



METRO POLICY ADVISORY COMMITTEE
June 27, 2012

Metro Regional Center, Council Chambers

MEMBERS PRESENT

Jody Carson, 2nd Vice Chair
Dennis Doyle
Amanda Fritz
Kathryn Harrington
Jack Hoffman
Charlotte Lehan
Annette Mattson
Marilyn McWilliams
Doug Neeley
Barbara Roberts
Loretta Smith, Vice Chair
Jerry Willey, Chair
William Wild

AFFILIATION

City of West Linn, representing Clackamas Co. Other Cities
City of Beaverton, representing Washington Co. 2nd Largest City
City of Portland Council
Metro Council
City of Lake Oswego, representing Clackamas Co. Largest City
Clackamas County Commission
Governing Body of School Districts
Washington County Special Districts
City of Oregon City, representing Clackamas Co. 2nd Largest City
Metro Council
Multnomah County Commission
City of Hillsboro, representing Washington County Largest City
Clackamas County Special Districts

MEMBERS EXCUSED

Sam Adams
Shane Bemis
Steve Clark
Michael Demagalski
Andy Duyck
Bob Grover
Maxine Fitzpatrick
Tom Imeson
Carl Hosticka
Keith Mays
Wilda Parks
Jim Rue
Steve Stuart
Norm Thomas
Bill Turlay

AFFILIATION

City of Portland Council
City of Gresham, representing Multnomah Co. 2nd Largest City
TriMet Board of Directors
City of North Plains, representing Washington Co. outside UGB
Washington County Commission
Washington County Citizen
Multnomah County Citizen
Port of Portland
Metro Council
City of Sherwood, representing Washington Co. Other Cities
Clackamas County Citizen
Oregon Dept. of Land Conservation & Development
Clark County, Washington Commission
City of Troutdale, representing other cities in Multnomah Co.
City of Vancouver

ALTERNATES PRESENT

Lise Glancy

AFFILIATION

Port of Portland

STAFF:

Jessica Atwater, Miranda Bateschell, Nick Christensen, Andy Cotugno, Shirley Craddick, Chris Deffebach, Mike Hoglund, Alison Kean-Campbell, Brian Monberg, Kelsey Newell, Ken Ray, Ted Reid, Nikolai Ursin, and John Williams.

1. CALL TO ORDER AND DECLARATION OF A QUORUM

Chair Mayor Willey called the meeting to order at 5:08 p.m., and declared a quorum at 5:18 p.m.

2. SELF INTRODUCTIONS AND COMMUNICATIONS

All attendees introduced themselves.

Chair Mayor Willey called attention to the MPAC Work Program, highlighting that this meeting's regional brownfields scoping project findings update is the first in a series of presentations leading to an MPAC decision.

He also highlighted that there is only one MPAC meeting between the June 27th meeting and October as there are several tours this summer.

3. CITIZEN COMMUNICATIONS ON NON-AGENDA ITEMS

There were none.

4. COUNCIL UPDATE

Councilor Roberts updated the group on the following points:

- The Land Conservation and Development Commission (LCDC) unanimously approved the Metro Council's 2011 Urban Growth Decision. LCDC's actions could be appealed in the Court of Appeals, but Metro believes the decision would be upheld.
- The first meeting of the Natural Areas Advisory Panel, a committee reviewing the ballot measure options to fund the maintenance and operations of existing natural areas and parks, was held recently. The committee is scheduled to meet 3 more times in the next 6 weeks to advise the Metro Council on how best to proceed—the discussion as to which election and what funding mechanism to be used is still open.
- The East Metro Connection Plan's (EMCP) action plan was unanimously approved by the EMCP Steering Committee, as well as the East Multnomah County Transportation Committee, East Metro Economic Alliance, and Troutdale City Council; it is yet to be considered by several other bodies.
- SW Corridor is holding an online open house through July 31st accessible at www.swcorridorplan.org. There will be a tour of the SW Corridor area for MPAC on August 8, 2012 (a sign-up sheet was circulated at the meeting).

Councilor Harrington updated the group on the following points:

- In mid-June, the Oregon Court of Appeals ruled in favor of Metro for upholding the Construction Excise Tax (CET).
- The recruitment for Metro's Public Engagement Review Committee has begun. Metro is looking for 3 members of public with experience in public engagement, 3 public engagement staff members, and 3 representatives from community organizations in the region. The application period will run from July 9th through August 24th, with appointments in September. Metro will provide notice of this process through the MPAC mailing list. More information is available at www.oregonmetro.gov/engage.
- The Council extended congratulations to Mayor Denny Doyle and the City of Beaverton on receipt of the 2012 Mayor's Climate Protection Award.

