

# MINUTES OF THE METRO COUNCIL WORK SESSION MEETING

Tuesday, October 16, 2007  
Metro Council Chamber

Councilors Present: Robert Liberty (Deputy Council President), Carl Hosticka, Rod Park, Kathryn Harrington

Councilors Absent: David Bragdon (excused), Rex Burkholder (excused)

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

## 1. ADMINISTRATIVE/CHIEF OPERATING OFFICER COMMUNICATIONS

Chief Operating Officer Michael Jordan began the meeting by giving an update on tax revenues collected. An update on the three-year construction excise tax was discussed. The finance department provided a handout and a status report that related to the concept planning being done under the new excise tax. COO Michael Jordan reported that the new construction tax was predicted to collect more than was spent during the first year, the second year is expected to spend more than is collected and the final year will balance the excise tax budget.

It was reported that the number of permits issued escalated before the tax took effect, after it was imposed the rate of issue dropped. It was predicted that builders were attempting to benefit by the tax avoidance and the number of permits issued was expected to return to normal.

Mr. Jordan informed the Council that there was an opportunity to extend the construction tax. That option will disappear if the tax was allowed to sunset. Councilor Harrington inquired about the action that would need to be taken to demonstrate that the tax will be continued.

In addition to the total cost, Councilor Liberty requested a breakdown of actual expenditures.

## 2. HILLSBORO INDUSTRIAL AREA CONCEPT PLANNING

Miranda Bateschell, Metro Planning Department, introduced; Pat Ribellia- City of Hillsboro Project Manager, Rob Dixon- City Manager, Frank Angelo- Project Manager, Angelo Planning Group, Dick Sheehy- CH2M Hill, Chris Zahas- Leland Consulting Group

The Council was presented with the final industrial area concept-planning proposal for the Evergreen and Helveita areas.

The Evergreen and Helveita areas were integrated into the Urban Growth Boundary in 2004/2005. The discussion and material presented at the meeting focused on the Evergreen area. Ms. Bateschell began the presentation by providing a background of the Evergreen and Helvetia areas. In 2004, special conditions were imposed that affected the Helvetia area. They stated that parcels of land greater than 50 acres could not be divided until the city adopted concept planning regulations. Conditions were imposed in 2005, which affected the Evergreen area. The concept planning regulations required that the parcel reconfiguration plan resulted in at least one parcel that was 100 acres or larger. After the initial land allocation, the parcel could be divided under Title 4 Regulations.

For several months, Hillsboro has been developing concept plans to create industrial districts in the two areas. A market analysis concluded that the area should promote large and medium size campuses. The industry and development types identified as ideal for both areas were; sustainable energy and environmental businesses, bio-tech campuses, spin-off business parks, industry research and development parks, industry suppliers, distribution businesses, and support and commercial services for the industrial users.

It was suggested that Helvetia would provide large campuses, with small parcels to support those large campuses. Helvetia would be the site for additional support and spin-off businesses. There would also be a need for a limited number of commercial spaces, to support these businesses and reduce trips outside of the work area.

All the Helvetia proposals comply with Metro regulation. Proposed changes for the Evergreen area included proposed plan amendments and zoning code ordinance. Three concept changes were provided in packets distributed at the work session. Land and employment needs of three industry sectors were considered when reaching the parcel size conclusion.

Differences between proposed and required lot sizes were discussed. Development was proposed which would limit development to acres of 50 acres or greater, rather than the 100 acres that was currently required. Title 4 regulations allowed buildings of 3000 sq ft per user in the eastern portion of the Evergreen development and 5000 sq ft per user in the western area. With a multi-tenant building, in either area, 20,000 sq ft per user was permitted. The proposed plan would instead require 500K sq ft of industrial development on the western portion and one million on the eastern portion before any commercial areas were developed. They then proposed that commercial areas be developed only in designated eastern and western nodes. It was further predicted that the commercial businesses would only support and serve the surrounding industry. Development of these nodes would require an amendment to the area plan map, city zone change and city development review.

After reviewing the proposals, Metro staff felt the proposals might be in conflict because it lacked a provision that limits the size of an individual tenant. The proposal also didn't outline the process for reviewing commercial use proposals to assure consistency. The Metro planning staff supported the proposal of clustering commercial nodes.

