

MINUTES OF THE METRO COUNCIL WORK SESSION MEETING

Tuesday, March 20, 2007
Metro Council Chamber

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

Councilors Absent:

Deputy Council President Park convened the Metro Council Work Session Meeting at 2:03 p.m.

1. DISCUSSION OF AGENDA FOR COUNCIL REGULAR MEETING, MARCH 22, 2007//ADMINISTRATIVE/CHIEF OPERATING OFFICER COMMUNICATIONS

Jim Desmond, Regional Parks and Greenspaces Director, briefed Council on this morning's natural areas bond sale. J.P. Morgan purchased \$125 million of the bonds at a premium. Metro's recent double triple-a bond rating translated into millions of additional dollars for property purchase, as well as a lower charge to taxpayers. The remaining \$102 million would be issued in about three to four years.

Council President Bragdon reviewed the March 22, 2007 Metro Council agenda. Councilor Burkholder stated that Ordinance 07-1145 was for opinion research on the public's appetite for funding natural areas operations and maintenance. The money would come from the Mt. Talbert project, since that would now be funded from the bond measure. Councilor Harrington wanted to make sure the survey accurately reflected public opinion. Council President Bragdon mentioned St. Louis and Chicago as areas that had been doing good work with their natural areas. Council discussed ways combining Parks and Zoo efforts to maximize conservation education efforts.

2. MEASURE 37 CLAIMS INVOLVING TITLE 4 PROPERTIES, SOME WITH TITLE 2 LIMITATIONS

Dick Benner, Senior Attorney, reported that the planning department had organized Metro's Measure 37 claims putting the easier ones first. Metro was now facing six Title 4 claims; two were similar to the recent Damascus-area claims. The other four involved property that had been inside city limits and within the urban growth boundary (UGB) for quite a while. Mr. Benner stressed that the corridor overlay on some of the properties did not affect the claims. The burden was on the claimants to prove that the Title 4 limitations themselves had reduced the value. Sonny Conder, Principal Regional Planner, added that the claims seemed extreme. Even though property values in those areas had increased tenfold over a decade, claimants were requesting millions of dollars in lost value. The claimants' basis for value loss was freedom from any controls whatsoever, not a specific regulation that resulted in a particular loss. The Title 4 claims epitomized the difference in valuation methods.

Councilor Burkholder felt that Oregon's pattern of land use regulations had actually raised property values. Measure 37 was supposed to be for actual loss of value, not some hypothetical diminishment of the highest possible value. He wanted our message to be that we had actually enriched these people through our actions. We could deny the claims strictly on the numbers, but we ought to promote our message also. Councilor Newman asked Mr. Benner's opinion as to whether we should change our valuation methods. Mr. Benner thought not. Councilor Newman stated his confidence in staff's methods.

Councilor Newman asked about the depth of the corridor overlay; Ray Valone, Principal Regional Planner, said the default was 360 feet on each side. Mr. Benner suggested that, if we faced a situation where we concluded that land with an industrial designation and a corridor overlay had in fact been reduced in value, the remedy would be to implement the corridor overlay. Councilor Park detailed a hypothetical situation regarding an industrial area that wanted to put a “big box” in, and the owner was capitalizing on capacity that had been preserved by surrounding property owners. Mr. Conder responded that the issues would involve the default zoning, and what kind of land use and values would exist in the absence of Metro and other regulations. Many of the Measure 37 claims objected to more than just Metro’s regulations. Regarding Councilor Park’s hypothetical, it would depend on what would have been built there in the absence of the objectionable regulations.

Councilor Harrington asked how staff wanted Council to direct them to coordinate the claims with cities and counties in the region. Mr. Benner said they had so far unsuccessfully attempted to interest the Metro Policy Advisory Committee (MPAC). He had been doing some coordination with cities and counties and had received phone calls from city and county attorneys, wondering about Title 3 claims. Metro was going to take the position that Title 3 was exempt under Measure 37, and we wanted to encourage cities and counties to take the same stance. It was aimed at preventing water pollution. Mr. Valone shared his experience on keeping in contact with the jurisdictions. Councilor Harrington said Washington County had changed its valuation methodology and was now using proportionality. Mr. Benner said that would be a major step forward, but in order to be practical, the jurisdiction would have to go out and measure the actual reduction in value.

