 **Metro** | *Agenda*

MEETING: METRO COUNCIL WORK SESSION
DATE: May 18, 2010
DAY: Tuesday
TIME: 2:00 PM
PLACE: Metro Council Chamber

CALL TO ORDER AND ROLL CALL

- 2:00 PM** **1. DISCUSSION OF AGENDA FOR COUNCIL REGULAR MEETING,
[May 20, 2010]/ADMINISTRATIVE/CHIEF OPERATING OFFICER
COMMUNICATIONS**
- 2:15 PM** **2. CONSTRUCTION EXCISE TAX (CET) GRANT AWARDS DISCUSSION Uba**
- 2:45 PM** **3. “MOVING FORWARD” CITY CLUB REPORT PRESENTATION &
DISCUSSION City Club of Portland**
- 3:25PM** **4. BREAK**
- 3:30PM** **5. DISCUSSION OF URBAN & RURAL RESERVES MAP CHANGES
Williams/Benner/Staff**
- 4:00PM** **6. RESERVES ORDINANCE NO. 10-1238 ISSUES DISCUSSION
Williams/Benner/Staff**
- 4:20 PM** **7. COUNCIL BRIEFINGS/COMMUNICATION**

ADJOURN

Agenda Item Number 2.0

**CONSTRUCTION EXCISE TAX
(CET) GRANT AWARDS
DISCUSSION**

PRESENTED BY GERRY UBA AND
STAFF

Metro Council Work Session
Tuesday, May 18, 2010
Metro Council Chamber

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METRO COUNCIL

Work Session Worksheet

Presentation Date: May 18, 2010 Time: 2:00 pm Length: 30 minutes

Presentation Title: Approving FY 2009-2010 Funding for Construction Excise Tax Grants

Service, Office, or Center: Office of the Chief Operating Officer

Presenters: Michael Jordan, Chief Operating Officer – ext. 1541 and Tim Smith, Chair, CET Screening Committee – 503-445-7385

ISSUE & BACKGROUND

Metro Ordinance No. 09-1220 extended the Metro construction excise tax (CET) to September 2014, to provide funding for regional and local planning that is required to make land ready for development after its inclusion in the Urban Growth Boundary. The Metro CET Administrative Rules promulgated pursuant to the CET Ordinance provide that Metro will allocate CET funds through a competitive grant application process, and the FY 09-10 Grant Cycle is expected to allocate approximately \$3.5 million to local government grant applicants. There will be another grant allocation cycle in FY 2011-2012, where the remainder of the expected CET collections, less administrative fees, will be awarded.

By the December 9, 2009 deadline for local governments to submit pre-grant-letters of intent (LOIs), Metro received 26 LOIs from 14 local governments. Staff reviewed the LOIs and provided comments to local governments. By the January 29, 2010 deadline for applications, Metro received 23 applications submitted from 12 local governments. The applications requested approximately \$6.4 million, with proposed leveraged matching funds of approximately \$6.9 million.

During March and April 2010, all CET Grant applications were reviewed by the nine-member CET Screening Committee selected by the Metro Chief Operating Officer in accordance with the CET Administrative Rules. On April 29, 2010, the CET Screening Committee submitted recommendations to the Metro Chief Operating Officer (COO), including recommended grant amounts for each application.

The COO is reviewing the recommendations of the Screening Committee and will prepare his own recommendations for the Metro Council, based on the CET Screening Committee's recommendations, the CET Grant Evaluation Criteria set forth in the Administrative Rules, and the Grant Applications themselves. The COO will provide his recommendations to the Metro Council, and thereafter the Metro Council will make the final CET Grant decisions at a public hearing (currently scheduled for June 10, 2010).

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OPTIONS AVAILABLE

The COO will provide his grant recommendations to the Metro Council prior to the date for public hearing. After reviewing the COO's CET Grant recommendations, the CET Grant Screening Committee's recommendations, the CET Grant Evaluation Criteria, the grant applications themselves, and after taking public testimony, the Metro Council may adopt by resolution all of the COO's CET Grant recommendations, or may change some of them; the final decision regarding CET Grants will be made by the Metro Council.

IMPLICATIONS AND SUGGESTIONS

The total amount of CET grants requested in the FY 09-10 Grant Cycle is approximately twice the amount of funding that will be available in this cycle; therefore not all grant applications will be funded. There will be another CET Grant Cycle for FY 2011-2012, providing local jurisdictions that were not previously funded, as well as those that were, another opportunity to receive Construction Excise Grant funding.

QUESTION(S) PRESENTED FOR CONSIDERATION

1. What questions do you have about these proposed projects?
2. What questions do you have about the recommendations of the Screening Committee?

LEGISLATION WOULD BE REQUIRED FOR COUNCIL ACTION Yes No
DRAFT IS ATTACHED Yes No

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BEFORE THE METRO COUNCIL

FOR THE PURPOSE OF APPROVING FY) RESOLUTION NO. 10- 4151
2009/2010 FUNDING FOR CONSTRUCTION)
EXCISE TAX PLANNING GRANTS) Introduced by: Councilor Robert Liberty

WHEREAS, in 2006, Metro adopted Ordinance No. 06-1115, establishing a construction excise tax (CET) to provide funding for regional and local planning that is required to make land ready for development after its inclusion in the Urban Growth Boundary; and Metro obligated the entire expected \$6.3 million CET revenue to local jurisdictions that applied for CET grants; and

WHEREAS, during 2008 and 2009 Metro engaged in months of analysis and investigation regarding the CET including a CET Performance Review dated April 3, 2009, and in the Spring of 2009 the Metro Chief Operating Officer (“COO”) convened a CET Advisory Group consisting of a broad-based stakeholder group, including the local jurisdictions affected by the CET, representatives from the development community, and other stakeholders, to advise the Metro COO regarding the continued regional needs for funding regional and local planning, and regarding the extension of Metro’s CET in light of the recent passage of Senate Bill 1036 (“SB 1036”) that prohibited new Construction Excise Taxes by local governments other than schools, but exempted from this prohibition and allowed the extension or continuation of existing CETs such as Metro’s so long as the CET tax rate did not increase; and

WHEREAS, the CET Advisory Committee determined that it was in the best interest of the region to continue the funding source provided by the CET to assist local governments to fund planning that is required to make land ready for development after its inclusion in the urban growth boundary, and recommended the extension of the Metro CET for an additional five-year period, and also recommended that CET funds collected by local collecting governments and remitted to Metro should be distributed by Metro in two cycles in the form of grants, and local governments should submit grant applications to Metro; and

WHEREAS, on May 2009, the Metro Policy Advisory Committee (“MPAC”) endorsed the recommendations of the CET Advisory Committee to extend the Metro CET; and

WHEREAS, in June of 2009, Metro adopted Ordinance No. 09-1220 extending the Metro CET to September 2014, and keeping the existing CET tax rate the same in compliance with SB 1036, and the Metro Council directed the Chief Operating Officer (“COO”) to promulgate Administrative Rules necessary for the administration and enforcement of the CET Code Chapter; and

WHEREAS, the Administrative Rules proposed by the COO was endorsed by the MPAC on August 2009, prior to promulgation of the Administrative Rules by the COO; and

WHEREAS, in August 2009 the Homebuilders Association of Metropolitan Portland, Eastview Development, Inc, and Matrix Development Corp., dba Legend Homes (collectively “plaintiffs”) filed a lawsuit in Multnomah County Circuit Court, Case No. 0908-11067, challenging Metro’s extension of the Metro Construction Excise Tax and challenging the distribution of Construction Excise Tax proceeds to local governments as provided for in Metro Ordinance 09-1220 (“HBA Lawsuit”), which lawsuit is currently ongoing; and

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WHEREAS, in accordance with Metro Code Chapter 7.04 and the Construction Excise Tax Administrative Rules, the COO established a CET grant applications screening committee (“CET Grant Screening Committee”) consisting of stakeholders with expertise ranging from economic development to real estate and infrastructure finance to provide a quality assessment of the development potential of each grant request, and present its recommendations to the COO; and

WHEREAS, Metro received twenty three (23) CET Grant Request Applications from twelve (12) local governments and their partners; and

WHEREAS, in April 2010 the CET Grant Screening Committee submitted its recommendations to the COO of the projects that best met the criteria for the grants program as set forth in Metro Code Chapter 7.04 and the Construction Excise Tax Administrative Rules; and

WHEREAS, in accordance with Metro Code Chapter 7.04 and the Construction Excise Tax Administrative Rules, the COO reviewed the recommendations of the CET Grant Screening Committee, and in May 2010 the COO presented to the Metro Council the COO’s CET Grant Recommendations, and the COO’s analysis of the CET Grant Screening Committee’s recommendations, and

WHEREAS, Ordinance No. 09-1220, Metro Code Chapter 7.04 and the CET Administrative Rules require the Metro Council to make the final CET Grant decision allocations; and

WHEREAS, the Metro Council has reviewed the recommendations of the COO, the work done by the CET Grant Screening Committee, the CET Grant applications, the CET Grant Evaluation Criteria, and the Metro Council has heard public testimony of some CET Grant applicants and other interested members of the public;

NOW THEREFORE, BE IT RESOLVED as follows:

- (1) The Metro Council makes the following CET Grant Awards for the FY 2009-2010 CET Grant Cycle totaling approximately \$3.5 million, to those CET Grant Recipients and for those projects and in the amounts listed in Exhibit A, attached hereto and incorporated herein; and
- (2) The Metro Council hereby authorizes and directs the Metro COO and his staff, and the Office of Metro Attorney and legal staff, to negotiate Intergovernmental Agreements (“IGAs”) with the CET Grant Recipients in substantially the IGA format executed for the 2006 CET Grant Cycle or in a format approved by the Office of Metro Attorney, which IGAs shall set forth milestones and funding allocation dates that comply with the Metro Code Construction Excise Tax Chapter 7.04, the CET Administrative Rules, this Resolution No. 10-4151 and Exhibit A attached hereto; and the IGAs shall also contain provisions making these CET Grants contingent on receiving adequate CET funds from the collecting jurisdictions and on the final positive resolution of the HBA lawsuit and the CET funds.

ADOPTED by the Metro Council this ___ day of _____, 2010.

David Bragdon, Council President

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Approved as to Form:

Alison Kean Campbell
Metro Deputy Attorney

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**EXHIBIT A
RESOLUTION NO. 10-4151
CONSTRUCTION EXCISE TAX PLANNING GRANTS RECIPIENTS AND AMOUNTS**

<u>Jurisdiction</u>	<u>Project</u>	<u>Award</u>
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[To be finalized after the Council decision on the grants award]

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STAFF REPORT

IN CONSIDERATION OF RESOLUTION NO. 4151, FOR THE PURPOSE OF APPROVING FY 2009/2010 FUNDING FOR CONSTRUCTION EXCISE TAX PLANNING GRANTS

Date: May 10, 2010

Prepared by: Gerry Uba, 503-797-1737

BACKGROUND

In June 2009, Metro Council adopted Ordinance No. 09-1220 extending the Metro construction excise tax (CET), codified as Metro Code Chapter to September 2014, while maintaining the existing CET tax rate, to provide funding for regional and local planning that is required to make land ready for development after its inclusion in the Urban Growth Boundary. Ordinance No. 09-1220, Metro Code Chapter 7.04, and the CET Administrative Rules provide that CET revenue will be awarded to local governments in the region for planning projects through a competitive grant application process, and that grant applications will be reviewed by an outside Grant Screening Committee evaluating the grants based on criteria set forth by Metro, who will make recommendations to the Metro Chief Operating Officer. The ultimate CET Grant decisions will be made by the Metro Council after review of the Committee's, staff, and the COO's recommendations, as well as the CET evaluation criteria. The FY 2009-2010 CET Grant Cycle is expected to allocate about \$3.5 million to local governments.

On October 21, 2009, Metro initiated solicitation of CET grant applications from all twenty-five (25) cities and three (3) counties within the Metro jurisdictional boundary, and any other local governments as defined in ORS 174.116 in partnership with such city or county, and held a pre-application meeting that was attended by local governments staff and other interested stakeholders. At that meeting, staff shared: a) the Administrative Rules containing the evaluation criteria for the grant applications, the December 9, 2009 deadline for local governments to submit pre-grant-letter of intent (LOI) to Metro for comments, and information about the appointment of a Screening Committee to evaluate applications submitted by local governments; b) the 2009-10 Application Handbook containing eligibility requirements and evaluation criteria, the January 29, 2010 deadline for local governments to submit full applications to Metro; and c) list of important dates including when Metro staff will respond to the LOIs, the period that the Screening Committee will evaluate the applications, and when the Metro Council will likely make decision on the grants and the amount awarded.

Eligibility requirements

Eligibility requirements were set forth in the Administrative Rules, attached hereto as Exhibit 1 promulgated after they were endorsed by MPAC in August of 2009..

Evaluation criteria

The CET Grant Evaluation Criteria for CET Grant Applications were also set forth in the Metro Administrative Rules promulgated after they were endorsed by MPAC in August of 2009. The Grant Evaluation Criteria are summarized as follows from the Administrative Rules, Section IV E 2 (a):

- Expected Development Outcomes: Applications weighed on ability to achieve on-the-ground development/redevelopment outcomes.
- Regionally Significant: Priority given to projects that clearly identify benefit to the region in achieving established regional development goals and outcomes.

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- Focus: Target funding to projects that facilitate development and/or redevelopment in or near centers, corridors, mainstreets, station centers, employment areas, or industrial areas that enhance the 2040 Growth Plan.
- Equity: Equitable distribution of funds based on collections of revenues and past funding. Equitable distribution of funds based on planning resource needs.
- Best Practice Model: Application can be easily replicated in other locations.
- Leverage/Matching Potential: Describe any financial or in-kind match associated with the project.

The consideration of the “equity” criteria took into account past (2006) CET collections and funding. Staff produced a chart for the Committee showing 2006 contributions by each applicant, percentage of the contribution to total regional collections, 2006 funding, and percentage of the funding to total regional funding.

Letters of Intent and Applications

By the December 9, 2009 deadline for submission of LOI, Metro received 26 LOIs from 13 local governments, and staff reviewed them and suggested how they can be strengthened for the full applications. The COO created the CET Screening Committee in the same month. The Committee is made up of nine people with experience and expertise in the specific areas set out in the CET Administrative Code, to provide quality assessment of the development potential of each grant request. By the January 29, 2010 deadline for submission of full applications, Metro received 23 CET Grant applications from 12 local governments. The total CET Grant amounts requested for the FY 09-10 Grant Cycle was approximately \$6.4 million, and leverage matching funds of approximately \$6.9 million.

Review Process

In March and April 2010, the Screening Committee met and evaluated the applications. As stated in the Administrative Rules, staff initially reviewed the applications and presented preliminary recommendations to the Committee. The Committee presented their recommendations to the COO in April. The Committee concluded that most of the proposed projects in the applications reflect a strong commitment in the region to implement the 2040 Growth Concept, and recommended full funding for 15 projects, partial funding for two projects and no funding for six projects, with a total grant amount of just under \$3.5 million. After reviewing the recommendations of the Screening Committee, and after reviewing the CET Grant Applications, in June 2010 the COO presented his CETGrant recommendations to the Metro Council.

ANALYSIS/INFORMATION

1. Known Opposition

There is no known opposition to the proposed CET Grant allocation amounts, except from several of the grant applicants who will not be receiving CET funding. The 2009 extension of the CET, however, is the subject of a legal challenge. In August 2009, the Homebuilders Association of Metropolitan Portland, Eastview Development, Inc, and Matrix Development Corp., dba Legend Homes (collectively “plaintiffs”) filed a lawsuit in Multnomah County Circuit Court, Case No. 0908-11067, challenging Metro’s extension of the Metro Construction Excise Tax and challenging the distribution of Construction Excise Tax proceeds to local governments as provided for in Metro Ordinance 09-1220 (“HBA Lawsuit”), which lawsuit is currently ongoing.

2. Legal Antecedents

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Ordinance 06-1115, "Creating a New Metro Code Chapter 7.04 Establishing a Construction Excise Tax" was adopted on March 23, 2006; Ordinance 09-1220, "Extending the Metro Construction Excise Tax and Amending Metro Code Chapter 7.04" was adopted on June 11, 2009.

3. Anticipated Effects

This Resolution designates CET Grant Awards and begins the individual Intergovernmental Agreement negotiation process for the selected grant applicants. The planning projects will be implemented over a period of six months to two years.

4. Budget Impacts

It is stated in the Administrative Rules that the new grant cycle in FY 2009-2010 shall allocate up to \$3.5 million in grants. The money will come solely from CET Revenues collected by local collecting jurisdictions and remitted to Metro net of the local government's administrative costs. Metro may "front" some of the CET grant money prior to actually receiving remittances from the local governments, but will not provide any CET grant funds until satisfactory conclusion of the HBA lawsuit.

RECOMMENDED ACTION

The Chief Operating Officer recommends adoption of Resolution No. 4151.

Agenda Item Number 3.0

**“MOVING FORWARD” CITY CLUB REPORT
PRESENTATION & DISCUSSION**

PRESENTED BY CITY CLUB OF PORTLAND MEMBERS

Metro Council Work Session
Tuesday, May 18, 2010
Metro Council Chamber

Work Session Presentation To Metro

Date: May 18, 2010

Presenters: Steve Griffith
Peter Livingston
Richard Ross

Representing: City Club's Regional Transportation Advocacy Committee

Report topic: **"Moving Forward: A Better Way to Govern Regional Transportation"**
(adopted by City Club of Portland on March 5, 2010)

Available at: www.pdxcityclub.org

I. Some key findings of Report

- A. Transportation is a **regional issue**.
- B. Metro is the region's transportation and land use **planner** (for more than 30 years), but controls no more than 4% of the revenues spent each year on transportation in the Metro region.
- C. There is no single entity having the power to plan, implement, fund, maintain and evaluate **road-related** transportation plans and investments for the entire Metro region. Instead, 25 cities, 3 counties, 2 state empowered special service districts and ODOT make the transportation decisions and investments in the Metro region.
- D. There are transportation investments in the Metro region which are **not adequately maintained**, either because the "owner" of the asset does not have a sustainable source of revenue to maintain the transportation asset consistent with regional needs (Multnomah County), or the entity in charge (ODOT) gives priority to Interstate highways over the portions of state highways that now are inside, or connect, urban areas, including:
 - 1. Eleven regional bridges over rivers (not including Interstate limited access bridges maintained by ODOT).
 - 2. A number of regional roads that started as state highways, and now have become major regional arteries in and between urban areas.

II. Key near-term recommendations of Report

- A. **Transportation revenue needs** should be addressed by **one entity** that has full oversight responsibility to plan, implement, fund, maintain and evaluate transportation plans and investments for the entire Metro region.

- B. Transportation investments that most readily should be the responsibility of the regional transportation governance entity include:
1. **Eleven regional bridges** over rivers (not including Interstate limited access bridges maintained by ODOT).
 2. **A number of regional roads** that started as state highways, and now have become major regional arteries in and between urban centers.
- C. The **revenues** (federal, state, local) that **now** fund regional road-related transportation investments should be sustained and **allocated by** the regional transportation governance entity.
- D. The regional transportation governance entity should have the **power**, with voter approval, **to raise revenues** from road users, to supplement the funds needed to adequately build and maintain all regional road-related transportation investments, including but not limited to tolls, vehicle miles traveled (VMT) charges, utility-like assessments on residents and businesses located in the Metro region, etc.
- E. Because Metro already has more than 30 years of experience as planner and conduit for funding regional road-related transportation investments, the Report recommends that **Metro become the enhanced regional transportation governance entity.**

III. Committee's agenda for work session

What steps should be taken to implement the key near-term recommendations of the City Club's Report (II above)?

Suggested topics

- Metro Bridge Authority
- Metro Regional Road Authority
- Metro's power to allocate existing revenues
 - Federal
 - State
 - Local (cities, counties)
- Metro's power to assess road users
 - Charter powers
 - Legislation?

Other topics?



Moving Forward: A Better Way to Govern Regional Transportation

**RECOMMENDATION(S)
ADOPTED**



City Club of Portland
Good citizens are the riches of a city

City Club of Portland Bulletin, Vol. 96, No. 32, March 5, 2010

City Club members will vote on this report on Friday, March 5, 2010. Until the membership votes, City Club of Portland does not have an official position on this report. The outcome of the vote will be reported in the City Club Bulletin dated March 19, 2010 and online at www.pdxcityclub.org.

EXECUTIVE SUMMARY

This study responds to a suggestion in an earlier City Club report that a committee be formed to answer these questions: “Is the governance structure for transportation (including planning, allocation of federal and state funds to specific projects, and other top-level decision making) in the Portland metropolitan region adequate to meet the needs of a region facing significant growth, aging infrastructure, and climate change? If not, what criteria or principles should be followed in making needed changes?”

After reviewing possible definitions of the “Portland metropolitan region,” this report settles on “Metro Region” for the area inside the Metro Urban Growth Boundary, and “Portland/Vancouver Metropolitan Area” to mean a broader area that includes the Metro Region and its suburban and exurban extensions in Oregon and Washington. It discusses the complex, interacting federal, state, regional and local components of the current transportation governance system. Transportation governance in the Metro Region is the product of Oregon state policies that require the close integration of land use and transportation planning, with a focus on transportation-oriented development. In contrast, Washington State requires less integration and less dense development, which makes unified, consistent planning throughout the Portland/Vancouver Metropolitan Area difficult to achieve.

The report discusses three case studies — the Sellwood Bridge, the Newberg/Dundee Bypass and the Columbia River Crossing (CRC) — that illustrate some of the flaws in the present system of transportation governance. The Sellwood Bridge has been allowed to deteriorate because ownership and responsibility are not linked to the users and their financial resources. The Newberg/Dundee Bypass has been favored by state politicians making deals at the expense of more important projects in the Metro Region. The CRC is a costly bi-state collaboration that is collapsing because of different land use and transportation objectives and local politics on both sides of the Columbia River.

The report then focuses on Metro and the Joint Policy Advisory Committee on Transportation within Metro (JPACT). JPACT has 17 members, including representatives of local governments (counties and cities), state agencies, Metro and Washington State. It makes policy decisions, helping to develop the regional transportation plan for the Metro Region, which is tied to Metro’s long-range planning document, the 2040 Plan. JPACT also allocates a small fraction (\$23-37 million) of the funds ultimately spent in the region. The Oregon Department of Transportation (ODOT) controls a much larger percentage of the state and federal expenditures in the Metro Region — about \$200 million per year for road-related projects, including interstate freeways, state bridges and local streets that have regional significance. ODOT distributes transportation funds directly to cities and counties — about 29 percent of the funds spent by cities (\$56 million) and 48 percent of the funds spent by counties (\$70 million).

The report next identifies future challenges affecting or affected by transportation governance: population growth, climate change, deterioration of existing transportation infrastructure and transportation equity. It discusses the proposed federal response, which will be implemented through the next federal transportation act, the Surface Transportation Authorization Act of 2009 (STAA 2009). STAA 2009 identifies serious problems that should be addressed, particularly poor maintenance of existing facilities, delays in completing approved projects, inadequate funds and a lack of a performance-based framework for inter-modal transportation investment. It proposes major “Tier One Grants” for 10 metropolitan areas, selected in a competitive process. Criteria for selection include evidence of successful cooperation to reduce transportation congestion, the use of tolls for congestion management and infrastructure improvements, prescribed planning criteria, reduced greenhouse gas emissions and performance management.

The state has responded along the same lines as the proposed STAA 2009, with Governor Ted Kulongoski’s Transportation Vision Committee making recommendations, the most intriguing of which is the formation of a transportation utility commission, comparable to the Public Utility Commission, which would determine the revenue needs of the transportation system, including all modes, and then, using performance measures, analyze the means available to meet them. This would require a far better understanding of the cost of transportation operations, maintenance and desired improvements than exists today. The Oregon legislature responded to the Transportation Vision Committee recommendations by adopting HB 2001, which takes some of the recommended steps and increases the fuel tax, but unfortunately also establishes an unwelcome precedent of legislative earmarking of transportation improvements.

