

 **Metro | Agenda** \*Note early start time

Meeting: Metro Policy Advisory Committee (MPAC)  
Date: Wednesday, August 12, 2009  
Time: **4 to 7 p.m. \***  
Place: Council Chambers

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|----------------|-----|--|--|
| <b>4 PM</b>    | 1.  | <b><u>CALL TO ORDER</u></b>  | <b>Tom Brian, Chair</b>  |
| <b>4:02 PM</b> | 2.  | <b><u>SELF INTRODUCTIONS &amp; COMMUNICATIONS</u></b>  | <b>Tom Brian, Chair</b>  |
| <b>4:05 PM</b> | 3.  | <b><u>CITIZEN COMMUNICATIONS ON NON-AGENDA ITEMS</u></b>   |  |
| <b>4:10 PM</b> | 4.  | <b><u>CONSENT AGENDA</u></b>   | <b>Tom Brian, Chair</b>  |
|                | *   | Consideration of the MPAC Minutes for July 22, 2009  |  |
| <b>4:15 PM</b> | 5.  | <b><u>COUNCIL UPDATE</u></b>   |  |
|                | 6.  | <b><u>INFORMATION / DISCUSSION ITEMS</u></b>   |  |
| <b>4:20 PM</b> | 6.1 | * <u>Construction Excise Tax Administrative Rules – COMMENTS TO THE METRO CHIEF OPERATING OFFICER REQUESTED</u>  | <b>Andy Shaw</b>   |
| <b>4:40 PM</b> | 6.2 | # <u>Mayors' Institute on City Design Report – INFORMATION</u>   | <b>Jack Hoffman, Mayor of Lake Oswego<br/>Jerry Willey, Mayor of Hillsboro<br/>Denny Doyle, Mayor of Beaverton</b> |
| <b>5:00 PM</b> | 6.3 | * <u>Making the Greatest Place Performance Targets – INFORMATION</u>   | <b>John Williams</b>   |
| <b>5:30 PM</b> | 6.4 | * <u>Regional Transportation Plan Adoption Package - INFORMATION</u>   | <b>Kim Ellis</b>   |
| <b>5:45PM</b>  | 6.5 | * Making the Greatest Place Small Group Discussion on:<br><i>Urban Reserves:</i> <ul style="list-style-type: none"><li>• How can urban reserve designations best support continued implementation of the 2040 growth concept?</li><li>• What urban reserve designations will complement and enhance centers, corridors and employment areas and how will the new areas be served with infrastructure considering limited local and regional funds?</li><li>• How will development patterns at the edge of the urban growth boundary change in the next 40-50 years in response to large scale economic and demographic trends?</li><li>• What level of land use, governance, and infrastructure planning should be completed in urban reserve areas after designation?</li></ul> <i>Rural Reserves:</i> <ul style="list-style-type: none"><li>• Will natural landscape features be best preserved inside or outside urbanized areas in the future?</li><li>• What form of rural reserves (for example, buffer strips or large areas) will best accomplish the intent of the reserves legislation and rules?</li><li>• How important will small-scale farming operations and local food supply be to the future of this region and how should rural reserve designations support that future?</li></ul> | <b>All</b>   |

- 6:30 PM** 7. Small Group Reports – DISCUSSION  
**6:55 PM** 8. **MPAC MEMBER COMMUNICATIONS**  
**7 PM** 9. **ADJOURN**

**All**

**Tom Brian, Chair**

- \* Material available electronically.  
# Material provided at meeting.  
All material will be available at the meeting.

*For agenda and schedule information, call Kelsey Newell at 503-797-1916, e-mail: [kelsey.newell@oregonmetro.gov](mailto:kelsey.newell@oregonmetro.gov).*

To check on closure or cancellations during inclement weather please call 503-797-1700.



*Tentative as of August 5, 2009*

All meetings are on Wednesdays, in the Metro Council Chamber, 600 NE Grand Ave., Portland, unless otherwise noted. For current agendas and materials, visit [www.oregonmetro.gov/mpac](http://www.oregonmetro.gov/mpac).

<p><b><u>MPAC Meeting - Extended Meeting</u></b> August 12, 2009, <b>4 to 7 p.m.</b></p> <ul style="list-style-type: none"> <li>• CET administrative rules - Recommendation to Council</li> <li>• Mayors Institute on City Design report</li> <li>• Making the Greatest Place performance targets</li> <li>• RTP adoption package overview</li> <li>• Making the Greatest Place small group discussions on Urban and Rural Reserves</li> <li>• Small group reports</li> </ul>	<p><b><u>MPAC Meeting - Canceled</u></b> August 26, 2009, 5 to 7 p.m.</p>
<p><b><u>MPAC Meeting</u></b> September 9, 2009, 5 to 7 p.m.</p> <ul style="list-style-type: none"> <li>• Making the Greatest Place 2009 and 2010 adoption actions</li> <li>• Local aspirations overview</li> <li>• Introduce inventory and climate prosperity strategy</li> </ul>	<p><b><u>MPAC Meeting (invite JPACT)</u></b> September 23, 2009, 5 to 7 p.m.</p> <ul style="list-style-type: none"> <li>• Making the Greatest Place Chief Operating Officer recommendations</li> </ul> <p><b><u>Metro Council, JPACT, MPAC Public Hearing on MGP/RTP #1</u></b> September 24, 2009, 5 p.m. Location: Beaverton Council Chambers</p>
<p><b><u>MPAC Meeting</u></b> October 14, 2009, 5 to 7 p.m.</p> <ul style="list-style-type: none"> <li>• Policy Questions to address at October 23<sup>rd</sup> Special MPAC meeting</li> </ul> <p><b><u>Metro Council, JPACT, MPAC Public Hearing on MGP/RTP #2</u></b> October 1, 2009, 5 p.m. Location: Gresham Conference Center</p> <p><b><u>Metro Council, JPACT, MPAC Public Hearing on MGP/RTP #3</u></b> October 8, 2009, 5 p.m. Location: Happy Valley Chamber and Foyer</p> <p><b><u>Metro Council, JPACT, MPAC Public Hearing on MGP/RTP #4</u></b> October 15, 2009, 2 p.m. Location: Metro Regional Center, Council Chambers</p>	<p><b><u>Special MPAC Meeting</u></b> October 23, 2009, 8 a.m. to 3 p.m. Location: Oregon Zoo, Skyline Rm.</p> <ul style="list-style-type: none"> <li>• Urban Growth Report issues – Resolution 09-XXXX accepting regional range forecast and urban growth report</li> <li>• RTP adoption package – Resolution 09-XXXX approving 2035 RTP pending air quality conformity analysis and findings</li> <li>• Urban and Rural Reserves -- Resolution 09-XXXX Intergovernmental Agreements (IGAs) with counties</li> </ul>

<p><b><u>MPAC Meeting</u></b> October 28, 2009, 5 to 7 p.m.</p> <ul style="list-style-type: none"> <li>• Resolution 09-XXXX approving 2035 RTP pending air quality conformity analysis and findings (discussion)</li> </ul>	<p><b><u>MPAC Meeting</u></b> November 18, 2009, 5 to 7 p.m. (Note: special meeting date)</p> <ul style="list-style-type: none"> <li>• Resolution 09-XXXX approving 2035 RTP pending air quality conformity analysis and findings (recommendation to Council)</li> <li>• Resolution 09-XXXX on accepting regional range forecast and urban growth report (discussion)</li> <li>• Urban and Rural Reserves -- Resolution 09-XXXX IGAs with counties (discussion)</li> </ul>
<p><b><u>(Due to holidays, only one November and one December MPAC meeting is currently scheduled)</u></b></p>	<p><b><u>MPAC Meeting</u></b> December 9, 2009, 5 to 7 p.m.</p> <ul style="list-style-type: none"> <li>• Resolution 09-XXXX, accepting regional range forecast and urban growth report (discussion &amp; action)</li> <li>• Urban and Rural Reserves -- Resolution 09-XXXX IGAs with counties (discussion &amp; action)</li> </ul>



METRO POLICY ADVISORY COMMITTEE  
July 22, 2009  
Metro Regional Center, Council Chambers

MEMBERS PRESENT

Sam Adams  
Jody Carson  
Nathalie Darcy  
Amanda Fritz  
Jack Hoffman  
Dick Jones  
Richard Kidd  
Charlotte Lehan, Second Vice Chair  
Robert Liberty  
Rod Park  
Wilda Parks  
Alice Norris  
Judy Shiprack  
Mike Weatherby  
Jerry Willey  
Richard Whitman

AFFILIATION

City of Portland  
City of West Linn, representing Clackamas Co. Other Cities  
Washington Co. Citizen  
City of Portland  
City of Lake Oswego, representing Clackamas Co. Largest City  
Clackamas Co. Special Districts  
City of Forest Grove, representing Washington Co. Other Cities  
Clackamas Co. Commission  
Metro Council  
Metro Council  
Clackamas Co. Citizen  
City of Oregon City, representing Clackamas Co. 2<sup>nd</sup> Largest City  
Multnomah Co. Commission  
City of Fairview, representing Multnomah Co. Other Cities  
City of Hillsboro, representing Washington Co. Other Cities  
Oregon Dept. of Land Conservation & Development

MEMBERS EXCUSED

Ken Allen  
Shane Bemis, Vice Chair  
Tom Brian, Chair  
Richard Burke  
Pat Campbell  
Dennis Doyle  
Carl Hosticka  
Robert Kindel  
Don McCarthy  
Michelle Poyourow  
Steve Stuart  
Rick VanBeveren  
Dilafroz Williams

AFFILIATION

Port of Portland  
City of Gresham, representing Multnomah Co. 2<sup>nd</sup> Largest City  
Washington Co. Commission  
Washington Co. Special Districts  
City of Vancouver  
City of Beaverton, representing Washington Co. 2<sup>nd</sup> Largest City  
Metro Council  
City of North Plains, City in Washington Co. outside UGB  
Multnomah Co. Special Districts  
Multnomah Co. Citizen  
Clark Co., Washington Commission  
TriMet Board of Directors  
Governing Body of School Districts

ALTERNATES PRESENT

Shirley Craddick  
Marc San Soucie

AFFILIATION

City of Gresham, representing Multnomah Co. 2<sup>nd</sup> Largest City  
City of Beaverton, representing Washington Co. 2<sup>nd</sup> Largest City

STAFF: Kim Ellis, Ken Ray, Kelsey Newell, Robin McArthur, Maria Ellis, Andy Cotugno, Dan Cooper, Ted Reid, Andy Shaw, Kayla Mullis.

**1. CALL TO ORDER AND DECLARATION OF A QUORUM**

Second Vice Chair Charlotte Lehan declared a quorum and called the meeting to order at 4:09 p.m.

**2. SELF INTRODUCTIONS AND COMMUNICATIONS**

Committee members and audience members introduced themselves.

**3. CITIZEN COMMUNICATIONS ON NON-AGENDA ITEMS**

There were none.

**4. CONSENT AGENDA**

**Consideration of MPAC Minutes for July 8, 2009**

MOTION: Ms. Nathalie Darcy moved, and Mayor Alice Norris seconded, to approve the MPAC minutes for July 8, 2009.

ACTION TAKEN: With a majority in favor, and one abstained (San Soucie), the motion passed.

**5. COUNCIL UPDATE**

There were none.

**6. INFORMATION/ DISCUSSION ITEMS**

**6.1 Construction Excise Tax Administrative Rules**

Mr. Andy Shaw of Metro briefed the committee on the Construction Excise Tax (CET) administrative rules. The Metro Council has adopted an extension to the CET and staff is working on establishing administrative standards. The draft *CET Administrative Rules* handout outlines the proposed structure of the program and the *CET Comments* handout outlines comments received from stakeholders on the draft rules to date. Metro staff will be seeking comments and recommendations from the committee at the August 12, 2009, meeting.

Councilor Robert Liberty welcomed recommendations for members to serve on the CET advisory committee.

## **6.2 Comments on July 8<sup>th</sup> Small Group Discussions on Employment and Benefits and Burdens**

Commissioner Judy Shiprack summarized the first of the July 8<sup>th</sup> small group discussions on equitable distribution of benefits and burdens and employment urban growth report, respectively. Committee comments and reactions are included in Attachment A to the minutes.

## **6.3 State Perspectives**

Mr. Richard Whitman of the Department of Land Conservation and Development provided responded to committee questions regarding state land use goals and legal guidelines for carrying out Urban Growth Boundary (UGB) decisions.

The committee expressed interest in the following topics:

- Administrative rules;
- The differences in state flexibility between housing and employment sections of the UGB decision;
- Whether the state has standards for where growth occurs;
- Metro's "coordination" role and what it constitutes;
- Implications of choice at the regional and city level in accommodating housing needs;
- How local comprehensive plans relate to the discussion about the UGB and the future of land use.

## **6.4 Making the Greatest Place Small Group Discussions on Infrastructure and Investments**

Mr. Shaw summarized the results of the Regional Infrastructure Analysis published in July 2008. After looking at a broad range of infrastructure types, the advisory committee found that on the local, community, and regional levels the region has a 40 billion dollar need for infrastructure improvement. The main categories of infrastructure studied were as follows:

- Transportation;
- Water, Sewer and Stormwater;
- Schools;
- Parks, Open Spaces and Civic Buildings; and
- Energy.

In response to the determined infrastructure need the advisory committee recommended the following strategies and options:

- Encouraging efficiency and innovation in service delivery;
- Exploring demand management; and
- Identifying and supporting new investment strategies.

The committee then broke into small groups to discuss infrastructure and investments.

## 6.5 Small Group Reports

Mayor Jack Hoffman and Second Vice Chair Lehan reported the results of the small group discussions. Please see attachment A to the minutes for a full report of these comments.

Mayor Jerry Willey commented that funding should not be a barrier to achieving aspirations and that jurisdiction will likely have better answers to funding and investment questions one year from now.

## 7. MPAC MEMBER COMMUNICATIONS

Mayor Hoffman commented on his experience at the Mayor's Institute on City Design and requested MPAC attendees brief the committee on the event at a future meeting. Mayor Hoffman, Mayor Denny Doyle, Mayor Willey and Mayor Shane Bemis are scheduled to brief the committee at the August 12<sup>th</sup> meeting.

Mayor Richard Kidd informed the committee that Forest Grove will be hosting the Oregon Mayors Association conference July 31<sup>st</sup>- August 2<sup>nd</sup> and will also host an Iron Man competition the weekend of July 25<sup>th</sup>.

## 8. ADJOURN

Second Vice Chair Lehan adjourned the meeting at 6:50 p.m.

Respectfully submitted,



Kayla Mullis  
Recording Secretary

## ATTACHMENTS TO THE PUBLIC RECORD FOR JULY 22, 2009

The following have been included as part of the official public record:

ITEM	DOCUMENT TYPE	DOC DATE	DOCUMENT DESCRIPTION	DOCUMENT No.
--	Agenda	7/22/09	Revised MPAC Agenda for July 22, 2009	072209j-01
6.4	PowerPoint	7/22/09	Infrastructure Finance power point presented by Andy Shaw	072209j-02
6.4	Report	July 08'	Regional Infrastructure Analysis Executive Summary	072209j-03
6.4	Handout	7/22/09	Small group assignments for topic discussions	072209j-04
6.1	Handout	7/08/09	CET Administrative Rules: Metro Code Charter 7.04 DRAFT	072209j-05
6.2	Handout	N/A	CET Administrative Rules Comments	072209j-06

## Topic: employment urban growth report

### Group questions:

- How do we balance local desires or aversions with a regional perspective to promote a strong and balanced economy? (For example, what if all jurisdictions aspire to attract solar industries, but no jurisdictions want to accommodate warehousing and distribution?)
- What are the risks of assuming that future employment trends will be the same or different, compared with today? Can the region minimize these risks by targeting industries or clusters that are expected to see high growth? Or, should there be less attention to identifying potential winners and more emphasis on ensuring the region's competitive ability to serve the increasingly diverse needs of future employers?

### Background:

Cities often have specific ideas for the types of industries that they would or would not like to attract. Today, many cities see the potential for growth in high technology and clean (green) technology. Setting these goals is a worthwhile exercise and is a crucial first step towards making them a reality. However, it is difficult to predict which industries will grow in the future and where they may choose to locate. Many variables will influence these outcomes, including global factors and local and regional choices that can shape this region's place in the global economy. In addition to physical capacity to support job growth, factors that contribute to a strong regional economy include an educated workforce, above average wage levels, a diverse mix of jobs, successful economic development efforts by private- and public-sector leaders, a balanced transportation system, infrastructure investments and a vibrant quality of life.

### Group decision:

How do we balance local desires or aversions with a regional perspective to promote a strong and balanced economy?

- State and understand other jurisdictions desires and aversions;
- All jurisdictions should think regionally to play into regional synergy and balance;
- Let the market drive decisions- Metro cannot micromanage;
- Recognize that transportation decisions affect employment development decisions;
- Target regional money to regional infrastructure need that support employment (and also regional designations, like Town Centers).

What are the risks of assuming that future employment trends will be the same or different, compared with today?

- Incorrect zoning driving the market;
- Too much land that with the inability to provide services;
  - Too much land that is appropriately zoned but has no development;
- Recognize that land banking may happen and not penalize companies as long as subdividing doesn't take place.

### Group's reasoning for decision:

- Would like to look at what we have done wrong so far to determine why there is imbalance between jobs and housings in some jurisdictions.

### MPAC Reaction:

- Strategies need to follow aspirations shared by region and local governments.
- Importance of not subsidizing industries that go against local and regional aspirations.
- Cost-benefit of making employment land available and buildable needs to be considered.
- Aversion to warehousing reinforces the burdens and benefits of growth.