Councilor Hosticka asked about the valuation. Was the assumption that industrial land was worth less than other land? Mr. Conder said it was different in different areas. We would be seeing two claims at least where developed land was \$350,000 per acre, comparable to existing residential land. In other areas, such as the Damascus expansion area, market values were not low for land designated industrial, but still not comparable to residential land. Councilor Hosticka asked if we were looking at industrial value versus commercial value. Mr. Conder talked about some of the differences in those values. Councilor Hosticka asked if traffic regulations were considered land use or public health and safety. Mr. Benner said Title 4 contained provisions for building more than 60,000 square feet, if it could be demonstrated that the transportation system was adequate. The burden might be on us to demonstrate whether it was a land use or public health issue.

Councilor Liberty asked if they saw any upcoming claims with an actual reduction in value. Staff did not think so. Mr. Benner talked about the case that was being taken to the court of appeals. He felt it was important for Metro to file an amicus brief. The state’s method of determining reduction in value was acceptable. The claimant said the holding was that Metro couldn’t use its methods. The original opinion suggested that the state’s way was the only right way. Metro ought to be there at the court of appeals, making the argument that the court shouldn’t overreach and invalidate Metro’s methods. Dan Cooper, Senior Attorney, said the COO or Council could instruct staff to do it. Council gave staff the go-ahead.

3. REGIONAL FREIGHT AND GOODS MOVEMENT ACTION PLAN

Deena Platman, Senior Transportation Planner, and Bridget Wieghart, Corridor and Freight Manager, presented a PowerPoint project update and distributed a task force membership roster (a copy of each is included in the meeting record). Ms. Wieghart commented that the freight project

was closely following the Regional Transportation Plan (RTP) and New Look timelines. Ms. Platman stated that the freight project was heading into the strategy development phase. Adoption of the plan was scheduled for Fall 2007. She reviewed the key issues of system congestion, efficient network connectivity, community impacts, system management, and land use/economy. She described some of the community involvement that had been done. Truck parking had come up as a surprisingly important issue. Another big problem was regional signage.

Ms. Platman reviewed some polling results and talked about general economic trends. Consumption has been shifting to more services and high-value goods (such as prescription drugs). Another highlight was growth in US-Asia trade, all along the Pacific coast. It remained to be seen how much of this additional growth would be attracted to Portland; it would largely depend on how much we wanted to attract it. Truck freight tonnage would grow more than other modes. Under marine cargo issues, the Columbia River's 43' navigation channel was considered adequate. Regarding rail findings, the industry was shifting to a unit train model.

Ms. Platman then discussed key findings of motor carrier traffic. More than 50% of all trips entering or leaving the region moved to or from a reload facility. Surprisingly, more than 50% of trucks entering the region did not stop here. About 25% of the through movement was Oregon-based. Ms. Platman stated that a lack of reliability might interfere with access and mobility in some places. These variations were costly to businesses. Another key finding was shown in the travel time and distance to industrial lands. Traffic and congestion were factors in accidents, as was the decreasing state trooper presence. She also reviewed some of the environmental issues, such as the requirement for cleaner burning diesel engines, new standards, and diesel retrofit. Non-indigenous aquatic species arriving in ballast water was a threat.

Councilor Newman said it would be helpful for him to have a more nuanced understanding of where the priorities were. He asked about trends in tonnage by mode—was that a trend that we had no control over, or could regional policies affect it? Ms. Wieghart said it was pretty much a global trend. Trucks were the workhorses and the connectors, even if other mode use increased. Councilor Newman was concerned that that trend would ultimately become unsustainable.

Councilor Liberty said it was not clear to him what the policy choices were. He asked about air freight. Ms. Platman said that, percentage wise, air was growing faster. Councilor Liberty said a value chart would be useful. How much were we responsible beyond our region? What was our responsibility to California or Canada? Ms. Wieghart said some of it was just part of the trend; reload facilities were being used to deliver to our industrial areas. Councilor Liberty asked about the linkage to employment areas. What were the most valuable connections? His priorities were income growth, the qualitative issues of economic development, and things with the least adverse impact. What interests were we serving over what geography?