Councilor Park opened up questions relating to the division of the 100-acre parcels. Provisions provided in Title 4 stated that over time the 50 and 100 acre parcels could be subdivided.

Councilor Harrington inquired as to how the city of Hillsboro decided on the target industries. Councilor Hosticka questioned the process for use changes and who held approval authority. It was stated that approval was only required on initial development.

Metro Attorney Dan Cooper explained "substantial compliance" and the process in place for reviewing plans for compliance and consistency. He explained to the Council "substantial compliance" was "compliance in reality". The Metro Council could decide its meaning and could use it or impose full technical compliance requirements.

Pat Ribellia provided an overview of the project. It was noted that industry and lot size needs have changed in recent years, many industries moved overseas. Campus sites were now needed for biotech and sustainable energy. The city of Hillsboro wanted to diversify their industrial base.

(The work session was suddenly interrupted and resumed within 15 minutes.)

Dick Sheehy, CH2M Hill, answered questions about similarities and differences between the parcel requirements for the silicon industry and newly identified potential industries.

Councilor Park expressed concern about single and multiple user requirements; he questioned the outcome if they were unable to get a single user business, which met the space requirement.

It was noted that the Evergreen area was somewhat isolated. Any retail businesses would need to rely on the industry in the area and serving the daily needs of people working in the area. The eastside was expected to develop first.

Councilor Park expressed concern over inconsistencies throughout the last several years on parcel size needs and lot standards and Councilor Hosticka questioned the reliability of the lot size recommendations. The relation between economic trends and space requirements was questioned.

Meg Fernekees, Land Conservation and Development Commission (LCDC), stated that the Commission mirrored Metro's conditions for approval, she agreed that economic conditions change. She would favor flexibility and allowing the market user to determine the lot size.

Councilor Liberty summarized the options as; changing the conditions in the ordinance, finding substantial compliance, or requiring changes. Councilor Park responded that he wanted to hear back from the commission before making any changes, Councilor Hosticka agreed and added that the lot size process could use clarification and improvement. Councilor Harrington asked how the new information related to that presented in previous meetings.

The city would like to have the ordinances adopted by December. The proposed plan amendment didn't require LCDC or Metro's approval. Councilor Liberty stated that a department letter rather than commission action was sought, which would summarize what was done.

Councilor Harrington was comfortable with the intent of the plans presented and would impose substantial compliance. Councilor Liberty had concerns about substantial compliance and needed changes. All the Councilors did not object to the plans and had a passive approach to the proposed changes. However, they were not comfortable defending the city's plans if other stakeholders opposed. Councilor Hosticka felt that there was such a high level of uncertainty within the project that he didn't want to make affirmative statements about a future he was uncertain of.

In relation to the commercial nodes, Councilor Park was concerned with the single and multi-user size requirements. The Councilors also decided not to oppose this issue, however they would not publicly support it. Councilor Liberty acknowledged that the market analysis needs may change, and the likely users may change. He would also want to be updated on the project as it progressed. Councilor Hosticka supported the node and threshold idea. Councilor Park questioned what businesses would be suited for the square footage proposals. Councilor Harrington was pleased with the work that had been done, with the city's inclusion of industry experts and with the accessibility of information.

## **Opening for Councilor Position 2**

Councilor Hosticka questioned the permanence of the selection process that would be used for the Councilor vacancy.

Ken Ray, Public Affairs Department, reported that all applicants would need to be notified to inform them of the selection process that would be used. He had consulted with several Councilors on the selection process they preferred.

The Councilors questioned whether the final debate should be limited to two applicants and felt that all strong applicants should have an opportunity to participate. It was decided that the footnote relating to this topic would need further clarification.

Councilor Liberty summarized the conversation by stating that the Council would decide the final process for selection. The final number of candidates participating in the debate was at the discretion of the Council.

Councilor Park questioned the number of votes required to move an applicant forward into the debate. Mr. Ray reported that the applicants with the most votes would move ahead. After reviewing the applications and interviewing the candidates, the Councilors could decide amongst themselves who would move ahead.

