activity, or would Metro have to wait until an outside party requested information before giving notice.

Mr. Fjordbeck said nothing precluded action by the government if it believed the franchise-holder was acting improperly. It also did not require Metro to wait until a third party requested the document before taking action. It was simply designed to deal with the tonnage and other proprietary information in a confidential manner.

Councilor Naito asked if the words "tonnage" could be inserted in the agreement, to make the application clear.

Mr. Fjordbeck said he had anticipated this inquiry and had called USA Waste on this issue. He was waiting for a response. He said he, personally, would not object to adding that language.

Councilor Naito said she really had no problem with the intent of the language; it simply looked too broad.

Mr. Warner said he had been able to talk with representatives from USA Sanifill while the discussion was taking place and they had no problem with modifying the section as requested.

Councilor Naito suggested adding language like "information submitted as required by this section," or words to that effect.

Presiding Officer Kvistad asked Daniel Cooper, Metro Legal Counsel, whether changing the agreement as suggested would require holding the matter over. Mr. Cooper said no.

Motion to

Amend the

Main Motion: **Councilor Naito** moved to amend Ordinance No. 97-718 to limit confidential information to that submitted under the terms of Section 7 of the agreement.

Seconded: **Councilor McLain** seconded the amendment.

Vote on Motion

to Amend the

Main Motion: The vote was 7 aye/ 0 nay/ 0 abstain. The motion passed unanimously.

Presiding Officer Kvistad called a public hearing on Ordinance No. 97-718A.

No one requested to be heard, so Presiding Officer Kvistad closed the public hearing.

Councilor McFarland said she would not support this franchise, because she thought it was environmentally unsound to grant landfills or enlarge existing landfills in areas of high rainfall when alternatives were available.

Councilor McLain thanked the staff for their work on this franchise. She said she supported this franchise for several reasons. First, the differential rate equalized treatment between people. Second, the new franchise offered much improved recycling and hazardous waste disposal than had been available in western Washington county. Third, the new agreement would avoid the difficult rate-review process that had marked the past. The designation out of the Riverbend Landfill helped address the concerns raised by Councilor McFarland about locating landfills in environmentally sound areas. Riverbend was an established landfill--not a new one--and met all Department of Environmental Quality standards.

Vote on the

Main Motion: The vote was 6 aye/ 1 nay/ 0 abstain. The motion passed with Councilor McFarland voting no.

9. RESOLUTIONS

9.1 Resolution No. 97-2559A, For the Purpose of Adopting the 1997 Inventory of Buildable Lands and the 1997 Housing Needs Analysis.

Motion: **Councilor McLain** moved to amend Resolution No. 97-2559A to replace Exhibit A with a revised version, titled Final Draft of the Urban Growth Report dated December 18, 1997, to add Exhibit B, Mix of Housing Types and Actual Density, and to add exhibit C, the Final Draft of the Housing Need Analysis dated December 18, 1997.

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

Discussion: **Councilor McLain** said Exhibit C also included the amendments of the housing need analysis recommended by the Metro Policy Advisory Committee (MPAC) at their December 10, 1997 meeting.

Presiding Officer Kvistad noted that the changes were technical, and he agreed with them. He asked for discussion on the resolution.

Councilor McCaig asked for an explanation on eliminating the fair share numbers.

Councilor McLain said at the MPAC meeting there was a discussion on the fact that the document contained two tables that suggested three possible ways of reaching fair share targets. Discussions at a Growth Management Committee meeting and at MPAC revealed that none of the examples seemed doable. The targets were therefore eliminated from this document to allow the technical committee to deal with the issue at greater length.

Councilor McCaig asked if this meant the document would remain silent on the issue.

John Fregonese, Director of Growth Management, said originally MPAC had asked for the examples. However, no one could agree on any of the examples. The solution was to eliminate the examples while leaving the process in place. Estimates for the total amount of assisted housing remained in the document as well as those for kinds of assisted and affordable housing. But their distribution among jurisdictions remained to be determined by a process that was part of the policy rather than part of the need analysis.

Councilor McLain added that Presiding Officer Kvistad's memo of December 16, 1997, pointed out that the Regional Framework Plan contained a fair share commitment in terms of policy. It also recognized the role of the Affordable Housing Technical committee in the creation of an affordable housing functional plan for including fair share targets for each jurisdiction and for devising a fair share strategy.

Mr. Fregonese said he, personally, recommended removing the specific targets. He felt the process needed to be in place before conclusions could be reached, and it would be counterproductive to leave such contentious examples in. He said MPAC had expressed concern that draft numbers might become "law." He said the memos, the data, and the methodology still existed and they could serve as a starting point for the technical committee.

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Councilor McCaig questioned the value of eliminating information because it was divisive. She said people needed something to work with. She then asked for clarification on what the resolution being considered contained.

Presiding Officer Kvistad said Resolution No. 97-2559A if amended, would include the new and revised exhibits and be Resolution No. 97-2559B.

Councilor McCaig asked how she could vote against eliminating just the fair share housing targets, but not against the rest of the resolution.

Presiding Officer Kvistad said she could vote no on the replacement. Alternatively, that part could be severed and the Council could be asked to vote on each separately.

Motion to

Amend #1: **Councilor McLain** moved to separate Exhibit C from Exhibits A and B.

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

Councilor Morissette commented that the Housing Need Analysis had densities that were too high and estimates of buildable lands inside the Urban Growth Boundary that were too high, also.

Councilor Naito asked which part of the severed resolution the vote would be on.

Councilor McLain said it would be on Exhibits A and B.

Vote to

Amend #1: The vote was 6 aye/ 1 nay/ 0 abstain. The motion passed with Councilor Morissette voting no.

Motion to

Amend #2: **Councilor McLain** moved to amend Resolution No. 97-2559A to include Exhibit C, Final Draft of the Housing Needs Analysis dated December 18, 1997.

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

Vote to

Amend #2: The vote was 6 aye/ 1 nay/ 0 abstain. The motion passed with Councilor McCaig voting no.

Presiding Officer Kvistad noted that with the amendments, Resolution No. 97-2559A became Resolution No. 97-2559B. He opened a public hearing on Resolution No. 97-2559B.

Kelly Ross, Home Builders Association, spoke to the Housing Needs Analysis. He said his comments would also represent the position of the Oregon Building Industry Association, as requested by Jon Chandler. Mr. Ross apologized for raising this point so late in the process, but he explained that an important factor affecting housing cost and affordability just occurred to him yesterday, and it did not appear in the document. The factor was that available land was normally referred to in total acres, but the characteristics of that acreage was not normally taken

into consideration. He said that the per unit production had dropped in Oregon because land left had a larger percentage of unbuildable terrain.

Mr. Ross said another problem related to costs. He said subdivisions were smaller now. Economies of scale could not be realized. Some costs associated with developments were fixed, such as design costs and approval costs, regardless of the size of the subdivision. Larger subdivisions spread those costs over more units, lowering the cost of each unit.

Councilor Morissette said he agreed with Mr. Ross.

Presiding Officer Kvistad closed the public hearing and opened the floor to general discussion.

Councilor Morissette said a study done in 1996 by Center for Urban Studies at Portland State University resulted in a report. He read from that report that recommended adding considerable margin for error in estimating density, home ownership, infill, and redevelopment rates, which were found to be greater in reality than the estimates reflected. Regarding mixed-use development, the land supply estimates assumed a greater rate of mixed-use development than had actually taken place. Lack of experience in mixed-use development contributed to a lack of confidence in the ability of land in mixed-use zoning to meet residential and employment targets.

The report said that higher densities could be achieved only with higher land and housing prices, which would induce more people to locate outside of the UGB and would also price more people out of the housing market. Councilor Morissette said he thought some of the report's predictions had already begun to come true.

The report also addressed low-income housing, noting that normally low-income housing could be found in older housing stock. However, when prices rose in general, higher-income people also compete for existing stock. New construction, then, targets higher-end houses. The report questioned Metro's conclusion that the market would provide single-family housing dwellings at or around \$100,000.

Councilor Morissette said he was disappointed that his years of experience as a home builder had not had more effect on the outcome of the Council's decisions. Also, he said, he predicted the sprawl and the growth of Clark County as consequences to the decisions that had been made. He said there was no way the current UGB would allow enough room for citizens to have choices in housing. He said people would drive farther out to get what they wanted. He said the purpose of the housing needs analysis was to produce findings for the anticipated housing needs for the growth projections for the region. The report used the adopted variable of 21% for underbuild. This variable was wrong. The report used the adopted variable for five-year time frame for our local partners to adopt and apply 2040 growth concepts. This variable was still wrong. He reminded the Council that this referred to 1995. The report maintained that infill and redevelopment provided for 28.5% of all needed housing until 2017. This variable was also wrong. The report assumed all farm-use assessed land within the UGB would be developed. This variable was not only wrong, it was crazy to keep a good quality of life.

Councilor Morissette said he had maintained all along the Council was headed in the wrong direction. The citizens of the region did not know the consequences to their neighborhoods of the Council's decisions. He said he believed land needed to be used better. Innovative housing types should be encouraged to help minimize the need for expansion. However, the proposals

before the Council pushed too hard. He warned that when the general population understood the impact on their own neighborhoods, they would rebel. He noted as examples the sentiments in Multnomah Village, a recent vote in West Linn, and the recall of elected officials in Milwaukie.

He said he would not support the resolution. He said his vote served to remind the Council it was making a mistake. He asked them to remember that the UGB was one-third of one percent of the state's land. He said Metro was pushing too hard.

Councilor Naito asked staff whether something could be inserted to take into consideration Mr. Ross's concern about housing development size. She said she believed there was a relationship between number of units built at one time and housing price.

Mr. Fregonese said such an addition could not be done in time for Council adoption. He said his staff had had that information, and it was correct that the average size of development property within the UGB had dropped. However, 4500 acres would be added soon and the average lot size would then be larger. He said to consider not only what was in the boundary but also what would be added in the very near future. He said the average lot size in the reserves was nine acres, and parcels were being consolidated.

Councilor Morissette said his comments had been well recorded. He said the majority of first-tier urban reserves were already well-developed and at current consumptive rates would yield only a year and a half at most of relief. He said that although he recognized that densities were going up, he wondered if the units per acre were also going up.

Mr. Fregonese referred to a chart in Exhibit B. He said that although a number of assumptions went into these analyses, two items could be established as fact. One was the number of units actually built. The second was units per gross acre of vacant land. He said this was an overall efficiency rate. The average from 1992 to 1996 was 4.4. In earlier years it was 3.4. Last year it was 5.1.

Councilor Morissette said the problem for developers was that the land was easier to develop at those densities previously, because there was more flat land. Not as much flat land remained. He said with regard to net units per acre, we were not much ahead of where we were overall. He said higher densities were being built, but there were also more set-asides and more unbuildable areas per net acre.

Mr. Fregonese said even though more unusable land was increasing, densities were also going up.

Councilor Morissette said that fact supported his contention and that of the Urban Studies Center's report, that Metro's assumptions on the amount of buildable land were incorrect.

Mr. Fregonese said that to meet the 2040 Growth Concept or the goals of 2017 Urban Growth Report just adopted, densities would need to be increased by 20% in the UGB and the urban reserves. He said, however, Councilor Morissette's concern about diminished efficiency of remaining lands was justified and would need to be monitored.

Councilor Morissette asked how much acreage had been used over the past five years.

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Mr. Fregonese said we had used 9601 acres for residential development. The total acreage used totaled about 11,000.

Councilor Morissette said that worked out be a little over 2000 acres a year. He asked what estimates were for future land consumption.

Mr. Fregonese said 1800 to 1700 acres per year.

Councilor Morissette said he did not believe the urban reserves would be as productive as Mr. Fregonese did.

Mr. Fregonese said the urban reserves were unknown in terms of acreage. He said 3200 units of capacity were needed, but the acreage wouldn't be known until it came time to add the actual land.

Councilor Morissette said the conclusion was that either densities would need to be dramatically raised to meet the targets, or the Council would need to be more realistic in expanding the boundary.

Councilor Naito said she had been working on a resolution that hadn't yet been finalized, which asked staff to inventory the land in terms of its productivity. This should give us a better idea of how many units per acre could realistically be expected, and therefore how many acres would actually be needed. She said the decision was based on number of units needed, as required by state law.

Councilor Morissette said that the decision on the number of units required almost one new home for every two that currently existed, and that was just a fraction of what the future growth would be outside the UGB. The majority would be on the inside.

Presiding Officer Kvistad said he agreed with Councilor Morissette's comments. He did support the Regional Framework Plan in spite of some concerns he had about it. He did think the Housing Needs Analysis was flawed and he would not support it. He was concerned about low and moderate income people being able to afford homes in this region. He was concerned that these actions could limit the opportunity for some people to own homes.

Councilor McLain recommended looking at the minutes of the growth report on October 23, 1997 and reading her comments. She said those minutes would summarize her answers to many of the issues Councilor Morissette just raised. She answered two new points Councilor Morissette raised. One related to Clark County. She said the portion of growth going to Clark County was smaller now than in 1992, 1993, and 1994. Regarding the price of homes in relation to the UGB, she said the price of homes was going up outside the UGB in towns such as Banks, Gaston, and McMinnville at about the same rate as that of homes in Forest Grove and Cornelius. Referring to the land consumption rates, she said that when looking at that figure, you must consider changes in the Functional Plan in 1996 and 1997 that had been implemented. Those included air rights and other creative strategies to increase densities, in addition to new transit opportunities that would be available from Portland to Hillsboro.

Councilor McLain also addressed Councilor Morissette's comments on recent happenings in West Linn and Milwaukie. She said she had talked to the city counselor who projected the West

Linn vote. He indicated this was not a comment about Metro, but more about the meaning of local control. She said she did not think that vote had to do with this document. With respect to the recall of elected officials in Milwaukie, she noted only 37% of the voters turned out for the election.

Councilor McLain also addressed Mr. Morissette's comments on the efficiency of the urban reserves. She referred to a memo dated December 16, 1997, which listed as the first task of 1998 the Urban Reserve Analysis of Productivity of the Urban Reserves. She said Metro code 3.01012 C3 to modify the 2040 Growth Concept would be completed by March of 1998, with designation of regional design types. The design types must be known in order to be able to predict the efficiency, regardless of the size of the development. Those two pieces of work would determine the efficiency of the reserves.

Councilor Morissette challenged Councilor McLain to investigate the home-building industry to understand what he had been trying to say. He said the citizens must understand that about 210,000 more houses must be fit inside the UGB. He said this would be tough to do and still allow people to have choices in housing types, with the option of having a reasonable back yard. He said he believed choices like that were important to people in West Linn and Milwaukie. He said to look, for example, at the target figures for Lake Oswego. He said the number was large, and that the area was already pretty well built out. He said opportunities for infill and redevelopment there simply did not exist except in a few small areas. He said he believed the Council has soft-peddled the impact of its decisions. He believed the decisions would negatively affect the region. He said he did not expect to influence the coming decision, but he wanted it on record how he felt about it.

Councilor McLain closed the discussion by reminding the Council of what the document was and how it related to state law and to Metro's other work. She referred to a memo to Mr. Fregonese from Larry Shaw, Metro Legal Counsel, which talked about compliance with House Bill 2493's deadline and other state laws. She said it was important to remember that we were not talking about land consumption patterns of the past, but we were preparing for the future and ensuring that the goals of the 2040 Growth Concept were met. She said work must continue toward reaching the goals in a practical and positive way and one that improved the livability of this region. She said we all like back yards. Back yards would not be disallowed, but different configurations would be designed and made available.

**Vote on
the Main**

Motion: The vote was 5 aye/ 2 nay/ 0 abstain. The motion passed with Councilor Morissette and Presiding Officer Kvistad voting no.

10. COUNCILOR COMMUNICATION

Presiding Officer Kvistad said the past year represented a lot of work accomplished, including completing the urban reserves, the framework plan, the urban growth report, the urban growth boundary decisions, functional plan, and adding thousands of acres of open and green spaces. He noted Metro had reduced taxes on solid waste tonnage thereby benefiting everyone in the region. He said that transportation funding this past year was disappointing, but it had resulted in improved working relationships with local jurisdictions. He said that in spite of the fact that

all work with the state legislature had not been successful it had been one of the best years ever in working with the legislature. He congratulated the Council on its hard work.

Presiding Officer Kvistad then spoke to the recall of Mayor Lomnicki in Milwaukie. He said he understood the public's frustration with politicians, but he thought they had made a mistake by recalling the mayor. He said Mr. Lomnicki has worked hard on behalf of his community, he was an outstanding public servant, and he would be sorely missed.

Councilor McCaig added that Jean Schreiber and Don Trotter had also been tremendous public servants who had served their communities for many years. She said in her view this was an unbelievable misuse of the recall process. However, the entire election was only 35 days long and ballots went out only 14 days after the petition was filed. No truly informed discussion about density or light rail could have taken place. She also said Milwaukie was not the bell wether for the region. It was only 10 precincts out of hundreds and hundreds. So, although she thought it was a tragedy, she did not think this action would affect the futures of the officials involved. They would do fine.

Presiding Officer Kvistad noted the gifts of reindeer that his father made. He announced that a thank-you party for Metro volunteers would be held that evening in the Metro foyer. He invited those present to attend.

Councilor McLain asked the Council to thank Rosemary Furfey for her work on the storm water project design contest. Three winners of that contest were from Clark County and three from this region--Wilsonville, Aloha, and Washington County. She invited the Council to sign up for the stream- and flood-plain-protection planned workshops scheduled for January 17, 20, 27, and 31. She also wanted to be sure everyone had received a copy of the memo dated December 16, 1997, which included a schedule for addressing 1998 growth management issues. In addition to the Analysis of Urban Reserves referred to earlier by Councilor Naito, other issues would be Urban Concept Planning, Title III Functional Plan Quality Water and Flood Mitigation work, and performance measures for review of the UGB.

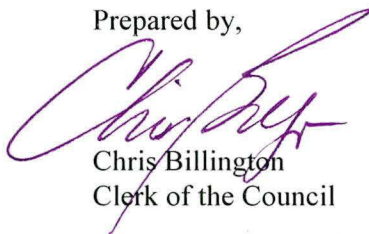
Councilor Washington thanked Councilor Morissette for the holiday gift.

Presiding Officer Kvistad wished everyone a happy holiday season.

11. ADJOURN

There being no further business to come before the Metro Council, Presiding Officer Kvistad adjourned the meeting at 3:45 p.m.

Prepared by,



Chris Billington
Clerk of the Council

BEFORE THE METRO COUNCIL

FOR THE PURPOSE OF REORGANIZING) RESOLUTION NO. 98-2595
THE METRO COUNCIL)
) Introduced by
) Presiding Officer
) Jon Kvistad

WHEREAS, Pursuant to Section 16 of the 1992 Metro Charter and Chapter 2.01 of the Metro Code, the Council has re-elected Councilor Kvistad to serve as its presiding officer during 1998; and

WHEREAS, The presiding officer has appointed councilors to serve as members of the standing committees of the Council and has appointed councilors to serve as members of other Council-related committees or positions; now, therefore,

BE IT RESOLVED,

1. That the existing standing committees created by the Council pursuant to previously adopted resolutions are continued with the same purpose and authority.
2. That the Council confirms and acknowledges the presiding officer's authority to appoint and remove standing committee members. The list of committee members as appointed by the Presiding Officer is as described in Exhibit "A" attached hereto.
3. That the Council acknowledges the presiding officer's appointment of members to other Council-related committees or positions as described in Exhibit "B" attached hereto.

4. That the regular meeting schedule for the Council and each standing committee shall be as described in Exhibit "C" attached hereto, except for special meetings and changes necessary to respond to holiday scheduling or other needs as determined by the presiding officer.

ADOPTED by the Metro Council this 8th day of January, 1998.

Jon Kvistad, Presiding Officer

Approved as to Form:

Daniel B. Cooper, General Counsel

jas
c:res98-2595

EXHIBIT "A"

COUNCIL STANDING COMMITTEE MEMBERSHIP*

Budget Committee: Patricia McCaig, Chair; Councilor McFarland, Vice Chair; Councilor Kvistad; Councilor McLain; Councilor Morissette; Councilor Naito, Councilor Washington.

Growth Management Committee: Councilor Naito, Chair; Councilor McCaig, Vice Chair; Councilor Morissette; Councilor Washington (alternate).

Regional Facilities Committee: Councilor McFarland, Chair; Councilor Naito, Vice Chair; Councilor McCaig.

Regional Environmental Management Committee: Councilor Morissette, Chair; Councilor McFarland, Vice Chair; Councilor Washington; Councilor McLain (alternate)

Transportation Planning Committee: Councilor Washington, Chair; Councilor Susan McLain, Vice Chair; Councilor Kvistad, Councilor Morissette (alternate)

Governmental Affairs Committee: Councilor McLain, Chair; Councilor Naito, Vice Chair; Councilor McFarland.

* The presiding officer may serve as a member of any standing committee, serve as a member of a committee to create a quorum or, fill a committee vacancy as a result of a vacancy on the Council.

EXHIBIT "B"

COUNCILOR ANCILLARY APPOINTMENTS

Council Parliamentarian: Councilor McFarland

Friends of the Washington Park Zoo Board of Directors: Councilor Naito; Councilor McFarland

Joint Policy Advisory Committee on Transportation: Councilor Washington, Chair; Councilor Kvistad, Vice-Chair; Councilor McLain; Councilor Morissette (Alternate); Councilor Naito (Alternate).

Metro Policy Advisory Committee: Councilor McLain; Councilor Morissette; Councilor McCaig (Alternate).

Greenspaces Citizens Advisory Committee: Councilor Naito; Councilor Washington; Councilor Kvistad.

Greenspaces Liaison: Councilor Naito.

Metro CCI Liaison: Councilor McLain; Councilor McCaig (Alternate).

Oregon Regional Council Association Board of Directors: Councilor Kvistad; Councilor Washington (Alternate).

Regional Emergency Management Policy Advisory Committee: Councilor Morissette; Councilor McFarland.

Regional Water Services Leadership Group: Councilor Kvistad; Councilor McLain; Councilor McFarland (Alternate).

