

 **Metro** | *Agenda*

Meeting: Metro Council Work Session
Date: Thursday, Nov. 8, 2012
Time: **2:30 p.m. or immediately following the regular meeting**
Place: Council Annex

CALL TO ORDER AND ROLL CALL

- | | | |
|----------------|---|--|
| 2:30 PM | 1. <u>PARCELIZATION SCOPING PROJECT – INFORMATION / DISCUSSION</u> | Ted Reid, Metro
Terry Moore, ECONorthwest |
| 3:10 PM | 2. <u>NORTH PORTLAND ENHANCEMENT GRANT PROGRAM CHANGES – COMMITTEE RECOMMENDATION – INFORMATION/DISCUSSION</u> | Stacey Triplett, Metro |
| 3:40 PM | 3. <u>FISCAL YEAR 2012-13 FIRST QUARTER MANAGEMENT REPORT – INFORMATION</u> | Scott Robinson, Metro
Cary Stacey, Metro |
| 3:55 PM | 4. <u>COUNCIL BRIEFINGS/COMMUNICATION</u> | |

ADJOURN

Agenda Item No. 1.0

PARCELIZATION SCOPING PROJECT

Metro Council Work Session
Thursday, Nov. 8, 2012
Metro, Council Annex

METRO COUNCIL

Work Session Worksheet

Presentation Date: November 8, 2012 Time: 2:30 pm Length: 40 minutes

Presentation Title: Parcelization scoping project

Service, Office, or Center: Land Use Planning

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

Ted Reid, Senior Regional Planner, 797-1768, ted.reid@oregonmetro.gov

Terry Moore, ECONorthwest, Planning Director

ISSUE & BACKGROUND

Over the years, residents and business owners around the region have worked to achieve community visions in their downtowns, main streets, and employment areas – jobs, housing choices, walkability, local shopping, access to nature, and cultural and recreational opportunities. There have been successes. But in some cases, change has been slower than expected or desired. What is it that is preventing these places from fully living up to community visions? Often-cited challenges include restrictive zoning, a lack of pedestrian facilities, complicated permitting processes, inadequate infrastructure, high fees for infrastructure, availability and cost of parking, brownfields, high construction costs, difficulties with financing, neighborhood opposition, and fragmented property ownership.

The Metro Council requested, through an FY 2011-2012 budget amendment, that Metro's Land Use Planning division investigate fragmented property ownership (parcelization) as a potential challenge to development. Metro's new report on parcelization, completed by ECONorthwest seeks to describe:

- The extent that parcelization is responsible for impeding the investment and activity that communities wish to see in their downtowns, main streets, and employment areas
- Parcelization in the context of other development challenges
- Best practices for addressing parcelization

An executive summary of the report is included in the Council's work session packet.

OPTIONS AVAILABLE

The study finds that efforts to assemble land are best undertaken at the local level. The study does not point to the need for a new or expanded Metro role in addressing parcelization. This study's findings and suggestions can be incorporated into future local and regional planning efforts and implementation activities. Metro's support for the Community Investment Initiative's Development-Ready Communities and Regional Investment Enterprise programs may also lead to enhanced tools to address the challenges of parcelization.

IMPLICATIONS AND SUGGESTIONS

Metro staff concurs with the study's recommendation that efforts to assemble land are best undertaken at the local, not regional, level. To the extent that there may be a regional role, staff suggests that role be filled by the Community Investment Initiative and other regional entities such as the Port of Portland. Metro staff will work to share the results of this study with local jurisdictions and interested parties through our technical assistance efforts and presentations at our technical advisory committees.

QUESTION(S) PRESENTED FOR CONSIDERATION

- Does Council have additional questions on this topic or suggestions for how to utilize this information?

LEGISLATION WOULD BE REQUIRED FOR COUNCIL ACTION __Yes _x_No
DRAFT IS ATTACHED ___Yes _x__No

Making a Great Place: Putting Parcelization into Perspective



Background

Over the years, residents and business owners around the region have worked to achieve community visions in their downtowns, main streets, and employment areas – jobs, housing choices, walkability, local shopping, access to nature, and cultural and recreational opportunities. There have been successes. But in some cases, change has been slower than expected or desired. What is it that is preventing these places from fully living up to community visions? Often-cited challenges include restrictive zoning, a lack of pedestrian facilities, complicated permitting processes, inadequate infrastructure, high development fees, availability and cost of parking, brownfields, high construction costs, difficulties with financing, neighborhood opposition, and fragmented property ownership. Metro's new report on parcelization, completed by ECONorthwest, explores this last challenge – fragmented property ownership, or parcelization. The report seeks to describe:

- The extent to which parcelization is responsible for impeding the investment and activity that communities wish to see in their downtowns, main streets, and employment areas
- Parcelization in the context of other development challenges
- Best practices for addressing parcelization

What is parcelization?



The division of larger properties into smaller ownerships can be an indication that urbanization is occurring. Guided by minimum lot sizes found in plans, parcelization is usually a desired process in downtowns and main streets. It means that there are location opportunities for a variety of businesses and residences. Small parcels can fill an important niche in the urban fabric, but can become a challenge when individual ownerships are too small to accommodate desired types of development.

A case study approach

To shed some light on the extent of complications caused by parcelization, a case study approach was used. Ten illustrative case study locations were selected based on a variety of factors, including:

- Local jurisdiction interest in being included in the study

- Clear local and regional goals for development/redevelopment
- Existence of other efforts, plans, or public investments
- Initial, informal determination that parcelization may be a challenge in the area
- A variety of urban forms, including industrial and employment areas, main streets, and downtowns
- A variety of geographic locations
- A variety of market conditions

The case studies relied on a blend of quantitative and qualitative analyses to put parcelization into context. The study also incorporated the perspective of people who actually make development decisions – developers. Parcelization is a problem when it is a factor that dissuades developers from building what is envisioned in local plans. Because of their knowledge of local conditions, planning staff from the case study jurisdictions were also surveyed.

Findings

The case studies showed tremendous variety in the potential impact of parcelization on development. Some general findings emerged, however.

Of the many obstacles to development, parcelization probably is not the most important in most cases.

- In many cases, issues related to zoning, entitlements, and to the quality and cost of infrastructure will be much more important than parcelization.
- About half of the case-study areas lacked the infrastructure necessary to accommodate the type of development described in local plans.
- A lack of sense of place can be a barrier to development since it inhibits demand.
- Minimum parking ratios and building height limits influence development feasibility. Developers pointed out that in some cases the allowed intensity was too low for development to be feasible.
- The burst of the housing bubble in 2008 and the accompanying slow economy create development challenges for each of the case-study areas—ones that local government has no control over.
- This study did not focus on large industrial sites (25 plus net buildable acres). As documented in a separate study, the Regional Industrial Site Readiness project, parcelization is a primary challenge to providing large, development-ready industrial sites.

Almost all the case-study areas have higher degrees of parcelization than the average for the entire region:

- This result is expected since the case-study areas were chosen, in part, because they are urban areas where smaller parcels and more land owners are the norm.
- Parcel shape as well as size can be an obstacle. Narrow or irregularly-shaped parcels can increase construction costs to the degree that development does not occur.

Land availability is a potential development obstacle in all case-study areas:

- The development challenges most cited by developers were availability of sites and the presence of brownfields. Roughly half of case-study areas have development constraints related to brownfields and floodplains. Metro has recently concluded a separate study that examines the scope of brownfield challenges in the region.
- Expressed as a share of all acres, there is less vacant land in the case study areas than the regional average. This reflects the fact that the case study areas are urbanized downtowns, main streets, and employment areas.
- Developers indicated that they do not necessarily look to vacant sites as their first choice – developers look for desirable locations (which are often already developed) with public and private amenities such as restaurants, transit, and parks. Within those locations, acquisition of specific sites can be challenging.
- Owners that have property that is fully paid off and achieving stable rents will be much more reluctant to incur risk and redevelop, regardless of whether the use is compatible with local (or regional) planning goals.

Best practices for local jurisdictions

To the extent that parcelization is a development problem, it is best addressed by local governments and development authorities. Local governments should identify the sites they would like to see develop soon and in a specific way, evaluate the extent of parcelization, and decide what level of public effort to put into either reducing parcelization or offsetting the costs it creates. Public policies that can address the problems of parcelization fall into one of three categories, described below. These options may not be appropriate in all instances.

1. Prevent future parcelization from occurring where larger-scale development is desired:

Trying to assemble land later after it has been parcelized may be harder than preventing future parcelization. If a jurisdiction wants larger-scale development, it could increase the minimum allowable parcel size. The dilemma is that the activity levels desired in downtowns and main streets are usually (but not always) achieved or at least accompanied by the creation of more and smaller parcels.

2. Reduce parcelization that has already occurred by assembling land:

Reports on land assembly reviewed as part of this research suggest that best practices include:

- Establishing narrow, well-defined development goals.
- Maintaining a robust parcel information system.
- Developing flexible, diverse funding sources for any entity created for managing and redeveloping assembled parcels.
- Using option agreements that are only exercised when all properties targeted for assembly are under contract.

Most of those recommendations are general and common sense. To go deeper, ECONorthwest interviewed developers with experience with land assembly about both issues and best practices for resolving them, from the private-sector perspective:

- **Streamline the process.** The longer it takes it assemble a site, the riskier the deal becomes: one or more owners are more likely to hold onto full interest in their property, developer staff costs accumulate, and lenders lose patience. A solution for developers is to have the public sector do some, most, or all of the work. For example, urban renewal districts often assemble land and then offer sites for development.
- **Align terms when closing multiple parcels for assembly.** All parcels should be closed as close together as possible; any parcel left open for negotiation is a liability.
- **Keep the deal simple.** Simplicity means assembling as few parcels as possible, and dealing with as few owners as possible.
- **Take full control of parcels for assembly.** It is probably easier and less risky in most cases to gain full control of parcels from the outset and not form partnership arrangements. Institutional lenders are more willing to lend to a developer who can show the ability to gain full control of all assembled parcels.
- **Be careful about entering into master planning arrangements.** Master planning can, for instance, obligate a developer to start development phases on a rigid schedule. This can be risky if the market for new residential or mixed-use development softens.
- **Expect landowners to negotiate a price well above the appraised amount.** Since 2008, property values have diminished but asking prices may have remained static. In partnership arrangements, this means that land contributions from existing owners are worth less, and more equity is required to secure lending.
- **Consider other ways to assemble land besides initial outright purchase.** Full parcel acquisition can be too expensive a proposition for both private and public entities. A less expensive alternative involves optioning land (e.g., to buy the property at some later date at some agreed upon price) or land swapping.

3. Reduce the problems that parcelization creates for development:

Land assembly can be costly. If local jurisdictions do not take steps to reduce the *amount* of parcelization by any of the methods described above, there are things they can do to reduce the obstacle that parcelization poses for the kind of development desired. Ultimately, developers must make a return on investment. The better the financial pro-forma looks, the more room a developer has to incur the costs of negotiating with multiple owners to find an arrangement that allows a site of multiple parcels to get clear for development. There are a number of actions that local jurisdictions can take that may improve the financial feasibility of developments. Each of these options has potential tradeoffs that must be weighed.

- **Actions that increase development revenues** include, for instance, pre-leasing space for government operations, helping to secure federal assistance for renters with low incomes, providing off-site amenities that enhance market demand in the district, or allowing greater building heights.

- **Actions that reduce development risks or costs** include, for instance, reduced development fees, tax exemptions, or reduced parking requirements.

Regional role

Efforts to address parcelization are best undertaken at the local level. This study's findings and suggestions can be incorporated into future local and regional planning efforts and implementation activities. Metro's support for the Community Investment Initiative's Development-Ready Communities and Regional Investment Enterprise programs may also lead to enhanced tools to address the challenges of parcelization.

Agenda Item No. 2.0

**NORTH PORTLAND ENHANCEMENT
GRANT PROGRAM CHANGES –
COMMITTEE RECOMMENDATION**

Metro Council Work Session
Thursday, Nov. 8, 2012
Metro, Council Annex

METRO COUNCIL

Work Session Worksheet

PRESENTATION DATE: Nov. 8, 2012 **TIME:** 3:15 P.M. **LENGTH:** 30 Minutes

PRESENTATION TITLE:

North Portland Enhancement Grant Program Changes: Committee Recommendations

DEPARTMENT: Sustainability Center

PRESENTER: Stacey Triplett

ISSUE & BACKGROUND

The North Portland Rehabilitation and Enhancement Committee recommends allocating the entire balance of the rehabilitation and enhancement fund by the close of fiscal year 2018. This action will not be in keeping with past practice of *endeavoring to protect the fund principal*. This change is required to address the developments of the recent (and not so recent) past: 1) the 1990 St. Johns landfill closure (the main source of enhancement fees that make up the fund principal); 2) the economic downturn and drastic reduction in interest earned in the fund; and 3) Metro's administrative decision to reimburse annual program administrative costs from the current fund balance starting in fiscal year 2013.

In the summer of 2012, the North Portland Rehabilitation and Enhancement Committee conducted various community conversations to receive help in addressing the current choices the committee identified to tackle the realities confronting the continuation of the North Portland community enhancement grant program. The committee completed its deliberations and reached the above recommendation in October 2012. To support the community conversations, the North Portland Rehabilitation and Enhancement Committee conducted a geographically-limited Opt-In panel survey in September and October 2012. More than 700 existing Opt-In panel members reside in the area served by the North Portland grant program; these people received multiple invitations to participate in a survey of various options for addressing the above developments. Panel invitations and additional outreach netted almost 250 total responses.

OPTIONS AVAILABLE

Committee members voiced support for investing some portion of the funds in the North Portland Greenway regional trail improvements on the now-closed landfill. Additionally, committee members voiced their desire to use a portion of the fund to make future grant awards to address the many existing community needs (these are needs that have been communicated very clearly to committee members in past grant review cycles). Recognizing that these awards will likely be larger than in the recent past, the committee expressed interest in soliciting advice from the local grant-making community about administering the balance of grant funds. The committee would like to explore various approaches that will help maximize the lasting impact of grant funds and ensure that existing community organizations will be able to effectively and efficiently use any award(s) received during the final years of this program.

IMPLICATIONS AND SUGGESTIONS

The Sustainability Center suggests moving forward with the committee's recommendations. There will be staff support to the committee to accomplish the final disbursements from the fund. Without some program change, the annual interest earnings of the rehabilitation and enhancement fund would continue to be far less than the costs required to cover Metro's grant program administration. Without program changes, the current situation leaves no opportunity for annual awards and no opportunity for protection of the fund principal. The committee's recommendation provides a path forward to address the current situation.

QUESTION(S) PRESENTED FOR CONSIDERATION

1. Does the Council agree with the suggested approach?
2. Does the Council agree to address this recommendation with a resolution to recognize the intent to spend the fund principal by FY 2018?

LEGISLATION WOULD BE REQUIRED FOR COUNCIL ACTION Yes No

DRAFT IS ATTACHED Yes No

The staff report will be distributed to the Metro Council at the November 8, 2012 meeting.

Agenda Item No. 3.0

**FISCAL YEAR 2012-13 FIRST QUARTER
MANAGEMENT REPORT**

Metro Council Work Session
Thursday, Nov. 8, 2012
Metro, Council Annex

METRO COUNCIL

Work Session Worksheet

Presentation Date Nov. 8, 2012 Time: 3:40 p.m. Length: 15 min.

Presentation Title: Fiscal year 2012-13 first quarter management report

Service, Office, or Center:

Office of the COO

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

Deputy Chief Operating Officer Scott Robinson, x1605, Employee Communications
Manager Cary Stacey, x1619

ISSUE & BACKGROUND

The quarterly management report gives summarized and detailed information about how Metro met its mission and goals through our public-facing programs from July through September of 2012.

This item is informational; no action is needed.

OPTIONS AVAILABLE

N/A

IMPLICATIONS AND SUGGESTIONS

N/A

QUESTION(S) PRESENTED FOR CONSIDERATION

N/A

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

Materials following this page were distributed at the meeting.

Parcelization Evaluation

Project Overview and Key Findings



ECONorthwest

ECONOMICS • FINANCE • PLANNING

Terry Moore

November 2012

With Fregonese Associates

Presentation Overview

- Context
- Approach
- Methods
- Findings
- Conclusions

Context

What is *parcelization*?

Why is it a benefit for some types of development?

Why might it be a problem for some types of development?

What are the implications for this study?

Approach

1. Where do regional and local plans want to see development that is not happening?
2. What are the reasons, including parcelization?
3. What specific challenges does parcelization pose; how might they be reduced?