The proposed Metro 2035 Transportation Improvement Plan (TIP) states a vision for the Metro Region transportation system that reflects the continued evolution of transportation planning from a project-driven endeavor to one that considers impacts on daily living. That vision includes a more thorough collection of data and a better use of performance monitoring measures. It emphasizes integration with the 2040 Plan. Unfortunately, the 2035 TIP defers consideration of 13 unresolved issues to some date in the future, including climate change, a regional transportation funding strategy, a regional bridge funding strategy and ODOT’s district and regional highways, which now function as aging urban arterials.

Before making any recommendations, the report examines six comparable regional transportation-planning agencies. Since each agency is a product of local thinking and political structures that have evolved over time, none is a realistic model for the Metro Region. However, in San Diego, where transportation, land use and energy planning are combined in a single agency (SANDAG), there has been a significant improvement in the

Executive Summary

integration of these functions, with conspicuous political and financial benefits. In Vancouver, B.C., there is a fully integrated transit system across all modes, including the network of arterial roads, which has the potential to result in coordinated, multi-modal transportation decision making. Planning in the Metro Region and even the Portland/Vancouver Metropolitan Area could benefit from the incorporation of some of these ideas.

The report then discusses potential improvements to transportation governance in the Metro Region. Acknowledging that bi-state urban area cooperation is an elusive goal because of the different views that exist on opposite sides of the Columbia River regarding land use and transportation planning, the report suggests that federal funding incentives and a joint Metropolitan Planning Organization might, over time, reduce bi-state conflicts. To address the conflicts that can arise between the Metro Region and outlying areas in Oregon, the report urges the formation of a new Area Commission on Transportation, to include Metro and Yamhill and Columbia counties, with the hope that this could provide a new level of cooperation and planning coordination. The report notes that ODOT and the state largely decide what investments should be made in the Metro Region, which contributes more transportation revenue to the state than it receives. For the larger Portland/Vancouver Metropolitan Area, the opportunities for collaboration with Washington appear more limited than with outlying areas in Oregon, but the report recommends working with federal incentives, such as the Tier One grants, and more energetic efforts by the governors of Oregon and Washington to produce a unified approach consistent with Metro's efforts for the entire region.

The report considers three categories of regional and local transportation facilities: the Willamette River bridges, regional roads and local streets, and transit. It discusses the creation of a bridge authority affiliated with Metro and a funding source to support the authority. It recommends the transfer to Metro of all funds previously distributed or spent by ODOT within the Metro Region, other than funds for freeways. It suggests that Metro be given the *authority* to take possession of and operate regional roads and local streets when and if it makes sense, while making clear that now is not the time. Finally, it recognizes TriMet's expertise and ongoing successes and recommends that Metro, which has charter authority to assume the duties, functions, powers and operations of TriMet, not exercise that authority.

The report discusses transportation revenues and notes the inequities in the present system of raising revenues for local transportation improvements, which are inimical to the wise allocation of funds in the Metro Region. To address these inequities, which arise from historical choices and unforeseen circumstances, the report recommends that Metro's charter be amended to give it authority to impose property, vehicle, fuel and/or road use taxes, tolls and fees for transportation purposes in the Metro Region. All existing property, vehicle, fuel or road use taxes or bond levies imposed for transportation purposes by cities and counties in the Metro Region should be phased out at the local level as Metro exercises its new taxing authority, and any further

such local taxes should be prohibited. Metro's revenues will have to increase to avoid the continuing deterioration of existing transportation infrastructure in the Metro Region.

As Metro's authority increases, the composition of JPACT will have to change to make it more representative. The report recommends that JPACT's present voting structure be made more transparent and accountable by reforming it so that local elected officials of the general purpose governments (cities and counties) in the region are the sole voting authority, in proportion to their populations within the Metro Region. Metro councilors, Washington state representatives, and agency representatives would have a non-voting, advisory role.

Finally, the report endorses the use of a "utility model" for transportation decision making in the Metro Region, to do a better job of matching resources to need and to induce a more realistic approach to the creation of a well-maintained, multimodal transportation system. Over time, Metro should establish a system to explain its current revenues, expenditures, and facility conditions; a system-wide revenue estimate; a conceptual framework for a rate design and a strategy for collection, including peak and off-peak congestion pricing; and a framework for least-cost planning

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CONCLUSIONS AND RECOMMENDATIONS FOR CHANGES IN TRANSPORTATION GOVERNANCE

CONCLUSIONS

1. Transportation policy in the Portland/Vancouver Metropolitan Area is framed by federal and state policies. There is a new focus on regional transportation planning, multimodality, cost efficiencies and greenhouse gas reductions. However, there is still considerable hesitancy at the federal and state levels in mandating that specific steps be taken to reach desired objectives.
2. Transportation governance in the Portland/Vancouver Metropolitan Area is fragmented by jurisdictional boundaries rooted in history. Although collaboration across boundaries is possible, it cannot be taken for granted. Different jurisdictions are often at cross-purposes.
3. Transportation in an urban metropolitan area is a regional issue. To increase the probability of consistent, informed decision making, transportation governance in the Portland/Vancouver Metropolitan Area ideally would be consistent throughout that region.
4. The political divide at the Columbia River between two states is, for now, an insurmountable obstacle to unified transportation governance throughout the Portland/Vancouver Metropolitan Area. A different attitude towards land use planning and modes of transportation in the Metro Region and Southwest Washington is retarding meaningful cooperation.
5. Although they exclude the Washington side of the Columbia River and certain exurbs, Metro's boundaries, authority and expertise offer the best existing platform for dealing with metropolitan transportation issues.
6. The Metro Region is a national leader in the coordination of transportation and land use policies and decisions, but it can learn from several other metropolitan areas that provide informative examples of different ways to align transportation authority and resources, implement transportation policy and hold transportation decision makers accountable.
7. Because of a mismatch between ownership and authority, on the one hand, and capability and available funds, on the other hand, transportation project selection within the Portland/Vancouver Metropolitan Area does not correspond to the most pressing needs.
8. ODOT's control of most federal and state funds for transportation has put the amount of funding for projects and the choice of projects in the Metro Region under the control of state administrative officials and politicians.
9. The members of the Metro Joint Policy Advisory Committee on Transportation (JPACT) are selected in a way that gives too much weight to Metro councilors and Washington state and agency representatives, and does not proportionately represent the residents of the Metro Region.

RECOMMENDATIONS

Control of Regional Transportation Revenues

1. The Oregon legislature should direct ODOT to give Metro, instead of its constituent cities and counties, the transportation funds presently being distributed to those jurisdictions for expenditures within the Metro UGB. ODOT should transfer to Metro all categories of funds that ODOT itself has historically spent for highways and bridges in the Metro Region, other than for limited access highways and bridges. Metro should distribute these transportation funds to cities and counties in accordance with Metro's determination of need.
2. To the extent constitutionally possible in light of Ballot Measure 5, the Oregon legislature should amend any applicable statutes and Metro should amend Section 13 of its charter to give Metro the power to impose taxes, tolls or fees as necessary for transportation purposes.
3. As Metro exercises its new taxing authority, all existing local vehicle, fuel or road use taxes, street utility fees or bond levies imposed for citywide or countywide transportation purposes in the Metro Region should be phased out. Any further such local taxes should be prohibited.

Control of Regional Transportation Infrastructure

4. ODOT should transfer its responsibility for all non-limited-access highways in the Metro Region to the city or county in which they are located.
5. All non-freeway road bridges within the Metro boundary across the Willamette, Clackamas and Tualatin rivers, other than the Steel Bridge, should be planned, financed, built, operated and maintained as regional assets under a separate bridge authority to be established by Metro, which shall not be given preferential treatment compared to other transportation funding requests made to Metro.
6. Metro should be given charter authority to assume — at its discretion — ownership and responsibility for some or all of the roads and streets within its boundaries.

Collaboration with Governance Entities Contiguous to the Metro Region

7. ODOT should establish a new Area Commission on Transportation (ACT), to include Metro and Columbia and Yamhill counties, to collaborate on matters of common interest within the travelshed of the Portland/Vancouver Metropolitan Area.
8. Metro and the Southwest Washington Regional Transportation Commission (RTC) should make every effort to maximize their cooperation with respect to common goals.
9. Over a longer term, the governors of Oregon and Washington should make it a priority to end the division between the local governments on both sides of the Columbia River with respect to land use and transportation planning. The governors of both states should seek the support of local governments and, if necessary, initiate legislation to permit the creation of a bi-state land use and transportation planning and governance entity for the Portland/Vancouver Metropolitan Area. The legislation should ensure that planning and implementation by the bi-state entity is consistent with Metro's present planning approach.

Regional Performance Measurement and Accountability

10. With the assistance of the counties and cities, Metro should conduct a needs assessment with respect to the operation, maintenance and preservation of all existing streets, roads and bridges within the boundaries of Metro, other than the limited access highways and bridges, for which the state should remain responsible.
11. Metro should develop a financial analysis of the costs of operating, maintaining and preserving existing streets, roads and bridges in the Metro Region and making necessary transportation improvements. It should devise a revenue structure that allows it to meet these costs. Thereafter, Metro should take a "utility" model approach to operating, maintaining, preserving and improving these transportation facilities.

Moving Forward: A Better Way to Govern Regional Transportation

12. Metro should implement a financial reporting system that collects and tabulates on a consistent basis the actual dollars spent on all transportation investments in the Metro Region, and periodically evaluate and report results to the public.
13. Metro should continue to refine — and apply — its performance criteria for adopting plans, selecting projects, and allocating transportation dollars in order to maximize its return on investment.

Voting Power on JPACT

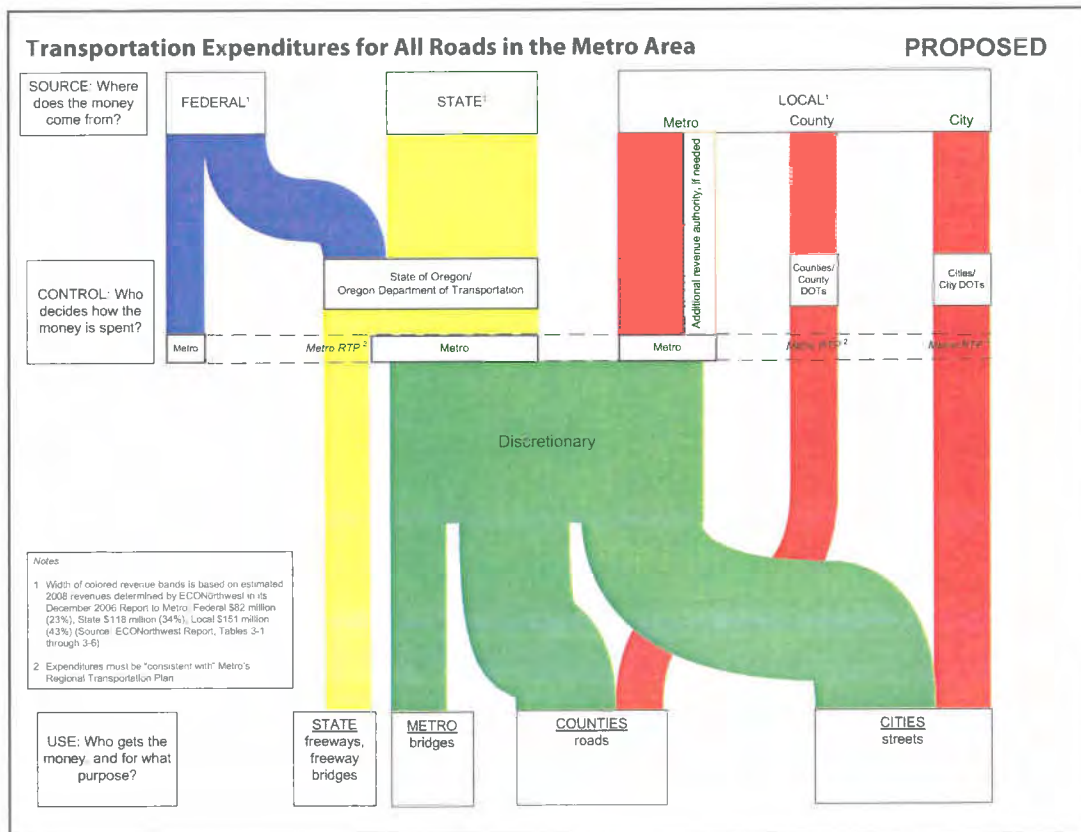
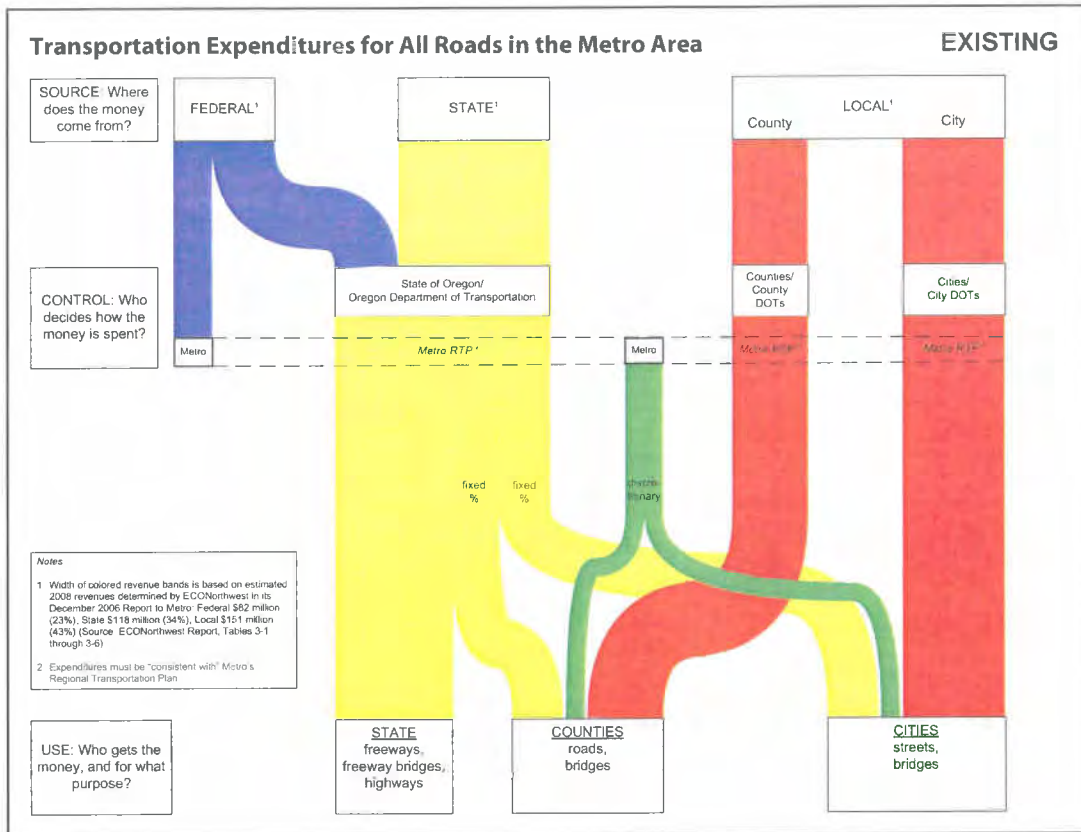
14. The elected officials of cities and counties on JPACT should be its only voting members, and their votes should be weighted in proportion to the population they represent residing within the Metro UGB. The Metro councilors and Oregon and Washington agency representatives on JPACT should become non-voting members.

Respectfully submitted,

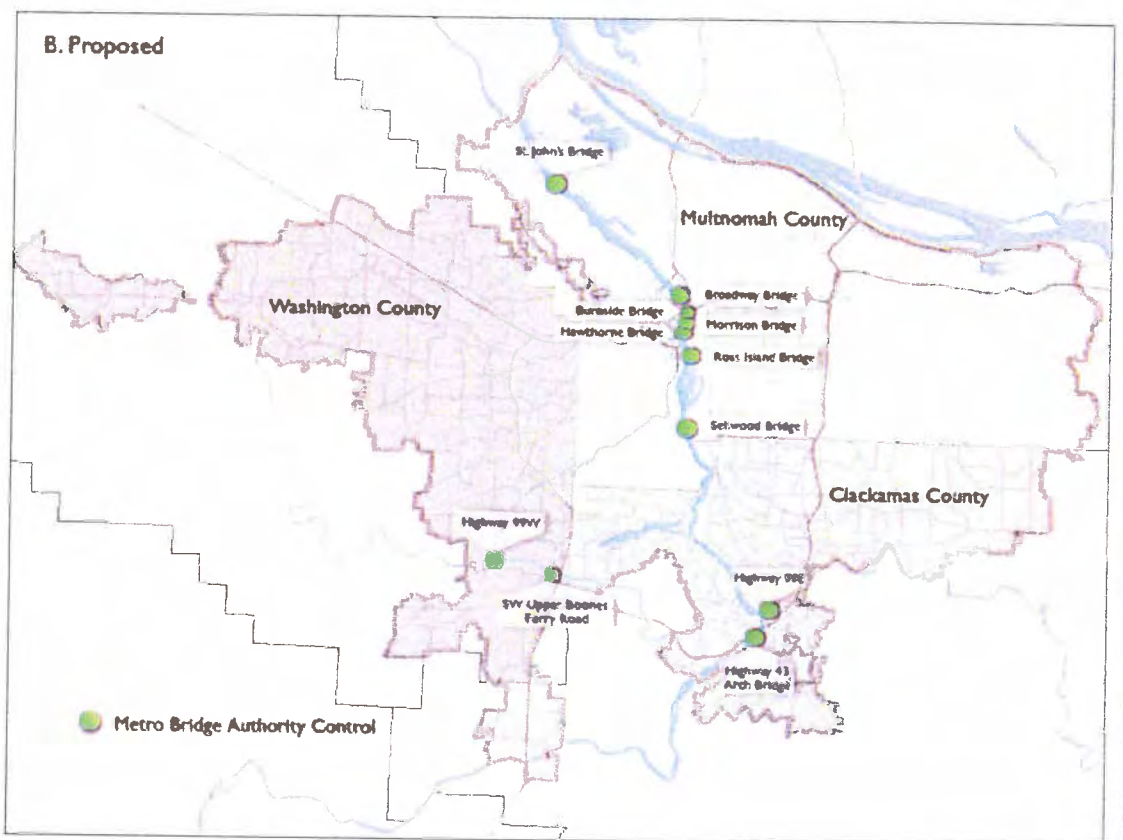
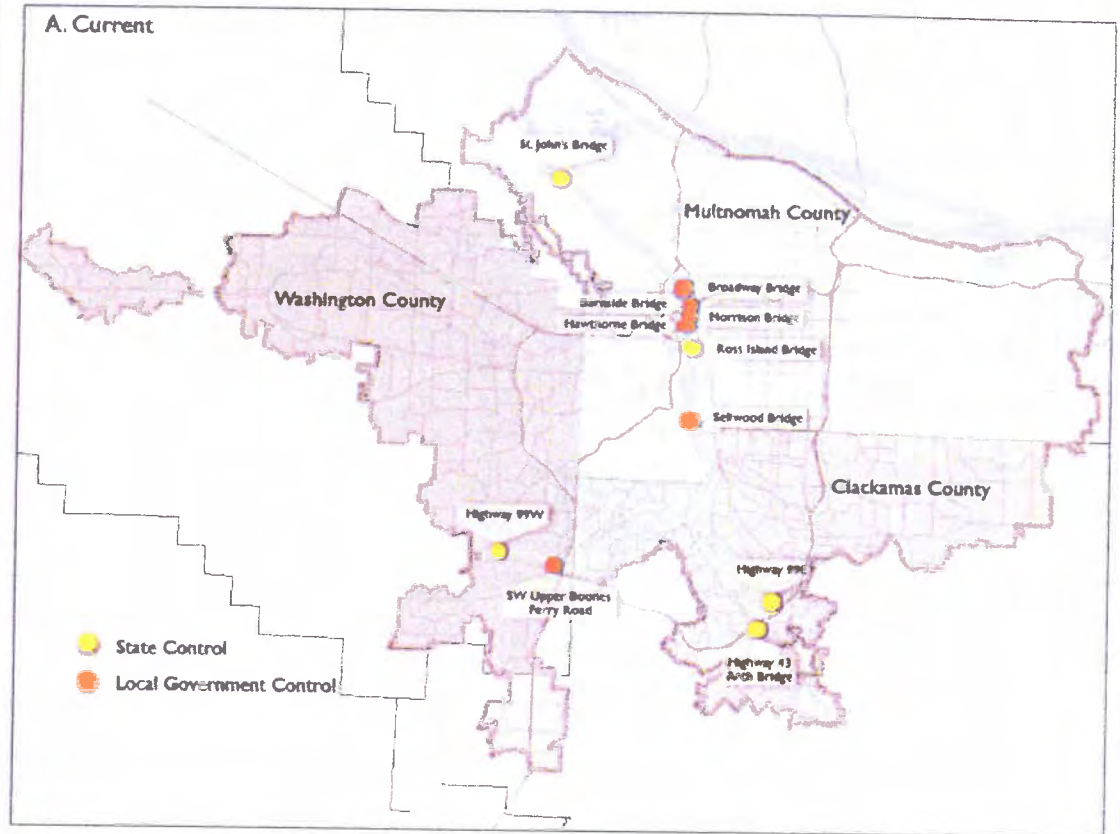
Maitri Dirmeyer
Tom Neilsen
Seth Otto
Ruth Radford
Jazzmin Reece
Richard Ross
Kyle Smith
Leigh Stephenson-Kuhn
Scott W. Whiteford

Stephen Griffith, chair
Peter Livingston, lead writer
Roger Eiss, research advisor
Jonathan Radmacher, research adviser
Tony Iaccarino, research & policy director

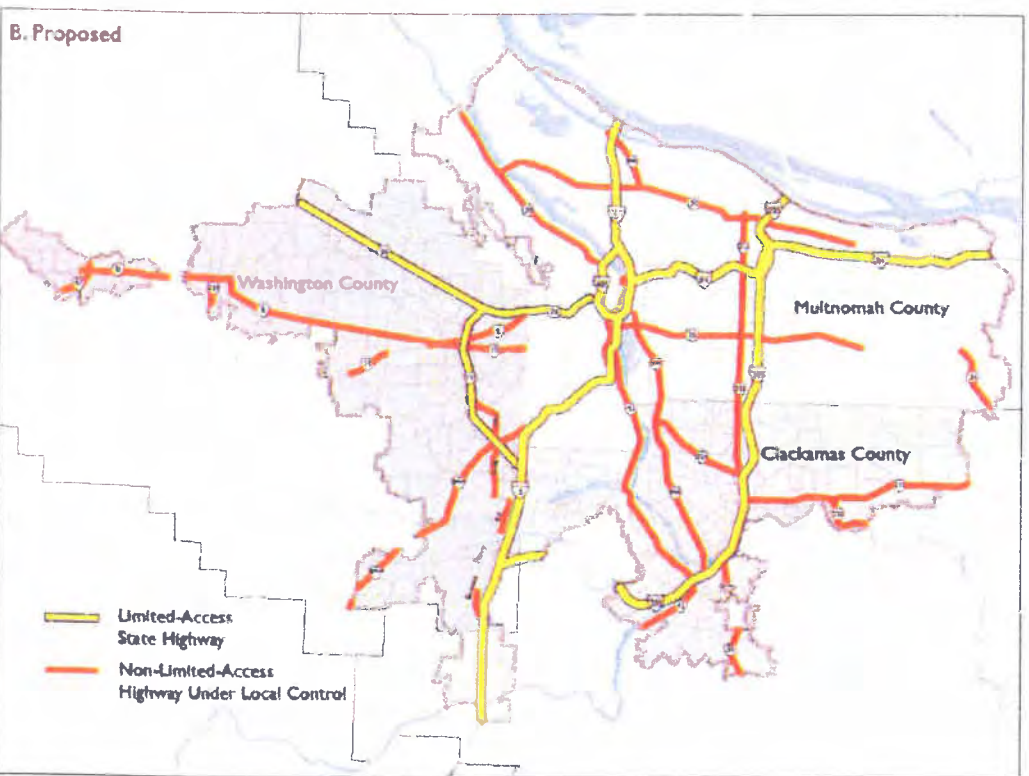
Transportation Revenues



Regional Bridges to be Placed Under Proposed Metro Bridge Authority



Regional Non-Limited-Access State Highways to be Placed Under Local Government Authority



Source: Metro RLS; ODOT GIS

Agenda Item Number 5.0

**DISCUSSION OF URBAN & RURAL RESERVES MAP
CHANGES**

PRESENTED BY JOHN WILLIAMS, DICK BENNER, AND
STAFF

Metro Council Work Session
Tuesday, May 18, 2010
Metro Council Chamber

METRO COUNCIL

Work Session Worksheet

Presentation Date: May 18, 2010 Time: 3:30 Length: 30 min

Presentation Title:

- Urban and Rural Reserves update on map change proposals from counties

Service, Office, or Center:

Planning and Development Department

Presenters (include phone number/extension and alternative contact information):

John Williams (x1635), Dick Benner (ext 1532)

ISSUE & BACKGROUND

Process

The Urban and Rural Reserves intergovernmental agreements adopted in February 2010 included maps of agreed-upon urban reserve and rural reserve areas, and established a process for formal adoption of reserves by Metro and each county. This process allowed for changes to be made to the maps during the adoption phase as follows:

C.3: “If testimony at a hearing persuades Metro or the county that it should revise its ordinance in a way that would make it inconsistent with this agreement, then it shall continue the hearing and propose an amendment to the agreement to the other party and to (the other) counties.”

