

METROPOLITAN SERVICE DISTRICT
527 S.W. HALL ST., PORTLAND OR. 97201, 503/221-1646

AGENDA --- REGULAR COUNCIL MEETING

Date: SEPTEMBER 8, 1983
Day: THURSDAY
Time: 7:00 -- Executive Session
7:30 -- Regular Council Meeting
Place: COUNCIL CHAMBER

Approx.
Time

Presented By

- | | | |
|------|--|-------------------|
| 7:30 | CALL TO ORDER
ROLL CALL
1. Introductions
2. Councilor Communications.
3. Executive Officer Communications.
4. Written Communications to Council on Non-Agenda Items.
5. Citizen Communications to Council on Non-Agenda Items. | |
| 7:45 | 6. CONSENT AGENDA
6.1 Minutes of the meetings of August 4, 1983. | |
| 7:50 | 7. ORDINANCE
7.1 Ordinance No. 83-160, amending the Metro Urban Growth Boundary in Clackamas County for Contested Case No. 82-1. (Second Reading) | Brown |
| 8:00 | 8. REPORTS
8.1 Future Funding. | Gustafson/Carlson |
| 8:45 | 9. Committee Reports. | |
| 9:00 | ADJOURN | |

9/19/83



METROPOLITAN SERVICE DISTRICT
527 S.W. HALL ST., PORTLAND, OR. 97201, 503/221-1646

MEMORANDUM

Date: September 6, 1983

To: Cindy Banzer, Presiding Officer

From: Corky Kirkpatrick, Coordinating Committee Chair

Regarding: Attached Resolution to Adopting Council Guidelines for Expenditures

This resolution will be introduced at the September 8 Council meeting instead of being referred back to committee as you requested. Since 11 Councilors were present at the Coordinating Committee meeting when the topic was introduced and tabled, it is my sense there is considerable interest in the matter. We have a very light agenda and it is my hope that we won't need to spend a great deal of time on this issue.

Please call me if you have any questions about the guidelines.

cc: Rick Gustafson
Metro Councilors

BEFORE THE COUNCIL OF
THE METROPOLITAN SERVICE DISTRICT

FOR THE PURPOSE OF ADOPTING)
GUIDELINES FOR THE EXPENDITURE)
OF COUNCIL PER DIEM, EXPENSE AND)
GENERAL COUNCIL MATERIALS AND)
SERVICES ACCOUNTS)

RESOLUTION NO.

Introduced by Councilors Kafoury
and Kirkpatrick

WHEREAS, the adopted budget of the Metropolitan Service District appropriates funds to Council Per Diem and Council Expense accounts to be equally distributed to each Councilor at the beginning of the fiscal year; and

WHEREAS, the adopted budget of the Metropolitan Service District appropriates funds to a Council General Account for Materials and Services expenses for general Council support; and

WHEREAS, ORS 268.160 declares that, "notwithstanding the provisions of ORS 198.195, Councilors shall receive no other compensation for their office than a per diem for meetings, plus necessary meals, travel and other expenses as determined by the Council;" and

WHEREAS, the Council has never defined and adopted guidelines for the expenditure of:

- * Individual Councilor per diem appropriations;
- * Individual Councilor expense appropriations
- * Council General Account Materials and Services appropriations

now, therefore,

BE IT RESOLVED,

1. Guidelines for the expenditure of Council Per Diem, Expense and General Council Materials and Services Accounts, attached hereto as Exhibit A, are hereby adopted by the Council of the Metropolitan Service District.

2. The Metropolitan Service District shall publish and distribute to each Councilor a monthly report documenting all per diem and expense charges and all Council General Account Materials and Service Charges authorized for the previous month.

September 8, 1983

EXHIBIT A

GUIDELINES FOR THE EXPENDITURE OF COUNCIL

PER DIEM, EXPENSE AND GENERAL ACCOUNT

MATERIALS AND SERVICES ACCOUNTS

COUNCILOR PER DIEM

1. Each Councilor is authorized to receive up to \$2,160 each fiscal year in per diem from the Council Per Diem Account.
2. Per diem shall be paid at a rate of \$30 per meeting, up to six meetings per month.
3. Per diem shall be authorized for attendance at regular and special Council meetings, and regular and special Council committee and task force meetings to which a councilor has been assigned by the Council. Per diem may also be collected for attendance at a Council committee or task force meeting to which a Councilor has been invited in writing to attend by the Chair of that committee or task force.
4. Payments within these limits shall be authorized by the fiscal officer of the Metropolitan Service District.

COUNCILOR EXPENSES

1. Each Councilor is authorized to receive up to \$1,500 each fiscal year as reimbursement for authorized expenses incurred for necessary Council-related activities.
2. Each request for reimbursement must be accompanied by supporting documentation which shall include the nature and purpose of the activity, the names and titles of all persons for whom the expense was incurred, the duration of the activity, and receipts justifying the expense as required by the Internal Revenue Service. No reimbursement shall be authorized for any expense submitted without the above-required documentation.

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3. In addition to necessary Council-related travel, meals and lodging expenses, expenses may include:
 - a. Advance reimbursement for specific expenses, provided that any advance reimbursement in excess of actual expenses incurred shall be returned or shall be deducted from subsequent expense reimbursement requests.
 - b. Up to \$200 per year for memberships in non-partisan community organizations.
 - c. Expenses to publish and distribute a Council-related district newsletter, provided that any such newsletter may not be mailed within 90 days of an election in which a Councilor is a candidate, and further provided that no Metropolitan Service District staff shall assist in the production and distribution of such newsletter.
 - d. Council business-related books, publications and subscriptions.
 - e. Meeting or conference registration fees.
4. Reimbursement shall not be authorized for the following:
 - a. Alcoholic beverages
 - b. Laundry or dry cleaning costs
 - c. Parking tickets or citations for traffic violations
 - d. Child care costs
 - e. Contributions to political campaigns of any kind
 - f. Contributions to fundraising efforts of any kind
 - g. Home entertaining or other social functions
 - h. Any other costs or purchases considered to be of a personal nature.
5. Payments within these limits shall be authorized by the fiscal officer of the Metropolitan Service District. Other requests for documented Council-related business must be approved by the Council Coordinating Committee.

TRANSFERS

Notwithstanding the limits on per diem and expenses indicated above, the

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Council Coordinating Committee may, upon advance request by a Councilor, authorize the fiscal officer to transfer funds between a Councilor's per diem and expense accounts. Such transfers may be made only to the extent that the combined total of each Councilor's authorized per diem and expense accounts is not exceeded. Transfers between one Councilor's per diem and/or expense accounts and another Councilor's per diem and/or expense accounts is not authorized.

GENERAL PROVISIONS

1. A Councilor may receive per diem, plus mileage to the meeting, or reimbursement for actual authorized expenses incurred, for attendance at Council, Council Committees or Council task force meetings.
2. Reimbursement for travel and subsistence on official business shall only be for the amount of actual and reasonable expenses incurred during the performance of official duty as a Metro Councilor.

COUNCIL GENERAL ACCOUNT

1. The purpose of the Council General Account is to provide support for the General Council, Council Committees and Council Task Forces.
2. Authorized expenses which may be charged to appropriate Materials and Services categories in the Council General Account include:
 - a. Meals for regular and special Council, Council Committee and Council Task Force meetings.
 - b. Facilities rentals for public meetings.
 - c. Meeting equipment such as audio-visual aids, public address systems, tape recorders, etc., for public meetings.
 - d. Receptions for guests of the Council, Council Committees or Council Task Forces.

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- e. Honoraria
 - f. Expenses for official visitors
 - g. General Council, Council Committee or Council Task Force information, publications, promotional materials or supplies.
 - h. Remembrances from the Council, Council Committee or Council Task Force
 - i. Professional services for the Council, Council Committee or Council Task Force.
 - j. Outside consultants to the Council, Council Committee or Council Task Force.
 - k. Authorized travel on behalf of the Council, Council Committee or Council Task Force.
3. Expenses to the Council General Account shall not be authorized for the following:
 - a. Alcoholic beverages
 - b. Contributions to political campaigns of any kind
 - c. Contributions to fundraising efforts of any kind
 - d. Social functions including birthday and retirement parties, and holiday observances.
 4. Within the Council General Account, up to \$500 per year shall be reserved for expenses incurred by the Presiding Officer of the Council in carrying out official duties associated with that office.
 5. An individual councilor may request reimbursement from the Council General Account for expenses incurred for general Council business.
 6. All requests for reimbursement or expenditure from the Council General Account must be approved by the Council Coordinating Committee. Each request must be accompanied by supporting documentation which shall include the nature and purpose of the expense, the names and titles of all persons for whom the expense was or will be incurred, and receipts justifying the expense.



METRO

METROPOLITAN SERVICE DISTRICT
527 S.W. HALL ST., PORTLAND, OR. 97201, 503/221-1646

MEMORANDUM

Date: September 7, 1983
To: Metro Council
From: Rick Gustafson, Executive Officer *Rick*
Regarding: Long-Range Financial Policies for Metro

This memo sets forth proposed policies for long-range financing for the General Fund. The policies recognize the previously discussed activities of the General Fund--general government, support services and local assistance. They are long-range goals that will achieve financial stability for Metro's General Fund. I recommend them to you for your consideration and the supporting information to be discussed assumes these policies are in place. The Council is urged to review them in the coming weeks and after full discussion and deliberation adopt or revise them so we have a clear course of direction to follow to achieve financial stability for this fund.

The following are the proposed long-range goals for funding sources for each of the activities mentioned.

1. General Government

The goal is to finance general government activities with a general tax source and make the general government functions fully self-supporting through their own source of revenue.

2. Local Assistance

The goal is to finance local assistance activities through funds obtained directly from local governments that receive the services.

3. Support Services

The goal of the Metro Council is to establish support services on a charge for basis to the user of the service centrally provided.

4. Direct Operations

It is the policy of the Metro Council that all direct operations obtain their own financing based on available revenue

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sources. That policy is currently in place for the Zoo and Solid Waste operations and is proposed to be applied to all new direct operations that Metro would be involved in.

These proposals are intended to establish long-range goals that do not necessarily need to be accomplished immediately. These are goals that are important to be established after full Council discussion. I invite suggestions and advice from the Council with regard to these issues and hope that at the conclusion of our discussions on our financial future, these policies will be adopted by the Metro Council.

RG/srb
9309B/D2
09/07/83



METROPOLITAN SERVICE DISTRICT
527 SW. HALL ST., PORTLAND, OR. 97201, 503/221-1646

MEMORANDUM

Date: September 8, 1983
To: Metro Council
From: Donald E. Carlson, Deputy Executive Officer
Regarding: FIVE-YEAR PROJECTIONS FOR THE GENERAL FUND

This is the third in a series of memos regarding future funding for the General Fund activities. The data includes actual revenue and expenditures for FY 1982-83, budgeted revenue and expenditures for the current fiscal year 1983-84, and projected revenue and expenditures through FY 1987-88. The objective of this memo is to project expenditures in the General Fund and recommend a framework and strategy for funding General Fund activities in preparation for the expiration of the local dues assessment authority which occurs on July 1, 1985.

General Fund. The General Fund provides three distinct functions or activities--general government, support services and local assistance. While summary expenditure and revenue information is provided separately for each of these functions in the body of this memo, detailed expenditure and revenue projections are provided in Exhibits A and B attached. The major assumptions behind this analysis are as follows:

1. The current General Fund activities and level of service will be continued as well as the current organizational structure.
2. A 4% annual growth rate (for inflation) has been included for all expenditures except for the Data Resource Center. DRC's five year projections for support service activities increase on an average of 6.8% per year and for local assistance activities 17% per year.
3. The projected allocations for interfund transfers (Planning, Zoo and Solid Waste) to pay for support service costs are based on the 1983-84 cost allocation plan.
4. General government will assume a share of support service costs beginning in FY 1985-86 based upon an analysis of the FY 1983-84 cost allocation plan. General government's allocation includes an appropriate share of Finance & Administration and Public Affairs costs plus general costs such

as Boundary Commission dues, NARC dues and election expenses. The 1983-84 amount was projected forward with annual 4% increases.

5. A general tax source will be found starting 1985-86 to fund general government direct costs as well as indirect costs for support services.
6. Revenue from local governments will be received starting in 1985-86 at a reduced level to fund local assistance activities.