Methods

1. Developer perspective.
2. Parcelization in the context of other obstacles for development.
3. Case-study approach.

Methods: 1. Developer perspective

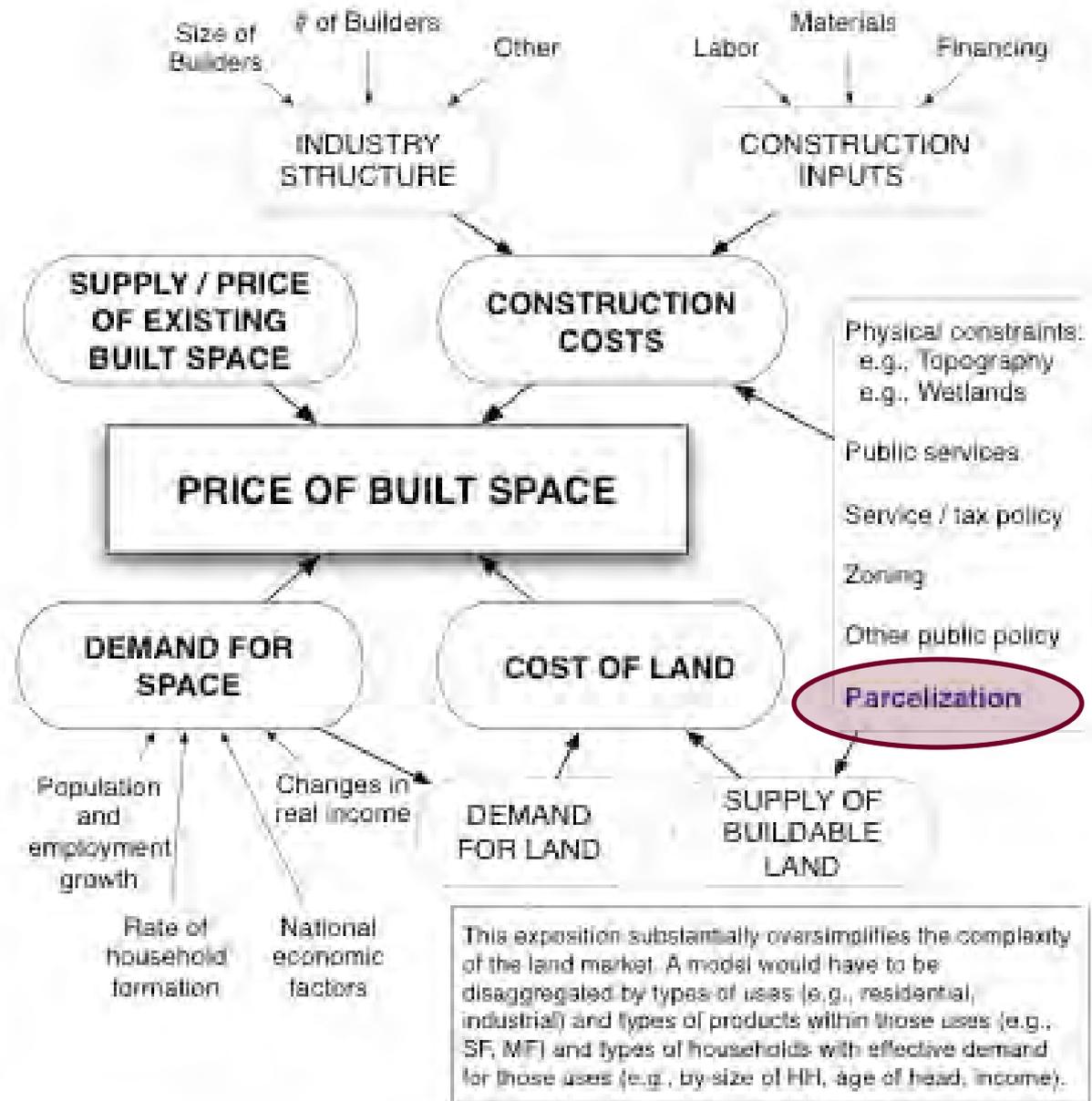
Factors that can potentially be (1) significant *obstacles* to development, and (2) influenced by public policy

How developers think about development

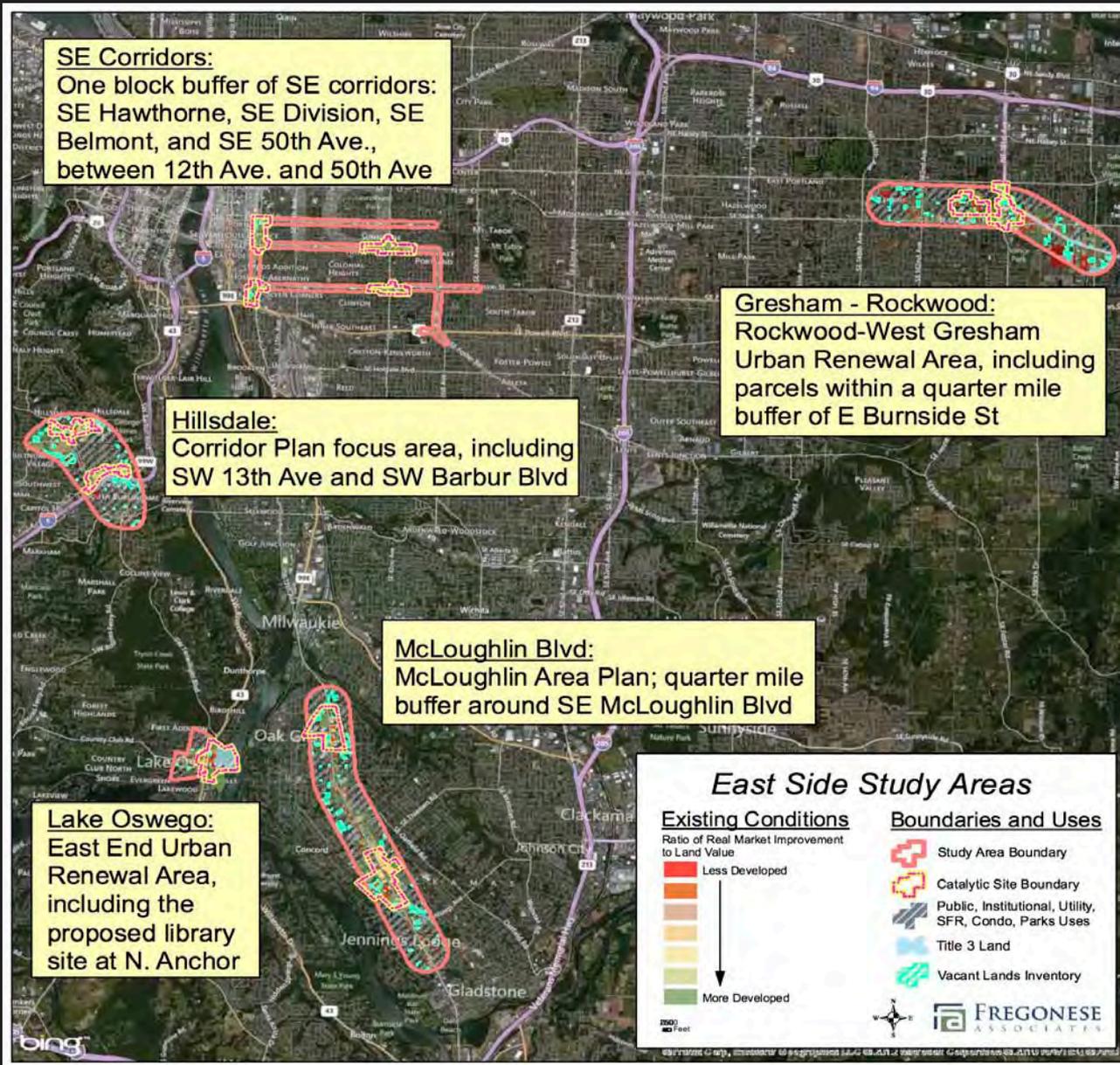
- Revenue side
- Cost side

Methods:

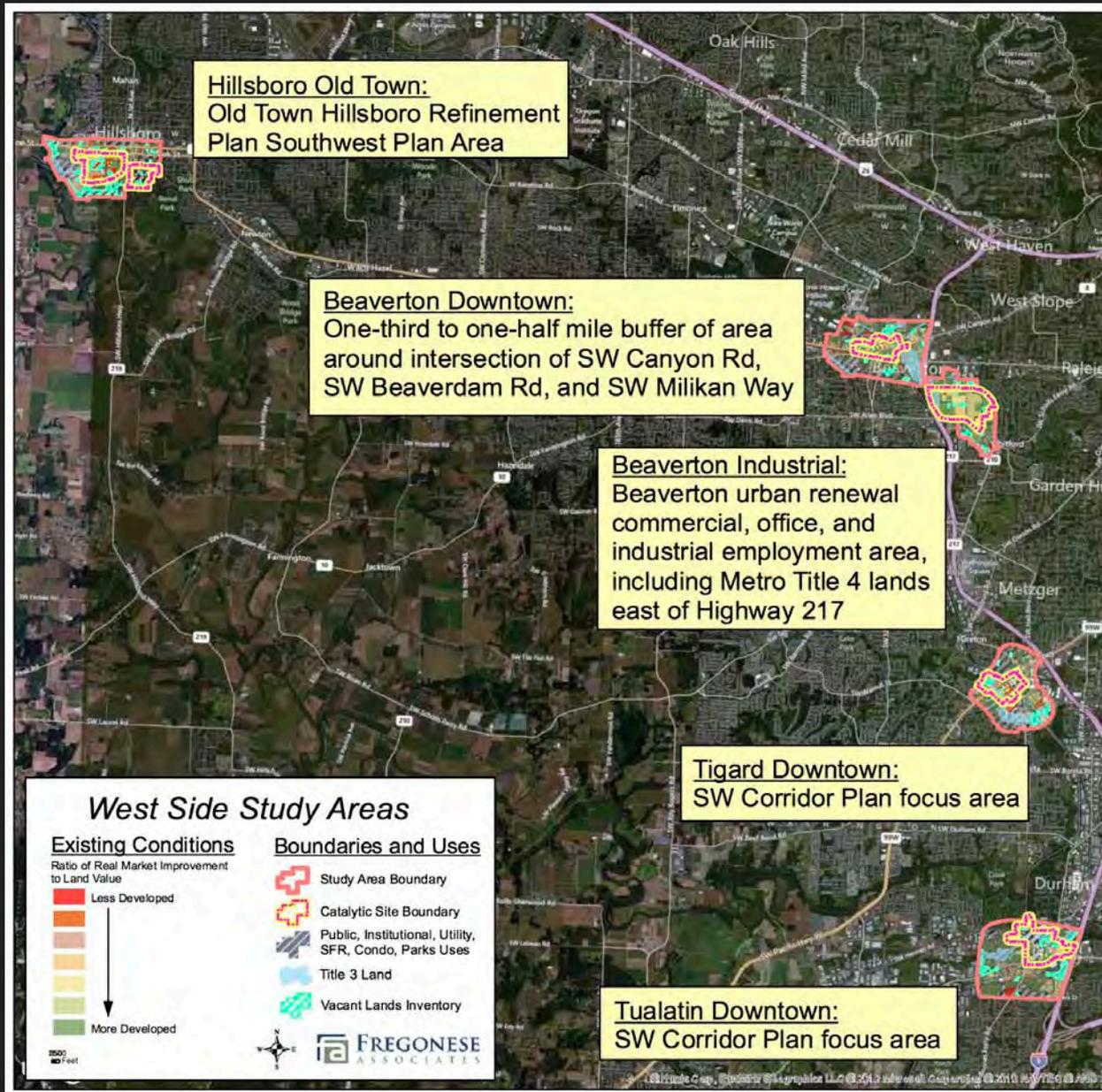
2. Parcelization in context



Eastside Case-Study Areas



Westside Case-Study Areas



Findings

Organization:

1. Developer perspective and obstacles to development (Ch 3, pages 15 – 17; 26 - 30)
2. Case-study area and site results (Ch 3, pages 17 – 30)
3. Impacts of parcelization on development in centers (Ch 3, pages 30 - 33)
4. Public actions that address parcelization and the development challenges it may create (Ch 4)

Findings: 1. Developer perspective; obstacles

- Multiple factors on cost and revenue side
- Every development is different
- Market factors usually more important than policy factors
- Policy should focus on fixable obstacles (esp. zoning and infrastructure)
- Help on either revenue or cost side; catalytic development usually critical.

Findings: 2. Case-study areas and sites results

- More parcelization in case-study areas than for region on average
- Land availability *potential* development obstacle in all case-study areas
- Other obstacles: market, policy, and site conditions
- Results for sites are varied

Findings: 2. Case-study areas and sites results

	Parcel Size / Shape		Conditions	Existing Site Conditions

Findings: 3. Impacts on development in centers

- Parcelization not usually important obstacle
- Not fatal to the kind of development desired
- Worse as parcels get smaller or oddly shaped
- But...a critical problem in some instances

Findings: 4. Public actions

Policies to reduce:

1. *New* parcelization
2. *Existing* parcelization
3. Problems *caused* by parcelization

Findings:

1. Public actions, Reducing *new* parcelization

- Deal with future problems
- How? Plan and zone for lower density in some areas
- Easier, but undesired effect of making densification more difficult
- No simple answer. Tradeoffs. Get the planning right.

Findings:

2. Public actions, Reducing *existing* parcelization

Land assembly with a single owner

- Outright land purchase by public sector
- Donation of land or grant to public sector
- Outright land purchase by a foundation
- Purchase options
- Acquisition of surplus state or county held land

Findings:

2. Public actions, Reducing *existing* parcelization

Land assembly with multiple owners

- Cooperative land bank
- Public / private sector partnership
- Limited Liability Corporation (LLC)
- Horizontal development entity

Findings:

2. Public actions, Reducing *existing* parcelization

Public sector land assembly best practices (1)

- Narrow, well-defined goals
- Citywide coordination and cooperation between internal and external partners
- Legal structures that provide some independence
- Robust parcel management information system

Findings:

2. Public actions, Reducing *existing* parcelization

Public sector land assembly best practices (2)

- Implementation tied to long-term strategic visioning
- Very limited use of eminent domain and judicial foreclosure; clear guidelines
- Flexible, diverse funding sources

Findings:

2. Public actions, Reducing *existing* parcelization

Private sector land assembly best practices (1)

- Streamline the process
- Align terms when closing multiple parcels
- Keep the deal simple; few parcels and owners
- Take full legal control of parcels for assembly

Findings:

2. Public actions, Reducing *existing* parcelization

Private sector land assembly best practices (2)

- Be careful about master planning arrangements
- Expect prices well above appraised amount
- Alternatives to outright purchase: optioning or land swapping

Findings:

3. Reducing problems caused by parcelization

- Reduce parking requirements
- Relax building restrictions
- Provide off-site amenities

Summary Conclusions

- Not best addressed at regional level; rather, specific site or neighborhood.
- For local governments
 1. Understand that parcelization *can* be a problem
 2. Evaluate extent of problem on sites that public policy wants developed soon and in a specific way
 3. Decide level of public effort for (a) reducing parcelization or (b) offsetting the costs it creates

Contact ECONorthwest



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BEFORE THE METRO COUNCIL

FOR THE PURPOSE OF REVISING THE) RESOLUTION NO. 12-_____
NORTH PORTLAND ENHANCEMENT)
COMMITTEE POLICIES AND AUTHORIZING) Introduced by Rex Burkholder
THE COMMITTEE TO CHARGE)
EXPENDITURES TO THE FUND PRINCIPAL)

WHEREAS, on January 23, 1986, the Metro Council adopted Resolution No. 86-620, For the Purpose of Establishing the North Portland Rehabilitation and Enhancement Advisory Committee, which created the North Portland Rehabilitation and Enhancement Advisory Committee to assist Metro in developing policies for the Rehabilitation and Enhancement Fund program; and

WHEREAS, on August 28, 1986, the Metro Council adopted Resolution No. 86-682, For the Purpose of Creating the North Portland Rehabilitation and Enhancement Committee and established, among other things, the duties and responsibilities of the Committee and the Enhancement fund program policies and criteria; and

WHEREAS, in Resolution No. 86-682 the Metro Council established as an enumerated duty and responsibility of the Committee, that “[t]he Committee and Council shall endeavor to preserve the Rehabilitation and Enhancement Fund principal”; and

WHEREAS, on November 10, 1988, the Metro Council adopted Resolution No. 88-1010, For the Purpose of Revising the Duties and Responsibilities of the North Portland Enhancement Committee as Established by Resolution No. 86-682, and revised the policy regarding expenditure of Enhancement fund principal to allow waiver of the policy to preserve the fund principal in limited circumstances; and

WHEREAS, the Enhancement fund was generated from a \$0.50 charge collected on each ton of solid waste disposed at St. John’s Landfill and, since the landfill’s closure in 1990, the fund has generated revenue through the amount of interest earned on the principal; and

WHEREAS, the amount of funds disbursed by the Committee has decreased significantly since 2008 because of the decrease in interest rates; and

WHEREAS, on October 23, 2012, the Committee met to consider the future of the Rehabilitation and Enhancement Fund and voted in favor of a recommendation to disburse the balance of the Rehabilitation and Enhancement Fund, including the fund principal, by fiscal year 2018; and

WHEREAS, removing limits on the amount of time a Committee member may participate on the Committee is in the best interest of the public given the expected depletion of the fund by fiscal year 2018; now therefore

BE IT RESOLVED that the Metro Council

- (1) Adopts the recommendation of the North Portland Rehabilitation and Enhancement Committee and authorizes the Committee to disburse the balance of the Enhancement fund, including the principal, by fiscal year 2018;
- (2) Revises the Committee policies as set forth in Exhibit A;

Exhibit A to Resolution No. 12-xxxx

Section 3 of Resolution No. 86-682 is deleted in its entirety as follows:

~~3. That the Committee shall consist of seven members including:~~

- ~~a. Three members appointed by the Metro Council from a list presented by the Executive Officer all of whom shall reside within the rehabilitation and enhancement program boundary;~~
- ~~b. Three members appointed by the organization designated by the City of Portland to provide neighborhood participation services to north Portland. These members shall reside within the rehabilitation and enhancement program boundary; and~~
- ~~e. The Metro Councilor representing District 12, who shall be the chairman of the Committee.~~

~~— The initial term of service for members appointed under subsection a shall be for two years; all other appointments shall be for a term of four years. Except for the chairman no Committee member shall serve more than one full term except for members initially appointed under subsection a or member appointed to fill a vacancy.~~

Section 5a of Resolution No. 86-682, revised by 88-1010, is revised as follows:

- a. The committee shall propose an annual budget for the North Portland Rehabilitation and Enhancement Fund for approval by the Metro Council. The budget shall at a minimum identify general program or project areas for the fiscal year, except that the Committee may recommend that no expenditures be made during a fiscal year. ~~The committee and Council shall endeavor to preserve the Rehabilitation and Enhancement Fund principal. The Committee may request the Council to waive the policy of preserving the fund principal when it determines a project for projects are of sufficient benefit to the residents or businesses in the Enhancement area. The committee may charge funding for projects and programs to the Rehabilitation and Enhancement Fund principal.~~

