



METRO POLICY ADVISORY COMMITTEE

October 10, 2012

Metro Regional Center, Council Chambers

MEMBERS PRESENT

Jody Carson, 2nd Vice Chair
Steve Clark
Dennis Doyle
Andy Duyck
Bob Grover
Kathryn Harrington
Charlotte Lehan
Annette Mattson
Marilyn McWilliams
Keith Mays
Wilda Parks
Loretta Smith, Vice Chair
Bill Turlay
William Wild
Jerry Willey, Chair

AFFILIATION

City of West Linn, representing Clackamas Co. Other Cities
TriMet Board of Directors
City of Beaverton, representing Washington Co. 2nd Largest City
Washington County Commission
Washington County Citizen
Metro Council
Clackamas County Commission
Governing Body of School Districts
Washington County Special Districts
City of Sherwood, representing Washington Co. Other Cities
Clackamas County Citizen
Multnomah County Commission
City of Vancouver
Clackamas County Special Districts
City of Hillsboro, representing Washington County Largest City

MEMBERS EXCUSED

Sam Adams
Shane Bemis
Maxine Fitzpatrick
Amanda Fritz
Michael Demagalski
Carl Hosticka
Jim Rue
Barbara Roberts
Steve Stuart
Norm Thomas

AFFILIATION

City of Portland Council
City of Gresham, representing Multnomah Co. 2nd Largest City
Multnomah County Citizen
City of Portland Council
City of North Plains, representing Washington Co. outside UGB
Metro Council
Oregon Dept. of Land Conservation & Development
Metro Council
Clark County, Washington Commission
City of Troutdale, representing Multnomah Co. Other Cities

ALTERNATES PRESENT

Lise Glancy
John Hartsock
Peter Truax

AFFILIATION

Port of Portland
Clackamas County Special Districts
City of Forest Grove, representing Washington Co. Other Cities

STAFF:

Andy Cotugno, Alison Kean-Campbell, Evan Landman, Robin McArthur, Jim Middaugh, Kelsey Newell, Ramona Perrault, Ken Ray, Ted Reid, Andy Shaw, Katie Shriver, Andy Shaw, John Williams.

1. CALL TO ORDER AND DECLARATION OF A QUORUM

Chair Jerry Willey called the meeting to order at 5:10 p.m.

2. SELF INTRODUCTIONS AND COMMUNICATIONS

All attendees introduced themselves.

Chair Willey considered the tentative agendas for upcoming MPAC meetings. The meeting scheduled for November 28, 2012, will be of particular note as several members will not be able to attend. The recent and upcoming ballot measures item scheduled for November 14th will be moved to November 28th. The November 28th meeting will also feature information on the MPAC nominating committee.

Chair Willey noted that a discussion of the 2013 legislative session is not on the agenda, but is likely to be added in the next two to three meetings so that members are aware of legislative agendas of regional importance.

Ms. Robin McArthur of Metro mentioned that the committee may not have time to cover the Regional Water Plan update. Members had previously expressed interest in the update, which may be included in a future packet. Chair Willey suggested that the item may be considered in 2013.

3. CITIZEN COMMUNICATIONS ON NON-AGENDA ITEMS

There were none.

4. COUNCIL UPDATE

Councilor Kathryn Harrington updated the group on the following items:

- Metro and the Portland Development Commission (PDC) are preparing to enter negotiations with a development team led by Mortenson Development to build a 600 room hotel near the Oregon Convention Center, which will be purchased by Hyatt Hotels upon completion. Metro Council and PDC are scheduled to consider the proposal in December.
- Climate Smart Communities (CSC) held two stakeholder workshops over the summer to gather input on how to measure the benefits and impacts of land use and transportation policies. Through the rest of the year, local government staff are using the Envision Tomorrow tool to help review and refine local community visions and account for new plans adopted since the end of 2010.
- In December, the Metro Council is scheduled to consider whether to put before the voters a local option levy for the maintenance of Metro natural areas. Metro is engaging the public on this topic now through November 19 through an Opt In survey.
- Metro is about to embark on its third cycle of Community Development and Planning Grants. The pre-application period will be announced later this fall. Final grant awards will be made in the spring.
- The Intertwine Alliance Regional Summit will be held October 24th at the Oregon Zoo. For more information visit theintertwine.org.

5. CONSIDERATION OF THE CONSENT AGENDA

- **The June 27, 2012 Minutes**
- **The July 25, 2012 Minutes**
- **2012 MTAC Membership Nominations**

MOTION: Mayor Dennis Doyle moved and Mr. Peter Truax seconded to adopt the June 27, 2012, July 25, 2012, and MTAC nominations with no corrections.

ACTION TAKEN: With all in favor, motion passed.

