

A G E N D A

600 NORTHEAST GRAND AVENUE | PORTLAND, OREGON 97232 2736
TEL 503 797 1542 | FAX 503 797 1793



METRO

Agenda

MEETING: METRO COUNCIL REGULAR MEETING
DATE: May 16, 2002
DAY: Thursday
TIME: 2:00 PM
PLACE: Metro Council Chamber

CALL TO ORDER AND ROLL CALL

1. **INTRODUCTIONS**
2. **CITIZEN COMMUNICATIONS**
3. **ARBOR SCHOOL CONCEPT PLAN PRESENTATION** Wilson
7. **EXECUTIVE SESSION HELD PURSUANT TO ORS 192.660 (1) (d) FOR THE PURPOSE OF DELIBERATING WITH PERSONS DESIGNATED TO CONDUCT LABOR NEGOTIATIONS.** Burton
4. **CONSENT AGENDA**
 - 4.1 Consideration of Minutes for the May 9, 2002 Metro Council Regular Meeting.
5. **ORDINANCES - FIRST READING**
 - 5.1 **Ordinance No. 02-945**, For the Purpose of Amending the 2000 Regional Transportation Plan Financial Constrained System; Amending Ordinance No. 00-869A and Resolution No. 00-2969A to Reflect Resolution 02-3186.
6. **RESOLUTIONS**
 - 6.1 **Resolution No. 02-3184**, For the Purpose of Authorizing the Release of a Request for Proposals #02-1022-ASD for Financial Advisory Services. Burkholder
 - 6.2 **Resolution No. 02-3193**, For the Purpose of Authorizing the Release of a Request for Proposals #02-1019-AUD for Financial Statement Audit Services. Hosticka

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6.1 **Resolution No. 02-3184**, For the Purpose of Authorizing the Release of a Request for Proposals #02-1022-ASD for Financial Advisory Services.

Gov't Affairs
Committee

6.2 **Resolution No. 02-3193**, For the Purpose of Authorizing the Release of a Request for Proposals #02-1019-AUD for Financial Statement Audit Services.

Hosticka

6.3 **Resolution No. 02-3195**, For the Purpose of Authorizing the Executive Officer to Sign an Intergovernmental Agreement with the Tualatin Basin Natural Resources Coordinating Committee.

McLain

7. **EXECUTIVE SESSION HELD PURSUANT TO ORS 192.660 (1) (d)
FOR THE PURPOSE OF DELIBERATING WITH PERSONS
DESIGNATED TO CONDUCT LABOR NEGOTIATIONS.**

Burton

8. **COUNCILOR COMMUNICATION**

ADJOURN

Cable Schedule for Week of May 16, 2002 (TVCA)

	Sunday (5/19)	Monday (5/20)	Tuesday (5/21)	Wednesday (5/22)	Thursday (5/16)	Friday (5/17)	Saturday (5/18)
CHANNEL 11 (Community Access Network) (most of Portland area)						2:00 PM	
CHANNEL 21 (TVCA) (Washington Co., Lake Oswego, Wilsonville)	7:00 P.M.	1:00 AM		7:00 P.M.			
CHANNEL 30 (TVCA) (NE Washington Co. - people in Wash. Co. who get Portland TCI)	7:00 P.M.	1:00 A.M.		7:00 P.M.			
CHANNEL 30 (CityNet 30) (most of City of Portland)	8:30 PM (previous meeting)						
CHANNEL 30 (West Linn Cable Access) (West Linn, Rivergrove, Lake Oswego)	4:30 PM			5:30 AM	1:00 PM 5:30 PM	3:00 PM	
CHANNEL 33 (ATT Consumer Svcs.) (Milwaukie)		10:00 AM 2:00 PM 9:00 PM					

PLEASE NOTE THAT ALL SHOWING TIMES ARE TENTATIVE BASED ON THE INDIVIDUAL CABLE COMPANIES' SCHEDULES. PLEASE CALL THEM OR CHECK THEIR WEB SITES TO CONFIRM SHOWING TIMES.

Portland Cable Access www.pcatv.org (503) 288-1515
Tualatin Valley Cable Access www.tvca.org (503) 629-8534
West Linn Cable Access www.ci.west-linn.or.us/CommunityServices/htmls/wltskcd.htm (503) 722-3424
Milwaukie Cable Access (503) 654-2266

Agenda items may not be considered in the exact order. For questions about the agenda, call Clerk of the Council, Chris Billington, 797-1542. Public Hearings are held on all ordinances second read and on resolutions upon request of the public. Documents for the record must be submitted to the Clerk of the Council to be considered included in the decision record. Documents can be submitted by email, fax or mail or in person to the Clerk of the Council. For assistance per the American Disabilities Act (ADA), dial TDD 797-1804 or 797-1540 (Council Office).

Agenda Item Number 4.1

Consideration of the May 9, 2002 Regular Metro Council Meeting minutes.

**Metro Council Meeting
Thursday, May 16, 2002
Metro Council Chamber**

Agenda Item Number 5.1

Ordinance No. 02-945, For the Purpose of Amending the 2000 Regional Transportation Plan Financial Constrained System; Amending Ordinance No. 00-869A and Resolution No. 00-2969A to Reflect Resolution No. 02-3186.

First Reading

Metro Council Meeting
Thursday, May 16, 2002
Metro Council Chamber

BEFORE THE METRO COUNCIL

FOR THE PURPOSE OF AMENDING THE)
2000 REGIONAL TRANSPORTATION PLAN)
FINANACIAL CONSTRAINED SYSTEM;)
AMENDING ORDINANCE NO. 00-869A)
AND RESOLUTION NO. 00-2969A TO)
REFLECT RESOLUTION 02-3186)

ORDINANCE NO. 02-945

Introduced by
Councilor Rod Monroe
JPACT Chair

WHEREAS, Metro's 2000 Regional Transportation Plan ("RTP") is the regional "metropolitan transportation plan" required by federal law as the basis for coordinating federal transportation expenditures; and

WHEREAS, the Oregon Transportation Commission, on February 13, 2002, approved bonded financing of approximately \$105 million of road, bridge and freeway expansion and preservation projects in ODOT - Region 1, pursuant to the Oregon Transportation Investment Act (OTIA) (see Exhibit "A"); and

WHEREAS, included in the bonding are funds which allows the U.S. 26/Jackson School Road interchange project to advance to project development and construction; and

WHEREAS, Washington County seeks to advance project development for widening of US 26 from Murray Boulevard to 185th Avenue, (see Exhibit "A"); and

WHEREAS, neither the interchange nor widening projects are in the 2000 RTP financially constrained system; and

WHEREAS, state and federal regulation require that no transportation project may be added to the RTP except that a Conformity Determination is prepared for such amendments showing that the newly included project shall not interfere with attainment or maintenance of air quality standards; and

WHEREAS, during Metro's preparation of an air quality Conformity Determination for the interchange and widening projects, local jurisdictions declared approved revisions they have made to the timing, scope or concept of projects currently included in the 2000 RTP financially constrained system, (see Exhibit A); and

WHEREAS, the 2000 RTP financial constrained system list was revised during performance of quantitative analysis of the interchange and widening projects to reflect the locally approved system revisions; and

WHEREAS, Resolution No. 02-3186 approves companion amendments to the 2002 Metropolitan Transportation Improvement Program (MTIP) and adopts the air quality conformity determination for those amendments and for the RTP amendments approved by this Ordinance that are summarized in Exhibit "A"; and

WHEREAS, Exhibit "B" of this ordinance contains the precise 2000 RTP amendments adopted by this Ordinance; now therefore

THE METRO COUNCIL ORDAINS AS FOLLOWS:

1. The revisions to the financial constrained system of the 2000 Regional Transportation Plan shown in Exhibit "B" are approved.

ADOPTED by the Metro Council this _____ day of _____, 2002.

Carl Hosticka, Presiding Officer

Attest:

Approved as to Form:

Christina Billington, Recording Secretary

Daniel B. Cooper, General Counsel

1. Projects not currently included in 2000 Regional Transportation Plan financially constrained system:

- **Jackson School Road Interchange.** In February, 2002, pursuant to the Oregon Transportation Investment Act of 2001 (OTIA), the Oregon Transportation Commission (OTC) approved bond financing of this road project.
- **US 26 (Murray Boulevard to 185th Avenue).** In the summer 2001, Washington County indicated its intention to design a project to widen U.S. 26 to three lanes in each direction from the Murray Boulevard Interchange to the 185th Avenue Interchange. Actual allocation the 04-05 MTIP funds to the PE project was made contingent on approval of a conformity determination supporting amendment of the 2000 RTP to include the project in the financially constrained system (Resolution No. 02-3186).

2. Locally Declared Changes of Scope, Concept or Timing of projects in the 2000 RTP financially constrained system:

Locally Declared Amendments to Financially Constrained RTP Network:

242nd Avenue Connector project (#2001): The project was split. The portion of 242nd between Glisan and Stark is currently 4 lanes, sidewalk on one side, no bike lanes or center turn lane. Multnomah County carries a project in its Capital Improvement Program to add a center (5th) turn lane, bike lanes and sidewalks on each side by 2005. **The 2005 network was modified to show 242nd: Glisan/Stark as a 5 lane section. The 242 Avenue: Glisan to I-84 section was delayed to the 2020 network.**

Network Change	RTP ID No.	Jurisdiction	Facility	Termini	Project Features	RTP Year of Operation
2005 network	2026	Portland	NE/SE 99th Avenue Phase I/NE Pacific Avenue	NE 99th from NE Weidler to Glisan Street and NE Pacific Avenue from 97th to 102nd Avenue	Reconstruct primary local main street in Gateway regional center. Model south leg of Glisan/99th intersection improvement (RTP #1266) as part of RTP #2026 and advance #2026 to 2005 network year.	2006-10
2010 network	4022	Portland / Port	East End Connector	Columbia/US 30 Bypass: NE 82nd Avenue to I-205	Provide free-flow connection from Columbia Boulevard/82nd Avenue to US 30 Bypass/I-205 interchange;	2000-05

					widen SB I-205 on-ramp at Columbia Boulevard	
Model as 2-lanes, not 4	4065	Port/Portland	South Rivergate Entry Overpass	South Rivergate	Construct overpass from Columbia/Lombard intersection to South Rivergate	2006-10
2005 network	7008	Clackamas Co.	147th Avenue Improvements	Sunnyside Road to 142nd Avenue	Realign 147th Avenue to 142nd Avenue	2006-10
2005 network	6128	Clackamas Co.	Carmen Drive Intersection Improvements	Carmen Drive/Meadows Road intersection	Add traffic signal, turn lanes, realign intersection	2006-10
2005 network	5204	Clackamas Co.	Stafford Road	Stafford Road/Rosemont intersection	Realign intersection, add signal and right turn lanes	2006-10
2005 network	5108	Clackamas Co.	Jennifer Street/135th Avenue Extension	130th Avenue to Highway 212	Two-lane extension to 135th Avenue and widen 135th Avenue	Confirm current year of operation
2005 network	3171	Cornelius/Wash Co.	Hwy 8/4th Ave Intersection	Intersection of 4th Avenue and couplet	Intersection improvement with signal	2006-10
Operational in 1998	2111	Multnomah Co.	207th Connector	Halsey Street to Glisan Street	Complete reconstruction of 207th Avenue	2000-05
Wallula to Birdsall	2047	Gresham	Division Street Improvements	NE Wallula Street to Hogan Road	Complete boulevard design improvements	2000-05
Model as 2-lane not 4.	1037	Portland	Bybee Boulevard Overcrossing	Bybee Blvd/McLoughlin Blvd	Replace substandard 2-lane bridge with 4-lane bridge.	2006-10
Glencoe to 268th/Sewall	3130	WashCo/Hillsboro	Evergreen Road Improvements	Glencoe Road to 15th Avenue	Widen to three lanes to include bikeways and sidewalks	2000-05

Chapter 5 2000 RTP Amendments

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4022 East End Connector

Construct an at-grade intersection connection from Columbia Boulevard at 82nd Avenue to US 30 Bypass/I-205 interchange and widen I-205 southbound on-ramp at Columbia Boulevard. This project is intended to better distribute traffic between Columbia Boulevard and Lombard Street. (2000-2005/2006-2010)

Page 5-39

4065 South Rivergate Entry Overpass

Construct an two-lane overpass from the intersection at Columbia Boulevard and Lombard Street to South Rivergate entrance to separate rail and vehicular traffic. (2000-2005)

Page 5-43

1037 Bybee Boulevard Over-crossing

Replace existing bridge with a 4-lane 2-lane bridge with standard clearance. (2006-2010)

Page 5-51

2001 Hogan Corridor Improvements

Construct a new interchange at I-84 and extend new interchange connection south to Glisan Stark Street. (2000-2005/2010-2020)

Page 5-52

2026 99th Avenue/Pacific Avenue Reconstruction - Phase 1

Reconstruct primary local main streets in Gateway Regional Center. (2006-2010/2000-2005)

2047 Division Street Improvements

Boulevard retrofit of street from Wallula Street to ~~Hogan Road~~ Birdsdale Avenue including bike lanes, wider sidewalks, curb extensions and safer street crossings. (2000-2005)

Page 5-57

5021 Highway 224 Extension

Construct a new four-lane highway from I-205 to Highway 212/122nd Avenue. This project includes reconstruction of Highway 212/122nd Avenue interchange. (2006-2010)

7008 147th Avenue Improvements

Realign 147th Avenue to 142nd Avenue at Sunnyside Road to provide additional access into town center. (2000-2005/2006-2010)

Page 5-61

5003 Sunrise Corridor

Construct a new four-lane highway from I-205 to Rock Creek/152nd Avenue. Project includes construction of interchanges at ~~122nd Avenue~~, 135th Avenue

and the Rock Creek Junction, and modification of I-205 interchange. (~~2000-2005~~2006-2010)

(Note this project has been removed from the Financially Constrained system and will be included in the Preferred and Priority systems only. The project cost is \$73 million)

5024 Sunrise Corridor Tier 1 EIS

Corridor analysis from I-205 to US 26 to develop phasing recommendations adequate to support future right of way acquisition. (2000-2005)

(Note this project has been added to the Financially Constrained system and the Preferred and Priority systems. The project cost is \$2 million)

Page 5-63

5108 Jennifer Street/135th Avenue Extension

Extend Jennifer Street to 135th Avenue and widen to three lanes. This project includes sidewalks and bike lanes. (~~2006-2010~~2000-2005)

Page 5-64

5204 Stafford Road

Realign the intersection and construct turn lanes at Rosemont Road. This project will include construction of a traffic signal. (~~2006-2010~~2000-2005)

Page 5-69

6128 Carmen Drive Intersection Improvements

Realign the intersection at Meadows Road, including a new traffic signal and turn lanes. (~~2006-2010~~2000-2005)

Page 5-73

3009 US 26

Widen US 26 to six lanes from Murray Boulevard to 185th Avenue. (2011-2020)

Page 5-75

3101 Jackson School Road

Construct interchange at US 26/Jackson School Road. (2000-05)

3130 Evergreen Road Improvements

Widen the street to three lanes from Glencoe Road to ~~15-268th~~/Sewall Avenue. This project also will include sidewalks and bike lanes to improve safety. (2000-2005)

Page 5-76

3171 Highway 8/4th Avenue Improvement

Install a traffic signal. (~~2006-2010~~ 2000-2005)

STAFF REPORT

IN CONSIDERATION OF ORDINANCE NO. 02-945 FOR THE PURPOSE OF AMENDING THE 2000 REGIONAL TRANSPORTATION PLAN FINANCIALLY CONSTRAINED SYSTEM; AMENDING ORDINANCE NO. 00-869A AND RESOLUTION NO. 00-2969A TO REFLECT RESOLUTION 02-3186

Date: May 7, 2002

Prepared by: Terry Whisler
Planning Department

This Ordinance amends the Regional Transportation Plan (RTP) financially constrained system to include the U.S. 26/Jackson School Road Interchange and widening of U.S. 26 to three lanes in both directions from Murray Boulevard to 185th Avenue. The RTP is also amended to reflect revisions to the scope, timing and/or concept of system projects that have been approved by local governments since adoption of the RTP in fall of 2000.

These actions will enable amendment of the Metropolitan Transportation Improvement Program (MTIP) to approve allocation of about \$100 million of state bond funds, which derive from the 2001 Oregon Transportation Investment Act (OTIA), to 17 projects. Also, \$359,000 of reserve STP funds will be freed for design of the widening project. Resolution No. 02-3186, pending, implements this programming and is shown in Attachment 1 of this staff report. The Resolution also approves a Conformity Determination prepared by Metro, which shows that the RTP actions and the related MTIP amendments will conform with the State Implementation Plan for maintenance of the region's air quality. The Executive Summary of this finding is included in Attachment 1.

BACKGROUND

Jackson School Road Interchange. The 2001 Legislature approved the OTIA bond program to address road, bridge and freeway capacity expansion and preservation needs throughout the state. ODOT - Region 1 received about \$105 million of these funds, which were assigned to specific projects by the Oregon Transportation Commission on February 13, 2002 (see Exhibit A of the Resolution). One of these projects is the U.S. 26/Jackson School Road interchange. The interchange is actually located outside Metro's boundary but lies within the Portland air quality maintenance area (AQMA). Under agreements between Metro, ODOT and Oregon Department of Environmental Quality (DEQ), Metro is responsible for documenting that the newly authorized interchange will not adversely effect the region's air quality.

The 2000 RTP financially constrained system was shown to be consistent with air quality plans in a Conformity Determination approved by the U.S. Department of Transportation in January 2001. However, the RTP does not authorize a full interchange at Jackson School Road. Ordinance 02-945 is amending the RTP to include the project. This Resolution is amending the MTIP to program design and construction dollars for the project. This Resolution also approves a new Conformity Determination (see Exhibit B of the Resolution) showing that construction of the new interchange "conforms" with the State Implementation Plan's (SIP) provisions for assuring that automotive emissions will not cause deterioration of the region's air quality.

U.S. 26 Widening. In the summer of 2001, Washington County stated its intention to begin design of a project to widen U.S. 26 to three lanes in each direction between the Murray Boulevard and 185th Avenue interchanges. During the Priorities 2002 Update last fall, Metro assigned \$359,000 of regional STP funds to a reserve account intended to help pay for a portion of the design work. However, as with the Jackson School Road interchange, the widening project is not included in the conforming financially constrained system of the 2000 RTP. Design work cannot begin until the RTP is amended to include the project.

This is accomplished by Ordinance 02-945. This Resolution amends the MTIP to assign the reserve dollars to preliminary engineering for the widening project and also approves the Conformity Determination that shows that both the RTP and the MTIP, as amended, will continue to conform with the SIP.

Miscellaneous Conformity Issues. During preparation of the Conformity Determination, Metro requested that local jurisdictions declare any modifications they may have approved to the timing, scope or concept of projects included in the 2000 RTP financially constrained system after its adoption. Approximately eight changes were declared to Metro and these are described in Ordinance 02-945. These changes were incorporated into Metro's regional model and are reflected in the quantitative portion of the Conformity Determination performed by Metro that calculates future anticipated regional automotive emissions. Two of the most obviously significant changes include:

- **East End Connector (82nd Avenue @ Columbia Boulevard):** delay of assumed operation from the 2005 to the 2010 analysis year;
- **I-84 to 242 Avenue Connector:** delay of assumed operation from the 2010 to the 2020 analysis year.

Sunrise Corridor. The status of the Sunrise Corridor arose during interagency consultation. During the 2002 MTIP Update, Metro allocated \$2.0 of planning money for refinement of corridor land use and transportation issues. It was suggested that it would be appropriate to clarify distinctions in the RTP between projects approved for construction in the corridor and policies that address future planning and project concepts appropriate to the corridor.

Seventy three million dollars is reserved in the 2000 RTP financial analysis to improve the I-205/224 interchange and to provide a new four-lane connection to Hwy 212 at 122nd Avenue for truck volumes otherwise destined for the overburdened I-205/Hwy 212 Interchange. Elements of this project were reflected in a broader \$180 million first phase concept of the Sunrise Highway (RTP #5003).

The RTP Preferred System endorses a broad set of improvements to the Sunrise Corridor, costing over \$520 million and which encompass construction of a new four-lane highway from I-205 all the way to U.S. 26 in rural Clackamas County. The cost of such improvements goes well beyond the region's reasonably anticipated revenues for the next 20-years. Additionally, significant land use issues concerning urbanization of the Damascus area must be resolved before implementation of any portion of this highway concept would be appropriate.

In light of confusion between the RTP's presentation of immediate financially constrained project authority and its treatment of longer-term, unconstrained policies concerning the Sunrise Corridor, two revisions were made by Metro to the financially constrained system. First, a distinct "Hwy. 224 Extension" project from I-205 to the Highway 212/122nd Avenue interchange was identified as project #5021 of the financially constrained system, costing \$73 million. Second, a "Sunrise Corridor Tier 1 EIS: I-205 to U.S. 26" project was added as RTP #5024 for approximately \$2.0 million. Project #5003 is retained in the Preferred system of the RTP.

The EIS project (#5024) reflects \$1.0 million of the funds allocated by Metro in the 2002 MTIP and anticipated ODOT and/or Clackamas County contributions toward the study. ODOT requested inclusion of the project in the system list to assure that the very broad termini of the study would not create an appearance of going beyond the concept of projects specifically endorsed by the RTP. Simultaneous with the EIS, Metro, in cooperation with Clackamas County, will use the second \$1.0 million, approximately, to conduct Damascus-area land use analyses to help inform the EIS Tier 1 alternatives analysis.

ANALYSIS/INFORMATION

1. **Known Opposition.** There is no known opposition to approval of these RTP amendments. There has been past controversy surrounding construction of a full interchange at the Jackson School Road intersection with U.S. 26.
2. **Legal Antecedents.** These actions are mandated by state and federal transportation and air quality regulations, including the Clean Air Act of 1991 and OAR Chapter 340, Division 252, Section 0010 et. seq.
3. **Anticipated Effects.** The Ordinance will amend the RTP financially constrained system to approve a full US 26/Jackson School Road Interchange and widening of U.S. 26 to three lanes in each direction between the Murray Boulevard and 185th Avenue interchanges. These amendments will clear the way for the MTIP to schedule about \$100 million of state bond funds allocated by the Oregon Transportation Commission (OTC) to 17 projects in and around the Portland urban area. The funds derive from the OTIA bond program. Also, \$359,000 of reserve STP funds for design of the widening project will be approved.
4. **Budget Impacts.** There would be on effects on Metro's budget from adoption of this Resolution.

RECOMMENDED ACTION

The Council approve Ordinance 02-945.

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**ORDINANCE 02-945
STAFF REPORT**

ATTACHMENT 1

Consisting of:

- Draft Resolution No. 02-3186
- Draft Exhibit A of Res. No. 02-3186
- Draft Partial Exhibit B of Res. No. 02-3186 (which is the
Executive Summary of Conformity Determination)

BEFORE THE METRO COUNCIL

FOR THE PURPOSE OF AMENDING THE) RESOLUTION NO. 02-3186
METROPOLITAN TRANSPORTATION)
IMPROVEMENT PROGRAM (MTIP) TO INCLUDE) Introduced by
STATE BOND FUNDS; PROGRAMMING) Councilor Rod Monroe
PRELIMINARY ENGINEERING FUNDS FOR US 26) JPACT Chair
WIDENING, AND APPROVING A CONFORMITY)
DETERMINATION FOR THESE ACTIONS AND)
THOSE OF ORDINANCE 02-945 THAT AMENDS)
THE REGIONAL TRANSPORTATION PLAN.)