C.4: “If (a county) or Metro proposes an amendment to the agreement, the party proposing the amendment will convene the four governments to consider the amendment. Any objections or concerns raised by a government that is not party to this IGA shall be considered carefully and the four governments shall take reasonable, good faith steps to reach consensus on the amendment. After this consultation, (the county) and Metro may agree to an amendment.”

The three counties have now held initial hearings. The purpose of the May 18 work session item is for the Council to review and discuss the map change proposals that have resulted from the counties’ hearings. Council President Bragdon will use the Council discussion to inform his subsequent conversations with the county chairs on this topic. Metro and the counties are currently on track to adopt reserves in time to submit a complete package to LCDC in June. In order to stay on this schedule, Council President Bragdon intends to communicate with the county chairs ASAP after the work session. Final adoption of reserves will take place between May 18 and June 3. The Metro Council is scheduled to hold a hearing on May 20 with final adoption on June 3.

Proposed changes

- The Clackamas County Board is proposing a set of map changes totaling 163.6 acres, including shifting 113.7 acres from rural reserve to urban reserve, 24.5 acres from undesignated to urban reserve, and 25.4 acres from rural reserve to

undesigned. Attached is a staff report we received on May 12 from Clackamas County, which includes their rationale and maps.

- The Washington County Board agreed on May 11 (immediately before the distribution of this memo) to recommend two changes. First, changing the 129-acre Peterkort parcel on the west side of N. Bethany from rural reserve to urban reserve. Second, a set of minor technical amendments (such as revised mapping of right-of-way and tax lot boundaries). Washington County's staff reports on each of these proposals is attached, which includes their rationale and maps.
- The Multnomah County Board is not proposing any map changes at this time.

Metro staff will provide further analysis of the Clackamas County and Washington County proposals prior to the May 18 work session.

OPTIONS AVAILABLE

As described above, changes at this stage of the process represent amendments to the reserves intergovernmental agreements. If the Council agrees to make any changes, staff will bring IGA amendments forward to be adopted along with the final reserves ordinance. Regarding timeframe, the Council can:

- Provide direction on proposed county changes and remain on track for reserves decision-making schedule.
- Extend the decision-making timeline, potentially threatening LCDC's ability to acknowledge the urban and rural reserves in 2010.

IMPLICATIONS AND SUGGESTIONS

Staff will provide analysis of any proposed changes as part of the transmittal to Council in advance of the work session.

QUESTION(S) PRESENTED FOR CONSIDERATION

- Is the Council supportive of any of the changes proposed by the counties as part of final reserves adoption?

**LEGISLATION WOULD BE REQUIRED FOR COUNCIL ACTION X Yes ___ No
DRAFT IS ATTACHED ___ Yes X No**



Lynn Peterson
Chair
Commissioners
Bob Austin
Jim Bernard
Charlotte Lehan
Ann Lininger

BOARD OF COUNTY COMMISSIONERS

PUBLIC SERVICES BUILDING
2051 KAEN ROAD | OREGON CITY, OR 97045

MEMORANDUM

TO: David Bragdon, Metro Council President
Tom Brian, Chair, Washington County Board of County Commissioners
Jeff Cogen, Chair, Multnomah County Board of County Commissioners

FROM: Lynn Peterson, Chair, Clackamas County Board of County Commissioners

DATE: May 5, 2010

SUBJECT: Changes to the Reserves IGA Map in Clackamas County

Clackamas County and Metro adopted an Intergovernmental Agreement (IGA) on February 25, 2010, which included a map showing Urban and Rural Reserves. As provided for in the IGA, Clackamas County is proposing amending the IGA to reflect minor changes to map. This memorandum serves as notice of the proposed amendments, in accordance with the obligation to "convene the four governments to consider the amendment..." (IGA, Subsection C4).

Clackamas County has received testimony during its public review (March 8, 2010 Planning Commission and April 21 Board of Commissioners hearings), resulting in seven minor amendments to the map. These proposed changes are shown on the attached maps. The remainder of this memorandum provides a brief analysis of each of these amendments. While the IGA does not provide a specific timeline for review of the proposed amendments, the Clackamas County Board of Commissioners is scheduled to take final action May 27, 2010. Clackamas County would like to receive any comments by May 17, 2010, to allow time for consideration and response prior to final adoption

Net effect of map amendments

	UR acres	RR acres
Urban and rural reserve map amendments:		
1. Sherwood School Dist. + Beasley property	+24.0	
2. Tonquin area		-11.8
3. Kahle property		-4.7
4. Sparkie Anderson property	+40.7	-40.7
5. Wilbur Bruck property	+72.9	-72.9
6. Craig Chisholm property		-4.6
7. Few property		-4.3
Net Change	+137.6	-139.0

Site 1: Sherwood School District and Geof Beasley

In the approved IGA map, the area immediately south of Sherwood is undesignated. The Sherwood School District ("District") requested inclusion of certain property in an Urban Reserve. The District is negotiating to purchase a site for an elementary school in this area, and requested that the sites under consideration be added to urban reserves. The District stated that no suitable sites are available within the Urban Reserves identified in Washington County, or within the existing UGB. The District pointed out that if the site is designated as an Urban Reserve, it will be easier to develop as a school and provide urban services such as sanitary sewer. The Planning Commission agreed to add to Urban Reserves the sites on Baker Rd that the school district requested, as well as other sites needed to make the Urban Reserve area contiguous to the UGB. After this recommendation had been made, Geof Beasley, a neighbor to the east of this site proposed that his site be added to urban reserves. The BCC added the Beasley site to the Urban Reserve to provide some housing and park land near the school and make it easier to provide improvements to both sides of Baker Road.

Site 2: Tonquin

The Planning Commission and Board of County Commissioners received testimony regarding three properties in the Tonquin area east of Sherwood, adjacent to the county line, that are designated as a Rural Reserve in the IGA. The testimony argued that the three properties comprising approximately 34 acres, do not have physical features consistent with the rest of the Tonquin geologic area, and requested that the properties be left undesignated. The Board of County Commissioners proposes to remove from the Rural Reserve one of the three properties, comprising approximately 12 acres. This single property would be undesignated. The "undesignated" property is bordered on two sides by Urban Reserves in Washington County, and a transected by a roadway.

The Tonquin geologic area is an important natural landscape feature Metro's February 2007 "Natural Landscape Features Inventory". This feature is described as follows:

Bearing visible marks left by the ancient floods that shaped our region, this area located between Wilsonville, Sherwood and Tualatin is unique. The Tonquin geologic area was created 12,000 – 15,000 years ago when the Missoula floods scoured out the Columbia River Gorge, ultimately backing up past the current vicinity of the City of Wilsonville and filling the Willamette Valley. When the floodwaters subsided, unique geologic formations including "kolk" ponds, channels, basalt hummock and knolls were left behind.

Protection of the rocky outcrops that frame these former lake bottoms will provide wildlife habitat of considerable complexity and richness and preserve the area's rare geologic features. Coffee Lake Creek originates in the Tualatin-Sherwood area and flows south through this area to Wilsonville, connecting the Tualatin River National Wildlife Refuge to the Willamette River. The wetland habitat along the creek supports many important species of migratory and residential wildlife and wetland plants. Near Wilsonville, the basin widens to form Coffee Lake, an ancient lakebed that has become a large scrub/shrub wetland.

The Tonquin geologic area is a large area spanning two counties. It is a high priority for Metro Greenspaces acquisition, includes a large federal wildlife refuge, is a planned location for a trail, and is also the location of a working gravel mine. Portions of the area are within the UGB, or identified as an Urban Reserve (in Washington County); Clackamas County identified the area as a Rural Reserve. After reviewing several maps and aerial photos showing wetlands, floodplains and other features of the site, conducting a site visit, and considering information from the City of Wilsonville, the County Board of Commissioners concluded that only the northern-most 12 acre parcel should be changed from rural reserve to undesignated.

Site 3: Kahle Property

The Kahle property is split between undesignated and Rural Reserves by the approved IGA map, with the line drawn along a small stream. Based on information received from the property owner and review of aerial photos, and topographic information, the BCC moved the line east to a larger stream canyon edge, making 4.7 acres of former Rural Reserve land undesignated. This same rationale also applies to sites 4 & 5. The revised designations recognize the significant slope-differentiation along the larger stream.

Site 4: Sparkle Anderson Property

The approved IGA map split this property between Urban and Rural reserves along a line that delineated slope surrounding a smaller stream. The new boundary enlarged the Urban Reserve eastward to the edge of the steep slope surrounding a larger creek.

Site 5: Wilbur Bruck Property

The approved IGA map includes these four lots in a Rural Reserve. The Board of County Commissioners changed the designation to include two of the lots and part of the other two lots in an Urban Reserve. The reconfiguration again recognizes the natural feature providing an edge for sites 3 & 4.

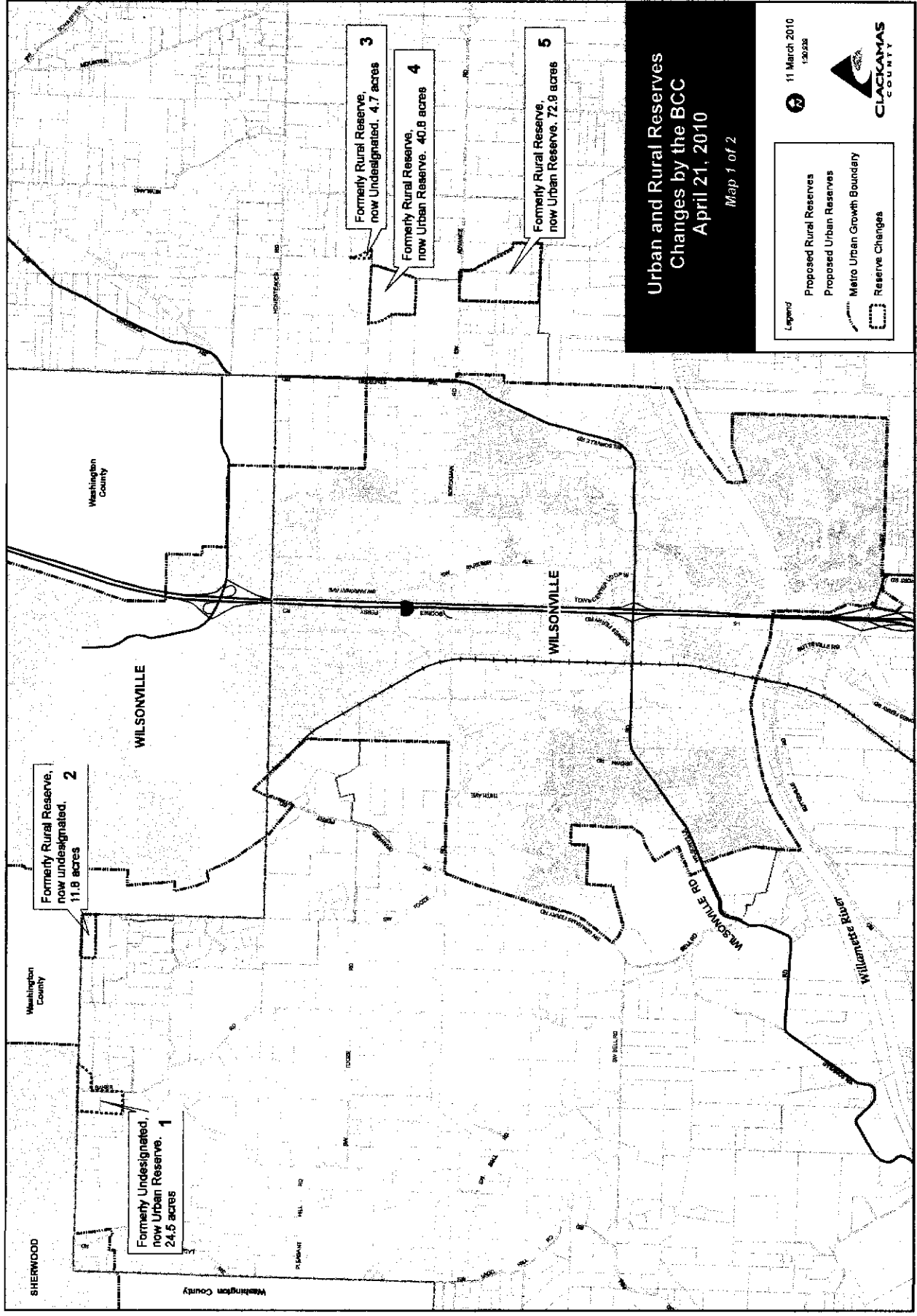
Site 6: Craig Chisholm Property

The approved IGA map designates the entire Chisholm property as a Rural Reserve. This is a large property clearly split between the flat, upper level and the Clackamas River Bluffs north of Oregon City. The property owner testified that the area on the top of the bluff should have a designation similar to other, similar properties in this area (i.e., undesignated). Based on this testimony, and review of aerial photos and topographic information, the Board of County Commissioners proposes to move the boundary of the Rural Reserve to recognize the first significant change in elevation, removing approximately 4.6 acres from the Rural Reserve.

Site 7: Few Property

Owners of this site requested a change from Rural Reserve to undesignated because their property is entirely flat and on top of the Clackamas River Bluff, and should have the same designation (undesignated) as similar properties. Based on the testimony and review of aerial photos and topographic information, the Board of County Commissioners proposes removal of this property of approximately 4 acres from the Rural Reserve. The property would become undesignated.

Thank you for your careful consideration of these amendments.



Formerly Rural Reserve,
now undesignated. **2**
11.9 acres

Formerly Undesignated,
now Urban Reserve. **1**
24.5 acres

Formerly Rural Reserve,
now Undesignated. **3**
4.7 acres

Formerly Rural Reserve,
now Urban Reserve. **4**
40.8 acres

Formerly Rural Reserve,
now Urban Reserve. **5**
72.9 acres

Urban and Rural Reserves Changes by the BCC April 21, 2010

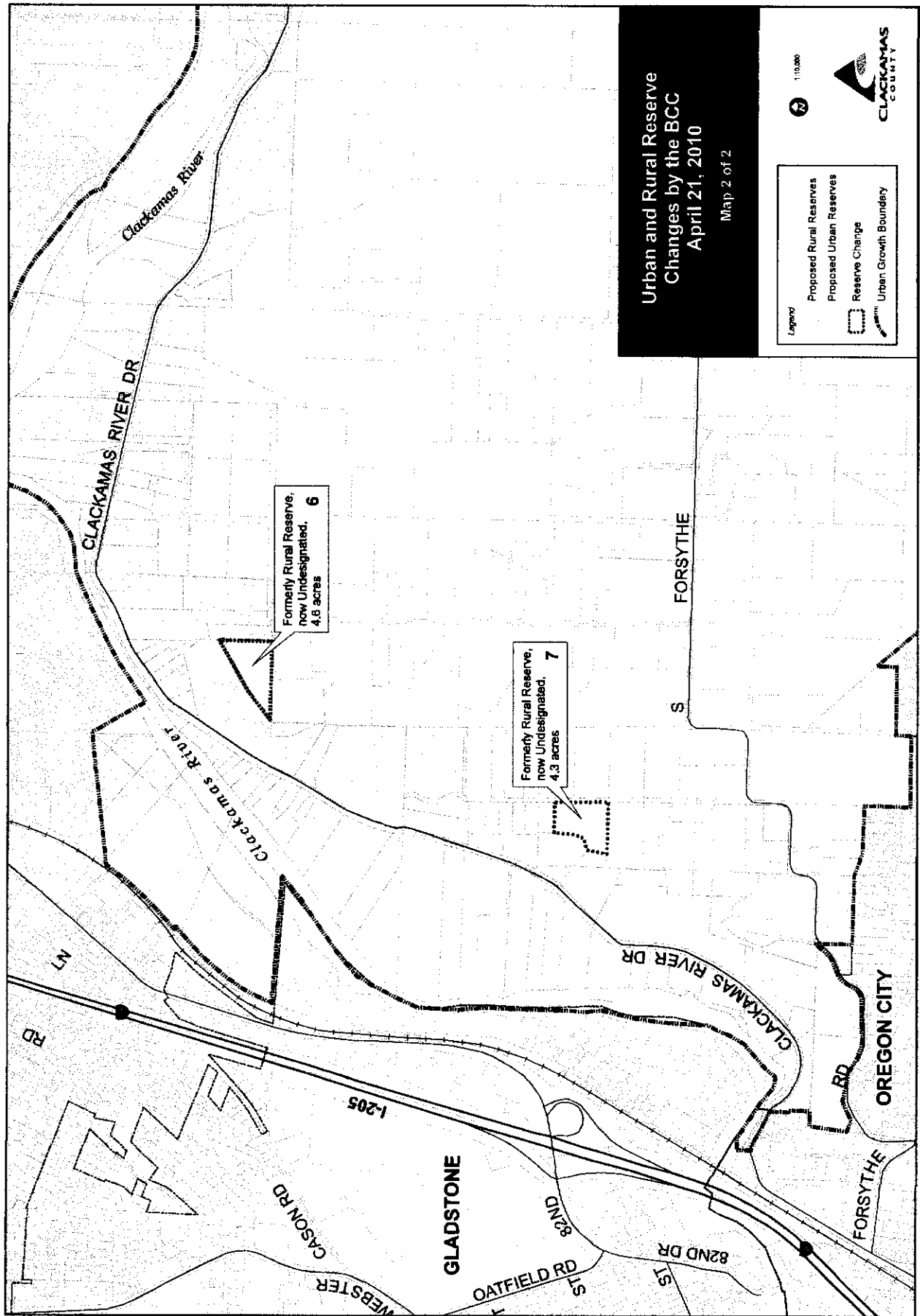
Map 1 of 2

11 March 2010
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Legend

- Proposed Rural Reserves
- Proposed Urban Reserves
- Metro Urban Growth Boundary
- Reserve Changes





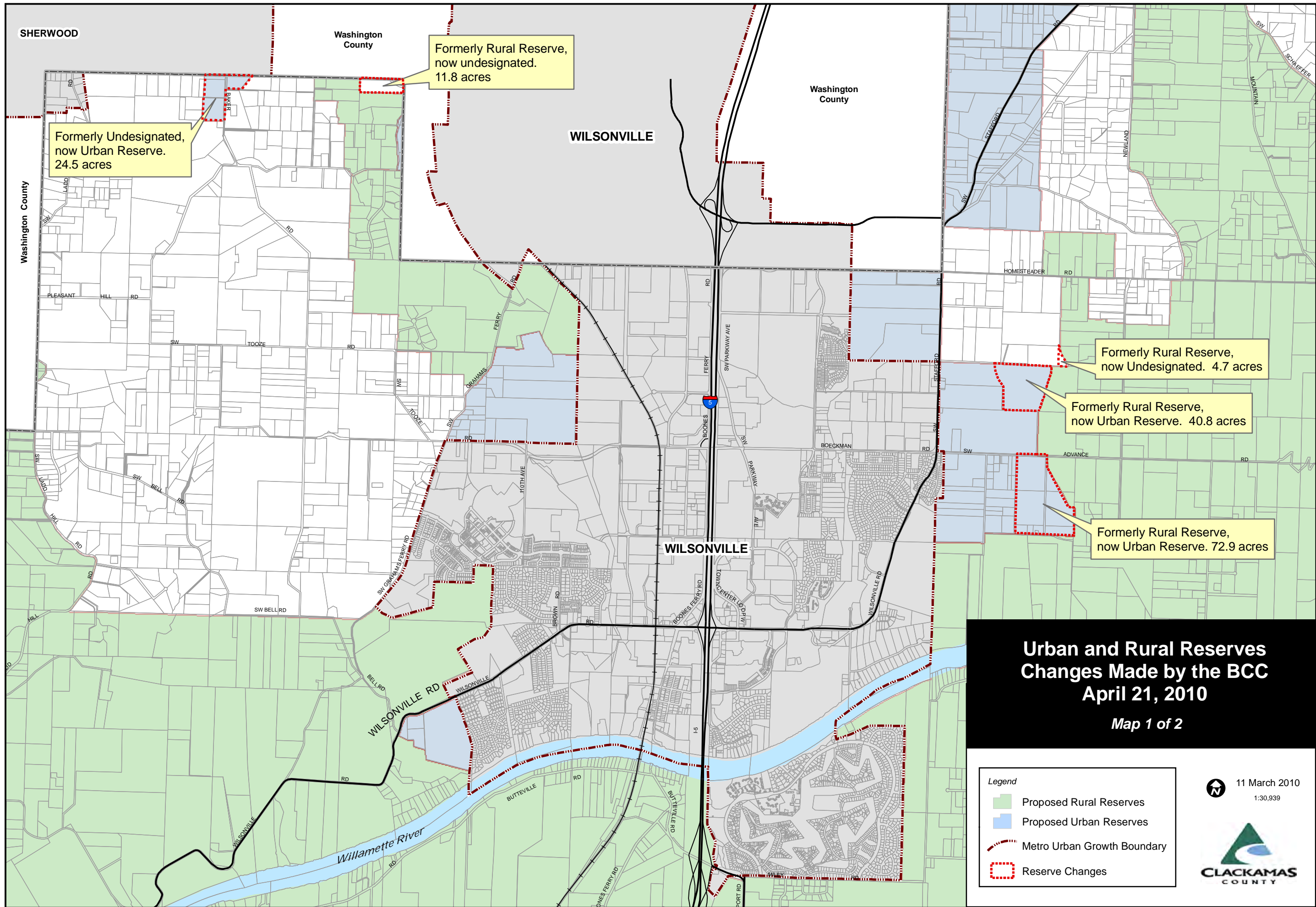
**Urban and Rural Reserve
Changes by the BCC
April 21, 2010**

Map 2 of 2

Legend

- Proposed Rural Reserves
- Proposed Urban Reserves
- Reserve Change
- Urban Growth Boundary

