

BEFORE THE COUNCIL OF THE  
METROPOLITAN SERVICE DISTRICT

FOR THE PURPOSE OF ENDORSING A ) RESOLUTION NO. 85-540  
METROPOLITAN LEGISLATIVE AGENDA )  
 ) Introduced by the  
 ) Executive Officer

WHEREAS, The 63rd regular session of the Oregon Legislative Assembly convened on January 14, 1985; and

WHEREAS, The Legislature will address issues with financial and programmatic implications for local governments in Oregon, including local governments in the Tri-County area; and

WHEREAS, Those institutions, organizations and governmental entities adopting this resolution share a common interest in a healthy economic and social climate in the Portland metropolitan area; and

WHEREAS, Approximately 40 percent of Oregon's population and 43 percent of total statewide unemployment resides in the Portland metropolitan area; and

WHEREAS, Economic activity in the Tri-County area creates substantial benefits throughout the state; and

WHEREAS, Legislative decisions regarding restructuring Oregon's system for funding state and local government, financing state and local transportation needs, the distribution of cigarette and alcoholic beverage excise taxes, the allocation of Oregon's lottery proceeds, and state assistance in meeting state and local corrections needs are critical to future economic growth and public welfare in Oregon and to the financial capacity of state and local government to provide necessary services and capital investment; and

WHEREAS, Additional issues of concern to Tri-County area institutions, organizations and governmental entities and to the people they serve will be deliberated by the Legislature; and

WHEREAS, Those institutions, organizations and governmental entities adopting this resolution recognize the Legislature's responsibility to serve the entire state; now, therefore,

BE IT RESOLVED,

That those institutions, organizations and governmental entities enacting this resolution find it in their common interest to adopt the following set of principles for evaluating funding and programmatic legislative proposals related to:

I. State Tax Reform. The coalition will work with other interested parties to develop a tax reform proposal to provide meaningful, constructive property tax relief, and is committed to ensuring that such a plan be referred to Oregon voters for their approval in 1985. A constitutionally dedicated statewide sales tax is the most appropriate revenue source for restructuring Oregon's state and local tax system and should be carefully analyzed and debated. The following objectives should be given close consideration in constructing a tax reform measure:

- A. Legislative recognition of the need to effectively and permanently reduce and thereafter limit the property tax burden on Oregon's citizens.
- B. Reforming the property tax election process.
- C. Reducing the state's dependence on income tax revenues.

- D. Developing a method for stabilizing the financing of schools and community colleges to relieve their dependence on property taxes.
- E. Legislative recognition that property tax relief must not cripple the ability of local governments to provide services or interfere with the right of local voters to set service levels that meet local needs.
- F. A local option sales tax for those entities which do not receive proceeds from the Statewide Sales Tax should not be constitutionally prohibited.

The following components should be included in any sales tax/state and local government refinancing package submitted to Oregon voters:

- G. Provisions which assure permanent, predictable and certain property tax relief. This can be accomplished by placing essential elements of the sales tax proposal into the Oregon Constitution, including the maximum allowable rate and appropriate exemptions.
- H. The minimizing of any shift of tax burden between business and individuals, to assure that the various classes of residential property taxpayers receive tax relief that is proportional to current tax burden.

- I. The proceeds from the statewide sales tax must be exclusively dedicated as a replacement for existing taxes. These proceeds should not be diverted to supplement existing or fund new state programs.
- J. There must be included a tax credit program for low-income individuals which, together with the constitutional exemptions, makes Oregon's sales tax as progressive as possible.
- K. There must be some reasonable restraint on future property tax growth.

II. State Gas Tax. The coalition supports the efforts of a number of interested parties, including the League of Oregon Cities, Association of Oregon Counties, and State Department of Transportation to seek legislation to increase the state gas tax and equivalent weight mile tax. The Interim Task Force on State and Local Road Funding has reported a bill (HB 2266) to increase the state gas tax 2¢, with 1¢ dedicated to a state modernization program, and 1¢ dedicated exclusively to cities and counties state-wide. The coalition fully supports this bill (HB 2266). Any alternative legislative proposal to raise the state gas tax will be reviewed based on these principles:

- A. It must increase those transportation revenues directly allocated to cities and counties, from the State Highway Fund. At a minimum, such legislation should ensure that local governments receive a share of any increased funding equal to the state's share.

- B. It should broaden the state's definition of "state significance" in determining project eligibility for funding from the State Modernization Program. This definition should permit state funding of specific projects of the state transportation system necessary for economic development to occur or for required operation of the regional transportation system.
- C. Existing local revenue options which allow local governments to develop alternative funding programs to meet the local transportation needs of their citizens must be retained.
- D. The Legislature should request examination during the 1985-87 interim of the current distribution of the State Highway Fund and other revenues restricted for use on streets, roads and highways to determine whether the current distribution formula is commensurate with need. This study should take into account federal transportation revenues received in Oregon in recommending any formula change. The coalition endorses a two-year study of these funds which would recommend appropriate apportionment among the state, cities and counties.

III. The Oregon Lottery. The Legislature's proposal for distribution of the net proceeds from Oregon's lottery will be measured according to these principles:

- A. Any distribution method must recognize the substantial economic growth that has and will continue to occur in the Tri-County area. The area's transportation network will continue to carry the largest number of workers, quantity of goods and variety of services in Oregon. Accompanying public investment in water, sewer, roads, docks, wharves, transit and other critical needs related to economic growth must continue to be made to accommodate current and future demand. State economic development policy and distribution of the lottery's net proceeds should be designed accordingly.
- B. Educational resources in the Portland metropolitan area must be improved to meet the growing demand for well-trained professional and technical personnel. In particular, post-secondary educational and training programs and facilities in the Tri-County area must be supported.
- C. An allocation formula should be established. Such a formula should recognize existing local economic development programs and permit maximum flexibility at the local level in distributing funding. The coalition supports a formula allocation to local governments of a portion of lottery revenue to ensure that local flexibility

in determining need is maintained. Lottery funds available to local government under such an allocation formula should be equitably distributed on the basis of population.

