

**A G E N D A**

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



**METRO**

**Agenda**

MEETING: METRO COUNCIL INFORMAL MEETING  
DATE: May 13, 2003  
DAY: Tuesday  
TIME: 2:00 PM  
PLACE: Metro Council Chamber

**CALL TO ORDER AND ROLL CALL**

- |           |    |   |         |
|-----------|----|---|---------|
| 2:00 p.m. | 1. | <b>SALEM LEGISLATIVE REPORT</b>                                       | Cooper  |
| 2:15 p.m. | 2. | <b>DISCUSSION OF AGENDA FOR COUNCIL REGULAR MEETING, MAY 15, 2003</b> |         |
| 2:30 p.m. | 3. | <b>TITLE 7 AMENDMENT</b>  | Uba     |
| 2:50 p.m. | 4. | <b>METRO/PORT OF PORTLAND LAND SWAP</b>                               | Desmond |
| 3:05 p.m. | 5. | <b>GREEN RIBBON UPDATE</b>  | Bragdon |
| 4:00 p.m. | 5. | <b>CITIZENS COMMUNICATION</b>   |         |
| 4:15 p.m. | 6. | <b>COUNCILOR COMMUNICATION</b>  |         |

**ADJOURN**



05/30/3ci-01

# A G E N D A

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



**METRO**

## Agenda

MEETING: METRO COUNCIL REGULAR MEETING  
DATE: May 15, 2003  
DAY: Thursday  
TIME: 2:00 PM  
PLACE: Metro Council Chamber

### CALL TO ORDER AND ROLL CALL

#### 1. INTRODUCTIONS

#### 2. CITIZEN COMMUNICATIONS

#### 3. CONSENT AGENDA

- 3.1 Consideration of Minutes for the April 29, 2003 and May 1, 2003 Metro Council Regular Meeting.

#### 4. ORDINANCES – FIRST READING

- 4.1 **Ordinance No. 03-1007**, For the Purpose of Amending Regional Transportation Plan to include the Two Phases of the South Corridor Study Consisting of the I-205 Light Rail Transit (LRT) Project from Gateway to Clackamas Regional Center with Portland Transit Mall LRT, Expansion of LRT from Downtown Portland to Milwaukie and Deletion of Plans to Extend LRT From Milwaukie to Clackamas Regional Center.

#### 5. ORDINANCES – SECOND READING

- 5.1 **Ordinance No. 03-992**, For the Purpose of Amending Chapter 5.05 of the Metro Code to Adjust the Fee Schedule for Applications for Non-System Licenses. McLain
- 5.2 **Ordinance No. 03-1003**, For the Purpose of Amending the Regional Framework Plan and the Metro Code to Implement 26-29; and Declaring an Emergency. Burkholder



**6. RESOLUTIONS**

- |     |   |            |
|-----|---|------------|
| 6.1 | <b>Resolution No. 03-3314</b> , For the Purpose of Authorizing an Amendment to An Intergovernmental Agreement with TriMet Concerning Transit-Oriented Development and Increasing the Level of Transit Service   | Newman     |
| 6.2 | <b>Resolution No. 03-3322</b> , For the Purpose of Appointing Katherine A. Everett and Winfield White to the Metro Committee on Citizen Involvement (MCCI).   | McLain     |
| 6.3 | <b>Resolution No. 03-3326</b> , For the purpose of confirming the appointments of Alan Holzapfel, Neal Arden, Maria Elena Alvarado and Mark Kirchmeier to the North Portland Rehabilitation and Enhancement Committee (NPREC).  | Burkholder |
| 6.4 | <b>Resolution No. 03-3328</b> , For the Purpose of Supporting the Oregon Department of Transportation (ODOT) List of Projects Proposed for Funding for the Statewide Transportation Enhancement (TE) Program, and forwarding the List of Projects for Oregon Transportation Commission (OTC) Consideration. | Burkholder |
| 6.5 | <b>Resolution No. 03-3332</b> , For the Purpose of Authorizing the Chief Operating Officer to sign the first addendum to Metro's 2002 Intergovernmental Agreement with the Tualatin Basin Natural Resources Coordinating Committee.   | Hosticka   |

**7. COUNCILOR COMMUNICATION**

**ADJOURN**



**Cable Schedule for May 15, 2003 Meeting (TVTV)**

	<b>Sunday (5/18)</b>	<b>Monday (5/19)</b>	<b>Tuesday (5/20)</b>	<b>Wednesday (5/21)</b>	<b>Thursday (5/15)</b>	<b>Friday (5/16)</b>	<b>Saturday (5/17)</b>
<b>CHANNEL 11</b> (Community Access Network) (most of Portland area)						2:00 PM	
<b>CHANNEL 30</b> (TVTV) (Washington County, Lake Oswego)	12:00 PM			11:00 PM		6:30 AM 7:00 PM 11:00 PM	3:30 PM
<b>CHANNEL 30</b> (CityNet 30) (most of City of Portland)		2:00 PM					
<b>CHANNEL 30</b> <b>Willamette Falls Television</b> (West Linn, Rivergrove, Lake Oswego)	5:30 AM 2:30 PM	12:30 AM 3:30 PM 10:31 PM		12:30 AM 3:00 PM 10:30 PM		12:30 AM 3:30 PM 10:31 PM	5:30 AM 2:30 PM
<b>CHANNEL 23/18</b> <b>Willamette Falls Television</b> (23- Oregon City, West Linn, Gladstone; 18- Clear Creek)							
<b>CHANNEL 23</b> <b>Milwaukie Public Television</b> (Milwaukie)			10:00 AM 9:00 PM				

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

**Portland Cable Access**      [www.pcatv.org](http://www.pcatv.org)  
**Tualatin Valley Television**      [www.yourtv.org](http://www.yourtv.org)  
**Willamette Falls Television**      [www.wftvaccess.com](http://www.wftvaccess.com)  
**Milwaukie Public Television**

**(503) 288-1515**  
**(503) 629-8534**  
**(503) 650-0275**  
**(503) 652-4408**

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



**DRAFT STAFF REPORT**

IN CONSIDERATION OF RESOLUTION NO. 03-\_\_\_\_\_, FOR THE  
PURPOSE OF AUTHORIZING THE CHIEF OPERATING OFFICER TO ENTER  
INTO AND EXECUTE AN AGREEMENT OF PURCHASE AND SALE WITH THE  
PORT OF PORTLAND FOR A NON- CASH EXCHANGE OF PROPERTY

---

Date: May 6, 2003

Prepared by: Jim Desmond

**BACKGROUND**

Resolution No. 03-\_\_\_\_\_ requests authorization for the Chief Operating Officer to enter into an Agreement of Purchase and Sale with the Port of Portland for a non-cash exchange of property, as further described herein and as previously outlined in a non-binding Memorandum of Understanding (MOU) entered into between the parties.

Metro and the Port of Portland propose a property exchange involving a Port-owned parcel (the "Triangle Parcel") located adjacent to Smith and Bybee Lakes Wildlife Area and a Metro-owned parcel located at the Expo Center (the "Expo Parcel"). The approximately 3.5-acre Triangle Parcel (legal description attached hereto as Attachment A) was identified in a concept plan for recreational facilities at Smith-Bybee, approved by the Metro Council in December, 1999 (the "Recreation Facility Plan"). Metro's intent is to develop the Triangle Parcel into trailhead and visitor facilities for the wildlife area. The Expo Parcel (legal description attached hereto as Attachment B) consists of approximately 6.75 acres of land located adjacent to Vanport Wetlands, a Port of Portland mitigation site. The Port would like to incorporate the Expo Parcel into its Vanport site. The Port has stated that it intends to use the Expo Parcel as a vegetative buffer and enhancements compatible with its adjacent Vanport Wetlands ("Radio Towers") site.

The Triangle Parcel is located on the north side of Smith Lake. The property is zoned heavy industrial and is adjacent to the wildlife area, although it lies outside the boundary of the Smith and Bybee Lakes Wildlife Area. The Triangle Parcel was part of a larger parcel that was bisected by a new overpass for North Marine Drive, completed in the mid-1990's. The Port has since partitioned the Triangle Parcel in anticipation of this exchange. The Expo Parcel is part of the Expo complex that was transferred to Metro from Multnomah County in 1996. Expo has been considering alternative uses for the site.

In July, 2001, Metro and the Port entered into an intergovernmental agreement for access to perform environmental assessment work at the two sites. A level 1 environmental assessment of the Triangle Parcel found no evidence of contamination. An update of the 2000 level 1 assessment of the Expo Parcel recommended a level 2 assessment. The Level 2 Environmental Assessment, completed in October 2001, found contaminated dirt surrounding a stormwater outfall draining an Expo parking lot. Remediation work recommended by the level 2 was



completed by MERC/Metro in December 2001. The Port has agreed in the MOU that Metro/MERC's remediation as recommended in the environmental assessment is complete.