110,000



Formerly Undesignated,
now Urban Reserve.
24.5 acres

Formerly Rural Reserve,
now undesignated.
11.8 acres

Formerly Rural Reserve,
now Undesignated. 4.7 acres

Formerly Rural Reserve,
now Urban Reserve. 40.8 acres

Formerly Rural Reserve,
now Urban Reserve. 72.9 acres

**Urban and Rural Reserves
Changes Made by the BCC
April 21, 2010**

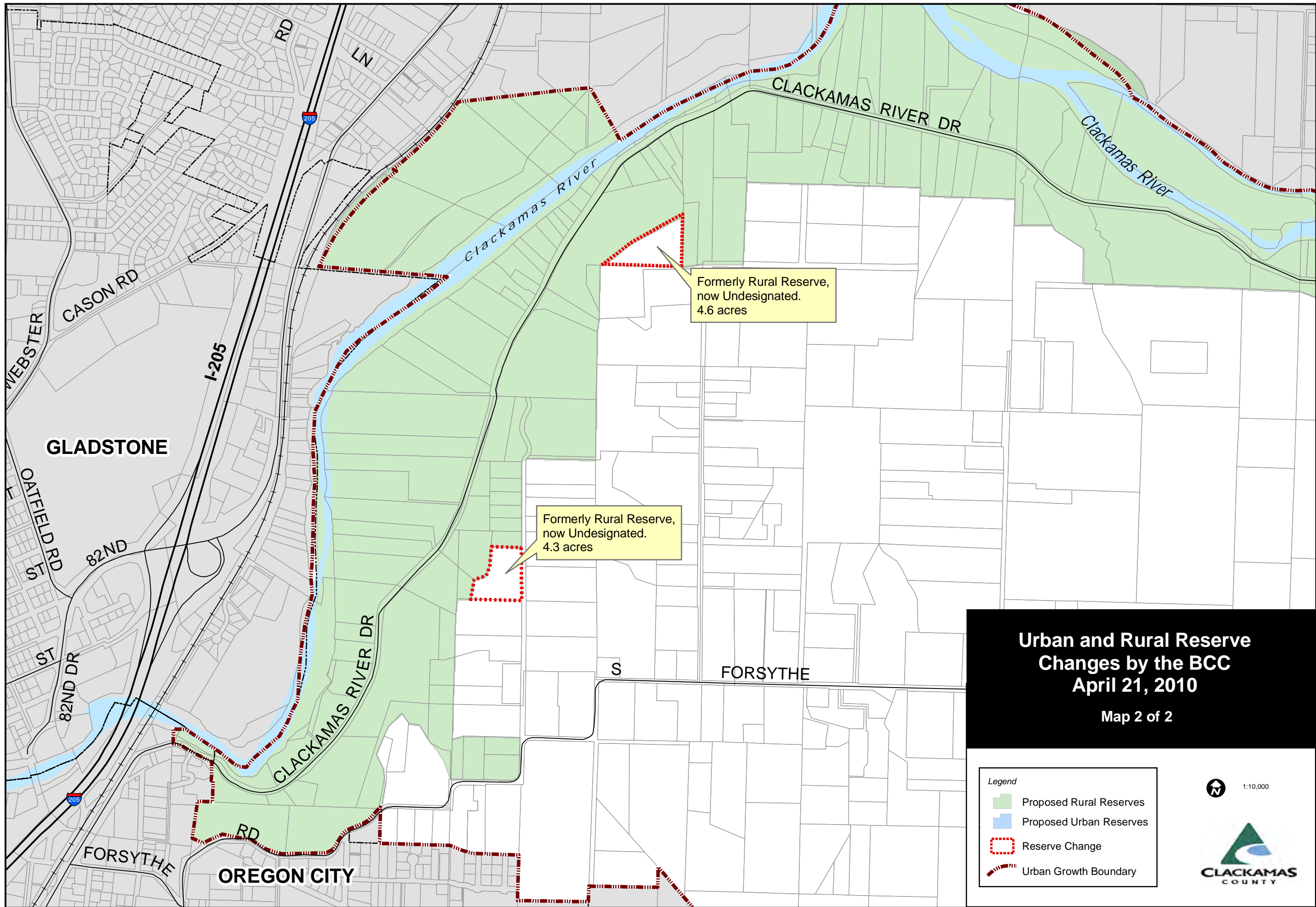
Map 1 of 2

Legend

- Proposed Rural Reserves
- Proposed Urban Reserves
- Metro Urban Growth Boundary
- Reserve Changes

11 March 2010
1:30,939





**Urban and Rural Reserve
Changes by the BCC
April 21, 2010**

Map 2 of 2

Legend

- Proposed Rural Reserves
- Proposed Urban Reserves
- Reserve Change
- Urban Growth Boundary

1:10,000





May 6, 2010

LONG RANGE PLANNING DIVISION
ORDINANCE NO. 733
ISSUE PAPER No. 2

Staff-Recommended Map Changes

Issue

During the Board's May 4, 2010 worksession, Commissioner Schouten inquired why staff recommended certain map changes to include road rights-of-way entirely within urban reserves instead of using a road's centerline as the transition point between urban and rural reserve designations.

Recommendation

Direct staff to include the map changes described in the following pages as part of engrossment of Ordinance No. 733.

Background

Since the initial creation of the regional urban growth boundary, roadways have been used as part of the boundary. In the past, UGB boundaries have been drawn down the centerline, which in subsequent years has created issues for transportation projects needed to fulfill urban transportation needs.

Analysis

Staff has proposed including rights-of-way (ROW) that form the boundary between urban and rural reserves entirely within urban reserve designations and to undesignate those ROW that form the boundary between undesignated areas and rural reserves. This is because using roadway centerlines to delineate reserve areas becomes problematic when land within urban reserves is added to the urban growth boundary. When roads are split between urban and rural status, improvements to the urban side of the road can include sidewalks, bike lanes and lighting while the rural side remains in its rural state - typically without curbs, gutters and sidewalks, bike lanes and lighting.

The urban reserve factors are based in part on Metro's Great Communities work, which identified a need for connectivity to and within an urban reserve area for all automobiles, bicycles, pedestrians and transit as a characteristic of a complete community. By leaving half or all of a roadway alongside an urban reserve as a rural reserve, the county's ability to provide all of the needed elements for a safe and interconnected multi-modal transportation network may be limited. The current practice, as codified in the county's Community Development Code (Section 705.2.1.E), is to limit road projects in rural resource lands to those necessary to support rural land uses or to provide adequate emergency access. This Code section would not provide for components such as bicycle lanes, sidewalks and bus stops and pull-outs to be built on both sides of a road if half the roadway were rural.

Using the centerline as the boundary between urban and rural reserves may be more problematic due in part to recent amendments to Oregon Administrative Rule 660-027, the metro area reserves rule. At its April 22, 2010 hearing, the Land Conservation and Development Commission amended OAR 660-027 to state that local governments would be able to make comprehensive plan amendments to allow "Roads, highways and other transportation and public facilities and improvements" within urban and rural

reserves, except in the event that such a plan amendment would require an exception to Statewide Planning Goals 3, 4, 11 or 14.

The amendments made by OAR 660-027 allow for the creation of low-traffic rural roadways, and other types of transportation facilities that do not require an exception to statewide planning goals through a plan amendment process. However, if a road improvement needed to be constructed just outside the urban area to facilitate the conversion of urban reserve land into urban land, construction of that road would not be allowed if it required an exception to Goals 3, 4, 11 or 14.

By including the entirety of rights-of-way located between urban reserves or undesignated lands and rural reserves *within* the urban reserves or undesignated areas, future urbanizing lands will have the ability to improve roadways to allow for safe, interconnected multimodal transportation systems that do not infringe upon the protection of properties within rural reserves because no additional ROW can be taken from the adjacent rural reserve. OAR 660-027-0070(4) prohibits plan amendments that would take an exception to the statewide planning goals to construct urban roadways in rural areas. Therefore, staff's recommended ROW changes allow the county to take advantage of existing rights-of-way to plan complete urban communities without compromising land within protected rural reserves.

In addition to amendments due to the right-of-way revisions described above, staff proposed several other amendments that make de minimis changes to reserve boundaries. These changes fall into three general categories and are described below:

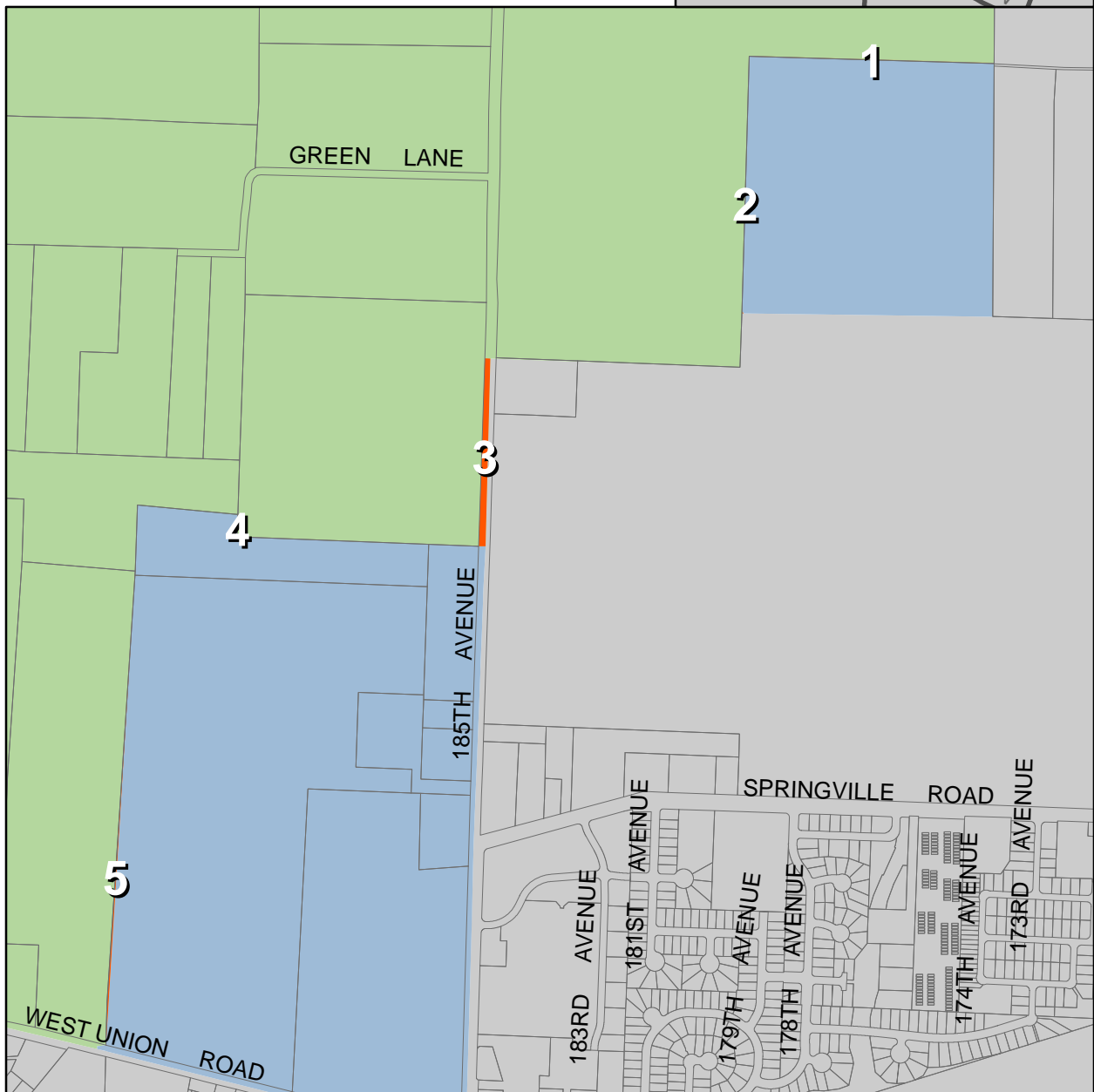
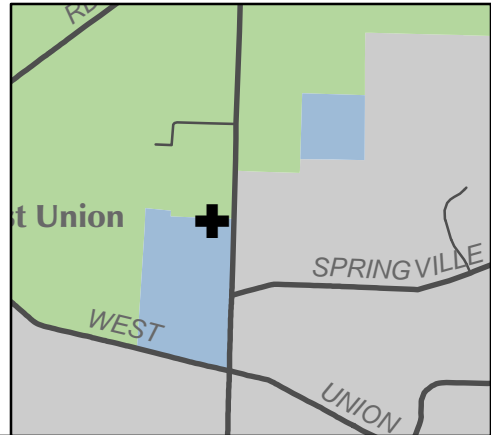
Parcel Shift (90 instances): The Department of Assessment and Taxation's on-going work to improve the GIS parcel layer has resulted in several updates being made since the mapping of reserve areas for the IGA. This has resulted in some areas of misalignment between reserve and parcel boundaries. The two principal areas where this occurred are near the cities of Forest Grove and Sherwood. These changes total just over 25 acres.

Mapping Error (8 instances): In the initial mapping of reserve areas, there are a few small slivers of gaps that were intended to be designated (four as urban reserve and four as rural reserve). These changes total just over 3 acres, the largest of which is a 2.7-acre gap between the existing urban growth boundary and the urban reserve area north of the City of Hillsboro.

Minor Adjustment (1 instance): West of Roy Rogers Road, an area of undesignated land is split by the stem of a flag lot designated as a rural reserve. Because of the limitations on new streets in rural reserve areas it would be difficult to develop a well connected neighborhood in this area if the undesignated areas were to be added to the urban area. Staff believes that it is better to leave the stem undesignated. This location is shown on the map included as page 17 of this issue paper (item number 57) and is approximately 1.6 acres.

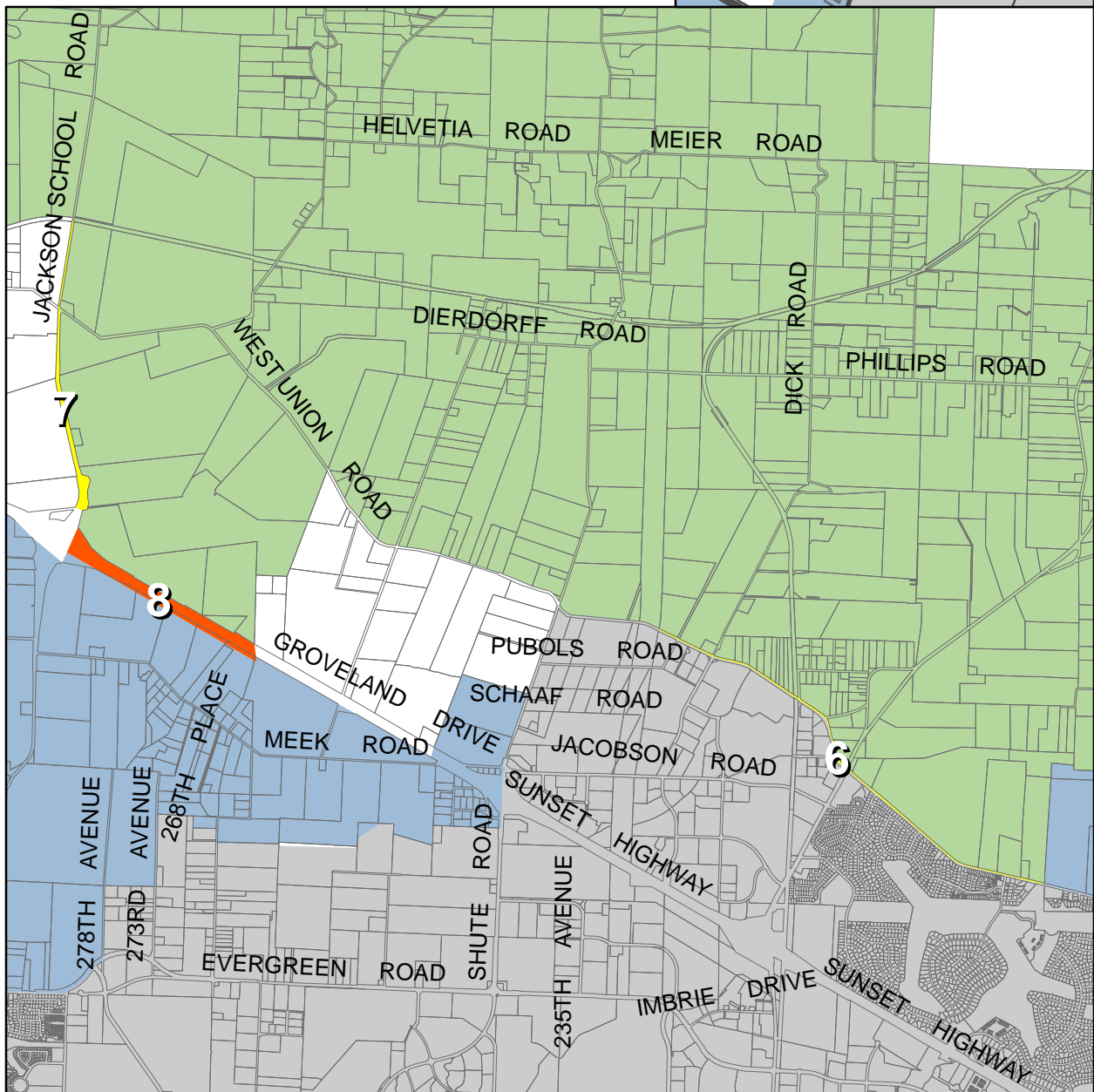
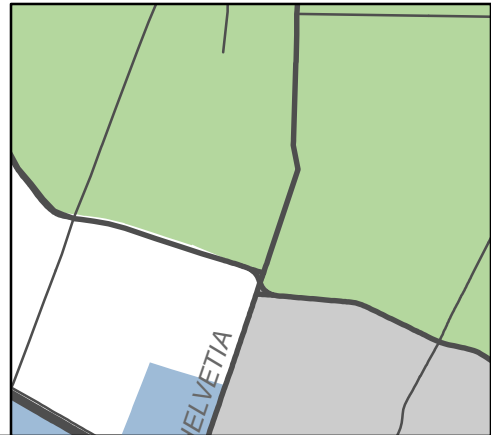
Staff Recommended Map Changes to Ordinance 733

- Urban Reserve - No Change
- Rural Reserve - No Change
- From Rural Reserve to Urban Reserve
- Undesignated to Urban Reserve
- From Existing UGB to Urban Reserve
- From Urban Reserve to Rural Reserve
- Undesignated to Rural Reserve
- From Rural Reserve to Undesignated
- From Urban Reserve to Existing UGB
- Existing Regional Urban Area













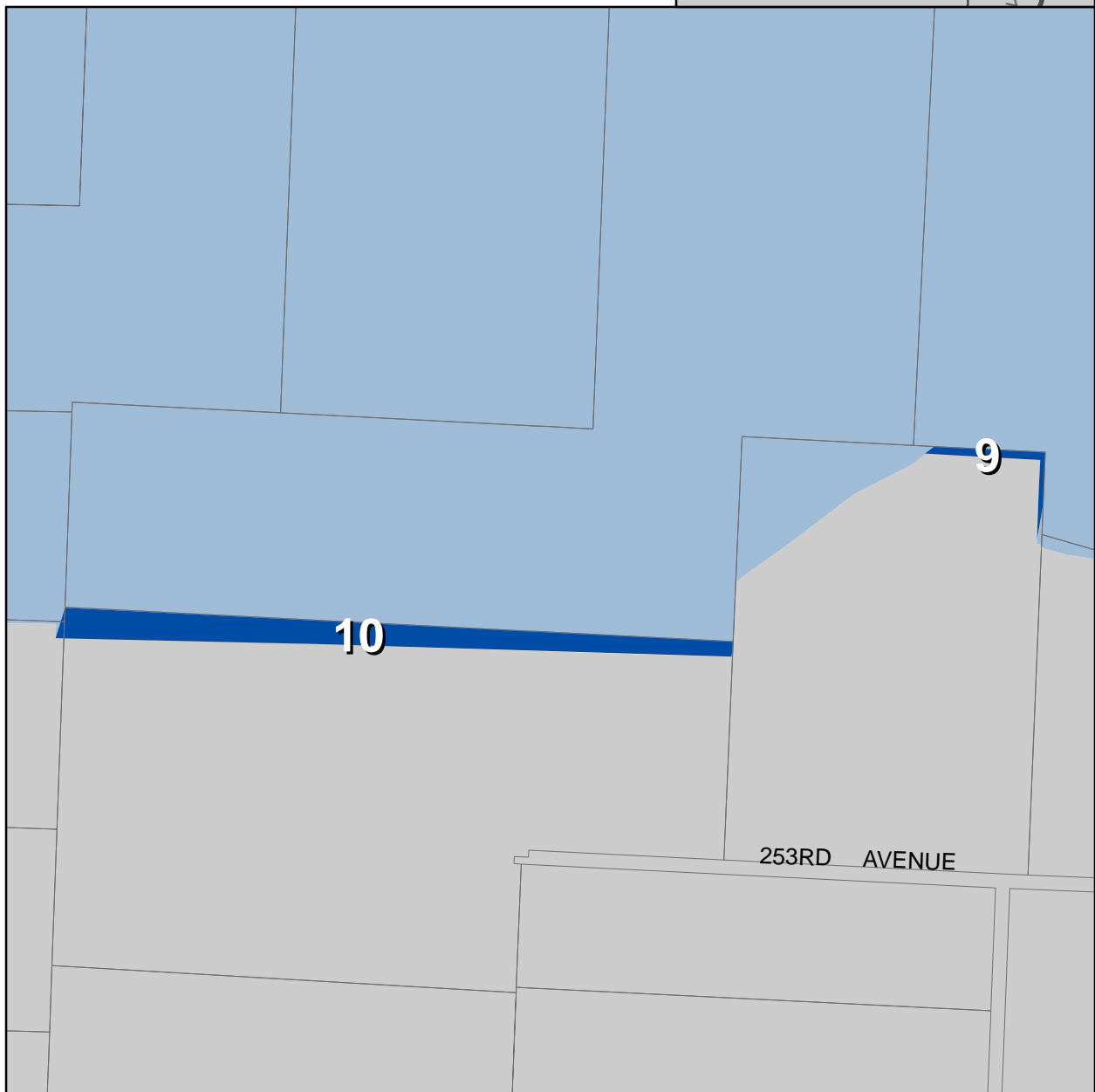
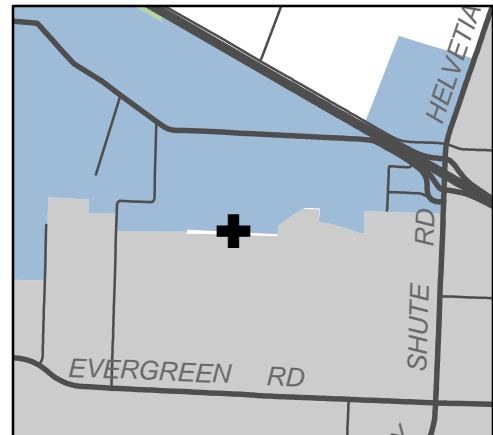
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- Existing Regional Urban Area