Council President Bragdon said we couldn't talk about freight generically; it was a segmented industry ranging from local bread trucks to international triple-trailers. We needed to be strategic about what we were trying to support and help. How could we make impacts that would positively affect income growth? Commuter vehicles were a limitation on freight. Expanding capacity wouldn't necessarily be good for freight. How did we create or preserve capacity on the trunk network, with competition between cars and trucks?

Councilor Burkholder also wanted help in prioritizing. We would have to balance competing priorities. He'd like to see more detail, with less aggregation. In Britain, access to labor was the limiting factor, how to move people to get them to jobs, in a knowledge-based economy. In

Southern California, during commute times, the cost for trucks went up and the cost for cars went down. That was reversed during the middle of the day. Could we use a similar strategy? He felt the information was valuable in breaking down the simplistic picture we had.

Councilor Harrington wanted to see more on the link to the 2040 growth concept, in economic development. We needed to balance economic growth in all parts of the region.

Councilor Hosticka asked if the projections were based on extrapolations from the past or on future modeling. Fuel prices and carbon emissions would be accelerating; how would that affect our strategy? What about the assumption that the economy depended on moving stuff rather than ideas or people? Regarding the public sector role in increasing capacity for non highway modes—did that mean the public would build it, and the private sector would do whatever they wanted, or could we extract some negotiated operational conclusions with them? Ms. Wiegart said the commodity flow analysis was the basis for the projections. Some of the factors had been included. They looked long term. For the most part, they did take into accounting changing logistics and operating practices. Ms. Platman said the consultants had done a reality check on the forecast, such as looking at oil insecurity.

Councilor Liberty said, 20 years ago, the idea that we would have a flow of goods from Communist China, through WalMart to the U.S., would have been mind-boggling. There would be a certain amount of uncertainty; also, economic development should be defined as qualitative as well as quantitative.

Councilor Park said the return on investment question was significant. In terms of measuring the dollar value per mode, incoming low-value products like sand may be necessary in producing outgoing high-value products. Land use and strategic investments would be crucial.

4. BREAK

5. NEW WASTE TRANSPORT CONTRACT – TRANSPORT OPTIONS STUDY BRIEFING

Dan Pitzler, CH2MHill, went through a PowerPoint presentation on the solid waste transport study (a copy is included in the meeting record). His goal was to review some scenarios and do some preliminary costing to guide the request for proposals (RFP). He went over the draft project schedule. The target contract date was the end of 2009. That dovetailed with the disposal contract. He talked about the transportation companies and terminal operators that had been interviewed, from a variety of modes. There was a high level of industry interest in this project. He reviewed the elements of the scenarios and then some specific scenarios combining barge, rail, and truck. Councilor Burkholder observed there was an assumption that the transfer stations themselves would not move. Mr. Pitzler said that could be addressed in the RFP. Councilor Burkholder asked, what if we presented it as a bid on a system, rather than a contract? Mr. Pitzler stated that other jurisdictions were working to site their facilities at railheads or barge terminals. That would lead to a whole separate set of policy questions about Metro's entire transfer system and whether we wanted to evolve into new locations for development of facilities. Mike Hoglund, Solid Waste and Recycling Director, said the issues in developing a new facility were the best site, the distance, and the permitting and processing of the site.

Mr. Pitzler talked about the values in rating the proposals, such as Metro Council goals for environmental health and Metro as a model for sustainable business practices. Environmental

sustainability and affordable rates were also important. He laid out the objectives hierarchy, outlining some of the factors they would use to evaluate the scenarios. He asked for Council feedback on where they would like to see a sensitivity analysis or add objectives.

