

A G E N D A

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METRO

Agenda

MEETING: METRO COUNCIL WORK SESSION MEETING
DATE: November 4, 2003
DAY: Tuesday
TIME: 1:00 PM
PLACE: Metro Council Chamber

CALL TO ORDER AND ROLL CALL

- | | | | |
|---------|-----|---|---------------|
| 1:00 PM | 1. | DISCUSSION OF AGENDA FOR COUNCIL
REGULAR MEETING, NOVEMBER 6, 2003 | |
| 1:15 PM | 2. | INFORMAL DISCUSSION WITH METRO AUDITOR/
FOLLOW-UP TO IDENTIFYING MATTERS OF
INTEREST TO COUNCILORS | Dow |
| 1:30 PM | 3. | ZOO PARKING UPDATE | Vecchio |
| 2:00 PM | 4. | RECYCLING CREDIT TASK FORCE REPORT | Kyle/Anderson |
| 3:00 PM | 5. | REDUCTION IN STUDY AREAS | Neill |
| 3:30 PM | 6. | CREATIVE SERVICES UPDATE ON METRO WEB
SITE IMPROVEMENTS | Gemmell |
| 3:40 PM | 7. | CITIZEN COMMUNICATION | |
| 3:50 PM | 8. | EXECUTIVE SESSION HELD PURSUANT TO ORS
192.660(1)(e). DELIBERATIONS WITH PERSONS
DESIGNATED TO NEGOTIATE REAL PROPERTY
TRANSACTIONS. | Chase |
| 4:20 PM | 9. | CHIEF OPERATING OFFICER COMMUNICATION | |
| 4:30 PM | 10. | COUNCILOR COMMUNICATION | |

ADJOURN

Agenda Item Number 2.0

***INFORMAL DISCUSSION WITH METRO AUDITOR/FOLLOW-UP TO IDENTIFYING MATTERS OF
INTEREST TO COUNCILORS***

Metro Council Work Session
Tuesday, November 4 , 2003
Metro Council Chamber

METRO COUNCIL

Work Session Worksheet

Presentation Date: 11/4/03 Time: Length: 15 min.
Presentation Title: Informal Discussions With Metro Auditor/ Follow Up to
Identifying Matters of Interest to Councilors
Department: Office of the Auditor
Presenter: Alexis Dow

ISSUE & BACKGROUND

Continue the dialogue started between the Auditor and Council at the June 10, 2003 Work Session and scheduled again for the September 9, 2003 Work Session. The Council President and Councilors received a list of questions from Auditor Dow to initiate ongoing discussion between elected officials working to fulfill expectations of Metro-area citizens. Dow will use responses she expects to receive from the Council President and Councilors to continue the conversation initiated on June 10.

OPTIONS AVAILABLE

Councilor responses provided to Auditor Dow prior to the Work Session or distributed at the session.

IMPLICATIONS AND SUGGESTIONS

Lack of written comments slows the process.

QUESTION(S) PRESENTED FOR CONSIDERATION

Auditor Dow requests Councilor response to the June 10 list of questions (attached).

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

SCHEDULE FOR WORK SESSION

Department Director/Head Approval _____
Chief Operating Officer Approval _____



METRO

OFFICE OF THE AUDITOR

To: Metro Councilors
From: Metro Auditor – Alexis Dow, CPA
Date: June 10, 2003
Re: Questions relating to Auditing at Metro

To help me better understand your audit expectations and provide assistance to you, I would appreciate your taking the time to consider and answer the following questions. I hope these questions and your answers will form the basis of the ongoing dialog between us as we work together in our unique capacities to fulfill the expectations of the citizens who elected us to serve the best interests of the Metro region. Thank you.

1. What is the Metro Auditor's role?
2. How does the Metro Charter define the Auditor's role?
3. From your perspective, what is expected of the auditor?
 - a. Citizen expectations?
 - b. Council expectations?
 - c. MERC Commission expectations?
 - d. Metro COO expectations?
 - e. Metro department heads' expectations?
4. To whom is the Metro Auditor primarily accountable?
5. The Charter requires the Auditor to be an auditing professional and hold an active CPA or certified internal auditor professional certification.
 - a. Are you aware of what steps are involved in obtaining professional certification? How is it maintained?
 - b. Are you familiar with professional auditing standards and how they help shape the Auditor's role? For example:
 - i. What are the guiding principles of professional auditing?