Whereas, the Oregon Transportation Commission approved allocation of approximately \$105 million of bond funds to road, bridge and freeway modernization and preservation projects in ODOT – Region 1 (see Exhibit A), including design and construction of the U.S. 26/Jackson School Road interchange; and

Whereas, Washington County has stated its intention to design a project to widen U.S. 26 to three lanes in each direction from Murray Boulevard to 185th Avenue; and

Whereas, Metro allocated \$359,000 of regional STP funds to a reserve account to assist with this design project (see Exhibit A); and

Whereas, state and federal regulations mandate that Metro list significant transportation projects in it's jurisdiction, or within the Portland-area Air Quality Maintenance Area that extends beyond Metro's jurisdiction, in the financially constrained system of the 2000 Regional Transportation Plan (RTP); and

Whereas, state and federal regulations mandate that Metro show funding for significant transportation projects approved within it's jurisdiction in the 2002 Metropolitan Transportation Improvement Program (MTIP); and

Whereas, no significant transportation projects may be approved, including their design, unless they come from a transportation program and/or plan that has been shown to conform with State Implementation Plan (SIP) provisions that assure maintenance of regional air quality; and

Whereas, Ordinance 92-945 amends the 2000 RTP financially constrained system to include both the Jackson School Road and U.S. 26 widening projects; and

Whereas, Metro has prepared an air quality Conformity Determination supporting these RTP amendments (see Exhibit B); and

Whereas, local jurisdictions declared a number of approved revisions of the timing, scope or concept of projects included in the 2000 RTP financially constrained system during the course of preparing the Conformity Determination; and

Whereas, these locally declared RTP system revisions are incorporated into the RTP by Ordinance 02-945 and are reflected in the quantitative analysis portion of the Conformity Determination; and

Whereas, the Conformity Determination was the subject of interagency consultation and a proactive public involvement process; now, therefore;

BE IT RESOLVED

1. The 2002 MTIP is amended to include the schedule of funds shown in Exhibit A of this Resolution, including all Portland urban-area bond projects.
2. The \$359,000 of STP reserve funds (ODOT Key #12452) shown in Exhibit A, is released for support of preliminary engineering of a project to widen U.S. 26 from Murray Boulevard to 185th Avenue.
3. Use of STP funds for the design of the widening project is contingent on the project receiving at least ½ its support from Washington County sources.
4. Use of STP funds for right of way acquisition or construction is not authorized.
5. The Conformity Determination shown in Exhibit B is approved with respect to MTIP amendments shown in Exhibit A of this Resolution and companion amendments of the 2000 RTP financially constrained system approved in Ordinance 02-945.

ADOPTED by the Metro Council this _____ day of _____, 2002.

Carl Hosticka, Presiding Officer

Approved as to Form:

Daniel B. Cooper, General Counsel

MTIP AMENDMENTS AUTHORIZED BY METRO RESOLUTION NO. 02-3186

ODOT KEY NUMBER	PROJECT NAME	WORK PHASE	02	03	04	05	TOTAL
EXISTING PROGRAMMING							
12452	US 26: Murray/Cornell PE Reserve	RESERVE	0.359				\$ 0.359
ODOT	Reserve of funds anticipated for use to design widening of US 26 from Murray to Cornell Blvd.	ROW					
		CON					
		TOT	\$ 0.359				\$ 0.359
NEW APPROVED PROGRAMMING							
12452	US 26: Murray/185th Ave. PE	PE	0.359				\$ 0.359
ODOT	Funds to design widening of US 26 from Murray to 185th Avenue.	ROW					
		CON					
		TOT	\$ 0.359				\$ 0.359
NEWLY INCLUDED ODOT – REGION 1 OTIA BOND PROJECTS (Urban Area)							
8838	East Columbia Blvd. - Lombard St. Connector Construct new wider underpass and at grade intersection further from existing 92nd Ave connection. Widen Col. Blvd approach to I-205; additional left turn lane. \$12.123 million construction phase in 2007.	PE					
ODOT/ COP		ROW				7.642	\$ 7.642
		CON					
MOD*		TOT				\$ 7.642	\$ 7.642
12394	US 26: Hwy 217/Camelot Interchange	PE	1.255				\$ 1.255
ODOT	Build new eastbound general purpose travel lane to match west bound widening; sound walls, bike lane ramp meters	ROW	0.465				\$ 0.465
		CON		18.879			\$ 18.879
MOD		TOT	\$ 1.720	\$ 18.879			\$ 20.599
12393	U.S. 26 @ Jackson School Rd Interchange	PE	0.794				\$ 0.794
ODOT	New rural diamond interchange to replace existing, unsafe at-grade interchange	ROW			1.550		\$ 1.550
		CON				13.790	\$ 13.790
MOD		TOT	\$ 0.794		\$ 1.550	\$ 13.790	\$ 16.134
11435	I-5/Nyberg Interchange Widening Project	PE					
ODOT/ Tualatin	Add two new eastbound lanes on Nyberg Overcrossing of I-5 w/ bike and ped amenities. Construction partially funded w/ regional dollars.	ROW					
		CON			1.172		\$ 1.172
MOD		TOT			\$ 1.172		\$ 1.172
12400	Boeckman Rd. - Tooze Rd. Connection	PE	1.490				\$ 1.490
ODOT/ Wilsonville	Extend Boeckman Rd. west to Dammasch Hospital site	ROW		0.487			\$ 0.487
		CON					
MOD		TOT	\$ 1.490	\$ 0.487			\$ 1.977
12399	Sunnyside Rd. Widening (Ph. 2): 122nd/152nd	PE					
ODOT/ Clack Co.	Widen to five lanes with bike/ped amenities. PE funded with regional dollars.	ROW		8.000			\$ 8.000
		CON				0.443	\$ 0.443
MOD		TOT		\$ 8.000		\$ 0.443	\$ 8.443

MTIP AMENDMENTS AUTHORIZED BY METRO RESOLUTION NO. 02-3186

ODOT KEY NUMBER	PROJECT NAME	WORK PHASE	02	03	04	05	TOTAL
12392 ODOT/ Wash Co. PRES**	Farmington Rd. Preservation: Hwy219/SW 209th Overlay and improved shoulders; add bike/ped amenities. Part of agreement for Wash Co. to assume facility ownership from ODOT.	PE	0.075				\$ 0.075
		ROW					
		CON		2.241			
		TOT	\$ 0.075	\$ 2.241			\$ 2.316
8850 ODOT/ Wash Co. PRES	Farmington Rd. Preservation: SW 209TH/SW 198th Overlay and improved shoulders; add bike/ped amenities; new signals at 198th & 209th SPIS-ranked intersections. Leads to Wash Co. taking facility ownership from ODOT.	PE	0.636				\$ 0.636
		ROW		0.250			\$ 0.250
		CON			1.547		\$ 1.547
		TOT	\$ 0.636	\$ 0.250	\$ 1.547		\$ 2.433
12390 ODOT/ COP PRES	Sandy Blvd. Boulevard Retrofit: NE 13th/NE 47th Restore pavement; reduce auto/bike/ped/transit conflicts w/ circulation and access improvements in Hollywood Dist.; effect transfer of road to COP jurisdiction.	PE	0.720				\$ 0.720
		ROW					
		CON				7.182	\$ 7.182
		TOT	\$ 0.720			\$ 7.182	\$ 7.902
12388 ODOT/ Wash Co. PRES	Boones Ferry Preservation: Tualatin Rv Brdg/Norwood 2.6 mi of grind/overlay; two new signals, ped improvements; Norwood Crk culvert replacement.	PE	0.231				\$ 0.231
		ROW	0.255				\$ 0.255
		CON		2.095			\$ 2.095
		TOT	\$ 0.486	\$ 2.095			\$ 2.581
5651 ODOT/ Milw. PRES	McLoughlin Blvd. "Boulevard" Retrofit: Harrison St/ Kellogg Lake Bridge Overlay/reconstruct 1.25 mi thru downtown Milw.; add bike/ped/transit amenities; redesign signal systems.	PE					
		ROW					
		CON				2.000	\$ 2.000
		TOT				\$ 2.000	\$ 2.000
11136 ODOT/ Mult Co. BRIDGE***	Broadway Bridge Rehabilitation (Phase 7) (Br# 06757) Repaint entire steel structure above deck. Remove and replace conduit, wiring and controls. Combine with Ph. 4, 5 & 6 contracts to reduce closure time and cost.	PE					
		ROW					
		CON		7.000			\$ 7.000
		TOT		\$ 7.000			\$ 7.000
12448 ODOT/ COP BRIDGE	NE 33rd Ave. O'Xing: Lombard St. & UPRR (Br# 02484) Strengthen steel girders through post tensioning, place bonded deck overlay on entire structure.	PE			0.373		\$ 0.373
		ROW				0.020	\$ 0.020
		CON				3.113	\$ 3.113
		TOT			\$ 0.373	\$ 3.133	\$ 3.506
12445 ODOT/ COP BRIDGE	NE 33rd Ave. Over Columbia Slough Replacement (Br# 25T12) Replace bridge structure.	PE			0.239		\$ 0.239
		ROW				0.025	\$ 0.025
		CON				1.190	\$ 1.190
		TOT			\$ 0.239	\$ 1.215	\$ 1.454
12431 ODOT/ COP BRIDGE	SW Champlain St. Semi Viaduct Replacement(Br# 25B34) Remove bridge and replace w/ retaining wall and geo-foam fill.	PE			0.082		\$ 0.082
		ROW			0.020		\$ 0.020
		CON			0.181		\$ 0.181
		TOT			\$ 0.282		\$ 0.282

MTIP AMENDMENTS AUTHORIZED BY METRO RESOLUTION NO. 02-3186

ODOT KEY NUMBER	PROJECT NAME	WORK PHASE	02	03	04	05	TOTAL
12449 ODOT/ Wash Co. BRIDGE	Tualatin River Overflow Bridge (Br# 671234.) Replace bridge with wider structure.	PE					
		ROW					
		CON		0.854			\$ 0.854
		TOT		\$ 0.854			\$ 0.854
12441 ODOT/ Mult Co. BRIDGE	Beaver Creek Bridge (Br# 04522) Replace bridge with longer, wider structure, including bike/ped amenities and improved in-stream characteristics. \$1.308 Construction phase in 2006.	PE			0.120		\$ 0.120
		ROW			0.060		\$ 0.060
		CON					
		TOT			\$ 0.180		\$ 0.180

* MOD – "Modernization," means adding new travel lanes, adding capacity to existing roadways and/or reconstruction of highway interchanges or bridges that add automobile capacity.

** PRES – "Preservation," means reconstruction of existing road features, or surface treatments to preserve existing road surfaces that do not add automobile capacity.

*** BRIDGE – means replacement, reconstruction or rehabilitation of bridge facilities without increasing automobile capacity.



METRO

Conformity Determination

Supporting Amendments to the 2000 Regional Transportation Plan
and 2002 Metropolitan Transportation Improvement Program
to incorporate OTIA bond projects

EXECUTIVE SUMMARY

Conformity Finding

Metro has prepared a Conformity Determination addressing amendment of the 2000 Regional Transportation Plan (RTP) and the 2002 Metropolitan Transportation Improvement Program (MTIP). The specific amendments are discussed below. Metro has determined that regional emissions generated by the proposed amendments to the region's financially constrained system of planned improvements remain within budgets established in the State Implementation Plan (SIP) for attainment and maintenance of national ambient air quality standards. Key amendments to the financially constrained system include:

- U.S. 26/Jackson School Road interchange;
- U.S. 26 widening from Murray Boulevard to 185th Avenue; and
- other minor system revisions declared to Metro by local governments,

Significant Actions That Triggered This Conformity Determination

In February 2002, pursuant to the Oregon Transportation Investment Act of 2001 (OTIA), the Oregon Transportation Commission (OTC) approved bond financing of 17 road, bridge and freeway capacity expansion and preservation projects in and around the Portland urban area. These are shown in Table S-1, below. The Clean Air Act states that no transportation project bearing a significant potential effect on the region's air quality may be approved or advanced unless it is shown to conform with the SIP.

- **U.S. 26/Jackson School Road Interchange.** The Jackson School Road interchange is one of the OTIA projects and is not included in the currently conforming Financially Constrained system of the 2000 Regional Transportation Plan (RTP). Before ODOT may begin work designing the interchange, Metro must amend the RTP to include it in the financially constrained system. As part of this amendment, Metro must prepare a quantitative and qualitative analysis showing that automobile emissions associated with the project won't cause deterioration of regional air quality (i.e., show that the total of regional mobile source emissions *with* the project constructed will fall within emissions budgets established in the SIP).

The Metropolitan Transportation Improvement Program (MTIP), which schedules transportation expenditures in the Portland urban area over a four-year period, must also be amended to reflect bond funding of the project. Neither the RTP nor the MTIP can be amended until the U.S. Department of Transportation approves this required Conformity Determination.

- **U.S. 26: Murray/185th Widening.** In the summer of 2001, Washington County indicated its intention to design a project to widen U.S. 26 to three lanes in each direction from the Murray Boulevard Interchange to the 185th Avenue Interchange. In Autumn, 2001, Metro allocated \$359,000 to a reserve account to support this work. Actual allocation the MTIP funds to the PE project was made contingent on approval of a conformity determination supporting amendment of the RTP to include the project in the financially constrained system.

TABLE S-1: OTIA BOND PROJECTS IN ODOT – REGION 1

ODOT KEY NUMBER	PROJECT NAME	PROJECT TYPE	OTIA \$\$
12392	Farmington Rd. Preservation Project (SW 198th to Hwy 219)	PRES **	\$ 2,496,000
11136	Broadway Bridge Rehabilitation (Phase 7) (Br# 06757)	BRIDGE***	\$ 7,000,000
12449	Tualatin River Overflow Bridge (Br# 671234.)	BRIDGE	\$ 853,506
12393	Jackson School Rd Interchange	MOD	\$ 16,133,900
12394	US 26 (Sunset Hwy): Hwy 217 to Camelot Interchange	MOD	\$ 20,599,000
12388	Boones Ferry Preservation Project	PRES	\$ 2,581,065
05651	McLoughlin Blvd. (Harrison Street to Kellogg Lake Bridge	PRES	\$ 2,000,000
08850	Farmington Rd. Preservation Project (SW 198th to Hwy 219)	PRES	\$ 2,433,000
12399	Sunnyside Rd. (Phase 2) 122nd to 142nd Widening	MOD	\$ 8,443,375
11435	I-5/Nyberg Interchange Widening Proejct	MOD	\$ 1,172,000
12431	SW Champlain St. Semi Viaduct Replacement (Br# 25B34)	BRIDGE	\$ 282,269
12400	Boeckman Rd. - Tooze Rd. Connection	MOD	\$ 1,976,625
12390	Sandy Blvd. (NE 13th to NE 47th)	PRES	\$ 7,901,742
12445	NE 33rd Ave. Over Columbia Slough Replacement (Br# 25T12)	BRIDGE	\$ 1,453,570
12441	Beaver Creek Bridge (Br# 04522)	BRIDGE	\$ 1,488,284
12448	NE 33rd Ave. Over Lombard St. & UPRR (Br# 02484)	BRIDGE	\$ 3,505,510
08838	East Columbia Blvd. - Lombard St. Connector	MOD	\$ 19,765,250
<p>* MOD – "Modernization," including adding new travel lanes, adding capacity to existing roadways and/or reconstruction of highway interchanges or bridges that add automobile capacity.</p> <p>** PRES – "Preservation," reconstruction of existing road features, or surface treatments to preserve existing road surfaces that do not add automobile capacity.</p> <p>*** BRIDGE – replacement, reconstruction or rehabilitation of bridge facilities that do not increase automobile capacity.</p>			

- **Locally Declared Changes of Scope, Concept or Timing.** During preparation of the Conformity Determination, Metro asked agencies in the region that operate regional transportation facilities to review the 2000 RTP financially constrained system. They were asked to advise Metro of any changes they may have approved to project scope, concept and/or timing assumptions used in the RTP conformity analysis approved in January 2001. The revisions noted during this review are shown in Table S-2, below, and have been incorporated into modeling of the financially constrained system. ("**Bold**" text indicates the adopted changes.)

Reasonably Anticipated 20-Year Revenue

The OTIA bond funds were not accounted for in the revenue analysis that underpins the RTP financially constrained system. The bond revenue represents new financial capacity because the projects to which the bond funds are being applied were previously assumed to absorb other types of revenue. These other revenues are therefore freed by the bond program and are potentially available to finance new project additions to the financially constrained system.

This new funding is part of the basis for including the U.S. 26 widening project at this time. Washington County has indicated that some of its MSTIP property tax funds will be dedicated to the project. However, the bulk of revenue that might enable construction of the project by 2010 comes from injection of \$105 million of bond funds into the region's transportation system financial capacity resulting from the OTIA program.

The region has not yet fully assessed implications of the bond program on the RTP financial analysis. During the next scheduled RTP Update in 2003, the complete financial analysis will be revisited. The 2003 RTP update will assess the bond program and other new sources of financing, e.g., Local Improvement Districts (LID's) and System Development Charges (SDC's) that have recently been approved by various jurisdictions in the region. Project cost estimates and other factors will also be updated and any new system financial capacity that might result will be formally allocated to new projects at that time. For now, no changes to the system, other than those noted above, have been authorized since the previous determination was approved in January 2001.

Planning, Transit, Modeling and TCM Assumptions

In this analysis Metro has not changed the methodology used in the previous conformity analysis.

- There have been no changes in the population and employment projections that underlie Metro's travel demand calculations.
- There has been no change to the protocol (MOBILE 5a-h model) for calculating daily emissions of model-generated travel estimates.
- There has been no change of analysis years, budget years, or of interpolation of data between years.
- The region's transit fare structure has not changed since the last analysis (though some changes to park and ride plans and transit routes have been captured).
- No evidence has arisen to change Metro's assumed effectiveness of approved bike, pedestrian or transit-related Transportation Control Measures (TCMs).

**Table S-2:
Locally Declared Amendments to RTP Financially Constrained System**

242nd Avenue Connector project (#2001): The project was split. The portion of 242nd between Glisan and Stark is currently 4 lanes, sidewalk on one side, no bike lanes or center turn lane. Multnomah County carries a project in its Capital Improvement Program to add a center (5th) turn lane, bike lanes and sidewalks on each side by 2005. The 2005 network was modified to show 242nd: Glisan/Stark as a 5 lane section. The 242 Avenue: Glisan to I-84 section was delayed to the 2020 network.

Network Change	RTP ID No.	Jurisdiction	Facility	Termini	Project Features	RTP Year of Operation
2005 network	2026	Portland	NE/SE 99th Avenue Phase I/NE Pacific Avenue	NE 99th from NE Weidter to Glisan Street and NE Pacific Avenue from 97th to 102nd Avenue	Reconstruct primary local main street in Gateway regional center. Model south leg of Glisan/99th intersection improvement (RTP #1266) as part of RTP #2026 and advance #2026 to 2005 network / year.	2006-10
2010 network	4022	Portland/Port	East End Connector	Columbia/US 30 Bypass: NE 82nd Avenue to I-205	Provide free-flow connection from Columbia Boulevard/82nd Avenue to US 30 Bypass/I-205 interchange; widen SB I-205 on-ramp at Columbia Boulevard	2000-05
Model as 2-lanes, not 4	4065	Port/Portland	South Rivergate Entry Overpass	South Rivergate	Construct overpass from Columbia/Lombard intersection to South Rivergate	2006-10
2005 network	7008	Clackamas Co.	147th Avenue Improvements	Sunnyside Road to 142nd Avenue	Realign 147th Avenue to 142nd Avenue	2006-10
2005 network	6128	Clackamas Co.	Carmen Drive Intersection Improvements	Carmen Drive/Meadows Road intersection	Add traffic signal, turn lanes, realign intersection	2006-10
2005 network	5204	Clackamas Co.	Stafford Road	Stafford Road/Rosemont intersection	Realign intersection, add signal and right turn lanes	2006-10
2005 network	5108	Clackamas Co.	Jennifer Street/135th Avenue Extension	130th Avenue to Highway 212	Two-lane extension to 135th Avenue and widen 135th Avenue	No year currently specified
2005 network	3171	Cornelius/Wash Co.	Hwy 8/4th Ave Intersection	Intersection of 4th Avenue and couplet	Intersection improvement with signal	2006-10
Operational in 1998	2111	Multnomah Co.	207th Connector	Halsey Street to Glisan Street	Complete reconstruction of 207th Avenue	2000-05
Wallula to Birdsdales	2047	Gresham	Division Street Improvements	NE Wallula Street to Hogan Road	Complete boulevard design improvements	2000-05
Model as 2-lane not 4.	1037	Portland	Bybee Boulevard Overcrossing	Bybee Blvd/McLoughlin Blvd	Replace substandard 2-lane bridge with 4-lane bridge	2006-10
Glencoe to 268th/Sewall	3130	WashCo/Hillsboro	Evergreen Road Improvements	Glencoe Road to 15th Avenue	Widen to three lanes to include bikeways and sidewalks	2000-05

Agenda Item Number 6.1

**Resolution No. 02-3184, For the Purpose of Authorizing the Release of a Request for Proposals #02-1022-ASD for
Financial Advisory Services.**

**Metro Council Meeting
Thursday, May 16, 2002
Metro Council Chamber**

BEFORE THE METRO COUNCIL

FOR THE PURPOSE OF AUTHORIZING) RESOLUTION NO. 02-3184
THE RELEASE OF REQUEST FOR) Introduced by Mike Burton
PROPOSALS #02-1022-ASD FOR) Executive Officer
FINANCIAL ADVISORY SERVICES)

WHEREAS, Metro periodically issues debt for the purpose of financing various operations; and

WHEREAS, Metro utilizes the expertise of financial advisors to obtain the most favorable terms and conditions for managing its debt; and

WHEREAS, the current personal services agreement with Western Financial Group has been in effect since July 1, 1999 and will expire on June 30, 2002, now, therefore,

BE IT RESOLVED,

That the Council authorizes release of a Request for Proposals to solicit Financial Advisory Services from the period July 1, 2002 through June 30, 2005, attached as Exhibit A to this resolution, and authorizes the Executive Officer to execute a contract with the most responsive, responsible proposer.

ADOPTED by the Metro Council this _____ day of _____, 2002.

Carl Hosticka, Presiding Officer

Approved as to Form:

Daniel B. Cooper, General Counsel

**REQUEST FOR PROPOSALS
METRO
FINANCIAL ADVISORY SERVICES**

I. INTRODUCTION

Metro is requesting proposals from qualified firms to perform financial advisory services for a period of three (3) years starting July 1, 2002. Details concerning this request and Metro's requirements are contained in this Request for Proposals.

II. BACKGROUND

Metro, the nation's only elected regional government, is responsible for a broad range of services. According to Metro's Charter, approved by voters in 1992, Metro has primary responsibility for regional land-use and transportation planning, and is further empowered to address any other issue of "metropolitan concern."

Metro is governed by a seven-member Council, with Councilors elected to four-year terms from single member districts. The Council annually elects a Presiding Officer from among its members. The agency is administered by an Executive Officer, elected region-wide. There is also a regionally elected Auditor. The voters of the region approved a Charter amendment in 2000, which eliminates the position of Executive Officer and establishes a Council President position. The Council President will preside over Council meetings, and be responsible for administration of Metro. The Council will consist of the President and six Councilors elected from districts. This change takes effect in January 2003.

Metro provides regional land-use, growth management, and environmental planning, as well as regional transportation planning throughout the Portland metropolitan area. Currently Metro owns and operates the Oregon Zoo, the Oregon Convention Center, and the Portland Exposition Center (Expo Center). Metro also operates the Portland Center for the Performing Arts. Metro is responsible for disposal of the region's solid waste. Metro operates regional parks, marine facilities, a public golf course, and pioneer cemeteries located within Multnomah County, and owns and manages over 7,000 acres of open spaces. A more detailed description of Metro services may be found in Attachment A to the Request for Proposal.

Financial Structure

Metro evolved out of a special district structure and, as functions were added, they brought with them dedicated revenue sources. Accordingly, fees and charges for service fund most of Metro's operations. Metro has a relatively modest General Fund that is used to support general government functions and provide transfers to departments for non-self-supporting activities.

In the FY 2002-03 proposed budget, Metro projects \$157,905,327 in operating resources (excluding fund balances, bond proceeds, and interfund transfers). Of this amount, \$92,160,705, or 58 percent, comes from enterprise revenues. The balance of Metro's operating resources in FY 2002-03 will come from property taxes (16 percent), grants (10 percent), excise taxes (6 percent), intergovernmental transfers (6 percent), and all other sources (4 percent).

