

BEFORE THE METRO COUNCIL

FOR THE PURPOSE OF DIRECTING THE)
CHIEF OPERATING OFFICER TO PREPARE)
RECOMMENDATIONS AND REPORTS)
ADDRESSING OPTIONS ON: REGIONAL)
FISCAL POLICY REGARDING LAND ADDED)
TO THE METRO URBAN GROWTH)
BOUNDARY AND IMPLEMENTATION OF THE)
2040 GROWTH CONCEPT.)

RESOLUTION NO. 02-3255A

Introduced by Councilor Rex Burkholder

WHEREAS, state law requires the Metro Council to assess the capacity of the Urban Growth Boundary (UGB) every five years and, if necessary, increase the region's capacity to accommodate a 20-year supply of buildable land for housing; and

WHEREAS, as a result of this action, land brought into the Metro UGB increases in value; and

WHEREAS, the benefits of increased economic activity are distributed unevenly throughout the region, adversely affecting the fiscal health of some jurisdictions; and

WHEREAS, it is the intent of the Metro Council to consider and either adopt or refer to the voters for adoption or through state legislative action, measures to ensure that the Metro area has available sufficient resources to provide for the orderly planning and development consistent with the pattern envisioned in the Metro 2040 Growth Concept; and

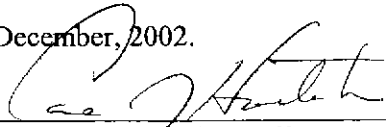
WHEREAS, options on a regional fiscal policy regarding land added to the Metro UGB, after December 1, 2002, should be developed at the earliest possible date and be presented to the Metro Council; and

WHEREAS, the Metro Council intends to create a new Chapter in the Metro Code dealing with Regional Fiscal Policy as outlined in Exhibit A (Ordinance No. 02-988); now therefore


BE IT RESOLVED that, effective January 6, 2003, the Metro Council

1. Directs the Chief Operating Officer, in consultation with the Council, to study and propose options on a regional fiscal policy on lands added to the Metro Urban Growth Boundary.
2. Directs the Chief Operating Officer to study and propose options on a regional system of sharing the benefits of growth and addressing fiscal disparities among jurisdictions within the Metro District.
3. Directs the Chief Operating Officer to work with regional partners, including state departments or the legislature, to ensure the maximum number of options available to the agency.
4. Directs the Chief Operating Officer to present the results of the above studies by September 1, 2003.

ADOPTED by the Metro Council this 5th day of December, 2002.



Carl Hosticka, Presiding Officer

Approved as to Form:


Daniel B. Cooper, General Counsel

**EXHIBIT A – ORDINANCE NO. 02-988
TO
RESOLUTION NO. 02-3255A**

BEFORE THE METRO COUNCIL

FOR THE PURPOSE OF ESTABLISHING)	ORDINANCE NO. 02-988
REGIONAL FISCAL POLICIES REGARDING)	
LAND ADDED TO THE METRO URBAN)	
GROWTH BOUNDARY AND IMPLEMENTATION)	
OF THE 2040 GROWTH CONCEPT, AND)	
DECLARING AN EMERGENCY)	Introduced by Councilor Burkholder

THE METRO COUNCIL ORDAINS AS FOLLOWS:

1. A new Chapter 7.04 Regional Fiscal Policy is added to Title VII Finance of the Metro Code to read as follows:

CHAPTER 7.04

REGIONAL FISCAL POLICY

7.04.010 Purpose

This chapter establishes the intent of the Metro Council to consider and either adopt or refer to the voters for adoption, measures to ensure that the Metro Area has available sufficient resources to provide for the orderly planning and development of the Metro Area and that to the extent practical, differences between local jurisdictions in fiscal resources not have adverse impacts on the orderly development of the region, in a manner that promotes the growth pattern envisioned in the Metro 2040 Growth Concept.

