



METRO POLICY ADVISORY COMMITTEE

November 14, 2012

Metro Regional Center, Council Chambers

MEMBERS PRESENT

Amanda Fritz  
Dennis Doyle  
Wilda Parks  
Loretta Smith, Vice Chair  
Marilyn McWilliams  
Jody Carson, 2<sup>nd</sup> Vice Chair  
Norm Thomas  
Bill Turlay  
William Wild  
Jerry Willey, Chair

AFFILIATION

City of Portland Council  
City of Beaverton, representing Washington Co. 2<sup>nd</sup> Largest City  
Clackamas County Citizen  
Multnomah County Commission  
Washington County Special Districts  
City of West Linn, representing Clackamas Co. Other Cities  
City of Troutdale, representing other cities in Multnomah Co.  
City of Vancouver  
Clackamas County Special Districts  
City of Hillsboro, representing Washington County Largest City

MEMBERS EXCUSED

Sam Adams  
Shane Bemis  
Michael Demagalski  
Maxine Fitzpatrick  
Kathryn Harrington  
Jack Hoffman  
Carl Hosticka  
Charlotte Lehan  
Annette Mattson  
Keith Mays  
Barbara Roberts  
Jim Rue  
Steve Stuart

AFFILIATION

City of Portland Council  
City of Gresham, representing Multnomah Co. 2<sup>nd</sup> Largest City  
City of North Plains, representing Washington Co. outside UGB  
Multnomah County Citizen  
Metro Council  
City of Lake Oswego, representing Clackamas County Largest City  
Metro Council  
Clackamas County Commission  
Governing Body of School Districts  
City of Sherwood, representing Washington Co. Other Cities  
Metro Council  
Oregon Dept. of Land Conservation & Development  
Clark County, Washington Commission

ALTERNATES PRESENT

Shirley Craddick  
Paul Manson  
Kathy Roth  
Peter Truax

AFFILIATION

Metro Council  
Multnomah County Citizen  
City of Oregon City, representing Clackamas Co. 2<sup>nd</sup> Largest City  
City of Forest Grove, representing Washington Co. Other Cities

STAFF:

Roger Alfred , Alison Kean Campbell, Nick Christensen, Mike Hoglund , Nuin-Tara Key, Evan Landman, Ken Ray, Katie Shriver, Gerry Uba, John Williams.

**1. CALL TO ORDER AND DECLARATION OF A QUORUM**

Chair Jerry Willey called the meeting to order and declared a quorum at 5:08 P.M.

## **2. SELF INTRODUCTIONS AND COMMUNICATIONS**

All attendees introduced themselves.

There were no communications.

## **3. CITIZEN COMMUNICATIONS ON NON-AGENDA ITEMS**

There were none.

## **4. COUNCIL UPDATE**

Metro Councilor Shirley Craddick updated the group on the following items:

- On behalf of the Metro Council, Councilor Craddick congratulated the MPAC members who were re-elected in the November elections, and expressed appreciation and gratitude for the service of those whose re-election efforts were unsuccessful.
- On November 1, the Metro Council approved a proposal to develop an agency-specific equity strategy. The strategy will support Metro's effort to advance equity as one of the region's six desired outcomes. Metro will be working with partner jurisdictions in the coming months to develop the final work plan for this engagement process. More information will be shared with MPAC as Metro moves through this phase of the plan's development.
- The Community Investment Initiative (CII) Leadership Council has distributed a survey to city, county and special district administrators to help in the design of the Regional Infrastructure Enterprise, the centerpiece of CII's strategic plan. The survey closes Friday, December 7. For more information, contact Maria Ellis at 503-797-1732 or at [info@communityinvestmentinitiative.org](mailto:info@communityinvestmentinitiative.org).

## **5. CONSIDERATION OF THE MPAC MINUTES FOR OCTOBER 10, 2012**

MOTION: Ms. Wilda Parks moved and Mr. Peter Truax seconded to adopt the October 10, 2012 MPAC minutes with no corrections.

ACTION TAKEN: With all in favor, motion passed.

## **6. INFORMATION/ DISCUSSION ITEMS**

### **6.1 Growth (Population and Employment Forecast) Distribution at Local Level- INFORMATION**

Mr. Mike Hoglund and Mr. Gerry Uba of Metro presented on the Metro 2010-2035 Growth Management/ Population and Employment Distribution forecast. This study provides information on the future distribution of housing units and employment in the region. Under Oregon law, Metro is responsible for delivering a population forecast to regional jurisdictions every five years (ORS 195.036, 195.025).

Mr. Hoglund shared the key technical takeaways from the study. The forecast reflects 2040 Growth Concept objectives. 32% of growth is forecasted to occur in centers; 17% in corridors. 75% of housing growth is projected as redevelopment or infill, and future residential density is expected to rise to 12.3 units per acre. The expected regional growth split for multi-family to single-family residential units is will be approximately 60/40. Despite a 40% projected population increase within the UGB by 2035, only a

10% increase in land absorption was expected. The report forecasts longer commutes for some households at the outer limits of the commute shed.

