

BEFORE THE COUNCIL OF THE
METROPOLITAN SERVICE DISTRICT

FOR THE PURPOSE OF AUTHORIZING)	RESOLUTION NO. 82-349
THE METROPOLITAN SERVICE DISTRICT)	
(METRO) TO ENTER INTO AN AGREE-)	Introduced by the Regional
MENT WITH THE CORPORATION FOR)	Development Committee
TRANSIT INVESTMENT ESTABLISHING)	
THE ROLES AND RELATIONSHIPS)	
BETWEEN METRO AND AN URBAN)	
DEVELOPMENT CORPORATION (UDC))	

WHEREAS, The funding for the Banfield Light Rail Transit (LRT) system has been secured, vehicles ordered, and construction is underway on the 15-mile \$309 million project scheduled to commence operation in 1985-86; and

WHEREAS, The affected local jurisdictions and TRI-MET in resolutions recommending the Banfield LRT project all cited the beneficial effect LRT can have on land development; and

WHEREAS, Local jurisdictions along the corridor have adopted Comprehensive Plans which anticipated the Banfield LRT and the beneficial effect transportation investments can have on shaping land use development patterns; and

WHEREAS, TRI-MET received an Urban Mass Transportation Administration (UMTA) grant for the Transit Station Area Planning Program (TSAP) to identify how the Banfield LRT would affect development along its route, and TSAP has provided a positive framework for the cities of Portland and Gresham, and Multnomah County to guide and promote development around the 25 Banfield LRT stops, and TSAP is resulting in adopted concept plans, specialized zoning, design standards and parking requirements at many stations; and

WHEREAS, The METRO Council identified the need to explore methods to establish a joint development implementation capacity for the Banfield Light Rail Project, and successfully obtained funding to determine methods and approaches for that capacity under an UMTA Urban Initiatives grant; and

WHEREAS, The TSAP has set the stage for the implementation of development projects, TSAP consultants together with members of the financial and business community have concluded that one of the missing links to implement development around stations is an aggressive entrepreneurial entity to serve as a go-between between the public and private sectors; and

WHEREAS, Economic Research Associates after conducting interviews with key members of the financial and business community, and senior officials of TRI-MET, METRO, the city of Gresham, Multnomah County, and the Portland Development Commission found the need for and consistent acceptance of a private nonprofit development corporation if it was created with the support of both METRO and TRI-MET to help implement joint development; and

WHEREAS, To gain this joint development implementation capability a nonprofit development corporation with no governmental powers that serves as the principal mechanism for promoting and negotiating transit-related development and acts as a "go-between" with private developers, TRI-MET, and local governments has been created; now, therefore,

BE IT RESOLVED,

That Metro is hereby authorized to enter into the attached Master Operating Agreement with the Corporation establishing the

goals and responsibilities of each party, acknowledging Metro's support of the Corporation's purposes, acknowledging the Corporation's support of Metro's development objectives and recognizing the Corporation as the principle mechanism to carry out transit-related joint development.

ADOPTED by the Council of the Metropolitan Service District
this 26th day of August, 1982.



Presiding Officer

SB/srb
6544B/318
08/19/82

MASTER OPERATING AGREEMENT
WITH
THE CORPORATION FOR TRANSIT INVESTMENT

By this Master Operating Agreement, herein referred to as "Agreement" made and entered into on this _____ day of _____, 19____, by and between the METROPOLITAN SERVICE DISTRICT, herein referred to as "METRO," and the CORPORATION FOR TRANSIT INVESTMENT of PORTLAND, OREGON, an Oregon nonprofit corporation, herein referred to as the "CORPORATION"; METRO and the CORPORATION do hereby confirm and agree as follows:

RECITALS

WHEREAS, The funding for the Banfield Light Rail Transit (LRT) system has been secured, vehicles ordered, and construction is underway on the 15-mile \$309 million project scheduled to commence operation in 1985-86; and

WHEREAS, The affected local jurisdictions and TRI-MET in resolutions recommending the Banfield LRT project all cited the beneficial effect LRT can have on land development; and

WHEREAS, Local jurisdictions along the corridor have adopted Comprehensive Plans which anticipated the Banfield LRT and the beneficial effect transportation investments can have on shaping land use development patterns; and