In 2002, appraisals of the two sites were completed, and Metro and Port staff began negotiating a Memorandum of Understanding to outline the terms for the property exchange. The MOU includes:

- The intention of the parties to agree to an even exchange.
- Roles and responsibilities in completing a lot line adjustment of the Expo Parcel and the adjacent Port-owned property.
- The intention of the parties to grant easements for respective uses on both sites.
- The Port's contribution of \$10,000 toward facility and art design at Smith-Bybee.
- Metro's removal of vegetation from property adjacent to the Expo Parcel.
- Metro's removal of concrete and debris from the Expo Parcel.
- Metro's revegetation of the Expo Parcel.
- Use restrictions on Expo Parcel: development of vegetative buffer and enhancements compatible with adjacent Vanport Wetlands site; uses shall not interfere with Metro's or MERC's use of the adjacent Expo parking lot and exposition center.
- Use restrictions on Triangle Parcel: uses consistent with the Recreation Facility Plan—multiple recreational uses, environmental education, a parking lot for public access and a public boat launch.

A copy of the Memorandum of Understanding is attached hereto as attachment C.

After an Agreement of Purchase and Sale based on the MOU is negotiated, and with Metro Council approval, the exchange of the parcels may be completed by late summer 2003.

## **ANALYSIS/INFORMATION**

### **1. Known Opposition**

None known of.

### **2. Legal Antecedents**

On December 2, 1999, the Metro Council adopted Resolution No. 99-2865, for the purpose of approving the Smith and Bybee Lakes Wildlife Area Recreation Facility Plan. The Plan identifies the Triangle Parcel and recommends its development with a trailhead and facilities. The current resolution under consideration provides for Metro's acquisition of the Triangle Parcel and comports with the provision in Council Resolution No. 99-2865 that staff begin implementation of the Recreation Facility Plan. The Expo Master Plan adopted December 12, 2000, states that this Expo Parcel will be used as part of an "environmental reserve" area along Expo's southern boundary.



### **3. Anticipated Effects**

In accordance with the Memorandum of Understanding and the Agreement of Purchase and Sale between Metro and the Port of Portland, Metro and the Port will exchange the Port's Triangle Parcel for Metro's Expo Parcel. The Expo Parcel will be absorbed into the Port's adjacent property via property line adjustment through the City of Portland. Metro will take title in fee to the Triangle Parcel adjacent to the Smith and Bybee Lakes Wildlife Area. The Triangle Parcel will be eventually be used in Metro's redesigned trailhead and visitor facilities for the wildlife area. Metro will also receive an easement over the Port's adjacent private road for vehicular, boat, and pedestrian uses, and will access the property via a Revocable Permit Metro is seeking from Portland Department of Transportation (PDOT) over Old Marine Drive.

### **4. Budget Impacts**

The Port's transfer to Metro of the Triangle Parcel is expected to offset any costs associated with the transaction, such as due diligence, normal closing costs associated with the transaction, survey work and costs of removal of debris and vegetation.

### **RECOMMENDED ACTION**

Recommend Council adoption of Resolution No. 03-\_\_\_\_\_, authorizing the Chief Operating Officer to enter into and execute an Agreement of Purchase and Sale with the Port of Portland, and to complete the transfer of the Expo Parcel to the Port in exchange for receiving the Triangle Parcel from the Port, in substantially the form set forth in the attached Agreement of Purchase and Sale.

m:\attorney\confidential\docs#13.prk\03oper.mnt\06smith.byb\06portexpo.swap\stfrpt.doc



05/303ci-05

**Michael Jordan - Metro, OR**

---

**From:** "Moody's Investors Service" <epi@moody's.com>  
**To:** <shortc@metro.dst.or.us>  
**Date:** 5/13/2003 9:58 AM  
**Subject:** Metro, OR

---

**MOODY'S DOWNGRADES TO A3 METRO, OR'S \$16 MILLION OF SOLID WASTE REVENUE BONDS, INCLUDING SERIES 2003 BONDS; OUTLOOK STABLE**

NEW YORK, May 13, 2003 -- Moody's Investors Service has assigned an A3 rating with a stable outlook to Metro, OR's \$5 million Series 2003 Waste Disposal System Refunding Revenue Bonds. In addition, Moody's has downgraded the rating on Metro's \$10.9 million of parity debt outstanding to A3 from A1. The two-notch downgrade reflects Metro's failure to meet its rate covenant in FY 2002 along with management's reluctance and/or inability to raise rates sufficiently to restore ongoing financial sustainability in a timely manner. Nevertheless, Metro's solid waste system continues to demonstrate several fundamental credit strengths supporting maintenance of its rating in the A category. These strengths include ample liquidity in the form of large cash reserves, along a large and diverse service area in the greater Portland region and Metro's demonstrated ability to levy fees on waste generated within that service area regardless of where it is disposed. Moreover, Metro's debt levels, already low, will be reduced further as a result of this refinancing and it has no plans for further parity borrowing.

**RATING ACTION PROMPTED BY METRO FAILURE TO MEET RATE COVENANT IN 2002**

As a result of a decision on the part of management to draw down on reserves in FY 2002 rather than implement a necessary rate increase, Metro failed to meet its 1.1 times rate covenant that year. According to GAAP, coverage was just 0.34x; calculated in accordance with the bond ordinance (pursuant to bond counsel's recently revised interpretation of the ordinance), coverage was somewhat higher at 1.0x, but still below the rate covenant. However, failure to meet the covenant did not constitute a technical default because coverage by net revenues and other available funds was at least 1.0x and Metro engaged a rate consultant to make recommendations as to what actions it should take to achieve compliance with the covenant.

**THREE YEAR TRANSITION NECESSARY TO RESTORE FINANCIAL BALANCE**

Metro is expected to return to compliance with the covenant in the current fiscal year, but Moody's notes that despite a 16% increase in its regional system fee, compliance will be achieved only due to a partial defeasance of current debt service with reserves. Bond counsel has indicated this is permitted by the bond indenture. Management has adopted a second 10.5% rate increase for FY 2004 beginning this July 1, but once again the increase would be insufficient to achieve compliance with the rate covenant were it not for reductions in debt service resulting from the recent defeasance and the current refunding. Management maintains that the rate increases were adopted after the defeasances had been implemented and those rates were increased only



as much as necessary to achieve required coverage levels given the already reduced debt service requirements. Nevertheless, financial self-sustainability is not expected to be achieved until FY 2005 following a planned (but as yet unadopted) third rate increase of 5%.

#### **METRO ABLE TO LEVY FEES ON ENTIRE WASTE STREAM REGARDLESS OF DISPOSAL SITE**

Any concern that these rate increases, which total nearly 35%, might cause Metro to become uncompetitive in a typically highly competitive industry is mitigated by its ability to levy a fee on all waste generated in its service area regardless of where it is disposed. Though Metro owns two transfer stations of its own, these handle just 54% of the waste from Metro's service area. Waste delivered to these transfer stations is ultimately disposed of at a privately owned landfill roughly 150 miles away - Metro has no minimum tonnage commitment. In addition to the regional system fee, Metro charges tipping fees on this waste set to recover operating costs at its transfer stations and disposal costs at the landfill. The remaining waste stream is disposed of at a variety of other transfer stations and landfills, both in and outside of Metro's service area. So long as these disposal sites agree to levy the per-ton regional system fee on behalf of Metro on all waste coming from the Metro service area, Metro waives the requirement that haulers delivering waste to these sites be specially licensed. This creates a demonstrably effective incentive for disposal sites to levy this fee. The regional system fee is intended to recover Metro's overhead and solid waste disposal planning costs along with debt service on its bonds. Thus, while waste deliveries to Metro's transfer station have fallen by an average of 5% a year, this has been offset by increases in waste disposed elsewhere and has not had a significant financial impact on Metro. Overall, the waste stream subject to the regional system fee has remained fairly stable over this period.

#### **AMPLE LIQUIDITY HELPS MITIGATE RISKS**

As of the end of FY 2002, Metro had \$34 million in net working capital, equal to three-quarters of its annual operating expenses and more than twice the amount of debt outstanding. As a result, its debt ratio was a very low 17%. Though reserves are projected to fall by nearly \$7 million in the current fiscal year, following the recent defeasance and current refunding (which is replacing the cash-funded debt service reserve fund with a surety bond), Metro is expected to have a total of just \$7 million of debt outstanding. Furthermore, it has no plans for any additional borrowing. Moody's believes that the very high level of reserves relative to debt outstanding helps to mitigate risks stemming from its current financial imbalances.

#### **SUBSTANTIAL AND BROAD-BASED TAX BASE; LARGE AND DIVERSE REGIONAL ECONOMY SUFFERS SETBACK DURING CURRENT RECESSION**

Metro (General Obligation bonds are rated Aa1) provides a number of services which include operation of the zoo, park and convention facilities in addition to solid waste management, within the urbanized portions of the Portland (GO bonds rated Aaa) metropolitan area. The service area, which has a population of roughly 1.5 million, includes Multnomah (rated Aa1), Washington (rated Aa1) and Clackamas (Aa2 issuer rating) Counties. Portland is the center of commerce for the surrounding metropolitan area, acting as a service center for the large and diverse manufacturing economy which surrounds the city and is based primarily in the metals, instruments, machinery and electrical equipment sectors, unlike the statewide dependence on lumber and wood products. The



region is home to firms such as Intel, US West Communications, Fujitsu Microelectronics, Tektronix, and Nike. Many of the high tech and telecommunications firms, from small start-ups to large established corporations are located along Washington County's Sunset Corridor.