Smith and Bybee Lakes Management Committee: Councilor Washington; Councilor McFarland.

Regional Environmental Management Policy Advisory Committee: Councilor Morissette, Chair; Councilor Washington.

Regional Environmental Management Rate Review Committee: Councilor Morissette, Chair; Councilor McFarland (Alternate).

SW Washington Regional Transportation Policy Committee: Councilor Washington; Councilor McLain.

South/North Steering Committee: Councilor Washington; Councilor McCaig (Alternate).

Tri-Met Committee on Accessible Transportation: Councilor Washington; Councilor Morissette.

Water Resources Policy Advisory Committee: Councilor McLain.

Westside Corridor Project Steering Group: Councilor Kvistad.

Washington County Transportation Advisory Group: Councilor Kvistad.

Neighboring Cities Grant: Councilor McLain.

Cascadia Task Force: Councilor Washington; Councilor Kvistad.

1% for Art: Councilor Naito.

Portland/Multnomah County Progress Board: Councilor McFarland.

Portland State Institute of Urban Studies: Councilor Morissette; Councilor Kvistad.

Columbia Slough Watershed Council: Councilor Washington.

Metro Central Enhancement Committee: Councilor Washington.

Metro North Portland Enhancement Committee: Councilor Washington.

OMSI Board Representative: Councilor McFarland

EXHIBIT "C"

COUNCIL REGULAR MEETING SCHEDULE

Committee meetings held the first and third weeks of the month

Monday

1:30 PM Governmental Affairs Committee

3:30 PM Regional Facilities Committee

Tuesday

1:30 PM Growth Management Committee

3:30 PM Transportation Planning Committee

Wednesday

1:30 PM Regional Environmental Management Committee

3:30 PM Budget Committee

Thursday

2:00 PM Council

* Regularly scheduled committee meeting times may be changed by an unanimous vote of the committee members as long as it does not conflict with times of other standing committees or meetings of the Metro Council.

BUDGET COMMITTEE

Councilor McCaig, Chair; Councilor McFarland, Vice-Chair, all other councilors

Wednesday, 3:30 PM

Main Analyst: John Houser

Co-Analysts: Meg Bushman, Michael Morrissey

Council Asst: Lindsey Ray

GOVERNMENT AFFAIRS COMMITTEE

Councilor McLain, Chair; Councilor Naito, Vice-Chair, Councilor McFarland

Monday, 1:30 PM

Main Analyst: Meg Bushman

Council Asst: Suzanne Myers

GROWTH MANAGEMENT COMMITTEE

Councilor Naito, Chair; Councilor McCaig, Vice-Chair; Councilor Morissette

Tuesday, 1:30 PM

Main Analyst: Meg Bushman

Co-Analyst: Michael Morrissey

Council Asst: Suzanne Myers

REGIONAL ENVIRONMENTAL MANAGEMENT COMMITTEE

Councilor Morissette, Chair; Councilor McFarland, Vice-Chair; Councilor Washington

Tuesday, 12:15 PM

Main Analyst: John Houser

Council Asst: Lindsey Ray

REGIONAL FACILITIES COMMITTEE

Councilor McFarland, Chair; Councilor Naito, Vice-Chair; Councilor McCaig

Monday, 3:30 PM

Main Analyst: Michael Morrissey

Council Asst: Pat Emmerson

TRANSPORTATION PLANNING COMMITTEE

Councilor Washington, Chair; Councilor McLain, Vice-Chair; Councilor Kvistad

Tuesday, 3:30 PM

Main Analyst: Michael Morrissey

Co-Analyst: John Houser

Council Asst: Pat Emmerson

MINUTES OF THE METRO COUNCIL MEETING

December 18, 1997

Council Chamber

Councilors Present: Jon Kvistad (Presiding Officer) Ruth McFarland, Susan McLain, Patricia McCaig, Ed Washington, Don Morissette, Lisa Naito

Councilors Absent:

Presiding Officer Kvistad convened the Regular Council Meeting at 2:03 p.m.

1. INTRODUCTIONS

None.

2. CITIZEN COMMUNICATION

None.

3. EXECUTIVE OFFICER COMMUNICATIONS

None.

4. PRESENTATION OF THE AUDITED FINANCIAL STATEMENT FOR FY 1997

Alexis Dow, Auditor, introduced two representatives from Peat Marwick who would be presenting the results of their financial audit.

Karla Lenox, Financial Reporting and Control Supervisor for Metro, provided an overview of the financial audit. She called attention to two documents, the "Audit of Federal Awards" and the "Comprehensive Annual Financial Report," which report the audit findings. She explained the purpose of the documents and the organization of the Comprehensive Annual Financial Report. Both of these documents are included in full, as part of the meeting record. She called attention to three items in the Financial Report. One, on page 28, noted an over-expenditure. She explained that this was due to refinancing on a loan to obtain a better interest rate and, thus, was allowed by State law. Another, on page 33, disclosed pension information differently from the way it had been disclosed in the past. This was due to changes in federal standards. The third, on page 63, showed receipt of bond funds for the Oregon Project at the zoo. This was new this year.

Joe Hoffman, Audit Partner with KPMG Peat Marwick LLP, introduced his associate, Tiffany Rasmussen, the audit manager. Mr. Hoffman said he and Ms. Rasmussen had worked together on the audit. He said that the financial statements received an unqualified opinion, that the audit went well, and that no problems or disagreements arose. The accounting records were found to be correctly prepared. He noted that the financial statements were Metro's responsibility, and

KPMG's responsibility was to audit them for compliance with general accounting principles. Page 2 of the financial sections noted the unqualified opinion.

Mr. Hoffman called attention to the smaller document, the "Audit of Federal Awards," and noted that, like the larger audit, this one found no instances of noncompliance. Suggestions for improving internal financial management were too minor to warrant an official letter.

Tiffany Rasmussen summarized the suggestions the auditors had made for improvement. She said these were not problem areas, simply ways to improve. One related to the timeliness of employee performance reviews to avoid the need for making retroactive pay increases. Another related to the single audit requirements. The federal government had changed its standards, shifting the focus of audits from reviewing all federal grant money to reviewing just the large projects. However, the expenditure of other federal funds must still comply with the same standards. She noted that Metro has formed an internal committee to oversee these smaller grants.

Mr. Hoffman then offered two additional suggestions. One related to the implementation of Metro's new accounting system. He recommended that a post-implementation review of that system be conducted to be sure the system operated as it should. He noted that technological advances sometimes perpetuate problems. The other suggestions related to making sure computer software was compatible with the year 2000. He emphasized that this was more than a computer issue: it was also an organizational issue that involved vendors, clients, partners, and other systems with which Metro's system interfaced.

5. MPAC COMMUNICATION

None.

6. CONSENT AGENDA

6.1 Consideration of the meeting minutes of the December 11, 1997, Regular Council Meeting.

Motion: **Councilor McFarland** moved to adopt the meeting minutes of December 11, 1997 Regular Council Meeting.

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

Councilor Morissette had a correction. He said the phrase that now reads "and he said that he still supported 2040 and right densities," should read "...densities in the right places."

Presiding Officer Kvistad said the minutes would be corrected.

Vote: The vote was 7 aye/ 0 nay/ 0 abstain. The motion passed and the minutes were adopted as corrected.

7. ORDINANCES - FIRST READING

7.1 **Ordinance No. 97-710**, For the Purpose of Establishing a Coordinated 2017 Population Forecast for use in Maintaining and Updating Comprehensive Plans.

Presiding Officer Kvistad assigned Ordinance No. 97-710 to the Growth Management Committee.

7.2 **Ordinance No. 97-719**, Amending the FY 97-98 Budget and Appropriations schedule by transferring \$9,985 from the general fund contingency and transferring .50 FTE from the Office of Citizen Involvement to the Growth Management Department of the planning fund to provide additional committee support, and declaring an emergency.

Presiding Officer Kvistad assigned Ordinance No. 97-719 to the Finance Committee.

8. ORDINANCES - SECOND READING

8.1 **Ordinance No. 97-718**, For the Purpose of Granting a Solid Waste Franchise to USA Waste of Oregon, Inc., doing business as Metropolitan Disposal and Recycling Corporation, for the Purpose of Operating a Solid Waste Transfer Station; and Declaring an Emergency

Motion: **Councilor McLain** moved to adopt Ordinance No. 97-718.

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

Councilor McLain said she was pleased with the work staff had been doing on the proposed franchise for the USA Waste Sanifill Forest Grove Transfer Station. This had been going on for the past 2-1/2 years. She asked that Mr. Warner provide a review of this ordinance.

Bruce Warner, Director of REM, reviewed the history of this agreement. He said this franchise had involved extensive negotiations between the REM staff and USA Sanifill. He said he believed this franchise reflected Metro's direction and direction received from the Solid Waste Advisory Committee (SWAC). He said all members of SWAC had copies of the franchise and the accompanying staff reports. He introduced Paul Inger, who negotiated the franchise.

Paul Inger, Senior Engineer on the REM staff, summarized the major objectives of the negotiations: 1) obtain savings similar to those if the waste were sent to the Columbia Ridge landfill under the terms of amendment 7; 2) provide an alternative to the formalize rate review process that has caused problems with AC Trucking in the past. He noted that the process needed to be changed, because under the new franchise, the transfer site, the trucking and landfill would be owned by the same company. The old process would not be effective; 3) ensure that the transfer station would provide services consistent with a regional transfer station according to a matrix developed by SWAC; 4) obtain a designated facility agreement with the River Bend Landfill, to better monitor what was happening with regional wastes; 5) ensure a fair and reasonable rate to the operator of the transfer station.

Mr. Inger said all the objectives were met. He said to accomplish those objectives, the REM staff developed a new fee, called the "metro differential fee," of \$5/ton, tied to the Metro tipping fee. This fee could be adjusted as tipping fees rise or fall. The new franchise also prevented unequal treatment of any user, and it limited the amount of waste that could be disposed of at a general purpose landfill to 10% of the region's waste. This would allow Metro to meet its

contract obligations with Oregon Waste Systems. Mr. Inger said the new franchise increased recycling at the transfer station and included a provision for Metro to collect hazardous waste.

The contract was for a 5-year franchise, with automatic renewal as long as they did not default on the terms of the franchise. With this, the franchise terminated with AC Trucking. USA Waste has agreed to enter a designated facility agreement with Metro for use of the Riverbend Landfill.

Mr. Inger mentioned two other issues that have arisen. One was the issue of vertical integration. He said vertical integration had been in practice for some time in Metro's waste contracts. He also addressed a concern raised by Councilor Naito in previous discussions about a confidentiality clause. He said that clause allowed confidential industry information to be provided to Metro.

Councilor Naito asked Marvin Fjordbeck about the confidentiality issue. She said it seemed to be a broad clause. She asked how it would provide protection.

Marvin Fjordbeck, Metro Legal Counsel, said these provisions were included in the minimum reporting requirement section, section 7, of the franchise. They were designed to deal with the kind of information Mr. Warner's staff now obtained concerning tonnage and recycling information. This provision allowed the franchise holder to mark as confidential, information considered proprietary to the business. Metro, in turn, must keep that information confidential until it received a request to disclose that information.

Councilor Naito said she did not see anything in clause 7.6 that limits the information to this agreement. She said she was concerned that this gave the franchise holder the right to stamp any information as confidential and expect it to be treated as such.

Mr. Fjordbeck said the document did allow any information to be labeled "confidential." The intent, however, was to limit that information to the reporting requirements in section 7.

Councilor Naito said that was fine, but the document did not say that.

Mr. Fjordbeck responded that Metro had not experienced in previous franchises, documents not related to the franchise, having a claim of confidentiality. Further, if such a document were claimed confidential, it did not mean the government could not act on that document nor did it mean it would never be distributed. It meant that distribution would have to be in response to a request for the document from outside the government and that the franchise holder would need to be informed of that request.

Councilor Naito asked whether Metro would be able to take action if it noticed suspicious activity, or would Metro have to wait until an outside party requested information before giving notice.

Mr. Fjordbeck said nothing precluded action by the government if it believed the franchise-holder was acting improperly. It also did not require Metro to wait until a third party requested the document before taking action. It was simply designed to deal with the tonnage and other proprietary information in a confidential manner.

Councilor Naito asked if the words "tonnage" could be inserted in the agreement, to make the application clear.

Mr. Fjordbeck said he had anticipated this inquiry and had called USA Waste on this issue. He was waiting for a response. He said he, personally, would not object to adding that language.

Councilor Naito said she really had no problem with the intent of the language; it simply looked too broad.

Mr. Warner said he had been able to talk with representatives from USA Sanifill while the discussion was taking place and they had no problem with modifying the section as requested.

Councilor Naito suggested adding language like "information submitted as required by this section," or words to that effect.

Presiding Officer Kvistad asked Daniel Cooper, Metro Legal Counsel, whether changing the agreement as suggested would require holding the matter over. Mr. Cooper said no.

**Motion to
Amend the**

Main Motion: **Councilor Naito** moved to amend Ordinance No. 97-718 to limit confidential information to that submitted under the terms of Section 7 of the agreement.

Seconded: **Councilor McLain** seconded the amendment.

**Vote on Motion
to Amend the**

Main Motion: The vote was 7 aye/ 0 nay/ 0 abstain. The motion passed unanimously.

Presiding Officer Kvistad called a public hearing on Ordinance No. 97-718A. No one requested to be heard, so Presiding Officer Kvistad closed the public hearing.

Councilor McFarland said she would not support this franchise, because she thought it was environmentally unsound to grant landfills or enlarge existing landfills in areas of high rainfall when alternatives were available.

Councilor McLain thanked the staff for their work on this franchise. She said she supported this franchise for several reasons. First, the differential rate equalized treatment between people. Second, the new franchise offered much improved recycling and hazardous waste disposal than had been available in western Washington county. Third, the new agreement would avoid the difficult rate-review process that had marked the past. The designation out of the Riverbend Landfill helped address the concerns raised by Councilor McFarland about locating landfills in environmentally sound areas. Riverbend was an established landfill--not a new one--and met all Department of Environmental Quality standards.

Vote on the

Main Motion: The vote was 6 aye/ 1 nay/ 0 abstain. The motion passed with Councilor McFarland voting no.

9. RESOLUTIONS

9.1 Resolution No. 97-2559A, For the Purpose of Adopting the 1997 Inventory of Buildable Lands and the 1997 Housing Needs Analysis.

Motion: Councilor McLain moved to amend Resolution No. 97-2559A to replace Exhibit A with a revised version, titled Final Draft of the Urban Growth Report dated December 18, 1997, to add Exhibit B, Mix of Housing Types and Actual Density, and to add exhibit C, the Final Draft of the Housing Need Analysis dated December 18, 1997.

Seconded: Councilor Washington seconded the motion.

Discussion: Councilor McLain said Exhibit C also included the amendments of the housing need analysis recommended by the Metro Policy Advisory Committee (MPAC) at their December 10, 1997 meeting.

Presiding Officer Kvistad noted that the changes were technical, and he agreed with them. He asked for discussion on the resolution.

Councilor McCaig asked for an explanation on eliminating the fair share numbers.

Councilor McLain said at the MPAC meeting there was a discussion on the fact that the document contained two tables that suggested three possible ways of reaching fair share targets. Discussions at a Growth Management Committee meeting and at MPAC revealed that none of the examples seemed doable. The targets were therefore eliminated from this document to allow the technical committee to deal with the issue at greater length.

Councilor McCaig asked if this meant the document would remain silent on the issue.

John Fregonese, Director of Growth Management, said originally MPAC had asked for the examples. However, no one could agree on any of the examples. The solution was to eliminate the examples while leaving the process in place. Estimates for the total amount of assisted housing remained in the document as well as those for kinds of assisted and affordable housing. But their distribution among jurisdictions remained to be determined by a process that was part of the policy rather than part of the need analysis.

Councilor McLain added that Presiding Officer Kvistad's memo of December 16, 1997, pointed out that the Regional Framework Plan contained a fair share commitment in terms of policy. It also recognized the role of the Affordable Housing Technical committee in the creation of an affordable housing functional plan for including fair share targets for each jurisdiction and for devising a fair share strategy.

Mr. Fregonese said he, personally, recommended removing the specific targets. He felt the process needed to be in place before conclusions could be reached, and it would be counterproductive to leave such contentious examples in. He said MPAC had expressed concern that draft numbers might become "law." He said the memos, the data, and the methodology still existed and they could serve as a starting point for the technical committee.

Councilor McCaig questioned the value of eliminating information because it was divisive. She said people needed something to work with. She then asked for clarification on what the resolution being considered contained.

Presiding Officer Kvistad said Resolution No. 97-2559A if amended, would include the new and revised exhibits and be Resolution No. 97-2559B.

Councilor McCaig asked how she could vote against eliminating just the fair share housing targets, but not against the rest of the resolution.

Presiding Officer Kvistad said she could vote no on the replacement. Alternatively, that part could be severed and the Council could be asked to vote on each separately.

Motion to

Amend #1: **Councilor McLain** moved to separate Exhibit C from Exhibits A and B.

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

Councilor Morissette commented that the Housing Need Analysis had densities that were too high and estimates of buildable lands inside the Urban Growth Boundary that were too high also.

Councilor Naito asked which part of the severed resolution the vote would be on.

Councilor McLain said it would be on Exhibits A and B.

Vote to

Amend #1: The vote was 6 aye/ 1 nay/ 0 abstain. The motion passed with Councilor Morissette voting no.

Motion to

Amend #2: **Councilor McLain** moved to amend Resolution No. 97-2559A to include Exhibit C. Final Draft of the Housing Needs Analysis dated December 18, 1997.

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

Vote to

Amend #2: The vote was 6 aye/ 1 nay/ 0 abstain. The motion passed with Councilor McCaig voting no.

Presiding Officer Kvistad noted that with the amendments, Resolution No. 97-2559A became Resolution No. 97-2559B. He opened a public hearing on Resolution No. 97-2559B.

Kelly Ross, Home Builders Association, spoke to the Housing Needs Analysis. He said his comments would also represent the position of the Oregon Building Industry Association, as requested by Bob Chandler. Mr. Ross apologized for raising this point so late in the process, but he explained that an important factor affecting housing cost and affordability just occurred to him yesterday, and it did not appear in the document. The factor was that available land was normally referred to in total acres, but the characteristics of that acreage was not normally taken

into consideration. He said that the per unit production had dropped in Oregon because land left had a larger percentage of unbuildable terrain.

Mr. Ross said another problem related to costs. He said subdivisions were smaller now. Economies of scale could not be realized. Some costs associated with developments were fixed, such as design costs and approval costs, regardless of the size of the subdivision. Larger subdivisions spread those costs over more units, lowering the cost of each unit.

Councilor Morissette said he agreed with Mr. Ross.

Presiding Officer Kvistad closed the public hearing and opened the floor to general discussion.

Councilor Morissette said a study done in 1996 by Center for Urban Studies at Portland State University resulted in a report. He read from that report that recommended adding considerable margin for error in estimating density, home ownership, infill, and redevelopment rates, which were found to be greater in reality than the estimates reflected. Regarding mixed-use development, the land supply estimates assumed a greater rate of mixed-use development than had actually taken place. Lack of experience in mixed-use development contributed to a lack of confidence in the ability of land in mixed-use zoning to meet residential and employment targets.

The report said that higher densities could be achieved only with higher land and housing prices, which would induce more people to locate outside of the UGB and would also price more people out of the housing market. Councilor Morissette said he thought some of the report's predictions had already begun to come true.

The report also addressed low-income housing, noting that normally low-income housing could be found in older housing stock. However, when prices rose in general, higher-income people also compete for existing stock. New construction, then, targets higher-end houses. The report questioned Metro's conclusion that the market would provide single-family housing dwellings at or around \$100,000.

Councilor Morissette said he was disappointed that his years of experience as a home builder had not had more effect on the outcome of the Council's decisions. Also, he said, he predicted the sprawl and the growth of Clark County as consequences to the decisions that had been made. He said there was no way the current UGB would allow enough room for citizens to have choices in housing. He said people would drive farther out to get what they wanted. He said the purpose of the housing needs analysis was to produce findings for the anticipated housing needs for the growth projections for the region. The report used the adopted variable of 21% for underbuild. This variable was wrong. The report used the adopted variable for five-year time frame for our local partners to adopt and apply 2040 growth concepts. This variable was still wrong. He reminded the Council that this referred to 1995. The report maintained that infill and redevelopment provided for 28.5% of all needed housing until 2017. This variable was also wrong. The report assumed all farm-use assessed land within the UGB would be developed. This variable was not only wrong, it was crazy to keep a good quality of life.

Councilor Morissette said he had maintained all along the Council was headed in the wrong direction. The citizens of the region did not know the consequences to their neighborhoods of the Council's decisions. He said he believed land needed to be used better. Innovative housing types should be encouraged to help minimize the need for expansion. However, the proposals

before the Council pushed too hard. He warned that when the general population understood the impact on their own neighborhoods, they would rebel. He noted as examples the sentiments in Multnomah Village, a recent vote in West Linn, and the recall of elected officials in Milwaukie.

He said he would not support the resolution. He said his vote served to remind the Council it was making a mistake. He asked them to remember that the UGB was one-third of one percent of the state's land. He said Metro was pushing too hard.

Councilor Naito asked staff whether something could be inserted to take into consideration Mr. Ross's concern about housing development size. She said she believed there was a relationship between number of units built at one time and housing price.

Mr. Fregonese said such an addition could not be done in time for Council adoption. He said his staff had had that information, and it was correct that the average size of development property within the UGB had dropped. However, 4500 acres would be added soon and the average lot size would then be larger. He said to consider not only what was in the boundary but also what would be added in the very near future. He said the average lot size in the reserves was nine acres, and parcels were being consolidated.

Councilor Morissette said his comments had been well recorded. He said the majority of first-tier urban reserves were already well-developed and at current consumptive rates would yield only a year and a half at most of relief. He said that although he recognized that densities were going up, he wondered if the units per acre were also going up.

Mr. Fregonese referred to a chart in Exhibit B. He said that although a number of assumptions went into these analyses, two items could be established as fact. One was the number of units actually built. The second was units per gross acre of vacant land. He said this was an overall efficiency rate. The average from 1992 to 1996 was 4.4. In earlier years it was 3.4. Last year it was 5.1.