- ii. How do they regulate what work is undertaken and how it is performed?
 - iii. What is the purpose of peer review?
 - iv. What is the purpose of continuing professional education (CPE)? How much and what kind of CPE is required?
6. How does the Auditor fulfill the role as defined by Charter, professional standards and expectations?
- a. What type of work is done? How do the 3 Es of performance auditing – economy, efficiency and effectiveness – come into play? How does COSO, as the recognized structure for control systems, come into play?
 - b. How is the work program selected?
 - c. How is the work performed?
 - d. How is the work reported?
7. In regard to audit reports:
- a. What kinds of audit reports do you as Metro Councilor see as being of value?
 - b. What kinds of audit reports do you see as not being of value?
 - c. Do you think the Metro Auditor should prepare a report when the subject of the audit is generally being managed well?
 - d. Do you think all audits should be directed primarily at saving money?
 - e. Do you believe there are times when the Metro Auditor may have to issue a report that is not viewed as favorable by the Metro Council or individual Councilors?
 - f. Do you believe the Metro Auditor's Office has a responsibility to question the appropriateness of policy established by the Metro Council or MERC Commission when the policy relates to the subject of an audit?
8. How can the Metro Auditor's Office better serve your interests and needs?

Agenda Item Number 3.0

ZOO PARKING UPDATE

Metro Council Work Session
Tuesday, November 4, 2003
Metro Council Chamber

METRO COUNCIL

Work Session Worksheet

Presentation Date: November 4, 2003 Time: 1:15 p.m. Length: 30 minutes

Presentation Title: Paid Parking Analysis

Department: Oregon Zoo

Presenters: Tony Vecchio, Sarah Chisholm

ISSUE & BACKGROUND

Background

The Washington Park parking lot is primarily utilized by the Oregon Zoo, the World Forestry Center, and the Children's Museum and the public attending their facilities as well as park goers. The City of Portland owns the Washington Park parking lot. In 1979, a long term lease arrangement was entered into between the City of Portland, and the Oregon Zoo, the World Forestry Center, and the Washington Park OMSI operation. In 1997, OMSI sold its remaining leasehold, including improvements, to the City of Portland, who currently leases the building to the Children's Museum. The Washington Park parking lot lease expires April 10, 2014.

The Washington Park Parking Lot Operating Committee (WPPLOC) is responsible for the operation of the parking lot and consists of a representative of the Oregon Zoo, the World Forestry Center, and the City of Portland. Each party is expected to contribute one-third of the costs and expenses for maintaining the parking lot. The City of Portland represents the interests of the Parks Bureau, the Children's Museum and the Hoyt Arboretum.

The Oregon Zoo (Metro) entered into an agreement in September 1992 obligating itself to pay TriMet \$2,000,000 as a contribution to the cost of construction of the Westside Light Rail System, including the Washington Park Station. Additional improvements to the parking lot cost \$3,000,000. The Oregon Zoo financed the \$5,000,000 expenditure through general revenue bonds. The bonds were refinanced in October of 2003. The updated debt service schedule is reflected in the attached analysis.

Facility Overview:

The Washington Park parking facility consists of 958 spaces in two parking areas.

- A. The Main Lot – the main lot is approximately ten acres and contains 836 stalls. It is accessed by three entrances and three exits and has three attendant booths in place.

- B. The Auxiliary Lot – the auxiliary parking area is a 122 stall parking facility that is separated from the main lot by Knights Blvd. The auxiliary lot is accessed by a single entry/exit. The lot has its own booth. This lot is intended to serve overflow requirements, recreational vehicles (RV's) and oversized vehicles. During the school field trip season (weekdays April through early June) this lot is used to park buses.

Equipment:

The two parking areas contain four attendant booths (equipped with lights, heat, and air conditioning) and nine gate arms. The gates were designed to be automatic, but the system became inoperable two years ago. Currently, the outgoing gates rise when a car pulls up to exit; however, staff must raise and lower the gates manually everyday when opening and closing the lot. Components of the original parking equipment purchased were sold in 1999 including the surplus ticketing equipment. The proceeds (\$86,000) were applied toward payment of the debt service. The ticketing system would have to be fully replaced and is part of the start up costs for the implementation of the paid parking program.