The Portland area has been among the hardest hit regional economies in the nation during the current recession, suffering significant job losses and a correspondingly high unemployment rate of 8.1% in August 2002. A regional dependence on high technology manufacturing is the primary driver of job losses, both directly and indirectly, given the robust employment multiplier associated with high paying technology jobs. Soft domestic markets combined with continuing lackluster demand from Asian markets contributes to current weakness in the high technology, agricultural, and forest products sectors state-wide. Nevertheless, as in many areas around the country, the local real estate market in Portland has held up remarkably well despite the overall weakness in the regional economy. Real market value growth for Metro was robust at 8.9% in 2002 and has averaged 9.0% annual growth rate since 1998. Full value per capita is relatively healthy for a large urban taxing entity at \$79,199. Moody's anticipates slower growth in property values going forward given the lag between recent economic developments and their impact on real estate values.

#### OUTLOOK:

The stable outlook reflects Moody's expectation that Metro will adopt another rate increase in 2005 sufficient to restore financial balance to the system and that the level of waste subject to the regional system fee will remain stable.

#### KEY STATISTICS

Type of System: Waste collection, processing and transfer

Service Area Population, 2000: 1.53 million

Total Revenue Tonnage FY 02: 1.2 million

Average Annual Tonnage Growth Rate, FY 97- FY 02: -0.9%

Debt Service Coverage, FY 02: GAAP - 0.34x; Bond Ordinance - 1.0x

Debt Ratio: 17.1%

Debt Outstanding: \$7.1 million (after refunding)

#### ANALYSTS:

Aaron Freedman, Analyst, Public Finance Group, Moody's Investors Service  
Patrick Ford, Backup Analyst, Public Finance Group, Moody's Investors Service

#### CONTACTS:

Journalists: (212) 553-0376

Research Clients: (212) 553-1653

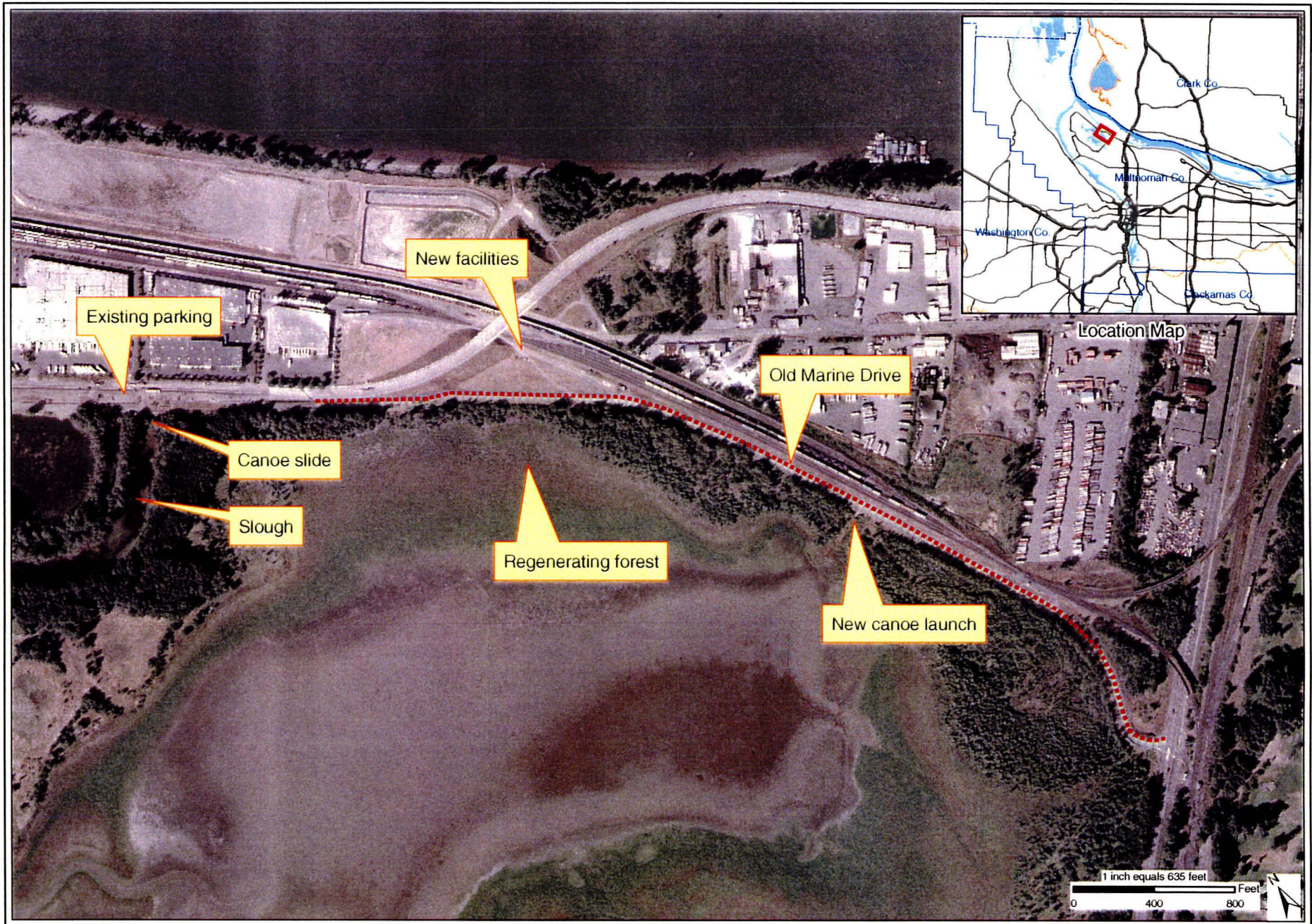


Copyright 2003, Moody's Investors Service, Inc. and/or its licensors including Moody's Assurance Company, Inc. (together, "MOODY'S"). All rights reserved.

ALL INFORMATION CONTAINED HEREIN IS PROTECTED BY COPYRIGHT LAW AND NONE OF SUCH INFORMATION MAY BE COPIED OR OTHERWISE REPRODUCED, REPACKAGED, FURTHER TRANSMITTED, TRANSFERRED, DISSEMINATED, REDISTRIBUTED OR RESOLD, OR STORED FOR SUBSEQUENT USE FOR ANY SUCH PURPOSE, IN WHOLE OR IN PART, IN ANY FORM OR MANNER OR BY ANY MEANS WHATSOEVER, BY ANY PERSON WITHOUT MOODY'S PRIOR WRITTEN CONSENT. All information contained herein is obtained by MOODY'S from sources believed by it to be accurate and reliable. Because of the possibility of human or mechanical error as well as other factors, however, such information is provided "as is" without warranty of any kind and MOODY'S, in particular, makes no representation or warranty, express or implied, as to the accuracy, timeliness, completeness, merchantability or fitness for any particular purpose of any such information. Under no circumstances shall MOODY'S have any liability to any person or entity for (a) any loss or damage in whole or in part caused by, resulting from, or relating to, any error (negligent or otherwise) or other circumstance or contingency within or outside the control of MOODY'S or any of its directors, officers, employees or agents in connection with the procurement, collection, compilation, analysis, interpretation, communication, publication or delivery of any such information, or (b) any direct, indirect, special, consequential, compensatory or incidental damages whatsoever (including without limitation, lost profits), even if MOODY'S is advised in advance of the possibility of such damages, resulting from the use of or inability to use, any such information. The credit ratings, if any, constituting part of the information contained herein are, and must be construed solely as, statements of opinion and not statements of fact or recommendations to purchase, sell or hold any securities. NO WARRANTY, EXPRESS OR IMPLIED, AS TO THE ACCURACY, TIMELINESS, COMPLETENESS, MERCHANTABILITY OR FITNESS FOR ANY PARTICULAR PURPOSE OF ANY SUCH RATING OR OTHER OPINION OR INFORMATION IS GIVEN OR MADE BY MOODY'S IN ANY FORM OR MANNER WHATSOEVER. Each rating or other opinion must be weighed solely as one factor in any investment decision made by or on behalf of any user of the information contained herein, and each such user must accordingly make its own study and evaluation of each security and of each issuer and guarantor of, and each provider of credit support for, each security that it may consider purchasing, holding or selling. Pursuant to Section 17(b) of the Securities Act of 1933, MOODY'S hereby discloses that most issuers of debt securities (including corporate and municipal bonds, debentures, notes and commercial paper) and preferred stock rated by MOODY'S have, prior to assignment of any rating, agreed to pay to MOODY'S for appraisal and rating services rendered by it fees ranging from \$1,500 to \$1,500,000.