Debt

Metro has a relatively low level of outstanding debt. Metro's outstanding debt includes eleven debt issues, one capital lease, and one energy conservation loan.

Five series of Metro general obligations bonds outstanding are:

- General Obligation Refunding Bonds (Convention Center), 2001 Series A
- General Obligation Bonds (Open Spaces)
 - ◊ 1995 Series A
 - ◊ 1995 Series B
 - ◊ 1995 Series C
- Oregon Zoo Great Northwest Project, 1996 Series A

There are two issues of Metro solid waste revenue bonds outstanding. The original series was issued in 1990 and was partially refunded by a second series in 1993. These two issues are repaid from solid waste revenues.

The Metro Regional Center general revenue refunding bonds were issued in 1993 to refund bonds issued to build the Metro headquarters building. These bonds are backed by a pledge of Metro's general revenue authority and are repaid from assessments against all departments occupying the Metro Regional Center.

Compost Project revenue bonds were issued for Riedel Oregon Compost Company, Inc., to pay a portion of the cost of the North Portland compost facility. Riedel's successor firm pays debt service.

Two loans from the Oregon Economic Development Department, Special Public Works Fund (SPWF), were made to finance reconstruction of the Washington Park parking lot serving the Oregon Zoo to accommodate a light rail station and to finance construction of a new exhibit hall (Hall D) at the Expo Center.

III. SCOPE OF WORK

All work of the financial advisor will be coordinated through the Financial Planning Manager. Principal contacts will include the Chief Financial Officer and key staff personnel of the operating department for which a project is undertaken.

The selected financial advisor will be required to be able and available to perform the following:

A. Bond Debt Administration and Support

1. Provide services related to bond sales, such as assistance in preparation of preliminary and final official statements, scheduling and structuring sales/instruments, helping to negotiate bond sale terms and conditions, and contact with rating agencies.
2. Identify options for debt issuance and alternative financing strategies.
3. Make presentations to the Metro Council, Council committees, bond counsel, and/or staff as needed.
4. Advise Metro as needed in post-sale administration of debt proceeds.
5. Monitor outstanding debt for refunding and restructuring opportunities to reduce debt service and improve project management.
6. Recommend agency-wide debt management and financial policies.

B. Metropolitan Exposition-Recreation Commission

1. Advise Metro and the Commission regarding alternative financing strategies for capital improvements in facilities operated by the Commission (Oregon Convention Center, the Portland Center for the Performing Arts, and the Expo Center).
2. Advise Metro and the Commission on future financing plans for ongoing operations of its facilities. Possible new debt issues include: refurbishment/enhancement of the Expo Center and capital improvements at the Portland Center for the Performing Arts.

C. Oregon Zoo

1. Analysis of long-range funding options for Zoo operations.

D. Regional Environmental Management

1. Provide market checks for the department's disposal contract.
2. Analysis of possible rebids of, or extensions to, Metro's contract for operation of its two transfer solid waste stations.
3. Provide other financial consulting services on the department's disposal, transportation and operations contracts.
4. Advise on solid waste rate-setting methodologies and funding alternatives.
5. Advise on the department's reserve fund policies and funding levels.

E. General Government Financial Advice

1. On request, assist Metro with its investment policies.
2. Assist Metro in the coordination, preparation and update of long-range financial and capital improvement plans. Assist in establishing and monitoring financial indicators and in reviewing and updating agency financial policies.
3. Assist Metro in researching and analyzing various ongoing funding and financing alternatives. Provide assistance with identifying, researching, and implementing new funding sources under Metro's home rule charter.
4. Assist Metro on certain other matters which may come to Metro's attention which would require the expertise of a financial consultant.

F. Additional Projects

It is expected that financial advice will be required on some of the following projects and potential projects.

1. Regional Transportation and Growth Management planning funding.
2. Regional Parks funding for operations, capital improvements, and purchase of lands. Operations include landbanking and operations of lands acquired under Metro's 1995 Open Spaces bond measure.

IV. SPECIAL CONSIDERATIONS

A. Conflicts of Interest

1. Proposers must either certify that no actual or potential conflicts of interest exist at the time of submittal of their proposal, or if such conflicts do exist, they must be disclosed.
2. Metro will require its financial advisor to disclose any actual or potential conflict of interest that may arise at any time during this engagement.

3. The successful proposer will be required to agree to refrain from any underwriting or trading of Metro debt, or debt secured in whole or part by Metro, or debt issued to finance (in whole or part) loan agreements or other financial arrangements with Metro.

B. Arbitrage/Rebate Management Services

Metro currently has a contract with Arbitrage Compliance Services for arbitrage/rebate management services. Both the provider of financial advisory services and arbitrage/rebate management services will be required to coordinate their advice and services to the extent practical.

V. PROPOSAL INFORMATION

Proposals must be received at the business office of Metro, Administrative Services Department, Financial Planning Division, 600 NE Grand Avenue, Portland, Oregon 97232, to the attention of Casey Short, Financial Planning Manager, no later than 3:00 p.m., PDT, Friday, May 31, 2002.

Proposals should be submitted in ten (10) copies, printed on recycled paper and recycled materials.

The contract period will be from July 1, 2002, through June 30, 2005.

VI. CONTENTS OF PROPOSAL

Proposals must address the following points and should be organized into separate sections, clearly identified according to this outline, to facilitate Metro's review.

A. Qualifications of the firm

1. Organization.
2. Staff assigned (include resumé).
3. Other professional resources.
4. Technical support resources and services.

B. Experience of the firm

1. List your most recent financial advisory relationships. Please include the names, addresses, and phone numbers of contact persons. Briefly describe the work performed, including the dollar amount of the issues or other financings.

2. Describe your firm's past experience with similar type of work, as described in the Scope of Work, for government agencies. Specifically address the following types of enterprises:
 - General government (including transportation and land use planning, parks, and central administrative services)
 - Solid waste disposal
 - Zoos or other paid tourist attractions
 - Convention/exposition/performing arts
3. Outline your firm's experience with the major rating agencies. Discuss this experience and its potential applicability to Metro.
4. Describe any innovations you have developed or worked on which would benefit Metro. Briefly outline the problem, your solution and the results.
5. Please attach a recent representative example of a municipality's official statement for which you acted as financial advisor.

C. Compensation

List the proposed fee schedule for the work proposed. If the firm proposes that Metro bear the costs of incidental expenses (including travel expenses), clearly state what type of incidental expenses Metro will be expected to bear. The firm should submit a proposal on a time and materials basis with a not-to-exceed price stated for the proposal. Hourly rates of the personnel assigned to the project should be provided.

- D. Statement regarding actual or potential conflicts of interest (see IV. Special Considerations, above).**

VII. OTHER INFORMATION

A. Basis for Proposals

This RFP represents the most definitive statement Metro will make concerning the information upon which proposals are to be based. Any verbal information that is not contained in this RFP will not be considered by Metro in evaluating the proposals. All questions relating to the RFP must be submitted in writing to Casey Short, Financial Planning Manager. Any questions which in the opinion of Metro warrant a written reply or RFP amendment will be furnished to all parties receiving a copy of this RFP. Metro will not respond to questions received after 5:00 p.m., Wednesday, May 22, 2002.

B. Minority Business Program

In the event that any subcontracts are to be utilized in the performance of this agreement, the proposer's attention is directed to the provisions of Metro Code section 2.04.100. Copies of that document are available from the Risk and Contracts Management Division of the Administrative Services Department, Metro, Metro Regional Center, 600 NE Grand Avenue, Portland, OR 97232, or call (503) 797-1816.

VIII. GENERAL PROPOSAL AND CONTRACT CONDITIONS

- A. **Limitation and Award** – This Request for Proposals does not commit Metro to the award of a contract, nor to pay any costs incurred in the preparation and submission of proposals in anticipation of a contract. Metro reserves the right to accept any or all proposals received as the result of this request, to negotiate with all qualified sources, or to cancel all or part of this RFP.
- B. **Contract Type** – Metro intends to award a personal services contract with the selected firm for this project. A copy of the standard contract form which the successful consultant will be required to execute is attached.
- C. **Billing Procedures** – Proposers are informed that the billing procedures of the selected firm are subject to the review and prior approval of Metro before reimbursement of services can occur. A monthly billing, detailing specific projects, staff time and expenses charged to those projects, and a progress report, will be required.
- D. **Validity Period and Authority** – The proposal shall be considered valid for a period of at least ninety (90) days and shall contain a statement to that effect. The proposal shall contain the name, title, address and telephone number of an individual or individuals with authority to bind any company contacted during the period in which Metro is evaluating the proposal.

IX. EVALUATION CRITERIA

Firms responding to the Request for Proposals will be evaluated on the basis of the following:

- A. **General (15 points)**
 - 1. Organization of proposal.
 - 2. Responsiveness to the purpose and scope of services.

3. Use of subconsultants and compliance with Metro's Disadvantaged Business Program, if appropriate.
- B. Personnel (30 points)
1. Experience and qualifications of personnel assigned to this project.
 2. Ease of access to assigned personnel and their availability for consultation and meetings on short notice.
 3. Additional professional and technical resources available.
- C. Organization and Experience of Firm (30 points)
1. Qualifications of the firm to address Metro's potential projects and issues of concern to Metro.
 2. Past experience with similar type of work for government agencies and/or special districts.
 3. Previous experience with the major rating agencies.
 4. Favorable references from previous financial advisory relationships.
- D. Cost of services (25 points)

Metro may invite the highest ranking proposers to an on-site interview in June.

All firms submitting proposals will be notified when a consultant has been selected. Metro reserves the right to reject any or all proposals, to waive irregularities and technicalities and to accept the proposal deemed most advantageous to Metro.

Notice to Proposers – Standard Agreement

The attached personal services agreement is a standard agreement approved for use by the Metro General Counsel. This is the contract the successful proposer will enter into with Metro; it is included for your review and comment prior to submitting a proposal.

ATTACHMENT A

METRO SERVICES

Regional Growth Management and Transportation Planning

The mission of the Planning Department is to plan for and seek to implement model land use and transportation programs to address the needs of the region and to protect its livability, especially in the areas of regional transportation, air and water quality, and land use. This department, which has an FY 2002-03 budget of \$21 million, has grown to meet the demands and pressures of population growth in the region. Projections show that an estimated 700,000 new people will be coming into the four-county metropolitan region in the next 20 years.

Major Planning Programs

- Growth Management
- Regional Framework Plan implementation
- Urban Growth Boundary maintenance
- Regional Land-Use Policy implementation
- Regional transportation planning
- Regional population and employment growth pattern estimates and resulting impact on travel demands
- Long-term Regional High-Capacity Transit System Plan development
- Transit-Oriented Development
- Designated metropolitan planning organization to secure and allocate federal highway and transit funds, provide forums for coordination and decision making with state, regional and local government staff, elected representatives and citizens

Regional Parks and Greenspaces

The Regional Parks and Greenspaces Department was created in January 1994 with the transfer of parks functions from Multnomah County. Its FY 2002-03 proposed budget is \$25.4 million. The department provides both an operational arm and a planning function to protect and care for the public's investment in park lands and facilities. Passage of an Open Spaces Program bond measure of \$135.6 million added a significant component to the department's responsibilities.

- Mission: create a cooperative regional system of natural areas, open spaces, trails, parks and greenways for wildlife and people in the metropolitan area
- Operation of 21 regional parks and natural areas as well as 14 pioneer cemeteries visited by more than one million visitors annually
- Management of over 7,000 acres of regionally significant open spaces
- Management and operation of the regional parks facilities transferred to Metro from Multnomah County in January 1994
- Coordination and involvement of local governments
- Planning and capital development of park facilities.

Oregon Zoo

Metro owns and operates a 64-acre zoo. This facility is a major cultural, educational and recreational attraction drawing visitors from throughout Oregon and the Pacific Northwest. Average annual attendance exceeds 1,000,000 persons.

The Zoo is the largest paid tourist attraction in Oregon. Zoo visitors help support the facility through paid admissions, zoo memberships, train tickets, gift shop and food service purchases and donations. At least half of Zoo revenues are from non-tax sources. The Zoo's FY 2002-03 proposed operating budget amounts to \$28.5 million.

- Mission: Provide visitors a unique educational and recreational opportunity to experience wildlife in a naturalistic setting and to learn to "care now for the future of life"

Metropolitan Exposition-Recreation Commission

The commission, established in 1987, is the operating arm for Metro's exposition and spectator facilities, including the Oregon Convention Center, the Expo Center, and the Portland Center for the Performing Arts. The Portland Center for the Performing Arts was transferred to Metro's management from the city of Portland in 1990, when the convention center opened. Management of the Expo Center was transferred to Metro from Multnomah County in January 1994. The Metro E-R Commission oversees operations. Seven commissioners are appointed by Metro to serve four-year terms. Clackamas, Multnomah, and Washington counties and the City of Portland nominate five of the seven appointees. The Metro Council approves the commission's budget, which is proposed to be \$82.3 million for FY 2002-03. The budget includes \$43.1 million for operations, and \$39.2 million in capital funds, with the majority of the capital funding for an expansion of the Oregon Convention Center scheduled to open in April 2003.

Regional Environmental Management

Metro is responsible for managing the disposal of approximately 1.3 million tons of solid waste per year. Metro's responsibilities include regional solid waste management planning, owning and operating two solid waste transfer stations, collection and disposal of household hazardous waste, implementing disposal enforcement programs, regulating privately-owned disposal facilities, monitoring and maintaining two closed landfills, and providing recycling promotion, education and local assistance programs.

Metro, through its operations, directly handles approximately 600,000 tons of waste each year. To accomplish this, Metro owns and contracts the operation of two transfer stations, the Metro South and Metro Central stations, which include two household hazardous waste facilities. The transfer station waste is sent to the privately owned Columbia Ridge Landfill in Gilliam County, Oregon, with which Metro has a long-term contract. In addition to the Metro-owned transfer stations, there are four privately owned and operated transfer stations serving the region. Together, these private transfer stations handle approximately 250,000 tons of putrescible waste

per year. (The balance of the 1.3 million regional tons is comprised of non-putrescible wastes that are handled by a variety of different solid waste facilities.)

Funding for solid waste operations is paid entirely through user fees. No taxes are used to fund these services. A solid waste master bond ordinance was adopted in 1989 and revenue bonds were issued for capital construction. Construction of the Metro Central transfer station was funded by solid waste system revenue bonds of \$28,500,000. This issue was partially refunded in 1993.

Other Departments/Offices

Metro's organizational structure includes several offices and two departments that support elected officials or provide support services:

Office of the Council – includes the Metro Council and staff. The Metro Council provides overall policy guidance for the agency. The Office of the Council also manages the Council Office of Public Outreach and will staff the Office of Citizen Involvement beginning in FY 2002-03.

Office of the Executive – includes the Metro Executive Officer and staff. The Metro Executive Officer manages the agency and develops policy issues for the Council's consideration. The Office of the Executive also supervises Metro's intergovernmental and public information functions.

Office of the Auditor – includes the Metro Auditor and staff. The Metro Auditor is responsible for all audits of the agency, including managing the annual outside financial audit and conducting performance and management audits of agency programs and operations.

Office of the General Counsel – provides legal services to the Council and Executive Officer and to Metro departments.

Administrative Services Department – provides a range of support services to Metro operating departments, including Accounting, Risk Management, Financial Planning, management of Metro Regional Center, and others.

Information Technology Department – provides computer and information services to Metro operating departments, including support of desktop computers, Metro's computer networks, and enterprise and departmental software applications.

Human Resource Department – provides recruitment, classification, compensation, and labor relations services.

STAFF REPORT

RESOLUTION NO. 02-3184.FOR THE PURPOSE OF AUTHORIZING THE RELEASE OF REQUEST FOR PROPOSALS #02-1022-ASD FOR FINANCIAL ADVISORY SERVICES

Date: April 15, 2002

Presented by: Casey Short
Financial Planning Manager

PROPOSED ACTION

Approval of Resolution No. 02-3184, authorizing release of Request for Proposals #02-1022-ASD for financial advisory services.

EXISTING LAW

Metro Code 2.04.026 (a)(1)(D) requires the Metro Council to authorize issuance of a Request for Proposals for a personal services contract for a term greater than 12 months in an amount greater than \$50,000 and listed as significant impact in the budget. This proposed contract meets all of these criteria.

BACKGROUND AND ANALYSIS

Metro has historically used the expertise of a financial advisory firm to assist with the analysis and issuance of debt, management of existing debt, and to advise on general financial matters. Examples of past use of financial advisors include analysis and assistance in issuing General Obligation debt for the Open Spaces bonds and Zoo Great Northwest project bonds, issuance of revenue bonds for solid waste facilities and Metro Regional Center (MRC), refunding of existing debt issues including solid waste and MRC bonds, and assistance in securing loans from the Oregon Economic and Community Development Department for Washington Park parking lot reconstruction and construction of Expo Hall D.

The proposed RFP calls for securing a contract for financial advisor services for three years, through FY 2004-05. This is the same term as the current contract.

FISCAL IMPACT:

The current contract is for a "not to exceed" amount of \$175,000 over the three year term of the agreement. Actual payments through March 2002 have come to less than \$28,000. Costs for service are billed to the department receiving the service, so work on a solid waste issue would be billed to REM, for example.

It is expected that the total contract will be in the same dollar range as the existing contract, with some inflation adjustment. Funds are budgeted in Financial Planning for general financial advisor services, those not attributable to a specific department. Departments are expected to budget for services they require.

EXECUTIVE OFFICER RECOMMENDATION: The Executive Officer recommends Council approval of Resolution No. 02- 3184.

Agenda Item Number 6.2

Resolution No. 02-3193, For the Purpose of Authorizing the Release of a Request for Proposals #02-1019-AUD for Financial Statement Audit Services.

**Metro Council Meeting
Thursday, May 16, 2002
Metro Council Chamber**

BEFORE THE METRO COUNCIL

FOR THE PURPOSE OF AUTHORIZING THE) RESOLUTION NO. 02-3193
RELEASE OF A REQUEST FOR PROPOSALS)
(02-1019-AUD) FOR FINANCIAL STATEMENT) Introduced by Alexis Dow, Metro Auditor
AUDIT SERVICES)

WHEREAS, Metro Code 2.15.080 requires that the auditor shall appoint external certified public accountants to examine Metro's annual financial statements, as specified by state or local law;

WHEREAS, general economic conditions and the demand for accounting firm services have changed in recent months;

WHEREAS, the auditor has identified an opportunity to save significant contract resources for external certified public accountants to conduct the examination of Metro's annual financial statements;

WHEREAS, the auditor desires to further demonstrate public accountability through significant savings of public funds for the examination of Metro's annual financial statements;

WHEREAS, the auditor desires to reduce public expenditures for the examination of Metro's annual financial statements by requesting proposals for work performed by external certified public accountants to conduct the examination of Metro's annual financial statements; and,

WHEREAS, the auditor's appointed external certified public accountant that conducts the examination of Metro's annual financial statements charges contract fees in excess of \$50,000;

WHEREAS, Metro Code 2.04.026(b) requires Council approval of multiyear contracts in excess of \$50,000 that are not anticipated in the approved budget;

WHEREAS, the contractor will be selected by an open and competitive proposal and selection process; now therefore,

BE IT RESOLVED:

- 1) that the Metro Council authorizes the release of the RFP for financial statement audit services; and,
- 2) the Metro Council authorizes the Metro Auditor to execute a multi-year contract with the most qualified proposer for financial statement audit services.

ADOPTED by the Metro Council this _____ day of _____, 2002.

Carl Hosticka, Presiding Officer

Approved as to Form:

Daniel B. Cooper, General Counsel



**REQUEST FOR PROPOSALS
FOR
INDEPENDENT AUDIT SERVICES
For the Period June 1, 2002 – April 30, 2005**

Resolution No. 02-3193

I. INTRODUCTION

The Metro Auditor is requesting proposals for independent audit services. Metro is a regional government organized under the laws of the State of Oregon and the Metro Charter. Metro is located at 600 NE Grand Avenue, Portland, OR 97232-2736.

Proposals will be due no later than 4:00pm, May 31, 2002 in the Metro Auditor's office. Details concerning the project and proposal are contained in this document.

Each proposer may schedule up to ninety (90) minutes with Metro staff to answer additional questions.

II. SERVICES REQUESTED

The Metro Auditor invites qualified independent certified public accountants to submit proposals to audit Metro's annual financial statements for the fiscal years ending June 30, 2002, 2003 and 2004. Metro is seeking proposals to enable selection of the firm best qualified to provide:

- Annual audit of the financial statements for Metro as required under generally accepted auditing standards and the Minimum Standards for Audits of Oregon Municipal Corporations
- Annual "Single Audit" covering Metro's federal awards in accordance with the U.S. Office of Management and Budget Circular A-133 and related necessary reports pertaining to Metro's internal control, compliance with applicable laws, regulations, grants and contracts, and the Schedule of Expenditures of Federal Awards
- Technical assistance to Metro personnel on various accounting and reporting questions
- The audit firm shall review Metro's method of determining Department Assessments under General Revenue Bond covenants, as required by ordinance 91-439, section 501(c) and provide a report of that review before March 1, 2004, including any recommendations for improvements.

III. PROPOSED SCOPE OF WORK

Metro is seeking proposals from qualified firms to perform the following services and to deliver the products described below. Each audit shall be made in accordance with the following standards:

- Generally Accepted Auditing Standards promulgated by the American Institute of Certified Public Accountants

- Minimum Standards for Audits of Oregon Municipal Corporations promulgated by the Secretary of State
- Standards for Audit of Governmental Organizations, Programs, Activities and Functions, published by the U.S. General Accounting Office
- OMB Circular A-133, Expenditures of Federal Awards
- State of Oregon and local laws and regulations

In addition, the audit firm will consider comments received from the GFOA Certificate of Achievement review, as appropriate. The scope of each audit will be planned to preclude the need for exceptions due to scope limitations. A formal audit plan detailing audit scope, audit risks, and accounting and auditing developments will be reviewed with the Metro Auditor.

Comprehensive Annual Financial Report (CAFR)

A report on the audit of the basic financial statements, as defined in GASB Statement 34, and independent auditor comments and disclosures required by the Minimum Standards for Audits of Oregon Municipal Corporations shall be issued by the audit firm no later than October 31.

Metro staff shall produce a complete copy of the CAFR in draft form by approximately October 20 of each year and shall submit such report to the independent audit firm for review.

The combining, individual fund and account group financial statements and schedules, as listed in the supplementary data section of the FY 2000-01 CAFR, and the Management Discussion and Analysis (MD&A) and other Required Supplementary Information (RSI) for FY 2002 and beyond are to be subject to auditing procedures "in relation to" the general purpose financial statements taken as a whole as required by Statements on Auditing Standards addressing GASB Statement 34 requirements.

Report on the Single Audit

The audit firm will issue a report on the results of a single audit of Metro's federal awards in accordance with the U.S. Office of Management and budget Circular A-133. Metro staff will provide the Schedule of Expenditures of Federal Awards.

The audit firm shall submit two preliminary drafts of the single audit report by October 15 of each year to the Metro Auditor for review and comment. The audit firm will prepare and deliver 75 copies of the final single audit report to the Metro Auditor no later than November 15 of each year.

The report on the single audit shall include:

- Independent Auditors' Report on Basic Financial Statements.
- Independent Auditors' Report on Compliance and on Internal Control Over Financial Reporting Based on an Audit of Financial Statements Performed in Accordance with Government Auditing Standards

- Independent Auditors' Report on Compliance and Internal Control Over Compliance Applicable to Each Major Federal Award Program and on the Schedule of Expenditures of Federal Awards
- Schedule of Expenditures of Federal Awards
- Notes to Schedule of Expenditures of Federal Awards
- Schedule of Findings and Questioned Costs
- Prior Findings
- Other statements or reports to satisfy federal, state and local regulations or requirements.