Parking Overflow:

Parking overflow is currently available at a shuttle lot on weekends and weekday evenings at Sylvan Business Center. This provides 364 off-site parking stalls that are accessible under a shared-use agreement with a private owner. Typically, four shuttle buses are scheduled each weekend of June, July, and August to shuttle guests. For summer evening concerts, three buses are scheduled from 5:00 pm until the end of the concert. The contract to run the buses is budgeted for \$50,000 per year. In Fiscal Year 2002-2003, \$47,465 was spent on the contract. Another private lot has been made available for the Oregon Zoo to use during the summer weekdays, including free Tuesdays. This lot is also used to shuttle seasonal employees during the summer weekdays.

OPTIONS AVAILABLE

1. Begin negotiations with concerned parties and stakeholders to resolve revenue and expenditure split agreements and obtain bids on operating contract to refine financial implications resulting from the institution of paid parking.
2. Decide not to pursue paid parking at this time.

IMPLICATIONS AND SUGGESTIONS

Financial Assumptions:

The financial assumptions for the parking analysis model are as described below. ***These rates have not been negotiated by the WPPLOC, approved by the employees and their perspective labor unions, or communicated in any form to our members or guests.***

Revenue Assumptions:

- Net proceeds are assumed to be distributed in the following order:
 1. To the Oregon Zoo for payment of the debt service;
 2. To the City of Portland for use of the parking lot (up to a total of \$200,000 annually, but no more than \$600,000 over the lifetime of the agreement);
 3. To parking lot improvements and maintenance;
 4. Split equally between the Oregon Zoo, the City of Portland, and the World Forestry Center (up to \$300,000 annually);
 5. The remainder of the funds would be split among the three parties according to attendance.
- A full-fiscal year implementation is assumed beginning in the first year.
- Base attendance in the model is actual Fiscal Year 2002-2003 for the Oregon Zoo, Children's Museum, and the World Forestry Center.
- Three scenarios are presented in the attached analyses;
 1. Attendance growth rate at 2% per year;
 2. Attendance growth rate stays flat;
 3. Attendance declines by 2%.
- No impacts on other revenue sources or on the number of Oregon Zoo Foundation memberships sold as a result of implementing a paid parking program are factored in to this analysis.
- Parking rates in the main and auxiliary lot are assumed to be \$1.00 per hour for the first 4 hours and \$4.00 per hour after that.
- Charges to employees are assumed to be \$30 per month and increase 3% every second year (1.5% annually) for parking on existing on-grounds spaces. These spaces are not in the main parking lot.
- Neither the revenues nor the expenditures from the shuttle lot are included in this analysis because they are expected to approximately net to zero (if the charge for parking at the Sylvan Medical Center parking lot is assumed to be a flat \$2.00 charge per vehicle and the gross revenue is split 50 percent with the owner of the lot).
- Mode of travel was collected using exit surveys to determine how the attendees arrived, how many people were in each vehicle, and the length of stay. (These surveys are done in order to fulfill TDM reporting requirements.)
- Excise tax is not included in the model.

Expense Assumptions:

- The General Revenue Bond Fund contains \$175,000 for the Washington Park Parking improvements. The expectation is that this entire amount will be used to landscape, repave, re-stripe, and manage the storm water runoff for the auxiliary lot.
- Parking will be validated for volunteers, catered event attendees, and Oregon Zoo Benefactor Members.

Capacity Assumptions:

- Includes parking for both the main and auxiliary lot (958 total spaces).
- Assumes both lots are utilized in the same manner. The analysis does not take into consideration that the auxiliary lot is occupied by buses on weekdays during April, May and part of June (from 9:00 AM to 2:00 PM).
- Assumes an even spread of arrival times at the facilities throughout the day and does not consider that attendance may be concentrated during certain hours of operation.
- Only visitors to the Oregon Zoo, Children's Museum, and World Forestry Center are included in this analysis. The Vietnam Veteran's Memorial and Hoyt Arboretum have their own parking lots and are not considered part of the Washington Park Parking Lot. Other visitors to the park are not included in this analysis.