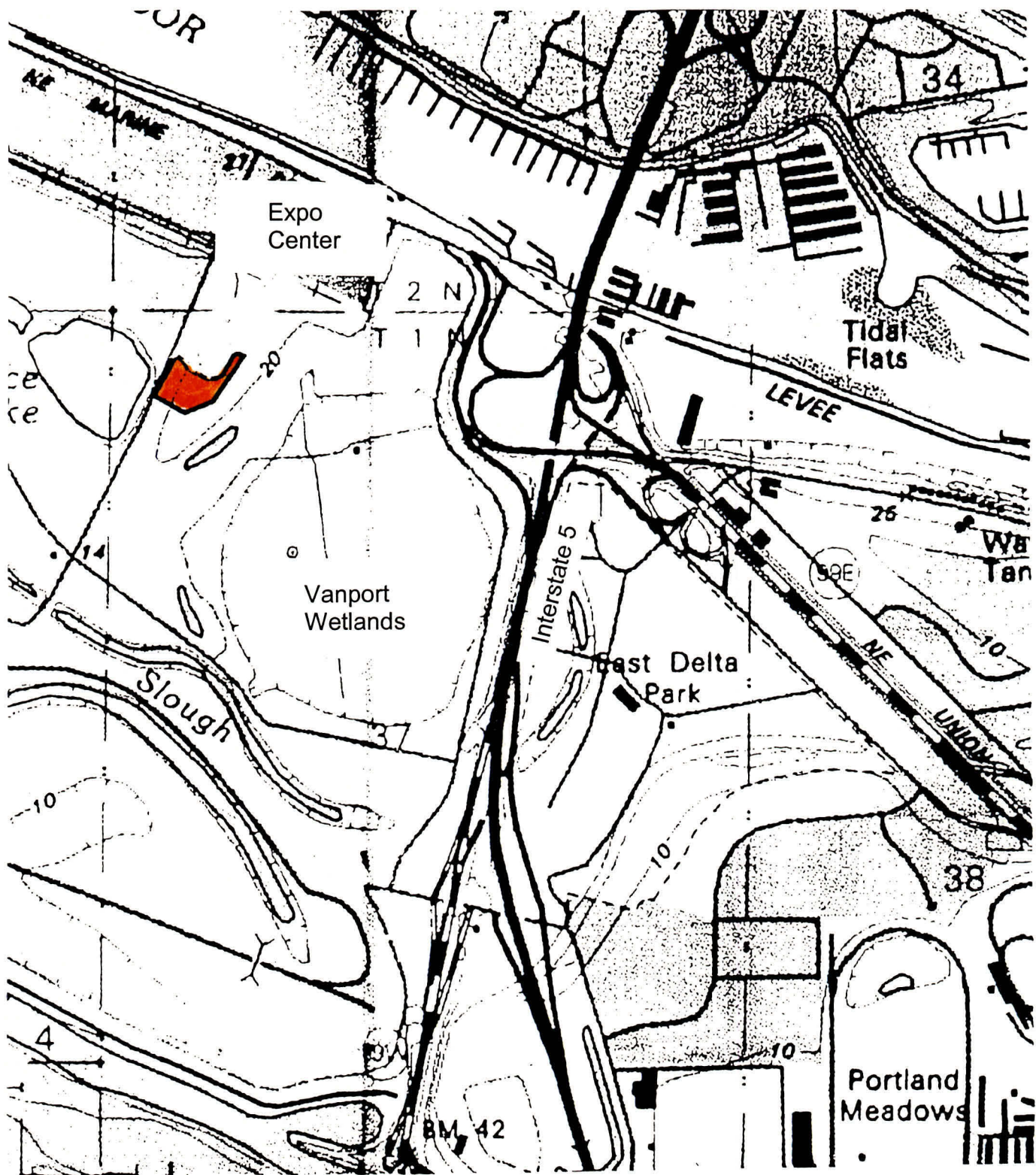
# Smith and Bybee Lakes Wildlife Area - Project Map



Plot time Jun 6, 2003 J price 03006



## Expo Parcel Vicinity Map





## BEFORE THE METRO COUNCIL

FOR THE PURPOSE OF AMENDING TITLE 7 OF	)	Ordinance No. 03-1005
THE URBAN GROWTH MANAGEMENT	)	
FUNCTIONAL PLAN TO CLARIFY AND REVISE	)	Introduced by Councilor Rex
CITY AND COUNTY RESPONSIBILITIES	)	Burkholder

WHEREAS, Title 7 of the Urban Growth Management Functional Plan ("UGMFP"), section 3.07.740, requires cities and counties in the region to report to the Metro Council and the Metropolitan Policy Advisory Committee ("MPAC") on their progress toward incorporation of affordable housing tools and strategies into their comprehensive plans and implementing ordinances; and

WHEREAS, the Executive Officer, pursuant to Title 8 of the UGMFP, section 3.07.880A, reported to the Council on December 2, 2002, that many cities and counties did not submit reports on their progress to the Council or MPAC as required by Title 7; and

WHEREAS, upon receiving the report from the Executive Officer, the Council consulted MPAC about the noncompliance with the reporting requirements of Title 7 and learned that some cities and counties did not understand the nature of the requirement in subsection 3.07.730B that they "consider" amendment of their plans and ordinances to incorporate affordable housing tools and strategies; and

WHEREAS, the Council believes clarification of the requirement in subsection 3.07.730B and extension of reporting timelines in section 3.07.740 will improve compliance with both requirements and ultimately lead to better affordable housing tools and strategies in the region; and

WHEREAS, Metro's assessment of the region's progress toward achieving the affordable housing production goals in Table 3.07-7 will necessitate local governments' assistance in the compilation of subsidized units produced in 2001 and 2002; and

WHEREAS, Metro's assessment of the region's progress will also be based on local governments' three reports explaining the outcomes of affordable housing tools and strategies implemented; and

WHEREAS, local governments will need more time to assist Metro to compile subsidized units produced and to complete their reports explaining the outcomes of affordable housing tools and strategies implemented. Extension of reporting timelines in sections 3.07.740 and 3.07.750 is necessary to accommodate local governments' assistance in the compilation of subsidized units and submission of annual reports and Metro's assessment of the region's progress; and

WHEREAS, the creation of an ad hoc task force to review the assessment of the region's progress and provide recommendations to the Metro Council is the appropriate means for Metro to decide any change to the process, tools and strategies for meeting the affordable housing needs of the region; now, therefore,

THE METRO COUNCIL HEREBY ORDAINS AS FOLLOWS:

1. Sections 3.07.730, 3.07.740 and 3.07.750 of Title 7 of the UGMFP are hereby amended as indicated in Exhibit A, attached and incorporated into this ordinance, to clarify the responsibility of cities and counties to consider adoption of affordable housing tools strategies and to revise the deadlines for reporting their progress in doing so.



2. The Findings of Fact and Conclusions of Law in Exhibit B, attached and incorporated into this ordinance, explain how this ordinance complies with state law and the Regional Framework Plan.

ADOPTED by the Metro Council this \_\_\_\_\_ day of \_\_\_\_\_ 2003.

\_\_\_\_\_  
David Bragdon, Council President

ATTEST:

Approved as to Form:

\_\_\_\_\_  
Recording Secretary

\_\_\_\_\_  
Daniel B. Cooper, Metro Attorney



## Exhibit A to Ordinance No. 03-1005

### TITLE 7: AFFORDABLE HOUSING

#### 3.07.710 Intent

The Regional Framework Plan stated the need to provide affordable housing opportunities through: a) a diverse range of housing types, available within the region, and within cities and counties inside Metro's Urban Growth Boundary; b) sufficient and affordable housing opportunities available to households of all income levels that live or have a member working in each jurisdiction and subregion; c) an appropriate balance of jobs and housing of all types within subregions; d) addressing current and future need for and supply of affordable housing in the process used to determine affordable housing production goals; and e) minimizing any concentration of poverty. The Regional Framework Plan directs that Metro's Urban Growth Management Functional Plan include voluntary affordable housing production goals to be adopted by local jurisdictions in the region as well as land use and non-land use affordable housing tools and strategies. The Regional Framework Plan also directs that Metro's Urban Growth Management Functional Plan include local governments' reporting progress towards increasing the supply of affordable housing.

Title 1 of this functional plan requires cities and counties to change their zoning to accommodate development at higher densities in locations supportive of the transportation system. Increasing allowable densities and requiring minimum densities encourage compact communities, more efficient use of land and should result in additional affordable housing opportunities. These Title 1 requirements are parts of the regional affordable housing strategy.

#### 3.07.720 Voluntary Affordable Housing Production Goals

Each city and county within the Metro region should adopt the Affordable Housing Production Goal indicated in Table 3.07-7 for their city or county as a guide to measure progress toward meeting the affordable housing needs of households with incomes between 0% and 50% median household income in their jurisdiction.