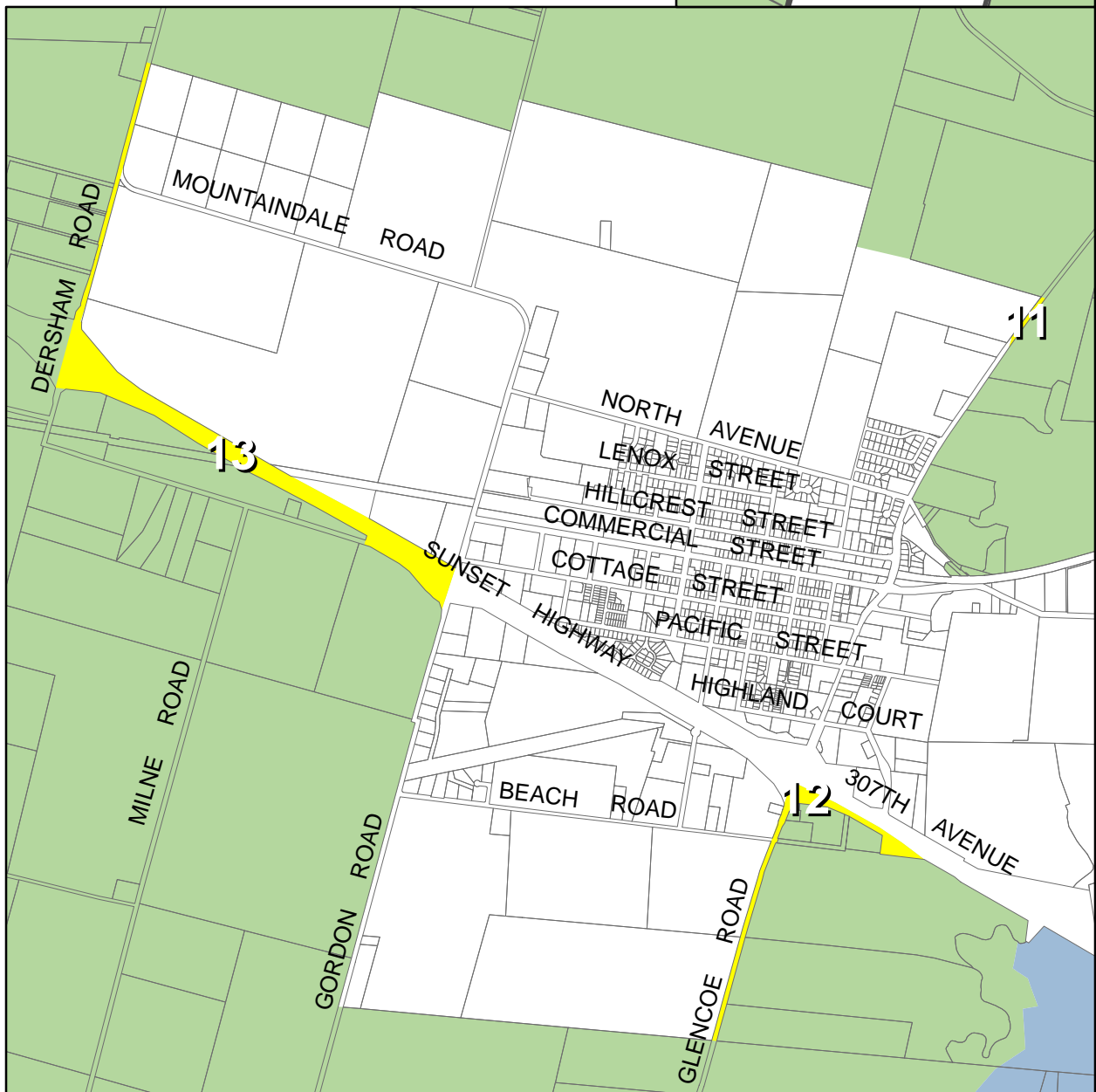
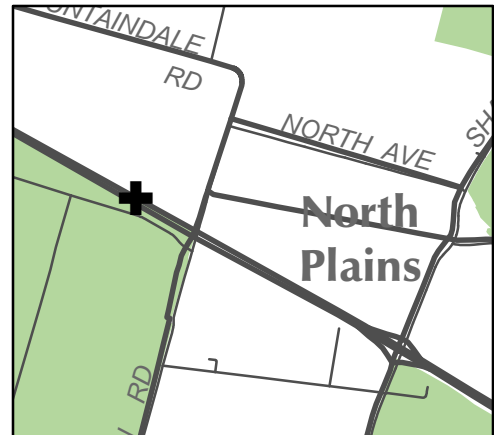
Staff Recommended Map Changes to Ordinance 733

-  Urban Reserve - No Change
-  Rural Reserve - No Change
-  From Rural Reserve to Urban Reserve
-  Undesignated to Urban Reserve
-  From Existing UGB to Urban Reserve
-  From Urban Reserve to Rural Reserve
-  Undesignated to Rural Reserve
-  From Rural Reserve to Undesignated
-  From Urban Reserve to Existing UGB
-  Existing Regional Urban Area



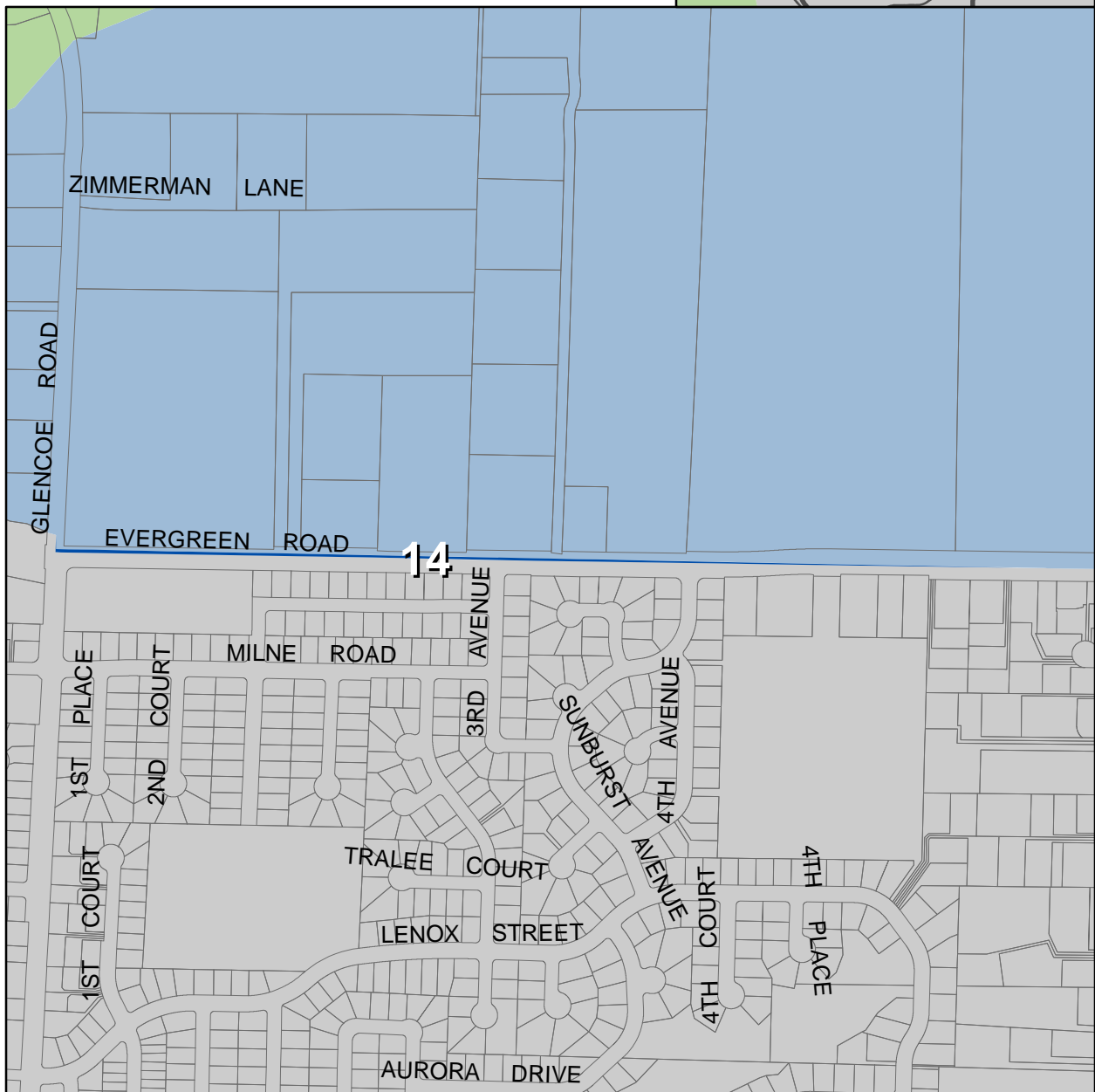
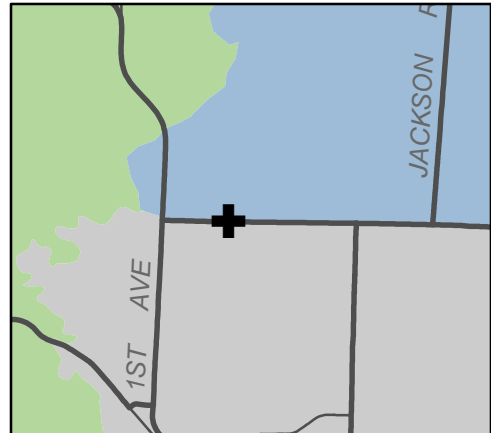
Staff Recommended Map Changes to Ordinance 733

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- Rural Reserve - No Change
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- From Existing UGB to Urban Reserve
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- Undesignated to Rural Reserve
- From Rural Reserve to Undesignated
- From Urban Reserve to Existing UGB
- Existing Regional Urban Area



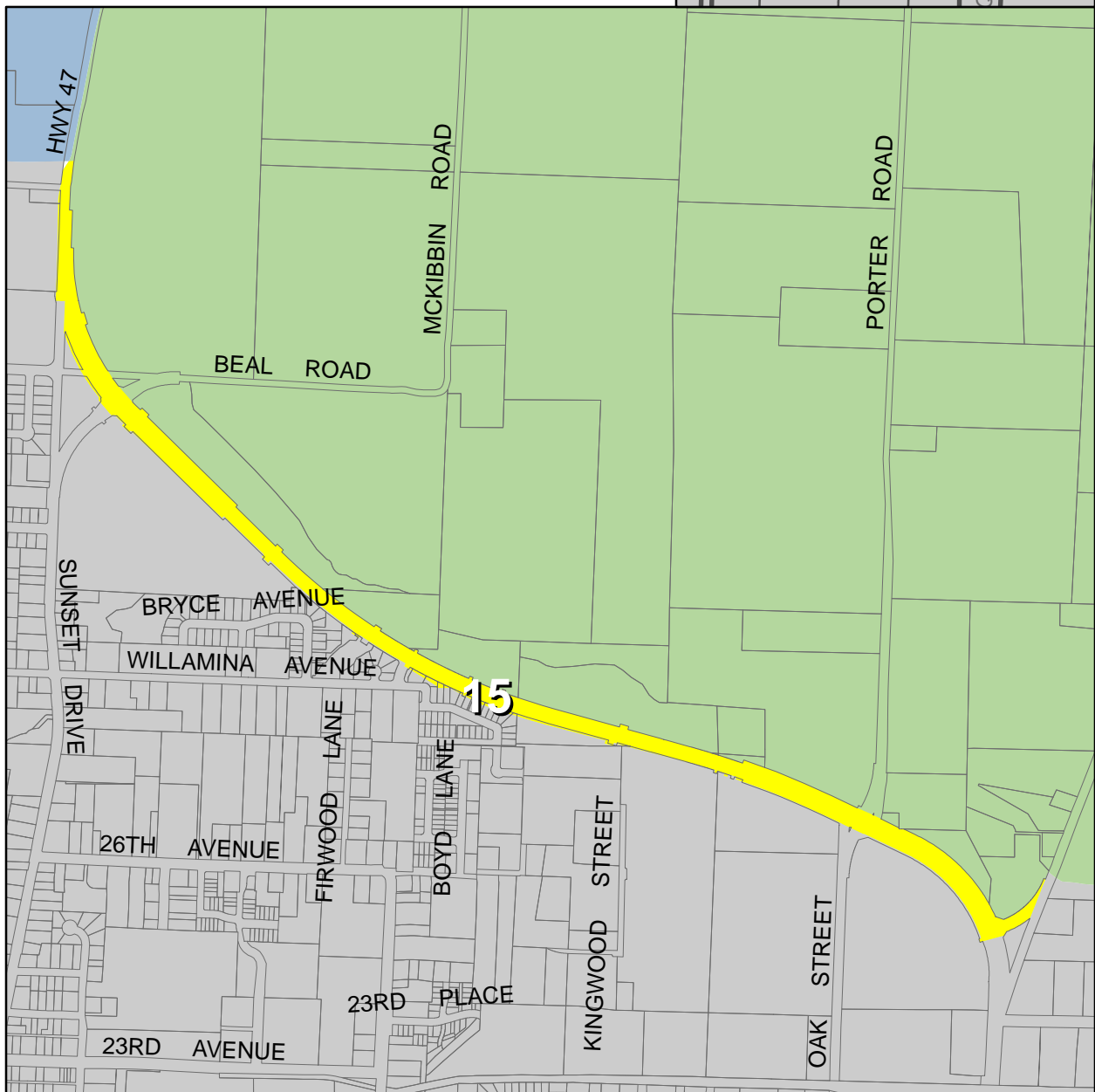
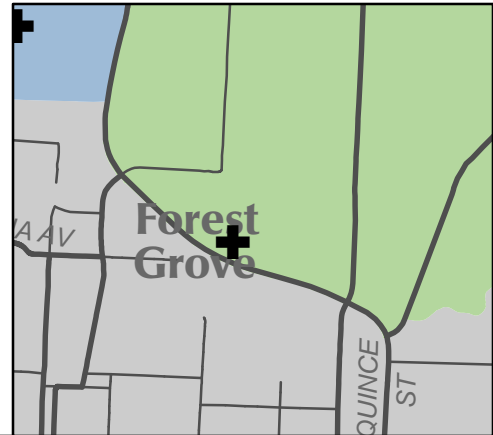
Staff Recommended Map Changes to Ordinance 733