Councilor Morissette said the problem for developers was that the land was easier to develop at those densities previously, because there was more flat land. Not as much flat land remained. He said with regard to net units per acre, we were not much ahead of where we were overall. He said higher densities were being built, but there were also more set-asides and more unbuildable areas per net acre.

Mr. Fregonese said even though more unusable land was increasing, densities were also going up.

Councilor Morissette said that fact supported his contention and that of the Urban Studies Center's report, that Metro's assumptions on the amount of buildable land were incorrect.

Mr. Fregonese said that to meet the 2040 Growth Concept or the goals of 2017 Urban Growth Report just adopted, densities would need to be increased by 20% in the UGB and the urban reserves. He said, however, Councilor Morissette's concern about diminished efficiency of remaining lands was justified and would need to be monitored.

Councilor Morissette asked how much acreage had been used over the past five years.

Mr. Fregonese said we had used 9601 acres for residential development. The total acreage used totaled about 11,000.

Councilor Morissette said that worked out to be a little over 2000 acres a year. He asked what estimates were for future land consumption.

Mr. Fregonese said 1800 to 1700 acres per year.

Councilor Morissette said he did not believe the urban reserves would be as productive as Mr. Fregonese did.

Mr. Fregonese said the urban reserves were unknown in terms of acreage. He said 3200 units of capacity were needed, but the acreage wouldn't be known until it came time to add the actual land.

Councilor Morissette said the conclusion was that either densities would need to be dramatically raised to meet the targets, or the Council would need to be more realistic in expanding the boundary.

Councilor Naito said she had been working on a resolution that hadn't yet been finalized, which asked staff to inventory the land in terms of its productivity. This should give us a better idea of how many units per acre could realistically be expected, and therefore how many acres would actually be needed. She said the decision was based on number of units needed, as required by state law.

Councilor Morissette said that the decision on the number of units required almost one new home for every two that currently existed, and that was just a fraction of what the future growth would be outside the UGB. The majority would be on the inside.

Presiding Officer Kvistad said he agreed with Councilor Morissette's comments. He did support the Regional Framework Plan in spite of some concerns he had about it. He did think the Housing Needs Analysis was flawed and he would not support it. He was concerned about low and moderate income people being able to afford homes in this region. He was concerned that these actions could limit the opportunity for some people to own homes.

Councilor McLain recommended looking at the minutes of the growth report on October 23, 1997 and reading her comments. She said those minutes would summarize her answers to many of the issues Councilor Morissette just raised. She answered two new points Councilor Morissette raised. One related to Clark County. She said the portion of growth going to Clark County was smaller now than in 1992, 1993, and 1994. Regarding the price of homes in relation to the UGB, she said the price of homes was going up outside the UGB in towns such as Banks, Gaston, and McMinnville at about the same rate as that of homes in Forest Grove and Cornelius. Referring to the land consumption rates, she said that when looking at that figure, you must consider changes in the Functional Plan in 1996 and 1997 that had been implemented. Those included air rights and other creative strategies to increase densities, in addition to new transit opportunities that would be available from Portland to Hillsboro.

Councilor McLain also addressed Councilor Morissette's comments on recent happenings in West Linn and Milwaukie. She said she had talked to the city counselor who projected the West

Linn vote. He indicated this was not a comment about Metro, but more about the meaning of local control. She said she did not think that vote had to do with this document. With respect to the recall of elected officials in Milwaukie, she noted only 37% of the voters turned out for the election.

Councilor McLain also addressed Mr. Morissette's comments on the efficiency of the urban reserves. She referred to a memo dated December 16, 1997, which listed as the first task of 1998 the Urban Reserve Analysis of Productivity of the Urban Reserves. She said Metro code 3.01012 C3 to modify the 2040 Growth Concept would be completed by March of 1998, with designation of regional design types. The design types must be known in order to be able to predict the efficiency, regardless of the size of the development. Those two pieces of work would determine the efficiency of the reserves.

Councilor Morissette challenged Councilor McLain to investigate the home-building industry to understand what he had been trying to say. He said the citizens must understand that about 210,000 more houses must be fit inside the UGB. He said this would be tough to do and still allow people to have choices in housing types, with the option of having a reasonable back yard. He said he believed choices like that were important to people in West Linn and Milwaukie. He said to look, for example, at the target figures for Lake Oswego. He said the number was large, and that the area was already pretty well built out. He said opportunities for infill and redevelopment there simply did not exist except in a few small areas. He said he believed the Council has soft-peddled the impact of its decisions. He believed the decisions would negatively affect the region. He said he did not expect to influence the coming decision, but he wanted it on record how he felt about it.

Councilor McLain closed the discussion by reminding the Council of what the document was and how it related to state law and to Metro's other work. She referred to a memo to Mr. Fregonese from Larry Shaw, Metro Legal Counsel, which talked about compliance with House Bill 2493's deadline and other state laws. She said it was important to remember that we were not talking about land consumption patterns of the past, but we were preparing for the future and ensuring that the goals of the 2040 Growth Concept were met. She said work must continue toward reaching the goals in a practical and positive way and one that improved the livability of this region. She said we all like back yards. Back yards would not be disallowed, but different configurations would be designed and made available.

**Vote on
the Main**

Motion: The vote was 5 aye/ 2 nay/ 0 abstain. The motion passed with Councilor Morissette and Presiding Officer Kvistad voting no.

10. COUNCILOR COMMUNICATION

Presiding Officer Kvistad said the past year represented a lot of work accomplished, including completing the urban reserves, the framework plan, the urban growth report, the urban growth boundary decisions, functional plan, and adding thousands of acres of open and green spaces. He noted Metro had reduced taxes on solid waste tonnage thereby benefiting everyone in the region. He said that transportation funding this past year was disappointing, but it had resulted in improved working relationships with local jurisdictions. He said that in spite of the fact that

all work with the state legislature had not been successful it had been one of the best years ever in working with the legislature. He congratulated the Council on its hard work.

Presiding Officer Kvistad then spoke to the recall of Mayor Lomnicki in Milwaukie. He said he understood the public's frustration with politicians, but he thought they had made a mistake by recalling the mayor. He said Mr. Lomnicki has worked hard on behalf of his community, he was an outstanding public servant, and he would be sorely missed.

Councilor McCaig added that Jean Schreiber and Don Trotter had also been tremendous public servants who had served their communities for many years. She said in her view this was an unbelievable misuse of the recall process. However, the entire election was only 35 days long and ballots went out only 14 days after the petition was filed. No truly informed discussion about density or light rail could have taken place. She also said Milwaukie was not the bell wether for the region. It was only 10 precincts out of hundreds and hundreds. So, although she thought it was a tragedy, she did not think this action would affect the futures of the officials involved. They would do fine.

Presiding Officer Kvistad noted the gifts of reindeer that his father made. He announced that a thank-you party for Metro volunteers would be held that evening in the Metro foyer. He invited those present to attend.

Councilor McLain asked the Council to thank Rosemary Furfey for her work on the storm water project design contest. Three winners of that contest were from Clark County and three from this region--Wilsonville, Aloha, and Washington County. She invited the Council to sign up for the stream- and flood-plain-protection planned workshops scheduled for January 17, 20, 27, and 31. She also wanted to be sure everyone had received a copy of the memo dated December 16, 1997, which included a schedule for addressing 1998 growth management issues. In addition to the Analysis of Urban Reserves referred to earlier by Councilor Naito, other issues would be Urban Concept Planning, Title III Functional Plan Quality Water and Flood Mitigation work, and performance measures for review of the UGB.

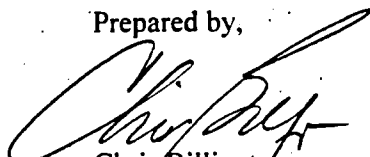
Councilor Washington thanked Councilor Morissette for the holiday gift.

Presiding Officer Kvistad wished everyone a happy holiday season.

11. ADJOURN

There being no further business to come before the Metro Council, Presiding Officer Kvistad adjourned the meeting at 3:45 p.m.

Prepared by,



Chris Billington
Clerk of the Council

Agenda Item Number 1.2

Resolution No. 98-2595, For the Purpose of Reorganizing the Metro Council for 1998.

**Metro Council Meeting
Thursday, January 8, 1998
Council Chamber**

Agenda Item Number 7.1

Ordinance No. 98-721, For the Purpose of Amending Ordinance No. 96-647C and 97-715B to revise Title 6 recommendations and requirements for regional accessibility.

First Reading

**Metro Council Meeting
Thursday, January 8, 1998
Council Chamber**

BEFORE THE METRO COUNCIL

FOR THE PURPOSE OF AMENDING) ORDINANCE NO 98-721
ORDINANCE NO. 96-647C AND 97-715B)
TO REVISE TITLE 6) Introduced by the Council Transportation
RECOMMENDATIONS AND) Committee
REQUIREMENTS FOR REGIONAL)
ACCESSIBILITY)

WHEREAS, the Metro Council adopted the Urban Growth Management Functional Plan in Ordinance No. 96-647C on November 21, 1996, which included Title 6 on Regional Accessibility; and

WHEREAS, the Metro Council adopted the Regional Framework Plan in Ordinance No. 97-715B on December 11, 1997, which included Chapter 2 on regional transportation that includes policies on street design, street connectivity, non-single occupancy vehicle mode split targets, and motor vehicle level-of-service; and

WHEREAS, consideration of Chapter 2 of the Regional Framework Plan included development and adoption of the Regional Street Design Map, identification of acceptable levels of congestion in and outside mixed use areas, amended street connectivity standards, development and adoption of regional non-single occupancy vehicle mode split targets; and

WHEREAS, The Joint Policy Advisory Committee on Transportation (JPACT) and Metro Policy Advisory Committee (MPAC) have recommended consideration of the Regional Street Design Map classifications, amended local street connectivity standards, amended non-single occupancy vehicle mode split targets, amended motor vehicle congestion standards and amended definitions to assist cities and counties in preparation of transportation plans prior to adoption of the 1998 Regional Transportation Plan; and

WHEREAS, functional plans must remain consistent with Regional Framework Plan policies and be included in the implementation portion of that Plan; and

WHEREAS, the Regional Framework Plan has been transmitted to the Land Conservation and Development Commission for initial compliance acknowledgment consistent with Metro Charter Section 5(2)(c)(3) and ORS 197.274; now, therefore,

THE METRO COUNCIL ORDAINS AS FOLLOWS:

Section 1: The Amendments to Title 6 of the Urban Growth Management Functional Plan attached and incorporated into this Ordinance as Exhibit "A" are hereby adopted as the amended Title 6 and amendments to Title 10 in both Ordinance No. 96-647C and Appendix A of Ordinance No. 97-715B with no change in the effective dates of functional plan requirements.

Section 2: The Amendments to Title 6 and 10 attached in Exhibit "A" shall be transmitted to the Land Conservation and Development Commission to be included in Appendix A of Ordinance No. 97-715B for consideration of acknowledgment of compliance with statewide goals consistent with ORS 197.274(1).

ADOPTED by the Metro Council this ____ day of _____

Presiding Officer

ATTEST:

Approved as to Form:

Recording Secretary

Daniel B. Cooper, General Counsel

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EXHIBIT A to Ordinance No. 98-721
Amendments to Title 6 of the Urban Growth Management Functional Plan
Approved by JPACT on 12/11/97

1 **TITLE 6: REGIONAL ACCESSIBILITY**

2 **Section 1. Intent**

3 Implementation of the 2040 Growth Concept requires that the region identify key measures of
4 transportation effectiveness which include all modes of transportation. Developing a full array of
5 these measures will require additional analysis. Focusing development in the concentrated
6 activity centers, including the central city, regional centers, town centers and station
7 communities, requires the use of alternative modes of transportation in order to avoid
8 unacceptable levels of congestion. The continued economic vitality of industrial areas and
9 intermodal facilities is largely dependent on preserving or improving access to these areas and
10 maintaining reasonable levels of freight mobility in the region. Therefore, regional congestion
11 standards and other regional system performance measures shall be tailored to reinforce the
12 specific development needs of the individual 2040 Growth Concept design types.

13 These regional standards ~~will be~~ linked to a series of regional street design concepts that fully
14 integrate transportation and land use needs for each of the 2040 land use ~~components~~ design types
15 in the Regional Framework Plan. The designs generally form a continuum; a network of
16 throughways (freeway and highway designs) ~~will emphasize~~ auto and freight mobility and
17 connect major activity centers. Slower-speed boulevard designs within concentrated activity
18 centers ~~will balance~~ the multi-modal travel demands for each mode of transportation within these
19 areas. Street and road designs ~~will complete~~ the continuum, with multi-modal designs that
20 reflect the land uses they serve, but also serving as moderate-speed vehicle connections between
21 activity centers that complement the throughway system. ~~While these designs are under~~
22 ~~development, it is important that improvements in the most concentrated activity centers are~~
23 ~~designed to lessen the negative effects of motor vehicle traffic on other modes of travel.~~
24 ~~Therefore, implementation of amenity-oriented boulevard treatment that better serves pedestrian,~~
25 ~~bicycle and transit travel in the central city, regional centers, main streets, town centers, and~~
26 ~~station communities is a key step in the overall implementation of the Metro 2040 Growth~~
27 ~~Concept.~~ It is intended that the entirety of these Title 6 standards will be supplemented by the
28 1998 Regional Transportation Plan (RTP) when the RTP is approved and adopted by the Metro
29 Council.

30 ~~Section 2.~~ **Boulevard Design**

31 ~~Regional routes in the central city, regional centers, station communities, main streets and town~~
32 ~~centers are designated on the Boulevard Design Map. In general, pedestrian and transit-oriented~~
33 ~~design elements are the priority in the central city and regional centers, station communities,~~
34 ~~main streets and town centers. All cities and counties within the Metro region shall implement~~
35 ~~or allow others to implement boulevard design elements as improvements are made to these~~
36 ~~facilities including those facilities built by ODOT or Tri Met. Each jurisdiction shall amend~~
37 ~~their comprehensive plans and implementing ordinances, if necessary, to require consideration or~~
38 ~~installation of the following boulevard design elements when proceeding with right-of-way~~
39 ~~improvements on regional routes designated on the boulevard design map:~~

- 40 ~~A. Wide sidewalks with pedestrian amenities such as benches, awnings and special lighting;~~
- 41 ~~B. Landscape strips, street trees and other design features that create a pedestrian buffer~~
42 ~~between curb and sidewalk;~~
- 43 ~~C. Pedestrian crossings at all intersections, and mid block crossings where intersection~~
44 ~~spacing is excessive;~~
- 45 ~~D. The use of medians and curb extensions to enhance pedestrian crossings where wide~~
46 ~~streets make crossing difficult;~~
- 47 ~~E. Accommodation of bicycle travel;~~
- 48 ~~F. On street parking;~~
- 49 ~~G. Motor vehicle lane widths that consider the above improvements;~~
- 50 ~~H. Use of landscaped medians where appropriate to enhance the visual quality of the~~
51 ~~streetscape.~~

52 Section 2. Regional Street Design Guidelines

53

54 Regional routes in each of the 2040 Design Types are designated as one of four major
55 classifications on the Regional Street Design Map, attached in Exhibit "A" The four
56 classifications are: Throughways, Boulevards, Streets and Roads. All cities and counties within
57 the Metro region shall consider the following regional street design elements when planning for
58 improvements to these facilities, including those facilities built by ODOT, Tri-Met or the Port of
59 Portland. "Creating Livable Streets: Street Design for 2040" (1997) is a resource for cities,
60 counties, ODOT, Tri-Met and the Port of Portland to use when prioritizing street design elements
61 within a constrained right-of-way.

62

63 A. Throughways. Throughways connect the region's major activity centers within the
64 region, including the central city, regional centers, industrial areas and intermodal
65 facilities to one another and to points outside the region. Throughways are traffic
66 oriented with designs that emphasize motor vehicle mobility. Throughways are divided
67 into Freeway and Highways designs.

- 68
- 69 1. Freeway Design. Freeways are designed to provide high speed travel for
70 longer motor vehicle trips throughout the region. These designs usually
71 include four to six vehicle lanes, with additional lanes in some situations.
72 They are completely divided, with no left turn lanes. Street connections
73 always occur at separated grades with access controlled by ramps. Cities
74 and counties shall amend their comprehensive plan and implementing
75 ordinances, if necessary, to require consideration of the following Freeway

76 design elements when proceeding with improvements to the right-of-way
77 on regional routes designated on the regional street design map:

- 78
- 79 a. high vehicle speeds
- 80 b. improved pedestrian crossings on overpasses
- 81 c. parallel facilities for bicycles
- 82 d. motor vehicle lane widths that accommodate freight movement and
- 83 high-speed travel
- 84

85 2. Highway Design. Highways are designed to provide high speed travel for
86 longer motor vehicle trips throughout the region while accommodating
87 limited public transportation, bicycle and pedestrian travel. Highways are
88 usually divided with a median, but also have left turn lanes where at grade
89 intersections exist. These designs usually include four to six vehicle lanes,
90 with additional lanes in some situations. Cities and counties shall amend
91 their comprehensive plan and implementing ordinances, if necessary, to
92 require consideration of the Highway design elements when proceeding
93 with improvements to the right-of-way on regional routes designated on
94 the regional street design map:

- 95
- 96 a. high vehicle speeds
- 97 b. few or no driveways
- 98 c. improved pedestrian crossings at overpasses and all intersections
- 99 d. accommodation of bicycle travel through the use of a striped bikeway
- 100 e. sidewalks where appropriate
- 101 f. motor vehicle lane widths that accommodate freight movement and
- 102 high-speed travel
- 103

104 B. Boulevard Designs. Boulevards serve major centers of urban activity, including the
105 Central City, Regional Centers, Station Communities, Town Centers and some Main
106 Streets. Boulevards are designed with special amenities to favor public transportation,
107 bicycle and pedestrian travel and balance the many travel demands of these areas.
108 Boulevards are divided into regional and community scale designs on the Regional Street
109 Design Map. Regional and Community Boulevards combine motor vehicle traffic with
110 public transportation, bicycle and pedestrian travel where dense development is oriented
111 to the street. Regional Boulevard designs usually include four vehicle lanes, with
112 additional lanes or one-way couplets in some situations. Community Boulevard designs
113 may include up to four vehicle lanes and on-street parking. Fewer vehicle lanes may be
114 appropriate in Community Boulevard designs in some situations, particularly when
115 necessary to provide on-street parking. Cities and counties shall amend their
116 comprehensive plan and implementing ordinances, if necessary, to require consideration
117 of the following Regional and Community Boulevard design elements when proceeding
118 with improvements to the right-of-way on regional routes designated on the regional
119 street design map:

- 121 1. low to moderate vehicle speeds on Regional Boulevard and low vehicle
- 122 speeds on Community Boulevards
- 123 2. the use of medians and curb extensions to enhance pedestrian crossings
- 124 where wide streets make crossing difficult
- 125 3. combined driveways
- 126 4. on-street parking where possible
- 127 5. wide sidewalks with pedestrian amenities such as benches, awnings and
- 128 special lighting
- 129 6. landscape strips, street trees or other design features that create a
- 130 pedestrian buffer between curb and sidewalk
- 131 7. improved pedestrian crossings at all intersections, and mid-block crossings
- 132 where intersection spacing exceeds 530 feet
- 133 8. striped bikeways or shared outside lane
- 134 9. motor vehicle lane widths that consider the above improvements

135
136 C. Street Designs. Streets serve the region's transit corridors, neighborhoods and some main

137 streets. Streets are designed with special amenities to balance motor vehicle traffic with

138 public transportation, bicycle and pedestrian travel in the 2040 Design Types they serve.

139 Streets are divided into regional and community scale designs on the Regional Street

140 Design Map. Regional Streets are designed to carry motor vehicle traffic while also

141 providing for public transportation, bicycle and pedestrian travel. Regional street designs

142 usually include four vehicle lanes, with additional lanes in some situations. Community

143 Street designs may include up to four vehicle lanes. Fewer vehicle lanes may be

144 appropriate in Community Street designs in some situations, particularly when necessary

145 to provide on-street parking. Cities and counties shall amend their comprehensive plan

146 and implementing ordinances, if necessary, to require consideration of the following

147 Regional Street design elements when proceeding with improvements to the right-of-way

148 on regional routes designated on the regional street design map:

- 150 1. moderate vehicle speeds
- 151 2. the use of medians and curb extensions to enhance pedestrian crossings
- 152 where wide streets make crossing difficult or to manage motor vehicle
- 153 access
- 154 3. combined driveways
- 155 4. on-street parking when appropriate
- 156 5. buffered sidewalks with pedestrian amenities such as special lighting and
- 157 special crossing amenities tied to major transit stops
- 158 6. landscape strips, street trees or other design features that create a
- 159 pedestrian buffer between curb and sidewalk
- 160 7. improved pedestrian crossings at signaled intersections on Regional
- 161 Streets and improved pedestrian crossings at all intersections on
- 162 Community Streets
- 163 8. striped bikeways or shared outside lane
- 164 9. motor vehicle lane widths that consider the above improvements

166 D. Urban Roads. Urban Roads serve the region's industrial areas, intermodal facilities and
167 employment centers where buildings are less oriented to the street, and primarily
168 emphasize motor vehicle mobility. Urban Roads are designed to carry significant motor
169 vehicle traffic while providing for some public transportation, bicycle and pedestrian
170 travel. These designs usually include four vehicle lanes, with additional lanes in some
171 situations. Cities and counties shall amend their comprehensive plan and implementing
172 ordinances, if necessary, to require consideration of the following Urban Road design
173 elements when proceeding with improvements to the right-of-way on regional routes
174 designated on the regional street design map:

- 175
- 176 1. moderate vehicle speeds
- 177 2. few driveways
- 178 3. sidewalks
- 179 4. improved pedestrian crossings at major intersections
- 180 5. striped bikeways
- 181 6. center medians that manage access and control left turn movements
- 182 7. motor vehicle lane widths that consider the above improvements

183 Section 3. Design Standards for Street Connectivity

184 The design of local street systems, including "local" and "collector" functional classifications, is
185 generally beyond the scope of the Regional Transportation Plan (RTP). However, the aggregate
186 effect of local street design impacts the effectiveness of the regional system when local travel is
187 restricted by a lack of connecting routes, and local trips are forced onto the regional network.
188 Therefore, streets should be designed to keep through trips on arterial streets and provide local
189 trips with alternative routes. The following design and performance options are intended to
190 improve local circulation in a manner that protects the integrity of the regional system.