Councilor Liberty felt that out of fairness to the applicants they should announce how they would make their selections, but clearly state that they have final discretion over the process. Mr. Jordan discussed the selection process and voting options.

Mr. Cooper reported that Oregon law doesn't allow the Council to have a secret vote. The minutes must record what happened. The final action to move someone forward would require at least four votes, a majority.

Councilor Liberty summarized the conversation by stating that the Council will decide how many finalists there were, this would be decided through a ballot vote. Councilors could vote for as many applicants as they want, the final selection would need a majority vote.

Councilor Harrington was uncomfortable that the guidelines were made available to candidates, but not directly made available to Councilors.

Chris Billington, Clerk of the Council, announced that several resolutions could be prepared, with the different potential candidate names, it has been planned for a judge to swear in the new Councilor prior to the Council meeting on November 1. If a vote can be taken after the debate, then preparations can be made for initiation on Nov. 1.

## **3. COUNCIL BRIEFINGS/COMMUNICATIONS**

Councilor Harrington gave a report on upcoming meetings and events.

### **Zoo strategic Master Plan**

Councilor Harrington began the discussion by expressing her concern with the process that had been used and she didn't feel that there was a Council deliberation on the zoo's strategic master plan. She stated that she requested information on the Master Plan in advance, and was informed that it wouldn't be necessary because there would be a presentation on the topic. She felt that there wasn't Council consensus on the recommendations and noted that there wasn't anything listed on upcoming Council meetings which suggested that this subject would be discussed. The articles that had been prepared for Council newsletters reported on work done by the steering committees, she felt that this implied finalization.

Councilor Liberty responded to the concerns of Councilor Harrington by reporting that there would be a Council deliberation on the resolution, which would provide an opportunity to discuss the recommendations.

Councilor Park expressed his discomfort with the excise tax, and noted it takes on political dynamics when in resolution form. Work had been done to consolidate the budget and make it flexible; he felt that the proposal was to turn that over to the Zoo.

Councilor Hosticka needed to see the memo referenced, but welcomed further discussion on the topic. He recalled that several things had surprised him when reading it and was concerned over the implication of a ballot measure. He echoed Councilor Park's concerns over the implicit assumption that the Zoo was its own accounting entity.

Councilor Liberty suggested a Work Session on this topic. He asked that the Councilors each send him their reactions to the proposal in advance, which would assist him in structuring the layout of the proposed meeting.

Councilor Harrington felt that Metro's standard operating procedure for distributing information needed improvement. She gave the example of the important memo being referenced was buried in an email with a vague title; this left her feeling that there was the intent to "pull fast ones".

Mr. Jordan felt that the Council should discuss the recommendations amongst themselves, which could clarify how the document reached its current state. He felt that the memo directed Mr. Cooper to draft a resolution, embodying the recommendations of the report. After this was completed, the Council could hold a meeting to discuss their responses. It was suggested that the Council, Metro's financial staff, COO, legal department and the Zoo's management staff be present at this proposed meeting.

Councilor Liberty felt that it was important to have Zoo foundation representatives present at the meeting and wanted to include them in the process. Councilor Harrington also felt that meeting with the Zoo Foundation was beneficial, and that it helped clarify information. Councilor Liberty felt a 90-minute meeting should be sufficient.

There being no further business to come before the Metro Council, Councilor Liberty adjourned the meeting at 4:45 p.m.

Prepared by,

*Erika Storie*

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**ATTACHMENTS TO THE PUBLIC RECORD FOR THE MEETING OF  
OCTOBER 16, 2007**

<b>Item</b>	<b>Topic</b>	<b>Doc. Date</b>	<b>Document Description</b>	<b>Doc. Number</b>
1	Agenda	101607	Agenda: Metro Council regular meeting, October 18, 2007	101607cw-01
1	Tax	091007	Memorandum: First Year Construction Excise Tax Collections	101607cw-02
1	Tax	Undated	Construction Excise Tax: Council Update	101607cw-03
2	Planning	Undated	To: Metro Council From: Miranda Bateschell Re: Title 11 New Area Planning	101607cw-04