General Government. Table I shows the expenditures for funding general government activities of Metro. Included in this function are the entire expenditures for the Council and Executive Management Department (except .5 FTE of the General Counsel which is included in the Support Services function) and the Fund's discretionary funds committed for urban growth management (UGB) and land use coordination. The latter activity is included in the general government category because it is a statutory responsibility of Metro which must be provided at some level. It should be pointed out that the actual expenditure shown for UGB/Land Use in FY 1982-83 is discretionary funds which were transferred to the General Fund to the Planning Fund. Metro received an LCDC grant of approximately \$51,000 in FY 1982-83 which was budgeted in the Planning Fund for this purpose. The amount budgeted for FY 1983-84 is that which is needed should this year's LCDC grant not be forthcoming. Table I also indicates that in FY 1985-86 the general government activity will pay for its fair share of support services. The amounts shown for FY 1985-86 through FY 1987-88 are based on an analysis of the current cost allocation plan and an estimate of time spent by Public Affairs on general government activities.

TABLE I

GENERAL GOVERNMENT EXPENDITURES

<u>Category</u>	<u>1982-83 Actual</u>	<u>1983-84 Budgeted</u>	<u>1984-85 Projected</u>	<u>1985-86 Projected</u>	<u>1986-87 Projected</u>	<u>1987-88 Projected</u>
Personal Services	248,044	256,021	266,262	276,912	287,988	299,507
Materials & Services	55,151	67,320	70,013	72,803	75,715	78,743
Capital Outlay	0	1,350	1,404	1,460	1,518	1,579
Subtotal	303,195	324,691	337,679	351,175	365,221	379,829
UGB & Land Use	1,194	32,518	33,819	35,171	36,578	38,041
Contingency	0	70,784	73,615	76,560	79,622	82,807
Total Direct Cost	304,389	427,993	445,113	462,906	481,421	500,677
Support Service Cost	0	0	0	369,246	384,016	399,377
TOTAL EXPENDITURES	304,389	427,993	445,113	832,152	865,437	900,054

Table II shows the current, budgeted and projected revenues to fund general government activities from FY 1982-83 through FY 1987-88. The revenue pattern assumes continuation of funding general government activities principally through the use of dues and interfund transfers from the Planning, Zoo and Solid Waste Operating Funds through FY 1984-85. Starting in FY 1985-86 (the year current dues authority terminates) the dues and interfund transfers would no longer fund the general government activities. This activity would be funded by a yet to be named or approved general tax source. It should be pointed out that the amount needed starting in FY 1985-86 includes the funding of both direct general government costs and the appropriate support services costs attributable to the general government activity. Exhibits A and B provide detailed expenditure and revenue information for the general government activity.

TABLE II

GENERAL GOVERNMENT REVENUE

<u>Category</u>	<u>1982-83 Actual</u>	<u>1983-84 Budgeted</u>	<u>1984-85 Projected</u>	<u>1985-86 Projected</u>	<u>1986-87 Projected</u>	<u>1987-88 Projected</u>
Fund Balance	37,388	40,000	60,000	75,000	80,000	85,000
Dues	176,732	274,854	288,750	0	0	0
Transfers	215,848	103,489	85,163	0	0	0
All Other	28,192	9,650	11,200	12,800	14,350	15,400
General Tax	<u>0</u>	<u>0</u>	<u>0</u>	<u>744,352</u>	<u>771,087</u>	<u>799,654</u>
TOTAL REVENUE	458,158 ^A	427,993	445,113	832,152	865,437	900,054

^A Includes all General Fund revenue in excess of expenditures. Final fund balance will be confirmed by 1983 Audit.

Support Services. Table III shows the actual, budgeted and projected expenditures for support services. Included in this category are expenditures for the Finance and Administration Department (Accounting, Budget and Administrative Services, and Data Processing Divisions), approximately two-thirds of the Public Affairs expenditures, a portion of the Data Resource Center and .5 FTE of the General Counsel. These are organizational units which provide services which support the operations of the organization. As indicated, the expenditure pattern is fairly consistent and reflects the 4% inflation factor built into these projections. The projected reduction in expenditures between FY 1983-84 and FY 1984-85 is attributable to the purchase of a mini-computer budgeted for this fiscal year.

TABLE III

SUPPORT SERVICES EXPENDITURES

<u>Category</u>	<u>1982-83 Actual</u>	<u>1983-84 Budgeted</u>	<u>1984-85 Projected</u>	<u>1985-86 Projected</u>	<u>1986-87 Projected</u>	<u>1987-88 Projected</u>
Personal Services	579,869	720,505	753,551	783,655	815,838	849,194
Materials & Services	680,808	691,060	719,778	748,567	778,553	809,733
Capital Outlay	<u>1,121</u>	<u>97,155^A</u>	<u>2,500</u>	<u>2,600</u>	<u>2,704</u>	<u>2,812</u>
TOTAL EXPENDITURES	1,261,798	1,508,720	1,475,829	1,534,822	1,597,095	1,661,739

^A Includes purchase of mini-computer by Data Processing Division.

Table IV shows the actual, budgeted and projected resources for Metro's support service activities. As indicated, support services are mainly funded through a system of interfund transfers from the Planning, Solid Waste and Zoo Operating Funds. The basis for the transfer is a cost allocation plan which reflects as nearly as possible actual use of specific support services. Table IV suggests the use of new general tax resources to help fund support service activities beginning in FY 1985-86. The basis for the amount shown in Table IV is general government's share of support service costs. The current cost allocation plan was reviewed to determine those costs which go to support general government activities and the resulting figure was increased by 4% annual. One result of this suggestion is to spread the support service costs four ways rather than the current three-way split, thus reducing the impact on the Planning, Solid Waste and Zoo Operating funds. Exhibit B shows the impact on the three existing transfers in greater detail. The interfund transfer projections noted in Table IV and Exhibit B should be treated as estimates only since they are based on this year's cost allocation plan. Next year's plan may show different proportions to the various operating funds since their use of the services vary somewhat from year to year.

TABLE IV

SUPPORT SERVICES RESOURCES

<u>Category</u>	<u>1982-83 Actual</u>	<u>1983-84 Budgeted</u>	<u>1984-85 Projected</u>	<u>1985-86 Projected</u>	<u>1986-87 Projected</u>	<u>1987-88 Projected</u>
Dues	116,063	25,508	4,365	0	0	0
Interfund Transfers ^A	1,145,735	1,483,212	1,471,464	1,165,576	1,213,079	1,262,362
Intrafund Transfers (General Tax)	<u>0</u>	<u>0</u>	<u>0</u>	<u>369,246</u>	<u>384,016</u>	<u>399,377</u>
TOTAL RESOURCES	1,261,798	1,508,720	1,475,829	1,534,822	1,597,095	1,661,739

^A Interfund transfers for 1983-85 through 1987-88 are estimates only based on projections of the 1983-84 cost allocation plan. Actual transfers in future fiscal years may vary because of more current information.

Local Assistance. Table V shows actual, budgeted and projected expenditures for local assistance activities. Included in these expenditures are the local government assistance program in the Public Affairs Department, the portion of the Data Resource Center program which provides data and research services externally to local governments and private sector users, the transfer of resources to the Planning Fund to cover local grant match on State and Federal grants, and discretionary expenditures in the Development Services Department on local infrastructure financing. The large increase for personal services and materials and services between FY 1982-83 and FY 1983-84 is because the Data Resource Center was not budgeted in the General Fund during FY 1982-83. The increases from year to year are more than 4% and are based on Data Resource Center projections. The DRC is anticipating approximately \$50,000 per year from local government dues and the remainder of its local assistance budget from data sales. Should the data sales not occur as projected, then expenditures are planned to be curtailed accordingly unless other resources are allocated for that activity.

TABLE V

LOCAL ASSISTANCE EXPENDITURES

<u>Category</u>	<u>1982-83 Actual</u>	<u>1983-84 Budgeted</u>	<u>1984-85 Projected</u>	<u>1985-86 Projected</u>	<u>1986-87 Projected</u>	<u>1987-88 Projected</u>
Personal Services	75,118	141,944	168,446	189,088	203,353	219,447
Materials & Services	7,954	27,688	25,715	29,800	32,410	35,346
Capital Outlay	331	0	500	520	541	562
Subtotal	83,403	169,632	194,661	219,408	236,304	255,355
Transfer to Planning Fund	207,883	149,551	156,157	162,403	168,899	175,656
TOTAL EXPENDITURES	291,286	319,183	350,818	381,811	405,203	431,011

Table VI shows the actual, budgeted and projected revenue for the local assistance activities. As indicated, the local government dues have and are projected to be the principal source of revenue to fund this function. Table VI makes the assumption that the dues would be continued after the 1984-85 expiration at a reduced level (current year dues total \$592,545 and 1984-85 dues are projected at \$592,933). It takes legislative approval for such an extension on a mandatory basis. As indicated earlier, data sales are projected to be the principal source of revenue funding the Data Resource Center's local assistance function. Conference fees are generated by the Public Affairs' local government assistance program.

TABLE VI

LOCAL ASSISTANCE REVENUE

<u>Category</u>	<u>1982-83 Actual</u>	<u>1983-84 Budgeted</u>	<u>1984-85 Projected</u>	<u>1985-86 Projected</u>	<u>1986-87 Projected</u>	<u>1987-88 Projected</u>
Dues	286,277	292,183	299,818	306,311	316,203	326,511
Data Sales	0	25,000	48,000	72,000	85,000	100,000
Conference Fees	<u>5,009</u>	<u>2,000</u>	<u>3,000</u>	<u>3,500</u>	<u>4,000</u>	<u>4,500</u>
TOTAL	291,286	319,183	350,818	381,811	405,203	431,011

The strategy suggested in this memo would add revenue to the General Fund to offset the loss of approximately the same amount of General Fund revenue. The additions and deletions of revenue occur initially between 1984-85 and 1985-86 as indicated below:

<u>Revenue Source</u>	<u>1984-85 Projected</u>	<u>1985-86 Projected</u>	<u>Difference</u>
Dues	592,933	306,311	(286,622)
Interfund Transfers	<u>1,556,627</u>	<u>1,165,576</u>	<u>(391,051)</u>
Subtotal	2,149,560	1,471,887	(677,673)
General Tax	<u>0</u>	<u>744,352</u>	<u>744,352</u>
TOTAL	2,149,560	2,216,239	66,679

The positive difference is attributable principally to the growth projections between the two fiscal years.

This memo has focused on funding projected needs for the General Fund activities. It has presented a strategy for attacking the pending General Fund problem. The next memo will present an analysis of alternative general tax sources.

GENERAL FUND EXPENDITURES BY MAJOR FUNCTION AND ORGANIZATIONAL UNIT

EXHIBIT A

	1982-83 Actual	1983-84 Budgeted	1984-85 Projected	1985-86 Projected	1986-87 Projected	1987-88 Projected
GENERAL GOVERNMENT						
Council						
Personal Services	62,526	58,897	61,253	63,703	66,251	68,901
Materials & Services	44,509	54,520	56,701	68,969	61,328	63,781
Capital Outlay	0	0	0	0	0	0
Total Council	107,035	113,417	117,954	122,672	127,579	132,682
Executive Management						
Personal Services	185,518	197,124	205,009	213,209	221,737	230,606
Materials & Services	10,642	12,800	13,312	13,834	14,387	14,962
Capital Outlay	0	1,350	1,404	1,460	1,518	1,579
Total Executive Management	196,160	211,274	219,725	228,503	237,642	247,147
Transfer to Planning (UGB & Land Use Coordination)						
	1,194	32,518	33,819	35,171	36,578	38,041
Contingency						
	0	70,784	73,615	76,560	79,622	82,807
TOTAL GENERAL GOVERNMENT	304,389	427,993	445,113	462,906	481,421	500,677
SUPPORT SERVICES						
Executive Management						
Personal Services A	28,694	29,099	30,263	31,474	32,733	34,042
Total Executive Management	28,694	29,099	30,263	31,474	32,733	34,042
Finance & Administration						
Personal Services	423,271	520,747	541,577	563,240	585,770	609,201
Materials & Services	664,659	658,758	685,108	712,512	741,012	770,652
Capital Outlay	450	97,155 ^C	2,000	2,080	2,163	2,250
Total Finance & Administration	1,088,380	1,276,660	1,228,685	1,277,832	1,328,945	1,382,103
Public Affairs						
Personal Services	127,904	128,136	133,261	138,591	144,135	149,901
Materials & Services	16,149	30,885	32,120	33,405	34,741	36,131
Capital Outlay	671	0	500	520	541	562
Total Public Affairs	144,724	159,021	165,881	172,516	179,417	186,594
Data Resource Center						
Personal Services	B	42,423	48,450	50,350	53,200	56,050
Materials & Services	"	1,417	2,550	2,650	2,800	2,950
Capital Outlay	"	0	0	0	0	0
Total Data Resource Center	"	43,940	51,000	53,000	56,000	59,000
TOTAL SUPPORT SERVICES	1,261,798	1,508,720	1,475,829	1,534,822	1,597,095	1,661,739
LOCAL ASSISTANCE						
Data Resource Center						
Personal Services	B	67,621	91,150	108,700	119,750	132,500
Materials & Services	"	12,433	9,850	13,300	15,250	17,500
Capital Outlay	"	0	0	0	0	0
Total Data Resource Center	"	80,054	101,000	122,000	135,000	150,000
Public Affairs						
Personal Services	75,118	74,323	77,296	80,388	83,603	86,947
Materials & Services	7,954	15,255	15,865	16,500	17,160	17,846
Capital Outlay	331	0	500	520	541	562
Total Public Affairs	83,403	89,578	93,661	97,408	101,304	105,355
Transfer to Planning						
Transportation	165,531	82,240	86,154	89,600	93,184	96,912
Development Services	42,352	67,311	70,003	72,803	75,715	78,744
Total Transfer	207,883	149,551	156,157	162,403	168,899	175,656
TOTAL LOCAL ASSISTANCE	291,286	319,183	350,818	381,811	405,203	431,011
TOTAL ALL FUNCTIONS	1,857,473	2,255,896	2,271,760	2,379,539	2,483,719	2,593,427

A Includes .5 FTE of General Counsel.