191 ~~Local jurisdictions~~ Cities and counties within the Metro region are hereby required to amend their
192 comprehensive plans and implementing ordinances, if necessary, to comply with or exceed one
193 of the following options in the development review process:

194 A. **Design Option.** Cities and counties shall ensure that their comprehensive plans,
195 implementing ordinances and administrative codes require demonstration of compliance
196 with the following, consistent with regional street design policies:

- 197 21. New residential and mixed-use developments shall include local street plans that:
 - 198 a. encourage pedestrian and bicycle travel by providing short, direct public
 - 199 right-of-way routes to connect residential uses with nearby existing and
 - 200 planned commercial services, schools, parks and other neighborhood
 - 201 facilities; and
 - 202 b. include no cul-de-sac streets longer than 200 feet, and no more than 25
 - 203 dwelling units on a closed-end street system except where topography,

- 204 barriers such as railroads or freeways, or environmental constraints such as
205 major streams and rivers, prevent street extension; and
206 c. provide bike and pedestrian connections on public easements or right-of-
207 way when full street connections are not possible, with spacing between
208 connections of no more than 330 feet except where prevented by
209 topography, barriers such as railroads or freeways, or environmental
210 constraints such as major streams and rivers, ~~prevent street extension~~; and
211 d. consider opportunities to incrementally extend and connect local streets in
212 primarily developed areas; and
213 e. serve a mix of land uses on contiguous local streets; and
214 f. support posted speed limits; and
215 g. consider narrow street design alternatives that feature total right-of-way of
216 no more than 46 feet, including pavement widths of no more than 28 feet,
217 curb-face to curb-face, sidewalk widths of at least 5 feet and landscaped
218 pedestrian buffer strips that include street trees; and
219 h. limit the use of cul-de-sac designs and closed street systems to situations
220 where topography, pre-existing development or environmental constraints
221 prevent full street extensions.

- 222 12. For new residential and mixed-use development, all contiguous areas of vacant
223 and primarily undeveloped land of five acres or more shall be identified by cities
224 and counties and the following will be prepared, consistent with regional street
225 design policies:

226 A map that identifies possible local street connections to adjacent developing
227 areas. The map shall include:

- 228 a. full street connections at intervals of no more than 660530 feet, except where
229 prevented by topography, barriers such as railroads or freeways, or environmental
230 constraints such as major streams and rivers. Street connections at intervals of no
231 more than 330 feet are recommended in areas planned for the highest density
232 mixed-use development. ~~with more frequent connections in areas planned for~~
233 mixed-use or dense development.

- 234 b. accessways for pedestrians, bicycles or emergency vehicles on public
235 easements or right-of-way where full street connections are not possible, with
236 spacing between full street or accessway connections of no more than 330 feet,
237 except where prevented by topography, barriers such as railroads or freeways, or
238 environmental constraints such as major streams and rivers.

- 239 3. For redevelopment of existing land uses, cities and counties shall develop local
240 approaches for dealing with connectivity.

- 242 **B. Performance Option.** For residential and mixed use areas, cities and counties shall
243 amend their comprehensive plans, implementing ordinances and administrative codes, if
244 necessary, to require demonstration of compliance with performance criteria in the
245 following manner. Cities and counties shall develop local street design standards in text

246 or maps or both with street intersection spacing to occur at intervals of no ~~more~~ less than
247 ~~eight street intersections per mile~~ 530 feet except where prevented by topography, barriers
248 such as railroads or freeways, or environmental constraints such as major streams and
249 ~~rivers, prevent street extension.~~ Street connections at intervals of no more than 330 feet
250 are recommended in areas planned for the highest density mixed-use development. ~~The~~
251 ~~number of street intersections should be greatest in the highest density 2040 Growth~~
252 ~~Concept design types.~~ Local street designs for new developments shall satisfy the
253 following additional criteria:

- 254 1. Performance Criterion: minimize local traffic on the regional motor vehicle
255 system, by demonstrating that local vehicle trips on a given regional facility do
256 not exceed the 1995 arithmetic median of regional trips for facilities of the same
257 motor vehicle system classification by more than 25 percent.
- 258 2. Performance Criterion: everyday local travel needs are served by direct,
259 connected local street systems where: (1) the shortest motor vehicle trip over
260 public streets from a local origin to a collector or greater facility is no more than
261 twice the straight-line distance; and (2) the shortest pedestrian trip on public right-
262 of-way is no more than one and one-half the straight-line distance.

263 Section 4. Transportation Performance Standards

264 A process to identify transportation mode split targets, transportation needs and
265 appropriate actions to address those targets and needs is included in this section.
266 The intent is to provide guidance to cities, counties, ODOT, Tri-Met and the Port
267 of Portland when developing a transportation system plan, defining a project, or
268 evaluating the potential transportation impacts of a land use action.

269 A transportation need is identified when a particular transportation standard or
270 threshold has been exceeded. Standards which may be used in identifying
271 transportation needs include: safety, statewide mobility as identified in the Oregon
272 Transportation Plan, mode splits, motor vehicle congestion analysis, freight
273 mobility or demonstration that lack of access is limiting development of a priority
274 regional land use. Needs are generally identified either through a comprehensive
275 plan amendment review or as result of a system-planning analysis which evaluates
276 forecast travel demand.

277 Subsequent to the identification of a need, an appropriate transportation strategy
278 or solution is identified through a two-phased multi-modal planning and project
279 development process. The first phase is multi-modal system-level planning. The
280 purpose of system-level planning is to examine a number of transportation
281 alternatives over a large geographic area such as a corridor or sub-area, or through
282 a local or regional Transportation System Plan (TSP). The purpose of the multi-
283 modal system-level planning step is to 1) consider alternative modes, corridors,
284 and strategies to address identified needs; and 2) determine a recommended set of
285 alternatives to address identified needs.

288 transportation projects, actions, or strategies and the appropriate modes and
289 corridors to address identified needs in the system-level study area.

290
291 The second phase is project-level planning (also referred to as project
292 development). The purpose of project-level planning is to develop project design
293 details and select a project alignment, as necessary, after evaluating engineering
294 and design details and environmental impacts.

295
296 The following sub-sections (A-D): (1) require that cities and counties establish
297 regional mode split targets for all 2040 design types that will be used to guide
298 transportation system improvements; (2) establish optional performance standards
299 and deficiency thresholds intended to identify transportation needs through multi-
300 modal system-level planning and (3) establish the process to identify appropriate
301 recommended solutions to address those needs identified through multi-modal
302 system-level planning and project-level planning.

303
304 **A. Alternative Mode Analysis**

305 1. Person travel represents the largest share of trips for all modes of travel.
306 Improvement in mMode split will be used as the key regional measure for
307 transportation effectiveness in assessing transportation system improvements in
308 the Central City, Regional Centers, Town Centers and Station Communities. For
309 other 2040 Growth Concept design types, mode split will be used as an important
310 factor in assessing transportation system improvements. Each jurisdiction shall
311 establish an alternative mode split target (defined as non-Single Occupancy
312 Vehicle person-trips as a percentage of all person-trips for all modes of
313 transportation) for trips into, out of and within each of the central city, regional
314 centers and station communities all 2040 Growth Concept land use design types
315 within its boundaries one year after adoption of the 1998 Regional Transportation
316 Plan. The alternative mode split target shall be no less than the regional targets
317 for these Region-2040 Growth Concept land use components design types to be
318 established in the 1998 Regional Transportation Plan.

319 2. Cities and counties which have Central City, regional centers and station
320 communities shall identify actions which will implement the mode split targets
321 one year after adoption of the 1998 Regional Transportation Plan. These actions
322 should include consideration of the maximum parking ratios adopted as part of
323 Title 2; Section 2: Boulevard Regional Street Design considerations in of this Title;
324 and transit's role in serving the area.

325 **B. Motor Vehicle Congestion Analysis for Mixed Use Areas**

326 1. Motor Vehicle Level-Of-Service (LOS) is a measurement of the use of a
327 road congestion as a share of designed motor vehicle capacity of a road. The
328 following table using Table 3. Motor Vehicle Level Of Service Deficiency

329
330
331
332
333
334

Thresholds and Operating Standards may be incorporated into local comprehensive plans and implementing ordinances to replace current methods of determining motor vehicle congestion on regional facilities, if a city or county determines that this change is needed to permit Title 1, Table 1 capacities in the Central City, Regional Centers, Town Centers, Main Streets and Station Communities for the 2040 design types and facilities as follows:

335
336

General Congestion Performance Standards (using LOS*) Table 3. Motor Vehicle Level of Service Deficiency Thresholds and Operating Standards*

	Preferred	Acceptable	Exceeds
Mid-Day one-hour	C or better	D	E or worse
Peak two-hour	E/E or better	F/E	F/F or worse

337

Location	Mid-Day One-Hour Peak			A.M./P.M. Two-Hour Peak		
	<u>Preferred Operating Standard</u>	<u>Acceptable Operating Standard</u>	<u>Exceeds Deficiency Threshold</u>	<u>Preferred Operating Standard</u>	<u>Acceptable Operating Standard</u>	<u>Exceeds Deficiency Threshold</u>
<u>Central City, Regional Centers, Town Centers, Main Streets and Station Communities</u>	<u>C</u>	<u>E</u>	<u>F</u>	<u>1st hour E</u> <u>2nd hour E</u>	<u>1st hour F</u> <u>2nd hour E</u>	<u>1st hour F</u> <u>2nd hour F</u>
<u>Corridors, Industrial Areas and Intermodal Facilities, Employment Areas and Inner and Outer Neighborhoods</u>	<u>C</u>	<u>D</u>	<u>E</u>	<u>1st hour E</u> <u>2nd hour D</u>	<u>1st hour E</u> <u>2nd hour E</u>	<u>1st hour F</u> <u>2nd hour E</u>
<u>Regional Highway Corridors</u>	<u>identify and evaluate on a case-by-case basis** to balance regional and local mobility and accessibility objectives</u>			<u>identify and evaluate on a case-by-case basis** to balance regional and local mobility and accessibility objectives</u>		

338

339 *Level-of-Service is determined by using either the latest edition of the Highway Capacity
340 Manual (Transportation Research Board) or through volume to capacity ratio
341 equivalencies as follows: LOS C = .8 or better; LOS D = .8 to .9; LOS E = .9 to 1.0; and
342 LOS F = ~~greater than 1.0~~ to 1.1. A copy of the Level of Service Tables from the Highway
343 Capacity Manual is attached as Exhibit A. Regional Highway Corridors are identified in
344 the map attached as Figure 2.7.

345
346 ** See Section 4.B.3.

347
348 2. Analysis. A transportation need is identified in a given location when analysis
349 indicates that congestion has reached the level indicated in the "exceeds
350 deficiency threshold" column of Table 3 and that this level of congestion will
351 negatively impact accessibility, as determined through Section 4.B.4, below. The
352 analysis should consider a mid-day hour appropriate for the study area and the
353 appropriate two-hour peak-hour condition, either A.M. or P.M. or both to address
354 the problem. Other non-peak hours of the day, such as mid-day on Saturday,
355 should also be considered to determine whether congestion is consistent with the
356 acceptable or preferred operating standards identified in Table 3. The lead agency
357 or jurisdictions will be responsible for determining the appropriate peak and non-
358 peak analysis periods. The lead agency or jurisdictions will be responsible for
359 determining the appropriate peak analysis period.

360
361 An appropriate solution to the need is determined through multi-modal system-level
362 planning considerations listed in Section 4.C., below. For regional transportation
363 planning purposes, the recommended solution should be consistent with the
364 acceptable or preferred operating standards identified in Table 3. A city or county
365 may choose a higher level-of service operating standard where findings of
366 consistency with Section 4.C. have been developed.

367
368 3. Regional Highways. Exhibit B identifies the Regional Highways specified in
369 Table 3. Each corridor will be evaluated on a case-by-case basis through system-
370 level refinement studies. The studies will identify the performance and operating
371 expectations for each corridor based on their unique operating and geographic
372 characteristics. Appropriate multi-modal solutions to needs identified through these
373 studies will be forwarded for inclusion in the Regional Transportation Plan.

374
375 4.2. Accessibility. If a ~~congestion standard~~deficiency threshold is exceeded on the
376 regional transportation system as identified in ~~Table 34.B.1,~~ cities and counties shall
377 evaluate the impact of the congestion on regional accessibility using the best
378 available ~~methods~~ (quantitative or qualitative) methods. If a determination is made
379 by Metro that ~~exceeding the congestion~~deficiency threshold negatively impacts
380 regional accessibility, ~~cities and counties~~local jurisdictions shall follow the
381 ~~congestion management~~transportation systems analysis and transportation project
382 analysis procedures identified in 4.C. and 4.D. below.

383 53. **Consistency.** The identified function or the identified capacity of a road may be
384 significantly affected by planning for ~~Central City, Regional Centers, Town Centers,~~
385 ~~Main Streets and Station Communities~~ 2040 Growth Concept design types. Cities
386 and counties shall take actions described in Section 4.C. and 4.D. below, including
387 amendment of their transportation plans and implementing ordinances, if necessary
388 to either change or take actions as described in Section 4.C., below, to preserve the
389 identified function and identified capacity of the road, if necessary, and to retain
390 consistency between allowed land uses and planning for transportation facilities.

391 ~~C. Congestion Management~~ [Note: Deleted text is incorporated in new 4.C. and 4.D.,
392 below]

393 ~~For a city or county to amend their comprehensive plan to add a significant capacity~~
394 ~~expansion to a regional facility, the following actions shall be applied, unless the capacity~~
395 ~~expansion is included in the Regional Transportation Plan:~~

396 1. ~~To address Level of Service, the following shall be implemented:~~

- 397 a. ~~Transportation system management techniques~~
- 398 b. ~~Corridor or site level transportation demand management techniques~~
- 399 c. ~~Additional motor vehicle capacity to parallel facilities, including the~~
400 ~~consideration of a grid pattern consistent with connectivity standards~~
401 ~~contained in Title 6 of this plan~~
- 402 d. ~~Transit service improvements to increase ridership~~

403 2. ~~To address preservation of motor vehicle function:~~

- 404 a. ~~Implement traffic calming~~
- 405 b. ~~Change the motor vehicle function classification~~

406 3. ~~To address or preserve existing street capacity, implement transportation~~
407 ~~management strategies (e.g. access management, signal interties, lane~~
408 ~~channelization)~~

410 **C. Transportation Systems Analysis**

411 This section applies to city and county comprehensive plan amendments or to any
412 studies that would recommend or require an amendment to the Regional
413 Transportation Plan to add significant single occupancy vehicle (SOV) capacity to
414 multi-modal arterials and/or highways.

415
416 Consistent with Federal Congestion Management System requirements (23 CFR
417 Part 500) and TPR system planning requirements (660-12), the following actions
418 shall be considered through the Regional Transportation Plan when
419 recommendations are made to revise the Regional Transportation Plan and/or

420 local transportation system plans to define the need, mode, corridor and function
421 to address an identified transportation need consistent with Table 3, above, and
422 recommendations are made to add significant SOV capacity:

- 423
- 424 1) regional transportation demand strategies
- 425 2) regional transportation system management strategies, including
426 intelligent Transportation Systems (ITS)
- 427 3) High Occupancy Vehicle (HOV) strategies
- 428 4) regional transit, bicycle and pedestrian system improvements to
429 improve mode split
- 430 5) unintended land use and transportation effects resulting from a
431 proposed SOV project or projects
- 432 6) effects of latent demand from other modes, routes or time of day from
433 a proposed SOV project or projects
- 434 7) If upon a demonstration that the above considerations do not
435 adequately and cost-effectively address the problem, a significant
436 capacity improvement may be included in the Regional Transportation
437 Plan.
- 438

439 Consistent with Federal Congestion Management System requirements (23 CFR
440 Part 500) and TPR system planning requirements (660-12), the following actions
441 shall be considered when local transportation system plans (TSPs), multi-modal
442 corridor and sub-area studies, mode specific plans or special studies (including
443 land use actions) are developed:

- 444
- 445 1) transportation demand strategies that further refine or implement a
446 regional strategy identified in the RTP
- 447 2) transportation system management strategies, including intelligent
448 Transportation Systems (ITS), that refine or implement a regional
449 strategy identified in the RTP
- 450 3) sub-area or local transit, bicycle and pedestrian system improvements
451 to improve mode split
- 452 4) the effect of a comprehensive plan change on mode split targets and
453 actions to ensure the overall mode split target for the local TSP is
454 being achieved
- 455 5) improvements to parallel arterials, collectors, or local streets,
456 consistent with connectivity standards contained in Section 2 of this
457 Title, as appropriate, to address the transportation need and to keep
458 through trips on arterial streets and provide local trips with alternative
459 routes
- 460 6) traffic calming techniques or changes to the motor vehicle functional
461 classification, to maintain appropriate motor vehicle functional
462 classification

463 7) If upon a demonstration that the above considerations do not
464 adequately and cost-effectively address the problem, a significant
465 capacity improvement may be included in the comprehensive plan.

466
467 If Upon a demonstration that the above considerations do not adequately and cost-
468 effectively address the problem and where accessibility is significantly hindered,
469 capacity improvements may be included in the comprehensive plan Metro and the
470 affected city or county shall consider:

- 471
472 (1) amendments to the boundaries of a 2040 Growth Concept design type;
473 (2) amendments or exceptions to land use functional plan requirements;
474 and/or
475 (3) amendments to the 2040 Growth Concept.

476
477
478 Demonstration of compliance will be included in the required congestion management
479 system compliance report submitted to Metro by cities and counties as part of system-
480 level planning and through findings consistent with the TPR in the case of amendments to
481 applicable plans.

482
483 **~~D. Motor Vehicle Congestion Analysis Outside of Mixed Use Areas~~**

484 ~~Outside of Central City, Regional Centers, Town Centers, Main Streets and Station~~
485 ~~Communities, and where cities and counties have not elected to use the General Congestion~~
486 ~~Performance Standards in subsection 4.B of this Title:~~

487 ~~1. The identified function or the identified capacity of a road may be~~
488 ~~significantly affected by implementation of this functional plan. Cities and~~
489 ~~counties shall amend their transportation plans and implementing ordinances to~~
490 ~~change or take actions as described in Section 4.C., below, to preserve the~~
491 ~~identified function and identified capacity of the facility, if necessary, to retain~~
492 ~~consistency between allowed land uses and planning for transportation facilities.~~

493 ~~2. The congestion performance standard for designated state highways as~~
494 ~~identified in the 1990 Oregon Highway Plan shall be the peak and off peak~~
495 ~~performance criteria in Appendix F of the 1992 Oregon Transportation Plan.~~

496 ~~3. The congestion performance standard for arterials of regional significance~~
497 ~~identified at Figure 4-2 of Chapter 4 of the 1992 Regional Transportation Plan~~
498 ~~should be the peak and off peak performance criteria in Chapter 1, Section D of~~
499 ~~the 1992 Regional Transportation Plan.~~

500 ~~4. Congestion level of service standards are not required for all other roads.~~

501 ~~5. If the congestion performance for a road is exceeded or the identified~~
502 ~~function or identified capacity is inconsistent with land uses, cities and counties~~
503 ~~shall apply the congestion management actions identified in 4.C.1 3, above. If~~
504 ~~these actions do not adequately and cost effectively address the problem, capacity~~
505 ~~improvements may be included in the comprehensive plan."~~

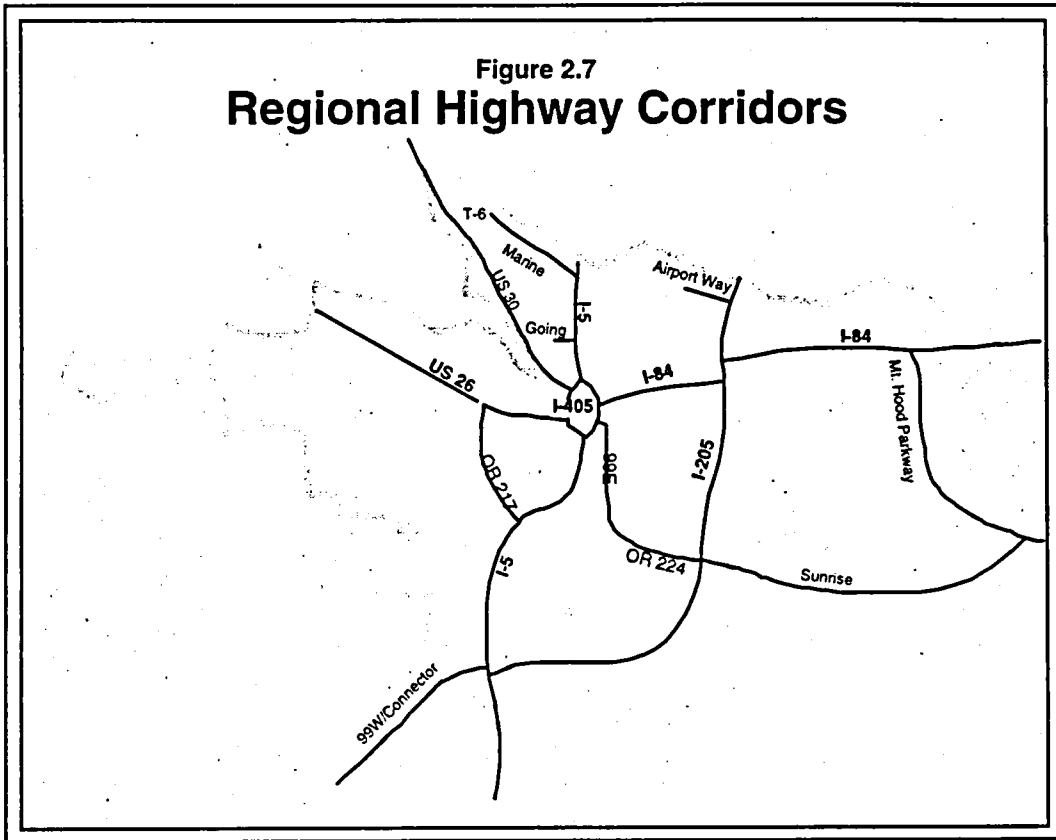
506
507 D. Transportation Project Analysis

508
509 The TPR and Metro's Interim Congestion Management System (CMS) document require
510 that measures to improve operational efficiency be addressed at the project level. Section
511 2 of this Title requires that street design guidelines be considered as part of the project-
512 level planning process. Therefore, cities, counties, Tri-Met, ODOT, and the Port of
513 Portland shall address the following operational and design considerations during
514 transportation project analysis:

- 515
516 1. Transportation system management (e.g., access management, signal inter-
517 ties, lane channelization, etc.) to address or preserve existing street
518 capacity.
519 2. Guidelines contained in "Creating Livable Streets: Street Design
520 Guidelines for 2040" (1997) and other similar resources to address
521 regional street design policies.