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- From Urban Reserve to Existing UGB
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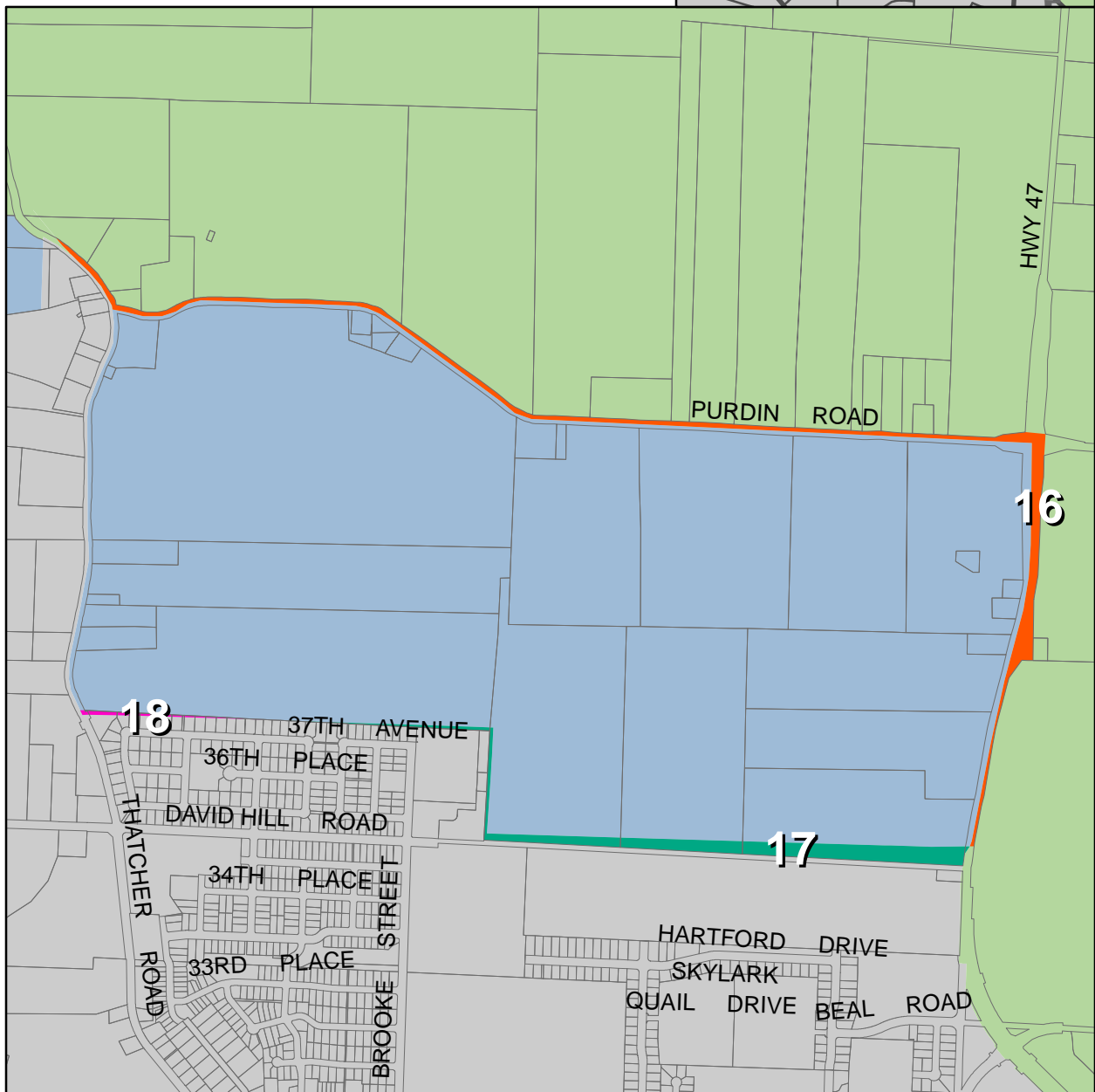
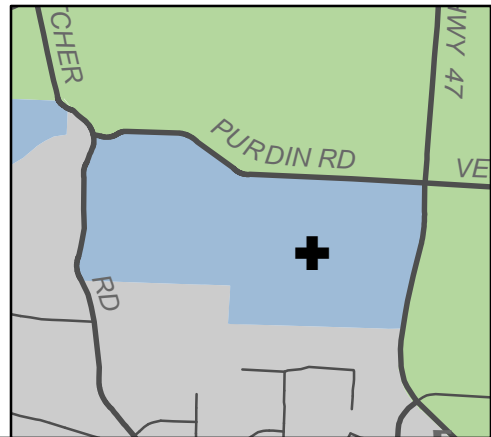
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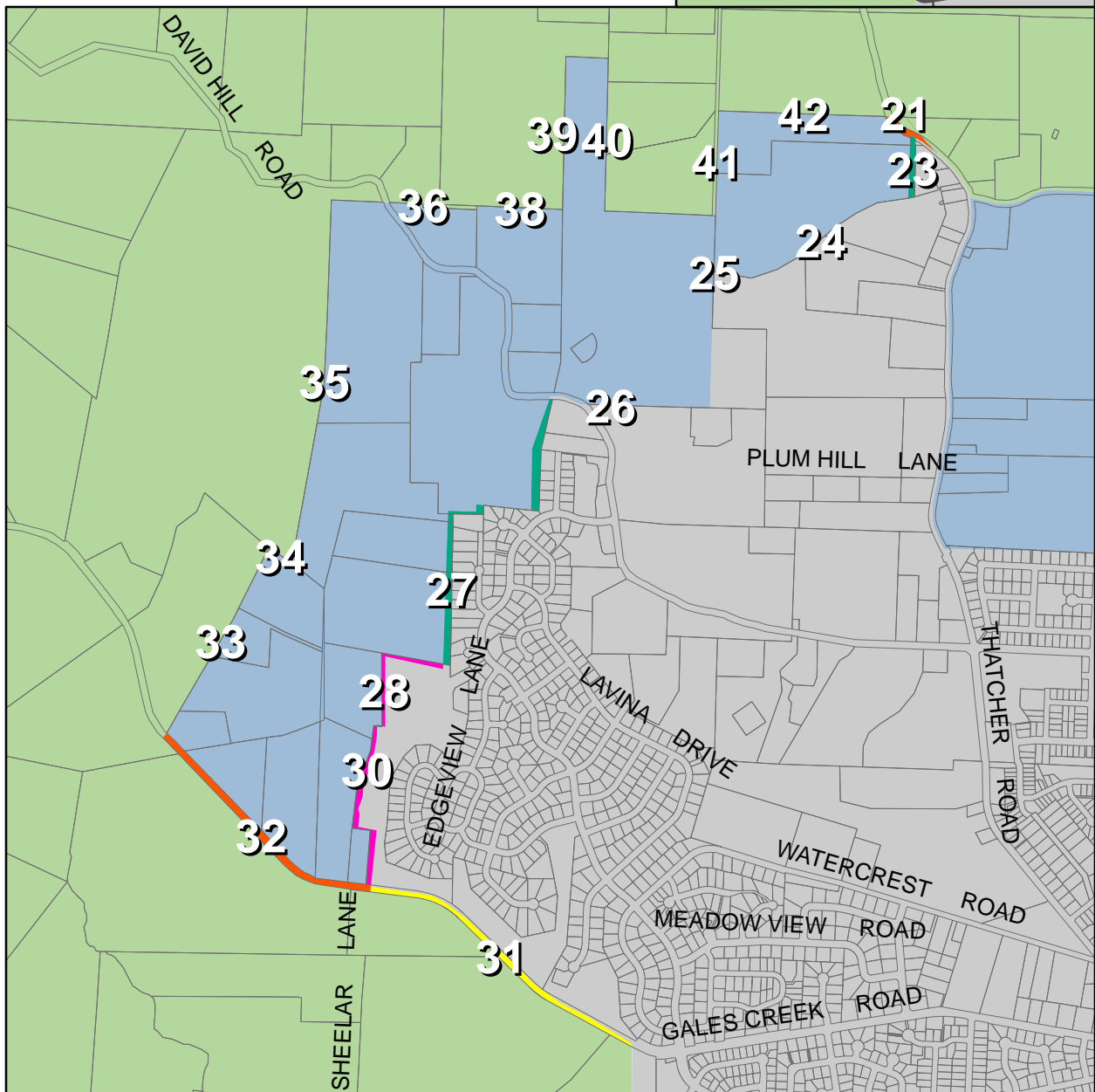
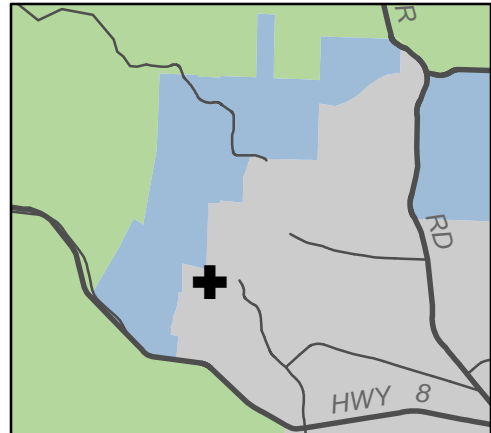
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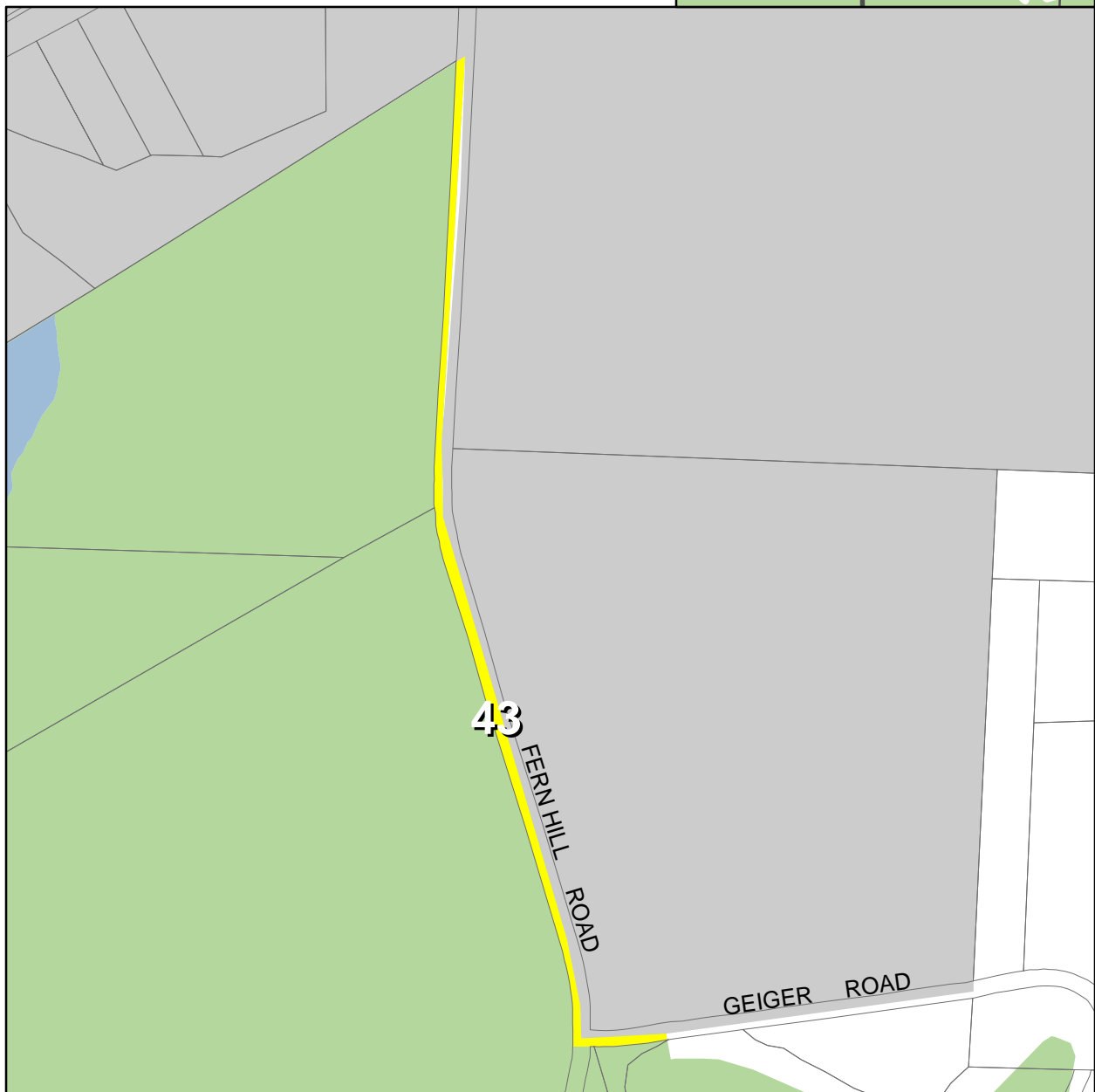
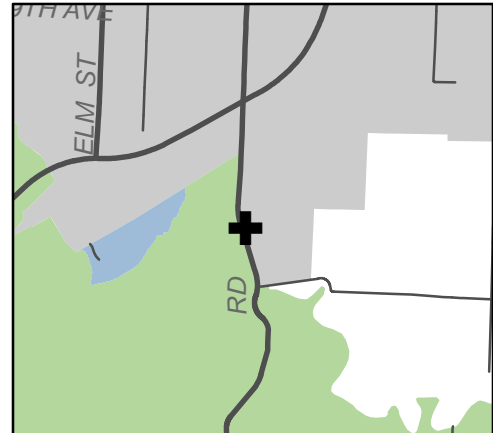
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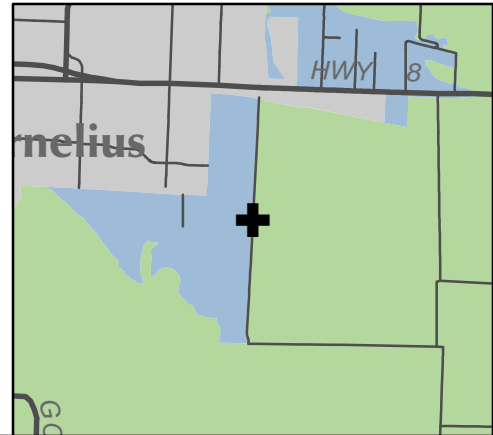
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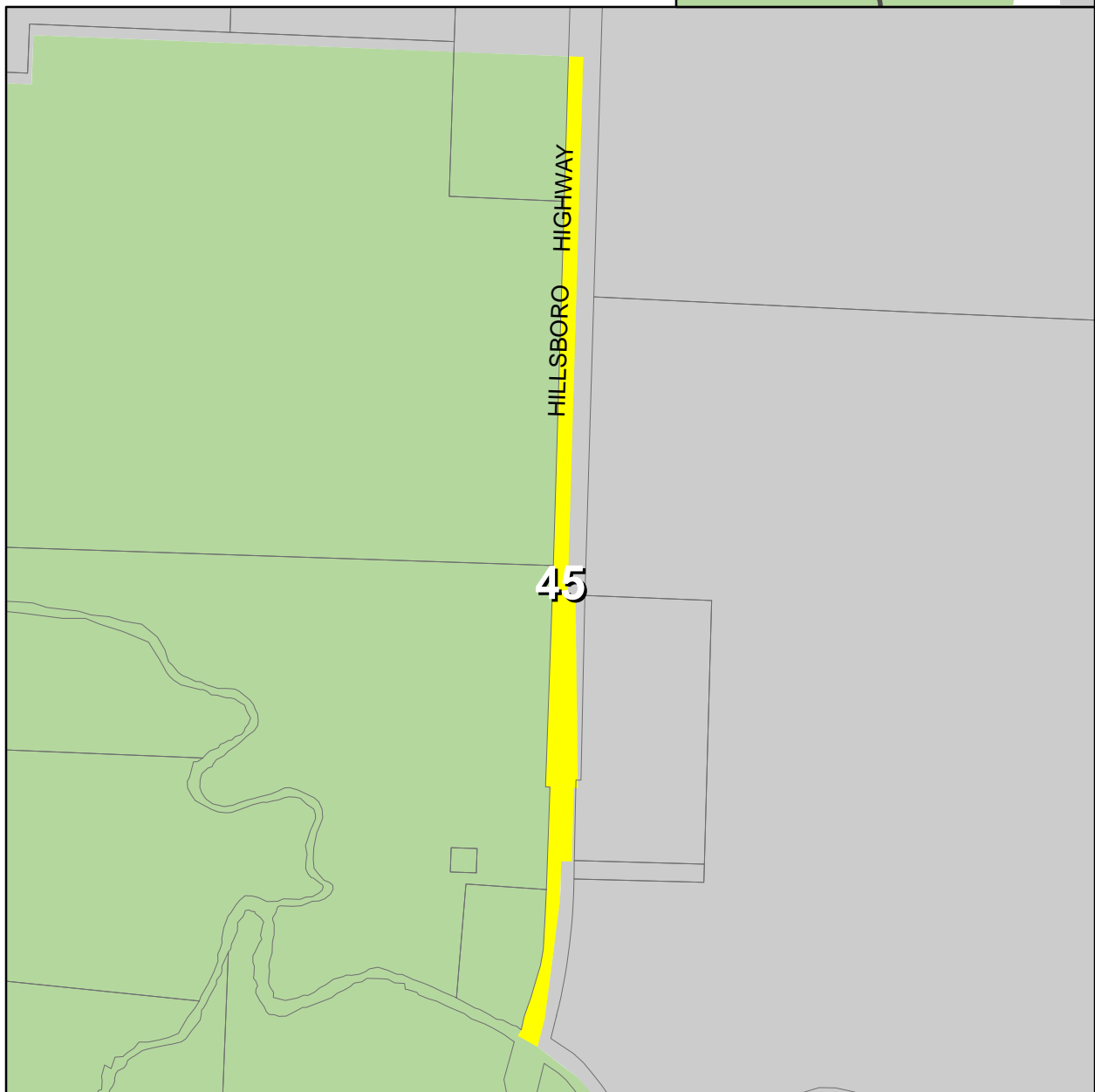
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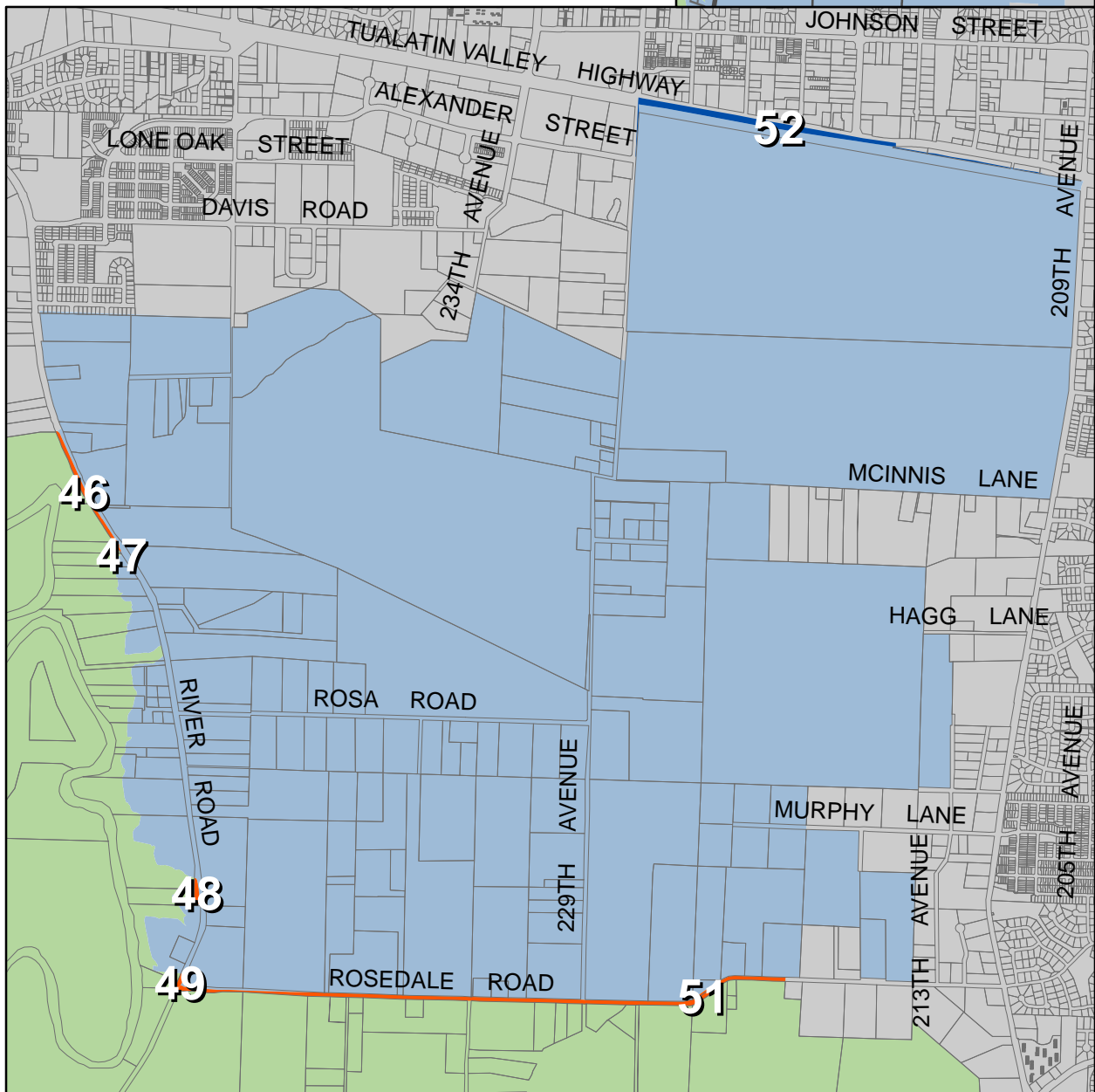
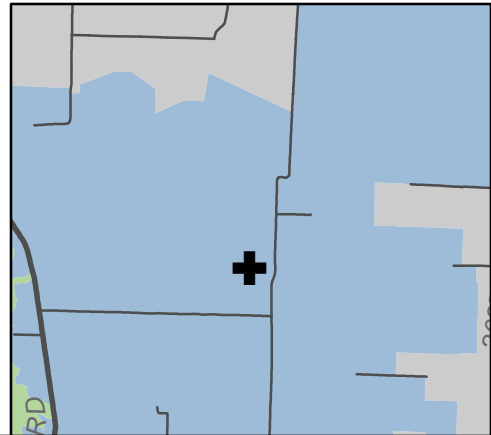
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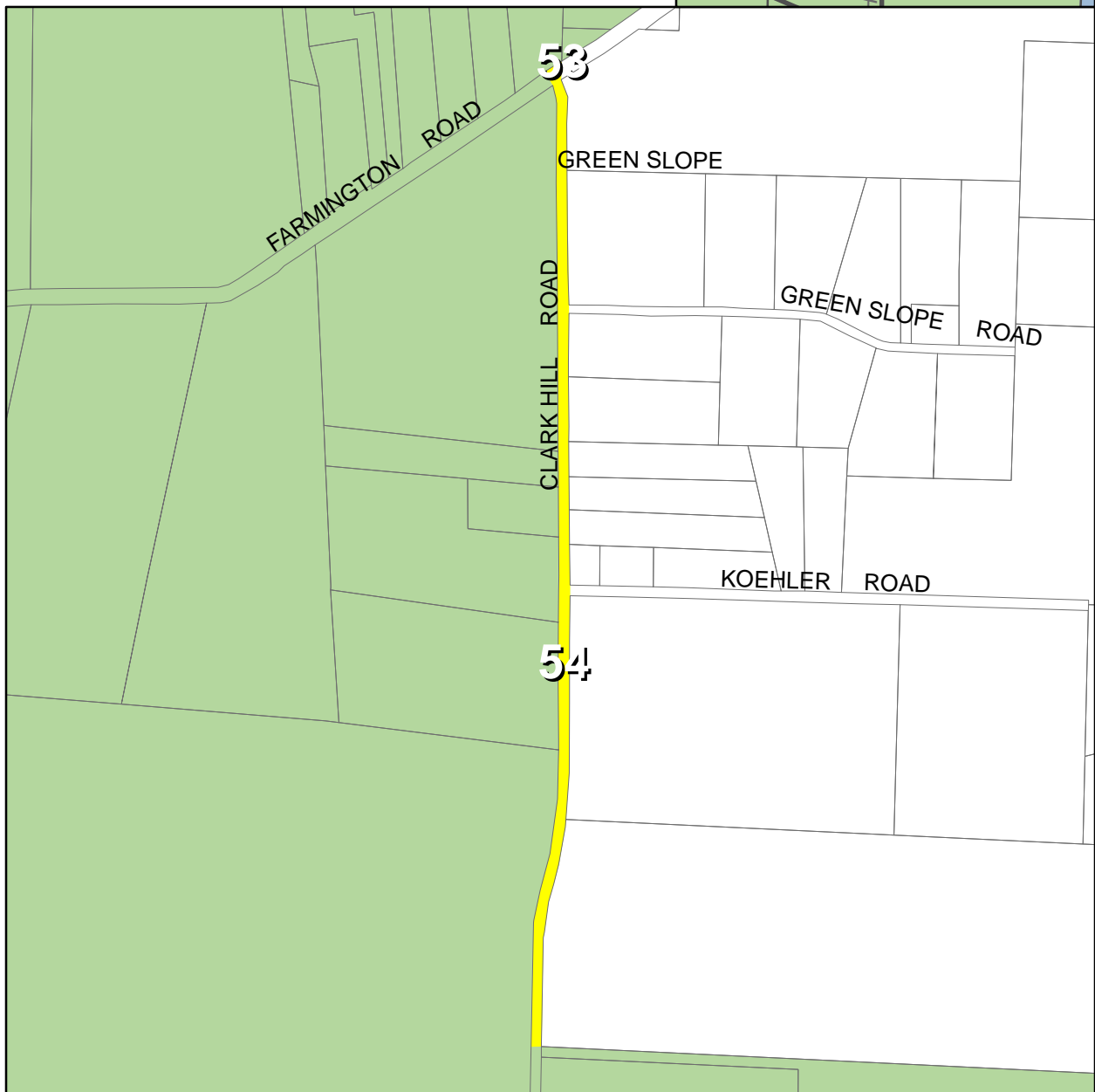
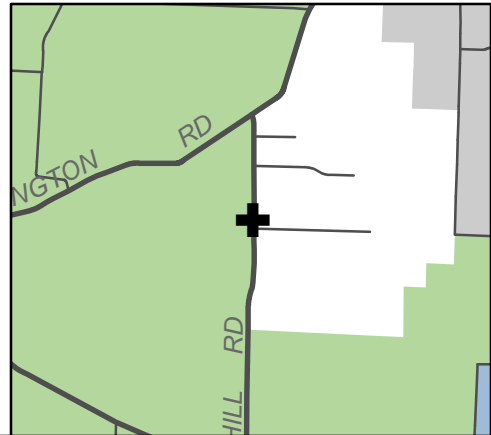
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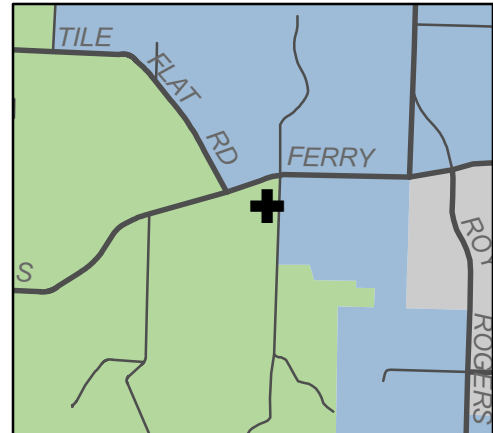
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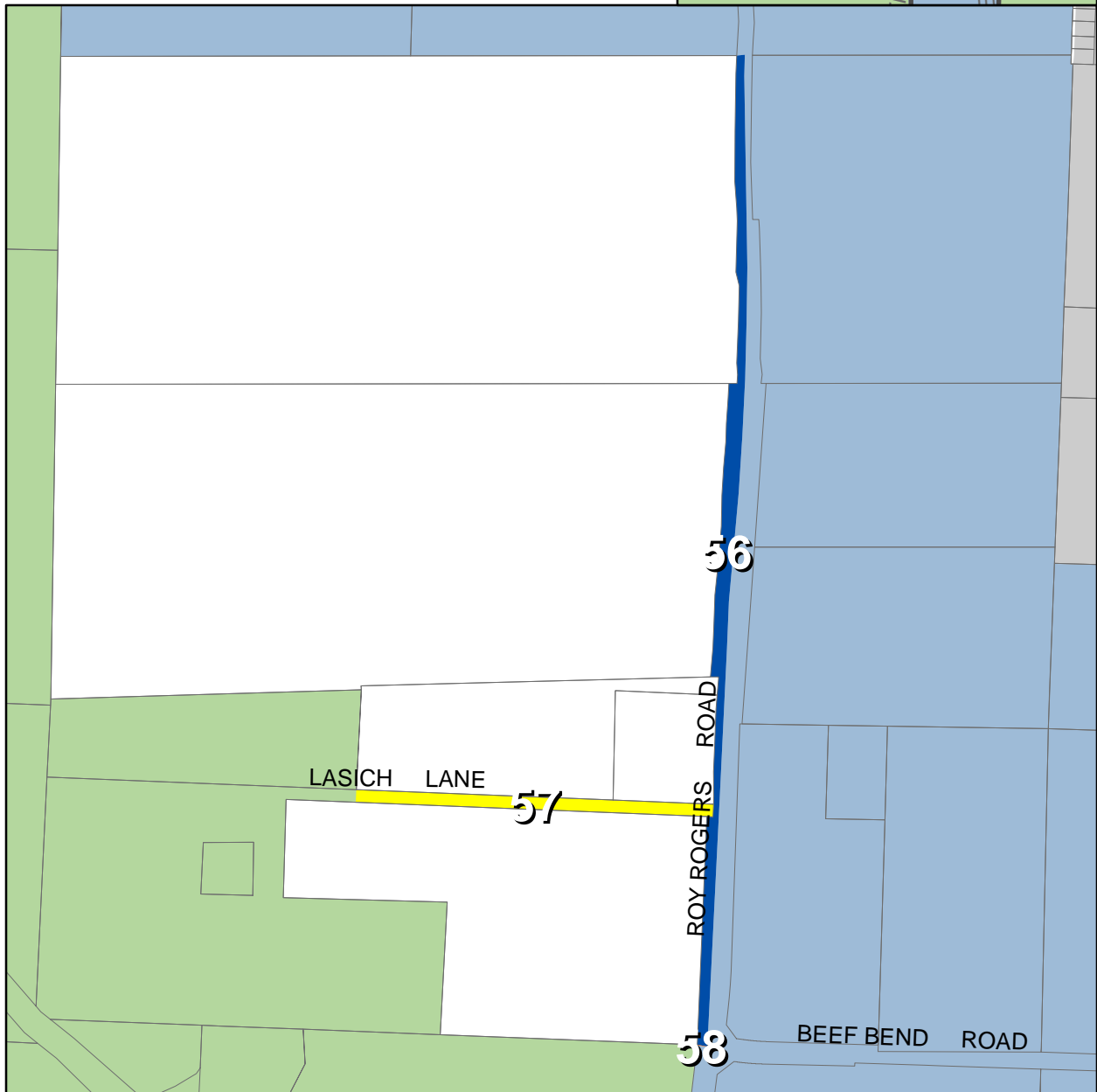
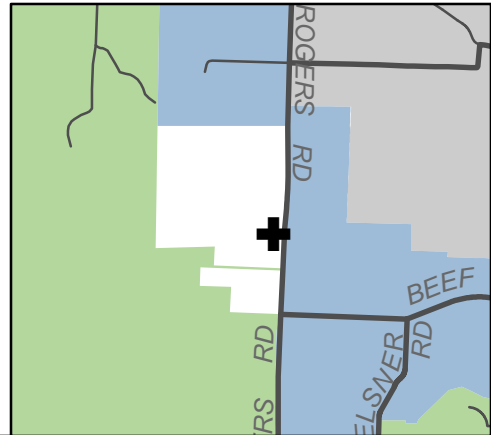
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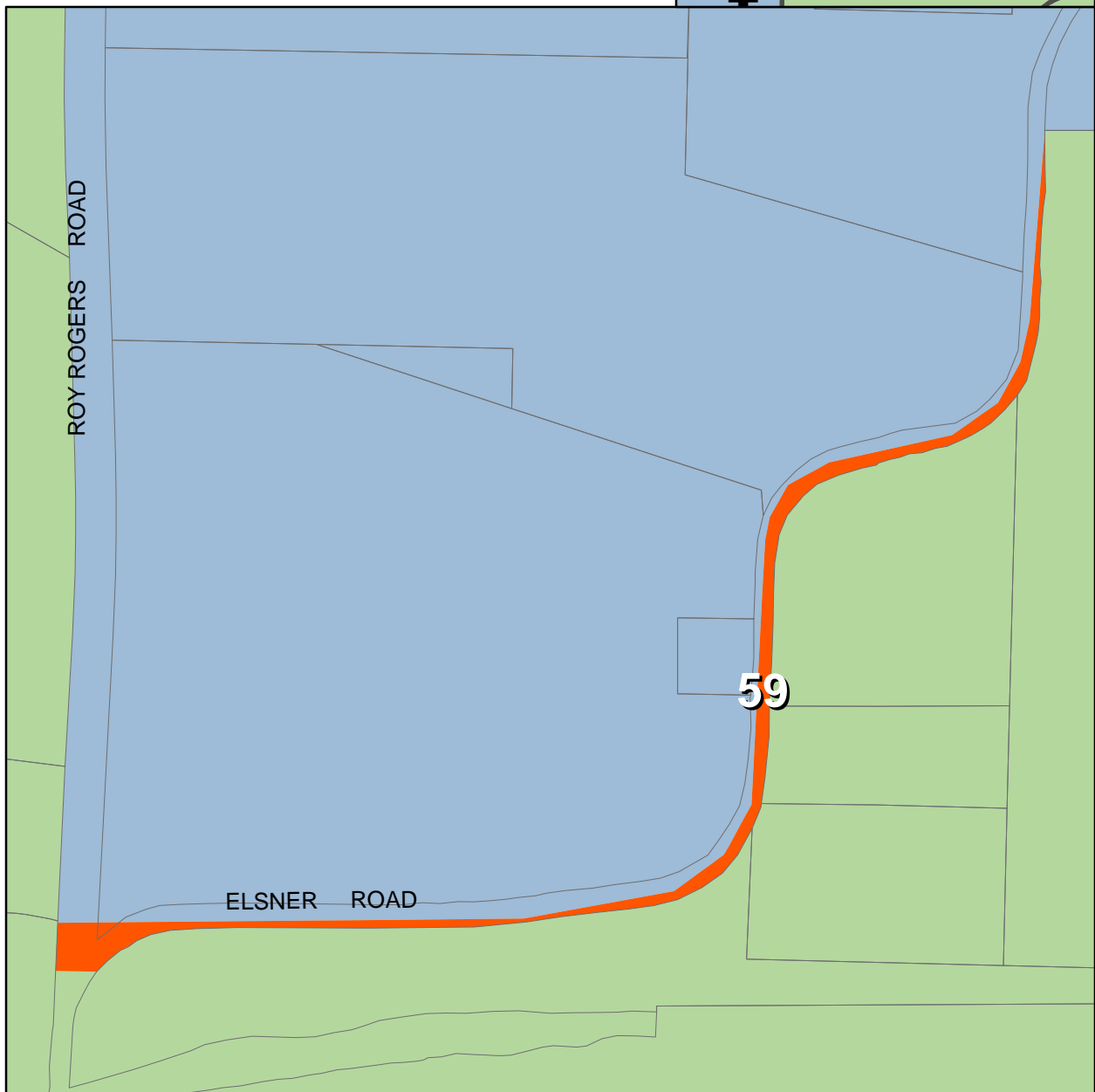
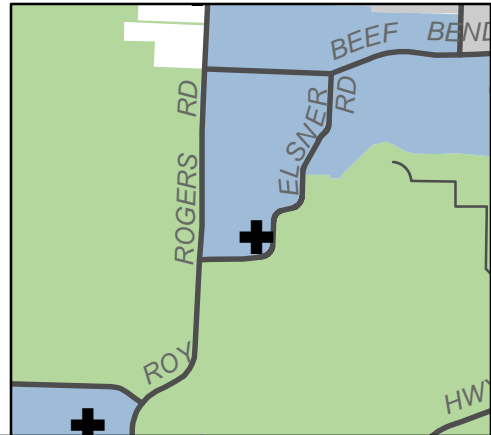
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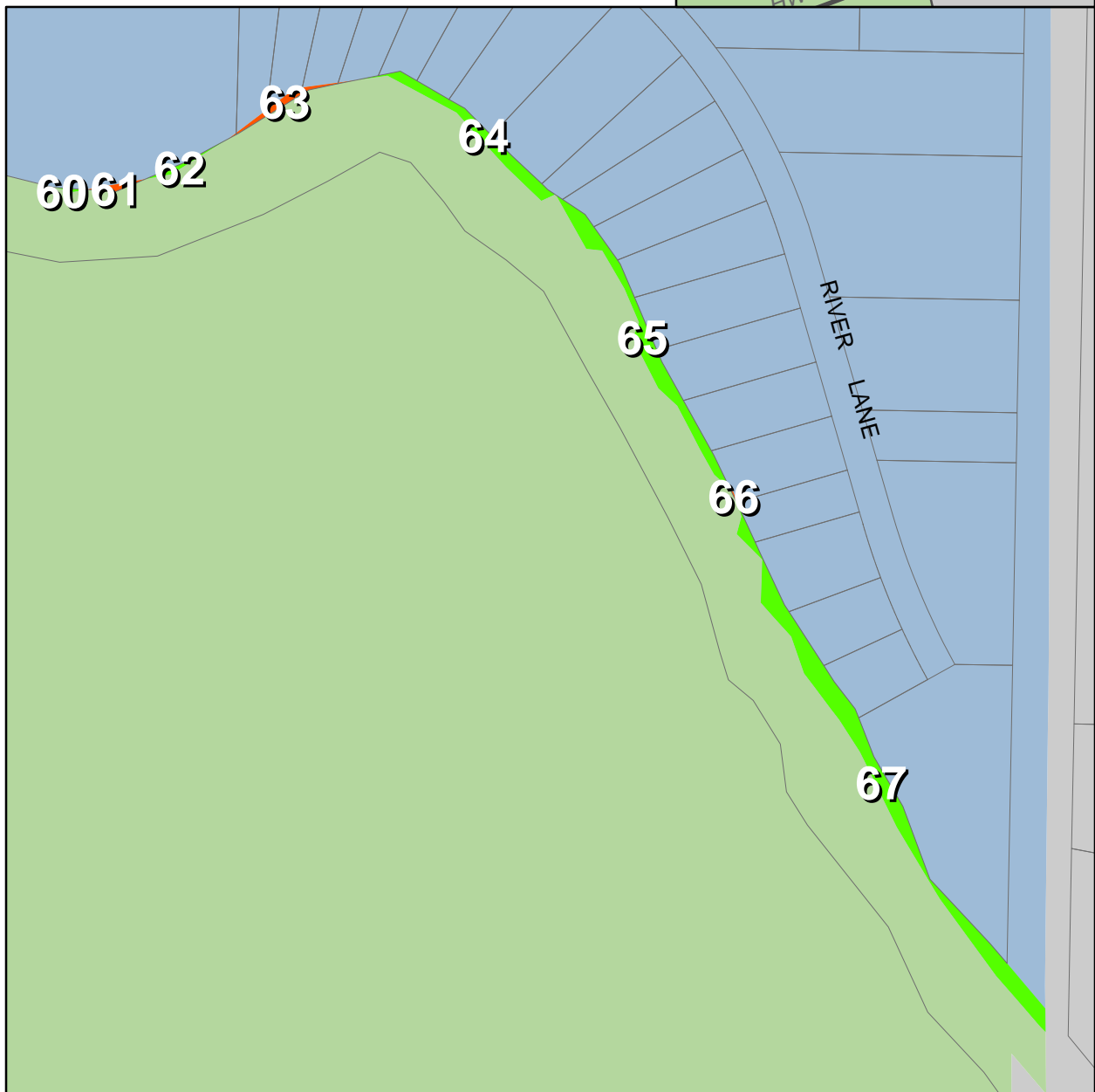
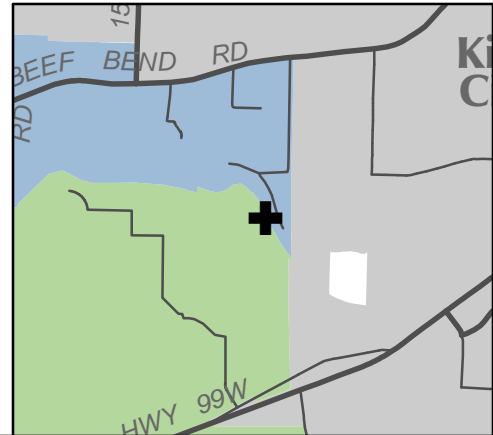
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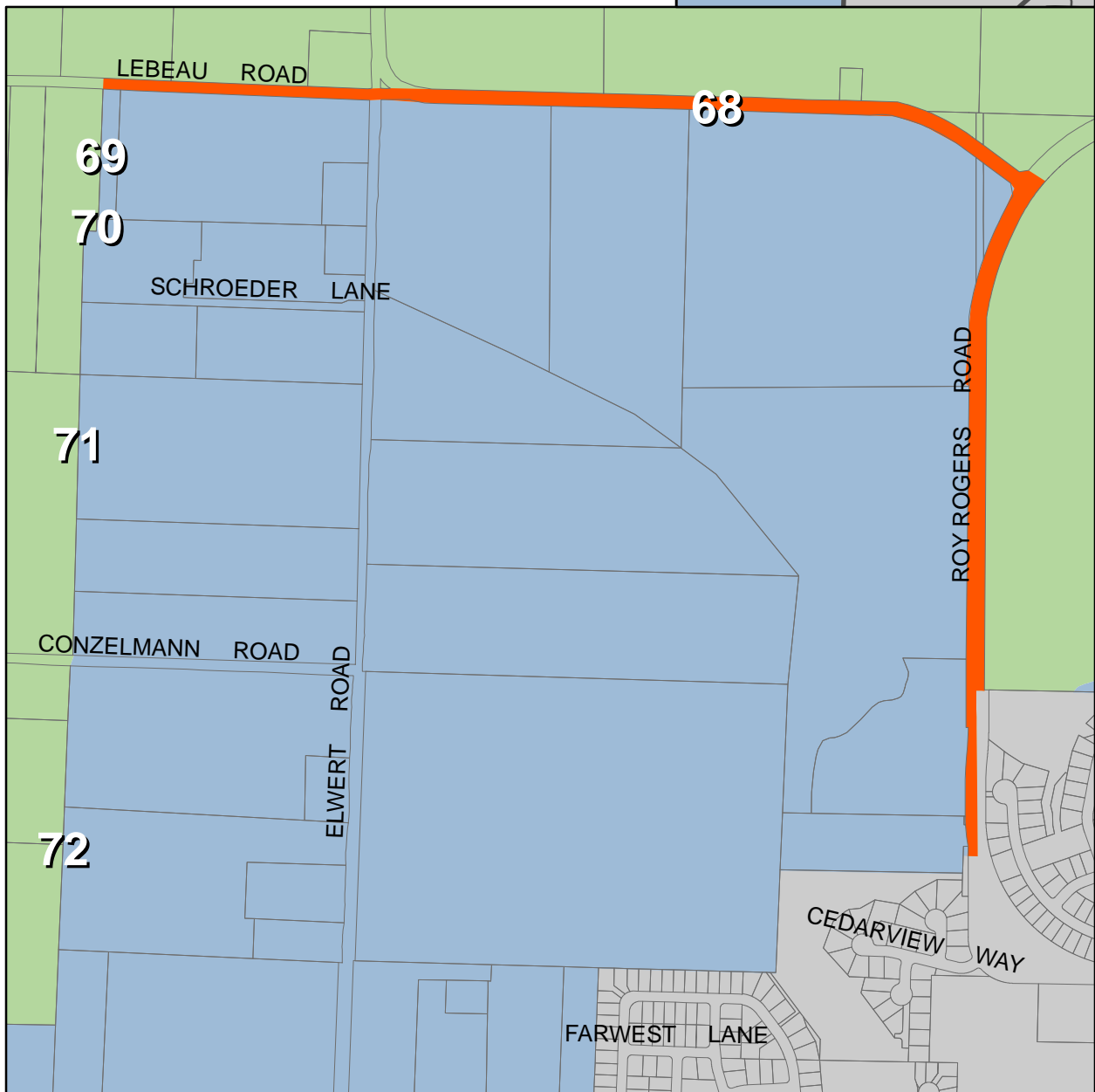
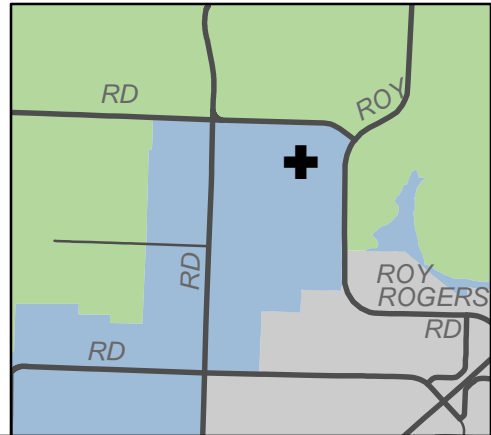
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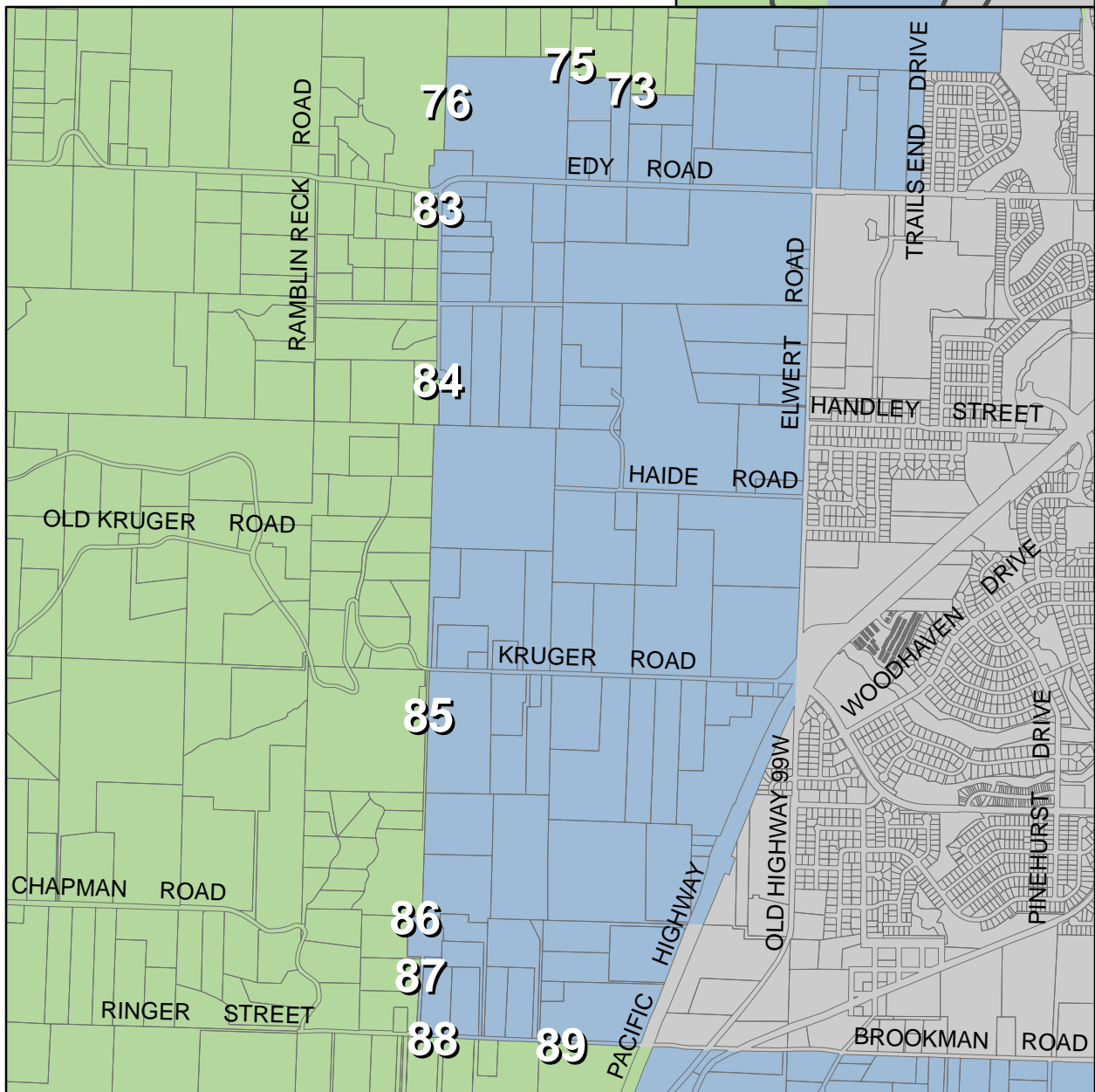
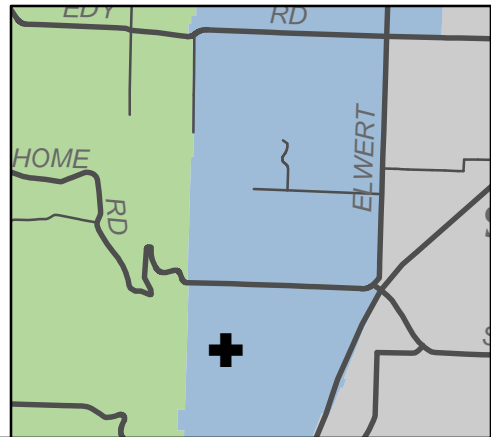
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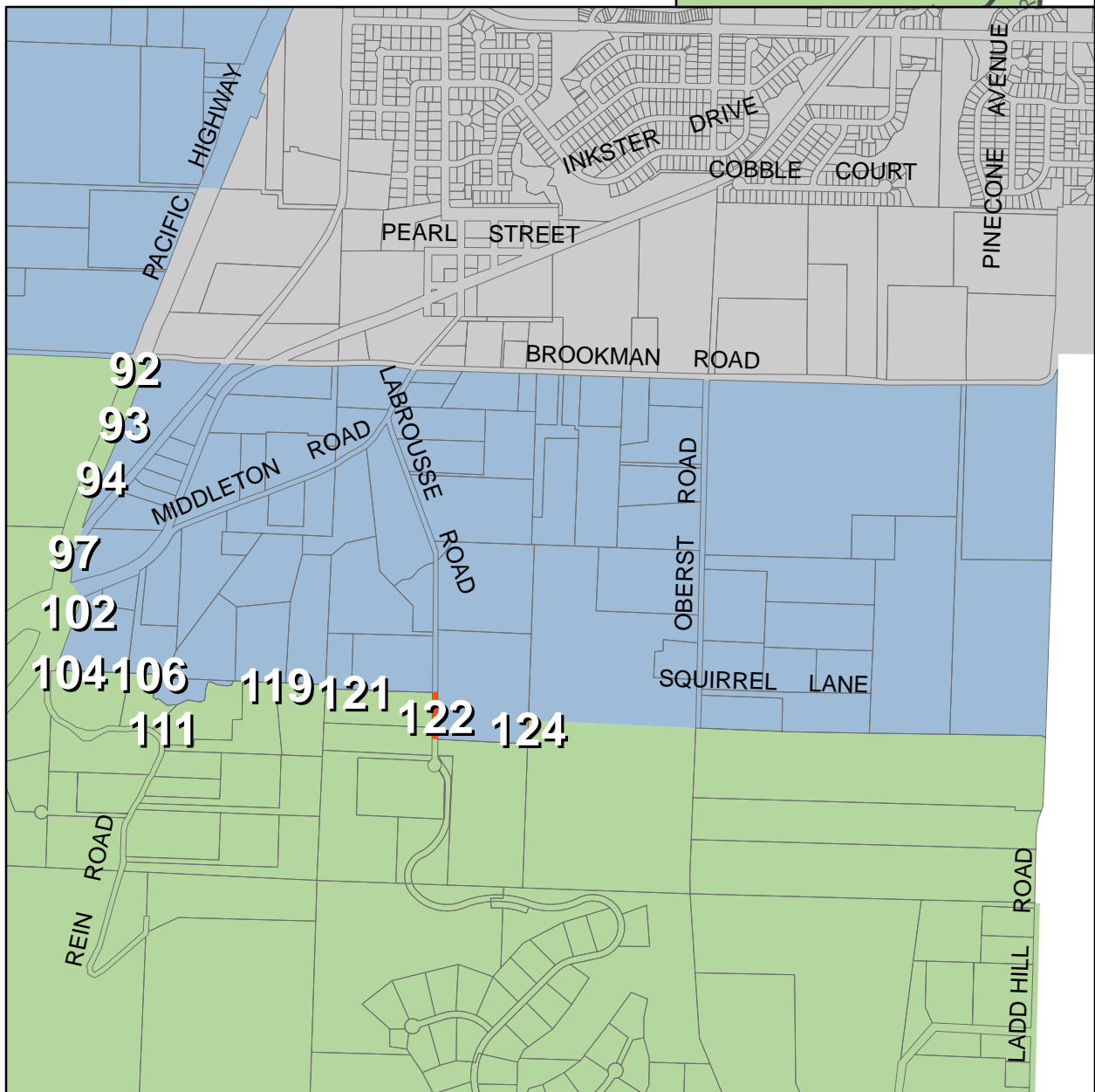
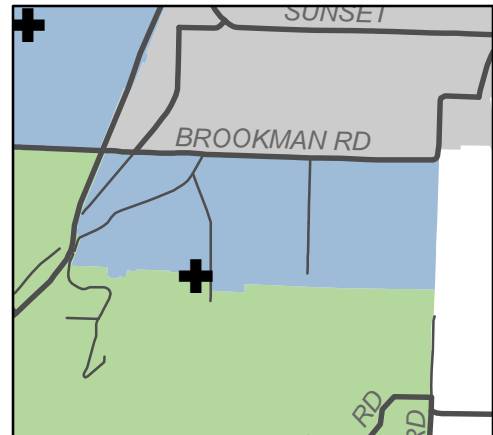
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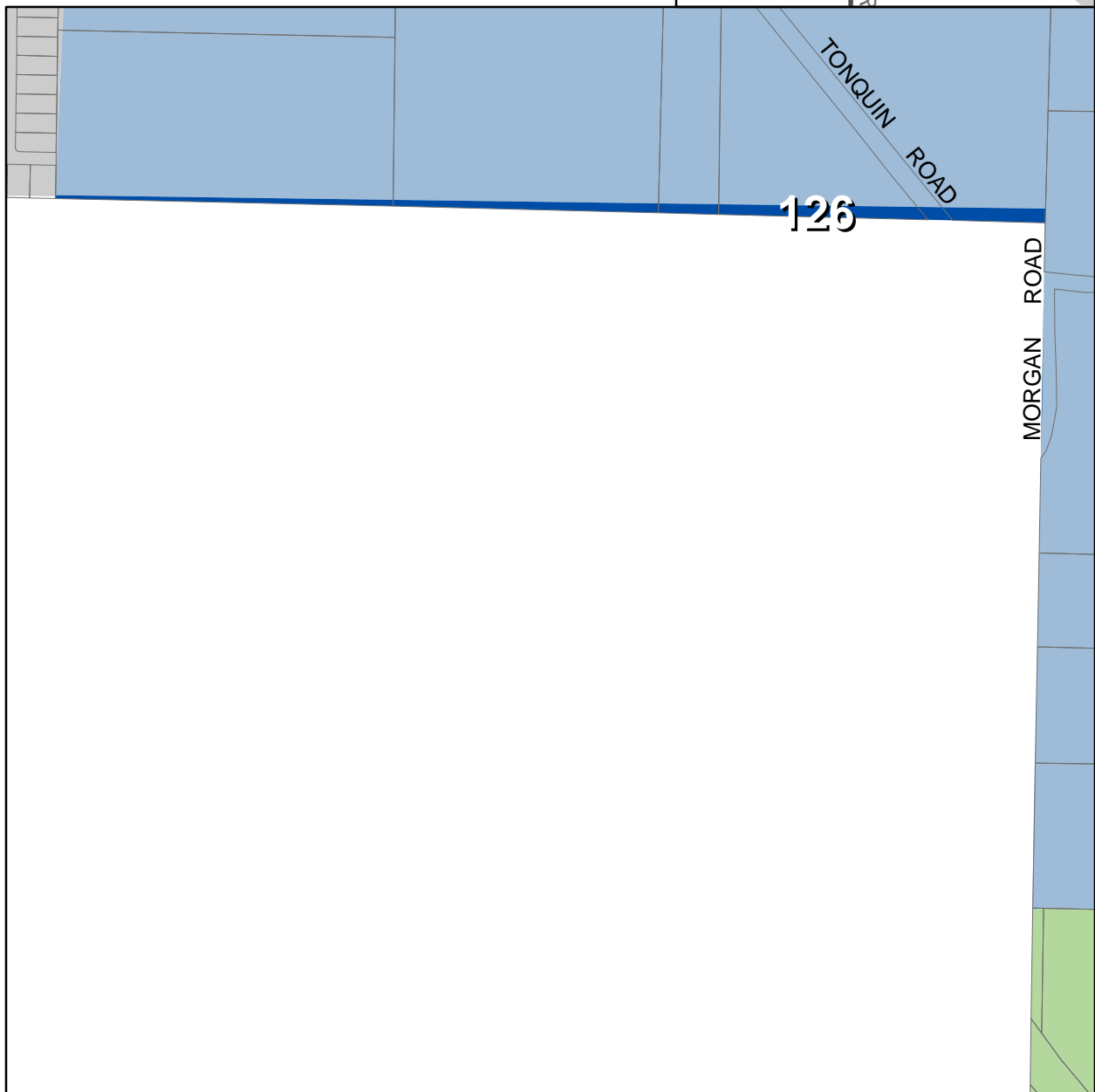
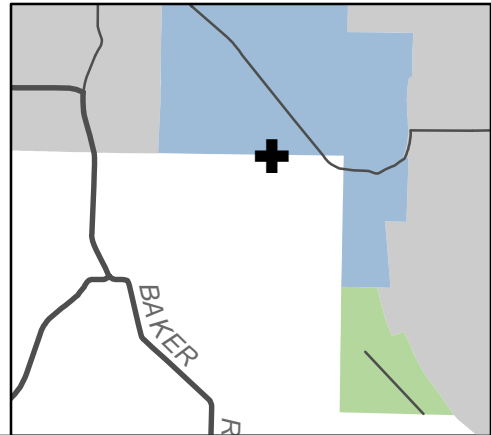
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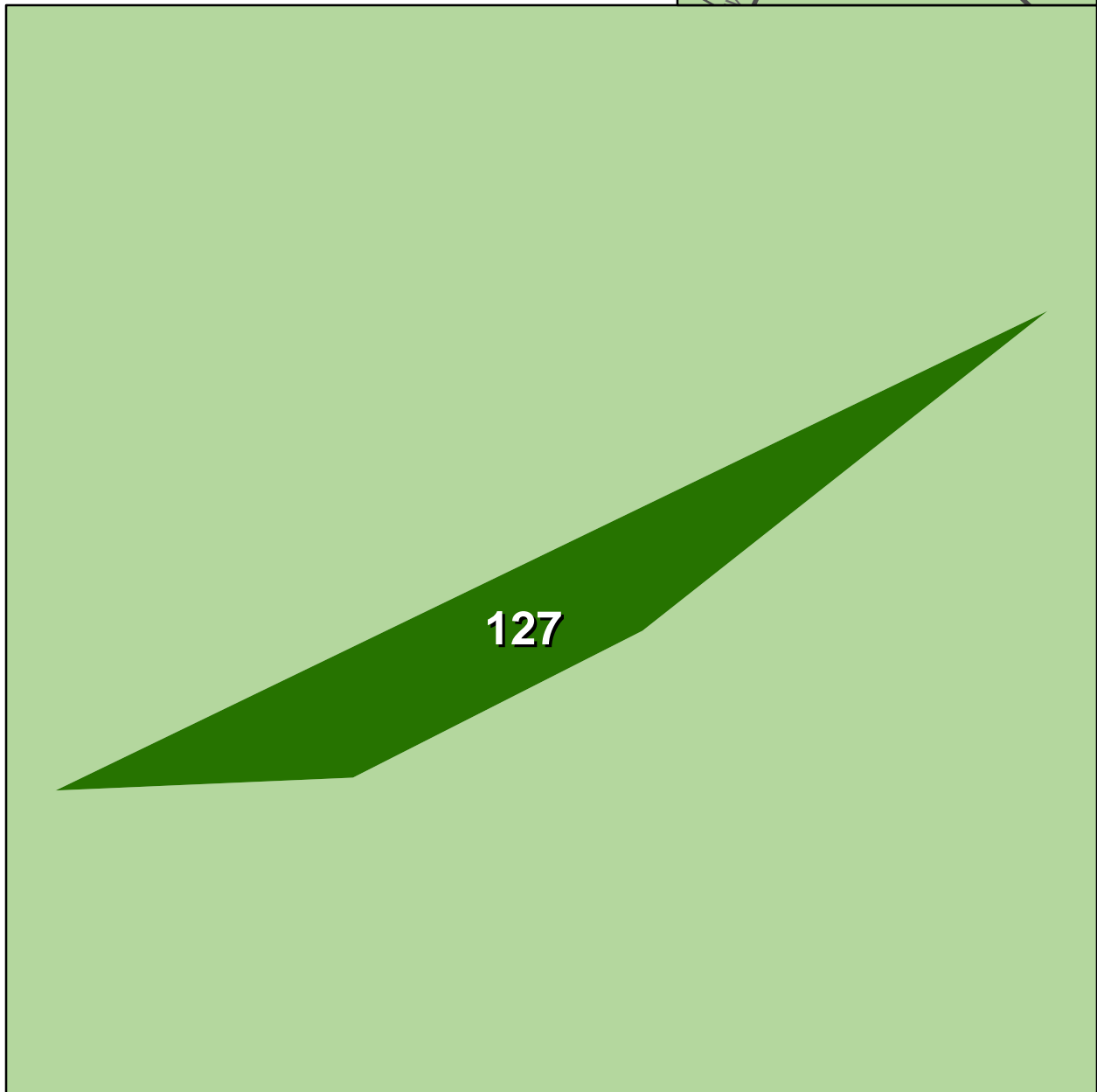
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Item No.	Page No.	Change	Category	Acres
1	3	From Rural Reserve to Urban Reserve	Parcel Shift	0.0009
2	3	From Rural Reserve to Urban Reserve	Parcel Shift	0.0089
3	3	From Rural Reserve to Urban Reserve	ROW	0.7634
4	3	From Urban Reserve to Rural Reserve	Parcel Shift	0.0022
5	3	From Rural Reserve to Urban Reserve	Parcel Shift	0.2439
6	4	From Rural Reserve to Undesignated	ROW	9.0522
7	4	From Rural Reserve to Undesignated	ROW	15.8140
8	4	From Rural Reserve to Urban Reserve	ROW / Parcel Shift	39.5953
9	5	From Undesignated to Urban Reserve	Initial Mapping Error (UGB)	0.2212
10	5	From Undesignated to Urban Reserve	Initial Mapping Error (UGB)	2.7261
11	6	From Rural Reserve to Undesignated	ROW	0.8549
12	6	From Rural Reserve to Undesignated	ROW	9.8695
13	6	From Rural Reserve to Undesignated	ROW	41.0994
14	7	From Undesignated to Urban Reserve	ROW / UGB Gap	0.5928
15	8	From Rural Reserve to Undesignated	ROW	22.5443
16	9	From Rural Reserve to Urban Reserve	ROW	10.2671
17	9	From Existing UGB to Urban Reserve	Parcel Shift	8.7215
18	9	From Urban Reserve to Existing UGB	Parcel Shift	0.5010
19	10	From Undesignated to Urban Reserve	Initial Mapping Error (ROW)	0.0077
20	10	From Undesignated to Rural Reserve	Initial Mapping Error	0.0089
21	10	From Rural Reserve to Urban Reserve	ROW	0.4873
22	10	From Undesignated to Urban Reserve	Initial Mapping Error (ROW)	0.0010
23	10	From Existing UGB to Urban Reserve	Parcel Shift	0.6386
24	10	From Urban Reserve to Existing UGB	Parcel Shift	0.0031
25	10	From Urban Reserve to Existing UGB	Parcel Shift	0.0000
26	10	From Urban Reserve to Existing UGB	Parcel Shift	0.0167
27	10	From Existing UGB to Urban Reserve	Parcel Shift	3.3653
28	10	From Urban Reserve to Existing UGB	Parcel Shift	0.8115
29	10	From Existing UGB to Urban Reserve	Parcel Shift	0.0123
30	10	From Urban Reserve to Existing UGB	Parcel Shift	1.5421
31	10	From Rural Reserve to Undesignated	ROW	5.7601
32	10	From Rural Reserve to Urban Reserve	ROW	5.7601
33	10	From Rural Reserve to Urban Reserve	Parcel Shift	0.0084
34	10	From Urban Reserve to Rural Reserve	Parcel Shift	0.0008
35	10	From Rural Reserve to Urban Reserve	Parcel Shift	0.0172
36	10	From Urban Reserve to Rural Reserve	Parcel Shift	0.0011
37	10	From Rural Reserve to Urban Reserve	Parcel Shift	0.0003
38	10	From Urban Reserve to Rural Reserve	Parcel Shift	0.0005
39	10	From Rural Reserve to Urban Reserve	Parcel Shift	0.0073
40	10	From Urban Reserve to Rural Reserve	Parcel Shift	0.0083
41	10	From Rural Reserve to Urban Reserve	Parcel Shift	0.0050
42	10	From Urban Reserve to Rural Reserve	Parcel Shift	0.0010
43	11	From Rural Reserve to Undesignated	ROW	1.6826
44	12	From Rural Reserve to Urban Reserve	ROW	5.7476
45	13	From Rural Reserve to Undesignated	ROW	6.8240
46	14	From Rural Reserve to Urban Reserve	ROW	1.4379
47	14	From Rural Reserve to Urban Reserve	ROW	0.0002