B Budgeted in Planning Fund (Transportation Department) during FY 1982-83. DRC expenditures were at slightly higher level than 1983-84 budget and were funded from a combination of transportation grants and transfer from General Fund (Local Government Dues).

C Includes purchase of computer by Data Processing Division.

GENERAL FUND REVENUE SOURCES BY MAJOR FUNCTION

<u>Revenue Source</u>	<u>1982-83 Actual</u>	<u>1983-84 Budgeted</u>	<u>1984-85 Projected</u>	<u>1985-86 Projected</u>	<u>1986-87 Projected</u>	<u>1987-88 Projected</u>
GENERAL GOVERNMENT						
Fund Balance	37,388	40,000	60,000	75,000	80,000	85,000
Dues	176,732	274,854	288,750	0	0	0
Documents	2,677	1,650	1,700	1,800	1,850	1,900
Interest	12,481	7,000	8,000	9,000	10,000	11,000
Miscellaneous	13,034	1,000	1,500	2,000	2,500	2,500
Transfers						
Planning	35,375	25,146	22,142	0	0	0
Zoo	83,757	47,229	40,879	0	0	0
Solid Waste	88,158	26,114	22,142	0	0	0
Sewer Assistance	5,000	5,000	0	0	0	0
Drainage	3,558	0	0	0	0	0
General Tax Source	<u>0</u>	<u>0</u>	<u>0</u>	<u>375,106</u>	<u>387,071</u>	<u>400,277</u>
Total General Government	458,160 ^A	427,993	445,113	462,906	481,421	500,677
SUPPORT SERVICES						
Dues	116,063	25,508	4,365	0	0	0
Transfers ^B						
Planning	358,698	502,665	450,852	365,647	380,553	396,548
Zoo	305,495	371,051	386,034	300,396	312,411	324,300
Solid Waste	481,542	609,496	634,578	499,533	520,115	541,514
General Tax Source	<u>0</u>	<u>0</u>	<u>0</u>	<u>369,246</u>	<u>384,016</u>	<u>399,377</u>
Total Support Services	1,261,798	1,508,720	1,475,829	1,534,822	1,597,095	1,661,739
LOCAL ASSISTANCE						
Dues	286,277	292,183	299,818	306,311	316,203	326,511
Data Sales	0	25,000	48,000	72,000	85,000	100,000
Conference Fees	<u>5,009</u>	<u>2,000</u>	<u>3,000</u>	<u>3,500</u>	<u>4,000</u>	<u>4,500</u>
Total Local Assistance	291,286	319,183	350,818	381,811	405,203	431,011
TOTAL ALL FUNCTIONS	<u><u>2,011,244</u></u>	<u><u>2,255,896</u></u>	<u><u>2,271,760</u></u>	<u><u>2,379,539</u></u>	<u><u>2,483,719</u></u>	<u><u>2,593,427</u></u>

^A Includes all General Fund revenue in excess of expenditures. Final fund balance will be confirmed by 1983 Audit.

^B Interfund transfers for 1984-85 through 1987-88 are estimates only based on projections of the 1983-84 cost allocation plan. Actual transfers in future fiscal years may vary because of more current information.



METROPOLITAN SERVICE DISTRICT
527 S.W. HALL ST., PORTLAND, OR. 97201, 503/221-1646

MEMORANDUM

Date: September 2, 1983
To: Metro Council
From: Tom O'Connor, ^{T.O.C.} Legislative Liaison
Regarding: 1983 Legislature - Special Session

Early this week, the leadership reached "agreement" on a tax reform package and the Governor has called a Special Session beginning September 14.

The package is essentially a combination of earlier proposals made by the Governor, Senator Fadeley, and Senator Meeker. The package contains four provisions:

1. Tax rate freeze at either 1982-83 or 1983-84 levels. Assessed value would also be frozen and then allowed to increase five percent per year on a statewide average. The existing property tax relief and HARRP programs would be retained along with the A/B ballot. These measures would be enacted statutorily.
2. Statutory expenditure limit on state and local governments which would be referred to the people. This is essentially the Senate Republican version (HJR 24) except it's statutory. There appears to be some willingness to modify that version but no specifics were agreed on.

HJR 24 as now written means: 1) user fees are covered by the limit; 2) if we take over a private sector function (i.e., Rossman's to CTCRC) the limit does not increase; 3) proposals to raise the limit and levy taxes are separate not combined; and 4) "enterprise activities" were excluded but never defined.

3. The Legislature would amend election law to allow a majority of cities, counties and school districts (292 out of 581) to agree on an identical new revenue source to offset property tax (i.e., sales tax or income tax) which could then be referred to the voters at a Primary election for approval. If approved, the State would collect the tax and reduce property taxes.

Special districts would not be able to vote on the package. It is unclear at this point whether the State would simply reduce the overall individual's tax bill or whether there would be some distribution formula by taxing district.

4. A constitutional amendment prohibiting the State from taxing Social Security benefits would be referred to the voters in the May 1984 Primary.

No additional property tax relief is provided as a result of this package. The rate freeze and expenditure limit of the type proposed would hamper our ability to provide quality Zoo services and continue our solid waste program.

The Local Government Coalition (made up of the League of Cities, Associated Oregon Counties, Community Colleges Association, School Boards Association, and Oregon Education Association) in combination with the Portland Chamber, Associated Oregon Industries, and the Electronics Association has rejected the Atiyeh/Fadeley package.

The Local Government/Business Coalition continues to support referral to the people of a constitutionally limited sales tax as an offset to property taxes in order to provide tax relief coupled with an expenditure limit. This is the package previously passed by the House. The sales tax would be constitutionally limited to four percent, include exemptions for food, drugs, utilities, health care, housing, and farm necessities, and would have a low-income rebate program.

A summary of the Local Government/Business Coalition proposal is attached.

Recommendation:

The Legislature must take responsible action to provide property tax relief. So far, no one proposal has received a majority of support in both Houses. The Local Government/Business Coalition sales tax proposal that passed the House in the regular session, however, still provides the best option for building broad-based, strong support and at least puts the issue before the voters for decision.

Metro should take a formal position in support of the Local Government/Business Coalition proposal to refer to the people a constitutionally dedicated sales tax to offset property taxes and provide property tax relief. This proposal would provide:

- A four percent sales tax with exemptions for food, drugs, utilities, health care, housing, and farm necessities and including a low income rebate program.
- Forty-five percent reduction in property taxes.
- A reasonable state and local government expenditure limitation that would enable Metro to provide effective Zoo and solid waste services.

The Atiyeh/Fadeley program is a disaster.

- It is unclear as to how the Zoo would be treated under the expenditure limit.
- It would require a regionwide vote to close Rossman's, open CTRC and raise the user fee to pay for the new facility.
- It would require separate votes on a Zoo levy and to increase the spending limit accordingly.
- The "local government initiative" proposal is unworkable and excludes Metro from the decision.
- No property tax reduction is provided.

Metro should seek amendments to the Atiyeh/Fadeley proposal to:

- clearly define the Zoo as an enterprise activity;
- allow Metro to assume additional functions transferred from the private sector, i.e., Rossman's to CTRC;
- provide for a combined vote on levies and spending limits;
- exempt user fees dedicated to specific purposes; and
- include Metro in any decision-making process on local taxing options and in any allocation procedure of tax relief.

TO/srb
9304B/D1

Attachment



824 S.W. Fifth Avenue • Portland, OR 97204 • (503) 228-9411

WHAT FOLLOWS IS AN OUTLINE OF AN AGREED TO SALES TAX/PROPERTY TAX RELIEF PROPOSAL THAT IS UNDER DISCUSSION AS THE ONE TO RECEIVE CONSIDERATION IN THE SPECIAL SESSION.

SALES TAX/PROPERTY TAX RELIEF

*Enacts a broad based 4% general sales tax dedicated to general property tax relief. The sales tax rate limitation would be a part of the Constitution. For property tax purposes, ELIMINATES the two classes of property, homeowner and all others.

*Constitutional exemptions are: food for home consumption; prescription drugs; hospital and medical services; plants, feed, seed, fertilizer, pesticides, livestock and feed for animal life; physical ingredients in manufactured products; utility services; sales or leases of real property.

*Nearly all other sales of goods and services are taxable.

*A credit per dependent for families with up to \$17,500 annual income is used to offset the impact of the sales tax on lower income individuals.

*Renters receive property tax relief equivalent to homeowners.

*The retailer will receive a 2% discount for the cost of collection.

*Effective Date: No sooner than five months following the election date.

INCOME TAX RELIEF

*The second year of the existing property tax relief monies under the existing "30 percent" program is used to eliminate the "surtax" in 1984.

*If surpluses occur in 1985-87 biennium over the state expenditure limit then these revenues will be used to reduce personal income tax.

EXPENDITURE LIMITATION

*The state and local expenditure limit includes all funds except: federal funds; bond proceeds; enterprise funds; constitutionally dedicated revenues; bonded debt service; special revenues used for capital construction; fees and user charges; private gifts and grants; and, for the state only, all revenues used for transfer payments to local government, moneys collected for local government, or paid for 30% property tax relief.

*In the first year the expenditure base can be any of three bienniums for the state and any of six fiscal years for local government. The state base grows at the rate of growth of personal income. Local bases grow at the rate of growth of per capita statewide income plus population.

*A reserve fund not greater than 15% of the expenditure base can be created outside the limit.

*A 2/3 vote of the governing body declaring an emergency can temporarily exceed the limit.

*Twice a year the governing body can submit to the voters a measure to increase or decrease the spending limit. The legislature can increase its limit with a 2/3 vote.

*Surplus revenues must be placed in reserve fund or used to lower taxes.

*A government can adjust its limit if financial responsibility for providing services is transferred to or from another entity.



RESOLUTION ON PROPERTY TAX RELIEF

Whereas, Oregon voters narrowly defeated a California-style property tax limitation for the third time in November 1982, and

Whereas, the League of Oregon Cities adopted a resolution at its annual meeting in November 1982, designating property tax relief and refinancing of local government services as its top priority for the 1983 legislative session, and

Whereas, a broad-based coalition of government and business was formed which supported a sales tax-financed property tax relief and government expenditure limitation package for referral to Oregon's voters, and

Whereas, the Oregon House studied and adopted a property tax relief and government expenditure limitation for referral to voters, and

Whereas, the Oregon Senate adopted a series of measures which both failed to provide property tax relief and could have contributed to the passage of a property tax limitation measure, and

Whereas, another property tax limitation petition was filed shortly following the legislature's adjournment without taking action on property tax relief, and

Whereas, the Governor has said he intends to call a special session of the legislature to deal with property tax relief,

Now Therefore Be It Resolved that the Oregon Mayors' Association, in conference on August 20, 1983 in Astoria, reaffirms the formal League of Oregon Cities' position in support of enactment of a constitutionally dedicated sales tax as an offset to property taxes in order to provide property tax relief,

Be It Further Resolved that the Oregon Mayors' Association Supports the Governor in convening a Special Session only if there is consensus that the legislature will enact and refer such a measure to the people.