Group Discussion Included

Some members of the group expressed concern for the prospect of a natural areas levy due to property tax compression, and inquired if a utility fee could be arranged instead. Councilors responded that the levy has been discussed as a rate of 9 or 10 cents per thousand, which is a very low rate that, based on the current estimations, would only significantly affect Multnomah County's and City of Portland's compression. The Advisory Panel is still looking at various options and working to find out what else will be on ballot to evaluate compression. Members and the public are welcome to sit-in on upcoming meetings to listen to that discussion.

1. CONSIDERATION OF THE CONSENT AGENDA

- **The May 23, 2012 MPAC Minutes**
- **2012 MTAC Membership Nominations**

MOTION: Mayor Denny Doyle moved, Mr. William Wild seconded to adopt the consent agenda.

ACTION TAKEN: With all in favor, the motion passed.

6.0 INFORMATION/DISCUSSION ITEMS

6.1 LESSONS LEARNED FROM MPAC'S TOUR TO THE TROUTDALE REYNOLDS INDUSTRIAL PARK

Members discussed their experiences and lessons learned from the tour:

- Interesting to see the facility in use, it was very busy
- Learning about site issues and long-term development of the site was interesting (e.g. power lines, gas lines, monitor wells, contaminated wetlands, brownfield site challenges)
- Learning about Columbia River levee system was beneficial
- Appreciated learning about the jobs and tax revenue created there
 - Noted that it is great to have entry-level positions available, though very seasonal
 - Noted that while there were many jobs, many were not family-wage, but still an important part of the economy
 - Noted that there are some unique operations positions within the company
- Impressed with the high-tech nature of the facility
- Struck by lack of bus service to site, though acknowledge that the shift hours are irregular and difficult to serve
- Noticed problems with roads, which was in part due to road conditions, and noted that EMCP intends to address some of these issues, including those at the airport

Members noted how fortunate it was that FedEx has been such a strong partner in the redevelopment of the site and cited the importance of public-private partnerships.

Members also noted that it was encouraging to see that a very contaminated piece of land can be brought back to be a productive property.

6.2 INVITATION AND LOGISTICS FOR OREGON CITY DOWNTOWN/MAIN STREET RE-DEVELOPMENT TOUR

Mayor Doug Neeley of Oregon City invited the group to participate in the tour of Oregon City to learn about and experience the redevelopment occurring there. Oregon City has experienced significant, successful redevelopment through the Main Street program. Main Street Oregon City has recently been turned into an economic development district (EDD) by vote of the business owners, the first EDD created in many years. The main street program has also secured grants from the Oregon Department of Transportation (ODOT) for capital improvements. The tour will be on July 11, 2012, and will meet at Oregon City Hall.

Staff asked for a show of hands to indicate interest in the tour. Most members of the group raised their hands. Staff noted that Metro staff will send out a reminder of information regarding the tour.

Mayor Neeley noted that the tour will not include the Blue Heron site, but asked Metro staff who will be participating on the tour to be prepared to answer questions about it.

6.3 REGIONAL BROWNFIELDS SCOPING PROJECT FINDINGS

Councilor Harrington provided background on the Regional Brownfield Scoping Project to the group. During the 2011 Urban Growth Boundary (UGB) decision, the Council and MPAC both discussed how the region can ensure it makes the best use of the land already within the UGB. Brownfield clean up and remediation was a topic of discussion in this context. Metro had two separate grants funding the brownfields program, though specific to assessment of petroleum contaminated sites. While Metro had some information on the state of brownfields in the region, it needed more in order to determine how brownfields are present throughout the region and how they are affecting the region. The Council decided to amend the budget for FY 2011-2012 to include the Brownfields Scoping Project to answer these questions. The Council would like MPAC's impressions and reactions to this initial findings report.

Ms. Miranda Bateschell gave an overview of the project's timeline. The team is completing Phase 1, scoping the extent of the problem, are moving into Phase 2, outlining regional solutions, and will then move into Phase 3, implementation.

Mr. Seth Otto of Maul, Foster, Alongi gave an overview of the brownfields analysis. This project is a first step in understanding how brownfields are affecting the region. Phase 1 marked the completion of four tasks: developing brownfield typologies, identifying the scale of the problem and socio-economic analysis, outlining potential solutions, gauging the impact of solutions. As for identifying the scale of the problem, the Oregon Department of Environmental Quality (DEQ) keeps a database of documented properties impacted by contamination, but it is incomplete. The project started with the DEQ data set, then through a system of filtering based on land use, targeted field verification, and historical documents, created a more complete projection, in partnership with Metro's Data Resource Center. The project identified 7,800 candidate sites with about 25% of these estimated to be a potential brownfield (approximately 1,800 undiscovered sites on top of 2,400 sites documented by DEQ). This estimate is more of a range than a specific number. The project applied this estimate to Metro's 2040 design types as well as general zoning classifications.