522
523 The project need, mode, corridor, and function do not need to be addressed at the project
524 level. This section (4.D) does not apply to locally funded projects on facilities not
525 designated on the Regional Motor Vehicle System Map or the Regional Street Design
526 Map. Demonstration of compliance will be included in the required Congestion
527 Management System project-level compliance report submitted to Metro as part of
528 project-level planning and development."

Figure 2.7
Regional Highway Corridors



531

9-12-97

532 **Definitions to Be Amended to Title 10 of the Urban Growth Management**
533 **Functional Plan**

534
535 Accessway. Right-of-way or easement designed for public access by bicycles and
536 pedestrians, and may include emergency vehicle passage.

537
538 Full Street Connection. Right-of-way designed for public access by motor vehicles,
539 pedestrians and bicycles.

540
541 Improved pedestrian crossing. An improved pedestrian crossing is marked and may
542 include signage, signalization, curb extensions and a pedestrian refuge such as a landscaped
543 median.

544
545 Local trips. Local vehicle trips are trips that are five miles or shorter in length.

546
547 Mixed-Use Development. Mixed-use development includes areas of a mix of at least two of
548 the following land uses and includes multiple tenants or ownerships: residential, retail and
549 office. This definition excludes large, single-use land uses such as colleges and hospitals.
550 Minor incidental land uses that are accessory to the primary land use should not result in a
551 development being designated as "mixed-use development." The size and definition of
552 minor incidental, accessory land uses allowed within large, single-use developments should
553 be determined by cities and counties through their comprehensive plans and implementing
554 ordinances.

555
556 Regional vehicle trips. Regional vehicle trips are trips that are greater than five miles in
557 length.

558
559 Significant Increase in Single Occupancy Vehicle (SOV) Capacity for Multi-modal
560 Arterials. An increase in SOV capacity created by the construction of additional general
561 purpose lanes totaling ½ lane miles or more in length. General purpose lanes are defined as
562 through travel lanes or multiple turn lanes. This also includes the construction of a new
563 general purpose highway facility on a new location. Lane tapers are not included as part of
564 the general purpose lane. Significant increases in SOV capacity should be assessed for
565 individual facilities rather than for the planning area.

566
567 Significant Increase in Single Occupancy Vehicle (SOV) Capacity for Regional
568 Through-Route Freeways. Any increase in SOV capacity created by the construction of
569 additional general purpose lanes other than that resulting from a safety project or a project
570 solely intended to eliminate a bottleneck. An increase in SOV capacity associated with the
571 elimination of a bottleneck is considered significant only if such an increase provides a
572 highway section SOV capacity greater than ten percent over that provided immediately
573 upstream of the bottleneck. An increase in SOV capacity associated with a safety project is
574 considered significant only if the safety deficiency is totally related to traffic congestion.
575 Construction of a new general purpose highway facility on a new location also constitutes a

576
577
578

significant increase in SOV capacity. Significant increase in SOV capacity should be assessed for individual facilities rather than for the planning area.

Exhibit A to Title 6 of the Urban Growth Management Functional Plan

Level-of-Service (LOS) Definitions for Freeways, Arterials and Signalized Intersections

LOS	Freeways (average travel speed assuming 70 mph design speed)	Arterials (average travel speed assuming a typical free flow speed of 40 mph)	Signalized Intersections (stopped delay per vehicle)	Traffic Flow Characteristics
A	Greater than 60 mph Average spacing: 22 car-lengths	Greater than 35 mph	Less than 5 seconds; most vehicles do not stop at all	Virtually free flow; completely unimpeded Volume/capacity ratio less than or equal to .60
B	57 to 60 mph Average spacing: 13 car-lengths	28 to 35 mph	5.1 to 15 seconds; more vehicles stop than for LOS A	Stable flow with slight delays; reasonably unimpeded Volume/capacity ratio .61 to .70
C	54 to 57 mph Average spacing: 9 car-lengths	22 to 28 mph	15.1 to 25 seconds; individual cycle failures may begin to appear	Stable flow with delays; less freedom to maneuver Volume/capacity ratio of .71 to .80
D	46 to 54 mph Average spacing: 6 car-lengths	17 to 22 mph	25.1 to 40 seconds; individual cycle failures are noticeable	High density, but stable flow Volume/capacity ratio of .81 to .90
E	30 to 46 mph Average spacing: 4 car-lengths	13 to 17 mph	40.1 to 60 seconds; individual cycle failures are frequent; poor progression	Operating conditions at or near capacity; unstable flow Volume/capacity ratio of .91 to 1.00
F	Less than 30 mph Average spacing: bumper-to-bumper	Less than 13 mph	Greater than 60 seconds; not acceptable for most drivers	Forced flow, breakdown conditions Volume/capacity ratio of greater than 1.00
>F	Demand exceeds roadway capacity, limiting volume that can be carried and forcing excess demand onto parallel routes and extending the peak period			Demand/capacity ratios of greater than 1.10

*Source: 1985 Highway Capacity Manual (A through F descriptions)
Metro (>F description)*

STAFF REPORT

**CONSIDERATION OF ORDINANCE NO. 98-721, FOR THE PURPOSE OF
AMENDING ORDINANCE NO. 96-647C and 97-715B TO REVISE TITLE 6
RECOMMENDATIONS AND REQUIREMENTS FOR REGIONAL ACCESSIBILITY**

Date: December 19, 1997

Presented by: Andrew Cotugno

Proposed Action: Ordinance No. 98-721 amends Title 6 of the Urban Growth Management Functional Plan to implement policies adopted in Chapter 2 (Transportation) of the Regional Framework Plan. This ordinance would be effective immediately upon cities and counties.

Factual Background and Analysis: The Regional Framework Plan was adopted by Ordinance No. 97-715B by the Metro Council on December 11, 1997. Chapter 2 (Transportation) of the Regional Framework Plan reflects transportation policies that will be implemented through the 1998 Regional Transportation Plan (a Metro functional plan) once the current Regional Transportation Plan update is complete. In the interim, the Joint Policy Advisory Committee on Transportation (JPACT) and the Metro Policy Advisory Committee (MPAC) recommend amending Title 6 of the Urban Growth Management Functional Plan to clearly identify the role that cities and counties will play in implementing transportation policies reflected in Chapter 2 (Transportation) of the Regional Framework Plan.

In September 1997, as part of the Regional Framework Plan process, staff identified possible amendments to Title 6 to implement transportation policies included in Chapter 2 (Transportation) of the Regional Framework Plan. Attachment A to this staff report presents a summary of issues and public agency comments identified to date related to those proposed amendments. For each comment, included is a discussion of the issue and a JPACT recommendation. The comments have been organized into "Discussion Items" and "Consent Items." The "Discussion Items" reflect issues that JPACT discussed prior to approval. The "Consent Items" reflect issues approved by JPACT by general consent. The "Consent Items" have been divided into four sections:

- Section 2., Regional Street Design Guidelines
- Section 3., Design Standards for Street Connectivity
- Section 4.A., Alternative Mode Analysis
- Section 4.B., Motor Vehicle Congestion Analysis

Exhibit A to Ordinance No. 98-721 reflects amendments to Title 6 as approved by JPACT and MPAC in Attachment A to this staff report. The document is presented in engrossed format (strike and underline). Specifically, proposed amendments in Exhibit A include:

- 1) Revision of Section 2 , starting at line 53, to add other street design guidelines
 - requires consideration of regional street design elements when planning for improvements to facilities designated on the Regional Street Design Map (not just within centers)
- 2) Revision of Section 3, lines 226 and 245 to change street intersection spacing requirement (from 8-20 to 10-16 street intersections per mile)
 - requires street intersection spacing at intervals of no more than 530 feet
- 3) Revision to Section 4.A., lines 303-322, related to alternative mode split targets
 - requires cities and counties to establish alternative mode split targets for each 2040 Design Type within its boundaries (not just within the mixed-use centers) and identify actions to implement those targets. Regional targets for each 2040 design type will be established in the 1998 RTP. Cities and counties will have one year after adoption of the 1998 RTP to establish their targets.
 - provides for achievement of these targets to be the key measure in assessing transportation system improvements in mixed-use centers and corridors and a key measure elsewhere in the region
- 4) Revision of Section 4.B. to include new Level-of-Service (LOS) Deficiency Threshold table (line 335) for all 2040 Design Types and regional facilities designated as "Regional Highway Corridors" (not just within centers).
 - use of the table is optional

Except where specifically exempted, these amendments must be addressed by all cities and counties within the Metro boundary consistent with Title 8, Compliance Procedures, of the Urban Growth Management Functional Plan.

DISCUSSION ITEMS

- 1) Modify Section 2 to either have a stronger requirement to follow regional street design guidelines when planning for improvements to regional facilities or to link consideration of regional street design guidelines to regional funding approval through Transportation Improvement Program (TIP) criteria. Transportation funding should be given to those jurisdictions who are actively and aggressively implementing the 2040 Growth Concept. (Charlie Hales, City of Portland)

JPACT Recommendation: JPACT recommends using financial incentives through TIP criteria to leverage consideration of regional street design guidelines rather than implementing them as requirements. Further consideration should be given to what detailed funding criteria should be used to developed the TIP and financially constrained RTP. Therefore, no change to Section 2 is recommended, related to this comment.

- 2) Modify Section 2 to require regional street design elements when planning for improvements to facilities designated on the Regional Street Design Map. Therefore:
 - amend lines 56-58 to read, "All cities and counties within the Metro region shall consider provide the following regional street design elements when planning for improvements to these facilities, including those facilities built by ODOT, or Tri-Met or the Port of Portland."
 - amend lines 71-73 to read, "Cities and counties shall amend their comprehensive plan and implementing ordinances, if necessary, to require ~~consideration of ...~~"
 - amend lines 101-102 to read, "Cities and counties shall amend their comprehensive plan and implementing ordinances, if necessary, to require ~~consideration of ...~~"
 - amend lines 127-128 to read, "Cities and counties shall amend their comprehensive plan and implementing ordinances, if necessary, to require ~~consideration of ...~~"
 - amend lines 170-172 to read, "Cities and counties shall amend their comprehensive plan and implementing ordinances, if necessary, to require ~~consideration of ...~~"

(Rex Burkholder, Bicycle Transportation Alliance)

JPACT Recommendation: Disagree. See previous comment.

- 3) Amend the first sentence, lines 249-251 to clarify that mode split will be the key regional measure for personal travel in region, separate from measuring regional freight and safety objectives. (Council Transportation Planning Committee, 10/21/97)

JPACT Recommendation: Agree. JPACT recommends amending lines 249-251 to read:

"1. Person travel represents the largest share of trips for all modes of transportation. Improvement in Mode split will be used as the key regional measure for assessing transportation system improvements effectiveness in the Central City, Regional Centers, Town Centers and Station Communities. For other 2040 Growth Concept design types, mode split will be used as an important factor in assessing transportation system improvements."

JPACT considered a more general approach whereby mode split would be used as "a" key regional measure for assessing transportation system improvements in all 2040 Growth Concept design types. However, JPACT felt this approach did not adequately distinguish between the higher density, mixed-use centers and all other areas in the region.

The above recommendation was approved by JPACT (9 - 4). This change maintains the original intent of this section as defined by MPAC to emphasize mode split to the high-density, mixed-use areas, while also maintaining the new requirement for mode split targets for all areas of the region. In addition, this change reflects an emphasis on the areas where achieving mode split targets is most important, the highest density, mixed-use centers, but not to the exclusion of other factors, such as freight and safety, or needed improvements, such as roads.

In addition, JPACT recommends amending line 269 of Attachment "A" to this memo to read:

"A transportation need is identified when a particular transportation standard or threshold has been exceeded. Standards which may be used in identifying transportation needs include: safety, statewide mobility as identified in the Oregon Transportation Plan, mode split targets, motor vehicle congestion analysis, freight mobility or demonstration that lack of access is limiting development of a priority regional land use. Needs are generally identified through a comprehensive plan amendment review or as a result of a system-planning analysis which evaluates forecast travel demand."

This section describes how level-of-service standards are used to define a system deficiency or need and what system analysis could be used to define how to develop solutions to address that need. This change would clarify that there are a number of measures that can be used to identify and define transportation needs, not just level-of-service and including whether mode split targets are being achieved.

- 4) Amend the first sentence, line 249, to read "1. Mode split will be used as the a key regional measure for transportation effectiveness in all 2040 Growth Concept land use design types. (Ted Spence, JPACT)

JPACT Recommendation: Disagree. See previous recommendation.

- 5) "Design Standards for Street Connectivity" should not apply to industrial areas. (Dave Lohman, Port of Portland)

JPACT Recommendation: Agree. As written, lines 193-246 apply only to new residential and mixed-use development.

- 6) Clarify lines 193-246 to ensure that the connectivity standards also apply to commercial and employment areas. (Charlie Hales, City of Portland)

JPACT Recommendation: The current text provides, "For new residential and mixed-use development, all contiguous areas of vacant and primarily undeveloped land of five acres or more shall be identified by cities and counties and the following will be prepared, consistent with regional street design policies: A map that identifies possible local street connections to adjacent developing areas..." and "New residential and mixed-use developments shall include local street plans..."

JPACT recommends amending the "Definitions" section of the Urban Growth Management Functional Plan to include the following definition:

Mixed-Use Development. Mixed-use development includes areas of a mix of at least two of the following land uses and includes multiple tenants or ownerships: residential, retail, office. This definition excludes large, single-use land uses such as colleges and hospitals. Minor incidental land uses that are accessory to the primary land use should not result in a development being designated as "mixed-use development." The size and definition of minor, incidental accessory land uses allowed within large, single-use developments should be determined by cities and counties through their comprehensive plans and implementing ordinances.

- 7) Clarify applicability of the connectivity requirements to redevelopment, as currently written in Title 6. (JPACT)

JPACT Recommendation: The local street connectivity requirements apply only to "new residential and mixed-use development," as currently written in Title 6. The current text provides,

- "1. For new residential and mixed-use development, all contiguous areas of vacant and primarily undeveloped land of five acres or more shall be identified by cities and counties and the following will be prepared, consistent with regional street design policies: A map that identifies possible local street connections to adjacent developing areas...
2. New residential and mixed-use developments shall include local street plans..."

JPACT recommends not changing the language, and, therefore, the applicability of these requirements to redevelopment would be determined by cities and counties through their comprehensive plans and implementing ordinances. However, JPACT recommends adding the following language to clarify this issue:

"3. For redevelopment of existing land uses, cities and counties shall develop local approaches for dealing with connectivity."

CONSENT ITEMS

Comments Related to Title 6, Sections 4.A., Alternative Mode Analysis and 4.B., Motor Vehicle Congestion Analysis

- 9) Amend Section 4 to include an introduction that reflects the intent of the section. (Joint TPAC/MTAC work session, 10/10/97)
- 10) Add clarifying text to explain what is meant by "identify and evaluate on a case-by-case basis" as referred to in the Motor Vehicle Level of Service Deficiency Threshold Table on line 276. (Brent Curtis, Washington County)
- 11) Clarify distinction between system level planning and project level planning in terms of what actions a local jurisdiction must consider. (Joint TPAC/MTAC work session, 10/10/97 and TPAC, 10/31/97)
- 12) Clarify references to the 1995 and 1998 Regional Transportation Plans (lines 349-350) so that it does not imply "grandfathering" of the 1995 Federal RTP projects. (Steve Dotterer, City of Portland)
- 13) The following modifying statement should be added in reference to the Motor Vehicle Level of Service Deficiency Threshold table on line 276: "Jurisdictions may adopt higher levels of service in transportation system plans for local traffic mitigation and the application of traffic impact fees." (Richard Ross, City of Gresham)
- 14) Allow cities and counties the option of choosing either the A.M. or P.M. peak condition for analysis purposes when using Table 3. Current information and models may not be adequate to analyze A.M. conditions in some areas of the region. (City of Portland, 10/30/97)
- 15) The project need, mode, corridor, and function should not have to be revisited as part of Section 4.D. (Washington County, 10/28/97)

JPACT Recommendation: JPACT recommends the following amendments to Section 4 to address comments 9-15.

A process to identify transportation mode split targets, transportation needs and appropriate actions to address those targets and needs is included in this section. The intent is to provide guidance to cities, counties, ODOT, Tri-Met and the Port of Portland when developing a transportation system plan, defining a project, or evaluating the potential transportation impacts of a land use action.

A transportation need is identified when a particular transportation standard or threshold has been exceeded. Needs are generally identified either through a comprehensive plan amendment review or as result of a system-planning analysis which evaluates forecast travel demand.

Subsequent to the identification of a need, an appropriate transportation strategy or solution is identified through a two-phased multi-modal planning and project development process. The first phase is multi-modal system-level planning. The purpose of system-level planning is to examine a number of transportation alternatives over a large geographic area such as a corridor or sub-area, or through a local or regional Transportation System Plan (TSP). The purpose of the multi-modal system-level planning step is to 1) consider alternative modes, corridors, and strategies to address identified needs; and 2) determine a recommended set of transportation projects, actions, or strategies and the appropriate modes and corridors to address identified needs in the system-level study area.

The second phase is project-level planning (also referred to as project development). The purpose of project-level planning is to develop project design details and select a project alignment, as necessary, after evaluating engineering and design details and environmental impacts.

The following sub-sections (A-D): (1) require that cities and counties establish regional mode split targets for all 2040 design types that will be used to guide transportation system improvements; (2) establish optional performance standards and deficiency thresholds intended to identify transportation needs through multi-modal system-level planning and (3) establish the process to identify appropriate recommended solutions to address those needs identified through multi-modal system-level planning and project-level planning.

2) Amend lines 274-276 to read,

General Congestion Performance Standards (using LOS*)-Table 3. General Congestion Performance Standards (using LOS*) Motor Vehicle Level of Service Deficiency Thresholds and Operating Standards*

	Preferred	Acceptable	Exceeds
Mid Day one	C or better	DD	E or worse
Peak two-hour	E/E or better	F/EE/E	F/F or worse

<u>Location</u>	<u>Mid-Day One-Hour Peak</u>			<u>A.M./P.M. Two-Hour Peak</u>		
	<u>Preferred Operating Standard</u>	<u>Acceptable Operating Standard</u>	<u>Exceeds Deficiency Threshold</u>	<u>Preferred Operating Standard</u>	<u>Acceptable Operating Standard</u>	<u>Exceeds Deficiency Threshold</u>
<u>Central City, Regional Centers, Town Centers, Main Streets and Station Communities</u>	<u>C</u>	<u>E</u>	<u>F</u>	<u>1st hour E</u> <u>2nd hour E</u>	<u>1st hour F</u> <u>2nd hour E</u>	<u>1st hour F</u> <u>2nd hour F</u>
<u>Corridors, Industrial Areas and Intermodal Facilities, Employment Areas and Inner and Outer Neighborhoods</u>	<u>C</u>	<u>D</u>	<u>E</u>	<u>1st hour E</u> <u>2nd hour D</u>	<u>1st hour E</u> <u>2nd hour E</u>	<u>1st hour F</u> <u>2nd hour E</u>
<u>Regional Highway Corridors</u>	<u>identify and evaluate on a case-by-case basis** to balance regional and local mobility and accessibility objectives</u>			<u>identify and evaluate on a case-by-case basis** to balance regional and local mobility and accessibility objectives</u>		

*Level-of-Service is determined by using either the latest edition of the Highway Capacity Manual (Transportation Research Board) or through volume to capacity ratio equivalencies as follows: LOS C = .8 or better; LOS D = .8 to .9; LOS E = .9 to 1.0; and LOS F = ~~greater than 1.0~~ to 1.1. A copy of the Level of Service Tables from the Highway Capacity Manual is attached as Exhibit A. Regional Highway Corridors are identified in the map attached as Figure 2.7.

**See Section 4.B.3.

3) Amend lines 284-299 to further clarify the intended use of Table 3, as follows:

2. Analysis. A transportation need is identified in a given location when analysis indicates that congestion has reached the level indicated in the "exceeds deficiency threshold" column of Table 3 and that this level of congestion will negatively impact accessibility, as determined through Section 4.B.4, below. The analysis should consider a mid-day hour appropriate for the study area and the appropriate two-hour peak-hour condition, either A.M. or P.M. or both to address the problem. Other non-peak hours of the day, such as mid-day on Saturday, should also be considered to determine whether congestion is consistent with the acceptable or preferred operating standards identified in

Table 3. The lead agency or jurisdictions will be responsible for determining the appropriate peak and non-peak analysis periods.

An appropriate solution to the need is determined through multi-modal system-level planning considerations listed in Section 4.C., below. For regional transportation planning purposes, the recommended solution should be consistent with the acceptable or preferred operating standards identified in Table 3. A city or county may choose a higher level-of service operating standard where findings of consistency with Section 4.C. have been developed.

3. Regional Highways. Exhibit B identifies the Regional Highways specified in Table 3. Each corridor will be evaluated on a case-by-case basis through system-level refinement studies. The studies will identify the performance and operating expectations for each corridor based on their unique operating and geographic characteristics. Appropriate multi-modal solutions to needs identified through these studies will be forwarded for inclusion in the Regional Transportation Plan.