Editorials

The Oregonian

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FRED A. STICKEL, President and Publisher

WILLIAM A. HILLIARD, Executive Editor ROBERT M. LANDAUER, Editorial Page Editor DONALD PETER THOMPSON, Managing Editor RICHARD K. MILLISON, Advertising Director PATR

THURSDAY, SEPTEMBER 1, 1983

New tax plan a disaster

Gov. Vic Atiyeh and legislative leaders have achieved a mission impossible. They have concocted a four-point tax reform package that is more dreadful in potential consequence than is the dreaded property tax limitation initiative.

The new tax reform plan that the governor and legislative leaders, except for House Speaker Grattan Kerans, D-Eugene, agreed upon Tuesday would have a more chilling effect on government services and state values than would passage of the Son of 3, the initiative that the legislative tax proposal is designed to head off.

Other legislators should reject this proposal with speed, if not good grace. They should recognize that if they cannot rework the tax package in caucus, perhaps the collective political will and courage to enact meaningful tax reform this year is absent and acceptable tax reform may have to come from the people through the initiative process.

The four elements of this package that legislative leaders will take to their respective caucuses next week are relatively worthless as serious property tax relief proposals.

Atiyeh's coveted freeze on tax rates of all classes of property, accompanied by a freeze and future cap on property assessments, offers not one dime of immediate tax relief to anyone. After comparing the new property tax limitation initiative, which offers an immediate 45 percent reduction in property taxes across the board, to this plan, most citizens would laugh their way to the bank after voting for the Son of 3.

The proposed statutory spending limit on state and local governments is included to appease Senate and House Republicans. Without an additional funding source, this constraint on state government would demoralize an already

depressed higher education community in Oregon, likely force budgetary funding shifts away from human resources, and generally squash the Oregon spirit's inclination to respond to human, economic and environmental needs.

Senate President Ed Fadeley, D-Eugene, is responsible for the third element in the package — a change in election law to allow a majority of the state's 588 taxing districts to place tax measures on a statewide ballot. Giving local taxing district officials the right of initiative petition would set a dangerous precedent, if, indeed, a majority (295) of those districts ever could agree on a statewide tax referral.

Moreover, Fadeley proposes an abdication of the state's constitutional responsibility for providing uniform public education. Thus, his idea might be judged unconstitutional.

The fourth element of the plan — a constitutional amendment to prohibit the state from taxing Social Security payments — is mere sugarcoating to combat a similar plank in the new property tax limitation initiative and to give the legislative tax package some salability at the polls.

Kerans, who opposes the package, needs support from legislative colleagues to put it to sleep. He has made a good start by insisting that it not be introduced in his chamber.

Since the new tax package includes no money for property tax relief, perhaps the plan's fatal flaw, it does not qualify as a revenue measure, let alone serious tax relief. Therefore, it can be introduced in Fadeley's Senate. There it should stay, a safe distance from the people of Oregon who deserve more in the way of tax reform than counterfeit relief.



824 S. W. Fifth Avenue • Portland, OR 97204-1897 • (503) 228-9411
August 26, 1983

Dear :

A special session has been announced as forth-coming and the Portland Chamber of Commerce wants to let you know that we strongly support the agreed upon compromises encompassed in HB 3019 as a reasonable and meaningful tax reform package.

We feel that the seven-plus month effort to put this package together should not be set aside in favor of the alternatives being proposed by the leadership in Salem.

H B 3019 would have a significant, positive effect on Oregon's efforts to provide jobs for our unemployed and in keeping the jobs we have. Oregon cannot afford to continue any longer a tax policy that restricts business expansion and allows our competition for new business a tremendous advantage. (See enclosures).

The Portland Chamber of Commerce deals almost daily with businesses who are either leaving our State or not siting here, based in large part on our "unfavorable tax structure...". Unfortunately we cannot counter statistics. These business decisions are based on factual "costing out" comparisons with other cities and should in no manner be viewed as simply idle threats.

We look to you for leadership in helping to solve Oregon's tax problem and to stave off public efforts to "lure frustrated Oregon companies" across our borders. (As stated in the enclosed Daily Journal of Commerce article.)

We need your help! Oregon needs your immediate action! We urge your support of HB 3019 and offer our support wherever it can prove useful.

Sincerely,

Dickwin D. Armstrong
Chief Executive Officer

Herbert A. Ballin, Jr.
President

DDA:cdt

Enclosures

P.S: You are invited to attend the Tuesday, AUGUST 30TH, meeting of M.C.E.D.C. - please see attached invitation.





METROPOLITAN SERVICE DISTRICT
527 S.W. HALL ST., PORTLAND OR. 97201, 503/221-1646

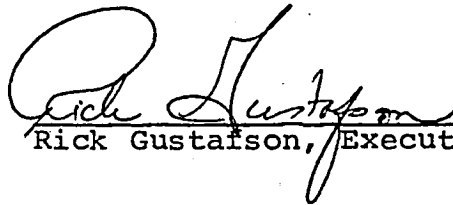
A G E N D A --- REGULAR COUNCIL MEETING

Date: SEPTEMBER 8, 1983
Day: THURSDAY
Time: 7:30 P.M.
Place: COUNCIL CHAMBER

C O N S E N T A G E N D A

The following business items have been reviewed by the staff and an officer of the Council. In my opinion, these items meet with the Consent List Criteria established by the Rules and Procedures of the Council. The Council is requested to approve the recommendations presented on these items.

6.5 Minutes of the meetings of August 4, 1983.


Rick Gustafson, Executive Officer

MINUTES OF THE COUNCIL OF THE
METROPOLITAN SERVICE DISTRICTInformal Council Meeting
August 4, 1983

Councilors Present: Councilors Banzer, Bonner, Etlinger, Hansen, Kafoury, Kelley, Kirkpatrick, Van Bergen, Waker, and Williamson.

Councilors Absent: Councilors Deines and Oleson.

Also Present: Rick Gustafson, Executive Officer.

Staff Present: Steven Siegel and Peg Henwood.

An informal meeting of the Council of the Metropolitan Service District was called to order at 6:10 p.m. for the purpose of reviewing the Westside Corridor Project.

Steven Siegel, Development Services Director, showed a video tape of types of light rail systems in Europe. He then reviewed the history of the Westside Corridor Project and the jurisdictional and citizen involvement process. He said the basic rationale for the project was: 1) the need for transportation capacity to support development in downtown Portland and the Washington County area; 2) the need to eliminate large amounts of auto traffic that are currently traveling through neighborhoods to avoid congestion on the Sunset Highway and which was expected to grow dramatically since the highway was about to reach its capacity; and 3) the need to try to provide Tri-Met with a system that could accommodate its short term needs as well as be efficient in the long term.

Mr. Siegel then distributed the proposed Resolution (attached to the agenda of the meeting) which would select the preferred alternative for the Westside Corridor and described the reasoning behind each resolve.

Councilor Bonner suggested the specific concerns of the affected local jurisdictions be included either within the resolution or as an attachment. Mr. Siegel said the individual resolutions would be sent as a package to UMTA but said they could list the specific concerns within Metro's resolution if that was desired.

Councilor Waker said he intend to propose additional language to Resolve No. 1 which would clearly state that capital and operating financial feasibility of the Westside system ought to be considered in the next step and particularly with respect to the line west of Beaverton.

Presiding Officer Banzer requested that any proposed language changes be sent to the Council prior to the August 25th meeting.

Council Minutes
August 4, 1983
Page 2

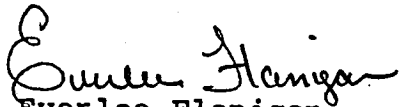
There were then general Council questions about the project's history.

Councilor Van Bergen asked if Metro was committing to light rail in the corridor and if so, to what extent. Mr. Siegel responded that Metro would be committing to a study of the concerns raised in the public hearings and by the DEIS. Councilor Waker stated he didn't feel there was a commitment to build light rail unless there was a demand.

There was then some discussion of the proposed alignment west of Beaverton.

The informal meeting was adjourned at 7:14 p.m.

Respectfully submitted,


Everlee Flanigan
Clerk of the Council

9278B/313
8/25/83

MINUTES OF THE COUNCIL OF THE
METROPOLITAN SERVICE DISTRICT

Regular Meeting
August 4, 1983

Councilors Present: Councilors Banzer, Bonner, Deines,
Etlinger, Hansen, Kafoury, Kelley,
Kirkpatrick, Van Bergen, Waker, and
Williamson.

Councilors Absent: Councilor Oleson.

Also Present: Rick Gustafson, Executive Officer.

Staff Present: Warren Iliff, Kay Rich, Donald Carlson,
Andrew Jordan, Ray Barker, Andy Cotugno,
Jack Bails, and Dan LaGrande.

A regular meeting of the Council of the Metropolitan Service District was called to order at 7:35 p.m. by Presiding Officer Banzer.

1. Introductions.

There were no introductions.

2. Councilor Communications.

Presiding Officer Banzer stated if there were no objections that the date for the first meeting of the Council in September would be changed from September 1 to September 8 because of the Labor Day weekend, and that the Committee meetings would also be pushed back a week with Development Services Committee meeting September 12th, Services Committee meeting September 13th, and Council Coordinating Committee meeting on September 19th.

3. Executive Officer Communications.

Rick Gustafson, together with Warren Iliff, Zoo Director, presented a progress report on the master planning at the Zoo. Mr. Iliff presented a memo regarding the Interim Master Plan Report (a copy of which is attached to the agenda of the meeting). He presented and reviewed with the Council a schematic design which included proposed improvements such as the Cascades Exhibit and a new entrance to the Zoo.

Councilor Williamson asked how the master plan linked with funding. Mr. Gustafson said that by October or November they

would know what the funding needs were and ultimately the plan would provide the information for a decision on the amount of funding to be requested in a levy and what capital expenditures might be obtained from private contributions.

Mr. Gustafson then reported on the following items:

1. The Greater Vancouver, B.C. visit by himself and some of the members of the Council.
2. The Oregon City Planning Commission decision on the construction of the wash rack at CTRC and the lifting of the tonnage limit at CTRC. He said the wash rack was approved with three bays allowed instead of the four proposed, and that the tonnage limit was raised but fees and fines would be levied for exceeding 800 tons a day. He said the two items would be before the Oregon City Council on August 11th and staff was formulating a recommendation on how to proceed.
3. Distributed to the Council the 1982-83 contract reports and W/MBE goal attainment summary and the Summary Affirmative Action Report for June 1983. (Copies are attached to the agenda of the meeting).

4. Written Communications to Council on Non-Agenda Items.

There were no written communications to Council on non-agenda items.

5. Citizen Communications to Council on Non-Agenda Items.

There were no citizen communications to Council on non-agenda items.

6. Consent Agenda.

The Consent Agenda consisted of the following items:

- 6.1 A-95 Review Report.
- 6.2 Minutes of the meeting of May 2, 1983.

Motion: Councilor Kirkpatrick moved adoption of the Consent Agenda. Councilor Kafoury seconded the motion.

Councilor Van Bergen asked what role Metro played in the review process and said he had some concerns about favorably approving the reports when he might be opposed to some of the requests for funding.

Mel Huie, Local Government Assistant, and Mr. Gustafson explained the process and Metro's role. Councilor Kirkpatrick stated the A-95 process was in transition and new regulations would be forthcoming.

Vote: The vote on the motion to adopt the Consent Agenda resulted in:

Ayes: Councilors Banzer, Bonner, Deines, Etlinger, Hansen, Kafoury, Kelley, Kirkpatrick, Van Bergen, Waker, and Williamson.

Nays: None.

Absent: Councilor Oleson.

Motion carried, Consent Agenda adopted.

7.1 Consideration of Resolution No. 83-420, for the purpose of adopting the Regional Bicycle Plan.

Motion: Councilor Williamson moved adoption of Resolution No. 83-420. Councilor Kafoury seconded the motion.

Andy Cotugno, Transportation Director, reviewed the background of the Regional Bicycle Plan and outlined briefly the policies of the plan as well as the recommended route network and facilities for bicycles.

Councilor Bonner asked if the plan included uniform standards for constructing the network. Mr. Cotugno responded it did not and that each route would go through its own engineering and design analysis before construction.

Councilor Etlinger asked if the network linked up to the 40 mile loop. Mr. Cotugno responded that in some areas it did but explained that the plan was not intended for recreational purposes but for and to serve the major destinations in the region.