## Attachment A to July 22, 2009 MPAC Minutes

- Land banking with square zoning allows land to be held for industrial and removes the pressure to subdivide or develop commercial.
- Market role in decision-making;
- Balance responsibilities between employers and employees in terms of low-income wages;
- Recognized that due to many variables, it is difficult to achieve a job-housing balance;
- Increased correspondence with the agriculture industry;
- Aim at making land available at various places around the region, not just at the edge and in the center;
- The issue of competition around the region for attracting industry.

## Topic: equitable distributions of benefits and burdens

### Group question:

- Are local elected officials willing to address inequity in the distribution of cost-burdened households? Can public investments minimize the impact?
- In order to help ensure housing affordability throughout the region, are cities and counties willing to make coordinated investments in housing and transportation in centers and corridors?
- What are some ways that policies could be tailored so that they encourage the market to provide more housing choices such as accessory dwellings, cottage housing, and high-quality manufactured housing?

### Background:

Modeled scenarios indicate that if current policies and investments are continued, the number of cost-burdened<sup>1</sup> households in the region may more than double from 95,500 in the year 2005 to 198,400 in the year 2030. This would mean that the percentage of households that are cost-burdened could increase from 17 percent in 2005 to between 18 to 23 percent in 2030. The regional distribution of these cost-burdened households is likely to be uneven with concentrations in some cities and few in other cities. Many of these cost burdened households will be seniors on fixed incomes and the working class, some of which will have school-aged children. There appears to be sufficient zoned capacity inside the UGB. Likely causes of cost increases include:

**Inadequate funding for infrastructure:** this constrains housing capacity, which in turn makes it unaffordable for some households.

**High market demand in urban centers and transportation corridors:** this increases the value of land and the per-square-foot cost of housing. Multi-story development often requires more expensive construction materials and structured parking. Without public investments or choices of smaller residences, these higher costs get passed on to residents.

**Insufficient transportation cost savings:** transportation cost savings offset housing price increases, but our current investments are not enough to guarantee affordability.

### Group decision:

Are local elected officials willing to address inequity in the distribution of cost-burdened households? Can public investments minimize the impact?

- There was a strong willingness to acknowledge the need for public bodies to take action to reduce the distribution of burdens and increase the distribution of benefits of growth.

In order to help ensure housing affordability throughout the region, are cities and counties willing to make coordinated investments in housing and transportation in centers and corridors?

- Tax-base sharing on a county basis was recommended at a vehicle for providing these jurisdictions with the resources to meet these burdens. The argument in support is that low cost labor is being provided to jurisdictions that enjoy the benefits of a growing tax base without the burden of low income households.
- Transit was called on as a way to reduce cost burdens. Both increased use of land around existing high quality transit and extending high quality transit to cost burdened areas are tactics that should be pursued. It was recommended that LRT extensions should be rated based upon the ability to increase affordable housing around stations, not just increased general housing density. It was also recognized that a small amount of land in public ownership provides substantial leverage on the whole station area.

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<sup>1</sup> Cost-burdened households are defined as renters who spend more than half of their income on housing and transportation.

## Attachment A to July 22, 2009 MPAC Minutes

What are some ways that policies could be tailored so that they encourage the market to provide more housing choices such as accessory dwellings, cottage housing, and high-quality manufactured housing?

- The use of inclusionary zoning should be revisited.
- Use of a variety of tools to reduce housing cost was advocated, including development agreements, zoning to permit flag lots, zero lot lines, granny flats, changes in building codes, etc.

### **Group's reasoning for decision:**

- There was a recognition that many inner-city Portland neighborhoods are gentrifying and pushing lower income households out into the suburbs.
- There was a recognition that cities that have a high proportion of cost burdened households and a low tax base are taking responsibility for the burdens but not realizing the benefits to meet these burdens.
- Care should be given to not create new concentrations of low income housing.

### **MPAC Reaction:**

- Present the Housing Needs Analysis by subarea; and
- Difficulty in making decisions based on regional analytical numbers when accountability is based on city boundaries.

## Topic: infrastructure and investments

### Group questions:

- Do you have a funding/investment strategy that allows you to achieve your aspirations? Why or why not?
- What proportion of your dollars will be spent in centers, corridors or employment areas vs. other areas?
- For those communities that want UGB expansions, what proportion of your dollars do you anticipate spending in those expansion areas?
- How do we link regional commitments to local aspirations and local commitments?
- How do we pay for infrastructure needed to achieve local aspirations?
- How can we use public investments to leverage private investments?

### Background:

The *Regional Infrastructure Analysis* conducted in 2008 identified funding needs of between \$27 and \$41 billion for a broad range of infrastructure to upgrade current systems and accommodate new growth over the next 30 years. Currently available revenue sources can finance about half of that amount, leaving the region with an infrastructure funding gap of roughly \$15-\$20 billion. A series of development and redevelopment case studies have shown that the cost of infrastructure for all types of development is very high. The shortage of infrastructure finance is frequently cited as the reason little development has occurred in recent UGB expansion areas. The region's work on the UGR, the HCT Plan, and updating the RTP, as well as the local aspirations process have highlighted some of the kinds of local and regional investments we aspire to make.

### Group decision:

- Jurisdictions do have strategies for achieving aspirations but do not have a funding investment plan that says how much it will take to get there;
- Mechanisms available for funding include Urban Renewal funds, Construction Excise Tax funds, System Development Charges and a combination of other public and private dollars;
- Difficulty in gauging how much money will be spent in centers, corridors and employment areas but recognition that money will be spent on parks and recreation which may be considered an "other" area;
- Because the possibility of UGB expansion is at an early stage it is not certain how much of local dollars will be spent on expansion areas;
- Need for more conversations about aligning regional commitments to local aspirations and leveraging private investments.
- FTA funding for light rail expansion is important.
- Much of the infrastructure within the UGB area needs to be paid by development of those areas.

## Topic: infrastructure and investments

### Group questions:

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- What proportion of your dollars will be spent in centers, corridors or employment areas vs. other areas?
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### Group decision:

- There is a need for redevelopment and the challenges in achieving that will be different throughout the region;
- Challenges in infrastructure go beyond just Urban Growth Boundary issues;
- Jurisdictions rarely get close to 100% cost recovery on new development;
- Recognition that System Development Charge (SDC) impacts do not include regional transportation systems effected and that SDC's often get folded into housing prices;
- General need for commitment by local jurisdictions to follow through on investments;
- Recognition that the level of outside investment will be less than in the past.

## MPAC Worksheet

**Agenda Item Title** Construction Excise Tax (CET) Administrative Rules, second draft

**Presenter:** Andy Shaw

**Contact for this worksheet/presentation:** Andy Shaw

**Council Liaison Sponsor:** Robert Liberty

**Purpose of this item (check no more than 2):**

Information     \_\_\_  
Update           \_\_\_  
Discussion     \_\_\_X\_\_\_  
Action           \_\_\_

**MPAC Target Meeting Date:** August 12, 2009

Amount of time needed:

Presentation    \_\_\_ 5 min. \_\_\_

Discussion       \_\_\_15 min. \_\_\_

**Purpose/Objective**

The purpose of this presentation is to provide an update and solicit feedback the Administrative Rules for the CET program.

**Action Requested/Outcome**

The purpose of this presentation is to solicit feedback from MPAC members on the draft CET Administrative Rules.

**What has changed since MPAC last considered this issue/item?**

On June 11, 2009 the Metro Council adopted Ordinance 09-1220 to extend the CET for the purpose of funding regional and local planning that is required to make land ready for development after inclusion in the UGB. This action followed the recommendations of both an advisory group and MPAC. The final advisory group recommendation, ordinance, and staff report considered by the Metro Council are available online at: <http://www.oregonmetro.gov/index.cfm/go/by.web/id=21730>

While ordinance 09-1220 extends the CET tax, the Administrative Rules governing the program need to be updated to reflect a new process for the allocation of CET revenue. Metro's Chief Operating Officer (COO) is responsible for adopting the administrative rules.

The first draft was actively shared with MTAC, MPAC, individual jurisdictions, the 2009 CET advisory group members, and the Metro Council over the last three weeks to solicit comments and feedback. We

have revised the document to produce a second draft incorporating comments received, which will be discussed at MPAC during the August 12<sup>th</sup> meeting.

**What packet material do you plan to include?**

Copies of the second draft of the CET Administrative Rules and the CET Administrative Rules matrix will be sent out in a supplemental packet.

**What is the schedule for future consideration of item?**

Metro Council: August 13, 2009

## MPAC Worksheet

**Agenda Item Title:** Making the Greatest Place Performance Targets

**Presenter:** John Williams

**Contact for this worksheet/presentation:** Kim Ellis (x1617)

**Council Liaison Sponsor:** n/a

**Purpose of this item (check no more than 2):**

Information	<u>  X  </u>
Update	<u>      </u>
Discussion	<u>  X  </u>
Action	<u>      </u>

**MPAC Target Meeting Date:**   August 12, 2009  

Amount of time needed for:

Presentation	<u>  10  </u>
Discussion	<u>  20  </u>

**Purpose/Objective:**

The purpose of this item is to provide direction to staff on the outcomes-based framework and categories of performance targets recommended for monitoring the region's progress toward achieving the Six Desired Outcomes.

**Action Requested/Outcome:**

MPAC support for the recommended framework and categories of performance targets is requested. With MPAC and JPACT support, staff will further refine the preliminary performance targets with Metro's advisory committees for inclusion in the Regional Framework Plan and appendix in 2010.

**Background and context:**

In 2008, Council adopted Resolution No. 08-3940 expressing the intent of Metro and its regional partners to use a performance-based approach to guide policy and investment decisions in the region.

The Metro Policy Advisory Committee (MPAC) and the Metro Council resolved to:

- Affirm a definition of a successful region and its constituent communities, which have since become known as the "six desired outcomes."
- Work with regional partners to identify the performance indicators, targets, actions and decision-making process necessary to create successful communities.

In response to the Resolution, the *Making the Greatest Place* (MGP) effort continued to evolve to be both outcomes-based and performance-driven. The Regional Transportation Plan (RTP) update, High Capacity Transit (HCT) plan and Urban Growth Report further developed and applied an outcomes-based evaluation framework that considers economic, environmental and equity benefits and impacts in the decision-making process.

Staff proposes further implementing the intent of Resolution No. 08-3940 by:

- Amending the Regional Framework Plan to formally adopt the six Desired Outcomes as policy.
- Finalizing the preliminary list of targets for use in measuring progress toward achieving the six Desired Outcomes, also to be adopted as part of the Regional Framework Plan, as appropriate.

The recommended approach will codify the Desired Outcomes, define broad targets, and allow for more detailed transportation, land use, environmental, equity, and economic measures to be compiled in either an appendix to the framework plan or as part of the Regional Transportation Functional Plan or Urban Growth Management Functional Plan in 2010.

### **What has changed since MPAC last considered this issue/item?**

The Transportation Policy Alternatives Committee (TPAC) and Metro Technical Advisory Committee (MTAC) discussed and considered the framework and preliminary performance targets on July 31 and August 5, 2009, respectively.

TPAC supported the overall framework and comprehensiveness of the preliminary performance targets, and cautioned that development of the targets should not slow down needed decision-making in 2009 and 2010. Specific comments that will be considered moving forward include:

- Make sure all the targets are written in a similar manner, e.g., include “increase” or “decrease” by XX percent.
- Important to understand how well the region is currently performing relative to the draft targets as a starting point for establishing what the targets should be.
- A broader suite of targets and topics will make decision-making more challenging; it’s important to stay focused on actions that are under Metro’s control – or Metro + local governments’ control. Data collection and monitoring for some of the targets (e.g., infrastructure in good condition) will be difficult and should also be considered as the targets are finalized.
- General agreement that reliability is more important than delay as a measure of business efficiency.
- More work on the poverty target is needed. Suggestions included replacing high school with elementary school students; consideration of poverty levels rather than reduced lunch program eligibility; looking to the Multnomah County Health Department for ideas; and consideration of racial disparities highlighted in a recent “State of Black Oregon” report, which touches on many equity issues.
- Portland is looking at a 20-minute neighborhood walk as a measure of access to daily needs.
- Consider another compact urban form measure that identifies the number of centers and corridors that have adopted zoning that fully supports 2040 implementation.

A summary of MTAC feedback will be distributed at the meeting.

### **What packet material do you plan to include?**

Memo on Performance Targets for Making the Greatest Place (dated August 5, 2009).

### **What is the schedule for future consideration of item?**

On August 13, the Joint Policy Advisory committee on Transportation (JPACT) will consider the outcomes-based framework and categories of performance targets.

With MPAC and JPACT support, staff will further refine the preliminary performance targets with Metro’s advisory committees for inclusion in the Regional Framework Plan and appendix in 2010.

# Metro | Memo

Date: August 5, 2009

To: MPAC, JPACT and interested parties

From: John Williams, Land Use Planning Manager  
Chris Deffebach, Planning Manager  
Kim Ellis, Principal Transportation Planner

Re: Performance Targets for Making the Greatest Place

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## Purpose

The purpose of this memo is to summarize the framework and approach recommended to guide selection of more detailed measures that will be used to evaluate and monitor the effectiveness of local and regional land use, transportation and investment decisions. The proposed framework and preliminary targets are shown in **Attachment 1**.

## Action Requested

- Support for the recommended framework and categories of targets to allow staff to further refine the preliminary performance targets in 2010.

## Background

In 2008, Council adopted Resolution No. 08-3940 expressing the intent of Metro and its regional partners to use a performance-based approach to guide policy and investment decisions in the region.

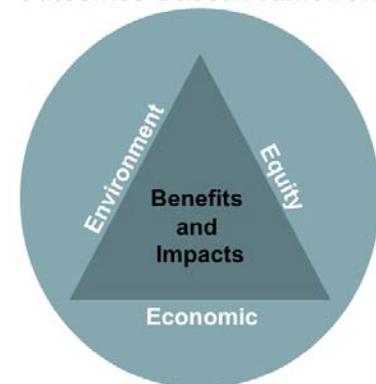
The Metro Policy Advisory Committee (MPAC) and the Metro Council resolved to:

- Affirm a definition of a successful region and its constituent communities, which have since become known as the “six desired outcomes.”
- Work with regional partners to identify the performance indicators, targets, actions and decision-making process necessary to create successful communities.

In response to the Resolution, the *Making the Greatest Place* (MGP) effort continued to evolve to be both outcomes-based and performance-driven. The Regional Transportation Plan (RTP) update, High Capacity Transit (HCT) plan and Urban Growth Report further developed and applied an outcomes-based evaluation framework that considers economic, environmental and equity benefits and impacts in the decision-making process.

The framework is an organizational construct that blends the three-legs of the sustainability stool concept with the triple-bottom line concept to ensure land use, transportation and investment decisions support the long-term sustainability of the region and provide the best return on public investments.

## Outcomes-Based Framework



*Figure 1. Outcomes-Based Evaluation Framework to evaluate whether land use, transportation and investment decisions help the region make progress toward achieving the Six Desired Outcomes.*

### **Staff Recommendation**

Staff proposes using this framework and the following approach to further implement the intent of Resolution No. 08-3940:

- Amend the Regional Framework Plan to formally adopt the six Desired Outcomes as policy.
- Finalize the preliminary list of targets for use in measuring progress toward achieving the six Desired Outcomes, also to be adopted as part of the Regional Framework Plan, as appropriate.

The proposed framework policy and targets are shown in **Attachment 1**. The recommended approach will codify the Desired Outcomes, define broad targets, and allow for more detailed transportation, land use, environmental, equity, and economic measures to be compiled in either an appendix to the framework plan or as part of the Regional Transportation Functional Plan or Urban Growth Management Functional Plan. The measures will help track the effectiveness of various regional and local actions. This will link together the performance measures already adopted (e.g., for Nature in Neighborhoods) and give Metro the flexibility to modify them as new measures or analysis tools are developed through the Regional Indicators process, Regional Transportation Plan or other efforts. In some cases, there are (or will be) state or federal standards that the region must meet. **Attachment 2** illustrates the relationship between the Six Desired Outcomes, proposed Regional Framework Plan policy and more detailed measures that have been or will be developed.

**Further refinement of the targets is needed as they are intended to be broad yet descriptive.** Many measures have already been defined – some to respond to state requirements and recent federal legislation, some have been identified through the Regional Transportation Plan and High Capacity Transit Plan, some through previous environmental efforts and infrastructure analysis -- yet they have never been assembled or linked together.

### **Next Steps**

Staff is seeking support for the proposed framework and categories of targets. With this support, staff will continue to refine the draft targets with Metro's advisory committees for inclusion in the Regional Framework Plan and appendix in 2010. Both MPAC and JPACT have endorsed a preliminary set of targets for evaluating the Regional Transportation Plan – which served as a starting point for this proposal. The measures the RTP work group developed will be used to evaluate the RTP and determine contribution to achieving the targets and desired outcomes. This evaluation process will help define reasonable targets and test measures. This evaluation may also inform the final set of targets established in 2010.

Over time, effectiveness of the various local and regional actions will be monitored through such existing methods as the State of the Watersheds report (as directed by Title 13), periodic Regional Transportation Plan updates, redevelopment capacity updates as well as new monitoring methods, such as the federally-required Congestion Management Process Report and future updates to the State of the Centers Report and the Regional Mobility Corridor Atlas. Regional and local jurisdictions can use the results of these reports to modify budgets and action plans.