Section 7 of Resolution No. 86-682 is revised as follows:

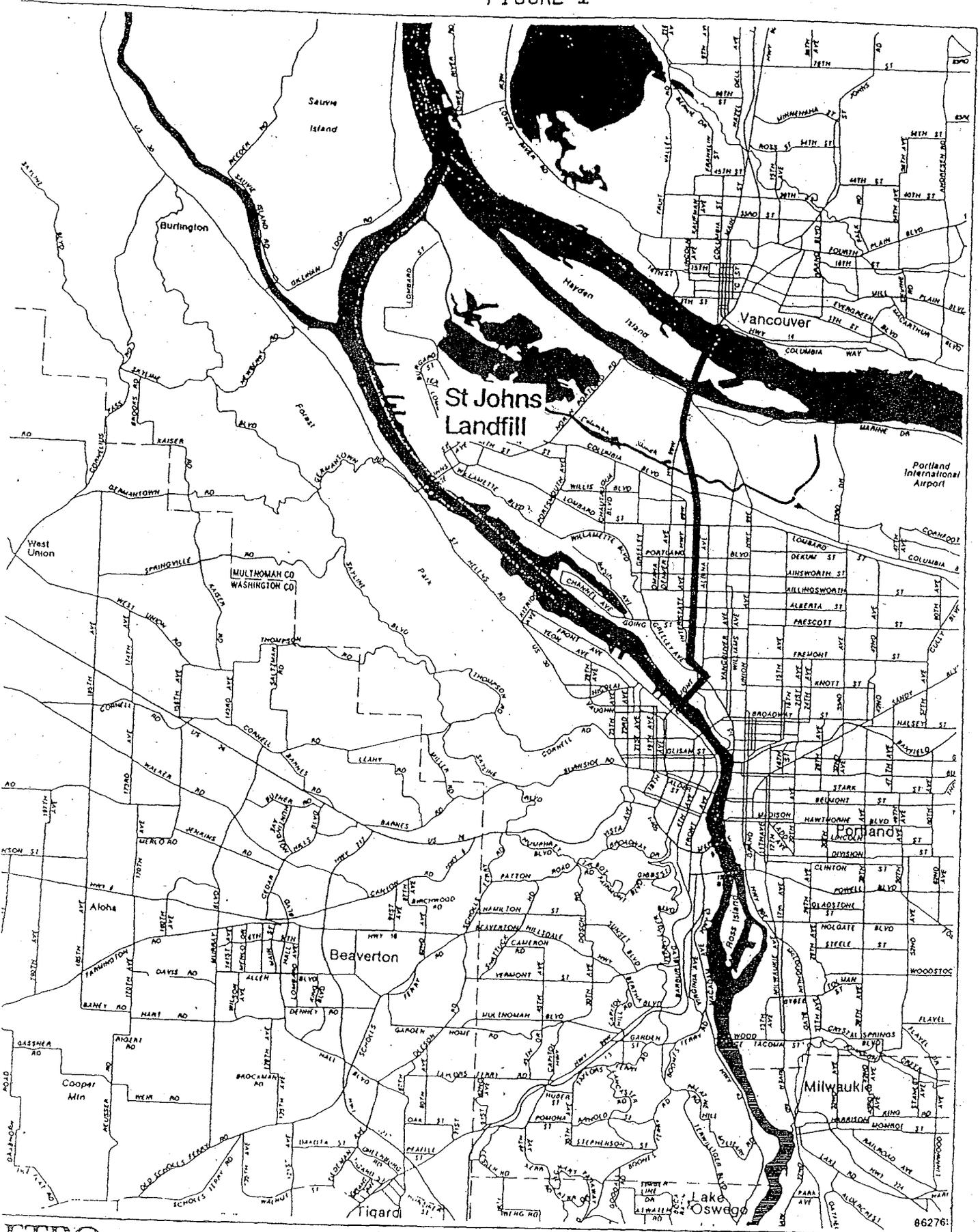
7. The ~~Executive~~Chief Operating Officer shall assign staff to assist The Committee in carrying out its duties and responsibilities at the level budgeted in the Rehabilitation and Enhancement Fund. Before assigning staff, the ~~Executive~~Chief Operating Officer shall consult with the Committee about Committee needs and qualifications of proposed staff. Additional assistance may be acquired following Metro's contract procedures. Direct costs incurred to administer the rehabilitation and enhancement program shall be paid by the Rehabilitation and Enhancement Fund. The Council shall not charge overhead costs to the Rehabilitation and Enhancement Fund

Exhibit B to Resolution No. 12-xxxx

The Metro policies for the North Portland Rehabilitation and Enhancement Committee, established by Resolution No. 86-682 and revised by Resolution Nos. 88-1010 and 12-xxxx, are as follows:

1. That the Metro Council hereby creates the North Portland Rehabilitation and Enhancement Committee, hereinafter referred to as the "Committee" to advise the Metro Council on the development and implementation of the rehabilitation and enhancement program.
2. That the boundary of the rehabilitation and enhancement program encompasses the area between the Columbia and Willamette Rivers and the Interstate 5 and Interstate 405 Freeways as shown on Figure 1, attached.
3. That fees collected according to state law (\$.50 per ton of waste deposited at the St. Johns Landfill) shall be budgeted and accounted for in a separate fund. Revenue accruing to the fund shall be invested in accordance to Metro's investment policies.
4. That the specific duties and responsibilities of the Committee shall be as follows:
 - a. The committee shall propose an annual budget for the North Portland Rehabilitation and Enhancement Fund for approval by the Metro Council. The budget shall at a minimum identify general program or project areas for the fiscal year, except that the Committee may recommend that no expenditures be made during a fiscal year. The committee may charge funding for projects and programs to the Rehabilitation and Enhancement Fund principal.
 - b. The Committee may solicit requests for proposals or projects which may be funded from the Rehabilitation and Enhancement Fund. Any project or proposal to be funded through the Rehabilitation and Enhancement Fund shall be approved according to Metro contract procedures. Projects or proposals shall not be split into components when approved. No project or proposal shall be considered by Metro which has not been recommended by the Committee.
5. That the Metro Council approves the criteria described in Exhibit A, attached, which shall be used by the Committee and the Council in recommending and approving the Rehabilitation and Enhancement Fund. The Committee may at any time request the Council to change or modify the criteria.
6. The Chief Operating Officer shall assign staff to assist the Committee in carrying out its duties and responsibilities at the level budgeted in the Rehabilitation and Enhancement Fund. Before assigning staff, the Chief Operating Officer shall consult with the Committee about Committee needs and qualifications of proposed staff. Additional assistance may be acquired following Metro's contract procedures. Direct costs incurred to administer the rehabilitation and enhancement program shall be paid by the Rehabilitation and Enhancement Fund. The Council shall not charge overhead costs to the Rehabilitation and Enhancement Fund.

FIGURE 1



ETRO

N. Portland Rehabilitation
& Enhancement Boundary

86276

STAFF REPORT

IN CONSIDERATION OF RESOLUTION NO. 12-XXXX , FOR THE PURPOSE OF MAKING PROGRAM CHANGES TO THE NORTH PORTLAND ENHANCEMENT GRANT PROGRAM

Date:

Prepared by: Stacey Triplett, 503-797-1882

BACKGROUND

The North Portland Enhancement committee recommends allocating the entire balance of the rehabilitation and enhancement fund by the close of fiscal year 2017-2018. This action will not be in keeping with past practice of *endeavoring to protect the fund principal*. This change is required to address the developments of the recent (and not so recent) past: 1) the 1990 St. Johns landfill closure; 2) the economic downturn and drastic reduction in interest earned in the fund, and 3) Metro's administrative decision to reimburse annual program administrative costs from the current fund balance starting in fiscal year 2013. The fund allocation is recommended as between \$500,000 and \$1 million to the North Portland Greenway trail project and the remaining portion for community-driven grants and program administrative costs.

In the summer of 2012, the North Portland Enhancement Committee conducted various community conversations to receive help in addressing the current choices the committee identified to tackle the realities confronting the continuation of the North Portland community enhancement grant program. The committee completed its deliberations and reached the above recommendation in October 2012. The North Portland Enhancement committee conducted a geographically-limited Opt In panel survey. The survey was conducted for one month in September and October 2012. More than 700 existing Opt In panel members reside in the area served by the North Portland grant program; these people received multiple invitations to participate in the survey. Almost 150 panel members replied.

In addition, and at the direction of the committee, staff promoted the survey at Riverfest 2012 in Cathedral Park, through emails sent to past grantees and applicants, and in news releases that appeared in e-newsletters and on websites of other local organizations and elected officials. Committee members also actively promoted the survey to their respective networks. These efforts netted approximately 100 more survey responses. Of those respondents, almost half voluntarily joined the Opt In panel upon completion of this survey to be available for future engagement. The Opt In survey results are included as Attachment 1.

At the October 23, 2012 meeting of the North Portland Enhancement Committee, members voiced their desire to use the remaining grant awards to address community needs that have surfaced in past grant cycles. Recognizing that these awards will likely be larger than in the recent past, the committee expressed interest in soliciting advice about administering funds from the local grant-making community.

To help bring about long-term, maximum benefits in the community, the committee would like to explore various approaches that include (but are not limited to) the following:

- awarding multi-year contracts
- projects and programs that significantly leverage other funds and partnerships amongst service providers, government agencies, private philanthropy and others
- support for projects and program responsive to existing funding goals
- building capacity of local organizations (e.g., leadership development of staff and boards, outcome measurement and evaluation tools and techniques)

Metro Opt In – North Enhancement Grant Survey

Davis, Hibbitts, & Midghall, Inc. (DHM Research) conducted an online survey among Opt In members and others who are residents of Arbor Lodge, Cathedral Park, Kenton, Overlook, Portsmouth, St. Johns and, University Park neighborhoods.

Research Design: DHM Research emailed 703 Opt In members with North Portland addresses and invited them to participate in the survey between September 19 and October 15, 2012. Metro also promoted the link to residents of the North Portland area. In total, 241 residents participated in the survey.

Majority of North Portland residents have not heard of the Enhancement Grant Program (Q1).

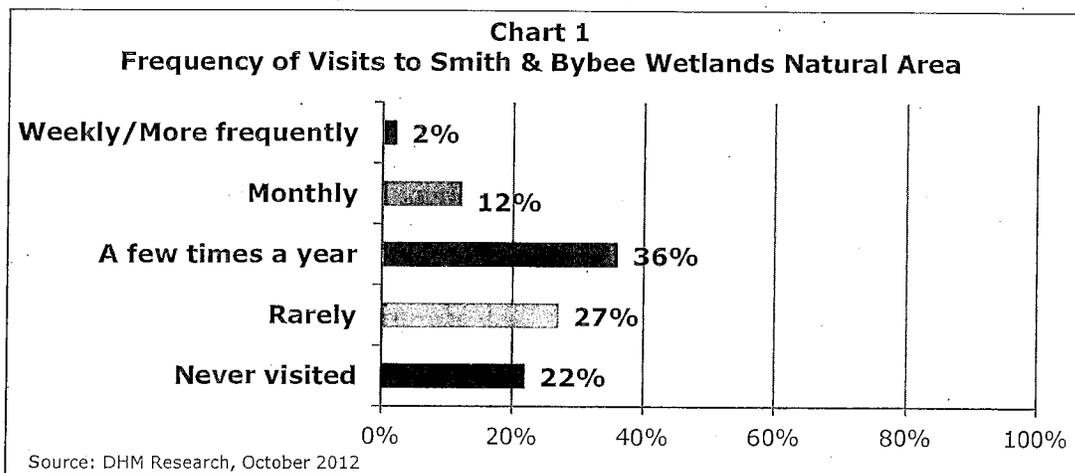
Overall, 59% of North Portland residents were unaware of Metro’s Enhancement Grant Program. Of those that were aware, 61% consider themselves very or somewhat familiar with the program. Top sources of awareness include being an active member of a neighborhood association (26%), being an applicant or recipient of the grant (18%), and being a volunteer or staff for an organization that has applied or received grant funds (17%).

- Residents age 35 and older are more likely than those younger to have heard of the Enhancement Grant Program (42% vs. 24%).

Most did not visit the St. Johns landfill before it closed in 1990, but half frequent Smith and Bybee Wetlands Natural Area at least a few times a year.

Nine in ten (88%) did not visit the St. John’s landfill before it was closed in 1990. However, half (50%) visit the Smith and Bybee Wetlands Natural Area at least a few times a year. One in five (22%) have never visited the Smith and Bybee Wetlands Natural Area.

- Residents age 55 and older are more likely than those younger to have visited the St. Johns landfill before it was closed (35% vs. 3%).



When residents were asked why they selected their first choice, some common themes arose.

Dedicate the remaining fund balance to help build a section of the Willamette Greenway Trail on the now-closed St. John's Landfill. This section would be part of the 40-mile loop. (36%)

"It is my first choice because it would benefit the whole community, in addition to North Portland, provide a temporary economic boost because of construction jobs, support regional active transit plans, and bring more people to St. John's businesses."

"It was the only one of these projects with as much potential lasting permanence as the initial grant was intended to give back to the community. Closing out the grant - whether it's over 1 year, 5, or 10 - means the end of this fund's ability to give to the community."

"This will be a long-standing benefit to people of the region and visitors."

"Likely more impactful than many small projects; creates something lasting; builds a project that will serve many people over time"

Instead of continuing to award grants year after year, make the entire fund balance available in 2013. The entire fund balance would be awarded to multiple projects. (26%)

"Spending at a time of a sluggish economy and with interest rates low gives us the biggest bang for our buck. Distributing a large amount across the neighborhoods can make a lasting difference for numerous projects."

"This option minimizes administration costs (although I don't see how annual administration costs would be the same for managing 1.6 million in one year as managing a tenth of that amount). Also, this option is preferable to the North Portland Greenway investment, because it allows the whole North Portland community to compete for funding. This more closely reflects the spirit of the grants program."

"Allows time for grant proposals to come in, including proposals for use by the Greenway fund, but minimizes administration costs. Thus maximizing the remaining funds."

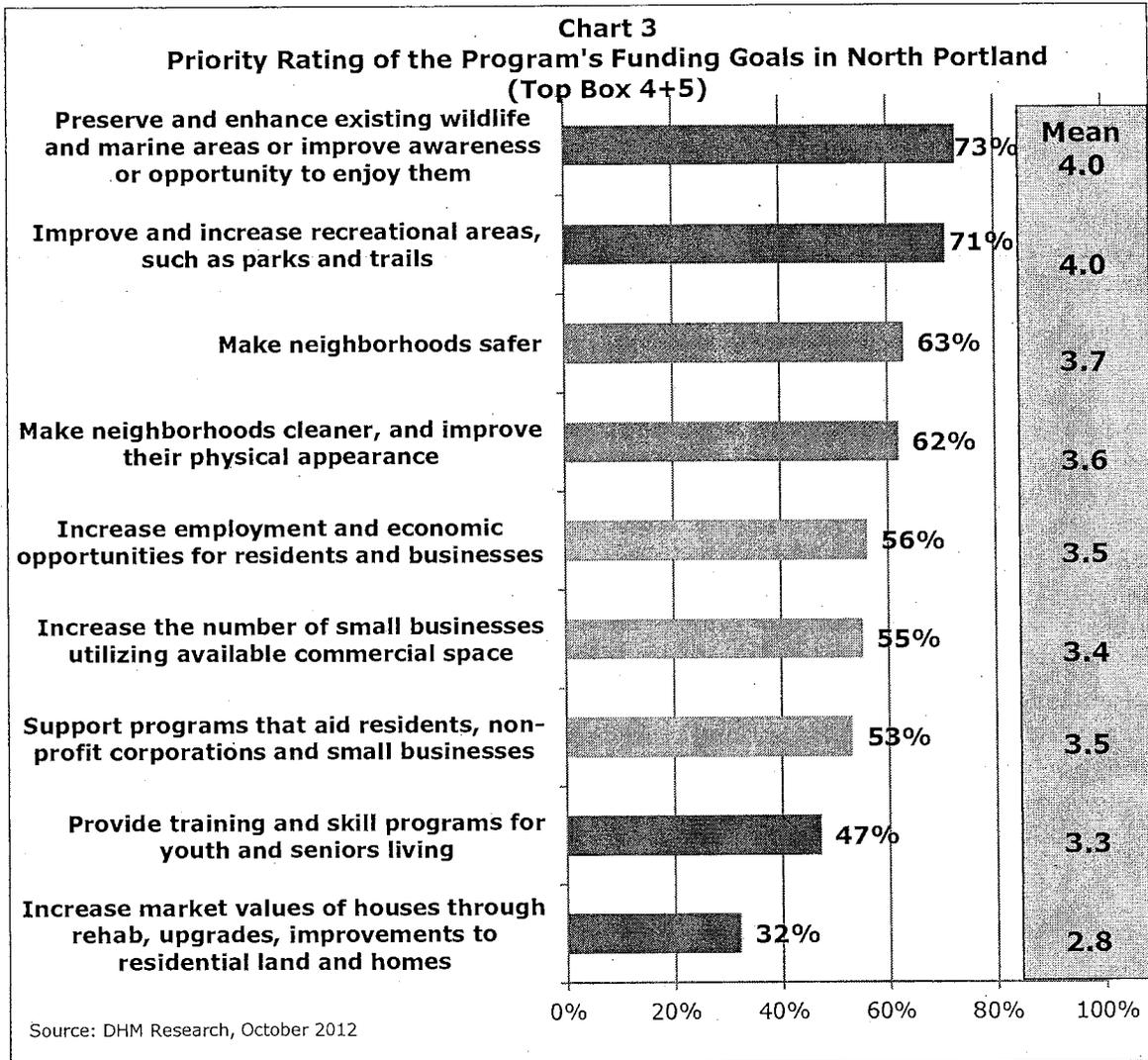
"I feel like there would be great change with the money being awarded in just one year. To me, that seems very powerful for the community. A lot of change in a small period of time would give so much pride and hope in our community."