Item No.	Page No.	Change	Category	Acres
48	14	From Rural Reserve to Urban Reserve	ROW	0.3359
49	14	From Rural Reserve to Urban Reserve	ROW	0.2754
50	14	From Urban Reserve to Rural Reserve	Initial Mapping Error	0.0006
51	14	From Rural Reserve to Urban Reserve	ROW	7.6314
52	14	From Undesignated to Urban Reserve	Parcel Shift / UGB Gap	5.3308
53	15	From Undesignated to Rural Reserve	Initial Mapping Error	0.0000
54	15	From Rural Reserve to Undesignated	ROW	5.3040
55	16	From Rural Reserve to Urban Reserve	ROW	2.8880
56	17	From Undesignated to Urban Reserve	ROW	4.0133
57	17	From Rural Reserve to Undesignated	Flag Lot	1.6282
58	17	From Rural Reserve to Urban Reserve	ROW	0.0013
59	18	From Rural Reserve to Urban Reserve	ROW	2.0206
60	19	From Urban Reserve to Rural Reserve	Parcel Shift	0.0029
61	19	From Rural Reserve to Urban Reserve	Parcel Shift	0.0126
62	19	From Urban Reserve to Rural Reserve	Parcel Shift	0.0133
63	19	From Rural Reserve to Urban Reserve	Parcel Shift	0.0306
64	19	From Urban Reserve to Rural Reserve	Parcel Shift	0.1253
65	19	From Urban Reserve to Rural Reserve	Parcel Shift	0.2079
66	19	From Rural Reserve to Urban Reserve	Parcel Shift	0.0008
67	19	From Urban Reserve to Rural Reserve	Parcel Shift	0.4428
68	20	From Rural Reserve to Urban Reserve	ROW	11.3637
69	20	From Rural Reserve to Urban Reserve	Parcel Shift	0.0033
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71	20	From Rural Reserve to Urban Reserve	Parcel Shift	0.0108
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73	21	From Urban Reserve to Rural Reserve	Parcel Shift	0.0015
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83	21	From Rural Reserve to Urban Reserve	Parcel Shift	0.0017
84	21	From Rural Reserve to Urban Reserve	Parcel Shift	0.0121
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92	22	From Rural Reserve to Urban Reserve	Parcel Shift	0.0017
93	22	From Urban Reserve to Rural Reserve	Parcel Shift	0.0047
94	22	From Rural Reserve to Urban Reserve	Parcel Shift	0.0049