## Draft “Outcomes” Policy for the Regional Framework Plan

It is the policy of the Metro Council to manage growth in the region to achieve the following outcomes:

- People live and work in vibrant communities where they can choose to walk for pleasure and to meet everyday needs.
- Current and future residents benefit from the region’s sustained economic competitiveness and prosperity.
- People have safe and reliable transportation choices that enhance their quality of life.
- The region is a leader in minimizing contributions to global warming.
- Current and future generations enjoy clean air, clean water and healthy ecosystems.
- The benefits and burdens of growth and change are distributed equitably.

Metro and local governments will adopt strategies and take actions to achieve these outcomes, measure the effectiveness of its strategies and actions in achieving the outcomes and adjust the strategies and actions over time to make them more effective. Local government strategies and actions will be defined in the Urban Growth Management Functional Plan and the Regional Transportation Functional Plan. The performance targets shall be included in an appendix to this Regional Framework Plan, as appropriate, and may be revised as more and better data become available. The following targets shall guide selecting more detailed performance measures:

### Regional Performance Targets

<b>Wealth creation</b> – By 2035, the share of living-wage jobs in centers, corridors, employment and industrial areas increases by XX percent.
<b>Compact urban form</b> – By 2035, the share of residents who live in centers and corridors increases by XX percent.
<b>Traveler safety</b> – By 2035, crashes, injuries and fatalities decline by XX percent.
<b>Business efficiency</b> – By 2035, the cost of delay for freight and goods movement on the regional freight network declines by XX percent.
<b>Infrastructure resilience</b> – By 2035, the share of the region’s infrastructure systems in good condition increases by XX percent.
<b>Climate change</b> – By 2035, the region reduces its greenhouse gas emissions by XX percent.
<b>Active transportation</b> – By 2035, walking, biking and transit trips increases by XX percent.
<b>Energy efficiency</b> – By 2035, the amount of energy used per person declines by XX percent.
<b>Water efficiency</b> – By 2035, the share of the region’s wastewater that is recycled or beneficially reused increases by XX percent.
<b>Clean air</b> – By 2035, XX percent of the region’s population is exposed to at-risk levels of air pollution.
<b>Clean water</b> – By 2035, XX percent of the region’s streams and rivers are fishable <sup>1</sup> and swimmable.
<b>Healthy ecosystems</b> – By 2035, tree and other vegetative cover in the region increases by XX percent and impervious surface declines by XX percent.
<b>Affordability</b> – By 2035, the share of the region’s households that are cost-burdened declines by XX percent.
<b>Poverty</b> – By 2035, the share of the region’s high school students that qualify for free and reduced lunch programs declines by XX percent.
<b>Access to daily needs</b> – By 2035, the share of region’s low-income, minority, senior and disabled populations that live within 30 minutes of essential destinations by bicycle and public transit increases by XX percent.
<b>Access to nature</b> – By 2035, XX percent of the region’s residents live within ½-mile of a park, open space or regional trail.

<sup>1</sup> Rivers and streams that have historically been fish-bearing.



## MPAC Worksheet

**Agenda Item Title:** Regional Transportation Plan Adoption Package

**Presenter:** Kim Ellis

**Contact for this worksheet/presentation:** Kim Ellis (x1617)

**Council Liaison Sponsors:** Rex Burkholder and Rod Park

**Purpose of this item (check no more than 2):**

Information       X    
Update                   
Discussion               
Action                 

**MPAC Target Meeting Date:**   August 12, 2009  

Amount of time needed for:

Presentation      5    
Discussion        10  

**Purpose/Objective:**

The purpose of the item is to provide an update on the Regional Transportation Plan adoption package that will be subject to public comment from September 15 to October 15 and next steps for finalizing the plan – accepting the policy framework, projects and core planning elements by the end of the year (by Resolution) and final adoption (by Ordinance) during Summer 2010. The presentation will also include an overview of the projects submitted by local, state and regional agencies in response to the RTP “Call For Projects” issued by MPAC, JPACT and the Metro Council in June.

**Action Requested/Outcome:**

No action requested. This item is informational.

**Background and context:**

Work is underway to prepare a series of draft RTP documents that will be subject to public comment this fall. The draft documents will be released as part of the Chief Operating Officer’s (COO) recommendation for the *Making the Greatest Place* effort. The current schedule provides for technical advisory committee review of the draft RTP documents during the public comment period. The integrated technical and public comment period is scheduled from September 15 to October 15, 2009. The public comment period will also provide an opportunity to comment on other *Making the Greatest Place* elements (including an updated draft of the Urban Growth Report and potential urban and rural reserves).

During the comment period, six *Making the Greatest Place* open houses will be held around the region. Four of the open houses will be held in conjunction with Metro Council meetings that will include public hearings where oral and written comments may be submitted on all *Making the Greatest Place* elements, including the RTP. Two of the open houses will accept written and online comments only. Efforts are being made to increase participation by minority, low-income and limited English proficiency community members. The table below lists all the open houses and the kinds of comment that may be submitted.

### Fall 2009 Open House and Public Hearing Schedule for Making the Greatest Place

	Date/Time	Location
#1	<b>Monday, September 21, 2009</b> <ul style="list-style-type: none"> <li>• Open house only</li> <li>• 2 – 4 p.m.</li> </ul>	Hillsboro Civic Center 150 E. Main Street
#2	<b>Tuesday, September 22, 2009</b> <ul style="list-style-type: none"> <li>• Open house only</li> <li>• 5 p.m. to 7:45 p.m.</li> </ul>	Multnomah County Library, N. Portland branch 512 N. Killingsworth St., Portland
#3	<b>Thursday, September 24</b> <ul style="list-style-type: none"> <li>• Open house begins at 4 p.m.</li> <li>• Public hearing begins at 5 p.m.</li> </ul>	Beaverton City Hall 4755 SW Griffith Dr.
#4	<b>Thursday, October 1</b> <ul style="list-style-type: none"> <li>• Open house begins at 4 p.m.</li> <li>• Public hearing begins at 5 p.m.</li> </ul>	Gresham City Hall 1333 NW Eastman Parkway
#5	<b>Thursday, October 8</b> <ul style="list-style-type: none"> <li>• Open house begins at 4 p.m.</li> <li>• Public hearing begins at 5 p.m.</li> </ul>	Happy Valley City Hall 16000 SE Misty Drive
#6	<b>Thursday, October 15</b> <ul style="list-style-type: none"> <li>• Open house begins at 4 p.m.</li> <li>• Public hearing begins at 5 p.m.</li> </ul>	Metro Regional Center Council Chamber 600 NE Grand Avenue, Portland

#### What packet material do you plan to include?

Memo on 2035 Regional Transportation Plan (RTP) adoption package and public comment period (dated August 5, 2009)

#### What is the schedule for future consideration of item:

September 15 to October 15	30-day public comment period is planned as part of the Making the Greatest Place effort.
October – December	JPACT, MPAC and Metro Council will consider public comments, the preliminary system evaluation, and amendments prior to action (by Resolution).
Winter-Spring 2010	Staff completes the final system analysis (including air quality conformity), prepare findings and a final document, and finalize regional transportation functional plan amendments to guide local plan implementation.
Spring 2010	Final 45-day public comment period will occur prior to final action.
Summer 2010	JPACT, MPAC and Metro Council consider public comments and prior to final action (by Ordinance).

 **Metro** | *Memo*

Date: August 5, 2009

To: MPAC, JPACT and interested parties

From: Kim Ellis, RTP Project Manager

Re: 2035 Regional Transportation Plan (RTP) adoption package and public comment period

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### **Purpose**

The purpose of this memo is to provide background information on the RTP adoption package that will be subject to public comment and next steps for finalizing the plan – adopting the policy framework and core planning elements by the end of the year and final adoption during Summer 2010. Throughout the summer, Metro staff will be updating the 2035 Regional Transportation Plan (RTP) document and other supporting documents in preparation for a 30-day public comment period. The comment period is planned for September 15 through October 15, 2009.

### **Action Requested**

No action is requested. This is informational.

### **Background**

During the past year, RTP work focused on framing and refining transportation and land-use choices as part of the broader *Making the Greatest Place* effort. This comprehensive effort seeks to integrate local and regional land use and transportation investments to focus future population and employment growth in centers, corridors, employment and industrial areas, in keeping with the 2040 Growth Concept.

At the same time, Metro and its regional partners continued to work on related planning efforts that will be included in the RTP: the Sunrise Corridor project, the I-5/99W connector study, the Sellwood Bridge study, the high-capacity transit (HCT) system plan, the regional freight and goods movement plan and the Transportation System Management and Operations (TSMO) plan. Metro also worked with communities around the region to identify their local land use, transportation and public infrastructure-related aspirations for managing growth and the investments needed to support them.

Metro has also convened a bicycle work group to identify policy refinements to respond to public comments received during the federal component of the RTP update and to incorporate active transportation policy recommendations identified by the Blue Ribbon Committee for Trails. Metro will develop other policy refinements in the draft plan to further implement policy direction from the HCT, TSMO and Freight Plans and policy direction from JPACT and MPAC on performance targets. Finally, local governments, the Oregon Department of Transportation, TriMet and South Metro Area Rapid Transit (SMART) also identified investment priorities to include in the draft plan.

Now is the time to pull the pieces of these planning efforts together to finalize the 2035 RTP by the end of 2009. Work is underway to prepare a series of draft documents that will be subject to public comment this fall. The current schedule provides for technical advisory committee review of the draft

RTP documents during the public comment period. Projects and programs submitted by local, state and regional agencies will undergo a system-level performance evaluation, policy review and formal public comment as part of the process of finalizing the RTP.

### **Summary of RTP Adoption Package and Public Comment Period**

The integrated technical and public comment period is scheduled from September 15 to October 15, 2009. The public comment period will also provide an opportunity to comment on other *Making the Greatest Place* elements (including an updated draft of the Urban Growth Report and potential urban and rural reserves) and the following RTP-related documents:

- **Exhibit A: Draft 2035 Regional Transportation Plan**

*The plan document approved in 2007 as part of the federal component of the RTP update will be modified to reflect refinements to policies, projects and strategies identified since 2008. In addition, the plan will be consolidated into the following chapters to improve readability:*

**Chapter 1 – THE CASE FOR CHANGE: Why is a new approach needed for planning and investment in the region’s transportation system?**

This chapter describes the role of the RTP and its relationship to the *Making the Greatest Place* effort, key trends and challenges affecting the region and the need do things differently to achieve local and regional aspirations.

**Chapter 2– VISION: What is our vision for the transportation system?**

This chapter presents the role of the RTP in helping achieve the region’s desired outcomes and policies to guide planning and investment in the regional transportation system.

**Chapter 3 – INVESTMENT STRATEGY: What is our strategy for achieving this vision?**

This chapter documents transportation funding constraints and the strategies recommended to address the region’s desired outcomes and transportation needs given limited funding.

**Chapter 4 – PERFORMANCE ASSESSMENT AND MONITORING: How far can we get toward achieving our vision?**

This chapter describes the outcomes-based framework that will be used to evaluate benefits and impacts of the system of investments recommended in Chapter 3 and direct on-going monitoring conducted in between plan updates.

**Chapter 5 – IMPLEMENTATION: How do we implement our strategy?**

This chapter describes implementation processes and actions that will follow this update, setting the stage for addressing issues that remain unresolved at the time the RTP is adopted.

- **Exhibit B: Draft Transportation System Management and Operations (TSMO) Action Plan**

*The draft plan was developed in partnership with agencies across the region. The plan includes a policy framework, strategies and investments recommended to expand current TSMO investment efforts.*

- **Exhibit C: Draft Regional Freight and Goods Movement Action Plan**

*The draft plan was developed in partnership with the Regional Freight and Goods Movement Task Force with representatives from the freight industry, community members and government agencies. The plan includes a policy framework, strategies and investments recommended to support a multi-modal, sustainable freight network.*

- **Exhibit D: Draft High Capacity Transit (HCT) System Plan**

*The draft plan was developed in partnership with agencies and community members across the region. The plan identifies where new HCT connections could be developed over the next 30 years. The plan provides a policy framework for prioritizing corridors for HCT investment and strategies recommended to leverage the existing HCT system and future HCT investments.*

- **Exhibit E: Draft Regional Transportation Functional Plan**

*The draft regional transportation functional plan codifies existing functional plan elements that were included in Chapter 7 of the current 2035 RTP. Additional refinements will be developed in partnership with Metro advisory committees to address new policies and strategies recommended in Exhibits A-D.*

The draft documents will be available for review on Metro's website at [www.oregonmetro.gov](http://www.oregonmetro.gov) and as printed documents upon request once the comment period begins.

### Public Comment Opportunities

During the comment period, six *Making the Greatest Place* open houses will be held around the region. Four of the open houses will be held in conjunction with Metro Council meetings that will include public hearings where oral and written comments may be submitted on several *Making the Greatest Place* products, including the RTP-related documents listed above. Two of the open houses will accept written and online comments only. Efforts will be made to increase participation by minority, low-income and limited English proficiency community members. The table below lists all the open houses and the kinds of comment that may be submitted.

**Fall 2009 Open House and Public Hearing Schedule**

	<b>Date/Time</b>	<b>Location</b>
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In addition, RTP-related comments may be submitted via fax to (503) 797-1930, e-mail to [ntp@oregonmetro.gov](mailto:ntp@oregonmetro.gov), mail to RTP Public Comment, Metro Planning, 600 NE Grand Avenue, Portland, OR 97232 or through testimony provided at the Metro Council public hearings. All written comments are due at Metro by 5:00 p.m. on Thursday, October 15, 2009. RTP-related comments will be entered into the public record and will be provided to staff and elected officials prior to final consideration and action on the 2035 RTP and related documents.

Final consideration by MPAC, JPACT and the Metro Council is scheduled for November 18 and December 10 and 17, respectively. This action is pending completion of additional work in 2010. The approval action, which involves adoption of the RTP plan elements by resolution, will direct staff to complete the final system analysis (including air quality conformity), prepare findings and a final document, and finalize regional transportation functional plan amendments to guide local plan implementation.

### **Next Steps**

August	Metro staff will begin the performance evaluation and compile draft RTP documents to be released for public comment.
September 15 to October 15	30-day public comment period is planned as part of the Making the Greatest Place effort. Opportunities to comment will be made available on Metro's website and through a series of public hearings and open house events held throughout the region.
October – December	JPACT, MPAC and Metro Council will consider public comments, the preliminary system evaluation, and amendments prior to action (by Resolution).
Winter-Spring 2010	Staff completes the final system analysis (including air quality conformity), prepare findings and a final document, and finalize regional transportation functional plan amendments to guide local plan implementation.
Spring 2010	Final 45-day public comment period will occur prior to final action.
Summer 2010	JPACT, MPAC and Metro Council consider public comments and prior to final action (by Ordinance).
Fall 2010	Consultation with federal and state agencies on conformity and periodic review of the RTP begins.

## Topic: urban reserves

### Group questions:

- How can urban reserve designations best support continued implementation of the 2040 growth concept?
- What urban reserve designations will complement and enhance centers, corridors and employment areas and how will the new areas be served with infrastructure considering limited local and regional funds?
- How will development patterns at the edge of the urban growth boundary change in the next 40-50 years in response to large scale economic and demographic trends?
- What level of land use, governance, and infrastructure planning should be completed in urban reserve areas after designation?

### Background:

Clackamas County, Multnomah County, Washington County and Metro (the “Core 4”) are working together under new state statute and administrative rules to designate urban and rural reserves. Urban reserves will be designated by Metro on lands currently outside the urban growth boundary that are suitable for accommodating urban development over the next 40 to 50 years. Work in 2009 has focused on assessing the suitability of identified candidate areas in each county; these recommendations will be brought to the regional table in September. This fall the region will engage in a discussion of how reserves designations, as part of the broader Making The Greatest Place process, can serve to best implement the 2040 Growth Concept. Thus, key elements of the conversation will be how reserve designations link to and support local aspirations for existing centers, corridors and employment areas; how the region and local governments will target infrastructure funds; and how development patterns are likely to change both inside and outside the existing urban growth boundary over the next 40 to 50 years.

### Group decision:

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### Group’s reasoning for decision:

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## Topic: rural reserves

### Group questions:

- Will natural landscape features be best preserved inside or outside urbanized areas in the future?
- What form of rural reserves (for example, buffer strips or large areas) will best accomplish the intent of the reserves legislation and rules?
- How important will small-scale farming operations and local food supply be to the future of this region and how should rural reserve designations support that future?

### Background (see urban reserve sheet as well):

Rural reserves will be designated by each county on lands outside the current urban growth boundary that are high value working farms and forests or have important natural features like rivers, wetlands, buttes and floodplains. These areas will be protected from urbanization for the next 40 to 50 years. Reserve designations will not change current zoning or restrict landowners' currently allowed use of their lands. They will provide greater clarity regarding the long term expected use of the land and allow both public and private landowners to make long term investments with greater assurance. The administrative rules for rural reserves require consideration of a variety of factors relating to each area's significant agriculture, forestry, and/or natural landscape features, as well as consideration of whether areas will be "potentially subject to urbanization" over the 40 to 50 year time horizon. Detailed application of these factors to the candidate areas has been a main focus of work this year. As with urban reserves, each county will be providing the region with suitability assessments and reserve designation recommendations in September. These recommendations must be combined, with urban reserve and non-reserve areas, into a long-term plan for the region.