Management Recommendations Letter

The audit firm will submit recommendations to the Metro Auditor in letter form. The letter will include any findings, observations, opinions, comments or recommendations relating to internal control; accounting systems; data processing; compliance with laws, rules and regulations; or any other matters that come to the attention of the independent auditor during the course of the audit. These recommendations will not be construed as special or additional studies. They will be limited to those usually associated with the study of internal control systems and procedures as a part of an audit of financial statements. The discussion draft shall be submitted to the Metro Auditor by October 31 of each year. Fifty copies of the final letters are required no later than November 15 of each year. The recommendations will be discussed with the Metro Auditor and other appropriate Metro officials prior to publication.

Secretary of State Summary of Revenues and Expenditures

The audit firm shall prepare the Summary of Revenues and Expenditures required by the Secretary of State for the State of Oregon and deliver the report to the Metro Auditor no later than November 15 of each year.

Additional Responsibilities and Services

Metro has been awarded the Government Finance Officer's Association Certificate of Achievement for Excellence in Financial Reporting for its FY 1992 through 2000 CAFRs. This award demonstrates that Metro's CAFR complies with generally accepted accounting principles and applicable legal requirements and is readable, efficiently organized and conforms to program standards. Metro intends to annually submit its CAFR to the GFOA Certificate program and to continue to receive the award. Metro may require minor technical assistance from the audit firm relating to presentation or disclosure issues.

Metro expects limited technical assistance from the audit firm throughout the fiscal year as a part of the overall audit contract. This assistance includes answering accounting, reporting or internal control questions directly related to the substance of this contract. Proposals shall also contain provisions for dealing with extraordinary circumstances discovered during the audit that may require an expansion of audit work beyond that which was originally planned.

In addition, the audit firm may be requested to perform special projects for Metro during the year. Because of variations in the demand for additional services, such work will be contracted for, provided and billed separately to Metro on an hourly basis.

Materials and working papers developed during the engagement will be maintained for a minimum of three (3) years from the audit report date. The audit firm will make work papers available to authorized representatives from Metro, the Oversight Federal Audit Agency and the U.S. General Accounting Office.

Proposals shall also contain provisions for dealing with extraordinary circumstances discovered during the audit that may require an expansion of audit work beyond that which was originally planned.

Audit Contracts

Contract Period — The audit contract will be for a period of three (3) years, June 1, 2002, through April 30, 2005. The successful proposer shall be required to sign Metro's standard Personal Services Agreement (Appendix A) along with the negotiated Scope of Work.

Prime Contractor Responsibilities — Metro will negotiate and contract only with the successful audit firm. The proposer shall have the responsibility to carry out the contract and shall be the only entity recognized to receive payment from Metro.

IV. QUALIFICATIONS AND EXPERIENCE

Proposers must be independent certified public accountants. In addition, proposers will complete Appendix B, Proposer's Qualifications and Representations, and submit the completed document as part of their proposals.

V. PROJECT ADMINISTRATION

Pre-audit conferences with the Metro Auditor and Metro staff will be held no later than June 30 each year to discuss audit schedules. The audit firm will commence the audit at a mutually agreeable date, although Metro's preference is for final full fieldwork to begin approximately in early to mid-September. The audit firm and the Metro Auditor and financial management shall meet periodically to discuss audit-related issues. At a minimum, monthly meetings will be held during the course of the audit fieldwork to report on the progress of the audit. Support and services provided by Metro staff are included in Appendix C.

The audit firm is expected to consult on accounting policy issues and render financial advisory services on matters related to the financial statement audit as deemed necessary. Any unusual conditions encountered during the course of the audit where services of the audit firm must be extended beyond the normal work anticipated will require written notification to the Metro Auditor prior to the commencement of work.

Post-audit conferences to review the various reports and financial statements will be held with the Metro Auditor, Chief Financial Officer, Accounting Manager and other appropriate Metro officials. Audit firm management shall be present at any meetings of the Metro Council when

matters regarding the audit or related reports are discussed. Meetings with individual councilors, commissioners or managers may also be requested.

VI. PROPOSAL INSTRUCTIONS

- A. **Submission of Proposals:** Six (6) copies of the proposal shall be furnished to Metro, addressed to:
Alexis Dow, CPA
Metro Auditor
600 NE Grand Avenue
Portland, OR 97232-2736
- B. **Deadline:** Proposals will not be considered if received after 4:00 p.m., May 31, 2002.
- C. **RFP as Basis for Proposals:** This Request for Proposals represents the most definitive statement Metro will make concerning the information upon which proposals are to be based. Any verbal information that is not addressed in this RFP will not be considered by Metro in evaluating the proposal.

All questions relating to this RFP should be addressed in writing to Metro Auditor Alexis Dow:

email: dowa@metro.dst.or.us
fax: (503) 797-1831
mail: Metro
600 NE Grand Ave.
Portland, OR 97232-2736

Any questions that, in the opinion of Metro, warrant a written reply or RFP amendment will be furnished to all parties receiving this RFP. Metro will not respond to questions received after May 24, 2002.

- D. **Information Release:** All proposers are hereby advised that Metro may solicit and secure background information based upon the information, including references, provided in response to this RFP. By submission of a proposal all proposers agree to such activity and release Metro from all claims arising from such activity.
- E. **Minority and Women-Owned Business Program:** In the event that any subcontracts are to be utilized in the performance of this agreement, the proposer's attention is directed to Metro Code provision 2.04.100.

Copies of that document are available from the Risk and Contracts Management Division, Metro, 600 NE Grand Avenue, Portland, OR 97232 or call (503) 797-1816.

VII. PROPOSAL CONTENTS

The proposal should briefly describe the ability of the consultant to perform the work requested, as outlined below. The proposal should be submitted on recyclable, double-sided recycled paper (with

post-consumer content). No waxed page dividers or non-recyclable materials should be included in the proposal.

- A. **Transmittal Letter:** Indicate who will be assigned to the project, who will be project manager, and that the proposal will be valid for ninety (90) days.
- B. **Approach/Project Work Plan:** Briefly describe how the work will be done within the given time frame and budget. Include a brief outline of the proposed work plan and schedule. Address how your audit approach/project work plan will cover the new GASB Statement 34 requirements.
- C. **Staffing/Project Manager Designation:** Identify specific personnel assigned to major project tasks, their roles in relation to the work required, percent of their time on the project, and special qualifications they may bring to the project. Include resumes of individuals proposed for this contract.

Metro intends to award this contract to a single firm to provide the services required. Proposals must identify a single person as project manager to work with Metro. The consultant must assure responsibility for any subcontractor work and shall be responsible for the day-to-day direction and internal management of the consultant effort.

- D. **Experience:** Indicate how your firm meets the experience requirements listed in Section IV of this RFP. List financial statement audits conducted over the past five years that involved local government entities of a size and with complexity comparable to Metro. For each of these audits, include the name of the customer contact person, his/her title, role on the project and telephone number. Identify persons on the proposed project team who worked on each of the other audits listed, and their respective roles.
- E. **Proposer's Qualifications and Representations:** Complete the form provided in Appendix B.
- F. **Cost/Budget:** Present the proposed cost of the project and the proposed method of compensation. List hourly rates for personnel assigned to the project. Anticipated reimbursable expenses should also be listed. Actual audit fees, including out-of-pocket expenses, have been \$81,000; \$73,800; and \$70,600 for FY 2001, 2000, and 1999, respectively.
- G. **Exceptions and Comments:** To facilitate evaluation of proposals, all responding firms will adhere to the format outlined within this RFP. Firms wishing to take exception to, or comment on, any specified criteria within this RFP are encouraged to document their concerns in this part of their proposal. Exceptions or comments should be succinct, thorough and organized.

VIII. GENERAL PROPOSAL/CONTRACT CONDITIONS

- A. **Limitation and Award:** This RFP does not commit Metro to the award of a contract, nor to pay any costs incurred in the preparation and submission of proposals in anticipation of a contract. The Metro Auditor reserves the right to waive minor irregularities, accept or reject any or all proposals received as the result of this request, negotiate with all qualified sources, or to cancel all or part of this RFP.

- B. **Billing Procedures:** Proposers are informed that the billing procedures of the selected firm are subject to the review and prior approval of Metro before reimbursement of services can occur. Contractor's invoices shall include an itemized statement of the work done during the billing period, and will not be submitted more frequently than once a month. Metro shall pay Contractor within 30 days of receipt of an approved invoice.
- C. **Validity Period and Authority:** The proposal shall be considered valid for a period of at least ninety (90) days and shall contain a statement to that effect. The proposal shall contain the name, title, address, and telephone number of an individual or individuals with authority to bind the proposer during the period in which Metro is evaluating the proposal.
- D. **Conflict of Interest.** A proposer filing a proposal thereby certifies that no officer, agent or employee of Metro or Metro has a pecuniary interest in this proposal or has participated in contract negotiations on behalf of Metro; that the proposal is made in good faith without fraud, collusion or connection of any kind with any other proposer for the same call for proposals; the proposer is competing solely in its own behalf without connection with, or obligation to, any undisclosed person or firm.

IX. EVALUATION OF PROPOSALS

- A. **Evaluation Procedure:** Proposals received that conform to the proposal instructions will be evaluated. The evaluation will take place using the evaluation criteria identified in the following section. Interviews may be requested prior to final selection of one firm.
- B. **Evaluation Criteria:** This section provides a description of the criteria that will be used in the evaluation of the proposals submitted to accomplish the work defined in the RFP.
 - 65% Cost
 - 23% Expertise and Experience
 - 7% Audit Approach (Work Plan)
 - 5% Reference Check

X. NOTICE TO ALL PROPOSERS — STANDARD AGREEMENT

The personal service agreement (included as Appendix A) is a standard agreement approved for use by the Metro Office of General Counsel. This is the contract the successful proposer will enter into with Metro; it is included for your review prior to submitting a proposal.

XI. BACKGROUND

Background information is provided in Appendix D.

Appendix A

Project _____
Contract No. _____

PERSONAL SERVICES AGREEMENT

THIS AGREEMENT is between Metro, a metropolitan service district organized under the laws of the State of Oregon and the Metro Charter, located at 600 NE Grand Avenue, Portland, OR 97232-2736, and _____ referred to herein as "Contractor," located at _____

In exchange for the promises and other consideration set forth below, the parties agree as follows:

1. Duration. This personal services agreement shall be effective _____ and shall remain in effect until and including _____, unless terminated or extended as provided in this Agreement.
2. Scope of Work. Contractor shall provide all services and materials specified in the attached "Exhibit A — Scope of Work," which is incorporated into this Agreement by reference. All services and materials shall be provided by Contractor in accordance with the Scope of Work, in a competent and professional manner. To the extent that the Scope of Work contains additional contract provisions or waives any provision in the body of this Agreement, the Scope of Work shall control.
3. Payment. Metro shall pay Contractor for services performed and materials delivered in the amount(s), manner and at the time(s) specified in the Scope of Work for a maximum sum not to exceed _____ AND _____ /100THS DOLLARS (\$ _____).
4. Insurance.
 - a. Contractor shall purchase and maintain at the Contractor's expense, the following types of insurance, covering the Contractor, its employees, and agents:
 - (1) Broad form comprehensive general liability insurance covering bodily injury and property damage, with automatic coverage for premises, operations, and product liability shall be a minimum of \$1,000,000 per occurrence. The policy must be endorsed with contractual liability coverage; and
 - (2) Automobile bodily injury and property damage liability insurance coverage shall be a minimum of \$1,000,000 per occurrence.
 - b. Metro, its elected officials, departments, employees, and agents shall be named as ADDITIONAL INSUREDS. Notice of any material change or policy cancellation shall be provided to Metro 30 days prior to the change or cancellation.

c. Contractor, its subcontractors, if any, and all employers working under this Agreement that are subject employers under the Oregon Workers' Compensation Law shall comply with ORS 656.017, which requires them to provide Workers' Compensation coverage for all their subject workers. Contractor shall provide Metro with certification of Workers' Compensation insurance including employer's liability. If Contractor has no employees and will perform the work without the assistance of others, a certificate to that effect may be attached, as Exhibit B, in lieu of the certificate showing current Workers' Compensation.

d. If required by the Scope of Work, Contractor shall maintain for the duration of this Agreement professional liability insurance covering personal injury and property damage arising from errors, omissions, or malpractice. Coverage shall be in the minimum amount of \$1,000,000. Contractor shall provide to Metro a certificate of this insurance, and 30 days' advance notice of material change or cancellation.

e. Contractor shall provide Metro with a certificate of insurance complying with this article and naming Metro as an additional insured within fifteen (15) days of execution of this Contract or twenty-four (24) hours before services under this Contract commence, whichever date is earlier.

5. Indemnification. Contractor shall indemnify and hold Metro, its agents, employees and elected officials harmless from any and all claims, demands, damages, actions, losses and expenses, including attorney's fees, arising out of or in any way connected with its performance of this Agreement, or with any patent infringement or copyright claims arising out of the use of Contractor's designs or other materials by Metro and for any claims or disputes involving subcontractors.

6. Maintenance of Records. Contractor shall maintain all of its records relating to the Scope of Work on a generally recognized accounting basis and allow Metro the opportunity to inspect and/or copy such records at a convenient place during normal business hours. All required records shall be maintained by Contractor for three years after Metro makes final payment and all other pending matters are closed.

7. Ownership of Documents. All documents of any nature including, but not limited to, reports, drawings, works of art and photographs, produced by Contractor pursuant to this Agreement are the property of Metro, and it is agreed by the parties that such documents are works made for hire. Contractor hereby conveys, transfers, and grants to Metro all rights of reproduction and the copyright to all such documents.

8. Project Information. Contractor shall share all project information and fully cooperate with Metro, informing Metro of all aspects of the project including actual or potential problems or defects. Contractor shall abstain from releasing any information or project news without the prior and specific written approval of Metro.

9. Independent Contractor Status. Contractor shall be an independent contractor for all purposes and shall be entitled only to the compensation provided for in this Agreement. Under no circumstances shall Contractor be considered an employee of Metro. Contractor shall provide all tools or equipment necessary to carry out this Agreement, and shall exercise complete control in achieving the results specified in the Scope of Work. Contractor is solely responsible for its performance under this Agreement and the quality of its work; for obtaining and maintaining all licenses and certifications necessary to carry out this Agreement; for payment of any fees, taxes, royalties, or other expenses necessary to complete the work except as otherwise specified in the Scope of Work; and for meeting all other requirements of law in

carrying out this Agreement. Contractor shall identify and certify tax status and identification number through execution of IRS form W-9 prior to submitting any request for payment to Metro.

10. Right to Withhold Payments. Metro shall have the right to withhold from payments due to Contractor such sums as necessary, in Metro's sole opinion, to protect Metro against any loss, damage, or claim which may result from Contractor's performance or failure to perform under this Agreement or the failure of Contractor to make proper payment to any suppliers or subcontractors.

11. State and Federal Law Constraints. Both parties shall comply with the public contracting provisions of ORS chapter 279, and the recycling provisions of ORS 279.545 - 279.650, to the extent those provisions apply to this Agreement. All such provisions required to be included in this Agreement are incorporated herein by reference. Contractor shall comply with all applicable requirements of federal and state civil rights and rehabilitation statutes, rules and regulations including those of the Americans with Disabilities Act.

12. Situs. The situs of this Agreement is Portland, Oregon. Any litigation over this agreement shall be governed by the laws of the State of Oregon and shall be conducted in the Circuit Court of the state of Oregon for Multnomah County, or, if jurisdiction is proper, in the U.S. District Court for the District of Oregon.

13. Assignment. This Agreement is binding on each party, its successors, assigns, and legal representatives and may not, under any circumstance, be assigned or transferred by either party.

14. Termination. This Agreement may be terminated by mutual consent of the parties. In addition, Metro may terminate this Agreement by giving Contractor seven days prior written notice of intent to terminate, without waiving any claims or remedies it may have against Contractor. Termination shall not excuse payment for expenses properly incurred prior to notice of termination, but neither party shall be liable for indirect or consequential damages arising from termination under this section.

15. No Waiver of Claims. The failure to enforce any provision of this Agreement shall not constitute a waiver by Metro of that or any other provision.

16. Modification. Notwithstanding and succeeding any and all prior agreement(s) or practice(s), this Agreement constitutes the entire Agreement between the parties, and may only be expressly modified in writing(s), signed by both parties.

METRO

By _____

By _____

Title _____

Title _____

Date _____

Date _____

Appendix B

PROPOSER'S QUALIFICATIONS AND REPRESENTATIONS

The Proposer makes the following statements and representations as part of the proposal:

General Information

1. Name (firm or individual) of Proposer. _____
2. Address: _____
3. Federal Employer Identification Number: _____
4. How long have you been in business? _____
5. Are you a corporation? Yes ___ No ___
If yes, please provide the date and state of incorporation, type of corporation, and list the names of all Portland area audit stockholders.
6. Are you a partnership? Yes ___ No ___
If yes, please list names of all Portland area audit partners.
7. Number of professional audit staff employed in the Portland area office. _____
8. In the preceding five years, has the firm audited at least three different local governments? Yes ___ No ___
9. Does the firm have current experience in assisting audit clients in obtaining and/or retaining the GFOA Certificate of Achievement? Yes ___ No ___
10. Does the firm have current experience in assisting audit clients in implementing the provisions of GASB Statement 34? Yes ___ No ___
11. Does the firm have current experience in the areas of bonds (tax-exempt) and the tax

impacts on local government?

Yes ___ No ___

12. Has the firm ever bid or submitted a proposal to Metro under another name?

Yes ___ No ___

If yes, please list the name(s) used.

13. Does the firm have any outstanding bids or proposals for contracts with Metro?

Yes ___ No ___

If yes, please provide the following:

<u>Subject</u>	<u>Requesting Department</u>
----------------	------------------------------

13. Does the firm have any current contract awards from Metro?

Yes ___ No ___

If yes, please provide the following:

<u>Subject</u>	<u>Requesting Department</u>	<u>Amount</u>
----------------	------------------------------	---------------

14. Please provide any other information you feel would help the Selection Committee evaluate your firm for this engagement.

Additional Representations

In addition to the foregoing general information, the Proposer certifies that:

15. The Proposer, if an individual, is of lawful age; is the only one interested in this proposal; and that no person, firm or corporation, other than that named, has any interest in the proposal, or in the contract proposed to be entered into.
16. The Proposer and each person signing on behalf of any Proposer certifies, and in the case of a joint proposal, each party thereto certifies as to its own organization, under penalty of perjury, that to the best of their knowledge and belief:
 - a. The prices in the proposal have been arrived at independently without collusion, consultation, communication or agreement for the purpose of restraining competition as to any matter relating to such prices with any other proposer or with any competitor;
 - b. Unless otherwise required by law, the prices which have been quoted in the proposal have not been knowingly disclosed by the Proposer prior to the proposal deadline, either directly or indirectly, to any other proposer or competitor;
 - c. No attempt has been made nor will be made by the Proposer to induce any other person, partnership or corporation to submit or not to submit a proposal for the purpose of restraining trade;
 - d. No Council member or other officer, employee, or person, whose salary is payable in whole or in part from Metro is directly or indirectly interested in the proposal, or in the services to which it relates, or in any of the profits thereof;
 - e. Said Proposer is not in arrears to Metro upon any debt or contract, and is not a defaulter, as surety or otherwise, upon any obligation to Metro, and has not been declared irresponsible, or unqualified, by any department of Metro or the State of Oregon, nor is there any proceeding pending relating to the responsibility or qualification of the Proposer to receive public contracts, except (if none, Proposer will insert "none").
 - f. Said Proposer meets the independence requirements of the American Institute of Certified Public Accountants and the Standards for Audit of Governmental Organizations, Programs, Activities and Functions, published by the U.S. General Accounting Office.
17. The Proposer has examined all parts of the RFP, including all requirements and contract terms and conditions thereof, and if its Proposal is accepted, the Proposer shall execute the proposed contract.
18. The Proposer is duly licensed to do business in the City of Portland and is licensed by the Oregon State Board of Accountancy as a Certified Public Accountant and Municipal Auditor.
19. The Proposer is and will certify to being an EEO Affirmative Action Employer.

20. The Proposer has or will provide for all persons employed to perform the services covered by the proposal, or for any other contract for service, in accordance with Oregon Revised Statutes Section 656.001 to 656.794, either as a:

- Carrier-insured employer, or as a
- Self-insured employer as provided by ORS 656.407.

The Proposer further certifies that evidence of such coverage shall be filed with Metro's Contracts Officer and maintained in effect for the duration of the contract.

21. The Proposer fully understands and submits its proposal with the specific knowledge that:

- In the event that the Proposer's proposal is accepted and receives all necessary approvals, the proposal will be incorporated into a contract containing general terms and conditions shown in Appendix A, Personal Services Contract.

The undersigned hereby certifies to the truth and accuracy of all statements, answers and data contained in this proposal and application, and hereby authorizes Metro to make any necessary examinations or inquiries in order to make a determination as to the qualifications and responsibility of the Proposer. The undersigned has examined all parts of the Request for Proposals and understands that it is completely discretionary with the Audit Services Selection Committee whether to accept, reject, or negotiate its proposal submitted pursuant thereto.

Signature of Proposer

Title

Appendix C

SUPPORT AND SERVICES PROVIDED BY METRO STAFF

Metro Accounting Division staff prepares the following work papers:

Trial Balances and Other Financial Statements

- Trial balances with prior year, budget and actual activity for each budgetary fund. Includes balance sheet and revenue and expenditure accounts.
- Client Adjusting Entries
- GAAP conversion trial balances for all proprietary funds with GAAP journal entries.
- Cash flow statements and support for each applicable fund.
- Completed draft of CAFR including all statements, schedules and note disclosures.

Cash/Investments

- Bank and Investment Reconciliations
- Outstanding Check Lists (Operation & Payroll Accounts)
- Deposits In Transit
- Restricted Investments By Fund
- Collateral Requirements Analysis

Balance Sheet Analysis - Assets

- Accounts Receivable Reconciliations
- General Fixed Assets Summary
- General Fixed Assets Combining Schedule
- Fixed Assets - All Funds
- Fixed Assets -- Disposals and Transfers
- Enterprise Fund Fixed Assets:
 - Summary of Fixed Assets
 - Summary of Additions
 - Summary of Deletions
- Depreciation Schedule
- Support for Current Year Contributed Capital and Amortization
- Accrued Interest
- Property Tax Accrual

Balance Sheet Analysis - Payables

- Accounts Payable Reconciliations
- Retainage Payable -All Funds
- Post-Closure and Liability Support
- Deposits -- Reconciliations
- Accrued Vacation Summary
- Accrued Vacation Supporting Detail
- Lease Payable Schedule
- Analysis of Capital Leases
- Solid Waste Debt Service -- Loans and Bonds Payable Footnote Support

- Arbitrage Liability Calculation
- General long-term debt account group roll forward schedules

Other

- Property Tax Revenue/Deferred Revenue Lead Schedule
- Property Tax Transactions
- Commitments Schedule (contracts)
- New Bond Issues or Refundings Detail
- GASB 31 Footnote Support
- 401(k) Deferred Compensation Fund Statements
- Response to GFOA Comments

Grants

- Grant Billings at June 30
- Schedule of Expenditures of Federal Awards
- Schedule of Closed Grants
- Schedule of Indirect Costs
- All Grant Agreements and Amendments

EDP and Other Reports

- Access to online General Ledger information in PeopleSoft
- Affirmative Action Plan
- Indirect Cost Rate Proposal
- Fiscal Year Unified Work Program
- Budget Amendments and Supplemental Budget
- Budget Hearing Notices
- Budget Documents

Metro staff will also perform the following:

- Pulling documents for verification of numbers and information
- Preparation of additional analyses not listed above as required.