#### 3.07.730 Requirements for Comprehensive Plan and Implementing Ordinance Changes

- A. Cities and counties within the Metro region shall ensure that their comprehensive plans and implementing ordinances:
1. Include strategies to ensure a diverse range of housing types within their jurisdictional boundaries.
  2. Include in their plans actions and implementation measures designed to maintain the existing supply of affordable housing as well as increase the opportunities for new dispersed affordable housing within their boundaries.
  3. Include plan policies, actions, and implementation measures aimed at increasing opportunities for households of all income levels to live within their individual jurisdictions in affordable housing.



- B. Cities and counties within the Metro region shall consider amendment of their comprehensive plans and implementing ordinances with the following affordable housing land use tools and strategies identified below. Compliance with this subsection is achieved when the governing body of a city or county undertakes and completes its consideration of the plan or ordinance amendment considers each tool or strategy in this subsection and either amends its comprehensive plan and implementing ordinances to adopt the tool or strategy or explains in writing why it has decided not to adopt it.
1. Density Bonus. A density bonus is an incentive to facilitate the development of affordable housing. Local jurisdictions could consider tying the amount of bonus to the targeted income group to encourage the development of affordable units to meet affordable housing production goals.
  2. Replacement Housing. No-Net-Loss housing policies for local jurisdictional review of requested quasi-judicial Comprehensive Plan Map amendments with approval criteria that would require the replacement of existing housing that would be lost through the Plan Map amendment.
  3. Inclusionary Housing.
    - a. Implement voluntary inclusionary housing programs tied to the provision of incentives such as Density Bonus incentives to facilitate the development of affordable housing.
    - b. Develop housing design requirements for housing components such as single-car garages and maximum square footage that tend to result in affordable housing.
    - c. Consider impacts on affordable housing as a criterion for any legislative or quasi-judicial zone change.
  4. Transfer of Development Rights.
    - a. Implement TDR programs tailored to the specific conditions of a local jurisdiction.
    - b. Implement TDR programs in Main Street or Town Center areas that involve upzoning.
  5. Elderly and People with Disabilities. Examine zoning codes for conflicts in meeting locational needs of these populations.
  6. Local Regulatory Constraints; Discrepancies in Planning and Zoning Codes; Local Permitting or Approval Process.
    - a. Revise the permitting process (conditional use permits, etc.).
    - b. Review development and design standards for impact on affordable housing.
    - c. Consider using a cost/benefit analysis to determine impact of new regulations on housing production.



- d. Regularly review existing codes for usefulness and conflicts.
- e. Reduce number of land use appeal opportunities.
- f. Allow fast tracking of affordable housing.

7. Parking.

- a. Review parking requirements to ensure they meet the needs of residents of all types of housing.
- b. Coordinate strategies with developers, transportation planners and other regional efforts so as to reduce the cost of providing parking in affordable housing developments.

- C. The "requirement to consider" means local governments shall report what actions were taken or not taken, including but not limited to the seven land use tools listed above in order to carry out Comprehensive Plan affordable housing policies, and also report on tools considered but not adopted, and why these tools were not adopted.

3.07.740 Requirements for Progress Report

Progress made by local jurisdictions in amending comprehensive plans and consideration of land use related affordable housing tools and strategies to meet the voluntary affordable housing production goals shall be reported according to the following schedule:

- A. Within 12 months from the adoption of this requirement, cities and counties within the Metro region shall submit a brief status report to Metro as to what items they have considered and which items remain to be considered. This analysis could include identification of affordable housing land use tools currently in use as well as consideration of the land use tools in Section 3.07.730(B).
- B. ~~Within 24 months from the adoption of this requirement~~ By June 30, 2003, cities and counties within the Metro region shall provide a report to Metro on the status of their comprehensive plans amendments and adoption of land use-related affordable housing tools.
- C. ~~Within 36 months from the adoption of this requirement~~ By June 30, 2004, cities and counties within the Metro region shall report to Metro on the amendments to their comprehensive plans, the outcomes of affordable housing tools and implemented, and any other affordable housing developed and expected.

3.07.750 Metro Assessment of Progress

- A. Metro Council and MPAC shall review progress reports submitted by cities and counties and may provide comments to the jurisdictions.
- B. Metro Council shall, in 2003:
  - 1. In 2003, estimate 2000 baseline affordable housing units affordable to defined income groups (less than 30 percent, 31-50 percent, 51-80 percent of the region's median family income) using 2000 U.S. Census data;



12. By December, 2004, Fformally assess the region's progress toward achieving made in 2001-2003 to achieve the affordable housing production goals in Table 3.07-7 using 2000 U.S. Census data and local data;
23. By December, 2004, Rreview and assess affordable housing tools and strategies implemented by local jurisdictions governments;
34. By December, 2004, Eexamine federal and state legislative changes;
45. Rreview the availability of a regional funding source; and
56. By December, 2004, Re-analyze update the estimate of the region's affordable housing need; and decide whether any changes are warranted to the process, tools and strategies, funding plans or goals to ensure that significant progress is made toward providing affordable housing for those most in need.
7. By December, 2004, create an ad hoc affordable housing task force with representatives of homebuilders, affordable housing providers, advocate groups, financial institutions, citizens, local governments, state government, and U.S. Housing and Urban Development Department to use the assessment reports to recommend by June, 2005, any changes that are warranted to the process, tools and strategies, funding plans or goals to ensure that significant progress is made toward providing affordable housing for those most in need.

### 3.07.760 Recommendations to Implement Other Affordable Housing Strategies

- A. Local jurisdictions are encouraged to consider implementation of the following affordable housing land use tools to increase the inventory of affordable housing throughout the region. Additional information on these strategies and other land use strategies that could be considered by local jurisdictions are described in Chapter Four of the Regional Affordable Housing Strategy and its Appendixes.
  1. Replacement Housing. Consider policies to prevent the loss of affordable housing through demolition in urban renewal areas by implementing a replacement housing ordinance specific to urban renewal zones.
  2. Inclusionary Housing. When creating urban renewal districts that include housing, include voluntary inclusionary housing requirements where appropriate.
- B. Local jurisdictions are encouraged to analyze, adopt and apply locally-appropriate non-land use tools, including fee waivers or funding incentives as a means to make progress toward the Affordable Housing Production Goal. Non-land use tools and strategies that could be considered by local jurisdictions are described in Chapter Four of the Regional Affordable Housing Strategy and its Appendixes. Cities and Counties are also encouraged to report on the analysis, adoption and application of non-land use tools at the same intervals that they are reporting on land-use tools (in Section 3.07.740).
- C. Local jurisdictions are also encouraged to continue their efforts to promote housing affordable to other households with incomes 50% to 80% and 80% to 120% of the regional median household income.



- D. Local jurisdictions are encouraged to consider joint coordination or action to meet their combined affordable housing production goals.



**Table 3.07-7**  
**Five-Year Voluntary Affordable Housing Production Goals**  
**(Section 3.07.720)**

<b>Jurisdiction</b>	<b>2001-2006 Affordable Housing Production Goals</b>		
	<i>Needed new housing units for households earning less than 30% of median household income</i>	<i>Needed new housing units for households earning 30-50% of median household income</i>	<i>Total</i>
Beaverton	427	229	656
Cornelius	40	10	50
Durham	6	4	10
Fairview	42	31	73
Forest Grove	55	10	65
Gladstone	43	10	53
Gresham	454	102	556
Happy Valley	29	28	57
Hillsboro	302	211	513
Johnson City	0	0	0
King City	5	0	5
Lake Oswego	185	154	339
Maywood Park	0	0	0
Milwaukie	102	0	102
Oregon City	123	35	158
Portland	1,791	0	1,791
Rivergrove	1	1	2
Sherwood	67	56	123
Tigard	216	103	319
Troutdale	75	56	131
Tualatin	120	69	189
West Linn	98	71	169
Wilsonville	100	80	180
Wood Village	16	1	17
Clackamas County, Urban, Unincorporated	729	374	1,103
Multnomah County, Urban, Unincorporated	81	53	134
Washington County, Urban Unincorporated	1,312	940	2,252
<b>Total</b>	<b>6,419</b>	<b>2,628</b>	<b>9,047</b>



**Exhibit B to Ordinance No. 03-1005**  
**Findings of Fact, Conclusions of Law**

Ordinance No. 03-1005 revises the responsibilities of local governments under Title 7 (Affordable Housing) of the Urban Growth Management Functional Plan (UGMFP). The ordinance does not change the substance of Title 7.

**I. Statewide Planning Goals**

Goal 1 - Citizen Involvement: Metro followed its procedures for amendment to the UGMFP, including notification to the Oregon Department of Land Conservation and Development 45 days prior to Metro's first public hearing on Ordinance No. 03-1005, review of the proposed amendments by Metro's Metropolitan Policy Advisory Committee and its Metropolitan Technical Advisory Committee. The Metro Council held a public hearing on the ordinance on \_\_\_\_, 2003. Ordinance No. 03-4222 complies with Goal 1.