### Group decision:

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### Group's reasoning for decision:

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MPAC Assignments to Small Group Discussions  
Urban and Rural Reserves  
August 12, 2009

Urban Reserves

Charlotte Lehan  
Shane Bemis  
Jerry Willey  
Alice Norris  
Judy Shiprack  
Sam Adams  
Jody Carson  
Richard Kidd\*  
Richard Burke  
Nathalie Darcy  
Dilafruz Williams

**Alternates:**

Jim Kight  
Nick Fish  
Donna Jordan  
Andy Duyck  
Clark Balfour  
Ed Gronke  
Matt Berkow  
Catherine Arnold

**Advisory members:**

Meg Fernekees  
Laura Hudson  
Ken Allen  
Robert Kindel

**Liaisons:**

Robert Liberty  
Carl Hosticka

**Rooms**

501

Rural Reserves

Tom Brian  
Denny Doyle  
Jack Hoffman  
Mike Weatherby  
Donald McCarthy  
Amanda Fritz  
Dick Jones  
Rick Van Beveren  
Wilda Parks\*  
Michelle Poyourow

Jeff Cogen  
Shirley Craddick  
Bob Austin  
Deborah Barnes  
Keith Mays  
Dresden Skees-Gregory  
Ruth Adkins  
Doug Neeley  
Aron Carleson

Richard Whitman  
Steve Stuart  
Pat Campbell  
Terri Haas

Rod Park

270

\*= suggested MPAC member lead for each group

Materials following this page were distributed at the meeting.

**ADMINISTRATIVE RULES: METRO CODE CHAPTER 7.04**

Effective July 1, 2006, and extended through September 30, 2014, Metro has established as Metro Code Chapter 7.04 a Construction Excise Tax ("CET"). These Administrative Rules establish the procedures for administering this tax as mandated in Metro Code Section 7.04.050 and Metro Code Section 7.04.060. For ease of reference a copy of Metro Code Chapter 7.04 is attached to these administrative rules.

**I. Metro Administrative Matters.**

- A. Definitions. These administrative rules incorporate the definitions as set forth in Metro Code Section 7.04.030 of Chapter 7.04, Construction Excise Tax, and Chapter 3.07, the Urban Growth Management Functional Plan.
- B. Designated Representatives (Metro Code Section 7.04.060). The Metro Chief Operating Officer ("COO) is responsible for the administration and enforcement of the Metro Code Chapter 7.04 and these administrative rules.
  - 1. The COO may delegate his authority in administration and enforcement of the Code chapter and these administrative rules as he determines and as set forth herein.
  - 2. The COO shall appoint a Hearings Officer(s), which appointment shall be confirmed by the Metro Council. The Hearings Officer(s) shall have the authority to order refunds or rebates of the Construction Excise Tax or waive penalties as a result of the hearings process. Upon appointing a Hearings Officer, the Chief Operating Officer shall delegate authority to the Hearings Officer to administer oaths, certify to all official acts, to subpoena and require attendance of witnesses at hearings to determine compliance with this chapter, rules and regulations, to require production of relevant documents at public hearings, to swear witnesses, to take testimony of any Person by deposition, and perform all other acts necessary to adjudicate appeals of Construction Excise Tax matters.
- C. Internal Flow of Funds. Funds will be accounted for in a Construction Excise Tax account that will be created by the effective date of Metro Code Chapter 7.04.
- D. Rate Stabilization Reserves. Metro Code Chapter 7.04.200 states that the Council will, each year, as part of the Budget process, create reserves from revenues generated by the CET. These reserves are to even out collections thereby stabilizing the funds needed to support the applicable programs despite industry building activity fluctuation. These reserves can only be drawn on to support the specific budgeted activities as discussed in Section I.E. of these administrative rules. Due to their restricted nature, these reserves shall be reported as designations of fund balance in Metro's General Fund.
- E. Dedication of Revenues. Revenues derived from the imposition of this tax, netted after deduction of authorized local jurisdiction costs of collection and administration, will be solely dedicated to grant funding of the regional and local planning that is required to make land ready for development after inclusion in the Urban Growth Boundary.
- F. Rule Amendment. The Chief Operating Officer retains the authority to amend these administrative rules as necessary for the administration of the Construction Excise Tax.

**II. Construction Excise Tax Administration.**

A. Imposition of Tax (Metro Code Section 7.04.070).

1. The CET is imposed on every Person who engages in Construction within the Metro jurisdiction, unless an Exemption applies as set forth herein.
2. The tax shall be due and payable at the time of the issuance of any building permit, or installation permit in the case of a manufactured dwelling, by any building authority, unless an Exemption applies as set forth herein.
3. The CET shall be calculated and assessed as of the application date for the building permit. Persons obtaining building permits based on applications that were submitted prior to July 1, 2006 shall not be required to pay the CET, unless the building permit issuer normally imposes fees based on the date the building permit is issued.
4. If no permit is issued, then the CET is due at the time the first activity occurs that would require issuance of a building permit under the State of Oregon Building Code.

B. Calculation of Tax (Metro Code Section 7.04.080). The CET is calculated by multiplying the Value of New Construction by the tax rate of 0.12%

(0.0012 x Value of New Construction)

- a. In the case of a Manufactured Dwelling for which no Exemption is applicable, and for which there is no building code determination of valuation of the Manufactured Dwelling, the applicant's good faith estimate of the Value of New Construction for the Manufactured Dwelling shall be used.

C. Exemptions (Metro Code Section 7.04.040).

1. Eligibility for Exemption. No obligation to pay the CET is imposed upon any Person who establishes, as set forth below, that one or more of the following Exemptions apply:
  - a. The Value of New Construction is less than or equal to One Hundred Thousand Dollars (\$100,000); or
  - b. The Person who would be liable for the tax is a corporation exempt from federal income taxation pursuant to 42 U.S.C. 501(c)(3), or a limited partnership the sole general partner of which is a corporation exempt from federal income taxation pursuant to 42 U.S.C. 501(c)(3), the Construction is used for residential purposes AND the property is restricted to being occupied by Persons with incomes less than 50 percent (50%) of the median income for a period of 30 years or longer; or
  - c. The Person who would be liable for the tax is exempt from federal income taxation pursuant to 42 U.S.C. 501(c)(3) AND the Construction is dedicated for use for the purpose of providing charitable services to Persons with income less than 50 percent (50%) of the median income.
2. Procedures for Establishing and Obtaining an Exemption; Exemption Certificates:

- a. For exemption (a) above, the exemption will be established at the building permit counter where the Value of New Construction as determined in the building permit is less than or equal to One Hundred Thousand Dollars (\$100,000).
- b. For exemptions (b) and (c) above, prior to applying for a building permit a Person claiming an exemption may apply to Metro for a Metro CET Exemption Certificate, by presenting the appropriate documentation for the exemption as set forth herein, and upon receiving a Metro CET Exemption Certificate the Person may present the certificate to the building permit issuer to receive an exemption from paying the CET; or
- c. For exemptions (b) and (c) above, instead of going to Metro to obtain a Metro CET Exemption Certificate, a Person claiming an exemption from the CET when applying for a building permit may submit to the building permit issuer Metro's CET Exemption Certificate application form. Upon receiving a Person's Metro CET Exemption Certificate application, the building permit issuer shall preliminarily authorize the exemption and shall not collect the CET. The building permit issuer shall forward the Person's Metro CET Exemption Certificate application to Metro along with the quarterly CET report. It shall be Metro's responsibility to determine the validity of the exemption and to institute collection procedures to obtain payment of the CET, as well as any other remedy Metro may have under law, if the Person was not entitled to the exemption;
- d. To receive a Metro CET Exemption Certificate from Metro, or to substantiate to Metro the validity of an exemption received from a local building permit issuer, an applicant must provide the following:
  - i. IRS tax status determination letter evidencing that the Person seeking the building permit is exempt from federal income taxation pursuant to 42 U.S.C. 501(c)(3); and
  - ii. In the case of residential property, proof that the property is to be restricted to low income persons, as defined, for at least 30 years. Proof can be in the form of loan covenants; rental agreements or grant restrictions; a certification from the entity's corporate officer attesting that the exemption is applicable; or any other information that may allow the exemption determination to be made; and
  - iii. In the case of a qualified tax-exempt entity providing services to Persons with incomes less than 50 percent of the median income, the applicant must provide information that will allow such tax exempt status to be verified, and proof that the property will be restricted to such uses. Proof can be in the form of loan covenants; rental agreements or grant restrictions; certification from the entity's corporate officer attesting that the exemption is applicable; or any other information that may allow the exemption determination to be made; and
  - iv. In the case of a limited partnership with a tax-exempt sole general partner corporation, verification from the partnership's attorney of that status is required; and

v. Authorization to audit the records to verify the legal status and compliance with Metro qualifications of all entities claiming exempt status.

e. Partial Applicability of Exemption. If an exemption is applicable to only part of the Construction, then only that portion shall be exempt from the CET, and CET shall be payable for the remainder of the Construction that is not eligible for an exemption, on a pro-rata basis. It shall be the responsibility of the Person seeking the partial exemption to fill out a Metro CET Exemption Certificate application for the partial exemption, declaring on that application the proportion of the Construction qualifies for the exemption. Upon receiving a Person's Metro CET Exemption Certificate application claiming a partial exemption, the building permit issuer shall preliminarily authorize the partial exemption and shall only collect the pro-rata CET as declared by the applicant. The building permit issuer shall forward the Person's Metro CET Exemption Certificate application to Metro along with the quarterly CET report. It shall be Metro's responsibility to determine the validity of the partial exemption and to institute collection procedures to obtain payment of the remainder of the CET, as well as any other remedy Metro may have under law, if the Person was not entitled to the partial exemption.

D. Ceiling (Metro Code Section 7.04.045).

1. If the CET imposed would be greater than \$12,000.00 (Twelve Thousand Dollars) as measured by the Value of New Construction that would generate that amount of tax, then the CET imposed for that Construction is capped at a Ceiling of \$12,000.00 (Twelve Thousand Dollars).

2. The Ceiling applies on a single structure basis, and not necessarily on a single building permit basis. For example:

a. If a single building permit is issued where the Value of New Construction is greater than or equal to Ten Million Dollars (\$10,000,000), then the CET for that building permit is capped at Twelve Thousand Dollars (\$12,000.00).

b. If Construction in a single structure will require multiple building permits during the pendency of the CET program, and the total CET that would be imposed for those building permits would add up to more than Twelve Thousand Dollars (\$12,000.00), then the total CET for those building permits within the same structure during the pendency of the CET program is capped at Twelve Thousand Dollars (\$12,000.00). Once a total of \$12,000.00 has been paid in CET for a particular structure, then no additional CET will be collected for that structure during the pendency of the CET program.

E. Rebates (Metro Code Section 7.04.120). If a CET has been collected and a CET Exemption or the CET Ceiling was applicable, a rebate for the CET may be obtained from Metro.

1. Procedures for obtaining rebate are:

a. Within thirty (30) days of paying the CET, the Person who believes that the CET was not applicable due to a CET exemption or CET Ceiling, shall apply for a rebate in writing to Metro and provide verification that the exemption eligibility provisions of Metro Code Section 7.04.040, or that the CET Ceiling provisions of Metro Code

Section 7.04.045, have been met. Failure to seek a rebate within the thirty (30) day time limit will terminate a Person's right to seek a rebate.

- b. Applicant shall provide proof that the CET was paid, in the form of a paid receipt from the building permit issuer showing the tax was paid. All supporting documentation for the exemption or ceiling shall be submitted at the time of the rebate claim. The rebate will only be made to the name that is listed on the receipt unless the applicant has a written assignment of rebate.
- c. A rebate or a letter of denial shall be issued by Metro within thirty (30) days of receipt of a written request for rebate provided that the request includes all required information. The rebate will be calculated based upon the paid receipt, less the 5% administrative fee already retained by the building permit issuer and the 2.5% Metro administration fee.

F. Refunds (Metro Code Section 7.04.150). If a CET has been collected and the Construction was not commenced and the building permit was cancelled, a refund for the CET may be obtained from Metro.

- 1. Eligibility is determined by the absence of Construction and cancellation of the building permit.
- 2. Procedures for obtaining refund:
  - a. Apply in writing to Metro within thirty (30) days of permit cancellation.
  - b. Provide copy of canceled permit.
  - c. Provide proof of payment of the tax in the form of the paid receipt.
  - d. A refund or a letter of denial shall be issued by Metro within thirty (30) days of receipt of the written request for refund provided that the request includes all required information. The refund will be calculated based upon the paid receipt, less the 5% administrative fee already retained by the building permit issuer and the 2.5% Metro administration fee.
  - e. Failure to seek a rebate within the thirty (30) day time limit will terminate a Person's right to receive a refund.

G. Appeals. The Hearings Officer shall conduct hearings related to enforcement or appeals of the CET. The appeal to the Hearings Officer must be:

- 1. In writing;
- 2. Made within ten (10) calendar days of denial of a refund, rebate, or exemption request. Notice of denial to the party denied, is deemed to have occurred three days after the mailing of the certified denial letter from Metro;
- 3. Tax must be paid prior to appeal;

4. Directed to the Office of Metro Attorney, who will contact the Hearings Officer to schedule a hearing upon receipt of a written appeal. The Hearings Officer will at that time provide further information as to what documentation to bring to the hearing.
- H. Review. Review of any action of the Chief Operating Officer or Hearings Officer, taken pursuant to the Construction Excise Tax Ordinance, or the rules and regulations adopted by the Chief Operating Officer, shall be taken solely and exclusively by writ of review in the manner set forth in ORS 34.010 through 34.100, provided, however, that any aggrieved Person may demand such relief by writ of review.
- I. CET Sunset (Metro Code Section 7.04.230).
1. The CET shall not be imposed on and no person shall be liable to pay any tax for any Construction activity that is commenced pursuant to a building permit issued on or after September 30, 2014.
  2. Local governments collecting CETs shall remit the CETs to Metro on a quarterly or monthly basis, based on the jurisdiction's CET Collection IGAs with Metro. Each quarter, within thirty days of receiving CET remittances from all collecting local jurisdictions, Metro will issue a written statement of the total CET that Metro has received that quarter and cumulatively.
  3. CET remittance to Metro shall be net of the local government's administrative expenses in collecting the CET, up to 5% of the CET collected by the local government as set forth in the Metro CET Collection IGA. This net amount of CET remitted to Metro shall be the basis for Metro's calculations of CET cumulative totals and for the calculation of when the \$6.3 million CET has been reached.
  4. The CET shall cease to be imposed by local governments on September 30, 2014, and shall be remitted by the local governments to Metro as soon thereafter as possible.

### **III. CET Collection Procedures.**

- A. Local Government CET Collection and Remittance Via Intergovernmental Agreements (Metro Code Section 7.04.110). For those local governments collecting the CET pursuant to Intergovernmental Agreements with Metro, the following procedures shall apply:
1. CET Report; Information Required. Each quarter (unless a local government prefers to report monthly), along with its CET remittance to Metro, the local government shall prepare and submit to the Metro Chief Operating Officer a report of the CETs and building permits issued for the previous quarter's construction activities. The report shall include: the number of building permits issued that quarter; the aggregate value of construction; the number of building permits for which CET exemptions were given; the aggregate value of construction for the exempted construction; the aggregate amount of CET paid; and the amount of CET administrative fee retained by the local government pursuant to this CET Collection IGA.
  2. CET Remittance to Metro. Local governments collecting CET via IGAs with Metro shall remit the collected CET to Metro. Remittance shall be quarterly, unless a jurisdiction prefers to remit the CET monthly, by the 30<sup>th</sup> of the month following the quarter (or month) ending. Quarters end on September 30, December 31, March 31 and June 30 of each year.

CET remittance and the CET Report shall be sent to Metro, attn Construction Excise Tax Accounting Specialist, 600 NE Grand, Portland, Oregon 97232.

3. Remuneration to Local Government for Collecting CET. As consideration for collecting the CET, each local government collecting the CET shall retain no more than five percent (5%) of the tax collected by that local government. This payment is intended to be a reimbursement of costs incurred. Prior to submitting the CET to Metro, the local government shall deduct the remuneration agreed upon directly from the collected tax, and the amounts deducted and retained shall be identified on the report submitted to Metro.
  4. Metro Administrative Fee. To partially reimburse Metro for its costs in implementing and administering the CET program, Metro will retain 2.5% of the net CET funds remitted by local governments to Metro.
  5. Audit and Control Features. Each local government shall allow the Chief Operating Officer, or any person authorized in writing by the Chief Operating Officer, to examine the books, papers, building permits, and accounting records relating to any collection and payment of the tax, during normal business hours, and may investigate the accuracy of reporting to ascertain and determine the amount of CET required to be paid.
  6. Failure to Pay. Upon a Person's refusal to or failure to pay the CET when due, the local government administering that Person's building permit shall notify Metro in writing within five (5) business days of such failure, with information adequate for Metro to begin collection procedures against that Person, including the Person's name, address, phone numbers, Value of New Construction, Construction Project, and building permit number. Upon a Person's refusal or failure to pay the CET, it shall be Metro's responsibility to institute collection procedures to obtain payment of the CET as well as any other remedy Metro may have under law.
- B. Metro Collection Procedures in Event of Non-payment. The CET is due and payable upon issuance of a building permit. It is unlawful for any Person to whom the CET is applicable to fail to pay all or any portion of the CET. If the tax is not paid when due, Metro will send a letter notifying the non-payer of his obligation to pay the CET along with the following information:
1. Penalty. In addition to any other fine or penalty provided by Chapter 7.04 of the Metro Code, penalty for non- payment will be added to the original tax outstanding. That penalty is equal to \$50.00 or the amount of the tax owed, whichever is greater.
  2. Misdemeanor. In addition to any other civil enforcement, non- payment of the CET is a misdemeanor and shall be punishable, upon conviction, by a fine of not more than five hundred dollars (\$500.00). This fine shall be charged to any officer, director, partner or other Person having direction or control over any Person not paying the tax as due.
  3. Enforcement by Civil Action. If the tax is not paid, Metro will proceed with collection procedures allowable by law to collect the unpaid tax, penalties assessed and fines due, including attorney fees.