Appendix D

BACKGROUND INFORMATION

Metro is the nation's only directly elected regional government. Metro's primary responsibilities include regional planning, solid waste disposal and waste reduction programs, Oregon Zoo operations, open spaces acquisition, regional park management and operation of the region's spectator facilities. Metro accomplishes the latter through the Metropolitan Exposition-Recreation Commission (MERC). The Metro Council, composed of seven councilors who represent individual districts inside Metro's jurisdiction governs Metro. The Metro Council conducts its business in weekly meetings supplemented by various committee meetings held throughout the month. Metro's Executive Officer and Auditor are elected region-wide. The Executive Officer implements the Metro Council's policies and handles Metro administration. The Metro Auditor provides financial and performance audits of Metro's programs and activities.

Metro used the following funds and account groups in fiscal year 2000 and accounts for all funds on a modified accrual basis for budgetary purposes.

Fund Type	Fund Name	Budgetary Funds	GAAP Basis
Government funds			
General	General	General	Modified Accrual
Special Revenue	Zoo	Zoo operating	Modified Accrual
		General Revenue Bond Fund - Zoo	Modified Accrual
	Regional Parks and Expo	Regional Parks and Expo	Modified Accrual
	Planning	Planning	Modified Accrual
	Spectator facilities operating	Spectator facilities	Modified Accrual
	Coliseum operating	Coliseum	Modified Accrual
	MERC administration	MERC administration	Modified Accrual
Capital Projects	Zoo capital	Zoo capital	Modified Accrual
	Open spaces	Open spaces	Modified Accrual
Debt Service	General Obligation Debt Service	General Obligation Debt Service	Modified Accrual
Proprietary funds			
Enterprise	Solid waste fund	Solid waste revenue	Accrual
	Convention Center fund	Convention Center operating	Accrual
		Convention Center project capital	Accrual
		Convention Center renewal & replacement	Accrual
Internal Service	Building management fund	Building management	Accrual
		General Revenue Bond Fund - Building management	Accrual
	Risk management fund	Risk management	Accrual
	Support services fund	Support services	Accrual
Fiduciary Funds			
Expendable Trust	Rehabilitation and enhancement	Rehabilitation and enhancement	Modified Accrual
	Smith and Bybee Lakes trust	Smith and Bybee Lakes trust	Modified Accrual
	Regional parks trust	Regional parks trust	Modified Accrual
Pension Trust	Pension trust fund	(not budgeted)	Accrual

Account Groups

General Long-term Debt Account Group
General Fixed Asset Account Group

Metro currently maintains two checking accounts: 1) accounts payable and 2) payroll (which is a "zero-balance account"). In addition, investments are made with various Oregon financial institutions (certificates of deposit, U.S. Treasury Securities, etc.) in accordance with Metro Code and state law. Metro receives dedicated property tax revenue for bonded debt service and a tax base for zoo operations from three counties (Clackamas, Multnomah, Washington) and has receivable accounts for each. Metro employs approximately 2,000 people during a fiscal year.

Metro's corporate trustee (registrar and co-paying agent) is BNY - Western Trust Company. BNY - Western Trust Company maintains separate accounts for various bond issues including but not limited to bond proceeds, debt service, reserve and rebate accounts. In addition to the above accounts, MERC maintains various checking, vault and other cash accounts used for its operations.

Other systems and procedures include:

- Metro's investment policies: set by ordinance.
- Computerized systems: include payroll, purchasing, accounts payable, accounts receivable, billing, general ledger, and financial reporting. Each includes manual tasks as well, and some are not integrated on the EDP system.
- MERC: maintains a separate accounting function that monitors its financial operations. It processes documentation and transactions through Metro's accounting section for budget and financial reporting purposes.
- Organizational chart for the Accounting Services Division is attached.

Other available reports can be obtained by calling Metro Auditor Alexis Dow at (503) 797-1891:

- Comprehensive Annual Financial Report for fiscal year ended June 30, 2001
- Reports required by the Single Audit Act
- Adopted budget for fiscal year 2002.

Metro staff provides support by preparing audit work papers on trial balances and other financial statements, cash and investments, grants, and other areas listed in Appendix C. Metro staff will also pull documents for verification of information and prepare additional analyses as required.

GASB Statement 34 and its subsequent companion statements, commonly referred to as the new reporting model standards for governmental financial reporting, will have a major impact on Metro's Comprehensive Annual Financial Report. Accounting Services Division staff have reviewed the applicable GASB statements giving them a general awareness of the overall direction of the statement. In addition, staff are working with KPMG to complete an implementation plan by early April 2002. Metro staff have begun the initial decision-making steps on fund and account structure changes to meet the requirements and will commence a more extensive work program upon completion of the implementation plan in April 2002. Metro is required to meet the requirements of this standard for the fiscal year ended June 30, 2002 and following. Anticipated challenges in implementing the standard at Metro include:

- Obtaining a current physical inventory of fixed assets. (Satisfactory records of historical cost for fixed assets and depreciation exist.)

- **Developing a methodology and systems to distribute depreciation expenses to the various programs and activities.**
- **Determining the functions and program level detail to be reported in the Statement of Activities**
- **Determining the allocation of Metro's internal service funds to the appropriate funds or activities under GASB 34 requirements.**

Metro staff have used resources available from other entities (City of Eugene, City of Wilsonville and GASB internet links to supplement information and knowledge on process and issues.) Metro staff intends to discuss GASB Statement 34 issues with knowledgeable personnel of the selected firm, to ensure Metro compliance with Statement requirements.

STAFF REPORT

IN CONSIDERATION OF RESOLUTION NO. 02-3193, FOR THE PURPOSE OF AUTHORIZING THE RELEASE OF A REQUEST FOR PROPOSALS (02-1019-AUD) FOR FINANCIAL STATEMENT AUDIT SERVICES

Date: May 8, 2002

Prepared by: Alexis Dow

BACKGROUND

In spring 2001 we requested proposals for financial statement audit services. The proposals we received all came from responsible and reliable CPA firms. The fees that the CPA firms estimated for financial statement audit services were relatively high. Because most quality CPA firms at that time were essentially "in the driver's seat" when they bid on and took on such work, there was not a great deal of cost-related competition among the firms. The economy was strong and quality CPA firms had about as much business as they wanted.

The American economy has changed significantly since we received proposals for that contract a year ago. Beginning with a decline in the technology sector, the overall economy experienced a general downturn that was further weakened by the events of September 11, 2001. The national economy has been hard hit and the Pacific Northwest economy, including the Portland area, has become very soft.

With a weaker economic environment, the market for financial services has changed. CPA firms that one or two years ago were in the "driver's seat" in responding to proposals for services now find themselves in less demand. The economic downturn and other changed conditions eroded the demand for CPA firms' financial services in connection with initial public offerings and merger and acquisition related work. Moreover, CPA firms' financial service consulting work has been curtailed as businesses adapt to a more stringent and austere business environment.

While CPA firms have experienced problems maintaining the demand for their services, the organizations that employ CPA firms and other contractors have looked to these contractors to essentially "share the pain" of their own economic problems and related budget reductions. Government and private sector organizations have gone back to contractors to ask for recognition of an environment that has negatively changed since the inception of various contracts.

The Metro Auditor's Office has the opportunity to save significant contract funds for external certified public accountants to conduct the examination of Metro's annual financial statements. Moreover, the Office desires to further demonstrate public accountability through significant savings of public funds for the examination of Metro's annual financial statements and take advantage of changed economic and accounting firms-related conditions.

The Metro Auditor's Office initially began discussions to this effect with the certified public accounting firm in December 2001. At that time, the Auditor's Office submitted budget documents to the Metro Executive Officer and Council that outlined the option of obtaining a lower fee for the examination of Metro's annual financial statements. In preliminary discussions, the certified public accounting firm indicated that it is in the process of buying Arthur Andersen's Pacific Northwest practice and is very busy. It told the Metro Auditor that it would reduce its fee for Metro's financial statement services by

\$5,000. Based on our survey of qualified area CPA firms we found that the local market for financial audit services is more competitive than that, even considering implementation of GASB 34.

This effort to secure more favorable terms for the examination of Metro's annual financial statements was recently discussed with Metro Executive Officer Mike Burton, who expressed no concern over the matter. Also, a May 4, 2002, memo from Metro Chief Operating Officer Pete Sandrock expressed thanks for making the effort to get better prices from independent auditing firms.

The RFP selection criteria have been established to ensure that Metro will obtain its financial statement audit at a competitive price from a licensed municipal auditor possessing relevant experience.

ANALYSIS/INFORMATION

The anticipated reduction in the fee for the financial statement audit for the year ending June 30, 2002, is expected to be approximately \$15,000. Similar savings are anticipated in subsequent years of the contract, resulting in a \$45,000 savings over 3 years.

RECOMMENDED ACTION

The Metro Auditor recommends approval of Resolution No. 02-3193.

Agenda Item Number 6.3

Resolution No. 02-3195, For the Purpose of Authorizing the Executive Officer to Sign an Intergovernmental Agreement with the Tualatin Basin Natural Resources Coordinating Committee.

**Metro Council Meeting
Thursday, May 16, 2002
Metro Council Chamber**

BEFORE THE METRO COUNCIL

FOR THE PURPOSE OF AUTHORIZING THE EXECUTIVE OFFICER TO SIGN AN INTERGOVERNMENTAL AGREEMENT WITH THE TUALATIN BASIN NATURAL RESOURCES COORDINATING COMMITTEE) RESOLUTION NO 02-3195)
) Introduced by Councilor Susan McLain, Chair Natural Resources Committee and Presiding Officer, Carl Hosticka

WHEREAS, the Regional Framework Plan and Urban Growth Management Functional Plan (“UGMFP”) state that Metro will undertake a program for protection of fish and wildlife habitat; and

WHEREAS, the Title 3, Section 5 of the UGMFP sets forth actions that the Metro Council anticipated that Metro would take in identifying, considering and protecting regionally significant fish and wildlife habitat conservation areas; and

WHEREAS, Metro is applying State Goal 5 administrative rule as the framework for identifying regionally significant fish and wildlife habitat areas; and

WHEREAS, on December 13, 2001, the Metro Council adopted Resolution No. 01-3141C for the purpose of establishing criteria to define regionally significant fish habitat, and

WHEREAS, Resolution No. 01-3141C indicated that the Council would consider a “basin approach” to conducting the ESEE and program components of the Fish and Wildlife Habitat Conservation program in the Tualatin Basin, and

WHEREAS, the Metro Policy Advisory Committee (“MPAC”), the Water Resources Policy Advisory Committee (“WRPAC”), Metro Technical Advisory Committee (“MTAC”), Goal 5 Technical Advisory Committee and Tualatin Basin Coordination Committee provided comment and recommendations to the Natural Resources Committee and Metro Council during in January, 2002; and

WHEREAS, at its January 30, 2002 meeting, the Natural Resources Committee recommended that the Council consider entering into an intergovernmental agreement (“IGA”) with Washington County, cities, and special districts in the Tualatin River Basin as conceptually explained in the document entitled “Tualatin Basin Approach” which is attached as Exhibit A to this resolution; and

WHEREAS, the Council at its January 31, 2002 meeting accepted the Natural Resources Committee recommendation and requested that the Executive Officer and staff work with staff of the Tualatin Basin Natural Resources Coordinating Committee (“TBNRCC”) to bring forward a proposed IGA for Council approval in order to authorize and allow the use of a Basin Approach as a component of Metro's Fish and Wildlife Habitat Program; and

WHEREAS, at its April 17 and May 1, 2002 meetings, the Natural Resources Committee considered the draft IGA, and recommended that the Metro Council adopt the IGA attached as Exhibit B to this resolution; now, therefore,

BE IT RESOLVED:

1. The Council authorizes the Executive Officer to sign the Intergovernmental Agreement entitled “Intergovernmental Agreement TBNRCC/Metro Regional Resource Planning Project” in Exhibit B.

ADOPTED by the Metro Council this ___ day of May, 2002.

Carl Hosticka, Presiding Officer

Approved as to Form:

Daniel B. Cooper, General Counsel

Tualatin Basin Approach
1/30/02 Draft

What The basin approach is a proposal that local governments take responsibility as described in Steps 1 and 2, below, within the greater part of the Tualatin River basin for the next phases (ESEE and program development) of the region's fish and wildlife habitat program, subject to coordination with, and final product approval by, the Metro Council. Riparian corridors and wildlife habitat determined to be regionally significant consistent with State Goal 5, and Clean Water Act requirements and Endangered Species Act listings would all have to be addressed in a basin approach.

Where The basin proposal could apply to any large whole watershed within the region, if approved by Metro. For the Tualatin Basin, the general geographic extent is that area draining the Tualatin River. The basin consists of areas inside of the current Metro urban growth boundary and Metro jurisdictional boundary, Metro UGB alternatives analysis areas and rural, farm and forest lands beyond. Regional resources determined by Metro, potential regional resources identified in areas studied by Metro in its UGB Alternatives Analysis and the rural, farm and forest lands beyond identified by Washington County as significant resources shall be addressed in the Tualatin Basin Approach.

Who Currently, a consortium of local governments including the cities of Beaverton, Cornelius, Durham, Forest Grove, Hillsboro, King City, Sherwood, Tigard and Tualatin, as well as Washington County, Clean Water Services and Tualatin Hills Parks and Recreation District have expressed a willingness to address the Tualatin Basin. Inclusion of, or coordination with, other jurisdictions with responsibilities within the Tualatin Basin such as Clackamas County and the cities of Lake Oswego and Portland are underway. Individual property owners, interest groups, local government advisory committees and other interested parties would also be provided opportunities to participate during this work effort. In addition, Metro would participate in the Basin Approach through Council representation on the Tualatin Basin Coordinating Committee, through project updates to, and feedback from the Natural Resource Committee, MPAC, MTAC, Goal 5 TAC, WRPAC, and through the Metro staff. The Metro Council would make recommendations about the ESEE decision to delineate areas to "prohibit" or "limit" conflicting uses and make the final decision about whether a basin approach met regional standards after consultation with its advisory committees.

Why The Basin Approach proposal has been made in part because of a concurrent, joint efforts by the Tualatin Basin governments, the Washington County Clean Water Services and others to address Federal Clean Water Act requirements and Endangered Species Act listings that likely will affect the same areas as Metro's fish and wildlife habitat protection plan. In addition to reducing the number of times that the same areas are analyzed and public outreach provided and applying more detailed information than is readily available region-wide, this Basin Approach allows for coordination among similar, but distinct Federal, State and regional requirements. The basin approach can also provide local governments with an opportunity to shape a basin-wide program that is tailored to local conditions within the Tualatin River basin while addressing regional Goal 5 objectives. Because the Basin Approach is proposed as being completed concurrently with Metro's regional tasks, the Tualatin Basin is most likely to be implemented sooner than other portions of the region if the non-basin jurisdictions wait for the Metro regional safe harbor to be completed and acknowledged by the state before they begin local implementation tasks.

When The basin proposal would complete this work parallel to the rest of Metro's fish and wildlife habitat program region-wide. Both the region's work effort as well as the Basin Approach work products would be timed to allow for Metro Council consideration of the data and likely capacity consequences of a regional fish and wildlife protection plan in order to make decisions about the region's urban growth boundary by December 31, 2002. To accomplish this, materials defining the impact on the UGB buildable land inventory would need to be readied by Metro staff by August 1, 2002. The Tualatin Basin Approach has proposed to meet Metro's decision timeline. The Tualatin Basin Coordinating Committee would formally provide a Basin Approach timeline and work completion schedule.

How The basin approach will be accomplished by setting goals and standards¹, providing legal structure for coordination, establishing a process and monitoring and evaluation.

Goals. The adopted Regional Framework Plan states that the region shall manage watersheds to protect, restore and ensure to the maximum extent practicable the integrity of streams, wetlands and floodplains, and their multiple biological, physical and social values. Metro's fish and wildlife vision articulates the overriding goal of the Basin Approach:

“The overall goal is to conserve, protect and restore a continuous ecologically viable streamside corridor system, from the streams' headwaters to their confluence with other streams and rivers, and with their floodplains in a manner that is integrated with the surrounding urban landscape. This system will be achieved through conservation, protection and appropriate restoration of streamside corridors through time.”

Improvement of habitat health within each of the Region's 27 hydrologic units including the eleven hydrologic units inside the Tualatin Basin shall be a primary objective of the Basin Approach. The following objectives within Metro's Fish and Wildlife Habitat Vision Statement shall be pursued by the Basin Approach: to sustain and enhance native fish and wildlife species and their habitats; to mitigate high storm flows and maintain adequate summer flows; to provide clean water; and to create communities that fully integrate the built and natural environment. The region wide system of linked significant fish and wildlife habitats will be achieved through preservation of existing resources and restoration to recreate critical linkages, as appropriate and consistent with ESEE conclusions about whether to prohibit, limit or allow conflicting uses within a regionally significant resource site. Avoiding any future ESA listings is another primary Basin Approach objective. The sentences quoted above from the Vision Statement as the overall goal shall be the goal against which the Tualatin Basin Approach will be reviewed. Objectives cited above provide additional guidance as to how the Tualatin Basin Approach should be completed and an intergovernmental agreement between the consortium and Metro will provide additional working details.

Legal Structure. Intergovernmental agreements will be used to ensure Basin Approach coordination among the affected local governments, and Metro. In addition, staff level memoranda of understanding will be used to assure coordination between consortium members, Metro and those relevant jurisdictions not directly participating in the Tualatin Basin Approach.

Process. The Metro-Tualatin Basin Approach coordination process would have two-steps. The first step would be a check-in by the Tualatin Basin Approach with Metro before making ESEE decisions for the Basin for Metro input and advice. The second step would be Metro Council review of Basin Approach program recommendations and determination of program

conformance with the Basin Approach review criteria described above. In addition, ongoing coordination between the Tualatin Basin Approach staff and Metro staff would occur as work on the Basin Approach proceeds. A public involvement plan meeting the region's goals for providing substantial opportunities for participation by the public would be completed for the region (including how the Tualatin Basin would be addressed) after coordination with the Metro Committee on Citizen Involvement.

Step 1. The ESEE Decision. Metro, local governments and other interested parties will work to establish a regional ESEE method. One possible method would be to design regional ESEE parameters for application within 27 hydrologic units throughout the Region. The Tualatin Basin would develop basin-wide and local ESEE parameters for the Tualatin Basin. Both sets of ESEE parameters shall guide the identification of areas for prohibiting, limiting or allowing conflicting uses within the Tualatin Basin. The results of applying these parameters within the Basin would be mapped.

This map could be constructed for the entire region, using the selected regional ESEE parameters and the mapped results of the Tualatin Basin Approach ESEE analysis, further informed by any other local considerations. This information would be used for two purposes. First, it would provide the foundation of the ESEE decision. Second, the map could also be used to estimate the influence of the region's fish and wildlife habitat program on the housing and job capacity calculations for the region's periodic review of its urban growth boundary. The Tualatin Basin ESEE decision about which areas to prohibit, limit or allow conflicting uses within the Tualatin Basin would be made by the local participating governments, through the Tualatin Basin Natural Resource Coordinating Committee, after consideration of public comments, including Metro Council input and recommendations.

Step 2 Program Design and Adoption. Region-wide, Metro will prepare a regional Goal 5 program (regional safe harbor, riparian district plan and local discretionary review options) for the entire region which, for the Tualatin Basin, would reflect the program developed through the Basin Approach. Regional and Basin program elements, including incentives, acquisition, education and regulatory tools would then be prepared. The region would prepare its regional safe harbor, riparian district plan specifications and the local discretionary review options. The Tualatin Basin would design its program. For example, the Tualatin Basin Approach could include, but would not be limited to the following kinds of program elements:

- Revised and new land use "goal 5 overlay" mapped areas and new regulatory language for all land use authorities within the Basin;
- Clean Water Services (CWS) Design & Construction standards (possible revisions);
- Review and possible revisions to CWS maintenance programs (possibly maintenance programs for all jurisdictions including park district);
- Identification and prioritization of restoration sites and financial plan ("Environmental CIP");
- Coordination with Metro Greenspaces program for targeted acquisitions; and
- Possible incorporation of "green street" optional standards into all local codes (project currently underway being funded by Tualatin Valley Water Quality Endowment Fund)

After taking public testimony, the Tualatin Basin would forward a recommended program to Metro. After its own review process using agreed upon review standards, the Metro Council

would determine whether the Basin Approach substantially complies and whether to approve the Tualatin Basin Approach.

Monitoring and Evaluation. Metro Code requires that performance measures be used to evaluate the success and effectiveness of its functional plan to realize regional policies. In addition, the National Marine Fisheries Service 4(d) rule calls for monitoring and evaluation. After local programs have been enacted and some time period passes to allow for programs to take hold, Metro should evaluate its policies and their implementation to compare goals with actual outcomes. If a basin approach significantly lagged region-wide efforts, as a last resort, regional safe harbor provisions could be applied to the basin area until a basin approach is completed and approved by the Metro Council.

**INTERGOVERNMENTAL AGREEMENT
TBNRCC/METRO REGIONAL RESOURCE PLANNING PROJECT**

This Agreement is entered into between the Tualatin Basin Natural Resources Coordinating Committee ("TBNRCC"), an ORS Chapter 190 intergovernmental association and the Portland Metropolitan Service District ("Metro").

WHEREAS:

1. Metro has adopted Resolution 01-3141C establishing criteria to define and identify regionally significant riparian corridors relating to the inventory phase of the Goal 5 aspects of its Fish and Wildlife Habitat Protection Program, has adopted Resolution 02-3195 supporting a "Tualatin Basin Approach" to complete the Goal 5 ESEE and program development steps for regional resources in the Tualatin Basin and is continuing to inventory regionally significant wildlife habitat and conduct its regional ESEE analysis, program and related work.

2. The TBNRCC was formed by its members ("Basin governments") primarily to pursue a coordinated Basin approach to responding to the Goal 5 work performed by Metro and to conduct ESEE analysis and program development for the regional resource sites identified by the Metro Council in its draft inventory of Goal 5 regional resources, subject to final action by Metro to include the program decisions in Metro's functional plan. Signatories to the intergovernmental agreement entitled "Formation of the Tualatin Basin Natural Resources Coordinating Committee," attached (without its exhibits) as Exhibit "A", identify the "Basin governments" for the purposes of this Agreement. Staff of individual Basin governments acting as staff to the TBNRCC, as well as consultants (other than attorneys) working on contract with the TBNRCC, are referred to in this Agreement as "TBNRCC staff."

3. This approach will enable the parties to better coordinate their efforts, maximize efficiencies, better interrelate on-going efforts to address Clean Water Act, Endangered Species Act and other requirements and provide local governments with an opportunity to shape a basin-wide program tailored to local conditions while addressing regional objectives and retaining Metro's authority.

NOW, THEREFORE, IT IS AGREED:

1. The document entitled 'Tualatin Basin Approach' (dated January 30, 2002 and adopted by Metro Council Resolution No. 02-3195), attached as Exhibit "B", describes the basis for the agreement of the parties and may be used in construing and implementing this Agreement. The parties shall cooperate in good faith to follow the process and meet the objectives set forth therein.

2. The TBNRCC shall fund and undertake staff analysis, conduct hearings, make ESEE decisions, and formulate programs to be recommended to Metro for the regional resource sites identified by the Metro Council in its draft inventory of Goal 5 regional resources. Metro anticipates identifying the draft inventory by resolution in Summer 2002. Metro shall transmit to

TBNRCC its draft inventory maps of regional resources and inventory narrative upon approval of that resolution. The TBNRCC shall develop a record¹ of its proceedings to submit to Metro in support of its ESEE decisions and program recommendations. Metro shall coordinate GIS information and provide technical support as may be agreed to by TBNRCC and Metro staff. Metro and the TBNRCC shall coordinate on notice and public outreach as may be agreed to by TBNRCC and Metro staff in a Memorandum of Understanding consistent with provision #9 of this agreement.