Goal 2 - Land Use Planning: Metro notified and sought review of the proposed amendments from all cities and counties within the region. Metro also sought review of the proposals by Metro's Metropolitan Policy Advisory Committee and its Metropolitan Technical Advisory Committee (both bodies composed largely of elected or appointed officials of cities and counties of the region). Metro considered and accommodated the interests and concerns of cities and counties in the formulation of the amendments.

As set forth below, the proposed amendments comply with Metro's Regional Framework Plan ("RFP").

Ordinance No. 03-4222 complies with Goal 2.

Goal 3 - Agricultural Land: Goal 3 does not apply to this amendment to Title 7, which applies only to land within Metro's UGB.

Goal 4 - Forest Land: Goal 4 does not apply to this amendment to Title 7, which applies only to land within Metro's UGB.

Goal 5 - Open Spaces, Scenic and Historic Areas and Natural Resources: The revisions to Title 7 do not affect resources protected by Goal 5.

Goal 6 - Air, Water and Land Resources Quality: The revisions to Title 7 do not affect resources protected by Goal 6.

Goal 7 - Areas Subject to Natural Disasters and Hazards: The revisions to Title 7 do not affect areas subject to natural disasters and hazards.

Goal 8 - Recreational Needs: The revisions to Title 7 do not affect recreational needs in the region.



Goal 9 - Economic Development: The revisions to Title 7 do not affect local economic development plans or economic development in the region.

Goal 10 – Housing: The revisions to Title 7 do not affect the supply of land for needed housing or the standards or criteria for review of needed housing. The revisions will facilitate city and county progress toward achievement of their affordable housing goals by clarifying their responsibility to consider strategies set forth in Title 7, and by setting deadlines for reporting their progress that conform more closely to the availability of data needed for their reports. Ordinance No. 03-4222 complies with Goal 10.

Goal 11 - Public Facilities and Services: The revisions to Title 7 do not affect local plans for public facilities and services or the ability of cities or counties to provide services.

Goal 12 – Transportation: The revisions to Title 7 do not affect local plans for transportation facilities or the facilities themselves.

Goal 13 - Energy Conservation: The revisions to Title 7 do not affect energy resources protected by Goal 13.

Goal 14 – Urbanization: The revisions to Title 7 do not affect the supply of land for housing in the region or the conversion of urbanizable land to urban use.

Goal 15 - Willamette River Greenway: The revisions to Title 7 do not affect the Willamette River Greenway.

## **II. Regional Framework Plan**

Policies 1.1 (Urban Form), 1.2 (Built Environment), 1.3 (Housing and Affordable Housing) and 1.4 (Economic Opportunity): Ordinance No. 03-1005 will facilitate city and county progress toward achievement of their affordable housing goals by clarifying their responsibility to consider strategies set forth in Title 7, and by setting deadlines for reporting their progress that conform more closely to the availability of data needed for their reports. These measures will help the region provide affordable housing on a “fair share” basis and maintain a variety of housing choices. More thorough compliance with Title 7 will better balance housing costs and the number and wage levels of jobs in the region.

Policy 1.5 - Economic Vitality: More thorough compliance with Title 7 will allow better monitoring of housing availability and the balance housing costs and wage levels of jobs in the region.

Policies 1.6 (Growth Management), 1.7 (Urban-Rural Transition), 1.9 (Urban Growth Boundary), 1.11 (Neighbor Cities), 1.2 (Protection of Agricultural and Forest Resource Lands), 1.14 (School Siting), 1.15 (Centers), 1.16 (Neighborhoods): The revisions to Title 7 do not invoke these policies.



**Policy 1.8 - Developed Urban Land:** Ordinance No. 03-1005 will facilitate city and county progress toward achievement of affordable housing goals by clarifying their responsibility to consider strategies set forth in Title 7, and by setting deadlines for reporting their progress that conform more closely to the availability of data needed for their reports. These measures will help the region use urban land more efficiently.

**Policy 1.10 - Urban Design:** Ordinance No. 03-1005 will facilitate city and county progress toward achievement of affordable housing goals by clarifying their responsibility to consider strategies set forth in Title 7, and by setting deadlines for reporting their progress that conform more closely to the availability of data needed for their reports. These measures will facilitate the development and preservation of affordable, mixed-income neighborhoods.

**Policy 1.13 – Participation of Citizens:** For the reasons that demonstrate compliance with statewide planning Goal 1, Ordinance No. 03-1005 complies with Policy 1.13.





METRO

05/30/3ci-07

**Local Governments that Submitted Title 7 (Affordable Housing)  
Compliance Report**

**Update to MPAC, May 14, 2003**

<b>Jurisdiction</b>	<b>2002 First Report  Yes =X</b>	<b>Date Received</b>	<b>2003 Second Report  Yes =X</b>	<b>Date Received</b>
Beaverton	X	Nov 02	Progress letter (Oct 03)	
Cornelius				
Durham	X	Jan 03		
Fairview				
Forest Grove	X	Mar 03		
Gladstone				
Gresham	X	Jan 02	X	Jan 03
Happy Valley	X	Apr 03		
Hillsboro	X	Feb 02		
Johnson City				
King City			X	Jan 03
Lake Oswego				
Maywood Park				
Milwaukie	Requested Extension (Aug 03)			
Oregon City				
Portland	X	July 02		
Rivergrove				
Sherwood				
Tigard	X	May 02	X	Feb 03
Troutdale				
Tualatin	X	May 02		
West Linn	X	Feb 03	X	Feb 03
Wilsonville				
Wood Village	X	Mar 02	X	Jan 03
Clackamas County Uninc.	X	Mar 02		
Multnomah County Uninc.	X	Apr 03	X	Apr 03
Washington County Uninc.	X	Apr 02	X	Jan 03
<b>Total</b>	<b>14</b>		<b>7</b>	



**Twin Cities Principles**  
(Learned May 8-9 by the Metro group visit)

1. Those who pay, play, and vice versa. Fiscal responsibilities and recreational opportunities of the regional parks system are both equitably distributed throughout the region.
2. "Regional significance" is not tied to regional government ownership or operations. Facilities owned and operated by local governments compose the regional system, and receive regional funding, based on objective criteria.
3. The regional system, although composed of facilities owned and operated by local (and state and federal) agencies, is readily identifiable to the general public as a regional system on coherent maps published by the regional government.
4. Regionally significant parks include a range of types, from urban downtown waterfront redevelopment sites to an eighty-year old greenhouse to outlying natural areas which are left in at least 80 percent undeveloped condition for wildlife. Local parks providers (the "implementing agencies") retain their own flavor and preferences while receiving regional funds.
5. The system is connected by a network of regional trails.
6. Much of the system, including the urban portions, is "designed with nature" to feature the distinctive parts of the natural landscape, primarily lakes and rivers.
7. State (and to some extent federal) funding and properties are important parts of the regional system.
8. Particularly in the formerly industrial riverfront area, the public investment in parks has prompted significant private investment in offices and housing which view the river as an amenity that enhances property values.
9. The regional system is guided by a financially sustained, long-term Capital Improvement Plan developed at the regional level. While master plans for individual facilities are developed by local governments (the "implementing agencies"), those pieces are part of an overall vision.



## Meeting and Tour Schedule in Twin Cities Region

(May 8 - 9, 2003)

### Thursday, May 8

7:05 am: Arrive St. Paul railway station from Portland.

10:30 am: Depart St. Paul Hotel with local host Arne Stefferud (Metropolitan Council) and walk 7 blocks to the Minnesota Housing Finance Agency in the Park Square Court Building at 400 Sibley Street.

11:00 am to Noon: Presentation by Arne Stefferud "A Primer on Regional Funding for Parks with an Emphasis on Capital Development Funds". Meeting in 1<sup>st</sup> floor conference room of Park Square Court Building.

12:15 pm to 1:15 pm: Lunch (box lunches provided) in conference room. Presentation by Jane Harper on Open Space and Farmland Protection Referenda in Washington and Dakota Counties (one passed, one failed).

1:30 pm to 5:00 pm: Depart from Park Square Court Building on bus. Tour of Ramsey County Parks and City of St. Paul Parks. Tour hosts include staff from Ramsey County Parks and St. Paul Parks. Tour will include visits to Battle Creek-Indian Mounds, Lilydale-Harriet Island-Cherokee, Como Park, and also Highland City Park- a city park that may become a regional park. Bus returns to St. Paul Hotel at 5:00pm.

6:00 pm: Depart on bus from the front of hotel to the residence of Chris Carlson and Steve Durrant (both are landscape architects and local parks activists) at 2104 Fremont Avenue South for 6:30pm reception / dinner. Attendees include local elected officials from Mpls./St. Paul region and non-profit volunteer groups.

9:00 pm: Depart on bus from Carlson/Durrant dinner and return to hotel.

### Friday, May 9

8:00 am: Depart St. Paul Hotel in van to League of Minnesota Cities Building at 145 University Avenue (corner of University and Rice) for discussion of "Non-Parks Revenue Sharing."