WHEREAS, TRI-MET received an Urban Mass Transportation Administration (UMTA) grant for the Transit Station Area Planning Program (TSAP) to identify how the Banfield LRT would affect development along its route, and TSAP has provided a positive framework for the cities of Portland and Gresham, and Multnomah County to guide and promote development around the 25 Banfield LRT stops, and TSAP is resulting in adopted concept plans, specialized zoning, design standards and parking requirements at many stations; and

WHEREAS, The METRO Council identified the need to explore methods to establish a joint development implementation capacity for the Banfield Light Rail Project, and successfully obtained funding to determine methods and approaches for that capacity under an UMTA Urban Initiatives grant; and

WHEREAS, The TSAP has set the stage for the implementation of development projects, TSAP consultants together with members of the financial and business community have concluded that one of the missing links to implement development around stations is an aggressive entrepreneurial entity to serve as a go-between between the public and private sectors; and

WHEREAS, Economic Research Associates after conducting interviews with key members of the financial and business community, and senior officials of TRI-MET, METRO, the city of Gresham, Multnomah County, and the Portland Development Commission found the

need for and consistent acceptance of a private nonprofit development corporation if it was created with the support of both METRO and TRI-MET to help implement joint development; and

WHEREAS, To gain this joint development implementation capability a nonprofit development corporation with no governmental powers that serves as the principal mechanism for promoting and negotiating transit-related development and acts as a "go-between" with private developers, TRI-MET, and local governments has been created; now, therefore,

IN CONSIDERATION OF THE FOREGOING, the parties do mutually agree as follows:

ARTICLE 1. RESPONSIBILITIES OF THE PARTIES

Responsibilities of METRO. METRO hereby recognizes the CORPORATION as the principal mechanism through which joint development projects will be carried out around major transit investments.

Pursuant to this designation, METRO agrees that it will:

- a. Enter into specific contracts with the CORPORATION for the implementation of joint development projects.
- b. Where provided by contract make available to the CORPORATION, for the purpose of implementing joint development plans, funds for staffing the CORPORATION and consultants.
- c. Allow the CORPORATION to purchase from METRO office space and certain services including graphics, printing, word processing, motorpool, office equipment and office equipment repair at a cost not to exceed METRO's cost.
- d. Coordinate the preparation of regional transit investments outlined in the Unified Work Program with CORPORATION so a mutually acceptable joint development program can be structured to meet METRO's joint development objectives.
- e. Where provided by contract, exercise METRO's powers under State law, to assist the CORPORATION in the implementing of joint development plans, including, but not limited to, its power to issue revenue bonds and levy special assessments for a direct transportation purpose, as necessary to assist the CORPORATION in carrying out joint development projects.
- f. Where provided by contract make available to the CORPORATION, for the purpose of implementing joint development plans, funds which have been obtained by METRO through federal grants to finance joint development projects.
- h. METRO agrees to hold hearings and submit grant

applications to obtain federal funds where provided for by contract to facilitate joint development projects.

It shall be understood as follows:

a. That METRO recognizes the role of local jurisdictions as maintaining primary responsibility for planning approval and permit issuance for joint development projects.

b. METRO recognizes that subsequent agreements for specific development projects consistent with the framework outlined in this Master Operating Agreement will be necessary. This Master Operating Agreement in no way commits METRO to undertaking those subsequent agreements until METRO has reviewed and approved them.

Responsibilities of the CORPORATION. The CORPORATION will coordinate the preparation of its joint development proposals and work with METRO to prepare a mutually acceptable program structured to meet the CORPORATION's joint development objectives. The CORPORATION hereby acknowledges and accepts its designation by METRO as the principal mechanism for implementing joint development projects in CORPORATION's area of operations. In light of this designation, the CORPORATION agrees that it will:

a. Work with local governments, METRO and businesses on the joint development aspects of transit investments.

b. Provide real estate packaging for specific projects including assessment of market potential, preliminary design and engineering, estimates of operating income and expenses and capital costs, and negotiation to secure financing, developers and prime tenants, and appraisal to determine land disposition and reuse value;

c. Negotiate and enter into contracts with METRO for the planning and preparation of joint development projects.

d. Exercise its powers as described in the CORPORATION's Articles of Incorporation to implement joint development projects, including its power to enter into and perform contracts, borrow and lend money, deal with property, accept gifts, and receive and disburse government funds.

e. Where provided by contract exercise the CORPORATION'S powers to assist METRO in meeting its development objectives.