Close the program over a 5-year period. Administration costs would be charged back to the fund each year grants were awarded for up to 5 years. The yearly administration cost is currently \$52,000 a year (14%).

"It would continue to provide some funding out to the community without an abrupt end point, and allow programs and projects that had previously been grant funded time to pursue options to sustain them, if appropriate."

"I'm in favor of spending the money down to zero and feel that a 5-year plan both infuses a lot of money into North Portland and does so over a multi-year period ensuring a significant impact. One year is too short and ten too long."

"It seems like it makes the most sense to eliminate these grants as an ongoing source. I selected the five year option because I think it will give the best balance and return on investment in terms of investment in the community over time. Ten years seems like too long to continue to pay the administrative costs of the program given the level of grants, and one year seems too short, and I would suspect it might not generate the best long term outcomes to grant out all the money this year."



2 | ANNOTATED QUESTIONNAIRE

Metro Opt In North Enhancement Grant Survey September 2012; Opt In members in qualifying areas DHM Research

OPT IN INTRODUCTION

Survey to target the following neighborhoods:

- Arbor Lodge
- Cathedral Park
- Kenton
- Overlook
- Portsmouth
- St. Johns
- University Park

Your neighborhood is eligible for grants aimed at making the community greener, cleaner, safer, and healthier through Metro's North Portland Enhancement Program.

Back in 1985, the Oregon Legislature created the North Portland Enhancement Grant Program to help fund projects to improve your community, which at the time was affected by the St. John's Landfill. The landfill closed in 1990. The enhancement program has supported 465 local projects with \$2.2 million in investments since 1985, including:

- After school programs for youth
- Adult education at community centers
- Tool lending library to make gardening and home repairs more affordable
- Concerts in Cathedral Park

The enhancement program was created by a 50-cent surcharge on each ton of garbage disposed at the now-closed St. John's Landfill beginning in 1985. The interest earned on the fund created by the surcharge pays for the grants.

Due to falling interest rates, the grant program is in a position of potential change. **Your opinions and ideas will help shape decisions about how nearly \$2 million in the North Portland Enhancement fund will be invested in your community.**

The Challenge

Metro and the committee that helps manage the enhancement grant program face some tough decisions.

The major problem is this: the cost of awarding grants currently exceeds the amount of money the enhancement fund generates.

The following things have caused decreases in the amount of interest earned by the fund:

- The St. John’s Landfill is closed, so the fund is no longer receiving the 50-cent enhancement fee per ton to fund the grant program
- Interest rates are falling, especially after the downturn in the economy, so the amount of money available for grants continues to decrease
- Metro’s budget is limited, so starting next year Metro will no longer cover the administrative cost of the program. This means the administrative cost will need to be covered by the fund.

By the Numbers

Current Fund Balance: \$1.6 million
 Annual Grant Giving: \$15,000 in 2011 (compared to \$159,000 paid out in 1990)
 Interest earned: \$9,800 in 2011 (compared to \$138,000 in 1990)
 Annual Management Cost: \$52,000 (estimated for 2012)

6. Neighbors who serve on the North Portland Enhancement Committee brainstormed some options for how best to manage the fund and give grants moving forward, given current conditions. Please rank the following by your preference. 1=first choice, 4=last choice. If you have a better idea, please list it and provide a rank (programmer, allow 1-5. Randomize. Do not force to rank)

Response Category	1 st choice	2 nd choice	3 rd choice	4 th choice	5 th choice
Dedicate the remaining fund balance (about \$1.6 million) to help build a section of the Willamette Greenway Trail on the now-closed St. John’s Landfill. This section would be part of the 40-mile loop.	36%	27%	10%	14%	4%
Instead of continuing to award grants year after year, make the entire fund balance (about \$1.6 million) available in 2013. The entire fund balance would be awarded to multiple projects. After 2013, no more grants will be available. This would require a \$52,000 administration cost for one year only.	26%	28%	17%	13%	3%

17. Do you have any other thoughts you'd like to share about the North Portland Grant Enhancement Program? (Open, provide text box)

18. Would you like us to email you updates about the North Portland Enhancement Grant Program (For non-Opt In members, provide text box)?

Response Category	N=241
Yes	67%
No	33%

Learn more about the North Portland enhancement grant program:

(hyper link: <http://www.oregonmetro.gov/index.cfm/go/by.web/id=6796>)

Learn about the stewardship of natural area investments in North Portland:

(hyper link: <http://www.oregonmetro.gov/index.cfm/go/by.web/id=33853>)

Age

Response Category	N=241
18-24	1%
35-34	23%
35-54	37%
55-64	12%
65+	7%
Refused	20%

Gender

Response Category	N=241
Male	30%
Female	50%
Refused	20%

County

Response Category	N=241
Multnomah	100%

When it comes to politics, do you consider yourself...

Response Category	N=241
More of a Democrat	52%
More of a Republican	3%
More of an Independent/Other party	22%
Refused	22%

Additional Open-Ended Responses

Dedicate the remaining fund balance to help build a section of the Willamette Greenway Trail on the now-closed St. John's Landfill. This section would be part of the 40-mile loop. (36%)

- "It would provide direct access from peninsula to downtown, much needed for bicycle safety and other activities."*
- "Doing something significant and dramatic with it that benefits North Portland residents seems appropriate."*
- "It seems like a good use of the money that you have left. Spending \$52,000 on the administrative to keep annual grants going doesn't seem as effective as just donating the money towards a Greenway Trail that will serve as a regional asset for years to come."*
- "This seems like a much better use of the funds. I would want to see the evaluation and monitoring reports from projects that received funds to accurately measure their impact."*
- "Most lasting impact on the neighborhood and directly connected (literally) to the landfill."*
- "It is my first choice because it would benefit the whole community, in addition to North Portland, provide a temporary economic boost because of construction jobs, support regional active transit plans, and bring more people to St. John's businesses."*
- "It was the only one of these projects with as much potential lasting permanence as the initial grant was intended to give back to the community. Closing out the grant - whether it's over 1 year, 5, or 10 - means the end of this fund's ability to give to the community."*
- "It would provide the most bang for the buck."*
- "I use part of the 40 mile loop for riding my bike."*
- "The Greenway Trail will be a permanent enhancement to the environment and people will use and enjoy it forever."*
- "This is a specific project that I know about and want to see happen. I would use the trail."*
- "Because I would be very likely to use it regularly, it is a good project, and it is a known outcome."*
- "It's connected to a larger metro plan and specifically improves livability for North Portland residents."*
- Because the landfill is quite beautiful now and i love natural places that provide homes for wildlife where people can also visit."*
- "Continuing to pay administrative costs diminishes the fund. This way it goes to a project that enhances the entire area."*
- "I need a new place to run, this will be an amazing addition to North Portland. It would make living here so much better and would make trail and running areas safer."*
- "This completes a project and does not leave a pending obligation over additional years."*
- "It would be a long lasting improvement to the neighborhood. It would improve quality of life and attract people to the neighborhood. It would expose more people to the neighborhood who normally would not come here."*
- "This is a great idea and a wonderful effort, as a bike rider I look forward to seeing this completed."*
- "Seems like the best use of funds to serve the most people. Small grants don't leverage many resources."*
- "I think the 40-mile loop will receive much greater use when it is complete."*
- "Because I think that would add value to the community and would be a fitting use of the money earned from the landfill. I would love to use that trail."*
- "An appropriate use of money generated by the land the trail would be built on."*
- "Developers have been turning every available inch into row housing, apartments, etc. The increasing population needs more green space for recreation."*
- "Ties into the original intent of the grant, and eliminates the administrative costs over the years, AND closes a 40 mile bike loop. Win, win and win."*

Additional Open-Ended Responses (cont.)

Instead of continuing to award grants year after year, make the entire fund balance available in 2013. The entire fund balance would be awarded to multiple projects. (26%)

"Labor capacity and materials costs are at an all-time low due to the economic downturn. Good projects have been identified that we can spend this money on. There has not been a better time to take action on infrastructure projects in the last 80 years, so let's take action rather than squander the money on administrative procedures."

"I would want community organizations to be able to apply for the funds for specific projects, rather than the managers deciding to fund only one project without other input. Also, it would be the least amount of overhead costs."

"Minimizes administration costs and maximizes benefit to the community."

"It seems silly to waste 52,000 each year when you don't have to. I'd rather see the money spent on good projects than thrown away on fees."

"Spending at a time of a sluggish economy and with interest rates low gives us the biggest bang for our buck. Distributing a large amount across the neighborhoods can make a lasting difference for numerous projects. One last year of administrative spending means the excellent staff won't be left in the lurch."

"The administration cost seems wasteful to continue year after year. It only takes away from the mission of the grants."

"Don't waste money on administrative costs. Get all the money out there and doing as much good as possible."

"Reduces administrative costs, allows for many projects to happen during a recession. It may also create jobs."

"This option minimizes administration costs. Also this option is preferable to the North Portland Greenway investment, because it allows the whole North Portland community to compete for funding. This more closely reflects the spirit of the grants program."

"It would be more fair than giving it all to the Greenway project or to any other one project."

"It seems like the best use of the money considering it is costing so much to manage. I also imagine using the money now would create much needed jobs."

"More of the grant funds would go towards making changes rather than being eaten up by administration costs."

"It would be cool to see North Portland community projects get a big shot in the arm for this year. It would be important to make sure the projects funded weren't relying on this funding to be continued, but that it could go to one-time projects that could provide their own ongoing maintenance through volunteerism or other existing program funds."

"The option of closing the program over a 5 - 10 year time frame is not convincing in terms of added cost; my assumption would be that continuing these programs would be more costly over the long term. Rather, provide assistance for those projects that need it now."

"Continuing to administer the fund uses dollars that could instead be allocated to projects beneficial to the community. This seems wasteful and irresponsible in the current economic climate."

"I think it maximizes the impact it can have now, rather than having inflation and materials costs eat further into the grant funds in future years."

"It would allow multiple projects access to the money, administrative costs would be kept down, and it would tie up the loose ends quickly and cleanly."

Allows time for grant proposals to come in, including proposals for use by the Greenway fund, but minimizes administration costs, thus maximizing the remaining funds."

"Less would be lost to administrative costs. I would rather see similar programs funded than the greenway trail."

Additional Open-Ended Responses (cont.)

Close the program over a 5-year period. Administration costs would be charged back to the fund each year grants were awarded for up to 5 years. The yearly administration cost is currently \$52,000 a year (14%).

- "It would continue to provide some funding out to the community without an abrupt end point, and allow programs and projects that had previously been grant funded time to pursue options to sustain themselves, if appropriate."*
- "Because I think doing it all at once is too soon to appropriately plan, but I hate to spend the extra money for too many years."*
- "It maximizes the amount available for the community in a variety of potential projects while balancing admin. costs. Dedicating all the money to one project doesn't distribute the dollars equitably over the broad N PDX geography. And while 10 years' worth of projects would get this distribution, it is at an extreme administrative cost."*
- "This will keep the program going for 5 years, after which the economic picture may be different, and funds might become available to continue the program in future years."*
- "I would like to see smaller projects continue to be funded in the short term as the economy struggles so that underserved youth and families can continue to benefit from the program. This seemed like the best option; not to drag it on over too much time, but also not to close it immediately since there could be new projects to surface."*
- "It would allow for more people to apply for the grant but keep administration costs down, and not put it all to one project."*
- "Seems like the most moderate choice. We never know what will happen in the next five years, so it'd be nice to have some funding just in case for the next five years. In the meantime, the fund can be phased out for good too."*
- "As an award recipient, this seemed to be the option that would best serve our organization. Grant sizes would be larger than if it was spread out over 10 years, but funding would continue to be a possible funding source for 5 years."*
- "Would create a continued funding stream for longer than one year, but not use up as much of the available dollars on admin (compared to the 10 year plan)."*
- "Because the math seemed to make more sense than the other options. Plus I would like the money to be spread throughout North Portland and not just in one area (i.e., St. Johns)."*
- "Slow but not too slow phase out of the program so people can adjust to the change and begin finding new funding sources."*
- "Continue funding and allow time to determine new funding sources without spending significant amounts on continued administration funds without additional income."*
- "I would like to see grant funding for a variety of projects be available for as long as possible, even if the grants are small."*
- "To allow time for more growth in the positive ways this neighborhood has been changing lately. Ten years is too long, one is too short."*
- "Because I think too many people do not even know this is an option. I think it should be advertised, and then used over a period of time that allows people to prepare for it being gone."*
- "I'm in favor of spending the money down to zero and feel that a 5-year plan both infuses a lot of money into North Portland and does so over a multi-year period ensuring a significant impact. One year is too short and ten too long."*



2012-13 Management Report



Metro Council Work Session | November 8, 2012
Scott Robinson



Metro | *People places. Open spaces.*

Top 5 Accomplishments

1st Quarter 2012-13

By Councilor Area



Metro | *People places. Open spaces.*

Top 5 Accomplishments for 1st Quarter



- 5. Foster Road Food Reload Facility License approved
- 4. International Cemetery Crematory and Funeral Association recognizes Metro
- 3. Formation of the Metro Cemetery Advisory Committee and adoption of new Metro Cemetery Code
- 2. Glendoveer contract operator determined, community pleased and transition successfully underway
- 1. Lone Fir cremation garden plans and the debut of the Lone Fir Cemetery Foundation with a focus on the Cultural Heritage Garden

Top 5 Accomplishments for 1st Quarter



- 5. Initiated implementation planning for the Smith-Bybee Natural Resource Plan
- 4. Three TOD projects completed (Central Eastside Lofts, University Pointe and Oregon College of Medicine)
- 3. PCPA celebrated its 25th anniversary and installed new ticketing system
- 2. OCC launched successful Plaza Palooza series and had strong quarter (OSCON alone brought in \$800k)
- 1. Completed transition of sustainability center education team and the zoo education team

Top 5 Accomplishments for 1st Quarter



- 5. Three significant restoration projects conclude: Among them, Friends of Tualatin River Wildlife Refuge's "Linking Students To Their Land" program
- 4. Tonquin Trail plan finalized and local jurisdictions are taking action to approve
- 3. Tualatin River Trail Access Study determines site, land use proceeds
- 2. Permanent approval of Washington Park West Lot and Elephant habitat moves to bid
- 1. SW corridor project



2012-13

FIRST QUARTER MANAGEMENT REPORT
July through September

FY 2012-13 First quarter management report

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Metro Management Report At-a-Glance

1st Quarter FY 2012-13

Metro's increased focus on collaborative partnerships helped advance investments in public assets and improve services in the face of long-term funding challenges.

Metro worked with local partners and the public to develop a range of potential Southwest Corridor projects; the Sustainability Center provided an inventory of "green infrastructure" projects in the corridor. Twenty-year population and employment forecasts were distributed to jurisdictions and the Regional Transportation Safety Plan was completed. The Development Center completed three transit-oriented development projects and continued its Get Street Smart series presentations in four cities. Staff explored funding opportunities for transportation projects.

The acquisition of 155 acres of natural areas brought total bond property purchases to 4,269 acres; restoration and maintenance occurred on 1,000 acres. Staff began conducting public outreach regarding a five-year local option levy; Council will consider draft legislation in November. The Tonquin Trail plan is scheduled for adoption by the end of the year. The 10-year Smith-Bybee Comprehensive Natural Resource Plan is underway to establish wildlife habitat in the area, which includes the St. Johns Landfill.

Blue Lake Park's new Disc Golf Course yielded increased season pass sales and visitor counts. Oxbow Park began planning to replace amenities lost from winter erosion damage; online camping reservations will begin in January. An operator was selected for Glendoveer Golf Course; the contract will begin in January. The cemetery program saw a drop in grave sales and began design work on a cremation garden in Lone Fir Pioneer Cemetery. The Metro Council approved formation of a Cemetery Advisory Committee.

A design contract to increase floor space at Metro Central transfer station will ease some pressure from processing organics; a study is underway to determine how to improve the quality of received organics. Metro and Miller Paint extended the MetroPaint distribution agreement by five years; MetroPaint sales exceeded \$1 million during a 12-month period for the first time.

Sustainability Center staff worked with local partners to improve targets and measures for the Recycle at Work program and promoted sustainability assistance to businesses. A green building assessment RFP yielded flexible services agreements for use in implementing Metro's Green Building Policy. The Recycling Information Center answered 22,217 calls and the Find-A-Recycler web site had 18,220 visits.

The zoo bond program gained conditional approval for the permanent use of the West Lot and submitted its Conditional Use Master Plan application. The Penguin Life Support Upgrade project was completed and Remote Elephant Center plans are under refinement; the Elephant Habitat and Related Infrastructure and new Condor Habitat projects are on schedule and budget.

The zoo's newly integrated conservation education team had well-attended zoo summer camps and programs in parks and natural areas. The zoo's conservation program earned two Association of Zoo and Aquarium awards and the pygmy rabbit program was deemed a success and closed out.

Despite the successful new Sunset at the Zoo series, overall zoo attendance was down; new catering management, ZooLights and a baby elephant may boost visitors. Both the Oregon Convention Center and Expo Center saw drops in revenues; the OCC hosted a successful concert series in its new plaza and the Expo Center made upgrades to improve customer experience. The Portland Center for the Performing Arts launched its new ticketing system and broke attendance records with its summer music programs.

This summary report lists Metro project and program highlights for the first quarter of this fiscal year.