Councilor Van Bergen noted that there was a need to encourage the bicyclist to abide by the rules of the road and that the plan didn't go far enough to assure compliance.

Councilor Etlinger commented that he favored an ongoing safety encouragement program beyond the end of the federal funding.

There was no public testimony.

Presiding Officer Banzer read two letters into the record supporting the Bicycle Plan from Robert Schumacher, Chairman, Board of Clackamas County Commissioners, and Paul Reiter, Chairman, Beaverton Bicycle Task Force.

Vote: The vote on the motion to adopt Resolution No. 83-420 resulted in:

Ayes: Councilors Banzer, Bonner, Deines, Etlinger, Hansen, Kafoury, Kelley, Kirkpatrick, Van Bergen, Waker, and Williamson.

Nays: None.

Absent: Councilor Oleson.

Motion carried, Resolution adopted.

8.1 Consideration of Regional Development Committee recommendation regarding the Project Initiatives Program.

Councilor Kafoury deferred to Councilor Kelley to introduce the item.

Councilor Kelley explained that the survey of the Council had resulted in a tie between Drainage and Parks and that the Regional Development Committee was recommending that drainage be addressed first because it was believed it would not take a great deal of time.

Motion: Councilor Kelley moved that the Council adopt the Development Committee recommendation that drainage be the first area to be addressed under the Project Initiatives Program.

Mr. Barker, Council Assistant, clarified the steps of the first task to be completed and said that the second task would not be undertaken until the Council had reviewed the results of the first steps.

Vote: The vote on the motion resulted in:

Ayes: Councilors Banzer, Bonner, Deines, Etlinger, Hansen, Kafoury, Kelley, Kirkpatrick, Van Bergen, Waker, and Williamson.

Nays: None.

Absent: Councilor Oleson.

Motion carried.

8.2 Report on Status of Resolution No. 83-421 (Tri-Met/Metro Relationship).

Presiding Officer Banzer stated a memo had been distributed from herself and Executive Officer Gustafson regarding the results of a meeting with Mr. Drummond, President of the Tri-Met Board, as well as recommendations for next steps (a copy of the memorandum is attached to the agenda of the meeting). She then outlined the recommendations being presented for Council consideration:

That the Metro General Counsel develop an analysis of options available for structural changes in the Metro/Tri-Met relationship. These options should include at least the following:

1. Metro voting to take over Tri-Met.
2. Metro creating a transit commission to operate the transit system.
3. Metro and Tri-Met remaining separate, but Metro appointing the Tri-Met Board.
4. Severing the marriage clause and using existing authority to further influence transit investments.

She said there may be other options that should be evaluated and that Council members were encouraged to forward those to the Executive Officer for inclusion in the analysis. The General Counsel, she said, would review the legal aspects to such alternative actions and his analysis would include at least the following:

1. Metro actions, ordinances or resolutions required to implement one of the options.

2. Legal issues or precedents involved in such transitions including potential legal actions required to fully carry out the action, i.e., personnel changes, ordinances, tax ordinances, etc.
3. Legislation required or actions by other governmental bodies in order to carry out the transition or the change in the proposed relationship.

She said a progress report on the legal analysis would be presented at the last Council meeting in September.

Councilor Williamson asked if the Legal Counsel would give a run down on every option or pick one and do an analysis. Mr. Gustafson responded that an analysis of the actions required for all the options would be presented.

Councilor Williamson then asked if the Metropolitan Citizens League study was discussed with Mr. Drummond. Mr. Gustafson responded that it was briefly discussed and Mr. Drummond had expressed concern about how much importance the Tri-Met issue would play in such a study.

Councilor Etlinger stated he supported the recommendation but expressed interest in getting more information beyond the scope of the legal analysis. Presiding Officer Banzer responded that a legal analysis of the major options needed to be examined first.

Councilor Kirkpatrick commented that ultimately the decision was a political one and expressed concern that the analysis would take a great deal of Mr. Jordan's time.

Councilor Van Bergen stated he was opposed to the recommendation and that he agreed with the Governor that there was no benefit to the community and it is not now timely.

Councilor Etlinger said that a majority of the Council had already expressed its interest in studying the Metro/Tri-Met issue and said that the minority of the Council should respect the majority vote.

Councilor Williamson said that Metro was harming itself by taking the issue on too fast and that it could end up being another black eye for Metro.

Motion: Councilor Williamson moved that the Council not proceed with a legal analysis on the Metro/Tri-Met relationship. Councilor Van Bergen seconded the motion.

Councilors Kelley, Bonner and Hansen made comments to the effect that their interpretation of the recommendation was that it only suggested additional information on the issue be obtained and that it did not propose that any decision be made to take Tri-Met over.

Councilor Kafoury said she was opposed to the analysis and that it was wrong to isolate the Tri-Met issue from a general study of the organization as proposed by the Metro Citizens League and which she supported.

Vote: The vote on the motion resulted in:

Ayes: Councilors Deines, Kafoury, Kirkpatrick,
Van Bergen, and Williamson.

Nays: Councilors Banzer, Bonner, Etlinger,
Hansen, Kelley, and Waker.

Absent: Councilor Oleson.

Motion failed; legal analysis to proceed.

8.3 Legislative Report.

Donald Carlson, Deputy Executive Officer, noted that a memo from Tom O'Connor, Legislative Liaison, regarding the bill status of Solid Waste and Zoo related items was included in the agenda of the meeting and that Mr. O'Connor would be before the Council Coordinating Committee at their next meeting to brief the Committee on the funding situation.

Mr. Barker presented a brief report on general legislation considered by the 1983 Legislature:

HB 2228 Tri-Met Bill regarding a financial plan (passed).
SB 318 Ex Parte Contact on land use matters (passed).
HB 2781 Would eliminate marriage clause between Metro and
Tri-Met (tabled).
SB 297 May have created additional liability for public
officials (tabled).
HB 3017 Would require Metropolitan Service Districts to
establish commissions to set policy for parks,
libraries, etc. (was in committee upon adjournment).

Jack Bails, Criminal Justice Director, then presented a staff report regarding proposed legislation that would have changed

Metro's authority to finance regional corrections facilities. He said the bill as originally proposed was passable and that it was the Executive Officer's recommendation that the Council support the change in Metro's authority, as indicated in H.B. 2453; and that Metro contact representatives of the three Counties and members of the metropolitan area legislative delegation to ascertain whether or not there is support to request the Governor and legislative leadership to introduce such a bill in the special legislative session, should one be held. (A copy of the staff report is attached to the agenda of the meeting).

Motion: Councilor Williamson moved that the Council adopt the Executive Officer's recommendation. Councilor Kirkpatrick seconded the motion.

Vote: The vote on the motion resulted in:

Ayes: Councilors Banzer, Bonner, Deines, Etlinger, Hansen, Kelley, Kirkpatrick, Van Bergen, Waker, and Williamson.

Nays: None.

Absent: Councilors Kafoury and Oleson.

Motion carried.

9. Committee Reports.

Councilor Kirkpatrick urged Councilors to submit any mailing lists they had to the Friends of the Zoo for invitations to the Penguin Ball.

Councilor Van Bergen noted that a memo he had received from Mark Brown, Development Services Department, regarding the Lake Oswego Plan Review called for a telephone poll of the Council in order to meeting LCDC's deadline for comments (a copy of the memo is attached to the agenda of the meeting). He said he was concerned that such a poll might not be legal. He proposed that the Council take action on the matter that night.

Motion: Councilor Williamson moved that the Council recommend a continuance of Lake Oswego's Plan acknowledgement. Councilor Etlinger seconded the motion.

Mr. Jordan suggested that in lieu of the motion presented, the Council could give the Development Committee the authority to act on its behalf to make a recommendation to LCDC.

Councilor Kirkpatrick stated that since she represented Lake Oswego she would like the opportunity to vote on its plan.

Councilor Williamson withdrew his motion and made the following motion:

Motion: Councilor Williamson moved that the Development Committee and Councilor Kirkpatrick be delegated the authority to act on behalf of the Council to make a recommendation to LCDC on the Lake Oswego Plan. Councilor Van Bergen seconded the motion.

Vote: The vote on the motion resulted in:

Ayes: Councilors Banzer, Bonner, Deines, Etlinger, Hansen, Kelley, Kirkpatrick, Van Bergen, Waker, and Williamson.

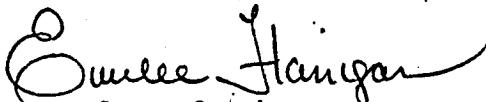
Nays: None.

Absent: Councilors Kafoury and Oleson.

Motion carried.

There being no further business, the meeting adjourned at 9:50 p.m.

Respectfully submitted,


Everlee Flanigan
Clerk of the Council

STAFF REPORT

Agenda Item No. 7.1

Meeting Date September 8, 1983

CONSIDERATION OF THE MUTUAL MATERIALS INC.
URBAN GROWTH BOUNDARY (UGB) AMENDMENT CONTESTED CASE
NO. 82-1

Date: August 11, 1983

Presented by: Mark Brown

FACTUAL BACKGROUND AND ANALYSIS

Mutual Materials has petitioned Metro to add approximately six (6) acres of land to the UGB. The property is located south of Highway 212 and east of S. E. 130th adjacent to the Clackamas industrial area. On June 21, 1983, Metro's Hearings Officer held a hearing and received evidence in accord with Metro's contested case proceedings. On June 29, 1983, the applicant submitted revised proposed findings.

The Hearings Officer and staff conclude that the applicable standards of Metro Ordinance Nos. 81-105 and 82-133 have been satisfied and recommend approval of this locational adjustment.

EXECUTIVE OFFICER'S RECOMMENDATION

The Executive Officer recommends approval.

COMMITTEE CONSIDERATION AND RECOMMENDATION

Not applicable.

MB/gl
9222B/353
8/11/83

BEFORE THE COUNCIL OF THE
METROPOLITAN SERVICE DISTRICT

AN ORDINANCE AMENDING THE METRO) ORDINANCE NO. 83-160
URBAN GROWTH BOUNDARY IN CLACKAMAS)
COUNTY FOR CONTESTED CASE NO. 82-1)

THE COUNCIL OF THE METROPOLITAN SERVICE DISTRICT HEREBY ORDAINS:

Section 1. The District Urban Growth Boundary (UGB), as adopted by Ordinance No. 79-77, is hereby amended as indicated in Exhibit "A" of this Ordinance which is incorporated by this reference.

Section 2. In support of the amendment in Section 1 of this Ordinance, the Council hereby adopts Findings, Conclusions and Recommendations in Exhibit "B" of this Ordinance which is incorporated by this reference.

Section 3. This Ordinance is a Final Order in Contested Case No. 82-1.

Section 4. Parties to Contested Case No. 82-1 may appeal this Ordinance under 1979 Or. Laws, ch. 772 as amended.

ADOPTED by the Council of the Metropolitan Service District
this _____ day of _____, 1983.

Presiding Officer

ATTEST:

Clerk of the Council

MB/gl
9222B/353

BEFORE THE METROPOLITAN SERVICE DISTRICT

In the Matter of a Petition)
of Mutual Materials, Inc.)
for a Locational Adjustment)
to the Portland Metropolitan)
Area Urban Growth Boundary.) FINDINGS, CONCLUSIONS
) AND RECOMMENDATIONS OF
) HEARINGS OFFICER

I

NATURE OF THE CASE

This is an application by Mutual Materials, Inc. for a locational adjustment of the Portland Metropolitan Area Urban Growth Boundary (hereinafter "UGB") to include within the UGB approximately six acres of land owned by Mr. Frank Spangler. The property to be added is located south of Highway 212, east of S. E. 130th, adjacent to the Clackamas Industrial Area and comprises the eastern portion of Tax Lot 1090 (Township 2 South R2E, Section 14A). Tax Lot 1090 is split by the existing UGB and the western portion lies within the existing urban area (see map attached as Appendix C).

This application is submitted pursuant to Metro Ordinance Nos. 81-105 and 82-133 which provide procedures for minor adjustments to the Urban Growth Boundary. On June 21, 1983, a hearing was held on the application before the undersigned hearings officer in the Metropolitan Service District Council Hearing Room. Notice of the June 21 hearing was published and mailed to adjoining property owners and all cities and counties within the Metropolitan Service District.

Following the June 21 hearing, the record was held open until June 30 for the receipt of additional written testimony. The applicant submitted revised proposed findings to the undersigned Hearings Officer on June 29, 1983.