Councilor Newman said they had not highlighted “preserve public access to disposal options.” Mr. Pitzler said they were assuming Metro South or a comparable facility would exist. Councilor Liberty said, by making a certain kind of contract, we could achieve other objectives, how would those be evaluated? Mr. Pitzler said that was intended to be handled by “enhance regional freight movement.” Councilor Liberty said, under minimize impacts to neighborhoods, the severity of the impact as well as the scope made a difference in thinking about how much weight to give it. Mr. Pitzler indicated that all the sites so far were industrial areas already zoned for that activity.

Councilor Hosticka said, since each individual weight was so low, fuel and reliability were far above the others. Mr. Hogle said, on costs, we could theoretically go as low as 25-30%. Those points could be redistributed to the other criteria.

Councilor Harrington said, on the point spread, were we going too broad in terms of the number of categories? Through the multiple transportation funding cycles, we had defined some policy objectives and technical rating was done, and then there was an evaluation. Have we taken the learnings from other major projects to find what was the optimal number of factors to take into account? Mr. Pitzler thought that eight categories was pushing it. Four to six was optimal.

Councilor Newman said reliable timely consistent service was more important, even essential; it ought to be at the top tier level, not under non-cost values.

Councilor Liberty offered some suggestions for clustering the values. What about health impacts generally?

Councilor Burkholder thought it made sense to reduce the number. Timely reliable consistent and managing risk were important for him. These needed to stand up over a long-term contract.

Mr. Pitzler said, they thought goods tended to find the appropriate path based on markets. It was difficult to generate the hub concept. If left to the private sector, they would focus on moving garbage, not on a hub. Flexibility, reliability, and risk could be regrouped. Council wanted additional sensitivity on reliability, to consider neighborhood impacts, and cost.

Councilor Park didn't want to lose sight of the fact that encompassing those areas, due to the political sensitivity, everybody had to be able to see that these areas were being considered. Mr. Pitzler said it probably would make no difference mathematically. It could be done many different ways.

Councilor Liberty acknowledged the inherent unscientific nature of the study, but it was helpful in framing the thinking. Councilor Newman said he would move more points from the cost and move it to the flexibility, reliability, managed risk.

Mr. Pitzler reviewed some policy decisions to guide the procurement process, such as preferred contract length, potential relocation of Metro South, and financing and ownership issues. They did not see an advantage in Metro going into the trucking business.

Councilor Liberty asked how we could tell if there was a benefit to Metro in investing in transport. Mr. Pitzler said the value would be in investing in hubs. He talked about next steps. Their next presentation to Council would be the end of April.

6. COUNCIL BRIEFINGS/COMMUNICATIONS

Councilor Burkholder mentioned an upcoming bus tour of the Gorge, to look at wind farms and discuss energy sustainability and methane capture. Suggested dates were May 11 or May 18.

Councilor Harrington reported on her attendance at the Washington County Board of Commissioners.

Councilor Newman reported that the co-chairs of Oregon Ways and Means would present their budget. We hoped there would be something for Milwaukie Light Rail.

Councilor Park updated the status of the process for the headquarters hotel. RFPs for the consultant were due last Friday. They discussed the role of the communications manager. Nick Popenuk, Policy Associate, said the role of the communications manager would be to coordinate information in the community, not to sell the idea that we wanted the hotel.

There being no further business to come before the Metro Council, Council President Bragdon adjourned the meeting at 4:37 p.m.

Prepared by,



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Council Operations Assistant

**ATTACHMENTS TO THE PUBLIC RECORD FOR THE MEETING OF
MARCH 20, 2007**

Item	Topic	Doc. Date	Document Description	Doc. Number
1	Agenda	3/22/07	Agenda: Metro Council regular meeting, March 22, 2007	032007c-01
3	Freight	3/20/07	To: Metro Council From: Deena Platman and Bridget Wieghart Re: Planning for Regional Freight and Goods Movement in the Portland Metropolitan Region	032007c-02
3	Freight	3/20/07	To: Metro Council From: Deena Platman and Bridget Wieghart Re: Regional Freight and Good Movement Task Force Membership Roster	032007c-03
5	Transport	3/20/07	To: Metro Council From: Dan Pitzler Re: Metro Solid Waste Transport Study, Status Update	032007c-04