8:30 am - 10:00 am: Breakfast meeting on non-parks related tax revenue sharing. Host Gene Ranieri, Executive Director of Association of Metropolitan Municipalities. Several speakers to present. Attendees include city managers from local suburban jurisdictions, fiscal analysts from state legislature, Minneapolis auditor, etc.



10:00 am Depart League of Minnesota Cities Building in van with host Frank Loetterle (from Metropolitan Council, Hiawatha Project Office) and tour two light rail/trail projects in Minneapolis, Hiawatha LRT and Midtown Greenway. Light rail line being built on former railroad right-of-way with trail, from downtown to airport and Mall of America, due to open 2004.

10:45am: Arrive Mississippi Central Waterfront Park to tour Minneapolis riverfront parks and recreation system. View downtown redevelopment projects leveraged by greenway investment.

Noon to 1:15 pm: Depart Central Riverfront and proceed to lunch at Three Rivers Park District in Hyland Hills Park within Hyland Lake Park Reserve. Talk from Chair of Metro Council Peter Bell regarding regional capital improvement plan.

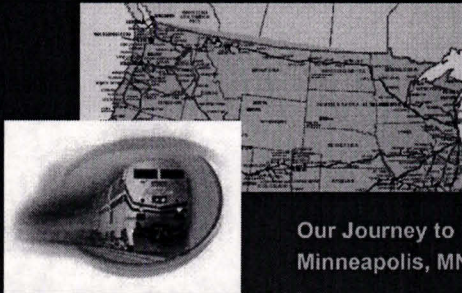
1:30 pm-5:00 pm: Tour of Three Rivers Parks District parks including Hyland-Bush-Anderson Lakes and Bryant Lake. Bus returns to St. Paul Hotel around 5:00 pm.

7:30 pm-10:00 pm: Dinner (no-host, separate checks) at Downtowner Woodfire Grill restaurant at 253 W. 7<sup>th</sup> Street, St. Paul.

10:30 pm: Depart hotel for railway station.

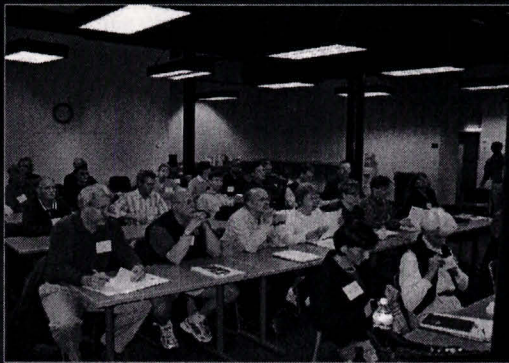
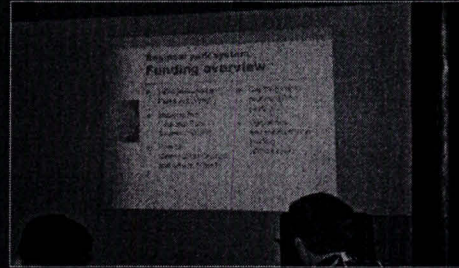


## Back to the Future of Parks



Our Journey to  
Minneapolis, MN

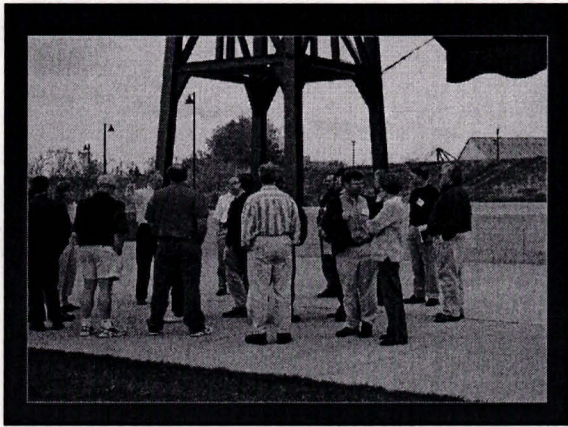
## Overview of Twin Cities Regional Park System



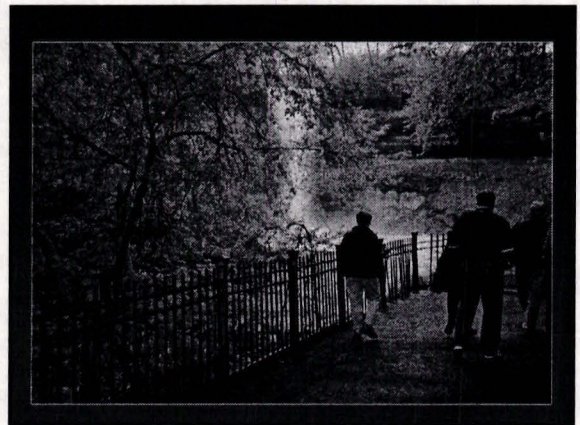
## St. Paul & Ramsey County Parks Tour



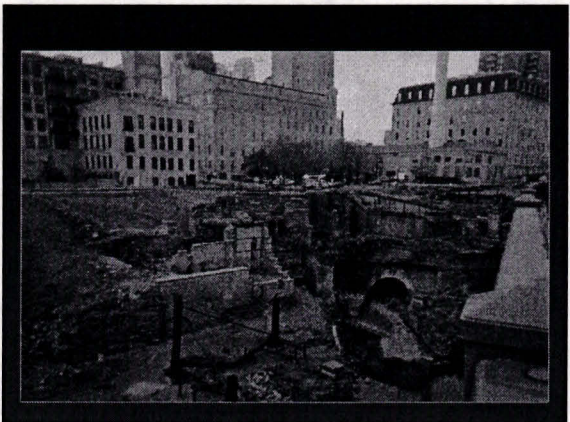
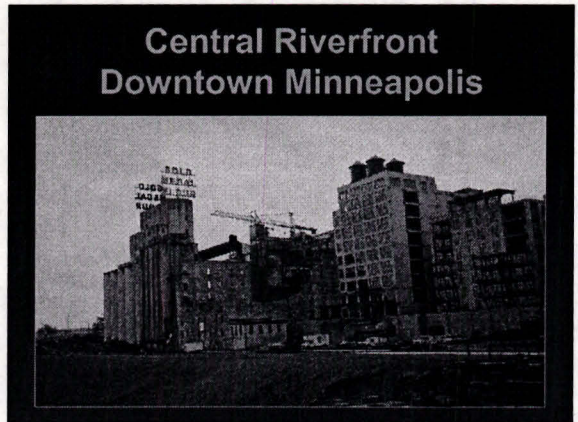
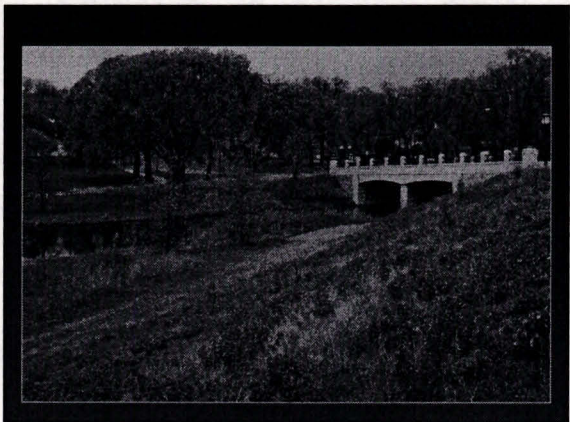




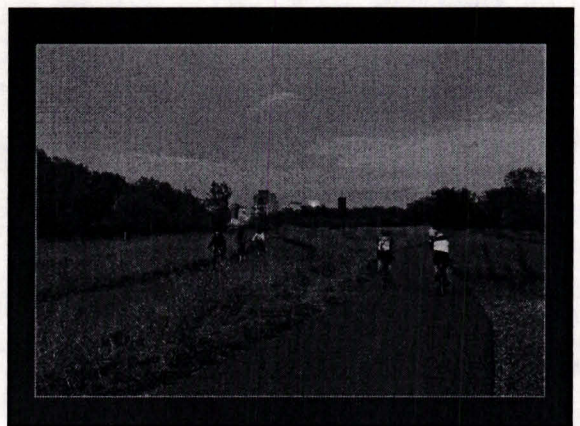
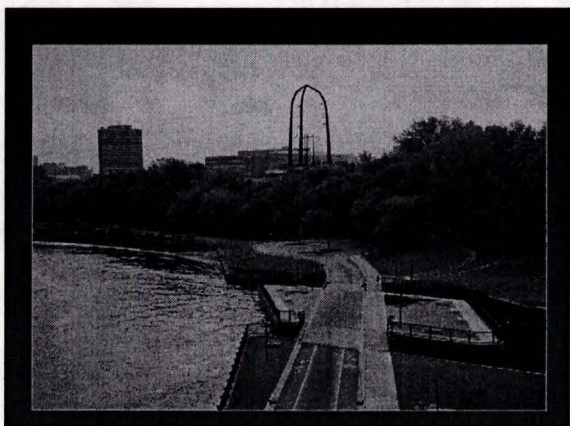
## Minnehaha Park Tour