3. TBNRCC staff will develop a draft map identifying locations to allow, limit or prohibit conflicting uses for the regional resource sites identified by the Metro Council in its draft inventory of Goal 5 regional resources. The TBNRCC will then provide notice and public outreach and begin hearings on the map. The TBNRCC will approve a map identifying locations to allow, limit or prohibit conflicting uses for the regional resource sites identified by the Metro Council in its draft inventory of Goal 5 regional resources and submit the map to Metro. As part of its ESEE analysis, TBNRCC shall coordinate with Metro and consider Metro's regional ESEE analysis.²

4. The TBNRCC will develop proposed programs to implement the ESEE determinations identified in its map, provide notice and public outreach, and conduct hearings on the proposed programs. TBNRCC will adopt recommended programs for the regional resource sites identified by the Metro Council in its draft inventory of Goal 5 regional resources and submit them, together with supporting ESEE analyses, to Metro by June 15, 2003.

5. -The Metro Council will consider and conclude review of the TBNRCC recommended programs and supporting record, and take action on the recommended programs and supporting ESEE analyses, within a total of 120 60 days of submission. Metro shall provide notice, hold public hearings, and shall have 60 days from the date the TBNRCC recommendations are submitted to review solicit comment on the recommended programs and supporting ESEE analyses, initiate solicitation of public comments and solicit comment from the public and appropriate advisory committees including the Metro Policy Advisory Committee ("MPAC"), Metro Technical Advisory Committee ("MTAC"), Water Resources Policy Advisory Committee ("WRPAC"), Economic Technical Advisory Committee ("ETAC") and Goal 5 Technical Advisory Committee ("G5TAC") consistent with Metro's citizen involvement program.

Consistent with the Tualatin Basin Approach document, Metro shall apply the "overall goal" (quoted in full in this paragraph) of the Streamside CPR Program Outline – Purpose, Vision, Goal Principles and Context" ("Vision Statement") recommended to the Metro Council by MPAC on October 4, 2000 as the standard for determining whether to include the TBNRCC's

¹ For the purposes of this agreement a "record" is defined as all oral or written testimony received by the TBNRCC and its findings explaining its program decisions. Data sources for identifying conflicting uses, data supporting the identification of impact areas, data sources supporting the economic, social, environmental and energy consequences analysis and other documents created by TBNRCC staff in developing the ESEE analyses or program decisions, but not received by the TBNRCC, shall be available to Metro staff for review.

² For the purposes of this agreement "regional ESEE analysis" is defined as the general consideration of economic, social, environmental and energy consequences developed by Metro for the Metro region as a whole. "Regional ESEE analysis" does not include the results of the application of that regional analysis to the 27 individual resource sites identified by Metro in Resolution 01-3141C.

recommended programs and supporting ESEE analyses in the Urban Growth Management Functional Plan. The entire Vision Statement is attached as Exhibit "C" to this document to provide context for understanding the terms of the following "overall goal" standard:

"The overall goal is to conserve, protect and restore a continuous ecologically viable streamside corridor system, from the streams' headwaters to their confluence with other streams and rivers, and with their floodplains in a manner that is integrated with the surrounding urban landscape. This system will be achieved through conservation, protection and appropriate restoration of streamside corridors through time."

If, after receiving comment from the public and Metro advisory committees, the Metro Council concludes that the TBNRCC's recommended programs comply or substantially comply with the above standard, Metro shall, ~~within 60 days of concluding its review, initiate and complete the process to adopt the recommended programs and supporting ESEE analyses, in substantially the same form as submitted, as its functional plan element for the regional resource sites identified in the recommendations.~~ Metro review for compliance with the above standard will be evaluate the program for potential to improve regional resource conditions basin-wide, addressing the entire Tualatin Basin system, as well as addressing each regional resource site identified by the Metro Council in its draft inventory of Goal 5 regional resources within the jurisdiction of the Basin governments.

6. If Metro adopts the recommendations of the TBNRCC in substantially the same form as submitted, each member of TBNRCC shall file ordinances, provide notice, conduct hearings to amend their respective applicable plans and related regulations, and otherwise take actions within the time-frames and as set forth in the agreement forming the TBNRCC.

7. If any of the Basin governments adopt ordinances that vary significantly from TBNRCC's recommended programs and supporting ESEE analyses, as adopted by Metro, then that Basin government shall develop a record explaining any variance from the Metro-adopted recommendations and submit it to Metro for review.

8. Metro shall review any such variations to determine whether such variations are significant enough to result in a determination that the jurisdiction is not in substantial compliance with the functional plan.

9. The Washington County Planning Division Manager for TBNRCC and the Transportation and Planning Director for Metro are authorized to enter into Memoranda of Understanding to coordinate staff work and citizen participation matters and otherwise ensure efficient and effective communication and cooperation.

10. The signatories, including each basin government, are the only entities or persons entitled to enforce its terms. Nothing in this IGA gives or is intended to provide any benefit or right, whether directly, indirectly, or otherwise, to third persons unless such third persons are individually identified by name herein and expressly described as intended beneficiaries of the

terms of this contract. This agreement may be amended by written agreement between TBNRCC and Metro. TBNRCC shall promptly notify Metro of amendments to the IGA entitled "Formation of the Tualatin basin Natural Resources Coordinating Committee."

11. No person shall be denied or subjected to discrimination in receipt of the benefits of any services or activities made possible by or resulting from this IGA on the grounds of race, color, religion, gender, sexual orientation, national origin, disability, age, or marital status.

12. Subject to the limitations in the Oregon Tort Claims Act and the Oregon Constitution, each signatory agrees to hold harmless, indemnify and defend the other, including each other's officers, employees and agents, against all claims, demands, actions suits and appeals (including attorney fees and costs) arising from the indemnitor's acts or omissions under this Agreement.

13. Notwithstanding paragraph 12, if any claim, demand, action, suit, or appeal is filed against the TBNRCC or Metro in connection with matters addressed by this Agreement, the parties agree to cooperate in good faith in defending or otherwise addressing the challenge.

14. This Agreement is intended as the complete, exclusive and final expression of the Agreement among the parties.

15. This Agreement shall terminate June 1, 2004 unless first extended by the parties. It may also be terminated by one party providing the other with 60 days written notice of termination.

**TUALATIN BASIN NATURAL
RESOURCES COORDINATING
COMMITTEE**

METRO

By: _____

By: _____

Title: _____

Title: _____

Date: _____

Date: _____

STAFF REPORT

RESOLUTION NO. 02-3195, FOR THE PURPOSE OF AUTHORIZING THE EXECUTIVE OFFICER TO SIGN AND INTERGOVERNMENTAL AGREEMENT WITH THE TUALATIN BASIN NATURAL RESOURCES COORDINATING COMMITTEE

Date: May 7, 2002

Prepared by: Ken Helm

On December 13, 2001, the Metro Council adopted Resolution No. 3141C for the purpose of establishing criteria to define regionally significant fish habitat. As part of that resolution the Council stated that it would consider a "basin approach" to conducting the ESEE and program components of the Fish and Wildlife Habitat Conservation program in the Tualatin Basin. The basin approach contemplates that Washington County, participating cities, and special districts would conduct an economic, social, environmental and energy ("ESEE") analysis and develop a program for regional resources in the Tualatin River Basin in coordination with Metro's Fish and Wildlife Habitat Conservation Program.

On January 31, 2002, the Metro Council requested that the Executive Officer and staff bring forward a draft intergovernmental agreement between Metro and the Tualatin Basin Natural Resources Coordinating Committee ("TBNRCC") to accomplish ESEE and program work for regional resources in the Tualatin Basin. Metro staff and staff representatives from TBNRCC met through February, March and April to develop a draft intergovernmental agreement (IGA). The Natural Resources Committee reviewed an initial draft of the IGA on April 17, 2002. At its May 6, 2002 meeting, the TBNRCC reviewed and tentatively approved the terms of the draft IGA contingent on Metro Council adoption of a resolution authorizing the Executive Officer to sign the IGA.

MINUTES OF THE METRO COUNCIL MEETING

Thursday, May 9, 2002
Metro Council Chamber

Councilors Present: Carl Hosticka (Presiding Officer), Susan McLain, Rod Park, Bill Atherton, David Bragdon, Rod Monroe, Rex Burkholder

Councilors Absent:

Presiding Officer Hosticka convened the Regular Council Meeting at 2:07 p.m.

1. INTRODUCTIONS

There were none.

2. CITIZEN COMMUNICATIONS

There were none.

3. A TALE OF FOUR COUNTIES, PATTERNS OF GROWTH IN METROPOLITAN PORTLAND.

Alan Durning, Northwest Environmental Watch, explained what Northwest Environmental Watch was doing in the area of analyzing growth, how they had gone about completing their analysis and the results of their findings (a copy of the overheads are included in the record in addition to a more thorough review of Sprawl and Smart Growth in Metropolitan Portland). The analysis compared Portland, Oregon with Vancouver, Washington including impacts on the land, the change over the decade, and the resulting density issues. Components of the presentation included an executive summary, their methods and analysis, rapid population growth, compact communities, loss of rural land and open space as well as their conclusions. They concluded that the Urban Growth Boundary worked, that growth management softened the impact of rapid population increase in the metropolis, it restrained suburban sprawl, slowed the loss of rural land and open space, and provided better transportation alternatives by channeling development into compact neighborhoods that use land and urban infrastructure more efficiently.

Councilor Park asked about green and density and how that was being accomplished. He said there seemed to be a correlation that the increase in density allowed you to have more greenspaces. He asked Mr. Durning for more detail on this finding. Mr. Durning said they compared Clark County to the three Metro counties. They found about a quarter more impervious surface or pavement rooftops per resident in Clark County. They also lined up the two data sets, one showing population concentration and the other showing impervious surface and then summed up how much impervious surface there was in each of those density classes. They found three times as much impervious surface in the lowest density, more were in auto dependent neighborhoods than they found in the transit oriented areas. They found that, per person, there was much less impervious surface in the densest areas, which meant you were leaving more greenspace somewhere else.

Councilor Bragdon asked about design techniques managing storm water. Mr. Durning said there a budding field in developing way to reduce the impacts of impervious surfaces, low impact development or watershed friendly development. A lot of the pioneering work was going on here

in the Northwest with some promising initial results. In this study they were interested in findings a gross measure, a footprint, of our major metropolitan areas on the landscape.

Councilor Monroe said there had been significant political changes in Clark County in the last few years. The current county commission had taken a much stronger interest in land use planning. He asked if they had looked at the first half of the decade versus the last half of the decade and if there was improvement. Mr. Durning noted that the Growth Management Act in Washington wasn't enacted until 1992. The Growth Management Plan went into place in Clark County in 1994. Some of the growth had occurred before there was such planning and some of it was grandfathered in after the plans took effect. Unfortunately the US census data was only provided every 10 years. That was the only data set that could tell you where people were living. They would be able to check again in 2010. They chose impervious surface as an indicator that they could update annually by satellite images. They might be able to see substantial changes year after year but there were substantial questions and problems. So if you see new impervious surface but you don't know how many people were living in the area then you wouldn't know if it were a good thing because it was a development that avoided covering a much larger area. They were not able to make any comparisons.

Councilor Monroe said he was Metro's representative to the Southwest Washington Regional Transportation Council. He spent a lot of time in Clark County and had seen some significant political changes that had taken effect over the past few years. He was hopeful to see some positive effect because of those changes. He then asked about rural acres, which had been lost to development. He said, in the last decade, they had only expanded the Urban Growth Boundary (UGB) by 1500 acres. Where did they get the lost rural acre number? Mr. Durning responded that a lot of that land would be inside the UGB. This was a measure of land where population density was below one per acre, one household per three acres that was relatively undeveloped and that when population density went above that threshold they counted it as urbanized or more heavily inhabited area.

Councilor Monroe summarized that most of that lost rural acres was land that was within the UGB a decade ago but was not yet developed. Mr. Durning said it likely was, they had not done an analysis where they overlaid the growth boundary because it wouldn't have been fair to Clark County, where the growth boundary wasn't enacted until 1994. They were simply looking at whether there was a growth boundary or not, how much new land got inhabited.

Councilor Burkholder thanked Mr. Durning and staff for their presentation. He felt that the information was critical for his decision making. He suggested that they present to MPAC and JPACT over the next several months. He felt that the information helped them determine if they were approaching their goals, outcomes were very important. The rest of the report talked about performance measures, how do they measure whether they were successful. He noted the values of the research. Mr. Durning said before the presentation to MPAC and JPACT he would see if he could find some of the answers to questions that had been raised. Councilor McLain suggested that they look at their term "smart growth" and explained further what they meant by that term.

Mr. Durning closed by saying that the thing that most surprised him in doing the analysis was to compare the rate of population increase in greater Portland with other cities around the world. The growth pains that the metropolitan region was experiencing and continued to debate and discuss the sources of, they believed was largely the growth itself, 25% increase over a decade. That rate of growth was a challenge any place. The grace with which the region had accommodated that growth was remarkable. He applauded the Council's efforts.

Councilor Atherton asked Mr. Durning about carrying capacity and the challenge of livability. He asked Mr. Durning if there was a natural wisdom in communities where they grow to a certain point and then they say, this is enough, or was growth a given until they lose too much. Was that balancing act possible?

Mr. Durning said it was an important question but he didn't have the answer. When the quality of life and prevailing wage rates as a sum equaled out, when the quality of life in Portland went low enough then people would stop moving here. One would hope there was a better way to achieve that slowing of the growth than that. They had done some research in 1997 where they looked at if there was some things that could be done to slow the rate of population increase that wouldn't be shooting themselves in the foot in other ways. The analysis focused on natural increase and migration. Natural increase, in the northwest, was partially driven by an exceptionally high rate of unplanned pregnancies and high teen birth rates, which they had found convincing evidence was overwhelmingly a product of child poverty and sexual abuse of children. These social areas needed to be dealt with anyway because they cared about the future of their children. If they could do a better job in that area, they believe the rate of population increase from natural increase would slow appreciably. On the migration side, there was some things that they suggested trying that might slow the rate of population increase but all of the direct tools of slowing the rate of population increase were largely blocked to them. There were some areas for fruitful pursuit. Councilor Atherton thought their book was very poignant.

Councilor Park asked about the relationship between density and congestion and which city approached population density of 6,000? Mr. Durning responded Los Angeles. Councilor Park stated that Portland approached a population density of 3100. Mr. Durning said Portland was in the 3000s by this definition. Los Angeles had high population density; New York had a much high population density than L. A. Councilor Park followed up by asking about Los Angeles' population size and where was L. A. in annual per capita traffic delay group. Mr. Durning responded that in the scatter graphs of population LA was in the upper right corner of the chart. Councilor Park asked, even with a higher population and a higher density, if they were still at a lower level of congestion? Clark Williams Derry explained the chart. Councilor Park said they had been hearing lately that increased density was causing problems and the data showed the opposite. Mr. Derry said he could provide the actual data for Councilor Park's review. Councilor Park said it would be useful to look at the data on some of the key cities that the region was compared with such as San Francisco, Houston, Phoenix, and Atlanta. Mr. Derry responded that Los Angeles, Seattle, and Atlanta had the worse traffic delays yet Seattle had significantly lower density than Portland. Atlanta was one of the least dense large cities in the country. Councilor Park said that it would nice to have graphed out those specific cities so they could look at them more closely, especially the relationship to lane miles.

Presiding Officer Hosticka said they appreciated seeing this information, it was good to have some data. Councilor Monroe said in the June JPACT meeting they would have a presentation on Green Streets, which was related to this presentation. He encouraged Council to attend.

4. EXECUTIVE OFFICER COMMUNICATIONS

Mike Burton, Executive Officer, updated the Council on the Public Employee Retirement System. He noted the press releases about increases effective July 1, 2003. PERS expected the increase to be significant. He said the impact to Metro would be 1.5 million dollars. He said there was not short-term fixes. They would be watching to see what the legislature would be doing in the near future. Metro's finance staff would be working with other jurisdictions and come to Council with some recommendations.

5. MPAC COMMUNICATIONS

Dan Cooper, General Counsel, reported that MPAC discussed their agenda items but took no formal action.

6. CONSENT AGENDA

6.1 Consideration of minutes of the May 2, 2002 Regular Council Meeting.

Motion	Councilor Bragdon moved to adopt the meeting minutes of the May 2, 2002, Regular Council meeting. Councilor Atherton asked that Mr. Morihara's first name is corrected; the correct spelling was Hiroshi.
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Vote:	Councilors Bragdon, Atherton, Monroe, Park, Burkholder, McLain and Presiding Officer Hosticka voted aye. The vote was 7 aye, the motion passed as amended.
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7. ORDINANCES - FIRST READING

7.1 **Ordinance No. 02-943**, For the Purpose of Amending the FY 2001-02 Budget and Appropriations Schedule Transferring \$200,000 from Capital Outlay to Operating Expenses and \$554,077 from Contingency to Operating Expenses in the Zoo Operating Fund, and Adding 1.0 FTE for A Budget and Finance Position, and Declaring an Emergency.

Presiding Officer Hosticka assigned Ordinance No. 02-943 to Budget and Finance Committee.

8. ORDINANCES – SECOND READING - QUASI-JUDICIAL PROCEEDING

8.1 **Ordinance No. 02-944**, For the Purpose of Amending the Urban Growth Boundary for Locational Adjustment Case 01-1; Christian Life Center Church.

Dan Cooper, Legal Counsel, briefed the Council on the procedures for the three step quasi-judicial proceeding and the history of Case 01-1.

Motion	Councilor McLain moved to adopt Ordinance No. 02-944.
Seconded:	Councilor Monroe seconded the motion

Councilor McLain said this was the third in a three-step process for a locational adjustment. This was the last locational adjustment under the old Code. She said the Code criteria had been improved. She said the hearings officer recommended that this case met the criteria in the old locational adjustment criteria. It bettered urban services within the Urban Growth Boundary.

Councilor Park said the reason this was brought before Council was because of the operation of a school. He thought it was appropriate in the conditions that the area could only be used for church, school or other church related purposes until the rest of the land that can be urbanized had been brought inside the Urban Growth Boundary. They didn't want to penalize the church/school on the other had they didn't want to end up rewarding them either. He felt it was the best they could do holding to the Code as they were trying to enforce not moving the boundary in certain

areas yet still taking care of a problem that had been presented to Council not of their own making. He could support this action.

Vote:	Councilors Bragdon, Atherton, Monroe, Park, Burkholder, McLain and Presiding Officer Hosticka voted aye. The vote was 6 aye/1 nay, the motion passed with Presiding Officer Hosticka voting no.
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9. RESOLUTIONS

9.1 Resolution No. 02-3190, For the Purpose of Authorizing the Executive Office to Execute an Amended and Full Restated Agreement with the Oregon Zoo Foundation.

Motion	Councilor Burkholder moved to adopt Resolution No. 02-3190.
Seconded:	Councilor Bragdon seconded the motion

Councilor Burkholder said this resolution was to amend the current Oregon Zoo Foundation agreement with Metro. He explained in detail the changes, the duties of both organizations, coordination, fees, donations and contributions (found in the staff report included in the meeting packet). He urged an aye vote. Councilor Bragdon thanked the members of the Oregon Zoo Foundation. This agreement was a good one and he was supportive of this. Presiding Officer Hosticka asked about moving from voting to non-voting members. Councilor Burkholder explained the reasons behind the change. Presiding Officer Hosticka asked about the distribution of funds. Councilor Burkholder responded to his concern.

Vote:	Councilors Bragdon, Atherton, Monroe, Park, Burkholder, McLain and Presiding Officer Hosticka voted aye. The vote was 7 aye, the motion passed.
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10. COUNCILOR COMMUNICATION

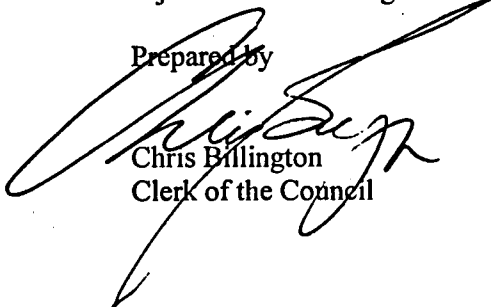
Councilor Bragdon asked about the Lake Oswego Metro Council meeting. Presiding Officer Hosticka said that it was not going to be May 23rd but would be rescheduled for June, the date was yet to be determined.

Councilor Park thanked the Council for being out in the eastern portion of the region last week. He thought East County was a good example of Metro's planning efforts.

11. ADJOURN

There being no further business to come before the Metro Council, Presiding Officer Hosticka adjourned the meeting at 3:12 p.m.

Prepared by



Chris Billington
Clerk of the Council

ATTACHMENTS TO THE PUBLIC RECORD FOR THE MEETING OF MAY 9, 2002

ITEM #	TOPIC	DOC DATE	DOCUMENT DESCRIPTION	DOC. NUMBER
6.1	MINUTES	5/2/02	METRO COUNCIL MINUTES OF MAY 2, 2002 SUBMITTED FOR APPROVAL	050902C-01
3.0	NORTHWEST ENVIRONMENTAL WATCH	5/9/02	SPRAWL AND SMART GROWTH IN METROPOLITAN PORTLAND, COMPARING PORTLAND, OR AND VANCOUVER, WA DURING THE 1990S	050902C-02

GOVERNMENTAL AFFAIRS COMMITTEE REPORT**CONSIDERATION OF RESOLUTION NO. 02-3184, FOR THE PURPOSE OF AUTHORIZING THE RELEASE OF A REQUEST FOR PROPOSALS #02-1022-ASD FOR FINANCIAL ADVISORY SERVICES**

Date: May 13, 2002

Presented by: Councilor Burkholder

Committee Recommendation: At its May 9 meeting, the committee considered Resolution No. 02-3184 and voted 2-0 to send the resolution to the Council for adoption. Voting in favor: Councilor Burkholder and Chair Bragdon. Councilor Monroe was absent

Background: Metro has several outstanding revenue and general obligation bond issues. Proper management of these debt instruments requires ongoing legal and technical analysis. Historically, Metro has used a request for proposal format to obtain a financial advisory service vendor to provide the necessary technical assistance. Because the contract for these services is for a three-year period, Metro Code 2.04.026 requires that the Council approve the release of the request for proposals.

Committee Discussion: Casey Short, Metro Financial Planning Manager, presented the staff report. He that the purpose of the proposed contract is to provide technical assistance related to outstanding Metro debt issuances and assistance related to general financial policies and issues. He explained that the current contract expires at the end of the current fiscal year. The provisions of the proposed RFP are very similar to the requirements set forth in the last RFP for procuring these services.

Councilor Bragdon asked if this proposal was for the purpose of retaining a bond counsel. Mr. Short and Mr. Cooper, Metro General Counsel, responded that this contract would relate to the need for technical advice and that Metro has a separate contract for bond counsel services that relate to legal assistance concerning the management of Metro's debt.

Councilor Burkholder asked for clarification concerning the proposed cost of the contract. Mr. Short explained that the stated amount represented the maximum potential expenditure under the contract. The vendor is paid on an hourly basis based on the actual services provided and that in the past actual expenditures have been significantly lower than the contracted amount.

METRO NATURAL RESOURCES COMMITTEE REPORT**CONSIDERATION OF RESOLUTION NO. 02-3195, FOR THE PURPOSE OF AUTHORIZING THE EXECUTIVE OFFICER TO SIGN AN INTERGOVERNMENTAL AGREEMENT WITH THE TUALATIN BASIN NATURAL RESOURCES COORDINATING COMMITTEE**

Date: May 16, 2002

Presented by: Councilor McLain

Committee Action: At its May 15, 2002 meeting, the Metro Natural Resources Committee voted 5-0 to recommend Council adoption of Resolution 02-3195. Voting in favor: Councilors Atherton, Bragdon, Hosticka, Park and McLain

Background: Resolution 02-3195 follows up on an aspect of Resolution 01-3141C that accepted consideration of a basin approach to ESEE analysis and program recommendations. In this case, jurisdictions in the Tualatin Basin (most of Washington County) have formed a Natural Resource Steering Committee and applied to Metro to incorporate its work into Metro's Fish and Wildlife Habitat Protection program.

Staff of the Office of General Counsel have been negotiating the terms of the IGA with the basin group, guided by direction and feedback from the Natural Resources Committee.

- **Existing Law:** Metro Resolution 01-3141C establishes criteria to define regionally significant fish habitat.
- **Budget Impact:** Work products from the Tualatin Basin reduces budget/fiscal requirements for completion of Metro's ESEE and program components.
- **Known Opposition:** There is no known opposition to this Resolution and IGA.