4.2. Accessibility. If a congestion standard deficiency threshold is exceeded as identified in 4.B.1. Table 3, cities and counties shall evaluate the impact of the congestion on regional accessibility using the best available (quantitative or qualitative) methods. If a determination is made by Metro that exceeding the congestion deficiency threshold negatively impacts regional accessibility, local jurisdictions cities and counties shall follow the congestion management transportation systems analysis and transportation project analysis procedures identified in 4.C. and 4.D. below.

5.3. Consistency. The identified function or the identified capacity of a road may be significantly affected by planning for Central City, Regional Centers, Town Centers, Main Streets and Station Communities 2040 Growth Concept design types. Cities and counties shall take actions described in Section 4.C. and 4.D. below, including amendment of their transportation plans and implementing ordinances, if necessary to either change or take actions as described in Section 4.C., below, to preserve the identified function and identified capacity of the road, if necessary and to retain consistency between allowed land uses and planning for transportation facilities.

C. Transportation Systems Analysis

This section applies to city and county comprehensive plan amendments or to any studies that would recommend or require an amendment to the Regional Transportation Plan to add significant single occupancy vehicle (SOV) capacity to multi-modal arterials and/or highways.

Consistent with Federal Congestion Management System requirements (23 CFR Part 500) and TPR system planning requirements (660-12), the following actions shall be considered through the Regional Transportation Plan when recommendations are made to revise the Regional Transportation Plan and/or local transportation system plans to define the need, mode, corridor and

function to address an identified transportation need consistent with Table 3, above, and recommendations are made to add significant SOV capacity:

- 1) regional transportation demand strategies
- 2) regional transportation system management strategies, including intelligent Transportation Systems (ITS)
- 3) High Occupancy Vehicle (HOV) strategies
- 4) regional transit, bicycle and pedestrian system improvements to improve mode split
- 5) unintended land use and transportation effects resulting from a proposed SOV project or projects
- 6) effects of latent demand from other modes, routes or time of day from a proposed SOV project or projects
- 7) If upon a demonstration that the above considerations do not adequately and cost-effectively address the problem, a significant capacity improvement may be included in the Regional Transportation Plan.

Consistent with Federal Congestion Management System requirements (23 CFR Part 500) and TPR system planning requirements (660-12), the following actions shall be considered when local transportation system plans (TSPs), multi-modal corridor and sub-area studies, mode specific plans or special studies (including land use actions) are developed:

- 1) transportation demand strategies that further refine or implement a regional strategy identified in the RTP
- 2) transportation system management strategies, including intelligent Transportation Systems (ITS), that refine or implement a regional strategy identified in the RTP
- 3) sub-area or local transit, bicycle and pedestrian system improvements to improve mode split
- 4) the effect of a comprehensive plan change on mode split targets and actions to ensure the overall mode split target for the local TSP is being achieved
- 5) improvements to parallel arterials, collectors, or local streets, consistent with connectivity standards contained in Section 2 of this Title, as appropriate, to address the transportation need and to keep through trips on arterial streets and provide local trips with alternative routes
- 6) traffic calming techniques or changes to the motor vehicle functional classification, to maintain appropriate motor vehicle functional classification
- 7) If upon a demonstration that the above considerations do not adequately and cost-effectively address the problem, a significant capacity improvement may be included in the comprehensive plan.

If Upon a demonstration that the above considerations do not adequately and cost-effectively address the problem and where accessibility is significantly

hindered, capacity improvements may be included in the comprehensive plan Metro and the affected city or county shall consider:

- (1) amendments to the boundaries of a 2040 Growth Concept design type;
- (2) amendments or exceptions to land use functional plan requirements; and/or
- (3) amendments to the 2040 Growth Concept.

Demonstration of compliance will be included in the required congestion management system compliance report submitted to Metro by cities and counties as part of system-level planning and through findings consistent with the TPR in the case of amendments to applicable plans.

D. Transportation Project Analysis

The TPR and Metro's Interim Congestion Management System (CMS) document require that measures to improve operational efficiency be addressed at the project level. Section 2 of this Title requires that street design guidelines be considered as part of the project-level planning process. Therefore, cities, counties, Tri-Met, ODOT, and the Port of Portland shall address the following operational and design considerations during transportation project analysis:

1. Transportation system management (e.g., access management, signal inter-ties, lane channelization, etc.) to address or preserve existing street capacity.
2. Guidelines contained in "Creating Livable Streets: Street Design Guidelines for 2040" (1997) and other similar resources to address regional street design policies.

The project need, mode, corridor, and function do not need to be addressed at the project level. This section (4.D) does not apply to locally funded projects on facilities not designated on the Regional Motor Vehicle System Map or the Regional Street Design Map. Demonstration of compliance will be included in the required Congestion Management System project-level compliance report submitted to Metro as part of project-level planning and development."

Comments Related to Title 6, Section 2, Regional Street Design Guidelines

- 16) Clarify line 57 to define what constitutes consideration of the regional street design elements. (Dave Lohman, Port of Portland)

JPACT Recommendation: Cities and counties will be required to demonstrate through findings how they have considered the regional street designs elements.

- 17) Adopt the priorities listed in the "Creating Livable Streets: Street Design for 2040" (1997) as part of each street design description in Title 6. Therefore, amend Section 2.B. to add the following language:

Regional Boulevards: The design of a regional boulevard shall be based on the following priorities:

Higher Priorities

- a. pedestrian sidewalks with transit access
- b. bicycle lanes
- c. number of travel lanes

Lower Priorities

- a. width of travel lanes
- b. on-street parking
- c. median for landscaping

Community Boulevards: The design of a community boulevard shall be based on the following priorities:

Higher Priorities

- a. pedestrian sidewalks with transit access
- b. bicycle lanes
- c. on-street parking
- d. median for landscaping

Lower Priorities

- a. number of travel lanes
- b. width of travel lanes

Regional Streets: The design of a regional street shall be based on the following priorities:

Higher Priorities

- a. number of travel lanes
- b. pedestrian sidewalks with transit access and buffer strip
- c. medians
- d. bicycle lanes
- e. width of travel lanes

Lower Priorities

- a. on-street parking

Community Streets: The design of a community street shall be based on the following priorities:

Higher Priorities

- a. pedestrian sidewalks with transit access
- b. bicycle lanes
- c. on-street parking

Lower Priorities

- a. median for landscaping
- b. number of travel lanes
- c. width of travel lanes

(Rex Burkholder, Bicycle Transportation Alliance)

JPACT Recommendation: Disagree. "Creating Livable Streets: Street Design for 2040" (1997) addresses these tradeoff issues and is a resource for cities and counties to use when prioritizing street design elements within a constrained right-of-way.

- 18) Amend lines 56-58 to read, "All cities and counties within the Metro region shall consider the following regional street design elements when planning for improvements to these facilities, including those facilities built by ODOT, ~~or~~ Tri-Met or the Port of Portland." (G.B. Arrington, Tri-Met)

JPACT Recommendation: Agree. Amend as requested.

- 19) In all street design types, the inclusion of an option of a wide outside lane as a "bicycle facility" is inappropriate and contrary to AASHTO guidelines and ODOT standards. Therefore, amend lines 89 and 119 to read, "8. Striped bikeways ~~or shared outside lane.~~" (Rex Burkholder, Bicycle Transportation Alliance)

JPACT Recommendation: Disagree. Bicycle lanes are the preferred bikeway choice. However, wide outside lanes are acceptable where any of the following conditions exist:

- it is not possible to eliminate or reduce lane widths;
- topographical constraints exist;
- additional pavement would disrupt the natural environment or character of the natural environment;
- parking is essential to serve adjacent land uses or improve the character of the pedestrian environment;
- densely developed areas with low motor vehicle speeds.

- 20) Amend line 56 to read, "Throughways, Boulevards, Streets and Roads and Throughways." (Mike McKillip, City of Tualatin)

JPACT Recommendation: Agree. Amend as requested. In addition, recommend organizing Section 2 to reflect this order of street design elements.

- 21) Clarify lines 77, 106 and 132 to better define what is meant by "low" and "moderate" motor vehicle speeds. (Mike McKillip, City of Tualatin)

JPACT Recommendation: JPACT specifically intended to use relative definitions of motor vehicle speed. JPACT recommends leaving that determination to cities and counties through their transportation system plans, consistent with the street design guidelines identified in Title 6, Section 2.

- 22) In reference to lines 87, 116, 135, 160, better define what is meant by "improved pedestrian crossings." (Mike McKillip, City of Tualatin)

JPACT Recommendation: JPACT recommends adding a definition to the Urban Growth Management Functional Plan that reads, "Improved pedestrian crossing. An improved pedestrian crossing is marked and may include signage, signalization, curb extensions and a pedestrian refuge such as a landscaped median."

- 23) Clarify line 88 to better define what is the threshold for "excessive intersection spacing." (Mike McKillip, City of Tualatin)

JPACT Recommendation: JPACT recommends revising line 88 to read, "where intersection spacing exceeds 530 feet is excessive."

- 24) Add reference to regional street design handbook to Section 2 introduction. (Joint TPAC/MTAC work session, 10/10/97)

JPACT Recommendation: Agree. Revise lines 56-58 to read, "All cities and counties within the Metro region shall consider the following regional street design elements when planning for improvements to these facilities, including those facilities built by ODOT, or Tri-Met or the Port of Portland. "Creating Livable Streets: Street Design for 2040" (1997) is a resource for cities, counties, ODOT, Tri-Met and the Port of Portland to use when prioritizing street design elements within a constrained right-of-way.

- 25) Amend line 74 to read, "with right-of-way improvements within the right-of-way on regional routes..." (Washington County, 10/28/97)

JPACT Recommendation: Agree. Amend as requested.

- 26) Amend lines 82 and 111 to read, " on-street parking where possiblepracticable."

JPACT Recommendation: Disagree. No change is recommended.

- 27) Amend line 116 to not require improved pedestrian crossings at all intersections on Community Streets. (Washington County, 10/28/97)

JPACT Recommendation: Disagree. No change is recommended.

Comments Related to Title 6, Section 3, Design Standards for Street Connectivity

- 28) Revise the introduction to Section 3 to reflect that the connectivity standards are intended to apply to the most dense 2040 areas and new residential areas, not, for example, throughways that travel through 2040 Design Types. (Joint TPAC/MTAC work session, 10/10/97)

JPACT Recommendation: Agree. Revise lines 188-189 to read, "Therefore, streets should be designed to keep through trips on arterial streets and provide local trips with alternative routes. The following design and performance options are intended to improve local circulation in a manner that protects the integrity of the regional system."

JPACT also recommends revising Section 3.A., lines 193-227 to read,

"A. Design Option. Cities and counties shall ensure that their comprehensive plans, implementing ordinances and administrative codes require demonstration of compliance with the following, consistent with regional street design policies:

~~1-2.~~ 2. New residential and mixed-use developments shall include local street plans that...

- c. provide bike and pedestrian connections on public easements or right-of-way when full street connections are not possible, with spacing between connections of no more than 330 feet except where prevented by topography, barriers such as railroads or freeways, or environmental constraints such as major streams and rivers, ~~prevent street extension;~~ and...

21. For new residential and mixed-use development, all contiguous areas of vacant and primarily undeveloped land of five acres or more shall be identified by cities and counties and the following will be prepared, consistent with regional street design policies:

A map that identifies possible local street connections to the adjacent developing areas. The map shall include:

- a. full street connections at intervals of no more than 660~~530~~ feet, except where prevented by topography, barriers such as railroads or freeways, or environmental constraints such as major streams and rivers. Street connections at intervals of no more than 330 feet are recommended in areas planned for the highest density mixed-use development. with more frequent connections in areas planned for mixed use or dense development,
- b. accessways for pedestrians, bicycles or emergency vehicles on public easements or right-of-way where full street connections are not possible, with spacing between full street or accessway connections of no more than 330 feet, except where prevented by topography, barriers such as railroads or freeways, or environmental constraints such as major streams and rivers."

JPACT also recommends adding the following definitions to Chapter 2 of the Regional Framework Plan and the Urban Growth Management Functional Plan:

Full Street Connection. Right-of-way designed for public access by motor vehicles, pedestrians and bicycles.

Accessway. Right-of-way or easement designed for public access by bicycles and pedestrians, and may include emergency vehicle passage.

Finally, JPACT recommends revising lines 231-236 to read, "Cities and counties shall develop local street design standards in text or maps or both with street intersection spacing to occur at intervals of no less ~~more~~ than ~~eight street intersections per mile~~ 530 feet except where prevented by topography, barriers such as railroads or freeways, or environmental constraints such as major streams and rivers. ~~prevent street extension:~~ Street connections at intervals of no more than 330 feet are recommended in areas planned for the highest density mixed-use development. The number of street connections should be the greatest in the highest density 2040 Growth Concept design types."

- 29) In reference to line 239, define "local vehicle trips." (Mike McKillip, City of Tualatin)

JPACT Recommendation: Local vehicle trips are trips that are five miles or shorter in length. In contrast, regional vehicle trips, are trips that are greater than five miles in length. Therefore, recommend adding two definitions to the Urban Growth Management Functional Plan that read:

"Local trips. Local vehicle trips are trips that are five miles or shorter in length."

"Regional vehicle trips. Regional vehicle trips are trips that are greater than five miles in length."

- 30) Amend lines 236-246 to read, "Local street designs for new developments shall satisfy the following additional criteria...2. Performance Criterion: everyday local travel needs are served by direct, connected local street systems where: (1) the shortest motor vehicle trip over public streets from a local origin to a collector or greater facility is no more than twice the straight-line distance; and (2) the shortest pedestrian trip on public right-of-way is no more than one and one-half the straight-line distance; and (3) any trip less than ½-mile is not subject to (1) and (2) above. (Mike McKillip, City of Tualatin)

JPACT Recommendation: JPACT recommends further discussion on this issue.

- 31) In reference to lines 278-283, the Oregon Highway Plan states that the LOS is determined by the volume/capacity method. Until this is changes, ODOT intends to use that method for the determination of LOS on state facilities. While other methods have significant merit, there is as yet no universal agreement on application. (Leo Huff, ODOT)

JPACT Recommendation: Disagree. As more suitable measures to define level-of-service are developed by the transportation industry, these measures should be available for use, as appropriate.

- 32) Amend the second sentence, lines 251-255 to read, "Each jurisdiction shall establish an alternative mode split target (as a percentage of all person-trips for all modes of transportation) for...trips into, out of and within all 2040 Growth Concept land use design types within its boundaries." (Mike McKillip, City of Tualatin)

JPACT Recommendation: Agree. Amend as requested.

- 33) Amend proposed language to delete repetitive reference to the level of service table on line 276. (Mike McKillip, City of Tualatin)

JPACT Recommendation: Agree. Amend as follows, "...~~The following table Table 3. using Motor Vehicle Level Of Service Deficiency Thresholds and Operating Standards~~ may be incorporated into local city and county comprehensive plans and implementing ordinances to replace current methods of determining motor vehicle congestion on regional facilities, if a city or county determines that this change is needed to permit Title 1, Table 1 capacities in the Central City, Regional Centers, Town Centers, Main Streets and Station Communities for the 2040 design types and facilities as follows..."

- 34) Amend proposed language in lines 249-263 to recognize that mode split targets for intermodal and industrial areas should not look at total trips because for these uses, a high percentage of the trips are truck trips which cannot choose an alternative mode. The mode split targets need to be clear that they are directed at employees or passenger trips. (Dave Lohman, Port of Portland)

JPACT Recommendation: Agree. Mode split targets have been developed that exclude commercial traffic. Table 3 of Chapter 2 (Transportation) of the Regional Framework Plan identifies those targets, as shown below:

Table 3. Regional Non-SOV Mode Split Targets
 Needed To Achieve State Transportation Planning Rule 10% VMT/Capita Reduction Requirement
 (for trips to and within each 2040 Design Type)

2040 Design Type	Non-SOV* Mode Split Target
Central City	60-70%
Regional Centers, Town Centers, Main Streets, Station Communities and Corridors	45-55%
Industrial Areas and Intermodal Facilities, Employment Areas and Inner and Outer Neighborhoods	40-45%

*Non-SOV includes shared ride, bike, walk and transit.

- 35) Section 4.B. should reflect a better level of service standard for access to terminals because freight mobility is the backbone of the region's economy. Recommend

separating intermodal facilities out from others in the second category and modifying the AM/PM two hour peak to D for the first hour under the preferred column and to D for the second hour under the acceptable column. (Dave Lohman, Port of Portland)

JPACT Recommendation: The Regional Highways Corridors map, Figure 2.7 in Exhibit A of Title 6 identifies roads that access terminals on Swan Island, Marine Drive and Airport Way. Title 6 calls for identification and evaluation of level of service thresholds for "Regional Highway Corridors" on a case-by-case basis to allow for a better level of service on roadways that access those areas. Therefore, no change is recommended.

- 36) In reference to lines 284-291, clarify what happens if exceeding a deficiency threshold does not negatively impact regional accessibility, but does impact local accessibility. (Mike McKillip, City of Tualatin)

JPACT Recommendation: The proposed language in lines 284-291 applies only to the regional transportation system not the local transportation system. Therefore, JPACT recommends revising lines 284-285 to read, "If a deficiency threshold is exceeded on the regional transportation system as identified in Table 34.B.1,..."

- 37) Clarify line 345 to define "significant capacity expansion" and "regional facility." (Mike McKillip, City of Tualatin and Joint TPAC/MTAC work session, 10/10/97)

JPACT Recommendation: JPACT recommends adding the following definitions to the Urban Growth Management Functional Plan for "significant capacity expansion" that reflect the definition used in the Portland Interim Congestion Management System (CMS) Document (1996).

Significant Increase in Single Occupancy Vehicle (SOV) Capacity for Multi-modal Arterials. An increase in SOV capacity created by the construction of additional general purpose lanes totaling ½ lane miles or more in length. General purpose lanes are defined as through travel lanes or multiple turn lanes. This also includes the construction of a new general purpose highway facility on a new location. Lane tapers are not included as part of the general purpose lane. Significant increases in SOV capacity should be assessed for individual facilities rather than for the planning area.

Significant Increase in Single Occupancy Vehicle (SOV) Capacity for Regional Through-Route Freeways. Any increase in SOV capacity created by the construction of additional general purpose lanes other than that resulting from a safety project or a project solely intended to eliminate a bottleneck. An increase in SOV capacity associated with the elimination of a bottleneck is considered significant only if such an increase provides a highway section SOV capacity greater than ten percent over that provided immediately upstream of the bottleneck. An increase in SOV capacity associated with a safety project is considered significant only if the safety deficiency is totally related to traffic congestion. Construction of a new general purpose highway facility on a new location also constitutes a significant increase in SOV capacity. Significant increase in SOV capacity should be assessed for individual facilities rather than for the planning area.

- 38) Clarify line 369 to define how cities and counties "shall consider" the "Creating Livable Streets: Street Design Guidelines for 2040" during transportation project development. (Mike McKillip, City of Tualatin)

JPACT Recommendation: Cities and counties will be required to demonstrate through findings how they have considered the regional street designs elements.

- 39) Amend line 276, last row to read, "identify and evaluate on a case-by-case basis to balance regional and local mobility and accessibility objectives." (Joint TPAC/MTAC work session, 10/10/97)

JPACT Recommendation: Agree. Amend as requested.

- 40) Amend Regional Highways Corridors map, Figure 2.7 in Exhibit A of Title 6 to add the following: Highway 99 to I-5, the Sunrise Corridor, US 26 entering the eastern UGB, US 30 entering NE Portland and the Mt. Hood Parkway. (Joint TPAC/MTAC work session, 10/10/97)

JPACT Recommendation: Agree. Amend as requested.

- 41) In reference to lines 284-291 related to evaluating the impact of congestion on regional accessibility, where as quantitative methods are well known, qualitative methods for measuring accessibility are not. If Metro is going to make the determination of accessibility deficiencies, then ODOT recommends that the criteria, both qualitative and quantitative be reviewed and adopted by TPAC. (Leo Huff, ODOT)

JPACT Recommendation: Agree. The Regional Transportation Plan will define the locations that exceed the motor vehicle level-of-service threshold criteria and affect regional accessibility. TPAC will review this determination as part of the Regional Transportation Plan update.

- 42) In reference to Section 4, Metro should provide guidance materials to local governments for Title 6, Section 4 implementation and applicability. (City of Portland, 10/30/97)

JPACT Recommendation: Agree. Staff will develop materials to assist cities and counties with understanding and applying Title 6, Section 4 requirements.

- 43) Provide clarification for lines 238-246 as to how this analysis is to be completed. For example, such criteria as the "1995 arithmetic median of regional trips" and "the shortest trip from a local origin to a collector" would benefit from some clarification, possibly through an appendix to Title 6. (Washington County, 10/28/97)

JPACT Recommendation: Agree. See above comment.

- 44) Consistent with TPR requirements for transportation system planning, the deadline for cities and counties to submit mode split targets and implementing actions should be one year after Metro adopts the Regional Transportation Plan. (City of Portland, 10/30/97)

JPACT Recommendation: Agree. Amend line 251 to add, "Each jurisdiction shall establish an alternative mode split target...for all 2040 Growth Concept land use design types within its boundaries one year after adoption of the 1998 Regional Transportation Plan." In addition, amend line 312 to add, "Cities and counties...shall identify actions which will implement mode split targets one year after adoption of the 1998 Regional Transportation Plan."

- 45) Mid-day thresholds and standards as listed in Table 3 should remain optional. Cities and counties cannot currently analyze mid-day conditions. (City of Portland, 10/30/97)

JPACT Recommendation: Disagree. Table 3 is optional until adoption of the 1998 Regional Transportation Plan. The issue of mid-day modeling will be considered as part of the RTP update this winter. At that time, staff will work with cities and counties to develop acceptable methods for mid-day analysis. In addition, traffic counts rather than forecasts are an available method to evaluate mid-day conditions.