Through discussion with local government partners, the project team developed an ongoing research agenda. Mr. Hogle mentioned the need to monitor single-family home prices, as well as the capture rate for single family housing within the UGB. The capture rate is a key finding in Metro's Urban Growth Report and represents the percent of households or employment that will be accommodated within Metro's urban growth boundary during the forecast period). He also shared proposed improvements to the forecast distribution process, including a residential choice study enhanced with market segmentation, and the refinement of redevelopment supply assumptions.

This forecast supports ongoing local efforts, including comprehensive plan updates, transportation system plans, coordination of planning in areas outside the UGB, and planning for the extension of essential public infrastructure. Metro will use this information in its Climate Smart Communities and corridor planning activities, as well as the 2014 RTP update and Urban Growth Report. The Metro Council is scheduled to take action on this forecast on Thursday, November 29.

MPAC members discussed the following points relating to the report:

- Members noted that this report was produced through a more positive and collaborative process than previous iterations.
- MPAC members asked for clarification on the Household Growth Distribution map included in the report, which projects high growth in the Canby area. Members wanted to know whether this growth was anticipated as single-family or multi-family housing. Mr. Hogle estimated a 70-30 single-family to multi-family housing split.
- Members inquired whether the forecast was based on current zoning or expected future zoning. The presenters made it clear that the forecast reflects current zoned capacity and does not anticipate future zoning changes either at centers in along light rail corridors. However, some are stimulated to the degree that they are in an established urban renewal area. For example, urban renewal funding often subsidizes development land costs, may be used to provide infrastructure upgrades, or for local amenities such as parks or plazas.
- The committee discussed how this research pertains to Damascus, which has yet to adopt a comprehensive plan. According to the report, there is significant growth projected for the Damascus area. Mr. Hogle said that Metro staff had been in conversation with Damascus staff over the past two years to decide on the supply amount for the forecast, but that the recent vote occurred after this work was complete. It is important to understand what decisions are made in the next five years that pertain to the forecast. Damascus needs the forecast results to inform and run scenarios for their Transportation System Plan and Comprehensive Plan.
- The group commented on the expected increase in commute distance for long-distance commuters. They asked whether there was a disconnect between where housing and employment were likely to grow. Mr. Hogle responded that the forecast was based on existing zoning, but that in most parts of the region there was good overlap of job growth near where urban reserve housing was forecast. However, several thousand new households are forecast to have a longer commute to their place of employment, so there was not a perfect housing-employment match. A close match between housing and employment is hindered by the increasing number of two-worker households and less-stable careers. Chair Willey noted the importance of rezoning to facilitate the housing-employment match.

## **6.2 Brownfields Scoping Project Final Report – INFORMATION/DISCUSSION**

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Ms. Miranda Bateschell of Metro presented on the Regional Brownfield Scoping Project. The goal of this project was to understand the scale and impacts of contaminated, underutilized properties in the Portland metro region and assess a range of policy solutions to promote cleanup and redevelopment of these sites. The purpose of this information is to help policy makers to engage in a regional discussion and make more informed decisions regarding land use and redevelopment.

The project team used the existing DEQ catalog of reported brownfield sites, and extrapolated to include suspected but unreported sites using land use data, removing residentially-zoned sites. Taken together, there are 2300 parcels of 6300 combined acres that were identified as known or suspected brownfields.

The sites were broken into four typologies based on past or present use:

- Type 1: Small Commercial sites such as gas stations and dry cleaners
- Type 2: Industrial Conversion sites which have a history of industrial use, but have transitioned into commercial or mixed-uses
- Type 3: Ongoing Industrial sites are in designated employment areas
- Type 4: Rural Industry sites are natural resource related sites near the edge of urban cores

The majority of brownfields are Small Commercial Sites, but the bulk of the acreage is represented by Ongoing Industrial sites. By zoning class, mixed use residential sites represent the highest proportion of sites, but industrial and commercial sites represent the largest acreage.

50% of the sites are in Title 3 or Title 13 lands, and also impact underserved populations as designated by Metro's equity composite, highlighting areas that simultaneously have a high underserved population, low density of services and low proximity to transit. There are two brownfields in underserved-designated communities for every one outside of underserved communities. 60% of the brownfields in underserved communities are in centers or corridors.

There are four primary challenges to making redevelopment of brownfields sites feasible: financial costs, risk and uncertainty, the disconnect between cleanup and redevelopment, and regulatory uncertainty. Currently, only type 1 sites are feasible for redevelopment, but over half of all sites are close to feasibility. Types 1 & 2 include high density development so changes in the assumptions about rent strongly affect viability of development – making these sites feasible or nearly feasible. Type 3 & 4 are largely single-story employment uses. In both the worst and best case scenarios this development type and potential value is much lower, making both development feasible or close to feasible in both scenarios, but remediation costs a greater proportion of project costs.