7.04.020 Intent to Adopt Measures to Ensure Excess Increase in Land Values is Fairly Allocated to Regional Needs

The Metro Council directs the Chief Operating Officer to study and propose to the Metro Council for adoption or referral to the voters, measures that require that the increase in value in land added to the Urban Growth Boundary by Metro Council action after December 1, 2002, be subject to regional value capture for regional purposes related to implementation of the 2040 Growth Concept. The study and recommendation shall be presented the Metro Council before July 30, 2003. The Chief Operating Officer may present a preliminary report and recommendation prior to presentation of the final report and recommendation and may seek Metro Council approval of an alternative completion date.

7.04.030 Regional Revenue Sharing

The Metro Council directs the Chief Operating Officer to study and refer to the Metro Council for referral to the voters, measures to implement a system and source of revenues for creation of regional revenue sharing or alternative mechanism to ensure that disparities in local government revenues do not adversely

**EXHIBIT A – ORDINANCE NO. 02-988
TO
RESOLUTION NO. 02-3255A**

affect implementation of the 2040 Growth Concept by precluding development of necessary transportation, parks and other urban services. The study and recommendation shall be presented the Metro Council before July 30, 2003. The Chief Operating Officer may present a preliminary report and recommendation prior to presentation of the final report and recommendation and may seek Metro Council approval of an alternative completion date.

2. This ordinance is necessary because the Metro Council should state its intent and direct action by the Chief Operating Officer as soon as practical in order to comply with the deadlines created by this ordinance. An emergency is therefore declared to exist and this ordinance shall take effect on January 6, 2003.

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

STAFF REPORT

CONSIDERATION OF RESOLUTION NO. 02-3255A, FOR THE PURPOSE OF DIRECTING THE CHIEF OPERATING OFFICER TO PREPARE RECOMMENDATIONS AND REPORTS ADDRESSING OPTIONS ON: REGIONAL FISCAL POLICY REGARDING LAND ADDED TO THE METRO URBAN GROWTH BOUNDARY AND IMPLEMENTATION OF THE 2040 GROWTH CONCEPT

Date: November 27, 2002

Prepared by: Michael Morrissey
Jeff Stone

This is a revised staff report: December 4, 2002

Proposed Action: Calls for the creation of studies and option regarding Urban Growth Boundary (UGB) related fiscal policy, and the distribution of differential benefits (e.g. tax base), to be presented by September 1, 2003.

Factual Background and Analysis: Metro is required to consider amending the Urban Growth Boundary every five years. Discussion and analysis of this activity includes the ability of local jurisdictions to provide infrastructure and services to any land brought into the UGB, such as roads, parks and utilities. At the same time, the planning for the urbanization of areas brought into the UGB itself is a costly proposition that is not easily borne by the local jurisdictions or Metro.

The value of land brought into the UGB can increase greatly, benefiting the owner of the property merely by action of the regional government. This resolution will study the advisability, practicality, and other policy aspects of capturing some of the value of that increase for the reasons mentioned above or other public purposes deemed to benefit the people of the region.

There also exists a significant disparity in the ability of jurisdictions to provide for the needs of their citizens and implement the 2040 Growth Concept due to disparities in tax capacity. The need for equity among all areas within the regional boundaries should receive a high level of thought, scrutiny and public attention.

Known Opposition: None at this time

Budget Impact: There are no estimates of staffing and professional services costs required to carry out these activities available at this time.

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RECOMMENDATIONS AND A REPORT)	Introduced by Councilor Rex Burkholder
ADDRESSING OPTIONS ON A REGIONAL)	
FISCAL POLICY REGARDING LAND ADDED)	
TO THE METRO URBAN GROWTH)	
BOUNDARY.)	