Metro management report for 1st quarter, FY 2012-13

Metro Management Report At-a-Glance

1st Quarter FY 2012-13

Finance and Regulatory Services

Solid waste compliance and cleanup highlights

- Program is on track with facility inspections, enforcement actions, regulatory authorizations and private facilities complying with Enhanced Dry Waste Recovery Program (EDWRP).
- Finalized an agency-wide policy for posting notice and cleaning up illegal camps on Metro property; the policy has been implemented through four cleanups and Metro's RID Patrol is developing training for all Metro land and property staff to carry out the policy.
- Issued an amended license to reload residential yard debris mixed with food waste for delivery to Recology Foster Road Recovery Facility in Portland, with special conditions to minimize odor and neighborhood impacts ; Council to consider approval of a non-system license to Recology Suttle Road Recovery Facility in Portland to begin accepting, consolidating and reloading residential yard debris mixed with food waste for delivery to Recology's compost facility in Aumsville.
- Granted a 3,500 ton increase to 70,000 ton franchise transfer station tonnage cap to Pride Disposal in Sherwood; in 2013, staff will undertake a more extensive process for evaluating such requests to assure a clear public benefit and that increased tonnage is meeting demand.
- Metro Council to discuss updating Metro Code to modernize community enhancement fees in October, including key questions of legal authority, purpose of fees, types of facilities, amount to be collected, and how best to distribute and oversee fees; a Code proposal will be prepared for Council consideration next year.

Parks and Environmental Services

Parks and natural areas management highlights

- The cemetery program received accolades in the International Cemetery Crematory and Funeral Association's national trade magazine and the Oregonian for its new cemetery soil management protocols and overall program turnaround.
- The cemetery program's first quarter revenues for grave sales and services were 25 percent lower than previous fiscal year; the decrease may reflect an industry-wide drop in grave sales with cremation rates rising nationally.
- Cemetery staff is working with a landscape architect to install a cremation garden at Lone Fir Pioneer Cemetery; the garden slated to open to customers in March 2013.
- Metro Council approved the formation of a Cemetery Advisory Committee, which first met on Sept. 19; the committee will begin reviewing the 2011 cemetery business and operations plan.
- Blue Lake Park and the Chinook Boat Ramp saw an increase in visitors likely due to good weather; Oxbow Park had a slight downturn in visitors with camping use remaining very strong in the newly reconfigured campground area.
- Completed Blue Lake's Disc Golf Course installation with help from Stumptown Golf Club and Next Adventure volunteers; Councilor Shirley Craddick led a ribbon cutting ceremony on Aug. 15 and the course's popularity has yielded an immediate increase in season pass sales and visitor car counts, translating to an estimated additional \$4,000 in revenue per month.
- Staff began planning improvements at Oxbow Park to replace amenities lost from winter erosion damage in early 2012; applied for a State of Oregon County Opportunity Grant.
- Finalized an agreement with the State of Oregon for online camping reservations at Oxbow Park; online reservations will begin Jan. 1, 2013.

- Received bids for \$1.3M Gleason Boat Ramp Phase 4 construction project; the project is funded with Metro renovation and replacement dollars and state and federal grant monies.
- The former "Vancouver Yacht Club" was removed from the dock at the Gleason Boat Ramp and demolished; staff received reimbursement for \$54,375 of the \$85,000 project cost through the Marine Board's Derelict Vessel Fund.
- Released an operator RFP for the Glendoveer operating contract; a citizen panel scored proposals in an initial review process and following a final interview CourseCo was selected; official assumption of operations will begin Jan. 1, 2013; negotiations are nearly complete with the Ringside restaurant to put a new lease agreement in place.

Solid waste operations highlights

- The "Metro Central – Organics Transfer Improvements" project is underway; the project will significantly increase the amount of working floor space in the organics bay.
- Eleven months into the City of Portland's residential organics program, approximately 79,000 tons of yard debris and food scraps have been received by Metro's transfer stations.
- Contracted with Cascadia Consulting Group to perform a study of residential and commercial organics received at both Metro transfer stations; this study will help determine the nature and extent of the contaminants so that steps can be taken to improve the quality of this material.
- Received four proposals to assess the adequacy of services for Metro South through the Solid Waste Roadmap; timeline for project completion is 18 to 24 months, with the goal of developing feasible options to address the identified needs.
- GLEAN, a project that gives artists access to Metro Central to recover dry waste materials, drew hundreds of visitors on its exhibition opening night; GLEAN is a collaboration between Metro, Recology Oregon Recovery and Cracked Pots to draw attention to the issue of wasted resources.
- DEQ accepted Metro's Feasibility Study Work Plan for the St. Johns Remedial Investigation / Feasibility Study; the study evaluates feasible options to addressing ecological risks posed by certain contaminants in Columbia Slough sediments; the final study report will serve as the primary basis for a DEQ decision on environmental remediation that may be required.
- Staff has begun planning to implement the Smith-Bybee Comprehensive Natural Resource Plan; the 10-year land use master plan identifies future uses of the site for habitat and outdoor recreational activities at the Smith-Bybee Wetlands Natural Area, including St. Johns Landfill.
- Metro and Miller Paint signed a five year extension of the MetroPaint distributorship agreement; MetroPaint sales exceeded \$1 million during a 12-month period for the first time in July 2012.

Planning and Development

Land use planning highlights

- Initiated the next cycle of Community Planning and Development Grant awards; staff preparing for stakeholder engagement to revise criteria for awards in new urban areas and urban reserves.
- Finalized distribution of 20-year population and employment forecasts to cities and counties in the region; Metro Council to consider adoption in November.
- Provided planning support for SW Corridor planning, including initiation of an economic development element that will focus on investments for job creation; East Metro Connections Plan; Climate Smart Communities; Community Investment Initiative; and Regional Economic Development, including the Metropolitan Export Initiative.
- Continued collaborative efforts to support regional desired outcomes, including working with counties and the Coalition for a Livable Future to produce regional opportunity maps to help assess

equity in planning efforts; and completing Phase II of work with the Port of Portland, Business Oregon and others to assess barriers to development of large industrial sites and presenting the results and recommendations to stakeholders.

Project development highlights

- Southwest Corridor team worked with project partners and collected input from an online open house to develop a wide range of potential transit, roadway, active transportation, parks and natural resource projects for the corridor; the steering committee adopted a Transportation Plan Problem Statement and a Transit Alternative Purpose and Need Statement.
- Submitted a grant to the Transportation Research Board that could help implement two of the key projects identified in the East Metro Connection Plan--widening the 238th/242nd connection to I-84, and safety improvements in the Powell, Hogan/Burnside southern gateway area.
- The Development Center continued the Get Street Smart series presentations in Hillsboro, Gresham, Lake Oswego and Oregon City, and awarded a storefront improvement grant in Hillsboro.
- Completed construction on three TOD projects in Portland: Central Eastside Lofts (formerly Couch Apartments), market rate mixed-used housing and retail; OCOM, mixed-use adaptive reuse and expansion for the Oregon College of Oriental Medicine; and University Pointe (formerly College Station), a mixed-use student housing development on the PSU campus.
- Construction is underway on four TOD projects: 4th Main, a mixed use workforce apartment and retail development in downtown Hillsboro; the Hollywood Apartments, a mixed-use workforce and affordable housing development in Portland; the Milano, a bike-oriented workforce housing development near the Rose Garden MAX station; and the Prescott, a mixed-use workforce and affordable housing development located near the Prescott MAX station; President Hughes and Councilor Harrington spoke at the groundbreaking event for 4th Main on July 9.

Transportation system planning highlights

- Convened a transportation system plan implementation workshop for more than 80 local agency staff and consultants to help respond to questions emerging during local TSP updates as well as recent amendments to the Oregon Highway Plan and Transportation Planning Rule.
- Completed the USDOT program overview report required for quadrennial federal certification review.
- Initiated negotiations with ODOT and Oregon MPOs on allocation of federal planning funds to Oregon's MPOs, based on 2010 Census.
- Completed Regional Transportation Safety Plan in July.
- Distributed more than 60,000 ¡Vámonos! maps in August and September.
- Held an Equity and Environmental Justice Scorecard workshop in July, featuring Dr. Manuel Pastor, an expert in public policy on equity matters.
- Coordinated public comment and testimony on behalf of regional partners on the Oregon Metropolitan Scenario Planning Rule, scheduled for adoption by the LCDC this fall.
- Drafted a new, scaled strategy for TSMO funding to be considered by TPAC in late fall.
- Long-term shortfall in federal planning grants will significantly impact the ability to meet federal planning mandates for the Regional Transportation Plan in 2013-14; staff is working with ODOT and the other Oregon MPOs to update the formula for federal planning grants in a manner that is more equitable for Metro and other larger MPOs. This work will continue into November.

Sustainability Center

Natural areas highlights

- Acquired 155 acres of natural areas, including a key property at Clear Creek Natural Area; bond property purchases now total 4,269 acres.
- Conducted restoration and maintenance on 20 natural areas, approximately 1,000 acres.
- Finalized drafts of the Regional Conservation Strategy, Regional Biodiversity Guide and Executive Summary for steering committee review beginning Oct 4; full release of the strategy, guide and associated data products will be linked with the Intertwine Summit scheduled for Oct 25.
- Presented a detailed inventory of all parks, trails, natural area and natural resource projects within the Southwest Corridor planning area to the project team leaders and steering committee, the first comprehensive inventory of its kind in the region for “green infrastructure” projects.
- Three significant restoration and enhancement grant-funded projects wrapped up this quarter, including the Camassia and Wilderness Park Restoration Partnership; the Friends of the Tualatin River Wildlife Refuge’s “Linking Students to their Land” program; and Reed College’s Upper Crystal Springs Enhancement Project.
- Strengthened "equity" objectives in the Nature in Neighborhoods grant program based on stakeholder input; updated application materials, review criteria and the review process. Grant pre-applications will be due in January 2013.
- Entered into Nature in Neighborhood Capital Grant agreements with five of the six projects for which the Metro Council awarded funding in June 2012.

Parks planning and development highlights

- Began conducting broad public outreach and preparing draft legislation for Council to consider referring a five year local option levy; Council will discuss resolution in November work sessions.
- Tualatin River Water Trail Access Study: Additional funds are needed for survey and conceptual planning to complete the application; submitted a budget amendment for Council consideration.
- Westside Trail Master Plan: The second round of open houses is scheduled for late October.
- Tonquin Trail: The plan has been finalized and each jurisdiction is scheduling it for adoption by their respective Councils; the Metro Council will review the plan by resolution in December.
- Intertwine regional trail signage: The final document has been distributed. The \$280K ODOT Flex Fund grant is being negotiated with jurisdictions that will use the signage in their projects.
- Smith and Bybee Natural Resources Management Plan: The land use application was submitted to the City of Portland; the City requires additional information that is due in December.
- Mt. Scott/Scouter Mountain Trail Loop: A preliminary alignment has been identified based on existing conditions and input to date.
- Blue Lake Trail (also funded by ODOT): 90% construction drawing completed. An alignment that was satisfactory to the Corps of Engineers and the Drainage District was finally identified so the project is moving forward; the project is behind schedule and will need additional local match; staff is exploring the possibility of bond fund eligibility for the project.

Resource conservation and recycling highlights

- Completed a second-year inventory and evaluation of hazardous products at Metro facilities; this work identifies priority products for replacement with less hazardous products.
- Completed a collaborative process with local governments to develop new measures and targets for the regional Recycle at Work program; conducted an outreach campaign to connect businesses with assistance for waste prevention, recycling and sustainable purchasing efforts.

- The Recycling Information Center answered 22,217 calls and the Find-A-Recycler web site received 18,220 visits.
- Issued RFP and selected contractors for garbage, composting and recycling services for ten Metro facilities and visitor venues within Portland.
- Issued RFP for green building assessments of Metro facilities for qualification for Leadership in Energy and Environmental Design (LEED) for Existing Buildings Operations and Maintenance, eco-roof feasibility, habitat and stormwater opportunities and solar feasibility; resulting in flexible services agreements will be available to Metro facility directors and operations managers to use in implementing Metro's Green Building Policy.
- Completed an analysis of Metro's current Integrated Pest Management (IPM) practices and made recommendations for program improvement.

Visitor Venues

Convention, trade and consumer shows highlights

- Major Oregon Convention Center clients were OSCON with 3600 attendees and over \$800,000 in revenue; Ecological Association of America with 4996 attendees and over \$400,000 in revenue; Intel DTTC with 2198 attendees and over \$585,000 in revenue and Tektronix Sales Univ., with 1000 attendees and \$700,000 in revenue. Travel Portland and OCC sales team confirmed four new conventions for 2014.
- President Barack Obama hosted a fundraiser at OCC on Tuesday, July 24 with 1000 attendees.
- Plaza Palooza, OCC's new concert series, ran for eight weeks in July and August on Thursday evenings in the new plaza; attendance averaged about 375 per week.
- OCC selected Green Building Services to assist in the quest for LEED-EB Gold certification; the process will begin this fall with re-certification date next summer.
- 2012 signals the beginning of the temporary decline in national conventions at OCC; the OCC sales team along with the Travel Portland team is working hard to revive those numbers;; interim short term business and non-convention programs should help generate more revenue.
- Portland Expo Center had strong event showings from repeat clients Portland Kennel Club, NW Quilts (up 15%) and Antique and Collectibles. New clients included White Bird Dance (rehearsals for Le Grand Continental), numerous Ride and Drives, Mosaic Sales and adidas photo shoot.
- Expo updated the Hall E lobby and made meeting room upgrades; the city of Portland approved Expo tower signage install, to occur in November.
- Expo's marketing plan progressed with varied advertising roll-outs for transit, Oregonian and the Portland Tribune.
- Expo's Smash and Trash cleanup of all areas resulted in \$6,000 credit for new food and beverage equipment; recycling and diversion efforts up 14.5% over Q1 last year.
- Expo's revenue from Q1 is slightly less than in the prior year, despite positive increases in West Delta Café performance. Training and process changes within the administrative team and sales in particular should result in new market expansion.

Performing arts, arts and culture highlights

- New ticketing system successfully went live on July 1; three behavior-based ticket buying campaigns are expected to result in increased ticket sales.
- PCPA celebrated its 25th anniversary with a private Founders/Donors reception; a gala concert to benefit the PCPA Foundation is in the early planning stages.
- The web and branding project moved forward; a new name for PCPA is in the works as well as new logos and a focus on venue identity.

- Summer Arts on Main Street's noontime program and Music on Main Street's free evening concert series broke attendance records.
- PCPA hosted two Summer Youth Connect groups from Grant and Reynolds high schools to raise awareness about career opportunities in a performing arts center.
- A gorgeous mural was completed on the back wall of Keller Auditorium by a PSU mural painting class; the mural was funded through PSU, a RACC grant and the PCPA Foundation.
- The City of Portland agreed to let the PCPA Foundation use its grant of \$50,000 towards broader fundraising efforts; the Foundation plans to re-assess viability of relaunching the Schnitzer/Main Street project in January.
- Long-term funding issues continue to threaten PCPA's ability to discounts rates and fees for its fiscally challenged resident companies as well as address renewal and replacement needs.

Zoo conservation and research highlights

- Received two prestigious AZA North American Conservation Awards for the Oregon Spotted Butterfly program and for the Oregon Spotted Frog Program respectively.
- Attended a Zoo Animal Welfare Symposium (by invitation only) at Detroit Zoo to help develop a framework for welfare assessment and monitoring in AZA zoos.
- Released more than 2000 Oregon Spotted Butterfly pupae and larvae and planted several thousand host and nectar plants to augment habitat.
- Released 35 Pygmy rabbits (the remainder of the captive population). Pygmy rabbits are now breeding very well at the release site with no further need for captive breeding.
- Hosted the USFWS Condor Partners Planning meeting (over 80 attendees). One of the goals of the meeting was to set priorities for the next five-year action plan for Condor reintroduction and recovery.

Zoo education highlights

- Successfully completed the Natural Science Foundation-funded Wild Minds project, a collaboration with OMSI and the New York Hall of Science focusing on animal cognition; summative evaluation work is ongoing.
- Began a rigorous evaluation of the Waste Reduction Education at Outdoor School program; results are expected summer of 2013.
- Completed transition of the Sustainability Center education team to the Oregon Zoo.
- More than 3000 students participated in the Oregon Zoo's Summer Zoo Camp programming, bringing in over \$825,000 in revenue; more than 200 Zoo Campers visited Metro parks as part of their camp experience and more than 1500 received waste reduction education.
- More than 4,000 people participated in summer programs at Oxbow Regional Park, Smith & Bybee Wetlands, and Graham Oaks Nature Park; more than 300 youth participated in the Urban Nature Overnight program.

Zoo Infrastructure Bond (A Better Zoo Program) highlights

- The new zoo Conditional Use Master Plan application was submitted on Aug. 14 with additional information to be submitted in early October; projected timeline for the hearing is approximately end of November; engagement with neighborhood associations, Portland Parks and Recreation and Washington Park Alliance regarding parking lot management strategies yielded a revised draft Good Neighbor Agreement under neighborhood association consideration; completed phase II Washington Park South Entry Visioning study with neighborhood association support.