- 46) Section 4.D. should not apply to locally funded projects off the Regional Motor Vehicle System Map or the Regional Street Design Map. (City of Portland, 10/30/97)

JPACT Recommendation: Agree. Recommended revisions to Section 4.D. include the following statement, "This section (4.D) does not apply to locally funded projects on facilities not designated on the Regional Motor Vehicle System Map or the Regional Street Design Map."

Other Comments Related to Title 6

- 47) Amend the third sentence in Section 1, lines 5-6 to read, "Focusing development in the concentrated activity centers, including the central city, regional centers, town centers and station communities, requires the use of alternative modes of transportation in order to avoid unacceptable levels of congestion." (Mike McKillip, City of Tualatin)

JPACT Recommendation: Agree. Amend as requested.

Agenda Item Number 8.1

Resolution No. 97-2589, For the Purpose of Consenting to the Assignment by the Oregon Museum of Science and Industry to the City of Portland of OMSI's interest in the parking lot adjacent to the Metro Washington Park Zoo.

**Metro Council Meeting
Thursday, January 8, 1998
Council Chamber**

BEFORE THE METRO COUNCIL

FOR THE PURPOSE OF CONSENTING TO THE) RESOLUTION NO 97-2589
ASSIGNMENT BY THE OREGON MUSEUM OF)
SCIENCE AND INDUSTRY TO THE CITY OF) Introduced by Mike Burton, Executive
PORTLAND OF OMSI'S INTEREST IN THE) Officer
PARKING LOT ADJACENT TO THE METRO)
WASHINGTON PARK ZOO)
)

WHEREAS, on April 10, 1979, the City of Portland leased to Metro, OMSI and World Forestry Center the parking lot adjoining their respective institutions in Washington Park;

WHEREAS, on April 10, 1979, Metro, OMSI and World Forestry Center entered into an agreement governing the management and operation of the parking lot ("1979 Parking Lot Agreement");

WHEREAS, on October 24, 1994, Metro, OMSI and World Forestry Center entered into the 1994 Parking Lot Agreement, superseding the 1979 Parking Lot Agreement;

WHEREAS, under Section 15 of the 1994 Parking Lot Agreement, no party may assign its interest without the consent of the other parties;

WHEREAS, Under Section 2 of the 1994 Parking Lot Agreement, if a party ceases its operations adjacent to the parking lot, its interest in the 1994 Parking Lot Agreement terminates;

WHEREAS, on November 20, 1997, OMSI sold its remaining leasehold, including improvements in its museum site adjoining the parking lot to the City of Portland;

WHEREAS, the City of Portland intends to renovate the museum and relocate its Children's Museum to that site;

WHEREAS, on November 20, 1997, OMSI further sold its remaining leasehold interest in the parking lot and, subject to the consent of Metro and World Forestry Center, assigned its rights and delegated its responsibilities under the 1994 Parking Lot Agreement to the City of Portland;

WHEREAS, the City of Portland has requested Metro's consent to this assignment and delegation;

NOW, THEREFORE: be it resolved that the Metro Council authorizes the Executive Officer to execute the Consent to Assignment attached to the original hereof as Exhibit A.

ADOPTED by the Metro Council this ____ day of _____ 19__.

Presiding Officer

Approved as to Form:

Daniel B. Cooper, General Counsel

DBC:kms
December 2, 1997

EXHIBIT A

CONSENT TO ASSIGNMENT OF OMSI'S
INTEREST IN PARKING LOT AGREEMENT

RECITALS:

1. On April 10, 1979, the City of Portland leased to Metro, OMSI and World Forestry Center the parking lot adjoining their respective institutions in Washington Park.
2. On April 10, 1979, Metro, OMSI and World Forestry Center entered into an agreement governing the management and operation of the parking lot ("1979 Parking Lot Agreement").
3. On October 21, 1994, Metro, OMSI and World Forestry Center entered into the 1994 Parking Lot Agreement, superseding the 1979 Parking Lot Agreement.
4. Under Section 15 of the 1994 Parking Lot Agreement, no party may assign its interest without the consent of the other parties.
5. Under Section 2 of the 1994 Parking Lot Agreement, if a party ceases its operations adjacent to the parking lot, its interest in the 1994 Parking Lot Agreement terminates.
6. On November 20, 1997, OMSI sold its remaining leasehold, including improvements, in its museum site adjoining the parking lot to the City of Portland. The City intends to renovate the museum and relocate its Children's Museum to that site. On November 20, 1997, OMSI further sold its remaining leasehold interest in the parking lot and, subject to the consent of Metro and World Forestry Center, assigned its rights and delegated its responsibilities under the 1994 Parking Lot Agreement to the City of Portland.
7. The City has requested Metro's consent to this assignment and delegation.

NOW THEREFORE, Metro hereby consents to the assignment of OMSI's rights and delegation of OMSI's responsibilities under the 1994 Parking Lot Agreement to the City of Portland, and further agrees that, notwithstanding Section 2 of the 1994 Parking Lot Agreement, the City's interest in the 1994 Parking Lot Agreement shall continue even though the City is not yet operating its facility adjoining the parking lot.

DATED: _____ METRO

By: _____
Its: _____

STAFF REPORT

RESOLUTION NO. 97-2589 FOR THE PURPOSE OF OF CONSENTING TO THE ASSIGNMENT BY THE OREGON MUSEUM OF SCIENCE AND INDUSTRY TO THE CITY OF PORTLAND OF OMSI'S INTEREST IN THE PARKING LOT ADJACENT TO THE METRO WASHINGTON PARK ZOO

December 2, 1997

Presented by:

Background

On April 10, 1979, the City of Portland leased to Metro, OMSI and World Forestry Center the parking lot adjoining their respective institutions in Washington Park. On April 10, 1979, Metro, OMSI and World Forestry Center entered into an agreement governing the management and operation of the parking lot ("1979 Parking Lot Agreement"). On October 24, 1994, Metro, OMSI and World Forestry Center entered into the 1994 Parking Lot Agreement, superseding the 1979 Parking Lot Agreement.

On November 20, 1997, OMSI sold its remaining leasehold, including improvements in its museum site adjoining the parking lot to the City of Portland. The City of Portland intends to renovate the museum and relocate its Children's Museum to that site. Further, on November 20, 1997, OMSI sold its remaining leasehold interest in the parking lot and, subject to the consent of Metro and World Forestry Center, assigned its rights and delegated its responsibilities under the 1994 Parking Lot Agreement to the City of Portland.

However, under Section 15 of the 1994 Parking Lot Agreement, no party may assign its interest without the consent of the other parties. In addition, under Section 2 of the 1994 Parking Lot Agreement, if a party ceases its operations adjacent to the parking lot, its interest in the 1994 Parking Lot Agreement terminates. Therefore, the City of Portland has requested Metro's consent to this assignment and delegation.

The Executive Officer recommends that the Metro Council authorize execution of this agreement in order for City of Portland to take the place of OMSI in the Parking Lot Agreement so the three parties to the Parking Lot Agreement can operate the parking lot in an orderly manner and resolve outstanding issues regarding the amount of parking fees to be charged when the light rail station opens and other related matters.

Recommendation

The Executive Officer recommends Council approval of Resolution 97-2589.

Agenda Item Number 9.1

Resolution No. 98-2590, For the Purpose of Authorizing Change Order No. 23 to the Contract for Waste Transport Services.

Contract Review Board

**Metro Council Meeting
Thursday, January 8, 1998
Council Chamber**

BEFORE THE METRO COUNCIL

FOR THE PURPOSE OF AUTHORIZING) RESOLUTION NO. 98-2590
CHANGE ORDER NO. 23 TO THE CONTRACT)
FOR WASTE TRANSPORT SERVICES) Introduced by Mike Burton,
) Executive Officer

WHEREAS, Metro has entered into a certain Waste Transport Services Agreement with Jack Gray Transport, Inc. ("JGT") for the transportation of mixed solid waste from the Metro Central and Metro South Transfer Stations to the Oregon Waste Systems, Inc. disposal site in Arlington, Oregon; and

WHEREAS, Change Order No. 21 to the Waste Transport Services Agreement requires the prior written consent of Metro before any assignment of the Agreement; and

WHEREAS, on September 24, 1997, JGT entered into an Asset Purchase Agreement with Gary I. Goldberg to convey the assets and business of JGT relating to the transport of municipal solid waste; and

WHEREAS, under the Asset Purchase Agreement, Goldberg obtained the right to assign his rights to acquire the assets and business of JGT; and

WHEREAS, on September 29, 1997, Goldberg entered into an Assignment of Asset Purchase Agreement with Aasche Transportation Services, Inc. ("Aasche"), and JGT has provided its consent thereto; and

WHEREAS, Aasche has formed a separate subsidiary named Specialty Transportation Services, Inc. ("STS") solely for the purpose of owning and operating the assets and solid waste transport business acquired from JGT; and

WHEREAS, Metro has received a written request from Goldberg for consent and approval of the assignment of the Waste Transport Services Agreement to Goldberg and the Aasche for operation by STS; and

WHEREAS, Metro's Regional Environmental Management Department Staff and its consultants have reviewed the stated criteria for approval of the assignment; analyzed various correspondence, agreements, and financial reports; and prepared findings; and

WHEREAS, Metro's Regional Environmental Management Department Staff, based upon such findings, has recommended approval of the assignment of the Waste Transport Services Contract to STS; and

WHEREAS, Aasche and STS have entered into certain financial agreements with lenders in which STS and its lenders expressly recognize Metro's right and priority, in the event of any default, to assume control of Specialty Transportation Services, Inc.'s, transport operations as specified in the attached Change Order No. 23; and

WHEREAS, All financial agreements of STS protect the assets of STS from use or access by Aasche for any reason; and

WHEREAS, It is necessary to amend the Waste Transport Services Agreement to provide for the proposed assignment and to make other necessary modifications; and

WHEREAS, Change Order No. 23, attached as Exhibit "A," provides the necessary modifications to the Waste Transport Services Agreement; and

WHEREAS, The resolution was submitted to the Executive Officer for consideration and was forwarded to the Metro Council for its approval; now therefore

BE IT RESOLVED, THAT

1. The Metro Council consents to and approves of the assignment of the Waste Transportation Services Agreement from Jack Gray Transport, Inc. to Specialty Transportation Services, Inc., as set forth in Change Order No. 23, which is attached hereto as Exhibit "A."

2. The Metro Council authorizes the Executive Officer to execute Change Order No. 23 to the Waste Transport Services Agreement, in a form substantially similar to that set forth in the attached Exhibit "A," and to obtain all final executed financial agreements with lenders within ten (10) days of their execution.

ADOPTED by the Metro Council this 8th day of January, 1998.

, Presiding Officer

Approved as to Form:

Daniel B. Cooper, General Counsel

MDF/kaj
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MODIFICATIONS TO THE CONTRACT BETWEEN
METRO AND JACK GRAY TRANSPORT, INC.
FOR WASTE TRANSPORT SERVICES

Metro POC: Terry Petersen, Environmental Services Manager

Contractor POC: Gary Goldberg, Executive Vice President

This Agreement dated as of the last signature date below, hereby amends Metro Contract No. 900848, entitled "Waste Transport Services," dated March 1, 1989, including all prior amendments (herein collectively referred to as the "Original Contract"), as provided herein:

A. Purpose

This change order provides for the assignment of the Waste Transport Services Agreement from Jack Gray Transport, Inc. to Specialty Transportation Services, Inc. and provides assurances that the assignment of the Agreement will not have a negative impact on Metro's waste transport operations.

B. Terms

- 1) Amend the definition of "Contractor" in Specifications, Section 2.0, paragraph G, by adding the following sentence:

"Contractor" shall also include any assignee or transferee of any transport obligations, duties, and responsibilities under the Contract.

- 2) Insert the following language in General Conditions, in Article 10, paragraph C:

"Within thirty (30) days of any Contractor default under Article 9, paragraph B of the Waste Transport Services Agreement, the Contractor and Metro shall agree to a modification of Article 10, paragraph C of the Waste Transfer Services Agreement to reduce the number of days within which the Contractor is allowed to cure such a default."

- 3) Amend Change Order No. 21, Section 1, penultimate paragraph, to read as follows:

"The Metro Council shall, within ninety (90) days of receipt of a written request to enter into the transaction, either approve or disapprove the request, provided that any approval shall not be unreasonably withheld."

- 4) Amend Change Order No. 21, Section 7, to read as follows:

"If Contractor does not cure a default within the time allowed herein, and Contractor either does not have a surety or the surety elects not to exercise its option under this section, the Contract shall terminate. For 180 days from the date Contractor ceases to provide service, and continuing subsequent to termination, Contractor shall make available to Metro all tractors, trailers, shuttle vehicles, trailer tippers, and all other transport-related materials, equipment (collectively, the 'Waste Transport Equipment') and personnel used or available for use in carrying out the Contract at the time Contractor ceases to provide service; provided, however, that in the event such assets are the subject of a first priority security interest in favor of a senior lender of the Contractor ('Senior Lender'), Metro shall pay the Senior Lender the monthly payment for item 'Fixed Costs' as set forth in General Conditions in Article 12, paragraph A. This provision shall survive termination of the Contract."

- 5) Amend Change Order No. 21, Section 8, to replace the current language with the following:

"5. Notice of Credit Default. In the event the Senior Lender declares Contractor to be in default under its secured credit agreement as a result of Contractor's failure to pay any of the obligations when due, and such failure remains uncured for a period of thirty (30) days after the date upon which such payment is due, Contractor shall provide Metro with a copy of such notice of default upon which Metro shall have the right to declare Contractor to be in default under this Contract, or to provide notice of Metro's intention to terminate the Contract; provided, however, that Metro shall not exercise any rights of termination or other remedy or remedies that Metro may have under the Contract for a period of 180 days from the date of such declaration or notice."

Except as modified herein, all other terms and conditions of the Original Contract and previous change orders remain in full force and effect.

JACK GRAY TRANSPORT, INC.

METRO

Signature

Signature

Print Name and Title

Print Name and Title

Date

Date

STAFF REPORT

IN CONSIDERATION OF RESOLUTION NO. 98-2590 FOR THE PURPOSE OF AUTHORIZING CHANGE ORDER NO. 23 TO THE CONTRACT FOR WASTE TRANSPORT SERVICES

Date: December 16, 1997

Presented by: Bruce Warner

PROPOSED ACTION

Adoption of Resolution No. 98-2590 would authorize Change Order No. 23 to the Contract for Waste Transport Services in order to:

1. Approve the assignment of the Waste Transport Services Agreement to Specialty Transportation Services, Inc.; and
2. Make substantive changes to the Waste Transport Services Agreement to provide assurances that the assignment of the Agreement will not have a negative impact on Metro's waste transport operations; and

FACTUAL BACKGROUND AND ANALYSIS

In October 1997, Metro received informal, verbal notice from Gary I. Goldberg ("Goldberg") regarding a planned acquisition of the municipal solid waste transportation division of Jack Gray Transport, Inc. ("JGT") and the assignment of the Waste Transport Services Agreement to Specialty Transportation Services, Inc. ("STS").

On October 24, 1997, Metro sent a letter to Goldberg indicating that a change in control requires the prior written consent of Metro, whose consent may be based on stated criteria provided in Change Order No. 21 to the Waste Transport Services Contract between Metro and JGT. A copy of the letter and a copy of Change Order No. 21 are attached. The criteria from Change Order No. 21 are shown below.

Change Order No. 21

Change Order No. 21 to Contract No. 900848 between Metro and Jack Gray Transport, Inc. requires that "any change in control or the transfer of a controlling interest in stock ownership of Contractor shall require the prior written consent of Metro." The Change Order also requires that "Contractor shall give Metro a written request to approve the change in control prior to any change in control taking effect. If a change in controls occurs without prior written notice to Metro, such change shall constitute a material breach of the contract and Metro, in its sole discretion, may terminate this contract for such breach."

In determining whether to approve or disapprove a request by the Contractor to sell the company, Metro may take the following criteria into consideration, according to Change Order No. 21:

- (1) Whether the proposed purchaser is of sufficient size to perform the obligations required in the agreement.

(2) Whether the proposed purchaser has sufficient financial resources to fill the operational and financial guarantees specified in the agreement.

(3) Whether the proposed purchaser has sufficient favorable experience providing services similar to those required in the agreement.

(4) The nature of any other commitments which the proposed purchaser may have in related solid waste disposal services either nationally or within the Metro service area.

30 Day Requirement

Change Order No. 21 provides that "Metro shall within thirty (30) days of receipt of a request to enter into the transaction either approve or disapprove the request, provided such approval shall not be unreasonably withheld. If Metro requests information regarding the above criteria the thirty (30) day approve/disapprove time period shall begin upon satisfactory response by the Contractor to Metro."

Goldberg Response

On November 14, 1997, Goldberg sent a letter to Metro stating that on September 24, 1997, he entered into an asset purchase agreement with JGT to purchase the assets and business relating to the municipal solid waste business of JGT. Under the asset purchase agreement, Goldberg had the right to assign his rights to acquire such assets and business to a funding source. On September 29, 1997, Goldberg entered into an assignment of asset purchase agreement with Aasche Transportation Services, Inc. ("Aasche"). The consent of JGT to the assignment was executed on October 15, 1997. Goldberg stated that the closing of the acquisition is expected to occur on January 2, 1997.

In his letter of November 14, 1997, Goldberg included a description of Aasche and indicated that Aasche has formed a separate subsidiary solely for the purpose of taking title to the assets relating to the waste hauling business acquired from JGT. The subsidiary, known as Specialty Transportation Services, Inc. ("STS") is a newly formed Illinois subsidiary and will be 100% owned by Aasche. The President of STS will be Goldberg. Goldberg will enter into a long term employment agreement with Aasche to direct the entire operations of STS.

The November 14, 1997 letter from Goldberg addresses the criteria provided in Change Order No. 21 and states that Goldberg and Aasche satisfies all of the criteria necessary in obtaining the consent of Metro to the assignment of the Waste Transport Services Agreement. A copy of the letter is attached.

Requests for Additional Information

On November 18, 1997, Metro sent a letter to Goldberg requesting additional information, including copies of assignment documents to assist Metro in the evaluation of the proposed change of ownership. A copy of the letter is attached.

On November 20, 1997, Goldberg sent a letter to Metro addressing the questions asked by Metro in its letter of November 18, 1997. A copy of the letter is attached.

On November 26, 1997, Metro sent another letter to Goldberg requesting additional information regarding Aasche and STS, including documents that establish the relationship between Aasche and STS. A copy of the letter is attached.

Metro received a letter dated December 2, 1997, from Joel R. Schaidler of Sachnoff & Weaver, Ltd., counsel to Aasche and STS, addressing the questions asked by Metro in its letter of November 26, 1997. Attached to Mr. Schaidler's letter was a copy of the Articles of Incorporation and Bylaws of STS and a copy of the stock certificate issued to Aasche, its sole stockholder and a copy of balance sheets and a 12-month projected operating statements of STS. A copy of Mr. Schaidler's letter is attached.

On December 2, 1997, Metro sent a letter to Goldberg requesting a 30-day extension for reviewing the proposed change in ownership of Jack Gray Transport, Inc. A copy of the letter is attached.

On December 5, 1997, Metro staff met with Goldberg to discuss the proposed assignment of the Waste Transport Services Agreement to STS.

FINDINGS

Metro's Regional Environmental Management Department, Office of Legal Counsel, and the Administrative Services Department, with assistance from Clancy, Gardiner, & Pierce, financial consultants, reviewed and analyzed various correspondence, agreements, financial reports, etc. Findings are shown below:

(1) The proposed purchaser is of sufficient size to perform the obligations required in the Waste Transport Services Agreement. Under the Asset Purchase Agreement, substantially all of the assets and business of the waste hauling division of JGT are being acquired, including eight truck terminal properties, waste contracts, equipment, rolling stock, inventory, parts, supplies, automobiles, computer equipment, and software at the terminal locations. After closing, almost all of the 280 employees of the waste hauling division of JGT including terminal managers, drivers, mechanics and office personnel at the Arlington terminal and other locations will be hired by STS. STS will be the same size and will consist of the same assets and personnel as the existing waste hauling division of JGT

(2) The proposed purchaser has sufficient financial resources to fill the operational and financial guarantees specified in the agreement. It is anticipated that several lending institutions and investors will provide financing for the acquisition as well as working capital and other financing needs associated with the waste hauling business. Mellon Bank has been JGT's lender for the past 18 years. It is anticipated that a \$7,000,000 line of credit will be established to service the ongoing financing needs of STS.

Under the Asset Purchase Agreement, the retainage deposit of \$2.5 million is being acquired. These funds will remain at STS and will not be transferred to Aasche. As additional protection for Metro, one of the conditions of approval in Resolution No. 98-2590 is that all financial agreements entered in to by STS shall expressly recognize Metro's right and priority, in the event of any default, to assume control of STS transport operations as specified in Change Order No. 23.

(3) The proposed purchaser has sufficient favorable experience providing services similar to those required in the agreement. The same key management personnel as well as the drivers, mechanics and office personnel presently servicing Metro under the Waste Transport Services Agreement will continue after the proposed acquisition. Most of the key individuals have been involved in the Metro project since its inception in 1989.

(4) The proposed purchaser does not have any other commitments in related solid waste disposal services. Neither Aasche nor Goldberg have any other commitments to provide solid waste disposal services, either nationally or within the Metro service area.

(5) Metro has adequate control of the waste transport operations in the event of a default by the Contractor. Metro's Office of Legal Counsel believes that the existing Waste Transport Contract gives Metro adequate protection in the event of a default by STS.

STAFF RECOMMENDATIONS

Metro's Regional Environmental Management Department recommends approval of the assignment of the Waste Transport Services Contract to Specialty Transportation Services, Inc. with the following conditions:

1. Extend the time during which Metro has the right to operate equipment in case of default by Contractor from 90 days to 180 days.
2. Ensure that Metro has the right to all material and equipment in case of default (current contract includes just tractors, trailers, and shuttle vehicles).
3. All financial agreements into which STS enters into shall protect STS assets from use or access by Aasche for any reason.
4. Improve conditions of approval (e.g. 90 rather than 30 days for Metro Council approval).
5. Clarify conditions under which a Credit Default will be reported to Metro.