The record in this matter consists of the tape recording of the June 21, 1983 hearing, the documents in support of the application submitted prior to and during the June 21, 1983 hearing, the Metropolitan Service District Staff Report, and the Notice and Certificates of Mailing for Contested Case No. 82-1.

II

FINDINGS OF FACT

The only persons appearing at the June 21, 1983 hearings on this matter were Mr. Frank Spangler (owner), Mr. Timothy Ramis (attorney for the applicant) and Mr. David Chase who owns the adjoining property to the north. There was no testimony in opposition to the proposed UGB adjustment. Following the close of the hearing, the applicant submitted revised proposed findings. (Attached as Appendix A.) The revised proposed findings submitted June 29 appear to be a revision of the findings adopted by the Clackamas County Board of Commissioners following their hearing on this matter on November 15, 1982. There is nothing to show that the revised findings were adopted by the Clackamas County Board of Commissioners and the first paragraph should probably have been omitted, though its inclusion does not affect the substantive validity of the findings.

Prior to the June 21, 1983 hearing, the undersigned hearings officer visited the site. Based on my observation of the site and the evidence and testimony submitted at the June 21, 1983 hearing, I believe that the revised proposed findings submitted by the applicant on June 29 fairly and accurately reflect the actual facts and I adopt those findings as my own. In addition, I found the staff report prepared by the Clackamas County Department of Environmental Services helpful in considering this matter and I adopt that report as part of my findings. The findings and the staff report are attached hereto as Appendicies A and B respectively and are hereby incorporated as part of my recommendation to the Council.

III

STANDARDS FOR APPROVAL

The legal standards applicable to this matter are contained in Metro Ordinance 81-105. Section 5 of Ordinance 81-105 requires that a local position be adopted on the petition prior to consideration by the District. Following a hearing on November 15, 1982, the Clackamas County Board of Commissioners advised the District that it supported the application and, as noted above, adopted findings to support approval. If this petition is approved, county comprehensive plan and zone changes will be required to permit the residential uses proposed by the applicant.

Metro Ordinance 81-105 Sections 8(a)(1) through (5) and (8)(d) (2) and (3) are set forth below:

- 8(a)(1) Orderly and economic provision of public facilities and services. A locational adjustment shall result in a net improvement in the efficiency of public facilities and services, including but not limited to, water, sewerage, storm drainage, transportation, fire protection and schools in the adjoining areas within the UGB; and any area to be added must be capable of being served in an orderly and economical fashion.
- 8(a)(2) Maximum efficiency of land uses. Considerations shall include existing development densities on the area included within the amendment, and whether the amendment would facilitate needed development on adjacent existing urban land.
- 8(a)(3) Environmental, energy, economic and social consequences. Any impact on regional transit corridor development must be positive and any limitations imposed by the presence of hazard or resource lands must be addressed.
- 8(a)(4) Retention of agricultural land. When a petition includes land with Class I - IV Soils that is not irrevocably committed to non-farm use, the petition shall not be approved unless the existing location of the UGB is found to have severe negative impacts on service or land-use efficiencies in the adjacent urban area and it is found to be impractical to ameliorate those negative impacts except by means of the particular adjustment requested.
- 8(a)(5) Compatibility of proposed urban uses with nearby agricultural activities. When a proposed adjustment would allow an urban use in proximity to existing agricultural activities, the justification in terms of factors (1) through (4) of this subsection must clearly outweigh the adverse impact of any incompatibility.

8(d) (2) For all other additions, the proposed UGB must be superior to the UGB as presently located based on a consideration of the factors in subsection (a). The minor addition must include all similarly situated contiguous land which could also be appropriately included within the UGB as an addition based on the factors in subsection (a).

8(d) (3) Additions shall not add more than 50 acres of land to the UGB and generally should not add more than 10 acres of vacant land to the UGB. Except as provided in subsection (4) of this subsection, the larger the proposed addition, the greater the differences shall be between the suitability of the proposed UGB and suitability of the existing UGB, based upon consideration of the factors in subsection (a) of this section.

A. Orderly and Economic Provision of Public Facilities and Services.

The Clackamas Water District has advised that water service must be provided from the existing main on 130th Avenue at the applicant's expense. There is adequate existing water supply capacity. Once in place, this connecting line would allow future connection with existing mains at the end of 135th Avenue which would result in a loop which would improve the system as a whole (October 14, 1982 letter from Ric Cotting).

Sewerage service would be provided, at the applicant's expense, by a new eight inch line from the property to 130th Avenue. The sewerage facilities serving this area were designed with capacity to serve this parcel. 130th Avenue and Capps Road have recently been improved and are designed to serve the Clackamas Industrial Area to the west. Both roads are adequate to provide access to the subject

parcel. Access to the parcel from 130th would be provided by the applicant. There is Tri-Met bus service available at Route 212 and 135th Street with 20 outbound and 18 inbound trips daily. Storm drainage would be directed to the adjacent Clackamas River through natural drainageways and would have no affect on adjoining storm drainage facilities. (December 17, 1982 letter from Walt Tschudy; November 18, 1982 letter from Tim Ramis.)

Fire protection service is provided to the property by the Clackamas Fire Protection District. There is no indication that the proposal will require added fire protection facilities. (November 15, 1982 letter from Conrad Christiansen.) The North Clackamas School District 12 responded that the school enrollment in this area has been declining and there is adequate school space to accommodate residential development of the property. (November 18, 1982 letter from David F. Church.)

On balance, I conclude that the impact of the development that would be permitted by this adjustment on adjoining public facilities and services will be slight and will be positive. There will be improvement to the water system by allowing future construction of a loop between 130th and 135th. This is the only impact of any significance. There is also a slight improvement to the sewerage system and the schools in that development of this site will result in use of presently under utilized facilities.

B. Maximum Efficiency of Land Uses.

The property is presently undeveloped. This application is based in large part on the applicant's contention that the parcel is isolated topographically from the adjoining parcels to the north, west and south and by the Clackamas River on the east. Development for agricultural uses in connection with the parcel to the south is impractical due to a lack of feasible access by farm equipment from the south (see discussion below and Appendix A pp. 1-3). The findings attached as Appendix A contain a lengthy discussion of the need for additional urban land to provide for housing in the Clackamas County subregion. While "need" is not a direct consideration for approval under Ordinances 81-105 and 82-133, the need to provide proximate housing for large employment centers such as the Clackamas Industrial Area does relate to efficiency of land uses.

To the extent that residential development of this parcel will provide housing adjacent to a significant employment center, it will facilitate development on adjoining urban lands. The topography of the parcel will mitigate or eliminate any land use conflicts that might be expected from residential use of the property. For the reasons stated in the findings, residential use of the property is likely to result in fewer land use conflicts than would attempts to use the property for agricultural purposes.

C. Environmental, Energy, Economic and Social Consequences.

This application will require subsequent planning, zoning and development approvals from Clackamas County prior to residential development of the property. The existing physical constraints posed by the ravine along the north and west, the slopes to the south and the steep drop off to the Clackamas River to the east are all capable of being properly addressed by Clackamas County. These constraints are not unique and should be readily resolvable by application of local site planning and development regulations. The environmental consequences of development of this property should be minimal.

The energy, economic and social consequences will be generally positive. The desirability, from a land use perspective, of constructing housing in proximity to employment centers has been discussed above. Such proximity is likely to generate positive energy, economic and social consequences. The impact on regional transit corridor development will be insignificant.

D. Retention of Agricultural Land; Compatibility of Proposed Urban Uses with Nearby Agricultural Activities.

The subject property contains Classes II - IV Soils and is currently planned and zoned for agricultural use. The uncontroverted evidence submitted at the June 21 hearing was that this property is not farmed and has not

been farmed in the past. Fifty to sixty year old trees are located on the property. While property to the south is used for agricultural purposes, the subject parcel is located at a higher elevation and the elevation differential makes access to the portion of the site with agricultural quality soils impractical.

My view of the site suggests that the difficulty of negotiating the slope to the south with agricultural equipment is probably somewhat overstated by the applicant. However, the difference in elevation clearly presents severe access difficulties and there is only a portion of the subject six acres parcel with agricultural quality soils. Based on these two facts, while the issue is a close one, I believe that the applicant has demonstrated that the parcel is irrevocably committed to nonfarm use. The Council should note that Ordinance 81-105 Section 2(i) contains a definition of the term "irrevocably committed to nonfarm use". I read that definition as one that is descriptive rather than limiting. Thus, while the Clackamas County plan has been acknowledged, and a Goal 3 exception was not taken on this parcel and acknowledged by LCDC, I do not believe the definition in Ordinance 81-105 was intended to preclude the applicant from now showing that it is not possible to preserve the parcel for farm use.

The question of compatibility of the proposed urban uses with adjoining agricultural uses to the east and

south is also a close one. The uses are effectively separated by the Clackamas River from the agricultural uses to the east. The agricultural lands to the south are separated by the difference in elevation described above. This elevation differential will not completely isolate the proposed uses from the adjoining agricultural uses. It does, however, provide a sufficient buffer to largely prevent any adverse impacts due to incompatibility of uses. The justification for the amendment described above (taken as a whole) clearly outweighs the potential adverse impacts of any incompatibility.

E. Improvement of the UGB and Inclusion of Similarly Situated Contiguous Land.

My view of the property and the evidence submitted at the hearing strongly suggest that this property would be included within the UGB if the boundary being established today. There is no reason why the property should be left in its natural state and its use for agricultural purposes is restricted by its small size and the slopes, ravines and natural barriers that separate it from adjoining parcels. Inclusion of the property within the UGB would allow its development for urban uses in conjunction with the adjoining urban uses to the west and north. The property is presently surrounded on one side by the Clackamas River, on 2 sides by urban land and on the south by agricultural land from which it is topographically isolated. The proposed adjustment to the UGB to follow the natural boundaries formed by the Clackamas River and the sloping southern property line will result in a superior UGB.

The property to the south is dissimilar from the subject property since it is not separated from adjoining agricultural lands by an elevation differential. The property to the south is currently being farmed and presumably will continue to be farmed unless a major UGB amendment can be justified based on need for additional urban land.

IV

CONCLUSIONS AND RECOMMENDATIONS

Based on all of the above, I conclude that the applicable legal standards are satisfied by the proposed locational adjustment. I recommend that the UGB be adjusted to include the eastern portion of Tax Lot 1090 that is now located outside the UGB.

DATED this 15th day of July, 1983.



Michael A. Holstun
Hearings Officer

ALLIED EQUITIES LOCATIONAL ADJUSTMENT:
PROPOSED FINDINGS REGARDING
MSD LOCATIONAL ADJUSTMENTS ORDINANCE

In addition to the specific factual findings in the staff report, the Board of Commissioners adopts the following findings as a basis for urging the Metropolitan Service District to amend the Urban Growth Boundary as proposed in this application. We find that, under the criteria of Metro's Locational Adjustments Ordinance, all of this property should be included within the UGB rather than splitting a single ownership into urban and nonurban land.

1. Orderly and Economic Provision of Public Facilities and Services.

The proposed locational adjustment will bring the boundaries of the UGB into alignment with the existing boundaries of the Clackamas Water District and Clackamas County Service District No. 1 which provides sewer service. In its current configuration, the map of the various district boundaries shows that the entirety of the 10-acre Tax Lot 1090 is within the service districts, but that only four acres of it is within the UGB. In fact, the service district boundaries follow the property lines of Tax Lot 1090 on the east and south. The UGB should correspond to these boundaries.

The letters from the various service providers which are in the record indicate that the property can be efficiently serviced. The testimony has also indicated that no improvements will be necessary in order to accommodate storm water runoff.

The proposed locational adjustment will result in a net improvement in the efficiency of public facilities and services, particularly delivery of water. Provision of a line through the

property will allow the Clackamas Water District to create a loop system in this area, thus increasing the efficiency of the overall system. By extending a main to the east portion of Tax Lot 1090, it will be possible to connect two mains at the end of 135th Avenue. It is the opinion of the District that this connection will improve service for the whole area.

The inclusion of the property as urban land will also contribute to the orderly and economic provision of sewer service because the system and lines in this area are sized in anticipation of servicing the parcel.

2. Maximum Efficiency of Land Uses.

The current boundary leaves the subject parcel as an isolated piece of land cut off from agricultural land to the south by topography and bounded on the west by industrial use, on the north by residential land, and on the east by a steep 60-foot embankment at the edge of the Clackamas River. With its current resource designation, it is isolated and has no apparent use.