QUESTION(S) PRESENTED FOR CONSIDERATION

1. What is the process to fully negotiate the revenue and expenditure split with the City of Portland and the WPPLOC?
2. What are the implications on per cap revenues at the Oregon Zoo?
3. How will Oregon Zoo Foundation members react to this program?
4. How will the implementation of a paid parking program impact the existing labor agreements of union employees?
5. How feasible is the assumption that Washington Park users will pay for shuttle parking?
6. How will the Oregon Zoo handle parking on Free Tuesdays?
7. How will minimum wage seasonal employees' parking needs be addressed?
8. Who will have authority to validate parking? How will validation be handled financially?
9. How will parking for business meeting participants, including Metro, be handled?
10. How will parking needs for those attending public events (such as Turkey Trot) be processed?
11. How will school buses be handled?
12. What are the implications for neighbors regarding visitors parking infiltration on neighborhood streets to avoid paying for parking?

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

SCHEDULE FOR WORK SESSION

Department Director/Head Approval _____
Chief Operating Officer Approval _____

**Washington Park Parking Lot Proforma
Updated October 2003**

Scenario 1
2% Growth

PARKING SYSTEM PRO FORMA	FY 2004-05	FY 2005-06	FY 2006-07	FY 2007-08	FY 2008-09	FY 2009-10	FY 2010-11	FY 2011-12
Operating Revenues:								
On-Site Parking Revenues Zoo	\$916,930	\$935,268	\$953,974	\$973,053	\$992,514	\$1,012,365	\$1,032,612	\$1,053,264
Interest Income	0	0	0	0	0	0	0	0
Employee Parking Revenue	57,600	57,600	59,328	59,328	61,108	61,108	62,941	62,941
Cash Flow Loan	0	0	0	0	0	0	0	0
Subtotal--Parking Income	\$974,530	\$992,868	\$1,013,302	\$1,032,381	\$1,053,622	\$1,073,472	\$1,095,553	\$1,116,205
Operating Expenses:								
Operations Contract (includes staffing)	\$106,404	\$108,532	\$110,703	\$112,917	\$115,175	\$117,479	\$119,828	\$122,225
Utilities and M&S	33,845	34,522	35,212	35,917	36,635	37,368	38,115	38,877
Ongoing Maintenance	60,306	61,512	62,742	63,997	65,277	66,583	67,914	69,273
Overhead Charge	11,041	11,262	11,487	11,717	11,951	12,190	12,434	12,683
Capital Improvements	168,000	28,154	28,717	29,291	29,877	30,475	31,084	31,706
Subtotal--Operating Exp.	\$379,596	\$243,982	\$248,862	\$253,839	\$258,916	\$264,094	\$269,376	\$274,763
Net Operating Revenues	\$594,934	\$748,886	\$764,440	\$778,542	\$794,707	\$809,379	\$826,177	\$841,442
Parking Validations	231,120	235,743	240,458	245,267	250,172	255,176	260,279	265,485
Zoo Loan Payments (Refinanced October, 2003)	420,241	403,064	407,164	405,161	402,089	403,820	404,670	404,408
Net Revenues Less Validations and Debt Service	(\$56,428)	\$110,080	\$116,819	\$128,115	\$142,446	\$150,383	\$161,228	\$171,550
Payment to the City of Portland	0	110,080	116,819	128,115	142,446	102,541	0	0
Funds for Cap. Imp. (Repaving), R&R, Profit Sharing	0	0	0	0	0	47,842	161,228	171,550
Cost of Repaving	0	0	0	0	0	47,842	102,158	0
Equal Profit Sharing Oregon Zoo	\$0	\$0	\$0	\$0	\$0	\$0	\$19,690	\$57,183
Equal Profit Sharing WFC	0	0	0	0	0	0	19,690	57,183
Equal Profit Sharing City of Portland	0	0	0	0	0	0	19,690	57,183
Remainder to be shared based on attendance	0	0	0	0	0	0	0	0
Attendance-Based Profit Sharing Oregon Zoo	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
Attendance-Based Profit Sharing WFC	0	0	0	0	0	0	0	0
Attendance-Based Profit Sharing City of Portland	0	0	0	0	0	0	0	0
Total Net to the Oregon Zoo (After Debt Service)	\$0	\$0	\$0	\$0	\$0	\$0	\$19,690	\$57,183