**IV. Revenue Distribution (Metro Code Section 7.04.220).**

A. Grant Cycles. CET funds collected pursuant to the 2009 extension of the CET shall be allocated in two new application assessment cycles. After allocation of the initial \$6.3 million, additional CET funds shall be allocated as grants in two new application assessment cycles, for funds anticipated to be received by the CET through September 2014:

1. The first new grant allocation cycle shall take place in FY 2009-2010, which shall allocate up to \$3.5 million in CET Grants. Grant Requests in this cycle may be made for planning in all areas that are in the Urban Growth Boundary as of December 2009.

2. The second new grant allocation cycle shall take place in FY 2011-2012, and shall allocate the remainder of the expected CET collections for this cycle. Grant Requests in this cycle may be made for planning in all areas that are in the Urban Growth Boundary as of December 2009, plus New Urban Areas and Urban Reserves. The second allocation cycle shall earmark 50% of projected second-cycle CET revenues for New Urban Areas and Urban Reserves, contingent upon receipt of qualified Grant Requests for New Urban Areas and Urban Reserves, based upon Grant Evaluation Criteria set forth below, that equal or exceed those projected revenues.

~~The first shall be an allocation cycle in FY 2009-2010, which shall allocate up to \$3.5 million in grants. The second new allocation cycle shall begin in approximately December 2011, which shall allocate the remainder of the CET collections expected to be collected by September 30, 2014.~~

~~2. The second allocation cycle shall earmark 50% of projected second-cycle CET revenues for New Urban Areas and Urban Reserves, contingent upon receipt of Grant Requests for New Urban Areas and Urban Reserves that equal or exceed the earmarked funds. If Grant Requests are not submitted for New Urban Areas and Urban Reserves that equal or exceed the earmarked funds, the excess earmarked funds shall be used for other CET Grant Requests.~~

3. These cycles may be delayed or amounts reduced if the actual CET receipts remitted by the local governments are not as high as projected, or if CET revenue projections are modified due to market conditions.

~~Metro may delay these cycles if the actual CET receipts remitted by the local governments are not as high as projected, or if CET revenue projections are modified due to market conditions.~~

4. Metro may conduct a third allocation cycle if, after December 2011, the Metro Chief Operating Officer finds that CET receipts are projected to exceed the grant amounts awarded in the first two cycles.

B. CET Grant Screening Committee (“Committee”).

1. Role. A CET Grant Screening Committee (“the Committee”) shall be created, which Committee shall review Grant Requests submitted by local governments. The Committee shall advise and recommend to the Metro Chief Operating Officer (“COO”) the ranking and recommended grant amounts, and whether to grant full, partial, or no awards, in accordance with the CET Grant Evaluation Criteria set forth below. The COO shall review the Committee’s recommendations and shall forward his own grant recommendations, along with the recommendations of the

CET Grant Screening Committee, to the Metro Council. The Metro Council shall make final grant decisions in a public hearing.

2. CET Grant Screening Committee Members. The Committee, including the Committee Chair, will be selected by the Metro COO. The Committee will be comprised of nine individuals representing a variety of expertise from public and private interests, plus one non-voting Metro Councilor to serve as a Metro Council liaison. In appointing Committee members, the Metro COO shall make every effort so that no one jurisdiction or geographic location is disproportionately represented on the Committee. A committee member may have more than one expertise. The Committee shall be comprised of:

- One member with expertise in economic development;
- One member with expertise in urban planning;
- At least one member with expertise in real estate and finance;
- One member with expertise in infrastructure finance relating to development or redevelopment;
- One member with expertise in representing local government;
- One member with expertise in urban renewal and redevelopment;
- One member with expertise in business and commerce representing business interests;
- One member from a Neighborhood Association or Community Planning Commission with an understanding of community livability issues; and
- One member with expertise in environmental sustainability relating to development or redevelopment.

C. Grant Screening Committee Review of Grant Requests.

1. Metro staff shall forward the Grant Request to the members of the Grant Screening Committee, and will provide staff assistance and a staff recommendation to the Committee.
2. The CET Grant Screening Committee shall then review the Grant Requests and evaluate them based on the CET Grant Evaluation Criteria set forth above. The Committee may consult with the proponent of the Grant Request or any others in reviewing the request.
3. After analyzing the Grant Requests, the Committee shall forward to the Metro COO the Committee's recommended ranking and grant amounts for each of the Grant Requests.
4. The Metro COO shall review the Committee's recommendations and shall forward his own grant recommendations, along with the recommendations of the CET Grant Screening Committee, to the Metro Council. The Metro Council shall decide, in a public hearing, whether or not to approve funding of any grants, and the amount of each grant.

DC. Metro Council Grant Approval. The Metro Chief Operating Officer ("Metro COO") shall review the Committee's recommendations and shall forward his own grant recommendations, along with the recommendations of the CET Grant Screening Committee, to the Metro Council. The Metro Council shall make final grant decisions in a public hearing.

E-D. Procedures for Distribution.

1. **Step One: Pre-Grant-Letter of Intent.** Prior to making a written request to Metro for CET grant funds, each ~~local government~~ Grant Applicant that anticipates requesting CET grant funds in the initial cycle shall submit a Letter of Intent to Metro.

a. Grant Applicant. CET Grant applicants shall be cities or counties within the Metro boundary. Other local governments, as defined in ORS 174.116, may apply for a CET Grant only in partnership with a city or county within the Metro boundary.

b. Letter of Intent Submission Date. For Grant Requests in the first allocation cycle, Letters of Intent shall be submitted to Metro within three (3) months of the effective date of the extension to the CET program, i.e., by December 9th, 2009, unless a different date is mutually agreed upon by Metro and the local government. For Grant Requests in the second allocation cycle, Letters of Intent shall be submitted to Metro by December 9th, 2011, unless a different date is mutually agreed upon by Metro and the local government.

c. Letter of Intent Content. The Letter of Intent shall set forth the local government's proposed planning project, the requested grant amount, how the project will address the CET Grant Evaluation Criteria, and proposed milestones for grant payments. Grant requests to reimburse local governments for planning work already completed shall not be considered. Metro staff shall review the Letter of Intent and work with the proposer, if necessary, to revise the proposal if additional information is needed for the Grant Request.

2. **Step Two: Grant Request.** After submitting the Letter of Intent, and after working with Metro staff, if necessary, to revise the proposal, ~~local government~~ Grant Applicants seeking distribution of CET expected revenues shall submit a written Grant Request to the Metro Chief Operating Officer, with a copy for each member of the CET Grant Screening Committee.

A. Grant Evaluation Criteria. For Grant Requests in the first allocation cycle, tThe Grant Request shall specifically address how the proposed grant achieves, does not achieve, or is not relevant to, satisfies the following criteria ("CET Grant Evaluation Criteria"), ~~which are proxies for compliance with~~ drawn from the Urban Growth Management Functional Plan. Prior to the second grant allocation cycle, the Metro COO shall issue supplemental criteria to evaluate New Urban Areas and Urban Reserves.:

1) Expected Development Outcomes: Explain how the proposed planning grant will increase ability to achieve on-the-ground development/redevelopment outcomes. Address:

a. ~~and state~~ the expected probability that due to this planning grant, development permits will be able to be pulled within two years.;

b. the expected probability that due to this planning grant, development permits will be able to be pulled within five years;

4) c. the level of community readiness and local commitment to the predicted development outcomes; and within five years. Considerations include:

- a) (1) Development sites of adequate scale to generate critical mass of activity;
- b) (2) Existing and proposed ~~transportation~~ infrastructure to support future development;
- e) (3) Existing urban form provides strong redevelopment opportunities;
- d) (4) Sound relationship to adjacent residential and employment areas;
- e) (5) Compelling vision and long-term prospects;

f) ~~Community readiness and local commitment.~~

2) Regionally Significant: Clearly identify how the proposed planning grant will benefit the region in achieving established regional development goals and outcomes, expressed in the 2040 Growth Concept and the six Desired Outcomes adopted by the region to guide future planning, which include:

- a) People live and work in vibrant communities where they can choose to walk for pleasure and to meet their everyday needs.
- b) Current and future residents benefit from the region's sustained economic competitiveness and prosperity.
- c) People have safe and reliable transportation choices that enhance their quality of life.
- d) The region is a leader in minimizing contributions to global warming.
- e) Current and future generations enjoy clean air, clean water and healthy ecosystems.
- f) The benefits and burdens of growth and change are distributed equitably.

3) Location: Discuss whether and how the proposed planning grant facilitates ~~planning for~~ development or redevelopment of:

- a) Centers;
- b) Corridors/Main Streets;
- c) Station Centers; and/or
- d) Employment & Industrial Areas.

~~d)~~

~~e) 4)~~ Best Practices Model. Consideration will also be given to applications that can be easily replicated in other locations and demonstrate best practices.

~~4) 5)~~ Leverage/Matching Potential: Discuss whether and how the proposed planning grant will leverage outcomes across jurisdictions and service providers, ~~and that have or create~~ opportunities for additional private/public investment. Investments can take the form of public or private in-kind or cash contributions to the overall planning activity.

~~5) 6)~~ Equity: Discuss whether and how the proposed planning grant will further the equitable distribution of funds, based on collections of revenues, past funding, and planning resource needs.

**B. Proposed Scope of Work, Milestones, and Budget.** The Grant Request shall include a proposed scope of work and budget, setting forth the expected completion dates and costs for achieving the Urban Growth Management Functional Plan milestones proposed in the Grant Request. Milestones and grant payment allocations should follow the following general guidelines:

- 1) Execution of the CET Grant IGA;
- 2) ~~Local government~~ Grant Applicant staff's draft or proposed plan, report, code change, zoning change, redevelopment plan, Urban Growth Diagram, Concept Plan, urban services delivery plan, or other plan or agreement consistent with the CET Grant;
- 3) ~~Local government~~ Grant Applicant staff's final recommended plan, report, code change, redevelopment plan, zoning change, Comprehensive Plan or Comprehensive Plan amendment, urban services delivery plan, or other plan or agreement consistent with the CET Grant, addressing compliance with the Urban Growth Management Functional Plan, the applicable conditions of the CET Grant, and applicable state laws and regulations; and
- 4) ~~Local government~~ Grant Applicant's adoption of final plan, report, code change, redevelopment plan, zoning change, Comprehensive Plan or Comprehensive Plan amendment, urban services delivery plan, or other plan or agreement consistent with the CET Grant, consistent with the Functional Plan, the applicable conditions of the CET Grant, and applicable state law.

C. Grant Screening Committee Review of Grant Request . The Grant Screening Committee shall review and advise the COO as to the Committee’s grant recommendations as set forth in Section IV C above.~~C. Grant Screening Committee Review of Grant Request.~~

- ~~1) Metro staff shall forward the Grant Request to the members of the Grant Screening Committee, and will provide staff assistance and a staff recommendation to the Committee.~~
- ~~2) The CET Grant Screening Committee shall then review the Grant Requests and evaluate them based on the CET Grant Evaluation Criteria set forth above. The Committee may consult with the proponent of the Grant Request or any others in reviewing the request.~~
- ~~3) After analyzing the Grant Requests, the Committee shall forward to the Metro COO the Committee’s recommended ranking and grant amounts for each of the Grant Requests.~~
- ~~4) The Metro COO shall review the Committee’s recommendations and shall forward his own grant recommendations, along with the recommendations of the CET Grant Screening Committee, to the Metro Council. The Metro Council shall decide, in a public hearing, whether or not to approve funding of any grants, and the amount of each grant.~~

**3. Step Three: Grant Agreement (“Grant IGA”).** Metro and the ~~local government~~Grant Applicant shall enter into a Grant Agreement (“Grant IGA”) or, at the ~~local government~~Grant Applicant’s request, the Metro Chief Operating Officer shall issue a Grant Letter, for the grant amount determined by the Metro Council. The IGA shall set forth an agreed-upon scope of work and budget, expected milestone completion dates, and Grant payment dates. The COO shall retain the right to terminate a CET Grant if the milestones set forth in the Grant IGA are not met within the timeframes set forth in the Grant IGA.

A. Grant Payment Dates. Grant payments shall be made upon the completion of those milestones set forth in the Grant Agreements, as determined by Metro in accordance with the requirements of the Metro Code and the Grant Agreement. In general, a portion of the Grant funds shall be distributed upon execution of a Grant Agreement with Metro, with the remainder of the Grant being paid out as progress payments upon completion of the milestones set forth above and in the Grant Agreement.

B. Eligible Expenses.

1. The following expenses shall be considered Eligible Expenses for CET Grant consideration:

- a. Materials directly related to project;
- b. Consultants’ work on project;
- c. ~~Local government~~Grant Applicant staff support directly related to project; and
- d. Overhead directly attributable to project;

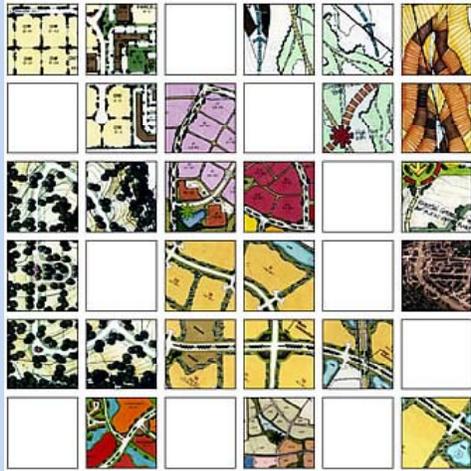
2. If the total Grant Requests from participating ~~local government~~Grant Applicants exceed the total CET actual revenues, Metro shall first consider awarding funds for eligible direct costs, which will have priority for funding over indirect costs.

## CET Administrative Rules Comments

Comment	Reference Section
<b>Grant Cycle</b>	
Make explicit the section that discusses ear marked funding for expansion/reserve area planning in the second grant cycle. Specifically, state that if not enough applications are received for expansion/reserve areas in second cycle, surplus funds will be redirected to fund other planning proposals.	p. 8, Sec. IV.A(2)
The 1998, 2002, and 2005 expansion areas should be eligible to apply for grants in the first allocation cycle.	p. 8, Sec. IV.A(1)
Clarify what happens to surplus funds, if any, which have not been allocated at the end of the second grant cycle.	p. 8, Sec. IV.A(4)
Change language under Revenue Distribution to include “qualifying applications” in referencing applications for New Urban Areas and Urban Reserve projects.	p. 8, Sec. IV.A(2)
The 50% earmark for new urban and urban reserve areas in the second cycle should be a floor and held aside until such time as Metro receives and approves applications for these areas.	
<b>Screening Committee</b>	
Make sure that Screening Committee members are not concentrated from one specific geographic area.	p. 9, Sec. IV.B(2)
Review the issue of ‘experts’ v. ‘advocates’ in the Screening Committee. We should be appointing experts and not advocates.	p. 9, Sec. IV.B(2)
The Screening Committee should include a member with infrastructure finance expertise and a one with residential development expertise.	p. 9, Sec. IV.B(2)
The Screening Committee should include a transportation planning expert.	
<b>Application</b>	
Make the language on who is eligible to apply clearer. This language should not be open to interpretation.	p. 10, Sec. IV.E(1)(a)
In cross-jurisdictional projects, who becomes the responsible party for the planning? Who will receive the funds and enter into an IGA with Metro?	p. 10, Sec. IV.E(1)(a)
Clarify the language in the section discussing the probability of pulling permits in 2yrs/5yrs.	p. 10, Sec. IV.E(2)(A)(1)
Make the probability of pulling permits in 2yrs/5yrs to a measure/consideration of Expected Development Outcomes (make it into a bullet).	p. 10, Sec. IV.E(2)(A)(1) and 2))
Applicants for projects that have been previous planned should provide a history of that work.	CET Grant Application Handbook
Include timeline for second grant cycle.	p. 8, Sec. IV.A(2)
Include language for a possible third cycle of funding.	p. 8, Sec. IV.A(4)
Clarify the difference between an IGA and a Grant Letter.	p 12, Sec. IV.E(3)

## CET Administrative Rules Comments

Comment	Reference Section
<b>Criteria</b>	
Take out the word “transportation” under Expected Development Outcomes so that it refers only to general infrastructure (i.e. – don’t discount other forms of infrastructure by calling out only one form).	p. 10, Sec. IV.E(2)(A)(1)((2))
Include evaluation criteria for expansion/reserve area projects.	p. 10, Sec. IV.E(2)(A)
Include criteria for judging between new urban areas and urban reserves applications.	p. 10, Sec. IV.E(2)(A)
Criteria should be weighted so the Screening Committee knows where to place emphasis during application evaluation.	
Clarify and state what qualifies as “planning”.	p 1, Sec. I.A
Grant applications should require applicants to outline how their proposed project can address each of the Regionally Significant evaluation criteria.	p. 10, Sec. IV.E(2)(A)
<b>Milestones</b>	
Include language that gives Metro the option to reassess funding for applications that are not meeting goal/milestones or do not show signs of achieving outcomes stated in the application.	p. 12, Sec. IV.E(3)



## Construction Excise Tax

### *Administrative Rules Draft #2*

August 12, 2009

## Administrative Rules

### Grant Cycles

- *First Cycle: planning in areas inside current UGB*
- *Second Cycle: planning in*
  - *future expansion areas,*
  - *future urban reserves, and*
  - *existing urban areas*
  - *Half of funds "earmarked" for future expansion and urban reserve areas*

*Third grant cycle option*

## Administrative Rules

### Screening Committee

*Nine-member committee*

*Selection based on expertise*

*No geographic concentration*

### Application

*Applicants: cities and counties, other local governments in conjunction with city or county*

*Letter of intent*

*Full application*

*Applicants to propose project milestones, planning timelines*

## Administrative Rules

### Criteria

*Supplemental criteria for second cycle*

*Applicants must address each criterion*

- *Achieving on the ground development*
  - *Probability of development*
  - *Community readiness and commitment*
- *Regional significance*
- *Location*
- *Best Practice Model*
- *Leverage*
- *Equity*

## **Administrative Rules**

### **Agreements**

*Payments contingent on achieving milestones*

*IGA performance monitoring*

### **Next Steps**

*Review by Metro Council – August 13*

*Adoption of Rules by Metro COO – September*



Date: August 12, 2009  
To: Metro Policy Advisory Committee  
Joint Policy Advisory Committee on Transportation  
From: John Williams and Chris Deffebach, Land Use Planning  
Subject: MTAC and TPAC Comments on Performance Targets for Making the Greatest Place

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The Transportation Policy Alternatives Committee (TPAC) and the Metro Technical Advisory Committee (MTAC) had the opportunity to review the Memo on Performance Targets for Making the Greatest Place on July 31, 2009 and August 5, 2009 respectively and discussed the proposed framework, targets and measures to evaluate the region's performance on achieving desired outcomes. This memo summarizes their comments for the benefit of your review and discussion.