IV. Cigarette Tax. The Legislature will address continuation of a 10¢ per pack "temporary tax" on cigarettes, and "picking up" the 8 cents available to the state resulting from the termination of 8 cents of federal cigarette tax, as has been urged by the Congress and Administration. In considering proposed distribution formulas for these funds, the coalition will:

- A. Work with other interested parties throughout Oregon to ensure that consideration is given to the needs of the state, cities, counties, transit, the medically indigent, the Metropolitan Service District, and other councils of government in negotiating the distribution of these revenues.

V. Convention, Trade and Spectator Facilities. The Regional Task Force on convention, trade and spectator facilities has recently forwarded a list of recommendations to the area's local governments. These recommendations include statements on the need for state cooperation and support. The following principles are consistent with these recommendations:


- A. The state should provide support and assistance in developing and implementing a plan to improve and market the area's convention, trade and spectator facilities.

- B. State financial support, including the possibility of using a portion of the lottery revenue, should be strongly considered.
- C. Appropriate state authorization should be enacted to permit local funding of such facilities to occur. Specifically, the Legislature should enact authorizing legislation enabling Metro to enact a regional tax for the purpose of constructing and operating regional convention, trade and spectator facilities consistent with the recommendation of the Regional Task Force.

VI. State and Regional Corrections Facilities. The coalition supports those legislative efforts which would:

- A. Clarify that it is the state's responsibility to provide housing for all sentenced A and B felons, and appropriate necessary funding from the State General Fund for such purposes.
- B. Obtain increased funding for community corrections programs and alternative facilities in accordance with the State Community Corrections Act.

ADOPTED by the Council of the Metropolitan Service District  
this 14th day of February, 1985.

  
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Presiding Officer

2880C/405-2  
02/04/85



STAFF REPORT

Agenda Item No. 8.2

Meeting Date Feb. 14, 1985

CONSIDERATION OF RESOLUTION NO. 85-540 FOR THE  
PURPOSE OF ENDORSING A METROPOLITAN LEGISLATIVE  
AGENDA

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Date: February 1, 1985

Presented by: Steve Siegel

FACTUAL BACKGROUND AND ANALYSIS

For several years, this region has had an informal arrangement among its lobbyists to discuss legislative proposals amongst each other. There has been a growing awareness that by adopting common positions, the region's governmental entities can increase their capability to further their mutual interests. The attached proposed metropolitan legislative agenda represents this region's first attempt to more formally endorse a common legislative position. The staffs of the City of Portland, Tri-Met, Port of Portland, Multnomah County, Washington County, Clackamas County and Metro have worked together to formulate the proposed position. The position statement has been informally reviewed by policy officials from all participating jurisdictions. All of the participating jurisdictions are expected to endorse the proposed position statement.

The proposed resolution covers six areas:

1. State Tax Reform
2. State Gas Tax
3. Oregon Lottery
4. Cigarette Tax
5. Correction Facilities
6. Convention, Trade and Spectator Facilities

Several of these area (2, 5 and 6) have already gone through a regional adoption process. This resolution summarizes the already agreed upon position. The remainder (1, 3 and 4) are going through the process for the first time. The level of detail in defining these positions is commensurate with the level of agreement between the participating governmental entities. If needed, over time, these position statements can be more highly specified.

EXECUTIVE OFFICER'S RECOMMENDATION

The Executive Officer supports adoption of the attached Resolution.

SS/gl/2880C/405-3  
02/04/85

8.2 Consideration of Resolution No. 85-540, for the Purpose of  
Endorsing a Metropolitan Legislative Agenda

Steve Siegel said he had presented detailed information about the Metropolitan Legislative Agenda at the informal meeting of the Council on February 7, 1985. He said he would not present any further information at this time but would answer questions from Councilors.

Motion: Councilor Kirkpatrick moved to adopt Resolution No. 85-540 and Councilor Kafoury seconded the motion.

In response to Councilor Kelley's question, Mr. Siegel said he thought the Legislature would eliminate the local sales tax option but it was important the Council adopt this set of endorsements as a means of establishing a record of support.

Vote: A vote on the motion resulted in:

Ayes: Councilors Cooper, DeJardin, Gardner, Kirkpatrick, Kafoury, Kelley, Van Bergen, Waker and Bonner

Absent: Councilors Hansen, Myers and Oleson

The motion carried and the Resolution was adopted.

9. OTHER BUSINESS

9.1 Consideration of a 10-Year Lease with Amco-Portland, Inc., for  
Office Space

Jennifer Sims reviewed the materials contained in the meeting agenda packet. She explained staff was requesting approval of a 10-year, triple net lease of a 56,000 square foot office building. She defined "triple net" as meaning Metro would assume responsibility for paying a lease for the entire building, grounds and operations. In explaining the process for recommending this lease, Ms. Sims said staff decided to examine the office space market because of extremely favorable conditions. A professional real estate broker was contracted to represent Metro in this search and criteria for Metro's office space needs were established. Employee and Council committees were appointed to review different options, including staying in the Pactrust Building, and to consider the sites recommended by the broker, she said.

After reviewing the options, four sites were identified that would meet all or most of the criteria established: the 2000 S.W. 1st Avenue building (formerly occupied by IBM), the Pactrust Building