**Washington Park Parking Lot Proforma
Updated October 2003**

Scenario 1
2% Growth

PARKING SYSTEM PRO FORMA	FY 2012-13	FY 2013-14	FY 2014-15	FY 2015-16	FY 2016-17	FY 2017-18	FY 2018-19	FY 2019-20
Operating Revenues:								
On-Site Parking Revenues Zoo	\$1,074,329	\$1,095,816	\$1,117,732	\$1,140,087	\$1,162,889	\$1,186,147	\$1,209,869	\$1,234,067
Interest Income	0	0	0	0	0	0	0	0
Employee Parking Revenue	64,829	64,829	66,774	66,774	68,777	68,777	70,841	70,841
Cash Flow Loan	0	0	0	0	0	0	0	0
Subtotal--Parking Income	\$1,139,159	\$1,160,645	\$1,184,507	\$1,206,861	\$1,231,666	\$1,254,924	\$1,280,710	\$1,304,908
Operating Expenses:								
Operations Contract (includes staffing)	\$124,669	\$127,163	\$129,706	\$132,300	\$134,946	\$137,645	\$140,398	\$143,206
Utilities and M&S	39,655	40,448	41,257	42,082	42,924	43,782	44,658	45,551
Ongoing Maintenance	70,658	72,071	73,513	74,983	76,483	78,012	79,572	81,164
Overhead Charge	12,936	13,195	13,459	13,728	14,003	14,283	14,568	14,860
Capital Improvements	32,340	32,987	33,647	34,320	35,006	35,706	36,420	37,149
Subtotal--Operating Exp.	\$280,259	\$285,864	\$291,581	\$297,413	\$303,361	\$309,428	\$315,617	\$321,929
Net Operating Revenues	\$858,900	\$874,782	\$892,926	\$909,449	\$928,305	\$945,496	\$965,093	\$982,979
Parking Validations	270,794	276,210	281,734	287,369	293,116	298,979	304,958	311,058
Zoo Loan Payments (Refinanced October, 2003)	403,320	401,245	408,105	408,958	178,325	0	0	0
Net Revenues Less Validations and Debt Service	\$184,786	\$197,326	\$203,086	\$213,122	\$456,864	\$646,517	\$660,135	\$671,921
Payment to the City of Portland	0	0	0	0	0	0	0	0
Funds for Cap. Imp. (Repaving), R&R, Profit Sharing	184,786	197,326	203,086	213,122	456,864	646,517	660,135	671,921
Cost of Repaving	50,000	0	50,000	0	50,000	0	50,000	0
Equal Profit Sharing Oregon Zoo	\$44,929	\$65,775	\$51,029	\$71,041	\$100,000	\$100,000	\$100,000	\$100,000
Equal Profit Sharing WFC	44,929	65,775	51,029	71,041	100,000	100,000	100,000	100,000
Equal Profit Sharing City of Portland	44,929	65,775	51,029	71,041	100,000	100,000	100,000	100,000
Remainder to be shared based on attendance	0	0	0	0	106,864	346,517	310,135	371,921
Attendance-Based Profit Sharing Oregon Zoo	\$0	\$0	\$0	\$0	\$85,977	\$278,789	\$249,518	\$299,228
Attendance-Based Profit Sharing WFC	0	0	0	0	14,623	47,415	42,437	50,891
Attendance-Based Profit Sharing City of Portland	0	0	0	0	6,264	20,313	18,180	21,802
Total Net to the Oregon Zoo (After Debt Service)	\$44,929	\$65,775	\$51,029	\$71,041	\$185,977	\$378,789	\$349,518	\$399,228