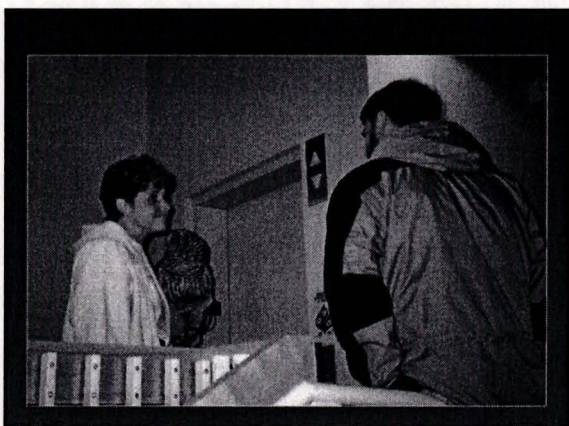
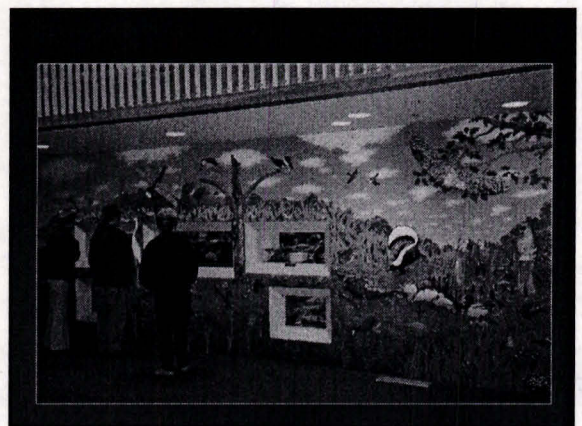
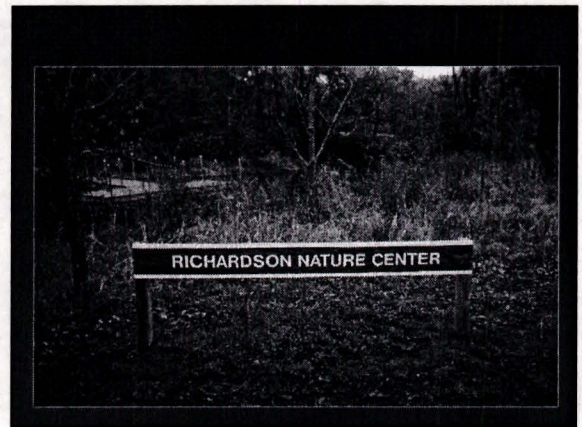




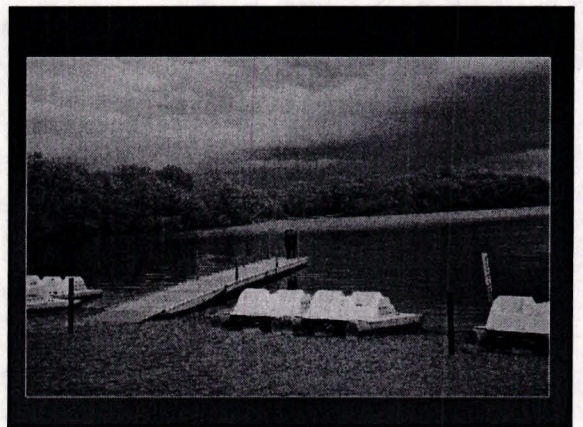
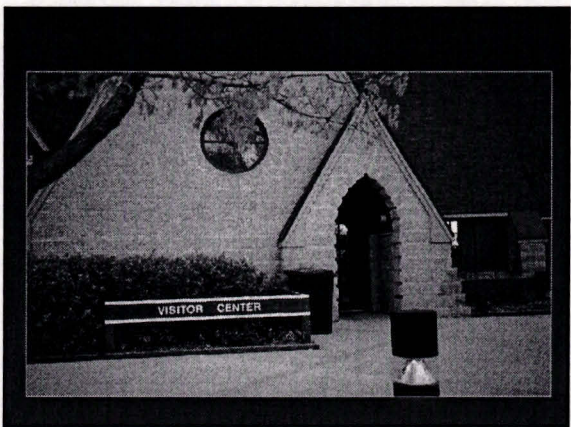
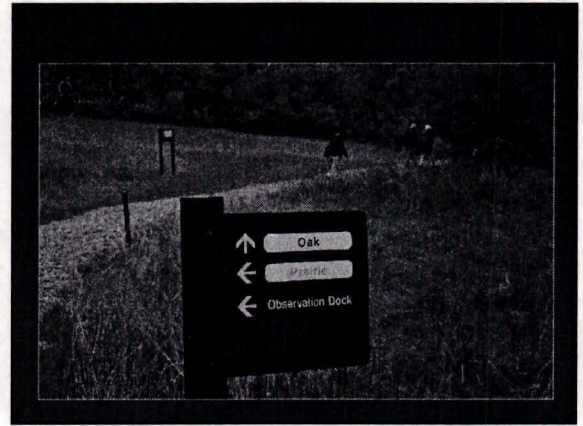
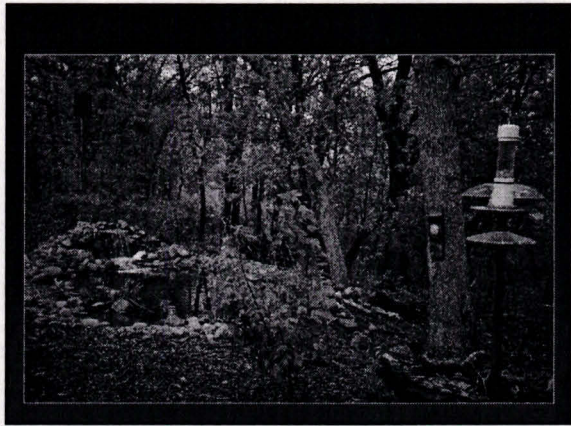




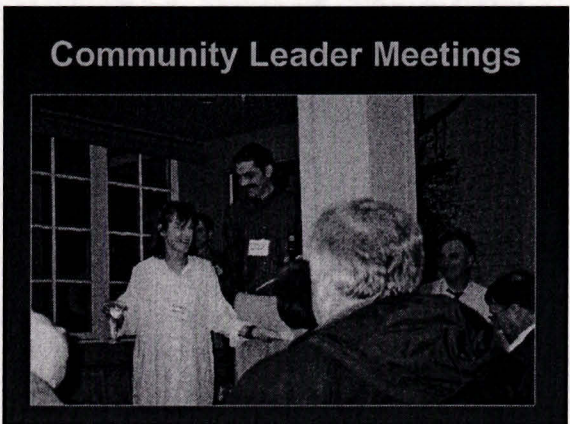
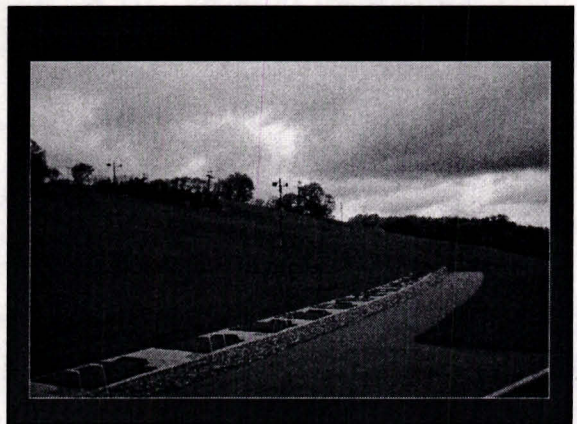
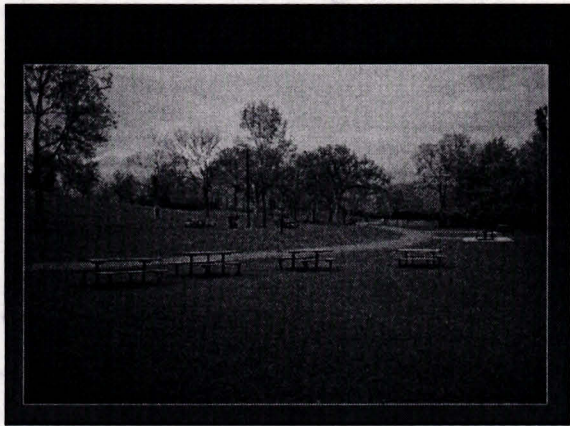








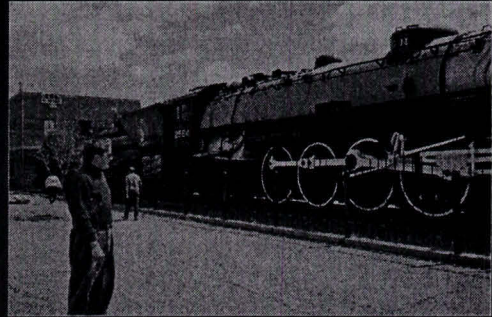








Pondering the Return Home



**METRO**  
PEOPLE PLACES • OPEN SPACES

[www.metro-region.org](http://www.metro-region.org)