WHEREAS, state law requires the Metro Council to assess the capacity of the Urban Growth Boundary (UGB) every five years and, if necessary, increase the region's capacity to accommodate a 20-year supply of buildable land for housing; and

WHEREAS, as a result of this action, land brought into the Metro UGB increases in value; and

WHEREAS, the benefits of increased economic activity are distributed unevenly throughout the region, adversely affecting the fiscal health of some jurisdictions; and

WHEREAS, it is the intent of the Metro Council to consider and either adopt or refer to the voters for adoption, measures to ensure that the Metro area has available and sufficient resources to provide for the orderly planning and development consistent with the pattern envisioned in the Metro 2040 Growth Concept; and

WHEREAS, options on a regional fiscal policy regarding land added to the Metro UGB, after December 1, 2002, should be developed at the earliest possible date and be presented to the Metro Council; and

WHEREAS, the Metro Council intends to create a new Chapter in the Metro Code to deal with Regional Fiscal Policy as outlined in Exhibit A (Ordinance No. 02-988); now therefore

BE IT RESOLVED that, effective January 6, 2003, the Metro Council

1. Directs the Chief Operating Officer to study and propose options on a regional fiscal policy on lands added to the Metro Urban Growth Boundary.
2. Directs the Chief Operating Officer to study and propose options on a regional system of sharing the benefits of growth and addressing fiscal disparities among jurisdictions within the Metro District.
3. Directs the Chief Operating Officer to present the results of the above studies by September 1, 2003.

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

Carl Hosticka, Presiding Officer

Approved as to Form:

Daniel B. Cooper, General Counsel

BEFORE THE METRO COUNCIL

FOR THE PURPOSE OF ESTABLISHING)	ORDINANCE NO. 02-988
REGIONAL FISCAL POLICIES REGARDING)	
LAND ADDED TO THE METRO URBAN)	
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7.04.020 Intent to Adopt Measures to Ensure Excess Increase in Land Values is Fairly Allocated to Regional Needs

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7.04.030 Regional Revenue Sharing

The Metro Council directs the Chief Operating Officer to study and refer to the Metro Council for referral to the voters, measures to implement a system and source of revenues for creation of regional revenue sharing or alternative mechanism to ensure that disparities in local government revenues do not adversely affect implementation of the 2040 Growth Concept by precluding development of necessary transportation, parks and other urban services. The study and recommendation shall be presented the Metro Council before July 30, 2003. The Chief Operating Officer may present a preliminary report and

recommendation prior to presentation of the final report and recommendation and may seek Metro Council approval of an alternative completion date.

2. This ordinance is necessary because the Metro Council should state its intent and direct action by the Chief Operating Officer as soon as practical in order to comply with the deadlines created by this ordinance. An emergency is therefore declared to exist and this ordinance shall take effect on January 6, 2003.

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

STAFF REPORT

CONSIDERATION OF RESOLUTION NO. 02-3255, FOR THE PURPOSE OF DIRECTING THE CHIEF OPERATING OFFICER TO PREPARE RECOMMENDATIONS AND A REPORT ADDRESSING OPTIONS ON A REGIONAL FISCAL POLICY REGARDING LAND ADDED TO THE METRO URBAN GROWTH BOUNDARY

Date: November 25, 2002

Prepared by: Michael Morrissey

Proposed Action: Calls for the creation of studies and option regarding Urban Growth Boundary (UGB) related fiscal policy, and the distribution of differential benefits (e.g. tax base), to be presented by September 1, 2003.

Factual Background and Analysis: Metro is required to consider amending the Urban Growth Boundary every five years. Discussion and analysis of this activity includes the ability of local jurisdictions to provide infrastructure and services to any land brought into the UGB, such as roads, parks and utilities. There is currently a large disparity in the ability of jurisdictions to provide these services that can effect to ability to develop land over time.

At the same time, the planning for the urbanization of areas brought into the UGB itself is a costly proposition that is not easily borne by the local jurisdictions or Metro.

The value of land brought into the UGB can increase greatly, benefiting the owner of the property merely by action of the regional government. This resolution will study the advisability, practicality, and other policy aspects of capturing some of the value of that increase for the reasons mentioned above.

Known Opposition: None at this time

Budget Impact: There are no estimates of staffing and professional services costs required to carry out these activities available at this time.