**Washington Park Parking Lot Proforma
Updated October 2003**

Scenario 2
Flat Growth

PARKING SYSTEM PRO FORMA	FY 2004-05	FY 2005-06	FY 2006-07	FY 2007-08	FY 2008-09	FY 2009-10	FY 2010-11	FY 2011-12
Operating Revenues:								
On-Site Parking Revenues Zoo	\$916,930	\$916,930	\$916,930	\$916,930	\$916,930	\$916,930	\$916,930	\$916,930
Interest Income	0	0	0	0	0	0	0	0
Employee Parking Revenue	57,600	57,600	59,328	59,328	61,108	61,108	62,941	62,941
Cash Flow Loan	0	0	0	0	0	0	0	0
Subtotal--Parking Income	\$974,530	\$974,530	\$976,258	\$976,258	\$978,038	\$978,038	\$979,871	\$979,871
Operating Expenses:								
Operations Contract (includes staffing)	\$106,404	\$108,532	\$110,703	\$112,917	\$115,175	\$117,479	\$119,828	\$122,225
Utilities and M&S	33,845	34,522	35,212	35,917	36,635	37,368	38,115	38,877
Ongoing Maintenance	60,306	61,512	62,742	63,997	65,277	66,583	67,914	69,273
Overhead Charge	11,041	11,262	11,487	11,717	11,951	12,190	12,434	12,683
Capital Improvements	168,000	28,154	28,717	29,291	29,877	30,475	31,084	31,706
Subtotal--Operating Exp.	\$379,596	\$243,982	\$248,862	\$253,839	\$258,916	\$264,094	\$269,376	\$274,763
Net Operating Revenues	\$594,934	\$730,548	\$727,396	\$722,419	\$719,122	\$713,944	\$710,495	\$705,108
Parking Validations	231,120	235,743	240,458	245,267	250,172	255,176	260,279	265,485
Zoo Loan Payments (Refinanced October, 2003)	420,241	403,064	407,164	405,161	402,089	403,820	404,670	404,408
Net Revenues Less Validations and Debt Service	(\$56,428)	\$91,741	\$79,775	\$71,992	\$66,861	\$54,948	\$45,546	\$35,215
Payment to the City of Portland	0	91,741	79,775	71,992	66,861	54,948	45,546	35,215
Funds for Cap. Imp. (Repaving), R&R, Profit Sharing	0	0	0	0	0	0	0	0
Cost of Repaving	0	0	0	0	0	0	0	0
Equal Profit Sharing Oregon Zoo	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
Equal Profit Sharing WFC	0	0	0	0	0	0	0	0
Equal Profit Sharing City of Portland	0	0	0	0	0	0	0	0
Remainder to be shared based on attendance	0	0	0	0	0	0	0	0
Attendance-Based Profit Sharing Oregon Zoo	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
Attendance-Based Profit Sharing WFC	0	0	0	0	0	0	0	0
Attendance-Based Profit Sharing City of Portland	0	0	0	0	0	0	0	0
Total Net to the Oregon Zoo (After Debt Service)	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0

**Washington Park Parking Lot Proforma
Updated October 2003**

Scenario 2
Flat Growth

PARKING SYSTEM PRO FORMA	FY 2012-13	FY 2013-14	FY 2014-15	FY 2015-16	FY 2016-17	FY 2017-18	FY 2018-19	FY 2019-20
Operating Revenues:								
On-Site Parking Revenues Zoo	\$916,930	\$916,930	\$916,930	\$916,930	\$916,930	\$916,930	\$916,930	\$916,930
Interest Income	0	0	0	0	0	0	0	0
Employee Parking Revenue	64,829	64,829	66,774	66,774	68,777	68,777	70,841	70,841
Cash Flow Loan	0	0	0	0	0	0	0	0
Subtotal--Parking Income	\$981,759	\$981,759	\$983,704	\$983,704	\$985,707	\$985,707	\$987,771	\$987,771
Operating Expenses:								
Operations Contract (includes staffing)	\$124,669	\$127,163	\$129,706	\$132,300	\$134,946	\$137,645	\$140,398	\$143,206
Utilities and M&S	39,655	40,448	41,257	42,082	42,924	43,782	44,658	45,551
Ongoing Maintenance	70,658	72,071	73,513	74,983	76,483	78,012	79,572	81,164
Overhead Charge	12,936	13,195	13,459	13,728	14,003	14,283	14,568	14,860
Capital Improvements	32,340	32,987	33,647	34,320	35,006	35,706	36,420	37,149
Subtotal--Operating Exp.	\$280,259	\$285,864	\$291,581	\$297,413	\$303,361	\$309,428	\$315,617	\$321,929
Net Operating Revenues	\$701,501	\$695,895	\$692,123	\$686,291	\$682,346	\$676,279	\$672,154	\$665,842
Parking Validations	270,794	276,210	281,734	287,369	293,116	298,979	304,958	311,058
Zoo Loan Payments (Refinanced October, 2003)	403,320	401,245	408,105	408,958	178,325	0	0	0
Net Revenues Less Validations and Debt Service	\$27,386	\$18,440	\$2,284	(\$10,035)	\$210,905	\$377,300	\$367,195	\$354,784
Payment to the City of Portland	27,386	18,440	2,284	0	105,811	0	0	0
Funds for Cap. Imp. (Repaving), R&R, Profit Sharing	0	0	0	0	105,093	377,300	367,195	354,784
Cost of Repaving	0	0	0	0	105,093	44,907	0	50,000
Equal Profit Sharing Oregon Zoo	\$0	\$0	\$0	\$0	\$0	\$100,000	\$100,000	\$100,000
Equal Profit Sharing WFC	0	0	0	0	0	100,000	100,000	100,000
Equal Profit Sharing City of Portland	0	0	0	0	0	100,000	100,000	100,000
Remainder to be shared based on attendance	0	0	0	0	0	32,393	67,195	4,784
Attendance-Based Profit Sharing Oregon Zoo	\$0	\$0	\$0	\$0	\$0	\$26,062	\$54,062	\$3,849
Attendance-Based Profit Sharing WFC	0	0	0	0	0	4,432	9,195	655
Attendance-Based Profit Sharing City of Portland	0	0	0	0	0	1,899	3,939	280
Total Net to the Oregon Zoo (After Debt Service)	\$0	\$0	\$0	\$0	\$0	\$126,062	\$154,062	\$103,849