Item No.	Page No.	Change	Category	Acres
95	22	From Urban Reserve to Rural Reserve	Parcel Shift	0.0001
96	22	From Rural Reserve to Urban Reserve	Parcel Shift	0.0010
97	22	From Rural Reserve to Urban Reserve	Parcel Shift	0.0029
98	22	From Rural Reserve to Urban Reserve	Parcel Shift	0.0001
99	22	From Urban Reserve to Rural Reserve	Parcel Shift	0.0022
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102	22	From Urban Reserve to Rural Reserve	Parcel Shift	0.0102
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117	22	From Rural Reserve to Urban Reserve	Parcel Shift	0.0002
118	22	From Urban Reserve to Rural Reserve	Parcel Shift	0.0002
119	22	From Rural Reserve to Urban Reserve	Parcel Shift	0.0010
120	22	From Urban Reserve to Rural Reserve	Parcel Shift	0.0004
121	22	From Rural Reserve to Urban Reserve	Parcel Shift	0.0098
122	22	From Rural Reserve to Urban Reserve	ROW	0.3593
123	22	From Rural Reserve to Urban Reserve	Parcel Shift	0.0005
124	22	From Rural Reserve to Urban Reserve	Parcel Shift	0.0148
125	22	From Rural Reserve to Urban Reserve	Parcel Shift	0.0016
126	23	From Undesignated to Urban Reserve	Parcel Shift	2.9267
127	24	From Undesignated to Rural Reserve	Initial Mapping Error	0.0476

Peterkort Property

Issue / Request

Earlier adjustments to Urban Reserve Area 8C – Bethany West resulted in removal of a 129-acre property that is critical for the cost-effective and timely provision of urban services to the 2002 UGB expansion area of North Bethany. Roughly one-third of this property, owned by the Peterkort family, is floodplain / wetland traversed by Rock Creek. Long-standing planning efforts for major infrastructure improvements necessary to serve North Bethany—including sewer, stormwater management, transportation and wetland mitigation—depend upon use of this property.

Peterkort family representatives testified at both the April 21, 2010 Planning Commission and April 27, 2010 Board of County Commissioners hearings to request that the county reconsider their property's (1N1 18, Lot 100) rural reserve designation and add the property to Urban Reserve Area 8C, Bethany West. This request is supported by plans and cost considerations for near-and long-term North Bethany urban service investments. A detailed map of the area subject to this request is shown at the end of this discussion.

Staff Recommendation

Designate the Peterkort property as part of Urban Reserve Area 8C - Bethany West.

Staff has determined that additional urban lands are necessary to facilitate development of the North Bethany planning area. These lands are needed for transportation, sanitary sewer and wetlands mitigation. The land is critical to adequately serve the future North Bethany community as planned for adoption later this year. The plan for North Bethany will meet both regional density requirements and ensure the economic feasibility of future land uses in the planning area.

Inclusion of the Peterkort property in an urban reserve provides multiple public benefits to the development of North Bethany in particular, and the larger community in general. The Peterkort family has entered into a written agreement with Clean Water Services to donate the necessary easements for 3,600 feet of sewer trunk line and the use of approximately 50 acres of Rock Creek floodplain for wetland mitigation in return for the property's designation as an urban reserve. According to their testimony, the Peterkort family is willing to provide a similar easement for the construction of Road A, connecting North Bethany to 185th Avenue, and to cooperate in the land use permitting process for construction of the sewer line. A rural reserve designation would negate most of these opportunities. For these reasons, staff finds that adding this property to an urban reserve is a necessary and appropriate action.

Planning Commission Recommendation

At their public hearing on Urban and Rural Reserves held April 21, 2010, the Washington County Planning Commission voted seven to one in favor of including the Peterkort site within proposed Urban Reserve Area 8C – Bethany West.

Background

One of the Metro conditions for the ordinance that brought North Bethany inside the UGB called for the county to *“recommend appropriate long-range boundaries for consideration by the*

Council in future expansion of the UGB or designation of urban reserves.” In addition to being located in an area that is a logical extension of North Bethany, inclusion of the 129-acre Peterkort property would provide a cost-effective route for sewer service and nearby opportunities to mitigate the wetland impacts of public facilities in North Bethany. The resulting wetland enhancements would have the added benefit of establishing important links between Metro’s Natural Areas target lands along Abbey Creek and downstream Metro property along Rock Creek. Approximately 52 acres of the Peterkort property are within the 100-year floodplain of Rock Creek and adjoining wetlands.

Analysis

In the technical analysis to determine conformance with the factors for designation of lands as urban reserves or rural reserves (OAR 660-027-0050 and 660-027-0060) Washington County staff found that the Peterkort property qualified for designation as both rural reserve and urban reserve. The detailed findings on these qualifications are incorporated in the September 23, 2009 recommendations report from the Washington County Urban and Rural Reserves Coordinating Committee to the Regional Core-4 and Reserves Steering Committee.

The Washington County technical analysis determined that in order to establish a land supply which would be adequate to meet long-term growth needs, priorities for inclusion in urban reserves would be based upon the criteria in the December 2006 Great Communities Report along with key decisions emanating from the Washington County Urbanization Forum. These priorities were established through direct coordination with the cities in Washington County and focused on governance, ability to be developed in concert with the Region 2040 Growth Concept and ability to meet the urban factors in the Reserve Rule.

The 129-acre Peterkort parcel was part of a 1,725-acre area of interest / (commitment to provision of governance) established by the City of Beaverton. The city prepared a pre-qualifying concept plan which provided evidence showing how this area of interest could meet all of the applicable criteria referenced above.

The Washington County Reserves Coordinating Committee recommendation of September 23, 2009 identified the Peterkort property as part of a significantly larger urban reserve area that extended from the existing urban growth boundary north and east to the Multnomah County border, and to Jackson School Road on the west. Core 4 deliberations in December 2009 resulted in the conversion of most of the urban reserve lands north of Highway 26 to rural reserve. This property was among those changed to a rural reserve designation.

A part of the Core 4 determination was based upon a recommendation embodied in the Bragdon/Hosticka map distributed in December 2009. That map illustrated a policy recommendation that floodplains be utilized to provide a buffer and/or boundary between urban and rural reserve areas. In the case of the 129-acre Peterkort property, approximately 52 acres of the land is impacted by the Rock Creek floodplain. Analyzed through the Core 4 review process, the use of floodplains as buffers was formalized through the maps adopted by each jurisdiction as part of the Intergovernmental Agreements with Metro for urban and rural reserves.

The entire 129-acre Peterkort site has long been recognized as important to the successful implementation of the North Bethany Community Plan and to important elements of the funding process on key transportation and sewer line links. The following discussion provides the supportive reasoning for including the Peterkort site based on each of the needs referenced in the Issue / Request section above.

1. **Transportation:** The connection of Road A from the northwestern corner of the North Bethany planning area through the Peterkort site to NW 185th Avenue is critical to the traffic flow at buildout of this planned community and provides alternative emergency access to the area. Transportation system funding has been one of the most difficult obstacles to overcome in the implementation process for North Bethany. Urbanization of the approximately 77 acres of buildable lands on the Peterkort site could facilitate the funding of this road connection. A rural reserve designation on this site would leave future construction of this transportation system link in a tenuous position and could present other conflicts for future road construction. The extension of Road A across the Peterkort site is on the county's acknowledged Transportation Plan.
2. **Sewer system connectivity:** The optimal alignment for the trunk line to serve North Bethany crosses the Peterkort property. This sewer project is at the "90% design" stage, is funded and is scheduled for construction as a capital improvement project beginning in 2010, with construction of the portion of the sewer on the Peterkort property scheduled for 2011. Property owner cooperation for trunk line installation is necessary in order to obtain the necessary land use permits. In addition, if designated a rural reserve, the property owners would not benefit from the project and have indicated if the rural reserve designation prevails, they would seek compensation for the necessary easements. The alternative to this gravity sewer would require pumping sewage to a nearby gravity system.

Clean Water Services has provided the following information relating to potential impacts of not obtaining property owner support for installation of a gravity flow sewer line. The primary option to constructing the planned gravity flow line through the Peterkort site would involve:

- a. Locating and acquiring buildable lands for the installation of two pump stations to tie the North Bethany sewer system to the existing Springville Trunk line.
- b. Siting an appropriate alignment and acquiring easements to facilitate installation of sewer line.
- c. Upgrading approximately 4,100 linear feet of the Springville Trunk to carry the added system load. This upgrade would require development of a parallel line to allow the existing line to continue to function during construction.
- d. Staff estimates that this alternative would increase the cost of the sewer project in the North Bethany area by approximately 2 million dollars.
- e. **NOTE: this option could delay construction of sanitary sewer services to the North Bethany area by at least three years.**









The adopted North Bethany plan takes a progressive, environmentally-conscious approach to stormwater management and water quality that is dependent upon, uses and requires the mitigation areas that are anticipated on the Peterkort property. Those areas also help to achieve Metro's goals for natural areas protection as discussed below. In addition, the use of the Peterkort property to site a gravity flow sewer line allows for an environmentally superior and significantly cheaper solution. The pump station alternative would be more expensive due to both higher capital costs and long-term operating costs.

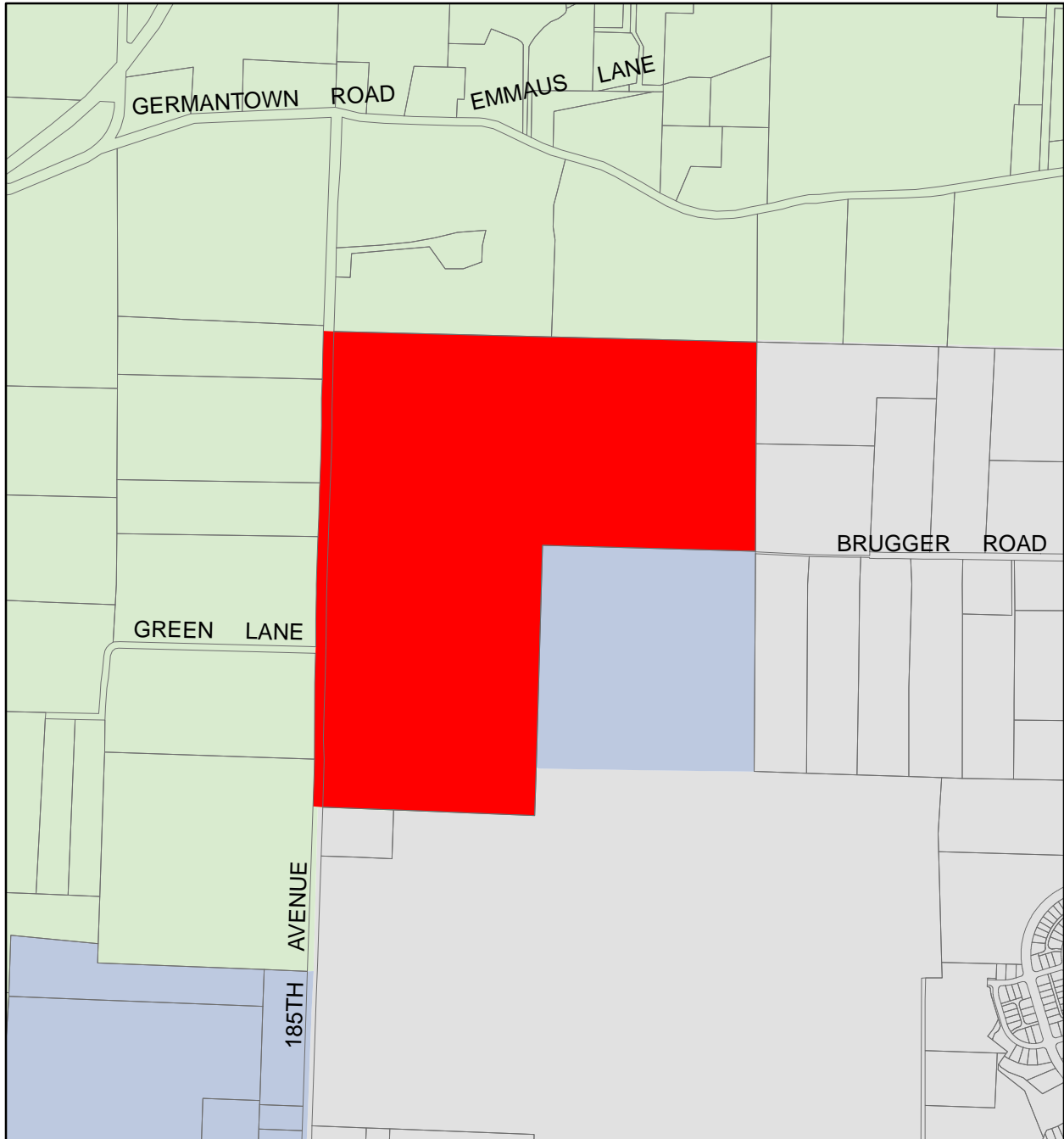
3. **Wetlands mitigation:** The sewer plan identifies roughly 46 acres of valuable opportunities on the Peterkort property which can be used to mitigate wetland impacts caused by public infrastructure development in North Bethany (in order of priority: sewer, storm, transportation, parks, and private development). Other concerns related to wetland impacts in North Bethany include:
 - a. Clean Water Services has estimated that a total of up to 89 acres of land will be needed for mitigation of impacted wetlands by infrastructure construction within the North Bethany planning area.
 - b. State agencies prefer mitigation as close as possible to the site of impact; other mitigation possibilities in the vicinity are extremely limited and may not be cost effective.
 - c. Preliminary estimates of the value of wetlands easements on the Peterkort site total approximately \$610,000.

4. **Enhancement of Natural Areas Program Target Area:** There have been 3-4 years of inter-agency planning discussions among the county's Department of Land Use and Transportation, Clean Water Services and Metro's Parks staff on coordinating the timing of activities and on the multiple agency benefits of the preferred sewer alignment and associated wetland enhancements. The following points highlight the benefits:
 - a. Clean Water Services enhancement work would expand and protect the currently degraded natural area near the confluence of Holcomb and Rock Creeks, thereby improving habitat and water quality in the lower watershed. This work would benefit Metro's Natural Areas Program because it would take place within the Tier 2 priority area for the Rock Creek Target Areas, and is consistent with Program objectives for this area.
 - b. Metro's Natural Areas Program is not expected to acquire lands in Tier 2 areas - the area would be protected with Clean Water Services easements after mitigation work is complete, thereby expanding Metro holdings in the Rock Creek Target Area without expenditure of Natural Areas bond measure funds.
 - c. Mitigation easements will help connect existing Metro holdings in the Rock Creek watershed (recent purchase in Rock Creek headwaters and another near Holcomb Lake).

Peterkort

Approximate Affected Acres: 130

Citizen Request		Ordinance No. 733	
	Rural Reserve to Urban Reserve		Rural Reserve
	Undesignated to Urban Reserve		Urban Reserve
	Rural Reserve to Undesignated		Existing Regional Urban Area
	Urban Reserve to Rural Reserve		
	Undesignated to Rural Reserve		



Agenda Item Number 6.0

RESERVES ORDINANCE NO. 10-1238 ISSUES DISCUSSION

PRESENTED BY JOHN WILLIAMS, DICK BENNER, AND
STAFF

Metro Council Work Session
Tuesday, May 18, 2010
Metro Council Chamber