- Metro, Portland Parks, Children’s Museum and World Forestry Center submitted a separate conditional use application for use of the West Lot; hearing was held Sept. 26 with the Hearings Officer approving conditional use on Oct. 30; staff is trying to reach agreement on ODOT’s recommendation that applicant install permanent electronic signage on Highway 26.
- Completed Penguin Life Support System Upgrade Project substantially behind schedule and under budget; modifications to the HVAC system and roof replacement were funded and completed by zoo facilities; staff is preparing to move penguins back into the exhibit once filtration system operations have completed final check-out.
- Refining plans for a Remote Elephant Center included re-evaluating the Roslyn Lake site against established criteria; the site remains promising with significant work remaining prior to seeking feasibility approval from the Metro Council; staff must identify a sustainable source of operating funds.
- Design for Elephant Habitat and Related Infrastructure project is nearly complete; the project’s first bid package for Wildlife Live, perimeter road and train site work is due from sub-contractors on Oct. 18; the second package for elephant habitat and building is scheduled to bid in January of 2013; overall project remains on schedule and budget.
- A design development package for the new Condor Habitat is due mid October, along with a cost estimate; once approved, design will proceed to construction documents; groundbreaking is targeted for January 2013; the project remains on schedule and budget.
- Completed campus interpretive master plan and made progress on elephant and condor habitats interpretive concepts, as well as a new campus-wide wayfinding and trip planning approach.
- The Public Art Advisory Committee recommended an even distribution of percent-for-art allocations across the campus’ bond-funded projects as well as through the duration of the program
- Following discussions with the Oregon Zoo Bond Advisory Group and the Oregon Zoo Bond Citizens’ Oversight Committee, staff decided to treat the premium funds as program contingency and to continue executing the Bond Implementation Plan as adopted by Metro Council; the program will present a recommendation to the Metro Council about premium fund disposition and seek formal direction via resolution.
- Solicited opinions through the online Opt In panel regarding visitor expectations and preferences for the zoo’s interpretive experience and a base of understanding of intended key interpretive messages; 4,293 panel members participated in the survey with their input slated to inform interpretive design and content decisions.

Zoo visitor experience highlights

- Year to date attendance compared to forecast was down 5 percent and revenue to budget was down 6 percent; staff has held guest service expenses in check and is closely monitoring net revenues and adjusting activities; new catering management, ZooLights planning and the hope of a healthy baby elephant are all opportunities to deliver stronger results in the second quarter.
- Began the new Sunset at the Zoo events with a festival atmosphere; attendance averaged 2,355 people per night; expanded offerings are anticipated in the future.
- Guest Services expects to improve catering results with the hire of a new catering manager and executive chef.

Metro Management Report in Detail

1st Quarter FY 2012-13

1.1 | Solid Waste Compliance and Cleanup

The primary purpose of the Solid Waste Compliance and Cleanup program is to minimize and mitigate impacts to the public and the environment from solid waste within the Metro region. To achieve this goal, the program ensures that solid waste facilities meet regulatory, operational, environmental and financial assurance standards. The program cleans up, monitors and investigates illegal disposal sites and prosecutes persons illegally disposing waste. The program also monitors and enforces compliance with Metro Code, administrative procedures, performance standards, Metro-granted authorizations (solid waste licenses and franchises) and flow control instruments (non-system licenses and designated facility agreements).

Program highlights

- Program is on track with facility inspections, enforcement actions, regulatory authorizations and private facilities complying with Enhanced Dry Waste Recovery Program (EDWRP).
- Finalized an agency-wide policy for posting notice, cleaning up and managing personal property at illegal camps on Metro property. Metro implemented the new procedure through cleanups of four illegal camps at two locations: on Aug. 30 and Sept. 4, Metro crews cleaned up an illegal camp at the Killingsworth Fast Disposal site in north Portland – a closed landfill managed by Metro but owned by the city of Portland; and on Sept. 20 and 26, Metro crews cleaned up two illegal camps in Forest Grove next to Gales Creek near the B Street Trail. Metro's RID Patrol is now developing training for all Metro land and property staff to assist in dealing with illegal dumping and camps.



- Investigated several tire dumps in north Portland. The suspect in this case refused to cooperate in the investigation and was cited and fined \$742. The citation was appealed but subsequently upheld by Metro's contract Hearings Officer.



Concluded facility authorizations

- Greenway Recycling (Portland): On Aug. 13, Metro renewed a solid waste license to continue operating as a material recovery facility and processing site for roofing debris and wood waste. Metro's license included conditions to specifically minimize offsite dust, assure load checking and prevent sorting waste outside a building, as well as enhanced penalties to assure better compliance with these provisions.
- Landscape Products and Supply (Hillsboro): On July 27, Metro issued a renewed yard debris reload license to the company with additional conditions to minimize dust, odor and vehicle track out during wet months.
- Recology Foster Road Recovery Facility (Portland): On Oct. 1, Metro issued an amended license to reload residential yard debris mixed with food waste for delivery to an authorized compost facility. Metro included special conditions intended to minimize odor and other off-site impacts in the Lents neighborhood.
- Recology Suttle Road Recovery Facility (Portland): In August, Recology completed construction of its dry waste material recovery and yard debris/wood waste reload facility. Pending Council approval of a non-system license application on Oct. 11, the facility is expected to begin accepting, consolidating and reloading residential yard debris mixed with food waste for delivery to Recology's compost facility in Aumsville.
- KB Recycling (Clackamas): On Sept. 21, KB was issued a renewed solid waste license to continue to operate as a material recovery facility.
- Pride Disposal (Sherwood). Pride requested and was granted a 3,500 ton increase to its 70,000 ton franchise transfer station tonnage cap for 2012 on July 5. Beginning in 2013, staff intends to undertake a more extensive process for evaluating such requests to assure that there is a clear public benefit and increased tonnage is meeting unmet demand.

Facility authorizations under review

- North River Landscape Supplies (Hillsboro): North River has applied for a new yard debris reload license from Metro. A public notice was issued on Sept. 27 and public comments will be accepted until Oct. 19.
- Grimm's Fuel Compost Facility (Tualatin): Grimm's has been operating a yard debris compost and landscape retail yard for several years and is seeking to renew its license for another five years. A public notice was issued on Sept. 27 and comments will be accepted until Oct. 19.
- Pacific Region Compost (Benton County): Allied Waste requested designated facility status for this operation in near Corvallis. PRC is reviewing a draft agreement. No comments have been received from the facility. The Council will have opportunity to consider whether to list the facility in the Metro Code in the future once the agreement is ready to move forward.

- Rivergate Calbag (Portland). Rivergate, a metal and auto recycler in north Portland, had an approval from DEQ and Metro to use its shredder residue as an alternative landfill cover. In July, Rivergate Calbag received refunds of \$45,000 for materials used at the Finley Buttes Landfill and nearly \$13,000 at Wasco County Landfill.
- Metro Council will consider the following 14 non-system licenses:
 - Oct. 11 – Two NSLs for food waste delivery to authorized compost operations and two NSLs for delivery of waste to the Covanta waste-to-energy facility in Marion County.
 - Nov. 15 – Five NSLs for delivery of waste to various disposal sites not owned by Waste Management (WM). Metro allocates up to 10 percent of the putrescible waste stream to landfills that are not owned by WM, Metro’s disposal contract operator. The remaining 90 percent of waste goes to WM landfills.
 - Nov. 29 – Five NSLs for delivery of waste to the Riverbend Landfill. There are questions about the future capacity of the landfill and whether it can expand its capacity in a timely way. In addition, the landfill expansion has been a matter of controversy in Yamhill County.
- Metro Council will begin to discuss updating the Metro Code to modernize community enhancement fees at its Oct. 9 work session. Key questions of legal authority, purpose of fees, types of facilities, amount to be collected, and how best to distribute and oversee fees will be discussed. A process will be initiated to develop a Code proposal for Council consideration next year.

2.2 | Parks and Natural Areas Management

The purpose of Parks and Natural Areas Management is to provide efficient and cost effective management of Blue Lake Regional Park, Oxbow Regional Park, Chinook Landing Marine Park, M. James Gleason Memorial Boat Ramp, Sauvie Island Boat Ramp, Howell Territorial Park, Mason Hill Park, Smith and Bybee Wetlands Natural Area, Mt. Talbert Nature Park, Cooper Mountain Nature Park, Graham Oaks Nature Park, Glendoveer Golf Course, 14 Pioneer cemeteries, and a variety of single family homes. This program strives to provide safe, accessible, attractive and well-maintained parks and wildlife areas for the citizens of the region.

Program highlights

Cemetery operations

- Cemetery staff has continued implementing the Cemetery Business and Operations Plan with the new fee structure as of Nov. 1, 2011. First quarter revenues for grave sales and services are 25 percent lower than previous fiscal year; the decrease may reflect an industry-wide drop in grave sales with cremation rates rising nationally. According to the Cremation Association of North America, “U.S. cremations have been increasing with an average growth of 1.65 percent a year for the past five years. When broken down regionally, the numbers range from a low of 23 percent in the East South Central U.S. to 61 percent in the Pacific region.”
- The pioneer cemetery program was recognized by the Oregonian with an August editorial titled “Metro succeeds in turning around its pioneer cemeteries.”
- New cemetery soil management protocols are in place and in August 2012 Metro and its soil management protocols were positively featured in the International Cemetery Crematory and Funeral Association’s national trade magazine.
- Cemetery staff has been working with a cemetery specific landscape architect to install a cremation garden at Lone Fir Cemetery with a variety of choices to “test” the market regarding customer preferences for cremation and remembrance products. The cremation area is slated to be open for sale in March 2013.

- Metro Council voted to approve the formation of a Cemetery Advisory Committee, which first met on Sept. 19 with site visits to most of the 14 cemeteries. The committee will review the 2011 cemetery business and operations plan and meet again in December 2012.
- Hired Archaeological Investigations Northwest to assist in writing an Inadvertent Discovery Plan for the Cultural Heritage Garden and Memorial construction project. This plan will be used should human remains or funerary objects be discovered during construction of the garden memorial (Block 14). This plan is the last piece needed to complete a Memorandum of Agreement with the State Historic Preservation Office for the Lone Fir master plan.
- Staff is working with the Lone Fir Cemetery Foundation and a development consultant to assist the foundation in forming its board and infrastructure, and will conduct early fundraising efforts for the Heritage Garden and Memorial at Lone Fir Cemetery.
- Staff has been working to procure and install cemetery specific records management software and to create a communications framework to better message to the community and increase sales and outreach tools.

Park Operations

- Blue Lake Park received 230,081 visitors for the first quarter compared to 223,578 for the same period last year. The Chinook Boat Ramp saw the most significant increase in visitors with 93,834 patrons in the first quarter- a more than 14 percent increase from the same period last year. Oxbow Park saw a slight downturn in visitors from 105,674 to 102,672, however camping use remained very strong in the newly reconfigured campground area with nearly 3,000 camping nights in the park. Tremendous weather during the last quarter was a big reason for the visitor increase (boat ramps are especially prone to downturns in visits when weather is poor.)
- Staff started to plan for potential future improvements at Oxbow Park to replace the amenities lost from winter erosion damage in early 2012. The information was used to submit a grant application to the State of Oregon for a County Opportunity Grant, which, if successful, would help fund the replacement amenities lost from erosion.
- Bids were received for the \$1.3M Gleason Boat Ramp Phase 4 construction project. The project is funded with Metro renovation and replacement dollars and over \$800,000 in State and Federal grant monies and will renovate and enhance parking lot circulation, add single car parking, a restroom and stormwater retention.
- An agreement between Metro and the State of Oregon for online camping reservations at Oxbow Park was finalized. With the agreement now in place, Oxbow Park will convert to online reservations starting Jan. 1, 2013. Staff surveyed users this summer at Oxbow Park and found strong support for online reservations.
- Blue Lake's Disc Golf Course was completed with help from volunteers from Stumptown Golf Club and Next Adventure. Volunteers helped construct tee pads, install site amenities, and prepare for the opening. A ribbon cutting ceremony led by Councilor Shirley Craddick was held on Aug. 15. There has been a tremendous amount of play at the course and users are thrilled with the outcome of the project; the park has seen an immediate increase in season pass sales and an additional 20 cars per day on the weekdays and 60 cars on the weekends. This translates to an estimated additional \$4,000 in revenue per month at Blue Lake since opening.
- Multiple renovation and replacement projects were completed including roof replacements, signage upgrades, and improvements at various park sites.
- The former "Vancouver Yacht Club" was removed from the dock at the Gleason Boat Ramp and demolished. This 65'x65' structure created unacceptable drag on the facility pilings, impeded recreational boater safety, served as an unattractive nuisance, and placed Metro in violation of the terms of the state and federal grants used to build the facility. Fred Devine Diving and Salvage successfully completed the work in mid-August. Staff has submitted a reimbursement request to the

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State of Oregon Marine Board for a majority of the cost of the project. Metro is receiving reimbursement for \$54,375 of the \$85,000 project cost through the Marine Board's Derelict Vessel Fund.

- A tremendous amount of work has been completed on the Glendoveer operating contract process. An operator RFP was released in July and a citizen panel scored proposals in an initial review process, helping move four firms forward to a final interview step before selection. CourseCo was the successful proposer and should be under contract very soon, with an official assumption of operations on Jan. 1, 2013. At the same time negotiations are nearly complete with the Ringside restaurant to put a new lease agreement in place that would help them stay at the site into the future.

Program Issues

- Upon the closure or settlement of the Oregon Mortuary and Cemetery Board (OMCB) investigation, Metro will work on a plan to manage the soil mounds at NE 223rd in Fairview.

Items for leadership attention

- Support for Glendoveer operator contract.

2.3 | Solid Waste Operations

The primary purpose of the Solid Waste Operations program is to provide comprehensive solid and hazardous waste disposal services to commercial haulers and the public. This program also includes operation, maintenance and monitoring of environmental improvements at two closed landfills in the region.

Program highlights

Facility and Asset Management

- The “Metro Central – Organics Transfer Improvements” project is underway. The contractor, CR Woods Trucking and Excavation, is relocating a push wall and filling in the former top-loading truck sump. This project will significantly increase the amount of working floor space in the organics bay.
- Specification development for the Metro South Transfer Station Bays 1 & 2 Ventilation replacement project has begun.
- Metro South Household Hazardous Waste facility canopy extension project design is complete and the package is out for bid.

Solid Waste Operations

- Eleven months into the City of Portland’s residential organics program, approximately 79,000 tons of yard debris and food scraps have been received between Metro South and Metro Central transfer stations.
- Cascadia Consulting Group has been contracted to perform a characterization study of residential and commercial organics received at both Metro transfer stations. This study will help determine the nature and extent of the contaminants so that steps can be taken to improve the quality of this material.
- The Solid Waste Roadmap project for assessing the adequacy of services for Metro South has received four proposals to conduct the study. The timeline for project completion is 18 to 24 months, with the goal of developing feasible options to address the needs identified a thorough needs assessment process.
- GLEAN, a project that gives artists access to Metro Central to recover materials from the dry waste stream to create works of art that draw attention to the issue of wasted resources, hosted an opening exhibition at Disjecta Contemporary Art Center on Sept. 14. Works from this year’s five

participating artists were on display and viewed by hundreds of people the first night. GLEAN is a collaboration between Metro, Recology Oregon Recovery and Cracked Pots.

Landfill Stewardship

- DEQ accepted Metro's Feasibility Study Work Plan for the St. Johns Remedial Investigation / Feasibility Study (FS) - in August. The FS that is now underway is an evaluation of feasible options for addressing ecological risks posed by certain contaminants in Columbia Slough sediments adjacent to the landfill site. The final FS report will serve as the primary basis for a DEQ decision on environmental remediation that may be required at the landfill.
- Landfill staff has begun the planning necessary to implement the Smith-Bybee Comprehensive Natural Resource Plan (CNRP) that was submitted to the City of Portland for approval last summer. The CNRP is a 10-year land use master plan for the Smith-Bybee Wetlands Natural Area, including St. Johns Landfill. This plan identifies future uses of the site for habitat and outdoor recreational activities. Landfill site operations and future projects are fully integrated into the plan. This planning is in cooperation with the Sustainability team at Metro.

Hazardous Waste Operations

- Metro and Miller Paint signed a five year extension of our MetroPaint distributorship agreement. Metro Paint sales exceeded \$1 million during a 12-month period for the first time in July 2012. Total paint sales for the 12 months ending in July were \$1,036,431. Paint processed by the MetroPaint crew for the month of August was an all-time record with a whopping 31,818 gallons during the month.

3.1 | Land Use Planning

The Land Use Planning section provides leadership in advancing and implementing the regional vision, the 2040 Growth Concept and local plans. Our work leads to tangible changes to the built and natural environment through the creation of conditions that stimulate desired development, through partnerships with citizens and businesses, stakeholder groups, local governments and other agencies.

Program highlights

- Initiated the next cycle of Community Planning and Development Grant awards by receiving direction from Council in work session and preparing for stakeholder engagement necessary to revise the criteria for awards in new urban areas and urban reserves.
- Supported 2040 implementation and promoted consistency between local and regional plans by:
 - Reviewing local land use actions for consistency with Metro policies, including efforts to bring cities into compliance with Title 13, Nature in Neighborhoods and Title 4, Industrial and Employment Areas.
 - Participating in technical committees for development of new plans and policies.
 - Monitored progress on nine existing community development and planning grants (funded by the Construction Excise Tax) that support local implementation efforts and initiated efforts to negotiate IGAs for the remaining awarded grants, after the resolution of the lawsuit that was preventing some jurisdictions from moving forward.
 - Supporting development and implementation of concept plans for new urban areas
 - Administering Metro code regarding UGB amendments
- Finalized the distribution of population and employment forecasts to the region's cities and counties, in accordance with Oregon law; this distribution helps Metro and local communities coordinate and update their land use and transportation plans. Metro Council is scheduled to adopt the distribution by resolution on Thursday, Nov. 29.
- Provided planning support for major agency initiatives including extensive involvement in:

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- SW Corridor planning, including initiation of an economic development element that will focus on investments for job creation
- East Metro Connections Plan
- Climate Smart Communities work
- Community Investment Initiative
- Regional Economic Development, including the Metropolitan Export Initiative
- Continued collaborative efforts to support regional desired outcomes for livable, prosperous and equitable communities:
 - Worked with counties and the Coalition for a Livable Future to produce regional opportunity maps that will help to assess equity in a variety of planning efforts
 - Completed Phase II of the collaborative effort with the Port, Business Oregon and others to assess barriers to development of large industrial sites and presented the results and recommendations to stakeholders.
- Managed consultant contracts for three projects intended to promote site development readiness: Regional brownfields scoping, parcelization assessments and application of eco-efficient tools in industrial areas and prepared for release and presentations to Metro Council, MTAC, MPAC and other stakeholders to reach agreement on next steps.
- Supported Council growth management decision and state review of this decision and the urban and rural reserves decision
- Convened regional stakeholders at MPAC and MTAC throughout the year on various topics, including tours of downtowns and mainstreets in the region.