**Washington Park Parking Lot Proforma
Updated October 2003**

Scenario 3
2% Decline

PARKING SYSTEM PRO FORMA	FY 2004-05	FY 2005-06	FY 2006-07	FY 2007-08	FY 2008-09	FY 2009-10	FY 2010-11	FY 2011-12
Operating Revenues:								
On-Site Parking Revenues Zoo	\$916,930	\$898,591	\$880,619	\$863,007	\$845,747	\$828,832	\$812,255	\$796,010
Interest Income	0	0	0	0	0	0	0	0
Employee Parking Revenue	57,600	57,600	59,328	59,328	61,108	61,108	62,941	62,941
Cash Flow Loan	0	0	0	0	0	0	0	0
Subtotal--Parking Income	\$974,530	\$956,191	\$939,947	\$922,335	\$906,855	\$889,940	\$875,196	\$858,951
Operating Expenses:								
Operations Contract (includes staffing)	\$106,404	\$108,532	\$110,703	\$112,917	\$115,175	\$117,479	\$119,828	\$122,225
Utilities and M&S	33,845	34,522	35,212	35,917	36,635	37,368	38,115	38,877
Ongoing Maintenance	60,306	61,512	62,742	63,997	65,277	66,583	67,914	69,273
Overhead Charge	11,041	11,262	11,487	11,717	11,951	12,190	12,434	12,683
Capital Improvements	168,000	28,154	28,717	29,291	29,877	30,475	31,084	31,706
Subtotal--Operating Exp.	\$379,596	\$243,982	\$248,862	\$253,839	\$258,916	\$264,094	\$269,376	\$274,763
Net Operating Revenues	\$594,934	\$712,209	\$691,086	\$668,496	\$647,939	\$625,846	\$605,821	\$584,188
Parking Validations	231,120	235,743	240,458	245,267	250,172	255,176	260,279	265,485
Zoo Loan Payments (Refinanced October, 2003)	420,241	403,064	407,164	405,161	402,089	403,820	404,670	404,408
Net Revenues Less Validations and Debt Service	(\$56,428)	\$73,403	\$43,464	\$18,069	(\$4,322)	(\$33,150)	(\$59,128)	(\$85,704)
Payment to the City of Portland	0	73,403	43,464	18,069	0	0	0	0
Funds for Cap. Imp. (Repaving), R&R, Profit Sharing	0	0	0	0	0	0	0	0
Cost of Repaving	0	0	0	0	0	0	0	0
Equal Profit Sharing Oregon Zoo	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
Equal Profit Sharing WFC	0	0	0	0	0	0	0	0
Equal Profit Sharing City of Portland	0	0	0	0	0	0	0	0
Remainder to be shared based on attendance	0	0	0	0	0	0	0	0
Attendance-Based Profit Sharing Oregon Zoo	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
Attendance-Based Profit Sharing WFC	0	0	0	0	0	0	0	0
Attendance-Based Profit Sharing City of Portland	0	0	0	0	0	0	0	0
Total Net to the Oregon Zoo (After Debt Service)	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0