Inclusion of the land within the UGB will relate it topographically to the residential land on the north side. The property is a bench which is at a much higher level than the agricultural land to the south. It is separated from that land by a series of benches and, therefore, the current designation is an inefficient use of land because it is physically impossible to manage the property as a farming unit in conjunction with agricultural land to the south.

The proposed use of the property for residential development will improve the efficiency of land uses because it will reduce potential conflict between resource uses of the property and

residential and industrial activities on the surrounding properties. The residential land to the north would create obvious conflicts in attempting to obtain commercial productivity on an isolated 6-acre parcel of resource land. The impacts of trespass and vandalism, coupled with the incompatibility of spraying and residential use would create conflicts in violation of Goals 14 and 3. Goal 14 calls for an orderly transition between rural and urban use. The guidelines to Goal 3 call for buffering or transitional areas of open space between urban development and active agricultural use. These requirements are not met by the present configuration of the UGB. They would, however, be accomplished by the proposed amendment of the boundary because the difference in elevation between the subject property and the agricultural land to the south would provide the required buffer.

The limited access to the property creates another inherent conflict in using the land for agricultural activities. The parcel cannot be directly reached from the land to the south, which is currently in agricultural use, because of the steepness of the terrain. Farm vehicles and equipment would have to be brought to the property via 135th. This street is currently experiencing great increases in traffic flow because of the rapid development of surrounding industrial lands. It is also impacted by traffic going to and from the residential areas to the north. Transport of slow-moving agricultural vehicles would pose an increasing danger to traffic safety in this area.

The testimony establishes that the proposal will facilitate needed development on adjacent existing urban land in two ways. First, the development of the property will permit looping of

the water system in the area as indicated in the letter from Ric Cushing. The increase in efficiency of the overall water system for the area will be a benefit for the development of all surrounding urban lands.

Second, this land will provide needed developable housing land within close proximity to a rapidly developing industrial center. Clackamas County's need for residential land is discussed in more detail elsewhere in these findings; however, it is important to note here that housing will be needed in close proximity to new job sources. Within the last few years, approximately 1,000 new jobs have been created in the immediate vicinity of the subject parcel. Industrially zoned but undeveloped land in the area is experiencing rapid urbanization. The location of medium density housing in the area will clearly facilitate continued development on nearby industrial lands.

The amendment, therefore, maximizes the efficiency of land uses and better carries out the requirements of Goals 3 and 14 than the present boundary. This conclusion is confirmed by the undisputed testimony of Mr. Spangler and Mr. Chase. They agree that, due to the topography, elevation, uses in the area and the traffic system, the subject parcel relates more logically to the residential lands to the north rather than to the agricultural lands to the south or the industrial lands to the west.

3. Environmental, Energy, Economic and Social Consequences.

Development of this property will not have any adverse environmental, energy, economic or social consequences. The property is amply served by the fire and school districts. Impact on regional transit corridor development will be diminimous.

Resource lands are buffered from the subject property by a difference in elevation and by the Clackamas River and, therefore, will not be affected.

The most important long-term implication of amendments such as this one is the impact on the workability of the UGB in Clackamas County. It has long been recognized by various planning agencies that Clackamas County has the least amount of urbanizable land of any of the three counties in the metropolitan area. Clackamas County has a reasonable concern that the result of the tight boundary in Clackamas County will be a diversion of development to other areas of the region. A policy of growth diversion from Clackamas County to Washington County was considered and rejected by Metro because of the risk of a Goal 10 violation. Clackamas County is concerned that, while an active policy of growth diversion was rejected, this unwise policy could still spring into effect through nonaction on Clackamas County's UGB. If other jurisdictions have ample urbanizable land and Clackamas County is left in short supply, the price of housing in the county may be forced upward and the goal of providing affordable housing for Clackamas County residents may be jeopardized.

The concern over this issue has a long history. The Regional Urban Growth Boundary, adopted by CRAG in November, 1978 and by Metro in November, 1979, was designed to delineate the area in which urban growth would occur over the next 20 years. LCDC acknowledged Metro's UGB. The acknowledged boundary has been the subject of a legal challenge by those who maintain that it is too large to satisfy the goals. There is also an attempt being made to challenge the boundary as being too restrictive, particularly in Clackamas County.

In April of 1980, Metro approved an amendment to the UGB in the Clackamas County area, stating that "Metro has long recognized the need for a boundary adjustment in Clackamas County." The findings for this amendment described its history and noted that the existing boundary did not provide for sufficient urban land in the county. The findings also cite Resolution No. 79-1581, adopted by the Clackamas County Board of Commissioners on August 20, 1979, which expresses support for the Regional UGB, based upon the condition that the boundary for Clackamas County would be reevaluated in response to a proposed amendment. The Metro staff memorandums on the subject of UGB amendments continue to acknowledge the problem of the availability of urban land in Clackamas County. For example, the July 3, 1980 memorandum from the Executive Officer to the Regional Planning Committee states:

"Because proportionately more vacant urban [land] is located in Washington County than in Clackamas or Multnomah Counties, the possibility of land shortages in geographic sub-markets is a real one--particularly Clackamas County...."

During acknowledgment hearings on the UGB, LCDC heard testimony from a number of homebuilders and other interested parties on the need for more urban land in Clackamas County. The Commission directed Metro to give early attention to amendment requests for the county. This was yet another aspect of the continuing recognition of potential land shortages in Clackamas County.

As a potential solution to this problem, the Metro staff has suggested at some points that consideration should be given to the possibility of diverting Clackamas County growth into Washington County. This approach has not met with favorable

reaction. Informally, LCDC staff has indicated that it may not be prudent to attempt to shift growth to an area which may not immediately be able to accommodate it, given the status of its land use and facilities planning. In April of 1980, the Metro Council rejected this approach more specifically in its findings in support of a UGB amendment in Clackamas County. Metro found that, in order to force growth in this direction, it would need to place such stringent controls on Clackamas County that the cost of housing in that jurisdiction would rise dramatically, thus risking violation of Goal 10. The Council also found that the more likely result of such restrictions would be an increase in development on rural lands rather than diversion to Washington County. More specifically, Metro found:

"The alternative to amending the Boundary in Clackamas County would be to attempt to divert projected growth to areas of Washington County where there may be sufficient land to accommodate some or all of Clackamas County's 'spill-over.'

"The housing market in the Metro region is composed of a number of geographic and other types of sub-markets. The population projected to reside in Clackamas County can be defined as individuals seeking housing in the Clackamas County sub-market. If, as projected, the demand in this sub-market exceeds the supply of housing, then housing prices can be expected to rise. A diversion of growth to other areas of the region could be accomplished only by increases in the cost of housing in this sub-market beyond perceived benefits of residing in that sub-area of the region.

"The case of Seaman v. Durham, drawing on the extensive body of literature in the field, established the principle that, while no government can ensure that sufficient low cost housing will be provided to meet identified needs, the requirements of Goal #10 (Housing) are best met when alternative courses of action are evaluated for their potential impacts on housing costs and the alternative with the least impact on housing costs is selected, provided that alternative is consistent with other goals and stated local objectives.

APPENDIX A - 7

"Clackamas County, which will create a shortage of land sufficient to raise housing costs to the point that sub-market demand will be diverted elsewhere, is not the least cost alternative. This alternative should, therefore, be preferred, only if necessary for Goal #14 compliance, or to achieve other regional objectives. In this case, which involves final resolution of the UGB, rather than a major new change Metro does not believe that such a course of action is necessary.

"There is insufficient information on the operation of the various sub-markets in the region to provide any assurance that growth would be effectively diverted to the urban areas of Washington County. Available data on past growth trends suggests that the diversion of growth to the rural areas of Clackamas County may be a more likely outcome. During the years 1976 to 1979, the proportion of building permits issued outside the Urban Growth Boundary has been substantially higher in Clackamas County than in either Washington or Multnomah Counties. An average of about 22 percent of all building permits in Clackamas County were issued outside the UGB during this period, while the average for the other two counties has been about three percent. This data suggests that rural lots in Clackamas County may be a more attractive alternative to the Clackamas County urban housing market than urban lots in Washington County. A tight boundary in Clackamas County that promotes an increase in urban land prices could make rural lands still more competitive, as the price of an urban lot would approach more closely the price of five, ten and even twenty-acre lots in close proximity to the urban area.

"Clackamas County has already taken steps to dramatically limit opportunities for rural growth. It is impossible to entirely shut down the potential for growth in rural areas, however, no matter how restrictive the zoning. There are approximately 500,000 acres of rural land in Clackamas County. Approximately 200,000 of these are located in the area described as RUPA II, which includes much, but far from all of the land closest to the urban area. In the RUPA II area, there are approximately 5,000 acres of land which, due to soil classification alone, are not subject to the protection of Goals #3 (Agricultural Lands) or #4 (Forest Lands). Additional lands have been identified by the County as unavailable for farm or forest use due to commitment to rural development. In these areas, average parcel sizes generally range from one to five acres in size. Some of these lands will always be available as an alternative for those wishing to reside in Clackamas County who cannot find a homesite at a comparable price in the urban area.

"While it is impossible to be certain that maintaining a tight Boundary in the County will indeed exacerbate rural growth trends, or that expanding the Boundary to accommodate identified needs will mitigate them, the risks of the former course of action relative to promoting a type of 'rural sprawl,' which is antithetical to the intent of Goal #14, should be taken only if the potential benefits of the latter course of action were outweighed by more severe costs relative to goal compliance in other areas.

"The greatest potential cost would be if expansion of the Boundary in Clackamas County were to in some way promote urban sprawl in either Washington or Clackamas County. The three counties, Metro and LCDC have all committed, however, to take such action as necessary to ensure that strong policies governing the conversion of urbanizable land to urban use are adopted and enforced throughout the region. Clackamas County has already adopted policy establishing a 10-acre minimum lot size for all future urban land and policies controlling its conversion. Metro is now in the process of adopting its own ordinance to provide for comparable regulations in Washington County. These regulations should be adequate to ensure that land in both counties is converted in a timely fashion, and with the efficient provision of services.

"Metro finds, therefore, that maintaining a tight Boundary in Clackamas County in order to attempt to divert growth to Washington County is not necessary to control urban sprawl, and that an expansion of the Boundary in Clackamas County to accommodate projected population growth would have the least impact on housing costs and the best chance of controlling rural sprawl outside the UGB."

Based upon these findings, Metro adopted the UGB amendment which resulted in the boundary that exists today. In adopting the findings, Metro also affirmed a policy that boundary amendments are to be considered under the Goal 14 policies and that schemes for diverting development to Washington County are not a solution to land shortages which are found in Clackamas County.

Clackamas County remains concerned that its limited amount of urban land will result in a de facto diversion of development. We, therefore, urge Metro to respond favorably to our request for this UGB amendment. The economic and social consequences of unfairly limiting the amount of available urban land in Clackamas

County could be disastrous to the County's residents.

4. Retention of Agricultural Land

The subject property is irrevocably committed to nonresource use because of its size, isolation and the impact of residential development. As previously described, the property cannot be managed as a single farming unit with the property to the south because of the differences in elevation. Its small size prevents its use as a productive unit standing on its own. Proximity to urban uses creates specific negative impacts such as frequent trespass and vandalism. The adjoining industrial development also has negative impacts because it encourages a great deal of nearby activity which results in trespass.

The testimony further indicates that it is not possible to put farm equipment on the subject parcel except by obtaining an access easement to 130th and constructing a road and bridge. The estimated cost to accomplish this is \$75,000, thus precluding any economic use of the approximately four acres of land that would theoretically be available for farming. As previously noted, the only access to this property by farm equipment would be over a heavily traveled residential/industrial street. This clear conflict, with its resulting negative impact on traffic safety, further precludes use of the land for agricultural or forestry purposes.

Testimony also established that the land has not been used in the past for farming. Presumably, the topographic constraints that isolate this property today also precluded its use in the past.

The proposed amendment would not result in the loss of
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agricultural land because the subject parcel cannot be used for that purpose. However, the topographic features along the southern edge of the property create a transition area which buffers the agricultural uses to the south. Those uses will not, therefore, be affected.

5. Compatibility of Proposed Urban Uses with Nearby Agricultural Activities.

The proposed residential use is compatible with nearby agricultural activities to the east because it is buffered from those uses by the Clackamas River. This forms a natural boundary which is the appropriate delimitation of the UGB. The result of the proposed amendment will be to separate urban from resource lands by means of a natural boundary, rather than an arbitrary division that splits a tax lot in half. The agricultural lands to the south will not be affected due to the difference in elevation.