Ms. Lorelei Juntunen of ECONorthwest gave an overview of the socio-economic analysis of the brownfields findings. The team gathered parcel-specific information on the sites identified, and assigned prototypes borrowed from Metro's Climate Smart Communities project to hypothesize what could be developed on those sites in the future. This allowed for the project to estimate the value of redevelopment. The prototypes have a development pro-forma associated with them to

account for the variation in likelihood of redevelopment on those sites, which reinforced the goal of identifying the net impact of redevelopment.

The project found that if 100% of the identified brownfield sites were redeveloped then there would be 58 million sq ft of new development, \$6 -\$8 billion in new assessed value (in 2012 dollars), and that the region could accommodate 18% to 59% of the total 20 year employment demand identified in Urban Growth Report (UGR). These numbers aren't realistic, there won't be 100% redevelopment, but it is important to know the opportunities available with these sites.

Additional socio-economic analysis findings revealed that:

- Cost uncertainty of remediation is a major deterrent, ranging from 1-46% of project costs.
- Smaller-scale projects are less feasible as clean up is a much larger proportion of project costs.
- All typologies, in worst-case conditions, are not feasible.
- All typologies, in best-case conditions, are still more likely to be feasible.
- The market is the most influential factor, if costs are below the property's market price then redevelopment or remediation is more feasible.
- Brownfields are a potential deciding factor when choosing between a remediated and un-remediated property when market-value-development costs per acre approach zero.

Overall key findings of the project included:

- Documented acreage = 80%.
- Most urban industrial sites are documented, in contrast to rural industrial sites.
- Considerable benefit from brownfield redevelopment.
- Market matters more.
- 3x sites near underserved populations.
- Nearly all sites in environmentally sensitive areas, specifically Title 3 or Title 13 lands.

The Metro Technical Advisory Committee (MTAC) and Brownfields Technical Review Team has provided feedback on this project:

- Does the region want to put our money into return on investment (ROI) sites or sites that wouldn't get cleaned up by the private sector?
- There are concerns about sites whose clean-up timelines exceed 0-2 years. Should the region create a system to expedite important sites?
- There is a disincentive for property owners to redevelop sites due to reduced property value.
- Most property owners only do this once, so there is a significant education process.
- Even if property owners obeyed DEQ development requirements 10-20 years ago, that may not be enough to be in compliance today.
- Remediating industrial sites to remain industrial sites is difficult, other sites gain property from the entitlement change.
- There is a perception that there's a benefit to waiting to clean up.
- Metro's previous program was helpful, but had limits due to limited funding.
- Uncertainty in the remediation process creates many difficulties.
- Should Metro develop a system to address the difficulties of remediating an industrial site for industrial uses?

The project provided potential policy solutions and considerations for MPAC:

- *Financial/Capacity* (new sources of public grants or loans, greater public / private partnerships, tax credits / expanded tax abatement, reforms of existing property tax assessment)
 - Considerations include limited public funding resources, challenging to establish new funding sources, many solutions will require changes on state legislative level.
- *Managing Risk* (pooling risk among multiple stakeholders, public entity to acquire contaminated property)
 - Considerations include public agency tolerance for taking on greater share of risk and potential liability.
- *Linking Cleanup and Redevelopment* (land use regulatory flexibility, increased education and capacity building, building market demand)
 - Considerations include acceptability of special land use status for brownfields, will require increased involvement and coordination among agencies, relatively low public financial investment.
- *Regulatory Process* (provide early exit strategies for minor contributors under Superfund shadow, efficiencies in state cleanup process)
 - Considerations include federal jurisdiction of Superfund, state jurisdiction of voluntary cleanups.

MPAC members were asked to please read the full report and provide feedback to the project.

Group discussion included

Chair Mayor Willey reminded the group that this project will be returning in October with the final report. MPAC will be asked to respond to the policy options outlined in the report and provide formal policy recommendations to the Metro Council on brownfield solutions that should be pursued as a region. As there will be no opportunity for MPAC to discuss this project again prior to October, the group asked that project staff provide their final report and an executive summary to MPAC in September. While there is no statutory requirement for decision in October, Council asked staff to create a work program and they have and this is the timeline. MPAC will not be able to discuss this project prior to its final report in October, MTAC will be discussing this project more this summer, MPAC can use this forum. Staff emphasized that this report is the basis for policy discussion, actions and policy direction does not need to be finalized prior to the report being submitted in October.

The consultants confirmed that brownfield sites along corridors typically have a higher market value making redevelopment more feasible.

Metro Council liaisons confirmed that their primary feedback to the project included asking 'what kind of information would be necessary in order to have policy discussions?', and 'how can the region be strategic about investments?'. They noted that it is a complex topic that requires understanding more information before proceeding.

Members agreed that this information is very important to the economic health of the region, particularly for decisions such as the next UGB .