Committee Issues/Discussion: Ken Helm, Office of General Counsel made the staff presentation. He reminded the committee that they had seen a draft version of the resolution at their April 17 committee meeting. He highlighted some minor changes from that draft including language in section 5 stating that from the time Metro receives the final recommendations from the Tualatin Basin, it will take action within 120 days. Further language in section 5 indicates that Metro will review the entire basin for resource improvement, not only individual resource sites.

Brent Curtis, representing the Tualatin Basin Committee, agreed with Mr. Helm's presentation, and cited the probable need for Memorandums of Understanding (MOU's) to specify working agreements between the basin and Metro, as a follow up to the IGA.

Responding to a question by Councilor Hosticka, Mr. Helm stated that if Metro is ultimately not satisfied with the Tualatin Basin recommendations, that either party can

terminate the IGA. The default position is then where we are today; Metro completes the ESEE and program stages, and adopts a functional plan(s) to which local jurisdictions must comply.

Councilor Atherton raised an issue concerning areas involving public subsidies. How will that be factored in? Mr. Curtis said that could be taken up by the Economic TAC.

Committee members then thanked all involved for moving forward with this cooperative effort.

**INTERGOVERNMENTAL AGREEMENT
TBNRCC/METRO REGIONAL RESOURCE PLANNING PROJECT**

This Agreement is entered into between the Tualatin Basin Natural Resources Coordinating Committee ("TBNRCC"), an ORS Chapter 190 intergovernmental association and the Portland Metropolitan Service District ("Metro").

WHEREAS:

1. Metro has adopted Resolution 01-3141C establishing criteria to define and identify regionally significant riparian corridors relating to the inventory phase of the Goal 5 aspects of its Fish and Wildlife Habitat Protection Program, has adopted Resolution 02-3195 supporting a "Tualatin Basin Approach" to complete the Goal 5 ESEE and program development steps for regional resources in the Tualatin Basin and is continuing to inventory regionally significant wildlife habitat and conduct its regional ESEE analysis, program and related work.
2. The TBNRCC was formed by its members ("Basin governments") primarily to pursue a coordinated Basin approach to responding to the Goal 5 work performed by Metro and to conduct ESEE analysis and program development for the regional resource sites identified by the Metro Council in its draft inventory of Goal 5 regional resources, subject to final action by Metro to include the program decisions in Metro's functional plan. Signatories to the intergovernmental agreement entitled "Formation of the Tualatin Basin Natural Resources Coordinating Committee," attached (without its exhibits) as Exhibit "A", identify the "Basin governments" for the purposes of this Agreement. Staff of individual Basin governments acting as staff to the TBNRCC, as well as consultants (other than attorneys) working on contract with the TBNRCC, are referred to in this Agreement as "TBNRCC staff."
3. This approach will enable the parties to better coordinate their efforts, maximize efficiencies, better interrelate on-going efforts to address Clean Water Act, Endangered Species Act and other requirements and provide local governments with an opportunity to shape a basin-wide program tailored to local conditions while addressing regional objectives and retaining Metro's authority.

NOW, THEREFORE, IT IS AGREED:

1. The document entitled 'Tualatin Basin Approach' (dated January 30, 2002 and adopted by Metro Council Resolution No. 02-3195), attached as Exhibit "B", describes the basis for the agreement of the parties and may be used in construing and implementing this Agreement. The parties shall cooperate in good faith to follow the process and meet the objectives set forth therein.
2. The TBNRCC shall fund and undertake staff analysis, conduct hearings, make ESEE decisions, and formulate programs to be recommended to Metro for the regional resource sites identified by the Metro Council in its draft inventory of Goal 5 regional resources. Metro anticipates identifying the draft inventory by resolution in Summer 2002. Metro shall transmit to

TBNRCC its draft inventory maps of regional resources and inventory narrative upon approval of that resolution. The TBNRCC shall develop a record¹ of its proceedings to submit to Metro in support of its ESEE decisions and program recommendations. Metro shall coordinate GIS information and provide technical support as may be agreed to by TBNRCC and Metro staff. Metro and the TBNRCC shall coordinate on notice and public outreach as may be agreed to by TBNRCC and Metro staff in a Memorandum of Understanding consistent with provision #9 of this agreement.

3. TBNRCC staff will develop a draft map identifying locations to allow, limit or prohibit conflicting uses for the regional resource sites identified by the Metro Council in its draft inventory of Goal 5 regional resources. The TBNRCC will then provide notice and public outreach and begin hearings on the map. The TBNRCC will approve a map identifying locations to allow, limit or prohibit conflicting uses for the regional resource sites identified by the Metro Council in its draft inventory of Goal 5 regional resources and submit the map to Metro. As part of its ESEE analysis, TBNRCC shall coordinate with Metro and consider Metro's regional ESEE analysis.²

4. The TBNRCC will develop proposed programs to implement the ESEE determinations identified in its map, provide notice and public outreach, and conduct hearings on the proposed programs. TBNRCC will adopt recommended programs for the regional resource sites identified by the Metro Council in its draft inventory of Goal 5 regional resources and submit them, together with supporting ESEE analyses, to Metro by June 15, 2003.

5. The Metro Council will consider and conclude review of the TBNRCC recommended programs and supporting record, and take action on the recommended programs and supporting ESEE analyses, within a total of 120 days of submission. Metro shall have 60 days from the date the TBNRCC recommendations are submitted to review the recommended programs and supporting ESEE analyses, initiate solicitation of public comments and solicit comment from appropriate advisory committees including the Metro Policy Advisory Committee ("MPAC"), Metro Technical Advisory Committee ("MTAC"), Water Resources Policy Advisory Committee ("WRPAC"), Economic Technical Advisory Committee ("ETAC") and Goal 5 Technical Advisory Committee ("GSTAC") consistent with Metro's citizen involvement program.

Consistent with the Tualatin Basin Approach document, Metro shall apply the "overall goal" (quoted in full in this paragraph) of the Streamside CPR Program Outline – Purpose, Vision, Goal Principles and Context" ("Vision Statement") recommended to the Metro Council by MPAC on October 4, 2000 as the standard for determining whether to include the TBNRCC's

¹ For the purposes of this agreement a "record" is defined as all oral or written testimony received by the TBNRCC and its findings explaining its program decisions. Data sources for identifying conflicting uses, data supporting the identification of impact areas, data sources supporting the economic, social, environmental and energy consequences analysis and other documents created by TBNRCC staff in developing the ESEE analyses or program decisions, but not received by the TBNRCC, shall be available to Metro staff for review.

² For the purposes of this agreement "regional ESEE analysis" is defined as the general consideration of economic, social, environmental and energy consequences developed by Metro for the Metro region as a whole. "Regional ESEE analysis" does not include the results of the application of that regional analysis to the 27 individual resource sites identified by Metro in Resolution 01-3141C.

recommended programs and supporting ESEE analyses in the Urban Growth Management Functional Plan. The entire Vision Statement is attached as Exhibit "C" to this document to provide context for understanding the terms of the following "overall goal" standard:

"The overall goal is to conserve, protect and restore a continuous ecologically viable streamside corridor system, from the streams' headwaters to their confluence with other streams and rivers, and with their floodplains in a manner that is integrated with the surrounding urban landscape. This system will be achieved through conservation, protection and appropriate restoration of streamside corridors through time."

If, after receiving comment from the public and Metro advisory committees, the Metro Council concludes that the TBNRCC's recommended programs comply or substantially comply with the above standard, Metro shall complete the process to adopt the recommended programs and supporting ESEE analyses, in substantially the same form as submitted, as its functional plan element for the regional resource sites identified in the recommendations. Metro review for compliance with the above standard will evaluate the program for potential to improve regional resource conditions basin-wide, addressing the entire Tualatin Basin system, as well as addressing each regional resource site identified by the Metro Council in its draft inventory of Goal 5 regional resources within the jurisdiction of the Basin governments.

6. If Metro adopts the recommendations of the TBNRCC in substantially the same form as submitted, each member of TBNRCC shall file ordinances, provide notice, conduct hearings to amend their respective applicable plans and related regulations, and otherwise take actions within the time-frames and as set forth in the agreement forming the TBNRCC.

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9. The Washington County Planning Division Manager for TBNRCC and the Transportation and Planning Director for Metro are authorized to enter into Memoranda of Understanding to coordinate staff work and citizen participation matters and otherwise ensure efficient and effective communication and cooperation.

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terms of this contract. This agreement may be amended by written agreement between TBNRCC and Metro. TBNRCC shall promptly notify Metro of amendments to the IGA entitled "Formation of the Tualatin basin Natural Resources Coordinating Committee."

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12. Subject to the limitations in the Oregon Tort Claims Act and the Oregon Constitution, each signatory agrees to hold harmless, indemnify and defend the other, including each other's officers, employees and agents, against all claims, demands, actions suits and appeals (including attorney fees and costs) arising from the indemnitor's acts or omissions under this Agreement.

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14. This Agreement is intended as the complete, exclusive and final expression of the Agreement among the parties.

15. This Agreement shall terminate June 1, 2004 unless first extended by the parties. It may also be terminated by one party providing the other with 60 days written notice of termination.

**TUALATIN BASIN NATURAL
RESOURCES COORDINATING
COMMITTEE**

METRO

By: _____

By: _____

Title: _____

Title: _____

Date: _____

Date: _____

**INTERGOVERNMENTAL AGREEMENT
FORMATION OF TUALATIN BASIN NATURAL RESOURCES COORDINATING
COMMITTEE; METRO REGIONAL RESOURCE PLANNING PROJECT**

This Agreement is entered into by the cities, counties and special districts (collectively "Basin governments") that are signatories to this Agreement.

WHEREAS, ORS 190.010 - .110 authorizes units of local government to enter into agreements for the performance of any functions and activities that a party to the agreement, its officers or agencies have authority to perform;

WHEREAS, an agreement under ORS 190.010 shall specify the functions or activities to be performed and by what means they shall be performed;

WHEREAS, the Basin governments have responsibilities and authority under State law and/or their local charters to conduct comprehensive planning and to administer implementing land use regulations within their respective jurisdictions, or have regulatory authority and provide services that are connected with these land use planning responsibilities;

WHEREAS, the Portland Metropolitan Service District ("Metro") has undertaken the responsibility to prepare a regional Goal 5 program which would affect existing and developing policies of the Basin governments.

WHEREAS, the Basin governments have determined that it is in their best interests to jointly prepare and coordinate planning and regulatory programs concerning State Goal 5, Title 3, Section 5 of Metro's Urban Growth Management Functional Plan, the federal Clean Water Act and related state regulations, the Endangered Species Act, and other regional natural resource related matters,

NOW, THEREFORE, in consideration of the mutual covenants herein, the parties to this Agreement hereby agree to undertake the following actions:

1. Formation; Scope of Authority

The parties hereby establish the Tualatin Basin Natural Resources Coordinating Committee ("TBNRCC"), and delegate to the TBNRCC the authority that each party has within its jurisdictional territory to perform the following functions and exercise the following powers for and on behalf of the parties and their jurisdictional territories within the Tualatin Basin area to achieve the purpose and objectives of this Agreement:

1.1 Expend funds contributed by the parties to this joint Tualatin Basin response to the Metro regional Goal 5 project pursuant to Section 3 of this Agreement.

1.2 Enter into contracts with consultants and other parties necessary to the completion of this project, subject to compliance with the Washington County public contracting rules and regulations.

1.3 Enter into an Intergovernmental Agreement with Metro ("Metro-TBNRCC IGA") to perform and submit to the Metro Council the regional Goal 5 ESEB and Program Development steps of the Metro Goal 5 Program for the Goal 5 resources within the jurisdictions of the Basin governments.

1.4 Further develop, refine and carry out the tasks and responsibilities of the Basin governments described in the "Tualatin Basin Approach" attached hereto as Exhibit "A".

1.5 Appear on behalf of the parties in Metro Goal 5 legislative, administrative and other proceedings and speak for the parties and their jurisdictional territories on matters that concern potential effects of the Metro Goal 5 program on the parties.

1.6 Consider unique circumstances identified by Basin governments in developing Goal 5 ESEB and Program decisions and alternatives suggested by such governments to address these circumstances in ways that conform with the Basin ESEB and Program decisions.

1.7 Review Healthy Streams Plan proposals and recommendations developed by Clean Water Services in response to the Clean Water Act and Endangered Species Act, coordinate Goal 5 ESEB and Program decisions with the Healthy Streams Plan, and recommend actions to achieve such coordination to the Clean Water Services District.

1.8 Appoint TBNRCC subcommittees, task forces or other advisory groups as may be required by the Metro-TBNRCC IGA or deemed appropriate by the TBNRCC.

1.9 Conduct public outreach required by the Metro-TBNRCC IGA or otherwise relating to a proposed coordinated Tualatin Basin Goal 5 program that would be adopted by Metro as an element of its Urban Growth Management Functional Plan.

1.10 Undertake other actions needed to perform TBNRCC responsibilities under the Metro-TBNRCC IGA or to formulate the coordinated Tualatin Basin Goal 5 program.

The TBNRCC shall not have authority, delegated or otherwise, to adopt final land use decisions on behalf of, or binding upon, any Basin government.

2. Governance

The TBNRCC shall consist of the chief elected officer of the governing body of each Basin government or his/her alternate from that governing body. Notwithstanding the foregoing, the member and alternate from Clean Water Services shall be a person other than the chair and alternate representing the Washington County Board of Commissioners on the TBNRCC. In addition, the Metro Council may appoint from

INTERGOVERNMENTAL AGREEMENT FORMING THE TBNRCC

Page 2 of 7

among its members two ex-officio non-voting members to the TBNRCC. All these appointments to the TBNRCC should be made within 30 days of the effective date of this Agreement.

2.1 Each TBNRCC member except ex-officio members shall have one vote. A TBNRCC meeting quorum shall consist of a majority of all voting members. The TBNRCC shall establish bylaws setting forth meeting times and rules of procedure as it deems necessary to carry on its business.

2.2 Meetings of the TBNRCC and its subcommittees shall be open to the public, subject to the provisions of the Oregon Public Meetings Law.

2.3 Washington County shall provide staff services to schedule meetings, keep minutes, administer consultant contracts, pay approved expenses and such other administrative matters necessary to conduct TBNRCC business.

3. Funding

3.1 The estimated total cost for services needed to enable the TBNRCC and its staff to perform the work tasks and activities described in this Agreement will be \$100,000. There will be additional costs up to \$50,000 for public notice and public outreach. The total costs will be shared as set forth below. Upon execution of this Agreement, as its pro rata share contribution to this joint effort, each party to the Agreement shall pay to Washington County an amount calculated as follows:

- a. The percentage of the total current population (2000 U.S. Census) of Washington County within incorporated and unincorporated areas shall be calculated.
- b. Washington County, Clean Water Services and the Tualatin Hills Park and Recreation District, individually, shall each pay 1/3 of the percentage of the cost representing the total unincorporated population.
- c. The percentage representing the total incorporated population shall be divided among the signatory cities based on each respective city's population as a percentage of the total incorporated population.

Based on the above, Exhibit B attached hereto specifies the amount each party is to contribute for services and for public notice and outreach.

3.2 Washington County shall separately account for the funds and provide appropriate documentation as reasonably requested by the TBNRCC or any individual TBNRCC member.

3.3 If the initial \$100,000 plus \$50,000 for public notification and outreach costs is insufficient to complete the TBNRCC tasks described in this Agreement, the TBNRCC, by 2/3 majority vote of the Committee members, may authorize additional expenditures without action by the governing bodies of the members. If additional expenditures are authorized, the TBNRCC shall calculate the additional amount of funds needed from

INTERGOVERNMENTAL AGREEMENT FORMING THE TBNRCC

Page 3 of 7

each party to the Agreement, based on the formula in item 3.1 above, and request payment of such additional amount from each party to complete the tasks. At that time a party may elect to withdraw from the TBNRCC rather than contribute such additional funds to the project. If a party withdraws pursuant to this Section or Section 6, any excess funds already contributed by that party shall not be returned to the withdrawing party unless the TBNRCC determines that such a refund is equitable and appropriate. If unexpended funds remain after completion of the TBNRCC tasks described in this Agreement, each party shall receive a share of such unexpended funds proportional to its contribution.

4. Other members

The TBNRCC may permit additional local governments to join as full-members or as non-voting associate members. Additional full voting members shall make pro-rata contributions as described in Paragraph 3, and the contributions of all full voting members shall be adjusted accordingly.

5. Responsibilities of Participating TBNRCC Members

5.1 Each Basin government member shall contribute, at its own reasonable expense, such staff work, documents and other resources as may reasonably be requested by the TBNRCC in order to carry out the TBNRCC's responsibilities, and its own responsibilities under this Agreement. Each Basin government shall cooperate fully with the TBNRCC during the performance of these responsibilities.

5.2 The TBNRCC shall work generally to implement the "Tualatin Basin Approach" attached hereto as Exhibit A. The TBNRCC shall provide opportunities for public involvement, conduct a Tualatin Basin Goal 5 ESEE analysis, and formulate a coordinated Goal 5 Program for regionally significant Goal 5 resources within the jurisdictions of Basin governments for resources identified in the riparian corridor and wildlife habitat inventories accepted by the Metro Council. It shall submit its analyses and decisions on these matters to Metro for consideration.

5.3 If Metro includes these TBNRCC decisions in its adopted functional plan provisions in substantially the same form as submitted by the TBNRCC, the city and county Basin governments shall initiate, provide notice, and hold hearings on proposed ordinances amending their comprehensive plans and land use regulations to implement the Metro functional plan components submitted by the TBNRCC. Each city and county Basin government will conclude hearings and adopt, adopt with amendments, or reject the proposed ordinances to amend comprehensive plans and land use regulations within 180 days after the Metro Council's final decision adopting the TBNRCC decisions as part of the Metro functional plan. Each Basin government shall take final action adopting or rejecting any other program or regulation necessary to implement the adopted Metro functional plan provisions submitted by the TBNRCC within 180 days after the Metro Council's final decision, or as soon as possible thereafter if its charter or other notice and hearing requirements prevent final action within 180 days. Nothing in this Agreement or

INTERGOVERNMENTAL AGREEMENT FORMING THE TBNRCC . . .

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the Metro-TBNRCC IGA shall obligate any Basin government to adopt the proposed ordinances or other programs or regulations necessary to implement the adopted Metro functional plan provisions. However, each Basin government shall adopt findings explaining its decision to reject or vary from ordinances, programs, or other actions necessary to implement the adopted Metro functional plan provisions submitted by the TBNRCC. Failure to adopt ordinances or other programs or actions necessary to implement the Metro functional plan provisions submitted by the TBNRCC may result in a determination by Metro that plans or land use regulations do not substantially comply with the Metro functional plan.

6. Term

The Agreement shall terminate on June 30, 2004, unless terminated earlier or extended by action of the governing bodies of a 2/3 majority of Basin governments that are then voting members. Any Basin government may withdraw from the TBNRCC upon 60 days written notice to the TBNRCC. Within 30 days of withdrawal, the Basin government may be refunded a prorated return of any remaining funds it contributed to this project in accordance with Section 3.3 of this Agreement and provided copies of any documents or other resource materials prepared prior to withdrawal.

7. Amendment

Amendments to this Agreement may be proposed by any member of the TBNRCC and shall be incorporated into the Agreement if approved by an affirmative vote of the governing bodies of 2/3 of all the voting TBNRCC members.

8. Miscellaneous

8.1 The parties to this Agreement are the only entities or persons entitled to enforce its terms. Nothing in this IGA gives or is intended to provide any benefit or right, whether directly, indirectly, or otherwise, to third persons unless such third persons are individually identified by name herein and expressly described as intended beneficiaries of the terms of this Agreement.

8.2 No person shall be denied or subjected to discrimination by any Basin government in receipt of the benefits of any services or activities made possible by or resulting from this IGA on the grounds of race, color, religion, gender, sexual orientation, national origin, disability, age, or marital status.

8.3 The TBNRCC has no employees. Each basin government shall be solely responsible for its own employees, including but not limited to compensation for and supervision of work performed by its employees in connection with any matter described in this Agreement.

8.4 Subject to the limitations in the Oregon Tort Claims Act and the Oregon Constitution, each party agrees to hold harmless, indemnify and defend each other, including each other's officers, employees and agents against all claims, demands, actions, suits and appeals (including attorney fees and costs) arising from the indemnitor's acts or omissions under this Agreement. In addition, each party shall be solely responsible only for its proportional share established in this Agreement of any contract claims, delay damages or similar monetary claims arising from or caused by the action or inaction of the party or of any other party in the administration of this Agreement. Each party shall give the other immediate written notice of any action or suit filed or any claim made against that party that may result in litigation in any way related to this Agreement. However, each party shall be solely responsible for the defense of any action, claim, suit, or appeal (including land use appeal) arising out of that party's actions pursuant to Section 5.3 to implement adopted Metro functional plan provisions. Each party agrees to maintain insurance levels or self-insurance in accordance with ORS 30.282, for the duration of this Agreement at levels necessary to protect against public body liability as specified in ORS 30.270.

8.5 If any claim, demand, action, suit or appeal is filed against the TBNRCC, the parties agree to cooperate in good faith in defending or otherwise addressing it.

8.6 This Agreement is intended as the complete, exclusive and final expression of the Agreement among the parties to this Agreement.

8.7 If any terms or provisions of this Agreement or the application thereof to any person or circumstance shall, to any extent, be determined by a court to be invalid or unenforceable, the remainder of this Agreement and the application of those terms and provisions shall not be affected thereby and shall be valid and enforceable to the fullest extent permitted by law.

9. Effective Date

The TBNRCC shall be deemed formed, and this Agreement be effective, on the date it is executed by Washington County and seven others of the following Basin governments:

- Washington County
- Clean Water Services
- Tualatin Hills Parks and Recreation District
- City of Beaverton
- City of Hillsboro
- City of Tigard
- City of Tualatin
- City of Sherwood
- City of Cornelius
- City of Forest Grove
- City of Durham
- City of King City
- City of North Plains

INTERGOVERNMENTAL AGREEMENT FORMING THE TBNRCC . . .

Page 6 of 7

This Agreement consists of seven pages (including this signature page) plus Exhibits A and B. A separate signature page is included for each participating government; the compilation of all final (signed) signature pages with a single copy of the preceding 6 pages and Exhibits A and B shall represent the final agreement.

Each participating government shall provide a signed original of this page to Washington County for compilation and recording of the final agreement.

WASHINGTON COUNTY

By: Tom Bruin
 Chairman Board of Commissioners
Title: _____
Date: 4-16-02

APPROVED WASHINGTON COUNTY
BOARD OF COMMISSIONERS
RESOLUTION # 02-104
DATE 4-16-02
BY Barbara Hejmanek
 CLERK OF THE BOARD

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CITY OF BEAVERTON

By: *Bob Drake*
Title: *Mayor*
Date: *4/2/02*

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Land Use & Transportatio

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CITY OF DURHAM

By: *James Schrock*
Title: *Mayor*
Date: *4/18/02*

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CITY OF FOREST GROVE

By: *Vergie L. Ries*
Title: *City Manager*
Date: *4/25/02*

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CITY OF KING CITY

By: Jan Drangsholt
Title: Mayor
Date: 4-8-02

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CITY OF SHERWOOD


By: Alan E. Schultz
Title: City Manager
Date: 4/19/02

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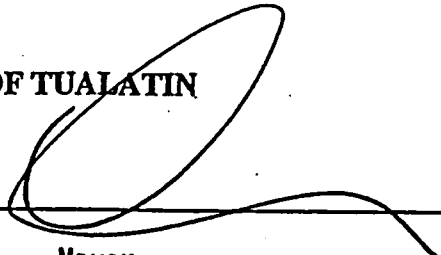
CITY OF TIGARD

By: 
Title: MAYOR
Date: April 23, 2002

This Agreement consists of seven pages (including this signature page) plus Exhibits A and B. A separate signature page is included for each participating government; the compilation of all final (signed) signature pages with a single copy of the preceding 6 pages and Exhibits A and B shall represent the final agreement.