BUDGET IMPACT

None

EXECUTIVE OFFICER RECOMMENDATION

The Executive Officer recommends approval of Resolution No. 98-2590.

RRB:

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METRO

October 24, 1997

Gary I. Goldberg
Executive Vice President
Jack Gray Transport, Inc.
4600 East 15th Avenue
Gary, Indiana 46403

Re: Jack Gray Transport, Inc. - Proposed Change of Ownership

Dear Gary:

Thank you for organizing last week's outing and giving us an informed opportunity to become acquainted with executives from Aasche Transportation Services, Inc. I was very interested in learning more about the planned acquisition of the municipal solid waste transportation division of Jack Gray Transport, Inc.

As you know, earlier this year, the Metro Council approved a Change Order to the Waste Transport Services Contract between Metro and Jack Gray Transport which dealt particularly with the change of ownership provisions of the contract. A copy of that change order is enclosed for your review. Under those provisions, a change in control of the contractor requires the prior written consent of Metro, whose consent may be based on stated criteria.

Accordingly, I have instructed Metro Regional Environmental Management staff to prepare for review of the proposed change of ownership. I anticipate that my staff and staff members from other Metro departments will be in contact with you shortly to obtain information to evaluate the proposed change of ownership.

We look forward to working with you regarding the proposed transaction. As always, please call me if you have any questions.

Sincerely,

Bruce Warner, Director
Regional Environmental Management

Enclosure

GARY L. GOLDBERG
7418 OAK AVENUE
GARY, INDIANA 46403

November 14, 1997

BY FACSIMILE

Mr. Bruce Warner
Regional Environmental Management
Metropolitan Service District
600 Northeast Grand Avenue
Portland
Oregon, 97727

Re: Jack Gray Transport, Inc./Gary L. Goldberg/Aasche Transportation
Services, Inc.

Dear Bruce:

Reference is made to a certain Waste Transport Services Agreement ("Waste Transport Services Agreement") dated March 1, 1989, as amended, between Metropolitan Service District ("Metro") and Jack Gray Transport, Inc. ("JGT").

On September 24, 1997 Gary I. Goldberg ("Goldberg") entered into an asset purchase agreement ("Asset Purchase Agreement") with Jack Gray Transport, Inc. to purchase the assets and business relating to the municipal solid waste business of JGT. Under the Asset Purchase Agreement, Goldberg had the right to assign his rights to acquire such assets and business to a funding source. On September 29, 1997, Goldberg entered into an Assignment of Asset Purchase Agreement with Aasche Transportation Services, Inc. ("Aasche"). The consent of JGT to the assignment was executed on October 15, 1997. The closing of the acquisition is expected to occur on January 2, 1997.

Aasche is a 58-year-old non-union, truckload carrier that operates primarily in the temperature-controlled segment of the transportation services industry. Aasche transports a variety of foods and other products that require temperature-controlled service. In 1996, Aasche had gross revenues of \$77 million. Aasche has been a publicly traded company since 1994 and its shares trade on the Nasdaq National Market.

Mr. Bruce Warner
November 14, 1997
Page 2

Aasche has formed a separate subsidiary solely for the purpose of taking title to the assets relating to the waste hauling business acquired from JGT. The subsidiary, known as Specialty Transportation Services, Inc. ("STS") is a newly formed Illinois subsidiary and will be 100% owned by Aasche. The President of STS will be Goldberg. Goldberg will enter into a long term employment agreement with Aasche to direct the entire operations of STS. Goldberg is a presently and will continue to be a director of Aasche after the closing of the proposed acquisition.

The Waste Transport Services Agreement relates to certain of the assets and business being acquired by Goldberg and Aasche. Accordingly, request is made to Metro for the consent to the assignment of the Waste Transport Services Agreement to Goldberg and Aasche. In considering a request for consent under the Waste Transport Services Agreement, it is acknowledged that Metro may take into consideration the following criteria: (1) whether the proposed purchaser is of sufficient size to perform the obligations required in the agreement; (2) whether the proposed purchaser has sufficient financial resources to fill the operational and financial guarantees specified in the agreement; (3) whether the proposed purchaser has sufficient favorable experience providing services similar to those required in the agreement; and (4) the nature of any other commitments which the proposed purchaser may have in related solid waste disposal services either nationally or within the Metro service area.

For the reasons described below, Goldberg and Aasche satisfies all of the criteria necessary in obtaining the consent of Metro to the assignment of the Waste Transport Services Agreement.

(1) Whether the proposed purchaser is of sufficient size to perform the obligations required in the agreement.

Under the Asset Purchase Agreement, substantially all of the assets and business of the waste hauling division of JGT are being acquired, including eight terminal properties, waste contracts, equipment, rolling stock, inventory, part, supplies, automobiles, and computer equipment and software at the terminal locations. After the closing, substantially all of the 280 employees of the waste hauling division of JGT including terminal managers, drivers, mechanics and office personnel at the Arlington terminal and other locations will be hired by STS. In addition to Goldberg, Dennis Gronquist, Arlington Terminal Manager, Doug DeVries, Seattle Terminal Manager and Ray Brogan, Portland Terminal Supervisor are expected to join STS. STS will be the same size and will consist of the same assets and personnel as the existing waste hauling division of JGT. Therefore, the proposed purchaser is of sufficient size to perform the obligations required in the Waste Transport Services Agreement.

Mr. Bruce Warner
November 14, 1997
Page 3

(2) *Whether the proposed purchaser has sufficient financial resources to fill the operational and financial guarantees specified in the agreement.*

It is anticipated that Mellon Bank will provide financing for the acquisition as well as working capital and other financing needs associated with the waste hauling business. Mellon Bank has been JGT's lender for the past 18 years. It is anticipated that a \$7,000,000 line of credit will be established to service the ongoing financing needs of STS.

Under the Asset Purchase Agreement, the retainage deposit of \$2.5 million is being acquired. These funds will remain at STS and will not be transferred to Aasche.

(3) *Whether the proposed purchaser has sufficient favorable experience providing services similar to those required in the agreement;*

As indicated in (1) above, the same key management personnel including Messrs. Goldberg, Gronquist, DeVries and Brogan as well as the drivers, mechanics and office personnel presently servicing Metro under the Waste Transport Services Agreement will continue after the proposed acquisition. Most of the key individuals, especially Goldberg, have been involved in the Metro project since its inception in 1989. JGT's performance during the entire contract period has been highly regarded by Metro. Therefore, the proposed purchaser has sufficient favorable experience providing the same services similar to those required in the agreement.

(4) *The nature of any other commitments which the proposed purchaser may have in related solid waste disposal services either nationally or within the Metro service area.*

Neither Aasche nor Goldberg have any commitments to provide solid waste disposal services either nationally or within the Metro Service area.

For the reasons described above, Goldberg and Aasche satisfy the criteria considered by Metro in granting the necessary consent to the proposed acquisition. If you require any further information please contact the undersigned.

Very truly yours,



Gary I. Goldberg



METRO

November 18, 1997

Gary I. Goldberg
Executive Vice President
Jack Gray Transport, Inc.
4600 East 15th Avenue
Gary, IN 46403

Re: Jack Gray Transport, Inc. - Proposed Change of Ownership

Dear Gary:

Thank you for your letter dated November 14, 1997, addressing the criteria necessary to obtain the consent of Metro to the assignment of the Waste Transport Services Agreement.

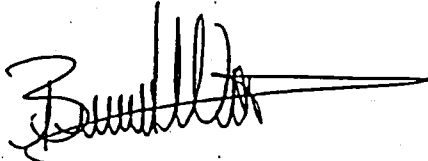
To assist us further in the evaluation of the proposed change of ownership, Metro requests the following information:

1. What is Aasche's long-term business strategy related to acquisitions of other trucking operations?
2. How is Jack Gray Transport expected to fit into Aasche from an operational and strategic perspective? Specifically, where are accounting and administrative-related functions related to Jack Gray expected to be performed?
3. What other kinds of restructuring of Jack Gray's operations are expected? Will any restructuring include reduction of either personnel or rolling stock?
4. Is there any outstanding or pending litigation that could have a material impact on Aasche's operations?
5. Are third quarter 1997 financial results available?
6. Can Aasche provide contact names for its principal lenders?
7. Please provide a copy of the Assignment of Asset Purchase Agreement with Aasche Transportation Services, Inc., entered into on September 29, 1997; a copy

of the consent of Jack Gray Transport to the assignment, executed on October 15, 1997; and, when available, a copy of the final acquisition document (the closing of the acquisition expected to occur on January 2, 1998).

We look forward to working with you regarding the proposed transaction. As always, please call me if you have any questions.

Sincerely,

A handwritten signature in black ink, appearing to read "Bruce Warner", with a long horizontal flourish extending to the right.

Bruce Warner
Director of Regional Environmental Management

BW: rb/ajb

51SHAREBARKLETTERS1111GOLD LTR

GARY L. GOLDBERG
7418 OAK AVENUE
GARY, INDIANA 46403

November 20, 1997

BY FACSIMILE

Mr. Bruce Warner
Regional Environmental Management
Metropolitan Service District
600 Northeast Grand Avenue
Portland, Oregon 97727

Re: Jack Gray Transport, Inc./Gary I. Goldberg/Aasche Transportation
Services, Inc.

Dear Bruce:

The following is in response to your letter dated November 18, 1997:

1. At the present time, Aasche's long-term business strategy related to acquisitions of other trucking operations is to pursue acquisition opportunities to enhance Aasche's strategic, financial and operational objectives, particularly in the transportation of municipal solid waste. After completion of the acquisition of the municipal waste segment of Jack Gray Transport, Inc. ("JGT"), Aasche may seek to acquire other companies to enhance the position of the municipal waste segment as the only national and the largest for-hire carrier for municipal solid and special waste in the United States. By seeking suitable acquisitions, Aasche believes that it will have greater access to new major customers in geographic markets, in addition to those currently serviced by the municipal waste segment, by acquiring smaller independent firms or by merging with one or more of the mid-sized regional haulers. It is not Aasche's intention to engage in any other aspect of the waste services business other than transportation.

2. As a direct subsidiary of Aasche Transportation Services, Inc. ("Aasche"), the municipal waste segment of JGT is expected to fit well both from an operational and strategic perspective. As explained in my November 14, 1997 letter, upon completion of the acquisition, the municipal waste segment will be operated as a separate subsidiary of Aasche to be known as Specialty Transportation Services, Inc. ("STS"). STS will service the waste contracts from the eight terminals which are being acquired from JGT. The operations of STS will be directed by Gary Goldberg, President of STS.

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Mr. Bruce Warner
November 20, 1997
Page 2

Many administrative functions will continue to be performed at the existing terminal sites including preparation of bills and payables and preparation of documents for payroll. This information will then be sent to STS's headquarters where each bill will be reviewed, audited and verified by management. STS is expected to have an administrative and accounting staff to provide billing, collection and payroll services.

Aasche expects to provide administrative and accounting support to STS on an as needed basis similar to the level of support presently being provided by JGT. Aasche has an AS400 computer system with a database management system which will be linked to STS to provide accounting and other information to STS management. The accounting related functions provided by Aasche will be under the direction of Leon Monachos, Aasche's Chief Financial Officer.

3. The operations of the eight terminals being acquired are expected to continue to be managed by their present managers, who will become employees of STS upon the closing of the acquisition. All of the tractors, trailers, tippers and other equipment located at various terminals are being acquired to service the various waste contracts and business of STS. After the closing, substantially all of the 280 employees of the waste hauling division of JGT including terminal managers, drivers, mechanics and office personnel at the Arlington terminal and other locations will be hired by STS. In addition to Mr. Goldberg, Dennis Gronquist, Arlington Terminal Manager, Doug DeVries, Seattle Terminal Manager and Ray Brogan, Portland Terminal Supervisor are expected to join STS. STS will be the same size and will consist of the same assets and personnel as the existing waste hauling segment of JGT. Accordingly, no reductions in either personnel or rolling stock are expected as a result of the acquisition.

4. As of the present time, Aasche has no outstanding or pending litigation that could have a material impact on Aasche's or STS' operations.

5. A copy of Aasche's Form 10-Q for Quarter Ended September 30, 1997 as filed with the Securities and Exchange Commission has been sent to you under separate cover.

6. The name of Aasche's principal lenders are:

LaSalle National Bank
135 South LaSalle Street
Chicago, Illinois 60603
Attention: Thomas G. Estey, Vice President, Commercial Banking
Telephone: (312) 904-5249

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TO *002312199386866 P.04/04


Mr. Bruce Warner
November 20, 1997
Page 3

Associates Leasing, Inc.
375 Bishop Way
Suite 320
Brookfield, Wisconsin 53005
Attention: Henry Ahlers
Telephone: (414) 789-7173

7. Copies of (i) the Assignment of Asset Purchase Agreement, (ii) the Consent of Jack Gray Transport, Inc. and (iii) Asset Purchase Agreement have been sent to you under separate cover.

If you have any questions or require further information regarding this matter, please call me.

Very truly yours,



Gary I. Goldberg



METRO

Bruce A. Warner, P.E.
TEL 503-797-1661
FAX 503-797-1795

November 26, 1997

Gary Goldberg
Jack Gray Transport
4600 East 15th Avenue
Gary, Indiana 46403

VIA FACSIMILE: 219-938-6866

Dear Mr. Goldberg:

After reviewing the information that you have provided Metro to date regarding the proposed asset purchase and assignment to Aasche Transportation Services, Inc., Metro is requesting the following additional information:

1. In your letter of November 14, 1997, you state that Aasche has formed a separate subsidiary known as Specialty Transportation Services, Inc (STS). Please provide Metro with copies of documents that establish the relationship between Aasche and STS. These would include, but not be limited to, articles of incorporation and bylaws.
2. Please provide the purchase price analysis that was used to set the purchase price of \$30 million for Jack Gray Transport assets. In addition, please provide Metro with pro forma balance sheets and 12-month projected operating statements that indicate that future revenues of STS and/or Aasche will be sufficient to meet financial obligations associated with the purchase of Jack Gray assets. The pro forma balance sheet would be as of the closing date to include acquisition of the assets, funding, and capital.
3. The Form 10-Q you submitted to Metro on November 20, 1997 states that "necessary financing must be obtained by November 30, 1997". Has such financing been obtained? If so, please provide Metro with copies of the lending agreements, including any security provisions in favor of the lender that might conflict with Section 7 of Change Order No. 21 regarding Metro's right to Jack Gray equipment for 90 days in case of default.
4. Dun and Bradstreet has classified Aasche as a firm with a failure rate that is 10.73 times higher than the national average. The November 12, 1997 Aasche press release on third quarter revenues and earnings states that Aasche's decrease in earnings was due in part to a driver shortage problem. What assurances can you provide Metro that problems like this will not have a negative impact on our transport operations?

Thank you for your response to the above requests.

Sincerely,

Bruce A. Warner, Director
Regional Environmental Management

BAW:ae

cc: Terry Petersen, Environmental Services Manager
Marv Fjordbeck, Senior Assistant Counsel

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December 2, 1997

BY FACSIMILE

Mr. Bruce Warner
Regional Environmental Management
Metropolitan Service District
600 Northeast Grand Avenue
Portland, Oregon 97727

Re: **Jack Gray Transport, Inc./Gary I. Goldberg/Aasche Transportation Services, Inc./Specialty Transportation Services, Inc.**

Dear Mr. Warner:

We are counsel to Aasche Transportation Services, Inc. ("Aasche") and Specialty Transportation Services, Inc. ("STS"). The following is in response to your letter dated November 26, 1997 to Gary I. Goldberg:

1. Enclosed is a copy of the Articles of Incorporation and Bylaws of STS and a copy of the stock certificate issued to Aasche, its sole stockholder.

2. The purchase price of \$30 million for the municipal solid waste assets of Jack Gray Transport, Inc. ("JGT") was determined based on arm's length negotiations between Mr. Gray and Mr. Goldberg and represented the lowest price Mr. Gray was willing to accept for the assets. Based on internal projections prepared by Mr. Goldberg, which showed the transaction to be accretive, Mr. Goldberg agreed to the \$30 million purchase price.

Enclosed are pro forma balance sheets and 12-month projected operating statements of STS which you requested.

3. As of November 30, 1997 Aasche has received, and is presently reviewing, several proposals from commercial banks, investment funds and investment banks relating to the financing necessary to acquire and operate the business. Therefore, lending documents are not yet available. However, based on preliminary discussions with its proposed lender regarding

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Section 7 of Change Order No. 21, Aasche believes that such lender will not interfere with Metro's right to the equipment for 90 days in the case of default. Aasche further believes that its proposed lender will furnish you with a letter to that effect. Enclosed herewith are copies of the proposals which Aasche has received from its potential financing sources.

4. Although the Dun & Bradstreet classification is based on the recent losses reported by Aasche, the report is not reflective of Aasche's present financial condition. Aasche is a 58 year old trucking company with a long history of profitability and growth. In 1994, Aasche became a public company after completing an initial public offering and since that time, its shares have traded on the Nasdaq National Market. Since 1994, Aasche's auditors have been Ernst & Young LLP who have issued unqualified opinions to Aasche's financial statements in each year.

In 1995, Aasche acquired AG Carriers, Inc. and Polar Express Corporation. As a result of the Polar acquisition, Aasche reported a net loss due to certain non-recurring charges relating to the acquisition and other non-operating charges. Because the transaction was accounted for as a pooling of interests, the net income previously reported by Aasche in 1994 was converted to a net loss. In 1996, Aasche again reported a net loss due principally to additional one-time, non-operating charges resulting from the Polar acquisition. These were extraordinary charges taken as a result of a complicated acquisition of a company which proved to be in poor operating condition and as a result of the unexpected restructuring that occurred shortly after the completion of the acquisition. Having completed the restructuring, however, Aasche believes that its financial picture has significantly improved and Aasche has positioned itself for future growth and profitability. Further, no additional charges are expected as a result of the Polar acquisition or the restructuring.

The poor operating results in 1995 and 1996 were also reflective of the difficulties that were generally experienced by most transportation services companies in the industry. Most trucking companies, particularly long-haul truckload carriers such as Aasche, faced a severe driver shortage problem, a sluggish economy, competitive pricing and increased fuel prices. As a result, many public transportation service companies in the industry reported either net losses or less than favorable net earnings in 1995 and 1996. However, in the latter half of 1996 and thus far in 1997, industry pricing has begun to firm, fuel prices have stabilized and the economy has improved. The positive improvements in the economy and in the transportation services industry, in particular, have translated into higher gross revenues and earnings for Aasche to date in 1997.

Although Aasche has reported net earnings in each of the three quarters this year, the shortage of qualified drivers to drive long-haul has contributed to a lower utilization of equipment and correspondingly lower net earnings. However, Aasche is addressing the driver

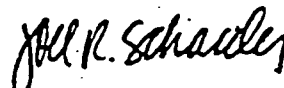
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Attorneys at Law

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shortage issue by expanding its regional trucking operations which will reduce the miles drivers are required to drive, allow the drivers to be home more frequently and correspondingly decrease the rate of driver turnover. Aasche further believes that the acquisition of the municipal solid waste assets of JGT will complement Aasche's regionalization strategy by creating opportunities for Aasche to penetrate markets in the same areas where STS will have its regional hauling business. Aasche intends to continue its commitment to providing drivers with the latest model tractors equipped with satellite communications systems and other features and to offer drivers competitive wages and benefits. Aasche enjoys an excellent reputation in the temperature-controlled segment of the transportation services industry and is a "core carrier" for national shippers such as Coca-Cola, Hershey, Tropicana Foods and S.C. Johnson Wax. Aasche currently has a sufficient number of drivers and believes that it will continue to be able to attract a sufficient number of drivers, particularly as Aasche continues to move its operations toward servicing the regional markets.

If you have any questions or require further information regarding this matter, please call me.

Very truly yours,



Joel R. Schaidler
for SACHNOFF & WEAVER, LTD.

JRS/idi
ENCL

cc: Marv Fjordbeck (w/encl.)



METRO

December 2, 1997

Gary I. Goldberg
Executive Vice President
Jack Gray Transport, Inc.
4600 East 15th Avenue
Gary, Indiana 46403

VIA FAX No. (219) 938-7020

Re: Request for Extension

Dear Gary:

Metro is hereby requesting a 30-day extension for reviewing the proposed change in ownership of Jack Gray Transport, Inc.

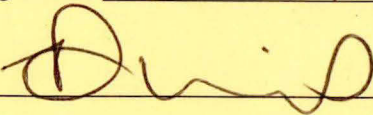
Sincerely,

Bruce Warner, Director
Regional Environmental Management

BW:clk
cc: Marv Fjordbeck, Senior Assistant Counsel
Terry Petersen, Manager, Environmental Services
GRAY1202.LTR

METRO COUNCIL VOTE RECORD FOR 1998 ELECTION OF PRESIDING OFFICER

Vote for Presiding Officer: JON KAVISTAD

Signature: 

METRO COUNCIL VOTE RECORD FOR 1998 ELECTION OF PRESIDING OFFICER

Vote for Presiding Officer: JOHN KVESTAD

Signature: Edward J. Washburn

1998 ELECTION RECORD

CITY OF METRO COUNCIL

METRO COUNCIL VOTE RECORD FOR 1998 ELECTION OF PRESIDING OFFICER

Vote for Presiding Officer: Jon Kvistad

Signature: [Handwritten Signature]

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METRO COUNCIL VOTE RECORD FOR 1998 ELECTION OF PRESIDING OFFICER

Vote for Presiding Officer: Jon Kusted

Signature: Alice Nantz

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METRO COUNCIL VOTE RECORD FOR 1998 ELECTION OF PRESIDING OFFICER

Vote for Presiding Officer: Kristen

Signature: P. McCarty

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METRO COUNCIL

METRO COUNCIL VOTE RECORD FOR 1998 ELECTION OF PRESIDING OFFICER

Vote for Presiding Officer: Kvistad

Signature: [Handwritten Signature]

METRO COUNCIL VOTE RECORD FOR 1998 ELECTION OF PRESIDING OFFICER

Vote for Presiding Officer: Susan McLain

Write in

Signature: Susan McLain