**Comments on the overall structure of the framework:**

- TPAC supported the overall framework and comprehensiveness of the preliminary performance targets and cautioned that development of the targets should not slow down needed decision-making in 2009 and 2010.
- While some MTAC members expressed support for the overall framework, other members requested greater clarification regarding the implications for local governments, the expectations for the role of local governments to meet the targets and how the targets may be used to guide investment decisions.
- Both MTAC and TPAC requested that the targets be linked directly to the desired outcomes.

**Comments on the target in general:**

- Make sure all the targets are written in a similar manner, e.g., include "increase" or "decrease" by XX percent.
- Make the targets consistent in level of detail – some are more detailed than others.
- Important to understand how well the region is currently performing relative to the draft targets as a starting point for establishing what the targets should be. Clarify the base year and horizon year.
- More work is needed to clarify the appropriate geography – which are measured regionally and which at a smaller scale. Some may even be measured at the SMSA level. For example, what is the appropriate scale to consider equity?
- Some targets imply a different role for Metro and agreement is needed on the appropriate breadth of the targets. MTAC and TPAC indicated that a broader suite of targets and topics will make decision making more challenging and stressed the importance of staying focused on actions that are under Metro's control, or Metro and local government control.

## MTAC AND TPAC COMMENTS ON PERFORMANCE TARGETS FOR MAKING THE GREATEST PLACE

August 12, 2009

Page 2

- Data collection and monitoring for some of the targets will be difficult and should also be considered as the targets are finalized. More information will be needed about how the tracking will occur over time and how the results will affect Metro and local government decisions.

### **Comments on specific targets:**

**Wealth Creation:** Consider other measures, including tax base, unemployment or foreclosure data and measures of GDP.

**Compact urban form:** Consider a measure that identifies the number of centers and corridors that have adopted zoning that fully supports 2040 implementation.

**Traveler safety:** Too narrow – consider other safety and security measures.

**Business efficiency:** Reliability is more important than delay as a measure of business efficiency. Other measures include market access to services.

**Infrastructure resilience:** May be difficult to measure. Suggest measuring the decrease in systems that are in bad or substandard condition and clarify what infrastructure is included.

**Climate change:** Make this measure consistent with the work already underway by local jurisdictions.

**Active transportation:** Include a measure of access to transit, bike and walk facilities.

**Clean air, water and healthy ecosystems:** Combine into one healthy ecosystem target.

**Affordability:** Measure the percent of cost-burdened households with access to transit.

**Poverty:** More work on poverty target is needed. Suggestions included replacing high school with elementary school students; consideration of poverty levels rather than reduced lunch program eligibility; looking to the Multnomah County Health Department for ideas; and consideration of racial disparities highlighted in a recent "State of Black Oregon" report which touches on many equity issues. Other suggestions for equity measures included distribution of living wage jobs and jobs/housing balance.

**Access to daily needs:** Expand the definition of access to daily needs. Suggestions included adding access to food, water and shelter. Consider Portland's 20-minute neighborhood walk as a measure of access to daily needs.



Date: August 12, 2009  
To: Metro Council, MPAC, JPACT and interested parties  
From: Kim Ellis, RTP Project Manager  
Re: 2035 Regional Transportation Plan (RTP) Update – Project List Summary

---

### **Action Requested**

This is an information item. No action is required.

### **Purpose**

This memo summarizes a preliminary evaluation of the projects submitted by sponsoring agencies, in response to the “Call for Projects” issued in June.

### **Background**

During the past year, RTP work focused on framing transportation and land-use choices as part of the “Making the Greatest Place” effort. This comprehensive effort seeks to integrate local and regional land use and transportation investments to focus future population and employment growth in centers, corridors, employment and industrial areas, in keeping with the 2040 Growth Concept – the region’s adopted vision for managing growth.

On June 15, the Metro Council, in conjunction with the Joint Policy Advisory Committee on Transportation (JPACT) and the Metro Policy Advisory Committee (MPAC) issued a “call for projects” to refine Regional Transportation Plan (RTP) investment priorities this summer. The RTP goals, draft performance targets and refinement criteria provided policy direction for investment priorities to be brought forward for consideration in the final 2035 RTP.

Two levels of investment were developed for the 2035 RTP. The first level, the *2035 RTP Federal Priorities* (also known as the Financially Constrained System), will represent the most critical transportation investments for the plan period.<sup>1</sup> The second level, the “state” *2035 RTP Investment Strategy*, will represent additional priority investments that would be considered for funding if new or expanded revenue sources are secured<sup>2</sup>; this level of investment is tied to a funding target recommended by JPACT on June 11. The “state” RTP Investment Strategy will be developed to be adequate to serve planned land uses and will be the basis for future local and regional land use decisions.

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<sup>1</sup> The 2035 RTP Federal Priorities will be the basis for findings of consistency with federal metropolitan transportation planning factors, the Clean Air Act and other planning provisions identified in SAFETEA-LU.

<sup>2</sup> The 2035 “state” RTP Investment Strategy will be the basis for findings of consistency with the Statewide Planning Goal 12, the Oregon Transportation Planning Rule and the Oregon Transportation Plan and its components.

### 2035 RTP Investment Strategy - Project List

All of the projects submitted as part of the Call for Projects have been compiled into a comprehensive master list and coding of the road and transit capacity projects into the travel demand model is underway. A total number of 1,036 projects and programs were submitted through the process, with an estimated cost of \$ 18.78 billion (in 2007 dollars).

An initial review of the projects and programs submitted to Metro found the following trends for several categories of the RTP project investment data requested:

#### *Mobility Corridors and Community-Building Investment Focus*

**Table 1. Projects by mobility corridor and community-building focus**

Investment Focus	Number of projects	Percent of total projects
Mobility Corridor	381	37%
Community Building	585	56%
Hybrid**	29	3%
Other Solutions***	41	4%
<b>Total</b>	1036	

Table 1 shows that just over half the projects are categorized as community-building projects and 37 percent are categorized as mobility-focused projects.

\*\*Examples of hybrid projects include: frequent bus service, bike boulevards and pedestrian bridges.

\*\*\*Examples of "other solutions" include park-and-rides, transit-oriented development (TOD) and Terminal 6 modernization.

#### *Modal Focus*

**Table 2. Summary of projects by primary mode**

Primary Mode	Number of projects	Percent of total projects
Bike/Pedestrian	238	23%
Freight	55	5%
ITS/TDM	54	5%
Regional Trails	62	6%
Roads/bridges	483	47%
Throughways	56	5%
Transit capital/TOD	91	9%
N/A or blank	4	0%

Table 2 shows that nearly half of the projects submitted to the RTP relate to roads and bridges. Approximately one-quarter of the projects are bicycle or pedestrian projects. Projects that focus on the following modes make up the final twenty percent of the project list: freight, ITS/TDM, regional trails, and throughways.

### **2040 Land Use Focus**

**Table 3. Summary of projects by 2040 land use**

<b>2040 Land Use</b>	<b>Number of projects</b>	<b>Percent of total projects</b>
Intermodal Facility	8	1%
Industrial and Employment Areas	206	20%
Central City or Regional Center	161	16%
Town Center	163	16%
2040 Corridor	95	9%
Main Street	77	7%
Station community	72	7%
Neighborhood/Other	124	20%
No data provided	163	16%

**Table 3** illustrates that 20 percent of projects submitted to the RTP are in industrial and employment areas. Portland central city, and Regional and town centers are the next most common land use, with 32 percent of the projects serving these areas. Additional work is needed to review projects submitted as “neighborhood” projects and to categorize projects for which no data was provided.

### **Summary by Coordinating Committee, City of Portland, TriMet and ODOT**

**Table 4 Summary of projects by coordinating committee**

<b>Coordinating Committee</b>	<b>Number of projects</b>	<b>Percent of all projects submitted</b>
Clackamas County	162	16%
Multnomah County	197	19%
Washington County	345	33%
Portland	245	24%
ODOT	49	5%
TriMet	54	5%
Region	2	Less than 1%

**Table 4** illustrates that approximately one-third of projects were submitted by Washington County, followed by Portland with 23 percent of project submittals. Multnomah and Clackamas County submitted 19 percent and 16 percent of the projects, respectively.

**Tables 5-10** show a breakdown of the projects by primary mode by coordinating committee, City of Portland, ODOT and TriMet for reference.

**Table 5. Clackamas County projects by primary mode**

Primary Mode	Number of projects	Percent of Clack. Co. Coordinating Committee projects	Percent of all projects in that mode category
Bike/Pedestrian	38	23%	16%
Freight	2	1%	4%
ITS/TDM	3	2%	6%
Regional Trails	17	10%	27%
Roads/bridges	75	46%	16%
Throughways	14	9%	25%
Transit capital/TOD	13	8%	14%

**Table 6. Multnomah County projects by primary mode**

Primary Mode	Number of projects	Percent of Mult. Co. Coordinating Committee projects	Percent of all projects in that mode category
Bike/Pedestrian	16	8%	7%
Freight	18	9%	33%
ITS/TDM	29	54%	15%
Regional Trails	11	6%	18%
Roads/bridges	116	59%	24%
Throughways	2	1%	4%
Transit capital/TOD	5	3%	5%

**Table 7. Washington County projects by primary mode**

Primary Mode	Number of projects	Percent of Wash. Co. Coordinating Committee projects	Percent of all projects in that mode category
Bike/Pedestrian	84	24%	34%
Freight	13	4%	24%
ITS/TDM	5	9%	1%
Regional Trails	22	6%	35%
Roads/bridges	202	59%	42%
Throughways	14	4%	25%
Transit capital/TOD	5	1%	5%

**Table 8. City of Portland projects by primary mode**

Primary Mode	Number of projects	Percent of City of Portland/Port projects submitted	Percent of all projects in that mode category
Bike/Pedestrian	98	40%	40%
Freight	18	7%	33%
ITS/TDM	14	6%	26%
Regional Trails	11	4%	18%
Roads/bridges	88	36%	18%
Throughways	2	1%	4%
Transit capital/TOD	14	6%	15%

**Table 9. Oregon Department of Transportation (ODOT) projects by primary mode**

Primary Mode	Number of projects	Percent of ODOT projects submitted	Percent of all projects in that mode category
Bike/Pedestrian	8	16%	3%
Freight	4	8%	7%
ITS/TDM	3	6%	6%
Regional Trails	0	0%	0%
Roads/bridges	10	20%	2%
Throughways	24	49%	43%
Transit capital/TOD	0	0%	0%

**Table 10. TriMet projects by primary mode**

Primary Mode	Number of projects	Percent of TriMet projects submitted	Percent of all projects in that mode category
Bike/Pedestrian	1	2%	Less than 1%
Freight	0	0%	0%
ITS/TDM	0	0%	0%
Regional Trails	0	0%	0%
Roads/bridges	0	0%	0%
Throughways	0	0%	0%
Transit capital/TOD	53	98%	58%

**Next Steps**

Metro staff will begin the performance evaluation of the system of investments and compile a draft investment strategy (project list) and RTP document to be released for public comment. A 30-day public comment period is planned from September 15 to October 15, 2009. Opportunities to comment will be available on Metro's website and through a series of public hearings and open house events held throughout the region. The preliminary system evaluation is expected to be completed in October.

JPACT, MPAC and Metro Council will consider public comments, the preliminary system evaluation, and recommended amendments prior to final action (by Resolution) in December. The approval action will "accept" the RTP document and recommended amendments, and direct staff to complete the final analysis, prepare findings and a final document, and develop regional transportation functional plan amendments to guide local plan implementation.

A final public comment period will be held in Spring 2010. JPACT, MPAC and Metro Council will review public comments and consider final adoption (by Ordinance) in Summer 2010.

**DRAFT**

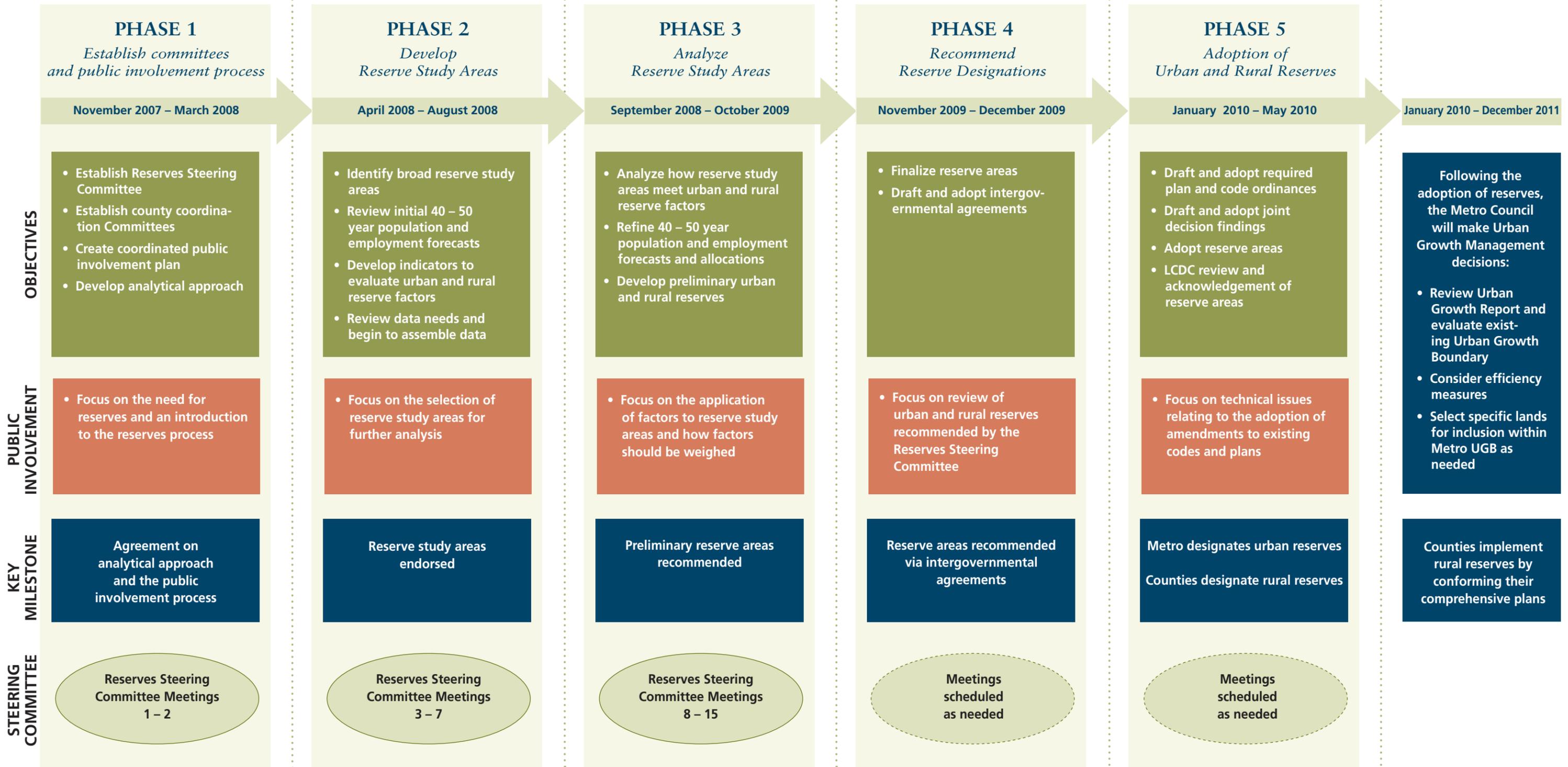
# Coordinated Reserves Work Program Overview

2007

2008

2009

2010 – 11





# WASHINGTON COUNTY

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## OREGON

August 3, 2009

**To:** Washington County Reserves Coordinating Committee

**From:** Brent Curtis, Planning Manager, Department of Land Use and Transportation,  
Long Range Planning

**Subject:** **Staff Recommendations and Staff Report for Washington County  
Urban and Rural Reserves**

Recommendation: Washington County staff, in cooperation with the Washington County Reserves Coordinating Committee's Project Advisory Committee<sup>1</sup> provides the following recommendations for Urban and Rural Reserves within the Washington County Reserves Study Area:

- Urban Reserves – Approximately 33,800 acres are recommended for designation as urban reserves as indicated on the attached map (areas indicated in orange.)
- Rural Reserves – Approximately 108,800 acres are recommended for designation as rural reserves as indicated on the attached map (areas indicated in green.)