Items for leadership attention

- Council engagement in and support for major departmental projects including strategies to address site readiness, corridors and climate smart communities and for the awards of the next cycle of Community Planning and Development grants.

3.2 | Project Development

The Project Development division includes the Corridor Planning Group and the Development Center. This division focuses on efficient and strategic integration of efforts focused on improving transportation and transit with opportunities to create and leverage community development and private investment in communities regionwide.

Program highlights

- Southwest Corridor team worked with the project partners to develop a wide range of potential transit, roadway, active transportation, parks and natural resource projects that could be incorporated into a range of investment strategies for the corridor. Input from an online open house was incorporated into the range of projects. The steering committee adopted a Transportation Plan Problem Statement and a Transit Alternative Purpose and Need Statement.
- Next Corridor project development continued on Powell/Division Corridor in conjunction with TriMet, ODOT, Portland, Gresham, and Multnomah County. We are still waiting to hear the result of the FTA Alternatives Analysis 5339 grant application we submitted.
- A grant was submitted to the Transportation Research Board that could help implement two of the key projects identified in the East Metro Connection Plan--widening the 238th/242nd connection to I-84, and safety improvements in the Powell, Hogan/Burnside southern gateway area.
- The Development Center continued the Get Street Smart series presentations in Hillsboro, Gresham, Lake Oswego and Oregon City, and awarded a storefront improvement grant in Hillsboro for painting

the historic Shute Building at 276 E. Main. Council President Hughes spoke at the grand opening event for the Ecological Learning Plaza at Portland State University on July 10.

- Construction was completed on three TOD projects: Central Eastside Lofts (formerly Couch Apartments), market rate mixed-used housing and retail at NE 6th & Couch; OCOM, mixed-use adaptive reuse and expansion for the Oregon College of Oriental Medicine; and University Pointe (formerly College Station), a mixed-use student housing development in the heart of the PSU campus.
- Construction is underway on four TOD projects: 4th Main, a mixed use workforce apartment and retail development in downtown Hillsboro; the Hollywood Apartments, a mixed-use workforce and affordable housing development adjacent to the Hollywood Theater; the Milano, a bike-oriented workforce housing development near the Rose Garden MAX station at NE 1st and Multnomah; and the Prescott, a mixed-use workforce and affordable housing development located adjacent to the Prescott MAX station on N. Interstate. President Hughes and Councilor Harrington spoke at the groundbreaking event for 4th Main on July 9.

3.3 | Transportation System Planning

The Transportation System Planning program provides a broad scope of transportation planning services that assure Metro's compliance with state and federal regulations and support other planning efforts in Planning and Development. The program has the following operational areas: the Regional Transportation Plan (RTP), the Metropolitan Transportation Improvement Program (MTIP), Metro's designation by the federal government as a Metropolitan Planning Organization (MPO), the Regional Travel Options (RTO) program, and the Transportation System Management and Operations (TSMO) program.

In 2010-2012 the program is responsible for the greenhouse gas scenarios project, as mandated in Oregon HB 2001, and under the Climate Smart Communities umbrella at Metro.

Program highlights

- Convened a transportation system plan implementation workshop for more than 80 local agency staff and consultants to provide further guidance and clarifications to respond to questions emerging during local TSP updates as well as recent amendments to the Oregon Highway Plan and Transportation Planning Rule. Workshop materials were posted on the Metro's website at www.oregonmetro.gov/tsp.
- Completed the USDOT program overview report required for the quadrennial federal certification review.
- Initiated annual recruitment for TPAC citizen members, with three new appointments expected by December.
- Initiated negotiations with ODOT and Oregon MPOs on allocation of federal planning funds to Oregon's MPOs, based on 2010 Census.
- Completed Regional Transportation Safety Plan in July.
- Convened Federal Highway Administration-sponsored Operations Capability Workshop in September.
- Distributed more than 60,000 ¡Vámonos! maps in August and September.
- Held an Equity and Environmental Justice Scorecard workshop in July, featuring Dr. Manuel Pastor, an expert in public policy on equity matters.
- Began participation in Oregon Freight Capacity ("Hole in the Air") rulemaking advisory group, with scheduled completion in early 2013.

- Coordinated public comment and testimony on behalf of regional partners on the Oregon Metropolitan Scenario Planning Rule, scheduled for adoption by the LCDC this fall.
- Participated in Oregon MPO Consortium (OMPOC) activities, including a quarterly board meeting in Bend.

Program Issues

- Program administration funding proposal for the TSMO program was withdrawn from JPACT consideration due to lack of support from ODOT and key local partners. Metro has drafted a new, scaled strategy that is scheduled for consideration by TPAC in late Fall. Metro has also scaled back staffing for the program, due to lack of operational funds.
- Discussion continues at TPAC and JPACT on potential funding for a Regional Safety Program.

Items for leadership attention

- Long-term shortfall in federal planning grants will significantly impact the ability to meet federal planning mandates for the Regional Transportation Plan in 2013-14, when one-time Climate Smart Communities and Active Transportation grants run out. Staff is working with ODOT and the other Oregon MPOs to update the formula for federal planning grants in a manner that is more equitable for Metro and other larger MPOs. This work will continue into November.

4.1 | Natural Areas

This program includes the acquisition, restoration and management of regionally significant natural areas for the protection of riparian and upland habitat and water quality, as well as local share projects and Nature in Neighborhoods initiatives.

Program highlights

- A detailed inventory of all parks, trails, natural area and natural resource projects within the Southwest Corridor planning area was presented to the Project Team Leaders (staff) and Steering Committee (elected officials) by the Nature in Neighborhoods team in September. This is the first comprehensive inventory of its kind in the region for “green infrastructure” projects. The team worked with six cities, special districts, state and federal agencies and non-profit organizations to create the inventory and map nearly 300 projects in the planning area. From planning managers to mayors, stakeholders are viewing this addition to the planning effort as positive. The next step is to continue to seek ways to integrate these community needs into the proposed transit alternatives as the project moves forward in the narrowing process.

Natural Areas Science and Land Management

- Twenty natural areas within 12 target areas had restoration or maintenance activities on approximately 1,000 acres. Stabilization of new acquisitions involved 25 properties.
- Native Plant Center: 20 trained seed-scouting volunteers and staff scouted and collected phenology data at 12 sites, with seed collection completed at multiple sites.
- Various student and community groups participated in seed collecting, invasive plant species removal, and varied restoration tasks.
- Final drafts of the Regional Conservation Strategy, Regional Biodiversity Guide and Executive Summary were prepared for the steering committee to review beginning Oct 4. Full release of the strategy, guide and associated data products will be linked with the Intertwine Summit scheduled for Oct 25.

Nature in Neighborhoods

- Approximately 17 restoration and enhancement grant-funded projects remain active. Three significant projects wrapped up this quarter, including the Camassia and Wilderness Park Restoration Partnership (Nature Conservancy, West Linn School District and City of West Linn); the Friends of the Tualatin River Wildlife Refuge's successful project engaging seven schools from three school districts involved in their "Linking Students to their Land" program; and Reed College's Upper Crystal Springs Enhancement Project which restored an additional stream section, replaced a culvert that blocked fish passage and created a bioswale to treat road runoff into Crystal Springs.
- Staff worked this summer to strengthen "equity" objectives in the Nature in Neighborhoods grant program. Stakeholder input about potential changes to the program was sought and collected via email, one-on-one meetings, small discussion groups and an online survey. More than 150 people responded and participated in the feedback opportunities. Input was incorporated in updating application materials, review criteria and the review process. Grant pre-applications will be due in mid-January 2013 with an announcement about available funding October 1.
- Entered into Nature in Neighborhood Capital Grant agreements with five of the six projects for which the Metro Council awarded funding in June 2012.
- The City of Portland acquired three parcels totaling 1.47 acres in North Portland with a Nature in Neighborhood Capital Grant.
- Metro began accepting nomination/interest forms in order to fill two vacant spots on the Grant Review Committee for a community representative.

Natural Areas bond program

- Metro acquired 155 acres of natural areas during Q1, including acquisition of a key property at Clear Creek Natural Area. With the most recent acquisitions, the bond property purchases now total 4,269 acres.
- Through the local share program, the City of Portland acquired a .58 acre parcel within the Deardorff Creek Natural Area and a 1.07 acre site in Southwest Portland adjacent to George Himes Park that will serve the future Red Electric Trail. The city also partnered with Metro to acquire the 24.4 acre Columbia Edgewater site to enhance habitat and linkages along the Columbia Slough.

4.2 | Parks Planning and Development

This program plans and builds a regional system of parks, natural areas and trails. This work encompasses everything from the high-level analysis of branding and funding to site-specific design and construction of new nature parks that promote appropriate public access to part of the almost 11,000 acres purchased under the Natural Areas and Open Spaces bond programs.

The team of landscape architects and project managers in this program provides technical assistance, best practices and coordination among local park providers. They also provide technical expertise to other Metro efforts, such as corridor planning and Making the Greatest Place.

Program highlights

- Per Council directive, staff is conducting broad public outreach and preparing draft legislation for Council to consider referring a five year local option levy. The resolution will be discussed at Council work sessions in November.
- Pier Park to Chimney Park bike/pedestrian bridge: Because of negotiations with Union Pacific Railroad, bidding was postponed to January 2013.
- Tualatin River Water Trail Access Study: The land use process is continuing but completing the application will take additional funds for necessary survey and conceptual planning. A budget amendment was prepared and submitted for Council consideration. A grant application for construction, due in April 2013, will benefit if land use approval is secured by then.

- Westside Trail Master Plan: The second round of open houses is scheduled for late October.
- Tonquin Trail: The plan has been finalized and each jurisdiction is scheduling it for adoption by their respective Councils. Metro Council will review the plan by resolution in December.
- Intertwine regional trail signage: The final document has been distributed. The \$280K ODOT Flex Fund grant is being negotiated with the affected jurisdictions that will incorporate the signage into their projects.
- Smith and Bybee Natural Resources Management Plan: The land use application was submitted to the City of Portland and the City has given a long list of required additional information that is due in December.
- Mt. Scott/Scouter Mountain Trail Loop: A preliminary alignment has been identified based on existing conditions and input to date. Natural resource challenges and opportunities are being incorporated into the plan.
- Blue Lake Trail (also funded by ODOT): 90% construction drawing completed. An alignment that was satisfactory to the Corps of Engineers and the Drainage District was finally identified so the project is moving forward. Because of the repeated submittals, the project is behind schedule and will need additional local match.

Caution - Items for Management Attention

- The Blue Lake Trail project has finally addressed the complex permitting issues but an additional \$82,000 to \$220,000 for local match may be necessary, depending on the bidding climate. Staff is exploring the possibility of bond fund eligibility for the project.

Items for Senior Leadership Team action

- Continued progress on the local option levy will continue to require ongoing collaboration between departments.

4.3 | Resource Conservation and Recycling

This program advances the region’s efforts to reduce the environmental and human health impacts associated with the production, consumption and end-of-life management of goods used by the region’s residents and businesses, and improve the sustainability of Metro’s own operations. Resource Conservation and Recycling (RCR) includes three primary interrelated sub-programs: Waste Reduction, Internal Sustainability and the Climate Change Initiative.

Each program deals with a number of complex issues and an extensive array of stakeholders. In FY 2010-11 Waste Reduction and Internal Sustainability began to implement new strategic action plans, which enable better prioritization of resources, clearer identification of roles relative to those of partners and a clearer focus on key strategies and actions.

Program highlights

Waste Reduction

- A project team from Resource Conservation & Recycling, Risk Management and Internal Sustainability completed a second-year inventory and evaluation of hazardous products used and stored at Metro facilities (MRC, OCC, Expo, PCPA, Zoo, Transfer Stations). This work identifies priority products for replacement with less hazardous alternatives and helps ensure OSHA Hazard Communication Standard compliance. The hazards evaluation system, which was designed by OHSU and Metro, scores products by hazard level in three categories (health, environment, physical).
- Carl Grimm had a number of media engagements directed at advancing the work of Metro’s natural gardening program: KATU’s AM Northwest television show in July, August and September, discussing composting and non-toxic approaches to managing plant diseases and bees and wasps; KXL radio in

July discussing non-toxic gardening, composting and water conservation; and an interview by The Oregonian garden writer Kym Pokorny for a “Homes and Gardens of the Northwest” feature article on Carl’s home garden and its sustainability practices, to be published October 6.

- Completed a six-month collaborative process with local governments to develop new program measures and targets for the regional Recycle at Work (RAW) program. In addition, RAW conducted an outreach campaign that focused on connecting businesses with assistance for their waste prevention, recycling and sustainable purchasing efforts.
- In the first quarter of FY11-12, the Recycling Information Center answered 22,217 calls and the Find-A-Recycler web site received 18,220 visits.
- An EnviroMedia/DHM survey to gauge awareness of Metro sustainable living programs, cemeteries and MetroPaint found, among other results, that 22% of respondents would turn to Metro first for information about recycling, natural gardening and other aspects of sustainable living (next highest = internet at 11%); and when asked to identify what Metro does, 42% said recycling (next highest = regional planning at 12%).
- Consultants completed all deliverables from a comprehensive assessment of the best roles Metro could play in fostering broader adoption of sustainable building and landscaping practices within the boundaries of the Resource Conservation & Recycling and Nature in Neighborhoods program missions. Management will prioritize the options resulting from the assessment and integrate some of them into existing work plans, as well as in budget proposals for upcoming years.

Internal Sustainability

- Issued RFP and selected contractors for garbage, composting and recycling services for ten Metro facilities and visitor venues within Portland. The RFP was structured to help achieve economies of scale, standardization of recycling services and consistent data reporting. The RFP resulted in three contracts for services at Metro facilities: Recology Portland, Inc. will service OCC, Expo, MetroPaint and St. Johns Landfill. Allied Waste Services will service the Metro Regional Center, all three PCPA locations and the Oregon Zoo. Trashco will service the Glendoveer Golf Course.
- Issued RFP for green building assessments of Metro facilities for qualification for Leadership in Energy and Environmental Design (LEED) for Existing Buildings Operations and Maintenance, eco-roof feasibility, habitat and stormwater opportunities and solar feasibility. The resulting flexible services agreements will be available to Metro facility directors and operations managers to use for assessments that will assist them in implementing the Green Building Policy adopted by Council.
- Developed recommendations for updates to Metro’s capital asset management policies to more adequately address financing mechanisms for sustainability-related facilities projects. Recommendations were delivered to Finance & Regulatory Services for inclusion with scheduled updates to the policies later this fiscal year.
- Completed an analysis of Metro’s current Integrated Pest Management (IPM) practices and made recommendations for program improvement. Recommendations will be addressed in an update of the IPM policy to be completed later this fiscal year.

5.1 | Conventions, Trade and Consumer Shows

The Oregon Convention Center (OCC) and the Portland Expo Center (Expo) attract international, national, and regional visitors to diverse events that contribute to the livability of this region by inducing direct and indirect spending in local businesses and attractions, creating and supporting living wage jobs and generating tax revenues for state and local governments.

Program highlights

OCC

- Major groups this quarter were OSCON with 3600 attendees and over \$800,000 in revenue; Ecological Association of America with 4996 attendees (a record for this group) and over \$400,000 in revenue; Intel DTTC with 2198 attendees and over \$585,000 in revenue and Tektronix Sales Univ., with 1000 attendees and \$700,000 in revenue. Travel Portland and OCC sales team confirmed four new conventions for 2014.
- Plaza Palooza, OCC's new concert series, ran for eight weeks in July and August on Thursday evenings in the new Plaza. Attendance averaged about 375 per week. All in all, it was considered a successful undertaking.
- President Barack Obama hosted a fundraiser at OCC on Tuesday, July 24 with 1000 attendees at 3 different events. All went well.
- Scott Cruickshank participated in a two day session with Travel Portland's Client Advisory Board July 25 & 26. A key outcome was that the number one deterrent for Portland tourism is lack of a hotel adjacent to OCC.
- OCC selected Green Building Services to assist us in our quest for LEED-EB Gold certification. We will begin this process this fall with re-certification date next summer.
- Chef Allan Wambaa, E.D. Scott Cruickshank, MERC GM Teri Dresler, and commissioner Ray Leary traveled to DC to the Congressional Black Caucus on a sales mission hosting 300 attendees to a "Supreme Evening" with Mary Wilson.

Expo Center

- Had strong event showings from repeat clients Portland Kennel Club, NW Quilts (up 15%) and Antique and Collectibles. New clients included White Bird Dance (rehearsals for Le Grand Continental), numerous Ride and Drives, Mosaic Sales and adidas photo shoot.
- Updated Hall E lobby with new carpet squares and marmoleum feature, addition of Expo logo graphic and use of Metro Paint to match brand identity. Meeting rooms were also upgraded and food presence was expanded with an added coffee cart. Improvements were very well received by clients, public. The city of Portland approved Expo tower signage install, to occur in November.
- Completion of Halls D, C and A partial roof repairs, also asphalt repairs to Upper Parking Lots, Expo Road and Halls A/B for floor repair.
- Wi-Fi - In-house recommendation for use of Cisco hardware and install for Phase one deployment in Hall D.
- Hall E tilt-panel project completed - Added micro-piles to South wall of Hall E, supported floor, removed fixed plate attachments, installed variable plates. Survey follow-up to take place by engineering team.
- Marketing Plan progress continues on varied advertising roll-outs for transit, Oregonian and the Portland Tribune. On-site signage and grounds improvements continue. Clients greatly appreciate the efforts to increase attendance and awareness.
- Portland City Council agreed to a four-year phased approach for storm water rate. Based upon impervious surfaces, this represents a significant increase resulting in upwards of \$150,000 in fees; even with the delay in the rate increases this new fee will be substantial.