6. INFORMATION/ DISCUSSION ITEMS

6.1 Lessons Learned from MPAC's Southwest Corridor Project Tour

MPAC discussed what they learned and experienced on the Southwest Corridor tour. Members mentioned that PCC Sylvania is an important destination in the corridor, but that there are traffic issues that must be resolved. Members recalled that Barbur Boulevard is an important transportation corridor for people traveling to the center city, but some of the infrastructure is very old. They noted that it would be important to maintain accessibility for expressway, light rail, and active transportation uses. They observed that corridor cities' growth has been stymied by traffic problems, and that there is a need to improve the flow of traffic to help small business owners. Members said that this may be a project where light rail outcomes can be achieved through a variety of means, and mentioned that a phased approach may prove most cost-effective.

Members found it interesting to learn about downtown area redevelopment in Tigard and Sherwood. They observed that the corridor planning process is long overdue in respect to the problems Tigard and King City have had to deal with. Members reflected on the goals and aspirations of these diverse communities, and noted that their needs will not be satisfied by one size fits all solutions. They found it heartening to see unique community visions and the progress made towards achieving them.

6.2 Lessons Learned from MPAC's St. Johns Town Center Tour

MPAC discussed what they learned and experienced on the St. Johns Town Center tour. They were impressed by the wide variety of businesses and projects, including toy stores, restaurants, a hookah lounge and a plan to build a new four-story hotel. Others remarked that it was inspiring to see build-out of downtown traffic improvements meet the project goals. Members also noted the need to find a way to bring event traffic at Cathedral Park to downtown businesses. It was interesting to learn about past successes and current redevelopment plans in an older community, and to see the benefits of a community vision realized.

Members suggested that future tours be open to staff as a learning opportunity.

6.3 Opt In Review and Opportunities

Mr. Jim Middaugh of Metro introduced Mr. Adam Davis of DHM Research, who gave a presentation on the Opt In online public engagement tool. Since February 2011, DHM and Metro have been working to build a new tool to engage the public in decisions. Over 18,000 people in the Metro region now participate in Opt In. The project was initiated as a result both of a request by former

Metro COO Michael Jordan to investigate the cost of public outreach, as well as an internal audit which suggested that while Metro is good at pushing information out to the public, it falls short at collection information from the public. Opt In is a tool which helps to broaden the number and diversity of people Metro hears from, and is faster and less expensive than other methods such as open houses.

Opt In is a concept borrowed from the private sector, where large companies build panels of customers to do concept testing. It has been used for consultations by PBOT, Metro, Clackamas County and community newspapers.

MPAC member discussion included:

- Members shared their positive experiences participating in Opt In, but were curious about how results are disseminated. Unlike a focus group, where participants have the immediate feedback, Opt In data often takes several months to return to survey respondents. Members also suggested that survey results be published in the media, so that more people become aware of the tool. Mr. Middaugh confirmed that all results are published at optinpanel.org.
- Members mentioned that Opt In might be an option for collecting data for Climate Smart Communities.
- Members were also concerned about the representativeness of Opt In surveys, and expressed questions about whether Opt In presents a true and unbiased picture since anybody can participate. Questions were raised concerning the level of representation in the region outside of the center city of Portland. Mr. Middaugh acknowledged that there is overrepresentation in the central city and Multnomah County, which is why they display results by county or subgroup or conduct studies by location. Mr. Davis commented on the need to partner with local jurisdictions to encourage participation.
- Members mentioned that demographic representation is important, but that many surveys also ask leading questions to generate particular answers. Mr. Davis explained that DHM is committed to delivering valid statistical research, and that survey questions would be pretested and developed in cooperation with jurisdictional partners.

6.3 Regional Industrial Site Readiness Project

Councilor Kathryn Harrington introduced Mr. Ted Reid of Metro and Mr. Bernie Bottomly of the Portland Business Alliance. They presented on the results of the Regional Industrial Site Readiness Project. Over the past year, Metro has collaborated with the Port of Portland, Portland Business Alliance, National Association of Industrial and Office Parks, and Business Oregon to analyze the availability of large-lot industrial lands in the region, and to better understand the challenges of making those sites ready for development by traded-sector firms. The final report was released in September 2012.

The study broke potential sites into three tiers. Tier 1 sites are development-ready within 6 months. Tier 2 sites are development-ready in 7 to 30 months, and Tier 3 are development-ready beyond 30 months. Mr. Reid outlined the potential development constraints for Tier 2 and 3 sites, including brownfield cleanups, natural resources, infrastructure, transportation, land assembly, state/local legislative actions, and unwillingness to transact due to lack of information. In addition, many of the sites inventoried have multiple development constraints which limit their marketability.

Mr. Bottomly discussed phase 2 of the study, which focused on 12 sites representing a variety of development types across the region. For 10 of the 12 sites, development is not going to occur without either a developer willing to make a long-term commitment, or public assistance. There is a \$120 million gap between property value and the cost of making these sites development-ready within 6 months. Most sites will not develop on their own, and will require either a patient developer or public investment. However, there are significant tax benefits if these sites are developed.