These recommendations are based upon application of the "Factors" in the Oregon Administrative Rules OAR 660-027. These "Factors" provide guidance to staff in determining the suitability of lands as either Urban Reserves or Rural Reserves.

The report intends to remain in draft form as this committee deliberates on the recommendations. Staff will provide continued refinements with the Committee's direction and ongoing discussions with stakeholders. The Committee also will benefit from public testimony received through September 1 including an August 20 Public Hearing. A final recommendation from this committee will be provided to the regional Reserves Steering Committee and Core 4 decision makers in September.

The attached Staff Report describes the analysis process of the approximately 171,000 acres contained in the Washington County portion of the Reserves Study Area. The Study Area was agreed upon by this committee and the regional Reserves Steering Committee in fall of 2008. Since then staff has applied a succession of increasingly finer-meshed analytical screens to characterize lands within the Study Area. Each characterization related to factors for either urban or rural reserve suitability (or indicated that no designation needed to be applied.)

The recommendations reflect the suitability of those lands identified as providing efficient and cost-effective areas for growth (as defined in the Urban Reserves Factors) or warranting protection from urbanization (as defined in the Rural Reserves Factors.)

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<sup>1</sup> County Planning Directors and/or assigned principal staff of each member government/agency.



Throughout the Urban and Rural Reserves designation process staff has engaged in the following efforts: taken direction from this committee; worked cooperatively with the Planning Directors and other assigned staff of each of the cities; provided opportunity for review and comments from stakeholder groups; and received input from the public through open houses, online surveys, presentations, and ongoing receipts of letters and emails. The direction and information received guided and informed staff's recommendations.

Urban Reserves recommendations are the results of applying the eight Urban Reserves Factors. The approximately 33,800 acres illustrated in orange in the Urban and Rural Reserves Recommendation Map represent lands that best meet the intent for all eight Factors.

Rural Reserves recommendations result from evaluation of multiple characteristics for agricultural and forest lands and natural landscape features. The recommendations capture lands within the Study Area receiving the highest characteristic values across many criteria. Those approximately 108,800 acres illustrated in green represent lands that should be protected from urbanization for the next 40 – 50 years.

# Washington County

## Recommended Rural and Urban Reserves *DRAFT*

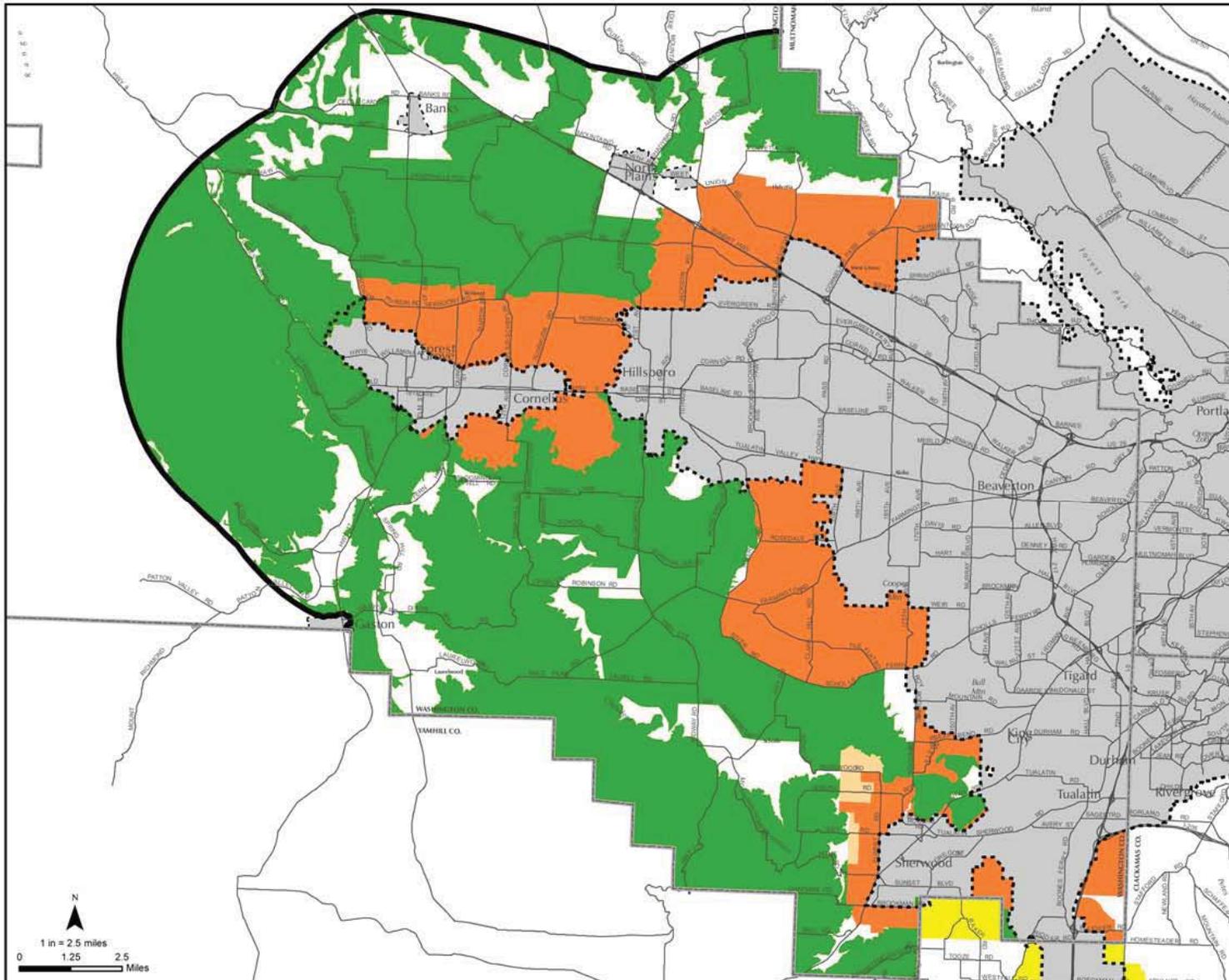
-  Recommended Rural Reserve
-  Recommended Urban Reserve
-  Area still under review
-  Recommended Urban Reserve in Clackamas County
-  Existing Urban Area
-  Extent of Reserves Study Area
-  Urban Growth Boundary
-  County Boundary

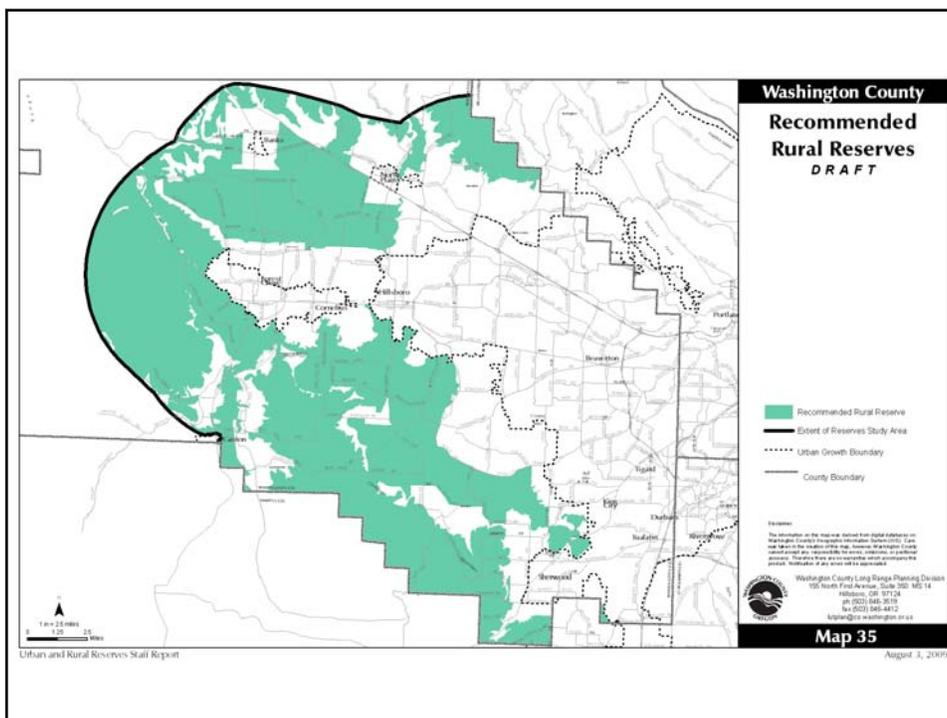
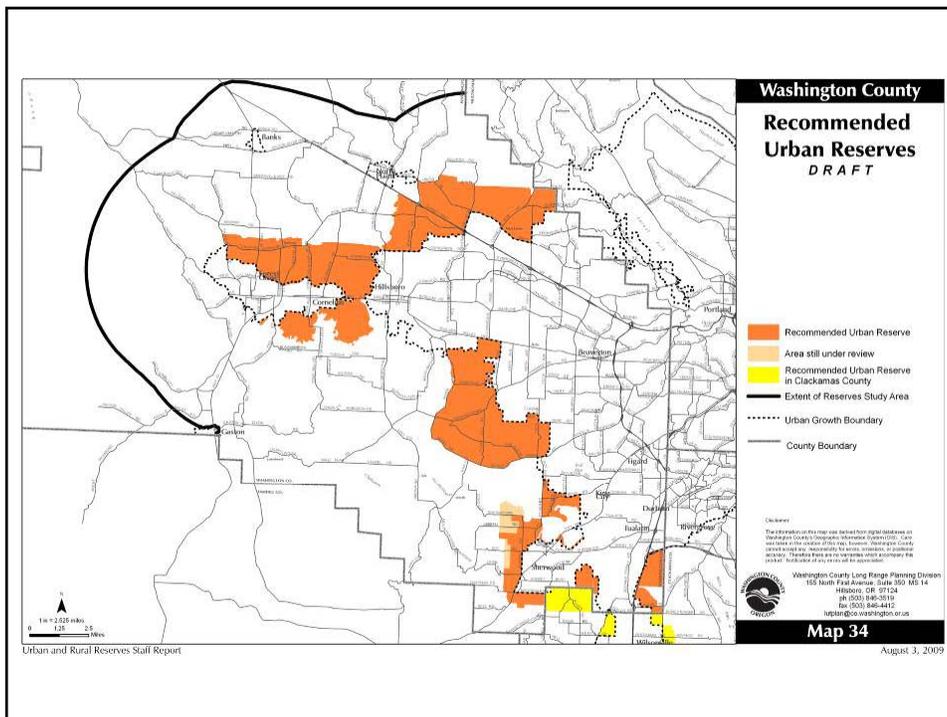
**Disclaimer:**

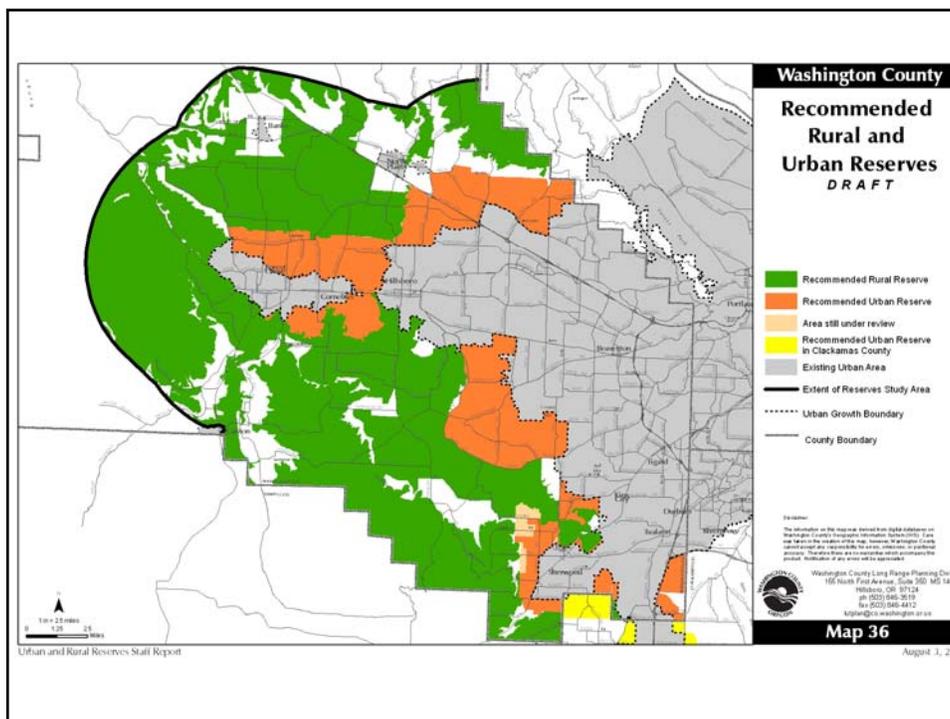
The information on this map was derived from digital databases on Washington County's Geographic Information System (GIS). Care was taken in the creation of this map, however, Washington County cannot accept any responsibility for errors, omissions, or positional accuracy. Therefore there are no warranties which accompany this product. Notification of any errors will be appreciated.



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lutplan@co.washington.or.us









**Department of Business and Community Services**  
**MULTNOMAH COUNTY OREGON**

**Land Use and Transportation Program**  
**1600 SE 190<sup>th</sup> Avenue**  
**Portland, Oregon 97233-5910**  
**(503) 988-5050**

August 5, 2009

To: Multnomah County Planning Commission

From: Chuck Beasley, Senior Planner *CB*

Subject: August 10 Hearing Agenda Item 4: Urban and Rural Reserves CAC and Staff Recommendations

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The purposes of this hearing are for the Commission to hear public testimony about the recommendations for urban and rural reserves in Multnomah County, and to forward them, along with advice from the Planning Commission, to the Multnomah County Board (BOCC) for their consideration. The recommendations from the Reserves Citizens Advisory Committee (CAC) and staff are included in the August 3 staff report. The reserve recommendations are that while there are lands suitable for urban reserve, mainly east of the UGB, those lands should remain in farm use. On the west side, there is one small area recommended for urban reserves. The extent of recommended rural reserve varies between the CAC and staff, although both recommendations identify substantial rural reserve areas.

The urban and rural reserve recommendations mark completion of the work of the CAC that took place in 16 meetings that began in May 2008 and ended July 30, 2009. Prior milestones included identification of the Study Area, and identification of "candidate" urban and rural areas that should be studied further for suitability as reserves. The evaluation of land within the Study Area considered all of the urban factors in OAR-660-027-0050 and the rural factors in -0060. The recommendations for Board consideration include rankings for how suitable the areas are for reserves based on the factors evaluation, and whether the areas should be designated for urban or rural reserve.

This PC hearing is not a legislative proceeding because the county is not adopting anything at this time. The results of the hearing will be provided to the Board in September for their approval as the County's position regarding urban and rural reserve areas. This proceeding is not the end of either PC or public consideration of reserves:

- The decision will be implemented in two stages: an Intergovernmental Agreement to be completed by the end of this year, followed by legislative adoption of urban and rural reserves maps in mid year 2010.
- The PC will conduct at least one legislative hearing to recommend adoption of Multnomah County reserves maps to the Board.

- The reserves decision will be a regional one, and recommendations from all of the counties will need to be considered together.

The objective of the reserves decision from the OAR is “a balance in the designation of urban and rural reserves that, in its entirety, best achieves livable communities, the viability and vitality of the agricultural and forest industries and protection of the important landscape features that define the region for its residents.” See OAR 660-027-0080(4)(b). This objective can only be met by consideration of the reserves recommendations of all three counties. It can also only be met after consideration of estimates of the expected 40 – 50 year population and employment growth, which is information that we do not have. This reinforces the interim nature of the reserves recommendations at this stage of the process since the question of how much growth can be accommodated inside the UGB vs outside must still be addressed.

A copy of the staff report including the recommendations and maps is available at the web page address below:

<http://www2.co.multnomah.or.us/Public/EntryPoint?ch=d06f18cff67c2210VgnVCM1000003bc614acRCRD>

If you have any questions prior to your meeting on August 10, please don't hesitate to contact me.