The report proposes three sets of tools jurisdictions could use to make redevelopment of the sites in the report feasible. These policy tools can bridge the financial gap between combined remediation and development costs and the potential value of the site post-redevelopment.

The first category, tax incentives, includes a tax credit for remediation costs; a 3-5 year tax abatement for redeveloping a brownfield site; and reforming the existing tax structure so that an assessed value reduction taken for contamination is tied to investing in cleanup and redevelopment and cannot be taken indefinitely (a current incentive to do nothing).

The second category focuses on capacity building, involving a public funding mechanism at the local, regional, or state level. This fund could be used to set up a land bank to acquire and reposition brownfield properties, provide cleanup funding, or provide grant funds for assessment and site planning activities.

The third set of policy tools are focused on regulatory streamlining; providing increased flexibility in zoning or use in brownfields, prioritizing response time for permitting, or setting up a one-stop shop system across agencies to coordinate permitting and reduce development timelines.

The report included a return on investment (ROI) analysis for the various policy tools. Each proposed tool moves sites to feasibility, but Ms. Bateschell emphasized that no single policy incentive is likely to be sufficient to catalyze redevelopment of all the brownfields. The tax incentive tools offer a positive year-one ROI, while the public funding mechanisms such as a cleanup fund or land bank are expected to recover the investment within five years. Tax incentives tend to support projects that are already close to financial feasibility, while direct public investments are better suited to challenged properties further from feasibility. Regulatory streamlining can provide a large impact with relatively small public investment.

MPAC members discussed the following aspects of the Regional Brownfield Scoping Project

- Members asked for clarification in how the proposed policy tools could be used, particularly in whether they could target the underserved areas. Ms. Bateschell explained that programs could be developed to focus on specific area, and that the criteria could depend on the population you were trying to serve or the type of site to be developed, but that the tools are the same across the board. The criteria for public funding could be set up to focus in enterprise zones, for example.
- MPAC members discussed concerns around how policy tools like the tax abatements described in the report can have serious impacts on cities, and that positive ROI is not always assured, or only forecast over a multi-decade timeframe. They requested more detail on where actual brownfield sites are at the city level, which would be helpful in developing solid regional recommendations for incentives. Mr. John Williams of Metro explained that the intent of this project was to get an understanding of the scope and scale of where such sites might be, but agreed that the next step might be to identify properties that could be priorities at the local level. Ms. Bateschell said that the study used 7 areas to ground-test the analysis of unreported sites, but that the typologies would be helpful to analyzing sites in local communities to find out what is actually there.
- Members recalled from the industrial lands survey the problem of large local investments creating tax benefits that accrue primarily to the state via income taxes. Members asked which of the proposed policy tools here are in the same situation, and posed the question of how to get the state to return the benefits of public investment at the local level to local jurisdictions. Ms. Bateschell suggested that the state may want to take the lead where they will reap the benefits; other tools might be better implemented at a local or regional level.
- Members also suggested that regulatory flexibility could encompass a more permissive attitude to low-liability sites. Ms. Bateschell emphasized the need to balance the environment and public health, as well as job growth and tax returns. She suggested that this was a benefit of the one-stop shop, where if all parties could be integrated, it may be easier to get the okay to proceed with development from all the stakeholders.
- Members thanked the presenters for their work, and asked how local jurisdictions should respond to the questions posed by the study? The project teams to go to the Metro Council in December, and asked for recommendations prior to the 2<sup>nd</sup> week of December. Councilor Craddick emphasized that Metro needs input from local jurisdictions on how to take both brownfields and industrial lands to the state legislature.

## **7. MPAC MEMBER COMMUNICATION**

There were none.

**8. ADJOURN**

Chair Willey adjourned the meeting at 6:41 p.m.

Respectfully submitted,



Evan Landman  
Recording Secretary

**ATTACHMENTS TO THE PUBLIC RECORD FOR [DATE]:**

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

| <b>ITEM</b> | <b>DOCUMENT TYPE</b> | <b>DOC DATE</b> | <b>DOCUMENT DESCRIPTION</b>                          | <b>DOCUMENT No.</b> |
|-------------|----------------------|-----------------|--|---------------------|
| <b>6.1</b>  | Handout              | 11/8/12         | Metro Growth Distribution Process – JPACT discussion | 111412m- 01         |
| <b>6.1</b>  | Powerpoint           | 11/14/12        | Metro 2010-2035 Growth Distribution                  | 111412m -02         |
| <b>6.2</b>  | Powerpoint           | 11/14/12        | Regional Brownfield Scoping Report                   | 111412m -03         |