It shall be understood as follows:

The CORPORATION recognizes the role of local jurisdictions as maintaining primary responsibility for planning approval and permit issuance for all projects.

ARTICLE 2. FUNDING

The CORPORATION is not, nor shall it be deemed to be, a department or operating agency of METRO, and shall not be regularly allocated funds from METRO as if it were a department or operating agency. It shall be the responsibility of the CORPORATION also to obtain funding through sources other than METRO's general funds, including urban initiative-type grants, other federal funds, financial participation agreements with other governments and other government agencies, grants, donations, private sector contributions, and any other source of funding as may be available from time to time.

ARTICLE 3. STAFFING

The CORPORATION shall employ its own staff and pay its staff with CORPORATION funds. METRO may elect to provide staff assistance to the CORPORATION on specific projects. The CORPORATION can elect to contract with METRO for staff assistance. METRO staff will continue to cooperate and coordinate with the CORPORATION's staff.

ARTICLE 4. MISCELLANEOUS TERMS AND CONDITIONS

Duration. The term of this Master Operating Agreement shall be for a period of five (5) years from the date this agreement is entered into, automatically renewable for other like terms without further action by either party, unless the Master Operating Agreement is sooner terminated under the procedure set forth herein. Each party to this agreement without prejudice to any other right or remedy, and after giving the other party written notice of ninety (90) days, may terminate this agreement.

Jurisdiction. Nothing in this Master Operating Agreement shall be construed as either limiting or extending the legal jurisdiction of either METRO or the CORPORATION.

Federal Requirements. The CORPORATION agrees to abide by the provisions relating to securing and administering federal funds as established in OMB circular. A-87 and A-102 and their attachments.

Hold Harmless. The CORPORATION does hereby covenant and agree to indemnify and save harmless METRO, its Council, officers and employees, individually and collectively, from all fines, suits, claims, demands, actions, costs of litigation, attorney's fees or liability of any kind and does hereby agree to and assume all the risks in the operation of its business hereunder and shall be solely responsible and answerable for any and all accidents and injuries to

persons or property arising out of the performance of this Master Operating Agreement.

IN WITNESS THEREOF, the parties hereto have executed this Master Operating Agreement as of the date first written above.

URBAN DEVELOPMENT CORPORATION

METROPOLITAN SERVICE DISTRICT

By: _____

By: _____

GBA/srb
5337B/298
08/19/82

A G E N D A M A N A G E M E N T S U M M A R Y

TO: Metro Council
FROM: Phillip Whitmore, Development Director
SUBJECT: Authorizing the Metropolitan Service District (Metro) to Enter into an Agreement with the Corporation for Transit Investment Establishing the Roles and Relationships Between Metro and the Urban Development Corporation (UDC)

I. RECOMMENDATIONS:

- A. ACTION REQUESTED: Adopt the Master Operating Agreement Resolution.
- B. POLICY IMPACT: This Agreement establishes the relationship between Metro and the Corporation; acknowledges Metro's support of the Corporation's purposes; obtains the Corporation's support of Metro's development objectives; and recognizes the Corporation as the principal mechanism to carryout transit-related joint development.
- C. BUDGET IMPACT: None.

II. ANALYSIS:

- A. BACKGROUND: Metro's joint development and transit station area planning programs have been merged and are transitioning into a quasi-public, nonprofit development corporation. The Corporation's program was established in the Unified Work Program adopted by the Metro Council this summer.

The Master Operating Agreement and its Resolution were reviewed by the Regional Development Committee and unaminously forwarded to the Metro Council with a "do pass" recommendation. Two suggestions were offered by Councilors and acted upon by staff:

1. It was suggested that the Council name the person from Metro on the Corporation's initial Board of Directors. Both the Presiding Officer and the Executive Officer agree with the suggestion. Since the Corporation's first meeting is scheduled for September 2, the Council should name the Board member now.
2. Councilor Williamson wanted to clarify the language on duration to eliminate possible confusion about terminating the agreement. Staff has eliminated the phrase "such termination in the best interest of the parties hereto."

B. ALTERNATIVES CONSIDERED: No agreement would leave the Metro/Corporation relationship undefined and make their mutual support unstated.

C. CONCLUSION: Recommend adoption of the Resolution.

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6544B/318
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