# Overview of Recommendations

	<b>Rural Reserves Suitability</b>	<b>Urban Reserves Suitability</b>	<b>Overall Recommendation</b>
Area 1 Government Islands	<i>CAC: Low suitability</i> Staff: Low suitability	<i>CAC: Not a candidate for urban reserve</i> Staff: Low suitability	<i>CAC: Divided between no reserve designation and rural reserve to protect landscape features.</i>  Staff: No reserves designation
Area 2 East of Sandy River	<i>CAC: High suitability west of 3-mile UGB line; Low/medium suitability east of 3-mile UGB line</i> Staff: Low suitability	<i>CAC: Not a candidate for urban reserve</i> Staff: Low suitability	<i>CAC: Designate the area west of 3-mile UGB line as rural reserve for farm and forest protection.</i>  Staff: No reserves designation
Area 3 Sandy River Canyon	<i>CAC: High suitability</i> Staff: Low suitability to protect forest, medium suitability for landscape features.	<i>CAC: Not a candidate for urban reserve</i> Staff: Low suitability	<i>CAC: Designate rural reserve to protect landscape features</i>  Staff: Designate rural reserve to protect landscape features
Area 4 West of Sandy River	<i>CAC: High suitability</i> Staff: High suitability	Area 4a: North of Lusted Rd <i>CAC: Low suitability</i> Staff: Low suitability	<i>CAC: Designate rural reserve to protect farmland and landscape features. If County must designate urban reserves, the area south of Lusted Rd/north of the Orient Rural Center/west of 302<sup>nd</sup> is most suitable.</i>  Staff: Designate rural reserve to protect foundation agricultural land. Area most suitable for any needed urban reserve should include the Orient Rural Community and areas southwest of Orient Drive.
		Area 4b: South of Lusted Rd <i>CAC: medium/low, except medium/high for the area north of Orient Rural Center/west of 302<sup>nd</sup></i>  Staff: Medium suitability; higher suitability near UGB and US-26	
Area 5 NW Hills North	<i>CAC: Medium overall; Low in Plainview area</i> Staff: High/medium suitability of the area within 3 miles of the UGB and	<i>CAC: Not a candidate for urban reserve</i> Staff: Low Suitability	<i>CAC: Designate rural reserve to protect forest resources.</i>  Staff: Designate the area within the 3 mile line southwest of Skyline Blvd. as

**Overview of Recommendations**

	<b>Rural Reserves Suitability</b>	<b>Urban Reserves Suitability</b>	<b>Overall Recommendation</b>
	southwest of Skyline Blvd; low suitability in remainder		rural reserve to protect landscape features.
Area 6 West Hills - South	<p><i>CAC:</i> High suitability West of McNamee; Low suitability east of McNamee</p> <p>Staff: Low suitability in Area north of Skyline Blvd (corresponds to urban area 6a) High suitability in area South of Skyline Blvd (corresponds to area 6b):</p>	<p>Area 6a: North of Cornelius Pass Rd./ Skyline Blvd.: <i>CAC:</i> <i>Not a candidate for urban reserve</i></p> <p>Staff: Low suitability</p>	<p><i>CAC:</i> <i>Designate rural reserve to protect farm and forest resources and landscape features.</i></p> <p>Staff: Designate the area south of Cornelius Pass Rd./Skyline Blvd. intersection rural reserve to protect farm and forest resources and protect landscape features.</p>
		<p>Area 6b: South of Cornelius Pass Rd./Skyline Blvd.: <i>CAC:</i> <i>Split between medium and low suitability</i></p> <p>Staff: Low suitability for subarea east of the north fork of Abbey Creek. Medium/Low suitability for subarea west of Abbey Creek.</p>	
Area 7 Powerline/ Germantown Rd. - South	<p><i>CAC:</i> <i>Split between medium and high suitability.</i></p> <p>Staff: High suitability for landscape features except area adjacent to N. Bethany which is low.</p>	<p>Area 7a: Area above the mid-slope line between the county line and Skyline Blvd.: <i>CAC:</i> <i>Not a candidate for urban reserve</i></p> <p>Staff: Low Suitability</p>	<p><i>CAC:</i> <i>Designate rural reserve to protect landscape features. If the County must designate urban reserve on the west side, the Lower Springville Rd area is the highest suitability.</i></p> <p>Staff: Designate East Laidlaw Rd. area urban reserve. No designation in the Lower Springville Rd area. Designate all other areas rural reserve to protect landscape features.</p>
		<p>Area 7b: Below the mid-slope line between the County line and Skyline Blvd.: <i>CAC:</i> <i>Low suitability</i></p> <p>Staff: Low suitability</p> <p>Subarea East Laidlaw: <i>CAC:</i> <i>split between low and medium suitability</i></p> <p>Staff: Low suitability</p> <p>Subarea at lower Springville Rd. area.:</p>	

## Overview of Recommendations

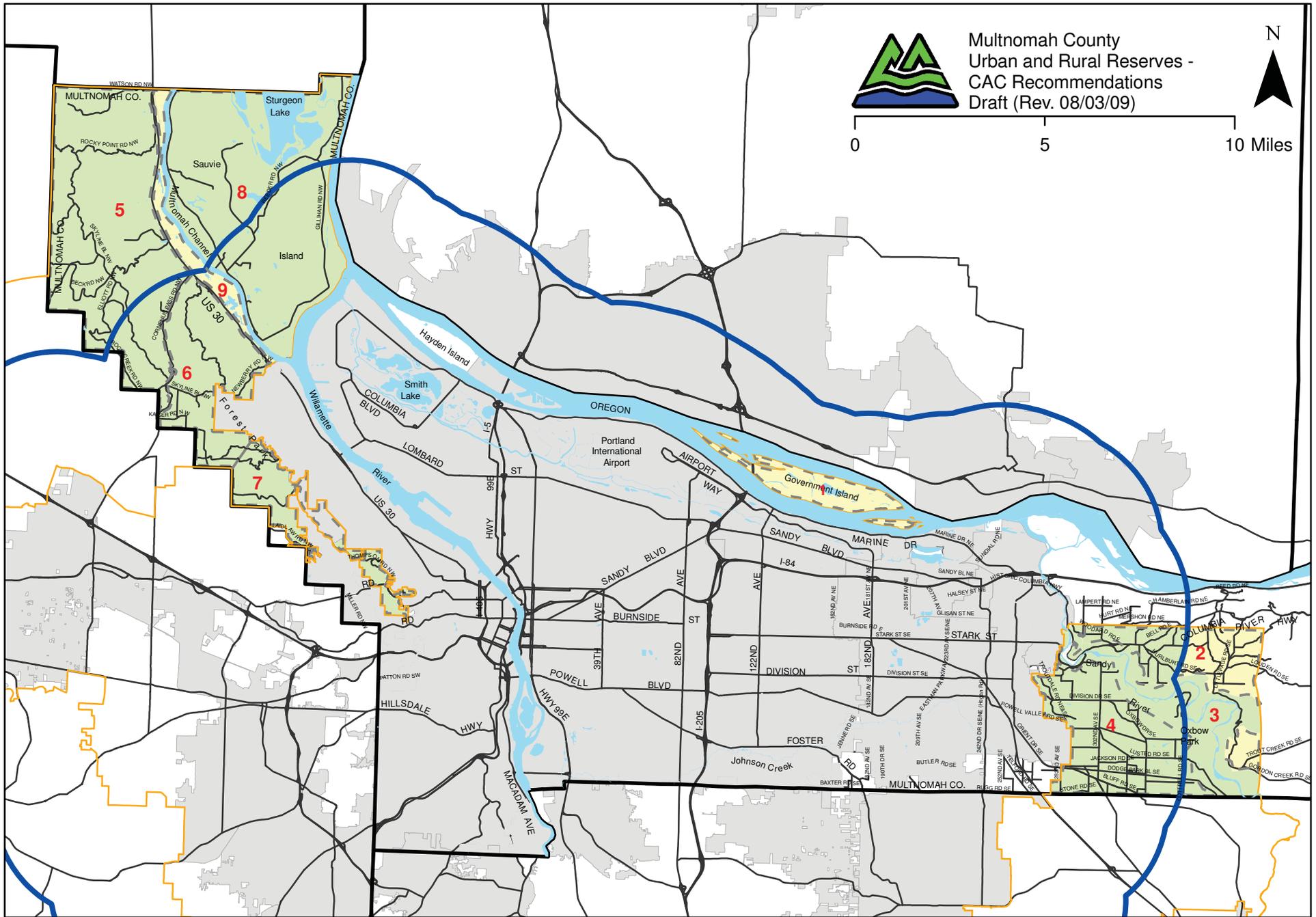
	<b>Rural Reserves Suitability</b>	<b>Urban Reserves Suitability</b>	<b>Overall Recommendation</b>
		<i>CAC: split between low and medium suitability</i>  Staff: Low/Medium suitability	
Area 8 Sauvie Island	<i>CAC: High/Medium</i>  Staff: High suitability	<i>CAC: Not a candidate for urban reserve</i>  Staff: Low suitability	<i>CAC: Designate rural reserve to protect farmland and landscape features.</i>  Staff: Designate rural reserve to protect foundation farmland and landscape features.
Area 9 Multnomah Channel	<i>CAC: Low suitability</i>  Staff: Low Suitability	<i>CAC: Low suitability</i>  Staff: Low suitability	<i>CAC: No reserves designation</i>  Staff: No reserves designation



Multnomah County  
Urban and Rural Reserves -  
CAC Recommendations  
Draft (Rev. 08/03/09)

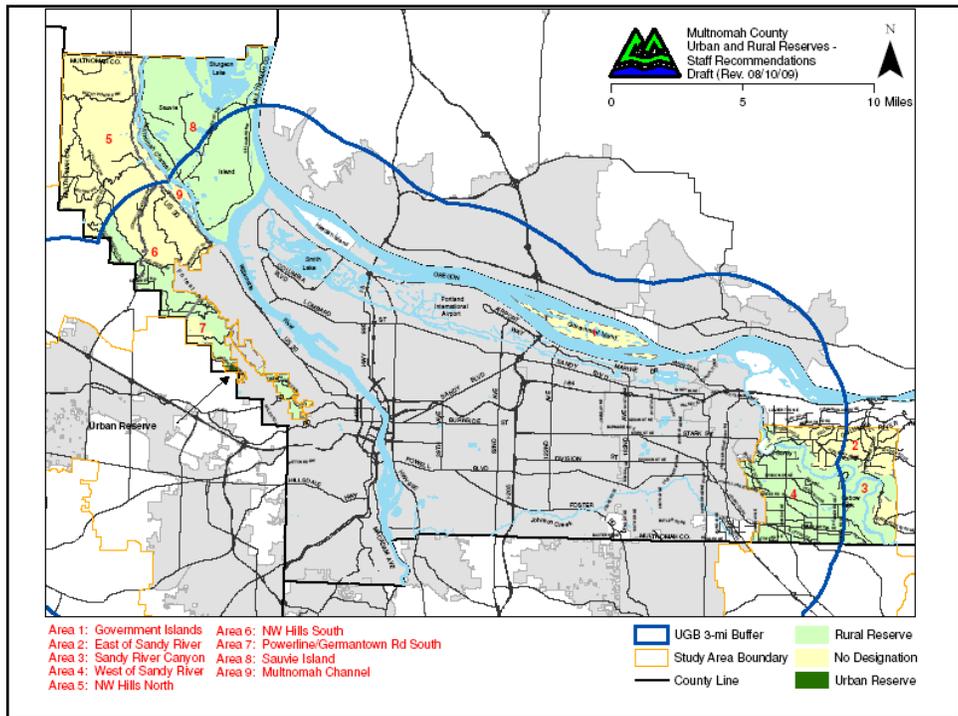
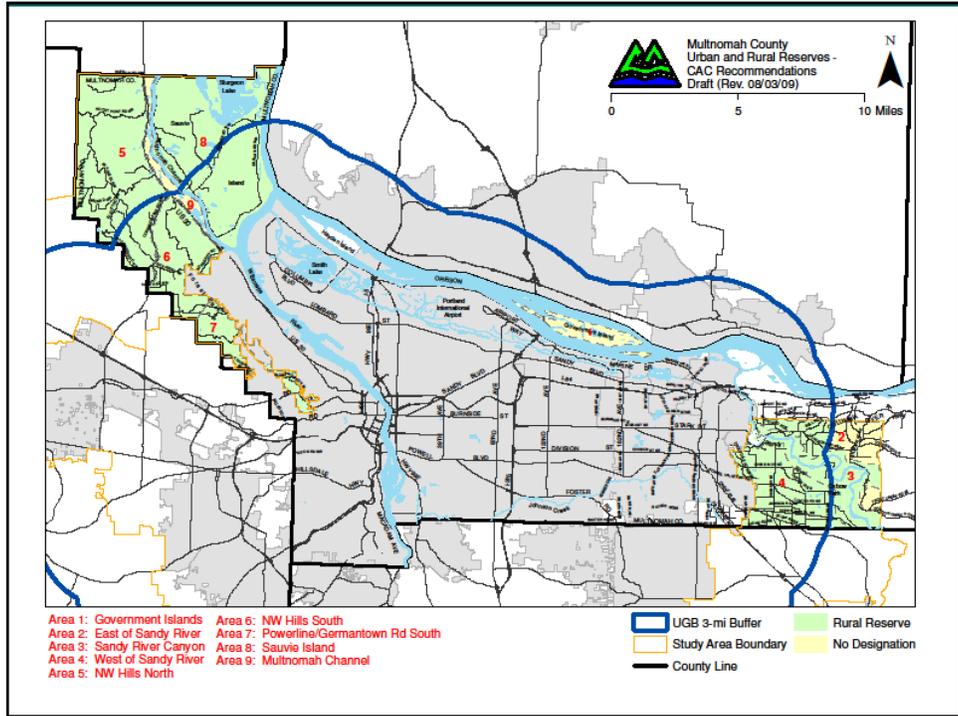


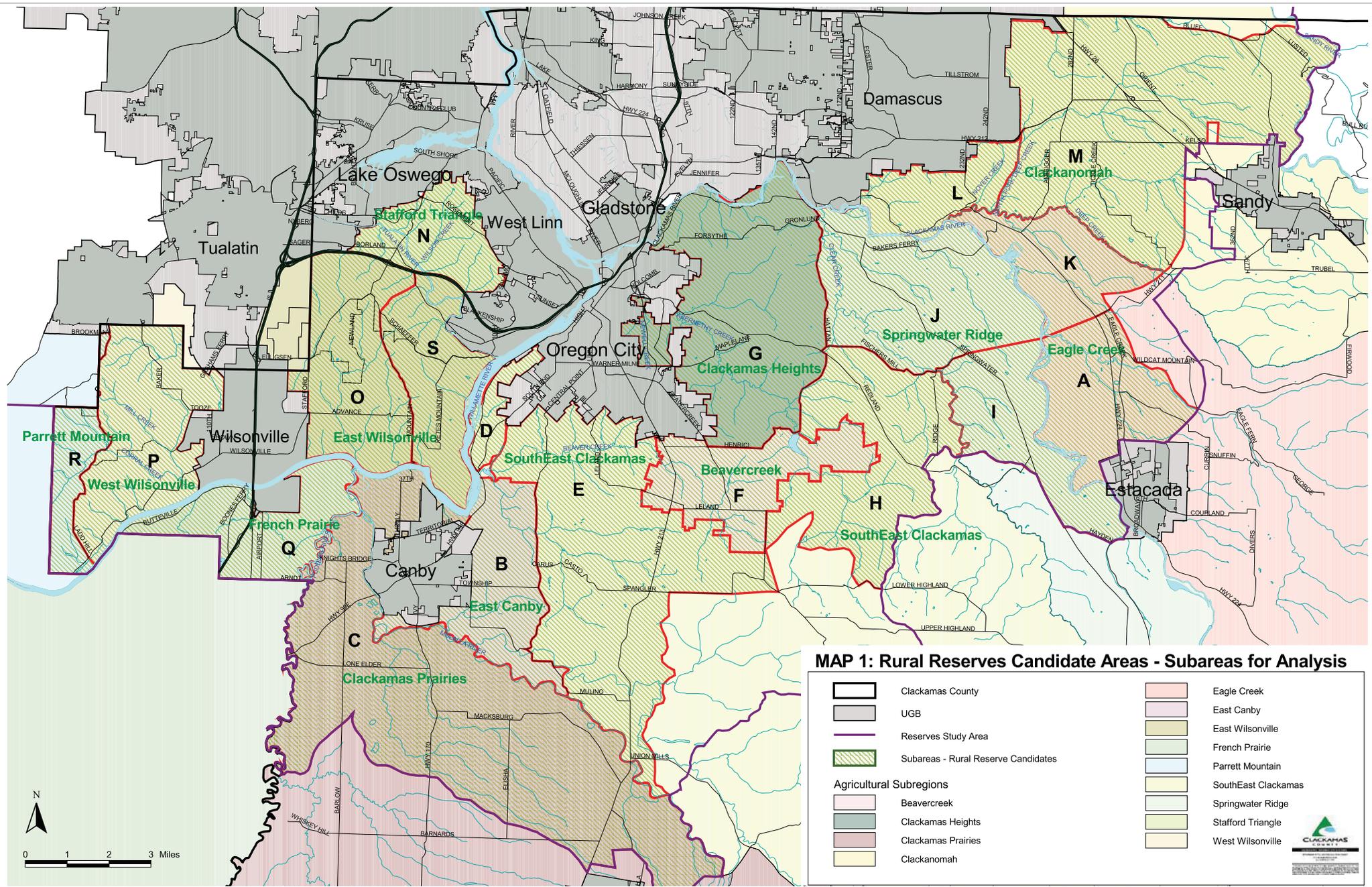
0 5 10 Miles



- Area 1: Government Islands
- Area 2: East of Sandy River
- Area 3: Sandy River Canyon
- Area 4: West of Sandy River
- Area 5: NW Hills North
- Area 6: NW Hills South
- Area 7: Powerline/Germantown Rd South
- Area 8: Sauvie Island
- Area 9: Multnomah Channel

-  UGB 3-mi Buffer
-  Rural Reserve
-  Study Area Boundary
-  No Designation
-  County Line





**MAP 1: Rural Reserves Candidate Areas - Subareas for Analysis**

- |   |                                     |   |                     |
|---|-------------------------------------|---|---------------------|
|  | Clackamas County                    |  | Eagle Creek         |
|  | UGB                                 |  | East Canby          |
|  | Reserves Study Area                 |  | East Wilsonville    |
|  | Subareas - Rural Reserve Candidates |  | French Prairie      |
| <b>Agricultural Subregions</b>  |                                     |  | Parrett Mountain    |
|  | Beavercreek                         |  | SouthEast Clackamas |
|  | Clackamas Heights                   |  | Springwater Ridge   |
|  | Clackamas Prairies                  |  | Stafford Triangle   |
|  | Clackanomah                         |  | West Wilsonville    |