6. Inclusion of All Similarly Situated Contiguous Land

The evidence in the record establishes that there is no similarly situated contiguous land to be included simultaneously with this proposal. The property is uniquely located with urban lands on two sides and the river on the third. The agricultural land to the south is distinguishable for all the reasons discussed above. This property is also unique in the fact that it is the only piece of land within the Clackamas County Service District which is not inside the current Metropolitan Urban Growth Boundary. The contiguous land to the south is distinguishable on this basis as well as for the other reasons noted herein.

CONCLUSION

Based upon the above factors, the proposed Urban Growth Boundary is superior to the Urban Growth Boundary as presently located. We, therefore, urge Metro to adopt the proposed amendment.



REPORT DATE: November 10, 1982
HEARING DATE: November 15, 1982

JOHN C. McINTYRE THOMAS J. VANDERZANDEN
Director Project Development Director
WINSTON W. KURTH DAVID R. SEIGNEUR
Deputy Director Development Agency Director
BENJAMIN R. RAINBOLT
Administrative Services Director

PROJECT AND POLICY DEVELOPMENT DIVISION
STAFF REPORT
TO THE BOARD OF COMMISSIONERS

FACTS

GENERAL INFORMATION

Applicant: Mutual Materials, Inc., 16800 S.E. 130th Clackamas 97015

Proposal: Recommendation to Metro for locational adjustment to the Regional Urban Growth Boundary.

Location: East of S.E. 130th Ave. approximately 500 feet north of Capps Road in the Clackamas area.

Legal Description: T2S, R2E, Section 14A, a portion of Tax Lot 1090, W.M.

SITE DESCRIPTION

The ten acre lot lies west of and adjacent to the Clackamas River. The Regional Urban Growth Boundary (UGB) roughly bisects the property from northeast to southwest (See Exhibit 1). The UGB aligns with a ravine 25 - 30 feet in depth. The eastern portion (that portion of the lot for which the locational adjustment recommendation is requested) is approximately 5 acres, vacant pasture area with scattered patches of Big Leaf Maple, Oregon Oak, Douglas Fir and Western Hemlock. This portion of Tax Lot 1090 is elevated above adjacent land 25 to 30 feet. The eastern edge of the lot is a vertical bank approximately 60 feet in height dropping to the Clackamas River.

The ravine on the western edge of the area of request continues north then turns east. It then cuts across the north side to the Clackamas River. In essence, the area of request is an isolated bench of 0 to 2 percent slope separated from adjacent areas by the Clackamas River on the east and a 25 - 30 foot ravine on the west and north. The lot slopes gently south and continues off site to a bluff located approximately 175 feet south of the requested area.

APPENDIX B - 1



There are no identified natural hazards on the bench area. Slopes do occur on the edge of the ravine on the west side and north sides of the area. Identified floodplain is limited to the 60 foot bank of the east side of the property (see Exhibit 3).

The portion of the lot requested for inclusion in the UGB is planned agriculture and zoned EFU-20. The area was annexed to Clackamas County Service District No. 1 9/18/80 per Annexation Order No. 1639, however, currently is not served. The area requested for locational adjustment is planned and zoned agricultural and is in a sanitary sewer service district.

Soils on the parcel are Briedwell gravelly loam, Briedwell extremely stony loam, Quatama loam and Terrace Escarpments, Classes II, IV, II and VI respectively (see Exhibit 4).

AREA DESCRIPTION

The area can be roughly divided into two terraces; the level of the Clackamas Industrial/Hwy. 212 area and the Clackamas River Floodplain Terrace.

Northwest of the site in the Clackamas Industrial area, industrial uses are mixed with warehousing (storage) and industrial manufacturing. Shadowbrook Mobile Home Park lies to the northeast. Empire Block Company lies immediately west. The Clackamas River is the eastern boundary. Agricultural land lies south. Row crop (intensive) agricultural is confined to the Clackamas River Floodplain on the lower terrace. The area immediately north of the site is largely vacant. One single family home is situated on the southeast corner of S.W. 135th Avenue.

The area is rapidly developing. New industrial development in the area is anticipated as a result of imminent completion of the South Clackamas Area Local Improvement District project. Additional infrastructure investments are expected as a result of the proposed Clackamas Industrial Service District.

Planned/zoned land uses are Industrial/I-2 to the west and north, medium density residential/MR-1 to the north and northeast and Agricultural/EFU-20 to the east and south.

APPLICABLE COMPREHENSIVE PLAN POLICIES

Policy 1.0 page 48 was amended in April 1981 to state, "Recognize the statutory role of MSD" (Metro)" in maintenance of and amendments to the Regional Urban Growth Boundary."

Policy 2.0, page 48 states, "The following area may be designated as Urban:

- b. Land needed for increased housing, employment opportunities and livability from both a regional and subregional view.
- c. Land to which public facilities and services can be provided in an orderly and economic way.

- e. Land which is best suited for urban uses based on consideration of the environmental, energy, economic and social consequences.
- f. Agricultural land only after considering retention of agricultural land as defined, with Class I having the highest priority for retention and Class VI the lowest priority.
- g. Land needed after considering compatibility of proposed urban uses with nearby agricultural activities.

Policy 3.3 page 171 states, "All proposed Comprehensive Plan amendments are to be considered at advertised public hearings before the Planning Commission, in accordance with state law and county requirements."

METRO LOCATIONAL ADJUSTMENT CRITERIA

Standards for petition approval Section 5, 6, and 8 of Metro Ordinance 81-105 are contained in Exhibit 5. A locational adjustment is defined as an addition or deletion of 50 acres or less and consistent with Section 8 of Ordinance 81-105.

Section 5 of the ordinance requires a written action by the governing body prior to consideration of a locational adjustment petition by Metro. The written action must recommend 1) Metro approve, 2) Metro deny or 3) Expresses no opinion on the petition.

Standards for petition approval (Section 8) are

- 1) Orderly and economic provision of public facilities and services,
- 2) Maximum efficiency of land uses,
- 3) Environmental, energy, economic and social consequences,
- 4) Retention of agricultural land, and
- 5) Compatibility of proposed urban uses with nearby agricultural activities.

PROCEDURAL SEQUENCE

The procedural sequence would be action by Metro: If approved, action by the Planning Commission and Board of Commissioners would be necessary to possibly amend the UGB, Comprehensive Plan and Zoning district.

Metro must approve or deny the petition consistent with their adopted criteria. One of the submittal requirements is an approval, denial or no opinion on the petition from the Board of Commissioners.

Since this request is quasi-judicial, pursuant to HB 2225 and OAR 660-18-005, forty-five day notice must be provided. Since the application was submitted in late October and a Metro review of November 4, 1982 requires an action by the local government within 14 days, a quasi-judicial decision could not be legally rendered within that time frame. In addition, a decision from the governing

body at this time may prejudice a possible future quasi-judicial decision necessary at the county level.

CONCLUSIONS

The eastern portion of the tax lot 1090 is proposed for inclusion in the Regional Urban Growth Boundary as a locational adjustment.

The lot is within the boundaries of Clackamas County Service District No. 1, a sanitary sewer service district.

The eastern portion of the lot is adjacent to the UGB, is approximately five acres, is planned and zoned Agricultural and the ownership is bisected by the UGB.

A quasi-judicial decision (approval or denial) prior to the 14 day time frame necessitated by Metro Ordinance 81-105 would violate state and county law and may jeopardize a future quasi-judicial county decision.

An approval, denial or no opinion is necessary within 14 days to meet Metro submittal requirements.

The eastern portion of the lot is isolated from adjacent lands topographically. This is unique as it is the only known lot within a sanitary sewer service district outside the Urban Growth Boundary which is topographically isolated.

STAFF RECOMMENDATION

1. Based on the materials submitted the Board of Commissioners recommends there is sufficient merit for Metro to conduct a hearing to determine consistency of the application with their locational adjustment standards.

GC:elk
3/5-8

LIST OF EXHIBITS

1. Assessors lot line map with UGB regional.
2. Aerial Photograph
3. Montgomery Engineering Preliminary Floodplain map
4. Soils maps and OR-1 sheets.
5. Section 5, 6, and 8, Metro Ordinance 81-105.
6. Metro letter of November 4, 1982
7. Metro application

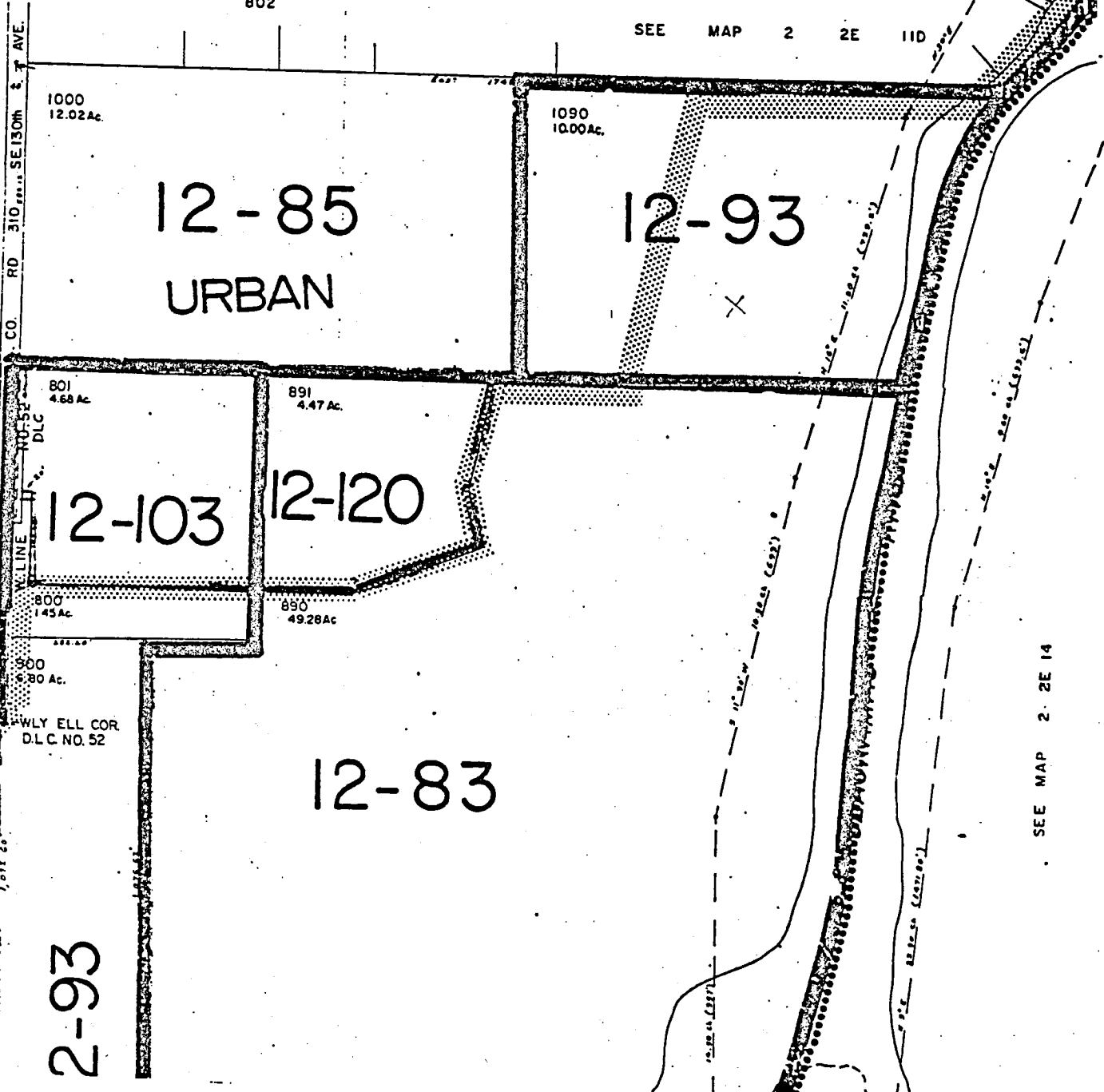
NE 1/4 SEC. 14 T.2S. R.2E. W.M.
CLACKAMAS COUNTY

1" = 200'

D.L.C.
ISAAC CAPPS NO. 52

CANCELLED NO.
100
200
300
400
500
600
700
802

SEE MAP 2 2E 11D



SEE MAP 2 2E 14

2-93