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CITY OF TUALATIN

By: 
Title: Mayor
Date: April 8, 2002

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Tualatin Basin Approach

1/30/02 Draft

What The basin approach is a proposal that local governments take responsibility as described in Steps 1 and 2, below, within the greater part of the Tualatin River basin for the next phases (ESEE and program development) of the region's fish and wildlife habitat program, subject to coordination with, and final product approval by, the Metro Council. Riparian corridors and wildlife habitat determined to be regionally significant consistent with State Goal 5, and Clean Water Act requirements and Endangered Species Act listings would all have to be addressed in a basin approach.

Where The basin proposal could apply to any large whole watershed within the region, if approved by Metro. For the Tualatin Basin, the general geographic extent is that area draining the Tualatin River. The basin consists of areas inside of the current Metro urban growth boundary and Metro jurisdictional boundary, Metro UGB alternatives analysis areas and rural, farm and forest lands beyond. Regional resources determined by Metro, potential regional resources identified in areas studied by Metro in its UGB Alternatives Analysis and the rural, farm and forest lands beyond identified by Washington County as significant resources shall be addressed in the Tualatin Basin Approach.

Who Currently, a consortium of local governments including the cities of Beaverton, Cornelius, Durham, Forest Grove, Hillsboro, King City, Sherwood, Tigard and Tualatin, as well as Washington County, Clean Water Services and Tualatin Hills Parks and Recreation District have expressed a willingness to address the Tualatin Basin. Inclusion of, or coordination with, other jurisdictions with responsibilities within the Tualatin Basin such as Clackamas County and the cities of Lake Oswego and Portland are underway. Individual property owners, interest groups, local government advisory committees and other interested parties would also be provided opportunities to participate during this work effort. In addition, Metro would participate in the Basin Approach through Council representation on the Tualatin Basin Coordinating Committee, through project updates to, and feedback from the Natural Resource Committee, MPAC, MTAC, Goal 5 TAC, WRPAC, and through the Metro staff. The Metro Council would make recommendations about the ESEE decision to delineate areas to "prohibit" or "limit" conflicting uses and make the final decision about whether a basin approach met regional standards after consultation with its advisory committees.

Why The Basin Approach proposal has been made in part because of a concurrent, joint efforts by the Tualatin Basin governments, the Washington County Clean Water Services and others to address Federal Clean Water Act requirements and Endangered Species Act listings that likely will affect the same areas as Metro's fish and wildlife habitat protection plan. In addition to reducing the number of times that the same areas are analyzed and public outreach provided and applying more detailed information than is readily available region-wide, this Basin Approach allows for coordination among similar, but distinct Federal, State and regional requirements. The basin approach can also provide local governments with an opportunity to shape a basin-wide program that is tailored to local conditions within the Tualatin River basin while addressing regional

Goal 5 objectives. Because the Basin Approach is proposed as being completed concurrently with Metro's regional tasks, the Tualatin Basin is most likely to be implemented sooner than other portions of the region if the non-basin jurisdictions wait for the Metro regional safe harbor to be completed and acknowledged by the state before they begin local implementation tasks.

When The basin proposal would complete this work parallel to the rest of Metro's fish and wildlife habitat program region-wide. Both the region's work effort as well as the Basin Approach work products would be timed to allow for Metro Council consideration of the data and likely capacity consequences of a regional fish and wildlife protection plan in order to make decisions about the region's urban growth boundary by December 31, 2002. To accomplish this, materials defining the impact on the UGB buildable land inventory would need to be readied by Metro staff by August 1, 2002. The Tualatin Basin Approach has proposed to meet Metro's decision timeline. The Tualatin Basin Coordinating Committee would formally provide a Basin Approach timeline and work completion schedule.

How The basin approach will be accomplished by setting goals and standards¹, providing legal structure for coordination, establishing a process and monitoring and evaluation.

Goals. The adopted Regional Framework Plan states that the region shall manage watersheds to protect, restore and ensure to the maximum extent practicable the integrity of streams, wetlands and floodplains, and their multiple biological, physical and social values. Metro's fish and wildlife vision articulates the overriding goal of the Basin Approach:

"The overall goal is to conserve, protect and restore a continuous ecologically viable streamside corridor system, from the streams' headwaters to their confluence with other streams and rivers, and with their floodplains in a manner that is integrated with the surrounding urban landscape. This system will be achieved through conservation, protection and appropriate restoration of streamside corridors through time."

Improvement of habitat health within each of the Region's 27 hydrologic units including the eleven hydrologic units inside the Tualatin Basin shall be a primary objective of the Basin Approach. The following objectives within Metro's Fish and Wildlife Habitat Vision Statement shall be pursued by the Basin Approach: to sustain and enhance native fish and wildlife species and their habitats; to mitigate high storm flows and maintain adequate summer flows; to provide clean water; and to create communities that fully integrate the built and natural environment. The region wide system of linked significant fish and wildlife habitats will be achieved through preservation of existing resources and restoration to recreate critical linkages, as appropriate and consistent with ESEE conclusions about whether to prohibit, limit or allow conflicting uses within a regionally significant resource site. Avoiding any future ESA listings is another primary Basin

Approach objective. The sentences quoted above from the Vision Statement as the overall goal shall be the goal against which the Tualatin Basin Approach will be reviewed. Objectives cited above provide additional guidance as to how the Tualatin Basin Approach should be completed and an intergovernmental agreement between the consortium and Metro will provide additional working details.

Legal Structure. Intergovernmental agreements will be used to ensure Basin Approach coordination among the affected local governments, and Metro. In addition, staff level memoranda of understanding will be used to assure coordination between consortium members, Metro and those relevant jurisdictions not directly participating in the Tualatin Basin Approach.

Process. The Metro-Tualatin Basin Approach coordination process would have two-steps. The first step would be a check-in by the Tualatin Basin Approach with Metro before making ESEE decisions for the Basin for Metro input and advice. The second step would be Metro Council review of Basin Approach program recommendations and determination of program conformance with the Basin Approach review criteria described above. In addition, ongoing coordination between the Tualatin Basin Approach staff and Metro staff would occur as work on the Basin Approach proceeds. A public involvement plan meeting the region's goals for providing substantial opportunities for participation by the public would be completed for the region (including how the Tualatin Basin would be addressed) after coordination with the Metro Committee on Citizen Involvement.

Step 1. The ESEE Decision. Metro, local governments and other interested parties will work to establish a regional ESEE method. One possible method would be to design regional ESEE parameters for application within 27 hydrologic units throughout the Region. The Tualatin Basin would develop basin-wide and local ESEE parameters for the Tualatin Basin. Both sets of ESEE parameters shall guide the identification of areas for prohibiting, limiting or allowing conflicting uses within the Tualatin Basin. The results of applying these parameters within the Basin would be mapped.

This map could be constructed for the entire region, using the selected regional ESEE parameters and the mapped results of the Tualatin Basin Approach ESEE analysis, further informed by any other local considerations. This information would be used for two purposes. First, it would provide the foundation of the ESEE decision. Second, the map could also be used to estimate the influence of the region's fish and wildlife habitat program on the housing and job capacity calculations for the region's periodic review of its urban growth boundary. The Tualatin Basin ESEE decision about which areas to prohibit, limit or allow conflicting uses within the Tualatin Basin would be made by the local participating governments, through the Tualatin Basin Natural Resource Coordinating Committee, after consideration of public comments, including Metro Council input and recommendations.

Step 2 Program Design and Adoption. Region-wide, Metro will prepare a regional Goal 5 program (regional safe harbor, riparian district plan and local discretionary review options) for the entire region which, for the Tualatin Basin, would reflect the program developed through the Basin Approach. Regional and Basin program elements, including incentives, acquisition, education and regulatory tools would then be prepared. The region would prepare its regional safe harbor, riparian district plan specifications and the local discretionary review options. The Tualatin Basin would design its program. For example, the Tualatin Basin Approach could include, but would not be limited to the following kinds of program elements:

- Revised and new land use “goal 5 overlay” mapped areas and new regulatory language for all land use authorities within the Basin;
- Clean Water Services (CWS) Design & Construction standards (possible revisions);
- Review and possible revisions to CWS maintenance programs (possibly maintenance programs for all jurisdictions including park district);
- Identification and prioritization of restoration sites and financial plan (“Environmental CIP”);
- Coordination with Metro Greenspaces program for targeted acquisitions; and
- Possible incorporation of “green street” optional standards into all local codes (project currently underway being funded by Tualatin Valley Water Quality Endowment Fund)

After taking public testimony, the Tualatin Basin would forward a recommended program to Metro. After its own review process using agreed upon review standards, the Metro Council would determine whether the Basin Approach substantially complies and whether to approve the Tualatin Basin Approach.

Monitoring and Evaluation. Metro Code requires that performance measures be used to evaluate the success and effectiveness of its functional plan to realize regional policies. In addition, the National Marine Fisheries Service 4(d) rule calls for monitoring and evaluation. After local programs have been enacted and some time period passes to allow for programs to take hold, Metro should evaluate its policies and their implementation to compare goals with actual outcomes. If a basin approach significantly lagged region-wide efforts, as a last resort, regional safe harbor provisions could be applied to the basin area until a basin approach is completed and approved by the Metro Council.

Final DRAFT
October 4, 2000
Streamside CPR*
Program Outline

Purpose, Vision, Goal, Principles and Context

Metro Regional Services
600 NE Grand Avenue
Portland, OR 97232-2736
503-797-1726

contact: Paul Ketcham, Principal Regional Planner
ketcham@metro.dst.or.us

*CPR = Conserve, Protect and Restore

Purpose, Vision, Goal, Principles and Context

I. INTRODUCTION

A. PURPOSE

This document provides the organizational, definitional and policy approach that will apply to the creation and implementation of Metro's Goal 5 – Fish and Wildlife Program decision. This Purpose, Vision, Goal and Principles document is intended to guide, inform, and be the philosophical underpinnings of the Goal 5 Streamside CPR program. It is not a regulatory document.

The purpose is to develop a streamside conservation, protection and restoration program that balances the goals of:

- building livable, Region 2040 communities and implementing the Regional Urban Growth Goals and Objectives (RUGGO);
- protecting and enhancing fish and wildlife habitat as required by the Metro Urban Growth Management Function Plan;¹
- supporting a strong economy;
- meeting State Land Use Planning Goal 5 standards and procedures;
- addressing Federal Endangered Species Act (ESA) requirements;
- adding to the progress already made by the implementation of Title 3, regional water quality and flood protection requirements; and
- providing the organizational, definitional and policy approach that will apply to the creation and implementation of Metro's Goal 5 – Streamside Fish and Wildlife Program decision.

Cities and counties, as general-purpose governments, are responsible for comprehensive planning including completion of a generalized coordinated land use map and policy statements that interrelate all functional and natural systems and activities relating to the use of land. Cities and counties also are responsible for implementing ordinances, especially zoning ordinances, to regulate land uses. Metro, a regional government, is responsible for addressing issues of metropolitan concern and the Metro Council may determine such issues and adopt regulations directing local governments to change their comprehensive plans and implementing ordinances to address identified regional issues. The Vision Statement, Regional Goal and Program Principles contained in this document provide overall direction to preparation and implementation of the regional safe harbor, local discretionary and riparian district plan option approaches to Metro Goal 5 compliance that will be available to local governments.

B. VISION STATEMENT

Our region places a high priority on the protection of its streams, wetlands and floodplains to maintain access to nature; sustain and enhance native fish and wildlife species and their habitats; mitigate high storm flows and maintain adequate summer flows; provide clean water; and create communities that fully integrate the built and natural environment. As ribbons of green, stream and river corridors maintain connections with adjacent upland habitats, form an interconnected mosaic of urban forest and other fish and wildlife habitat, and contribute significantly to our region's livability.

The RUGGO state that the region should "Manage watersheds to protect and ensure to the maximum extent practicable the integrity of streams, wetlands and floodplains, and their multiple biological, physical, and social values," as well as that "A region-wide system of linked significant wildlife habitats should be developed. This system should be preserved, restored where appropriate, and managed to

maintain the region's biodiversity." The streamside program will contribute to these objectives by balancing, economic, social, environmental and energy considerations as will future efforts to address watershed and upland habitats.

C. OVERALL GOAL

The overall goal is to conserve, protect and restore a continuous ecologically viable streamside corridor system, from the streams' headwaters to their confluence with others streams and rivers, and with their floodplains in a manner that is integrated with the surrounding urban landscape. This system will be achieved through conservation, protection and appropriate restoration of streamside corridors through time.

D. PROGRAM PRINCIPLES

The program will be designed to achieve the following future conditions:

Areas of existing forest cover or areas where it is appropriate to restore forest cover. Conserve, protect and restore the biological, physical and social values of streams, wetlands, riparian areas and floodplains, by encouraging the growth and management of mature forest conditions composed of native forest tree species, appropriate for specific site conditions, mixed with native shrubs and herbaceous species, and containing ample standing snags and downed woody debris. Forest conditions will be managed, where appropriate to address public safety concerns.

Areas where forest cover did not exist historically or where non-forest cover is appropriate, based on a natural resources plan. Conserve, protect and restore the biological, physical and social values of streams, wetlands, riparian areas and floodplains through management of native vegetation appropriate to non-forested conditions.

Developed 2040 Centers and areas where floodplain function is artificially controlled. Contribute to the conservation, protection and restoration of the biological, physical and social values of streams, wetlands, riparian areas and floodplains.

The program will be designed to achieve these future conditions using the following principles:

1. **Ecological Function.** The ecological function of the streamside corridor system will be restored and maintained to the maximum extent practicable given the opportunities and constraints of the urban landscape.
2. **Economically Sound.** Economic vitality and a healthy natural environment are necessary components of sustainable development in the metropolitan area. Investments in protection and restoration of our natural areas contribute significantly to the region's economic health.
3. **Protection and Restoration.²** Given the currently degraded condition of a majority of urban streams, wetlands, riparian areas and floodplains, protection and restoration are of equal importance in order to achieve the region's goals. Both protection and restoration are important in moving toward recovery of threatened and endangered salmonids, and avoiding future endangered or threatened listings of both aquatic and terrestrial species.
4. **Flexible Regulatory Approaches.** Protective regulations shall be based on the best available natural science balanced with economic, environmental, social and energy considerations, and shall provide local governments with flexibility in meeting the overall goals of this program. This

program is also intended to help local governments address the Federal ESA by preventing the need for additional ESA listings and avoiding legal restrictions that may result from current and potential future listings. Implementation of the Federal ESA program for endangered salmonids will need a wide range of actions to be taken by local, state and Federal agencies to recover the species. Metro's requirements are not intended to meet all ESA regulations, but are intended to address recovery obstacles within and along stream corridors. The objective is to obtain Federal approval of this program, so that local governments can use it if they choose. The program is not intended to be the exclusive means available to local governments in the region to address ESA requirements. Local governments can independently seek certification as an alternative.

5. ***Incentives Education and Acquisition.*** Regulatory efforts to conserve, protect and restore natural resources are most effective when combined with incentives, education and acquisition programs that encourage full community participation, therefore, such programs will be an element of the overall program.
6. ***Stewardship Responsibilities.*** All landowners and land users throughout each watershed have an important stewardship responsibility to contribute to the protection and restoration of streams, wetlands, riparian areas and floodplains.
7. ***Urban Form.*** Realization of the region's 2040 Growth Concept requires a compact urban form while protecting natural resources and water quality. This is accomplished in three primary ways:
 - a. Protecting natural areas outside the Urban Growth Boundary (UGB). Accommodate compact development within the UGB in order to minimize land extensive expansion that adversely impacts farm and forest lands and natural areas outside the boundary;
 - b. Accommodating urban growth in a compact form while protecting and enhancing key fish and wildlife habitat, natural areas, and water quality and quantity within the current UGB;
 - c. Protecting and restoring urban stream corridors to provide people with an effective means to access nature, providing ecological linkage to other important fish and wildlife habitats, and compact urban form through integration of the built and natural environments.³
8. ***Measure and Monitor.*** A measuring and monitoring system should be established and should include:
 - Assessment of existing conditions;
 - Use of "properly functioning conditions"⁴ as the description of desired future conditions; and
 - Assessment and regular monitoring over time of streamside conditions to determine progress in achieving the goals of properly functioning conditions.
9. ***Coordination and Cooperation.*** Effective management of the regional streamside resource cannot be achieved without a collaborative approach throughout the region. The Streamside CPR Program will provide local jurisdictions with the flexibility to pursue alternative collaborative management approaches that meet the standards of this programs, such as watershed planning, and will emphasize efforts that ensure coordination and cooperation between and among the region's partners including local governments, business, nonprofits and citizens.

E. CONTEXT

The preamble of Metro's voter-approved 1992 Charter declares that Metro's most important service is to "preserve and enhance the quality of life and the environment for ourselves and future generations."⁵ Through its Charter-mandated responsibilities, Metro Council has provided leadership in addressing growth management issues by working with citizens, elected officials and diverse interest groups to

craft a vision of how the region will grow. Through adoption of policies to achieve that vision, Metro Council has identified the need to balance natural resource protection with urban development while the region grows.

How this balancing will take place, and in what form it will be expressed across the urban landscape, is a key question addressed in various documents. For example, the region's 2040 Growth Concept map includes an environmental greenway along streams in the region to ensure connectivity throughout the urban landscape.⁶ The goal of the Greenspaces Master Plan is to create a cooperative regional system of natural areas, open space, trails and greenways for wildlife and people in the four-county metropolitan area.⁷ Other planning documents which speak to urban natural areas and water resources include the Future Vision⁸, the RUGGO, the Regional Framework Plan⁹, and the Urban Growth Management Functional Plan. A unifying feature of all of these documents is to achieve compact urban form and efficient delivery of urban services while at the same time preserving citizen access to nature and community livability.

A cornerstone of these regional policies is protection of natural systems—regionally significant fish and wildlife habitat, streams, rivers, wetlands and floodplains—because their protection and restoration is essential to maintaining and improving the region's livability, economic well-being and environmental health.

In addition to the regionwide policies, there are State and Federal policies which are also important considerations. The purpose of the State's Land Use Planning Goal 5 is "To protect natural resources and conserve scenic and historic areas and open spaces".¹⁰ At the Federal level, for a large part of the Pacific Northwest Coast and associated inland rivers and streams, the National Marine Fisheries Service (NMFS), is acting under the requirements of the Federal ESA. At this time, NMFS has designated four species of Steelhead and eight other species of salmon as either threatened or endangered in the Columbia River Basin. Local governments, through their comprehensive plans, will be implementing requirements to address natural resource protection. In order to address this status, our region will need to take actions that are consistent with the recovery needs of these species. In doing so, the region, its local government partners and the citizens of the metropolitan area can help ensure that one of the defining symbols of our region once again thrives.

To accomplish the planning work described in these policies, Metro is pursuing adoption and implementation of programs to:

- protect the beneficial uses associated with the region's streams and rivers, including water quality and protect life and property from dangers associated with flooding¹¹
- Protect, conserve and enhance fish and wildlife habitat within regionally significant riparian corridors under Statewide Planning Goal 5¹²
- Protect, conserve and enhance regionally significant upland wildlife habitat under Statewide Planning Goal 5;¹³ and
- Implement the Greenspaces Master Plan.

All of these programs, taken in concert and with full implementation by local governments, will realize the vision for growth enunciated in Metro's Charter, Future Vision and subsequent planning documents described above.

To complete this work effort Metro shall:

1. Establish criteria to define and identify regionally significant fish and wildlife habitat areas;
2. Examine existing Goal 5 data;
3. Identify inadequate or inconsistent data;
4. After considering items 1-3, and after holding public hearings, adopt a map of regionally significant fish and wildlife areas.

II. PROGRAM DESCRIPTIONS (TO BE ADDED)

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¹ The focus of the Purpose, Vision, Goal, Principles and Context Statement is on native species of fish and wildlife whose historic ranges include the metropolitan area and whose habitats are or can be provided for in urban streamside corridors. The Purpose Statement does not intend to include native species such as bear, cougar, lynx and deer, which may be conducive in specific areas such as Portland's Forest Park, but may not be conducive in urban stream corridors elsewhere in the metropolitan area.

² Proposed definition of restoration:

Restoration, in the context of the streamside CPR program, means action taken to return natural riparian functions and values for fish and wildlife. Restoration would be applied where riparian functions are in a degraded condition and are intended to return the riparian functions to good or excellent condition. While there may be instances where restoration to pre-development, natural conditions is possible, in general, restoration should not mean the end-state of re-establishing a totally pristine condition. It should address the improvements or re-introduction of functional values.

Conditions Under Which Restoration Would Occur:

Conditions under which restoration will occur will be established when the program is defined. The current draft of the Goal 5 program does not contemplate that homeowners and other property owners would be required to undertake restoration unless there was a development activity that required a permit for new development, significant modifications to structures, or redevelopment. In the absence of a development permit it is assumed that restoration would be achieved through incentive-based, voluntary, and community-based restoration and enhancement activities. Public education and the promotion of voluntary naturescaping and restoration would be part of the regionwide cooperative effort to improve the existing degraded conditions of our urban waterways.

³ "to provide people with an effective means to access nature" means to help people enjoy, approach or be near to nature. It is not intended to imply the right of any person to enter or make use of private property unless the property owner grants that right of public access.

⁴ Defined by Federal natural resource programs.

⁵ The preamble of Metro's Charter states the following: "We, the people of the Portland area metropolitan service district, [establish an elected regional government] that undertakes, as its most important service, planning and policy making to preserve and enhance the quality of life and the environment for ourselves and future generations." 1992 Metro Charter, page 1.

⁶ The Metro 2040 Growth Concept, acknowledged by the Land Conservation and Development Commission in 1995, states the following: "The basic philosophy of the Growth Concept is: preserve access to nature and build better communities." December 8, 1994, Page 1.

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⁷ Other goals of the July 1992 Metropolitan Greenspaces Master Plan include preserving "diversity of plant and animal life in the urban environment, using watersheds as the basis for ecological planning." The Greenspaces Master Plan is guided by the following ecological principles: "Maintain biological diversity by restoring and enhancing a variety of habitats, including wetlands, riparian corridors, forests and agricultural lands." And "Protect, restore and recreate stream corridor vegetation by replacing riparian vegetation where it is lacking or dominated by exotic species and removing barriers, where possible, to maintain connections with adjacent upland habitats."

⁸ The Future Vision states the following: "We value natural systems for their intrinsic value, and recognize our responsibility to be stewards of the region's natural resources." March 1995, page 1. In 2045, the region should be characterized by "Improved water quality, and increased biodiversity," and "restored ecosystems protected from future degradation and decline." Page 12. Specific actions identified: "Manage watersheds to protect, restore, and maintain the integrity of streams, wetlands and floodplains, and their multiple biological, physical, and social values." Page 12.

⁹ Chapter 3 of the December 31, 1997 Regional Framework Plan establishes policies for parks, natural areas and open spaces, and identifies the important environmental benefits of maintaining and improving air and water resources, providing flood control, and protecting fish and wildlife habitat. It commits Metro to "develop a strategy and action plan to address inadequacies in the protection of regional Goal 5 resources. This plan will be carried out by Metro." Page 108, see also page 190.

¹⁰ Goal 5 further states that "Local governments shall adopt programs that will protect natural resources and conserve scenic, historic, and open space resources for present and future generations. These resources promote a healthy environment and natural landscape that contributes to Oregon's livability." Procedures and requirements for complying with Goal 5 call for an inventory, a determination of significance, an analysis of the economic, social, environmental and energy consequences of a decision that could allow, limit or prohibit a conflicting use.

¹¹ From Title 3, Sections 1-4 of the 1996 Urban Growth Management Functional Plan

¹² From Title 3, Sections 1, 2 and 5 of the 1996 Urban Growth Management Functional Plan.

¹³ From Title 3, Sections 1, 2 and 5 of the 1996 Urban Growth Management Functional Plan.