Mr. Bottomly and Ms. Lise Glancy of the Port of Portland provided examples of the analyses performed on the 12 sites. Their case studies focused on the East Evergreen site in Hillsboro and the Troutdale Reynolds Industrial Park. They included graphs comparing the projected property taxes and state income taxes directly attributable to development of the property over a twenty-year period, showing that while local jurisdictions would take on the majority of the risk in developing these sites, the majority of the tax benefit would go to the state.

Mr. Bottomly emphasized that a number of state programs such as the Special Public Works Loan Fund and the Immediate Opportunity Fund are helpful. He suggested that MPAC members explain their importance to the legislature to ensure that they are funded. There is a need to do more to streamline permitting to limit risk, and to find a way for the state to participate in the capital costs of bringing the sites to readiness.

Mr. Bottomly provided the committee with concepts for the 2013 legislative session:

- Partially Forgivable State Loans: the state should have a mechanism to share the tax benefit it receives with the local jurisdiction. A local entity could apply for a loan by demonstrating a site's readiness for development, half of which would be forgiven via revenue from income tax collected from the site if it developed as plan.
- A state grant program to help jurisdictions prepare to apply for these loans. The grant would provide funds to conduct an industrial site inventory, perform due diligence on identified sites to determine what is needed for development, and scope the costs of meeting those needs.

MPAC discussed the following topics relating to the industrial site readiness report:

- Members remarked on the similarities between this proposal and existing gain-share arrangements. Members recommended that this should be expanded to other abatements such as enterprises. Mr. Bottomly acknowledged that there is a convergence between gain-share and this proposal. A major difference is that the state loan could benefit communities that don't have access to capital to initiate development to begin with.
- Mr. Bottomly clarified that the market gap is the difference between the cost to make the site development-ready and the time such improvements require, compared to the value of the development-ready property. In many of the sites surveyed, the property value is substantially lower than the development cost. The only way to make these properties feasible for development are through programs in which the state and municipalities share in the capital costs of site preparation.
- The study focused on sites greater than 25 acres because this is the threshold that Business Oregon identifies as capturing the majority of recruitment and expansion opportunities for traded-sector industries. MPAC stressed the importance of ports as developers willing to make long-term investments in industrial sites. Mr. Bottomly made the point that the

legislature is unlikely to be interested in projects that don't add new jobs but that depending upon the community there would be a need for flexibility on size.

- Members explained that framing the legislation would be critical to its success, because the argument can be made that the state returns income taxes to local jurisdictions. They noted that it would be important to show that these would be new jobs. Members discussed whether state income taxes provide local benefits; for example, schools largely do not provide direct economic development. Rather, they assist economic development. Members noted that the state higher education system could also be a partner in this effort.
- A traded sector economy required the foundation of companies like Intel, Nike, and Columbia, but also the capacity to serve those businesses through transportation, warehousing, distribution, and associated activities. This combination is important to a stable economy. Members acknowledged that bringing traded-sector industries to the region is also beneficial north of the Columbia River.
- The legislation outlined in the concept is on-track to be introduced in the next legislative session. Members noted the need for municipalities, counties, ports and the business community to educate incoming legislators. Supporters would have to make the case to the Ways and Means committee that in this time of fiscal constraint, the legislature should allocate a stream of money that can be bonded to this idea.
- Mr. Bob Grover said that much of the cost of development is due to excessive regulation. He argued that the costs of making a site ready for development are inflated, and that the market gap could be met by making development cheaper and easier.
- Members raised questions about whether this sort of funding would be available to infrastructure projects necessary but not integral to the development of a site. Mr. Bottomly responded that that kind of decision would rest with the legislature, but his preference would be limit specific restrictions and instead use Business Oregon as the fiduciary agent for the state.

7. MPAC MEMBER COMMUNICATION

There were none.

8. ADJOURN

Chair Willey adjourned the meeting at 7:04 p.m.
Respectfully submitted,



Evan Landman
Recording Secretary

ATTACHMENTS TO THE PUBLIC RECORD FOR OCTOBER 10, 2012

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

ITEM	DOCUMENT TYPE	DOC DATE	DOCUMENT DESCRIPTION	DOCUMENT NO.
4.0	Booklet	Fall 2012	Fall 2012 GreenScene	101012m-01
4.0	Card	N/A	Natural Areas Levy Card	101012m-02
4.0	Brochure	Sept. 2012	Metro Planning & Development Grants	101012m-03
4.0	Handout	N/A	Intertwine Alliance Fall Summit	101012m-04
6.3	Powerpoint	10/10/12	Opt In Introduction	101012m-05
6.4	Powerpoint	10/10/12	Portland Metro Regional Industrial Land Study	101012m-06
6.4	Handout	Sept. 2012	Land Availability: Limited Options	101012m-07
6.4	Handout	Sept. 2012	Land Availability: Limited Options Phase 2	101012m-08
6.4	Handout	N/A	Industrial Site Readiness: Concepts for 2013 Legislation	101012m-09