- Smash and Trash / cleanup of all areas results in \$6,000 credit for new food and beverage equipment (grab-and-go cooler) to complement coffee cart. Expo Operations recycling and diversion efforts up 14.5% over Q1 last year.

Program Issues

- OCC - Calendar year 2012 signals the beginning of the temporary decline in national conventions at OCC. Because conventions are booked several years in advance the conventions that should have booked back in 2008 at the time the recession hit did not materialize. OCC averages 40 conventions a year but in 2012/2013 there are now 35 and in 2013/2014 there are 30. The OCC sales team along with the Travel Portland team are working hard to get those numbers back up. In the interim the sales team will be filling in with short term business where possible and taking on more non-convention type programs to help generate more revenue.

Expo - Q1 comparison from the year prior is slightly less than prior year comparison, with positive increases in the performance of West Delta Restaurant. This quarter normally features some traditional routing concerts that did not materialize. Training and process changes within the administrative team and sales in particular will result in new market expansion that is already being realized. Marketing and rebranding efforts are being recognized by clients and attendees. A lot of successful effort was placed on capital projects this quarter with a focus on enhanced customer experience.

**MERC Visitor Venues
Events-Performances-Attendance
First Quarter September 2012**

	First Quarter FY 2012		First Quarter FY 2013		Net Change from Prior Year	
	Events	Attendance	Events	Attendance	Events	Attendance
OCC						
Tradeshows/Conventions	17	37,019	14	35,935	(3)	(1,084)
Consumer Public Shows	5	35,130	10	17,968	5	(17,162)
Miscellaneous	2	836	1	200	(1)	(636)
Miscellaneous -In-House	35	479	34	413	(1)	(66)
Meetings	39	19,078	38	15,204	(1)	(3,874)
Catering	11	4,274	6	2,892	(5)	(1,382)
Totals	109	96,816	103	72,612	(6)	(24,204)

	First Quarter FY 2012		First Quarter FY 2013		Net Change from Prior Year	
	Events	Attendance	Events	Attendance	Events	Attendance
Expo Center						
Consumer Public Shows	14	51,015	9	42,213	(5)	(8,802)
Miscellaneous	11	3,690	13	3,756	2	66
Meetings	2	65	3	73	1	8
Tradeshows/Conventions	3	54	1	40	-	(14)
Totals	28	54,824	26	46,082	(2)	(8,742)

5.2 | Performing Arts, Arts and Culture

Portland Center for the Performing Arts (PCPA) is a cultural center for the region and the hub of downtown Portland's thriving Broadway Cultural District. The center draws roughly one million visitors each year to enjoy world class performance arts and entertainment, contributing to a vibrant and culturally rich region. This leading cultural institution encompasses three venues; the Keller Auditorium, Arlene Schnitzer Concert Hall, and Antoinette Hatfield Hall which includes the Newmark Theatre, Dolores Winningstad Theatre and Brunish Hall. PCPA is also home to the region's premier performance companies: Oregon Ballet Theatre, Oregon Children's Theatre, Oregon Symphony Orchestra, Portland Opera, Portland Youth Philharmonic, White Bird, and Tears of Joy Puppet Theatre.

Program highlights

- New ticketing system successfully went live on July 1. PCPA also began work on three behavior-based ticket buying campaigns as part of the ticketing systems new capabilities that is expected to result in increased ticket sales.
- PCPA celebrated its 25th anniversary with a private Founders/Donors reception. The PCPA volunteers put together a highly successful family day that included free tours, a variety of family-friendly performances, craft vendors, face painting and veggie car races. A gala concert to benefit the PCPA Foundation is in the early planning stages.
- The web and branding project moved forward. A new name for PCPA is in the works as well as new logos and a focus on venue identity.
- Summer Arts on Main Street's noontime program and Music on Main Street's free evening concert series broke attendance records.
- PCPA hosted two Summer Youth Connect groups from Grant and Reynolds high schools. The students were treated to lunch, tours and discussions with PCPA staff about career opportunities in a performing arts center.
- PCPA hosted an art exhibit with Folk Time-an organization that works with people with mental disabilities. It was a very popular exhibit of artists who had never had an opportunity to show their work in a public space.
- PCPA provided rent free space for 3 children's camps-Tears of Joy, Metro Arts and Oregon Children's Theatre.
- PCPA took part in the LEAD conference which focuses on providing quality arts going experiences to people with disabilities.
- A gorgeous mural was completed on the back wall of Keller Auditorium by a PSU mural painting class; the mural was funded through PSU, a RACC grant and the PCPA Foundation.

Program Issues

- Funding is still unavailable for further design of the Schnitzer/Main Street project. The City of Portland has agreed to let the PCPA Foundation use its grant of \$50,000 towards broader fundraising efforts. The Foundation plans to re-assess where we are after the first of the year to see if the economy is right to relaunch the project.

Items for leadership attention

- It has been generally agreed that when lodging tax drops PCPA should be allowed to be quickly restored to the original base of \$1.2 million, however that may not be a permanent solution to PCPA's funding problems. Transient lodging tax dollars allow PCPA to provide the deep discounts in rates and fees to its resident companies - who are fiscally challenged and unable to bear a rise in costs at PCPA. Plus, PCPA's renewal replacement needs far outstrip current resources. PCPA has begun to look at a long term solution.

MERC Visitor Venues
Events-Performances-Attendance
First Quarter September 2012

PCPA	First Quarter FY 2012		First Quarter FY 2013		Net Change from Prior Year	
	Performances	Attendance	Performances	Attendance	Performances	Attendance
Commercial (Non-Broadway)	19	23,709	41	41,917	22	18,208
Broadway	37	71,102	40	65,611	3	(5,491)
Resident Company	10	16,548	7	11,669	(3)	(4,879)
Student	29	3,134	29	3,429		295
Non-Profit	16	11,323	21	9,582	5	(1,741)
Miscellaneous	10	3,146	15	5,878	5	2,732
Totals	121	128,962	153	138,086	32	9,124

5.3 | Conservation and Research

The conservation and research program includes in situ and ex situ wildlife conservation efforts and species recovery through direct fieldwork, research, improved animal husbandry techniques and captive propagation. The program also encompasses diverse zoo-based research efforts with a particular emphasis on zoo animal and wildlife welfare science and to inform daily zoo animal care and management as well as conservation management of wildlife. We maintain partnerships with state and federal wildlife agencies and other conservation groups and research centers in an effort to conserve endangered and threatened species in our care and in nature. Program staff also maintains adjunct faculty relationships with local universities and advises and mentors graduate students.

Program highlights

- Received two prestigious AZA North American Conservation Awards for the Oregon Spotted Butterfly program and for the Oregon Spotted Frog Program respectively.
- Attended a Zoo Animal Welfare Symposium (by invitation only) at Detroit Zoo to help develop a framework for welfare assessment and monitoring in AZA zoos. Nadja was one of the keynote speakers for the symposium.
- Released over 2000 Oregon Spotted Butterfly pupae and larvae and planted several thousand host and nectar plants to augment habitat.
- Twenty one Western pond Turtle hatchlings were received from the wild for head starting
- Released 35 Pygmy rabbits (the remainder of the captive population). Pygmy rabbits are now breeding very well at the release site and the project has been deemed successful with no further need for captive breeding at this point.
- Hosted the USFWS Condor Partners Planning meeting (over 80 attendees). One of the goals of the meeting was to set priorities for the next five-year action plan for Condor reintroduction and recovery.
- The following publication is now 'in press' in the Journal Acta Theriologica: "Reproductive endocrinology of zoo-housed aardwolves". Authors: David G. Marneweck, Andre Ganswindt, Stephanie Rhodes, Jocelyn Bryant, Nadja Wielebnowski, Fredrik Dalerum.
- The following paper was published: Martin, M. and D. Shepherdson (2012). "The role of familiarity and preference on reproductive success in ex-situ conservation breeding programs." Conservation Biology 26(4)

5.4 | Education

This program provides conservation education learning opportunities to people of all ages and cultures throughout the region. The zoo develops leaders and community relationships, encourages growth and inspires change through vital and dynamic volunteer opportunities. Educational programs and materials increase the public's understanding of conservation issues and the need for direct action related to clean air and water, the management of resources for future generations and improving access to nature.

Program highlights

- Successfully completed the National Science Foundation-funded Wild Minds project, a collaboration with OMSI and the New York Hall of Science focusing on animal cognition. Summative evaluation work is ongoing.
- More than 130 Zoo Ambassador family volunteers interpreted the Wild Minds exhibit with many being cross-trained as both Zoo and OMSI volunteers.
- More than 3000 students participated in the Oregon Zoo's Summer Zoo Camp programming bringing in over \$825,000 in revenue.
- Collaboration between the Zoo and Metro education programming continued, with over 200 Zoo Campers visiting Metro parks as part of their camp experience and over 1500 receiving waste reduction programming.
- The transition of the Sustainability Center education team to the Oregon Zoo is complete, including the return of James Davis on a part-time basis in mid-September.
- An evaluation assistant has been hired to help implement evaluation projects using the Waste Reduction Education program evaluation toolkit in the coming school year.
- A consultant has been hired to lead a rigorous evaluation of the Waste Reduction Education at Outdoor School program funded by the Metro Council. Results are expected summer of 2013.
- More than 4,000 people participated in summer programs at Oxbow Regional Park, Smith & Bybee Wetlands, and Graham Oaks Nature Park.
- More than 300 youth participated in the Urban Nature Overnight program. For many program participants this represented their first camping experience.

Program Issues

- Summer camp attendance was down from past years. Program managers are looking into new marketing solutions for next summer as well as methods to increase scholarship assistance for lower income families (this year 54 students attended Zoo Camp on scholarships).

5.5 | Zoo Infrastructure Bond (A Better Zoo Program)

The Zoo Infrastructure and Animal Welfare Bond Fund program (A Better Zoo program) represents the capital planning and construction activities funded by the November 2008 general obligation bond authority. Program work is reported in the following categories:

- Master Planning – Comprehensive Capital Master Planning and land use approvals
- Off-site elephant habitat planning
- Construction project management
- Program governance

Program highlights

- Zoo New Conditional Use Master Plan (CUMS) Application - The new zoo CUMS application was submitted on Aug. 14. Staff and the consultant team are preparing additional information to submit

Metro management report for 1st quarter, FY 2012-13

in early October. The projected timeline for the hearing is approximately end of November. Related to the CUMS work, Metro is engaged in a number of activities with neighborhood associations, Portland Parks and Recreation and Washington Park Alliance: discussing parking lot management strategies with Portland Parks and Recreation (the property owner) and the Washington Park Alliance, Parking Lot Operating Committee; sent a revised draft Good Neighbor Agreement to our two neighborhood associations for their consideration; and the phase II Washington Park South Entry Visioning study is done and is being printed for distribution. (The zoo bond is not funding this work.) The two neighborhood associations are very supportive of this vision.

- West Lot Conditional Use Application - This parking resource was removed from the zoo's new Conditional Use Master Plan application. In late June, Metro, Portland Parks, Children's Museum and World Forestry Center submitted a separate conditional use application for use of the West Lot. The West Lot application Hearings Officer hearing was held Sept. 26; the Hearings Officer approved the conditional use on Oct. 30. Staff is meeting with ODOT and Portland Bureau of Transportation representatives in early October to try to reach agreement on ODOT's recommendation that applicant install permanent electronic signage on Highway 26.
- The Veterinary Medical Center building is complete and operating. Punch list and warranty items are being addressed as the building operates. The Penguin Life Support System Upgrade Project is complete, having been finished substantially behind schedule and under budget. Two additional scopes not part of the filtration project—modifications to the HVAC system and replacing the roof—were managed and funded by zoo facilities and are now complete. The pool is filled and filtration system is operating. Punch list and warranty items are being addressed as it operates. Staff is preparing to move penguins back into the exhibit once filtration system operations finish check-out.
- The program continues refining plans for a Remote Elephant Center, including facility design, programming, funding, land use approvals and communications. Zoo elephant and facilities staff re-evaluated the Roslyn Lake site against established criteria. Because a portion of the prior overall site was purchased by a third-party, some infrastructure elements and areas are not in the parcel that Metro has an option to purchase. The site remains promising. Significant work remains prior to seeking feasibility approval from the Metro Council; particularly with identifying a sustainable source of funding for on-going operations of the center. The annual operations costs are estimated to total around \$1 million.
- The team of SRG and CLR Design continues working with zoo staff to design the Elephant Habitat and Related Infrastructure project. The team completed design of Wildlife Live, perimeter road, and train and are nearing completion of elephant habitat and building design development. The project has been structured in two bid packages. The first is for Wildlife Live, perimeter road and train site work and is due from sub-contractors on Oct. 18. The second, the elephant habitat and building and elephant habitat work, is scheduled to bid in January of 2013. The site's geotechnical conditions continue to challenge the design and the team is working through the technical design issues for the elephant habitat and building. Revised cost estimates from the design team and the general contractor are due in October and will allow full cost estimates for the entire project prior to executing the first phase contracts. Zoo staff is planning the groundbreaking celebrations for the pending construction.
- The team of Atelier Dreiseitl + Place and CLR Design continues to work with zoo staff to design the new Condor Habitat. A design development package is due mid October, along with a cost estimate, for review and approval. Once approved, design will proceed to construction documents. Groundbreaking for the new habitat is targeted for January 2013 and staff is working on plans for the milestone. The project remains on schedule and budget.
- The team of Formations Inc. and Aldrich Pears and Associates continues to work with zoo staff to design interpretive elements for all bond-funded projects. In the past quarter, the team completed

the campus interpretive master plan and made progress on the elephant and condor habitats interpretive concepts, as well as a new campus-wide wayfinding and trip planning approach. Program staff is coordinating the interpretive consultants' efforts with habitat design teams.

- The Public Art Advisory Committee continues to work in support of the bond program's Percent-for-Art requirements. The committee has recommended allocating percent-for-art funds as three equal amounts to be spent proximate to the three bond-funded hubs (east, west and central) along the zoo's primary circulation arterial. This evenly distributes percent-for-art allocations across the campus' bond-funded projects as well as through the duration of the program (each hub project is timed approximately two years apart). In addition, certain existing zoo campus art elements dislocated by upcoming construction, such as the Totem Pole, are being assessed and the committee will recommend sites for relocation.
- In May 2012, Metro issued \$65 million of the zoo's remaining \$105 million of bond authority. Metro previously issued a total of \$20 million of bonds across two previous sales. Given market conditions and Metro's excellent credit ratings, the recent bonds sold at considerable premium. A premium is a condition where bonds sell for an amount greater than the published value of debt issued and required to be repaid. The Bond Implementation Plan adopted by the Metro Council in October 2011 outlined the remaining bond projects, timing and fund allocations. Issuing bonds for such a material premium was not anticipated at that time. During the last quarter, the program discussed the premium with the Oregon Zoo Bond Advisory Group and the Oregon Zoo Bond Citizens' Oversight Committee. Those discussions culminated with a staff level decision to treat the premium funds as program contingency and to continue executing the Bond Implementation Plan as adopted by Metro Council. Ultimately, the program will present a recommendation to the Metro Council about premium fund disposition and seek formal direction via resolution.
- The program posed a series of questions through the online Metro Opt In opinion research panel. Questions were focused to capture visitor expectations and preferences for the zoo's interpretive experience, as well as a base of understanding of intended key interpretive messages. A total of 4,293 panel members participated in the survey. This information will inform interpretive design and content decisions.

5.6 | Zoo Visitor Experience

The Zoo's Guest Services program is responsible for the front line guest experience and is responsible for generating revenue to support the Zoo. Supporting the zoo's mission statement, the guest services team works to meet guest expectations, provide positive experiences, and to generate enterprise revenues through many services and activities that includes admissions, retail oversight, food services, campus security and safety, custodial, public events and the zoo railway.

Program highlights

- The zoo's first quarter results were less than forecast in attendance, revenues and expenses. Year to date attendance compared to forecast was down 27,645 (5 percent). Guest service revenues and expenses are directly influenced by attendance; revenue to budget was down \$458,000 (6 percent). In response, the zoo has held guest service expenses in check. In addition to attendance, driving factors to these results was not landing a temporary summer exhibit, modest concert revenues and slow catering sales. In many ways, the first quarter results to budget are similar to the prior fiscal year. Like the prior year, management is closely monitoring net revenues and is adjusting activities to address the condition. New catering management, strong ZooLights planning and the hope of a healthy baby elephant are all opportunities to deliver stronger results in the second quarter.

- The Zoo started a new series of events called Sunset at the Zoo. The series expanded the prior member focused summer concerts into a series of four evenings providing a festival atmosphere with live music from local artists, regional food, beer and wine, and programming for adults and kids focused on the animals that are particularly active at dusk. Attendance averaged 2,355 people per night, was well received and we anticipate expanding this offering in the future.
- In July the Guest Services group assisted the Oregon Zoo Foundation with their annual ZooLaLa gala event. The evening was filled with well known Portland restaurants and Northwest craft beers and wines. The foundation reports the event raised significant revenues in support of the Zoo.
- In addition to serving guests, the program supported capital planning for the upcoming elephant habitat and related infrastructure project. The guest services group paid particular focus to planning the new east visitor plaza along the central visitor spine. Visitor flow, food service, guest restrooms, catering and event support. In addition, staff is supporting the removal and storage of equipment and materials to make way for the upcoming elephant habitat construction.
- The Guest Services division completed the interview process for a new catering manager and executive chef. Both successful candidates began Oct. 1 and will help the catering function to improve results.