**Washington Park Parking Lot Proforma
Updated October 2003**

Scenario 3
2% Decline

PARKING SYSTEM PRO FORMA	FY 2012-13	FY 2013-14	FY 2014-15	FY 2015-16	FY 2016-17	FY 2017-18	FY 2018-19	FY 2019-20
Operating Revenues:								
On-Site Parking Revenues Zoo	\$780,090	\$764,488	\$749,198	\$734,214	\$719,530	\$705,140	\$691,037	\$677,216
Interest Income	0	0	0	0	0	0	0	0
Employee Parking Revenue	64,829	64,829	66,774	66,774	68,777	68,777	70,841	70,841
Cash Flow Loan	0	0	0	0	0	0	0	0
Subtotal--Parking Income	\$844,919	\$829,318	\$815,973	\$800,989	\$788,308	\$773,917	\$761,878	\$748,057
Operating Expenses:								
Operations Contract (includes staffing)	\$124,669	\$127,163	\$129,706	\$132,300	\$134,946	\$137,645	\$140,398	\$143,206
Utilities and M&S	39,655	40,448	41,257	42,082	42,924	43,782	44,658	45,551
Ongoing Maintenance	70,658	72,071	73,513	74,983	76,483	78,012	79,572	81,164
Overhead Charge	12,936	13,195	13,459	13,728	14,003	14,283	14,568	14,860
Capital Improvements	32,340	32,987	33,647	34,320	35,006	35,706	36,420	37,149
Subtotal--Operating Exp.	\$280,259	\$285,864	\$291,581	\$297,413	\$303,361	\$309,428	\$315,617	\$321,929
Net Operating Revenues	\$564,661	\$543,454	\$524,392	\$503,576	\$484,947	\$464,489	\$446,261	\$426,128
Parking Validations	270,794	276,210	281,734	287,369	293,116	298,979	304,958	311,058
Zoo Loan Payments (Refinanced October, 2003)	403,320	401,245	408,105	408,958	178,325	0	0	0
Net Revenues Less Validations and Debt Service	(\$109,454)	(\$134,001)	(\$165,448)	(\$192,751)	\$13,505	\$165,510	\$141,302	\$115,070
Payment to the City of Portland	0	0	0	0	13,505	165,510	141,302	115,070
Funds for Cap. Imp. (Repaving), R&R, Profit Sharing	0	0	0	0	0	0	0	0
Cost of Repaving	0	0	0	0	0	0	0	0
Equal Profit Sharing Oregon Zoo	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
Equal Profit Sharing WFC	0	0	0	0	0	0	0	0
Equal Profit Sharing City of Portland	0	0	0	0	0	0	0	0
Remainder to be shared based on attendance	0	0	0	0	0	0	0	0
Attendance-Based Profit Sharing Oregon Zoo	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
Attendance-Based Profit Sharing WFC	0	0	0	0	0	0	0	0
Attendance-Based Profit Sharing City of Portland	0	0	0	0	0	0	0	0
Total Net to the Oregon Zoo (After Debt Service)	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0

Agenda Item Number 4.0

RECYCLING CREDIT TASK FORCE REPORT

Metro Council Work Session
Tuesday, November 4, 2003
Metro Council Chamber

METRO COUNCIL

Work Session Worksheet

Presentation Date: Nov. 4 Time: 1:00 PM Length: 1 hr.
Presentation Title: Report of the Recycling Credit Task Force
Department: Solid Waste & Recycling
Presenters: Ted Kyle, Recycling Credit Task Force Chair and members

ISSUE & BACKGROUND

Issue: credits provided by Metro against solid waste fees and excise taxes. Do they serve their purpose? Are they economically efficient? Are they consistent with other waste reduction policies? Are they fair? Are there other options? An independent committee, the Recycling Credit Task Force, has been examining these questions since July. This is their first progress report to Council.

Background

Private solid waste facilities that recover recyclable material from solid waste (material recovery facilities, or "MRFs") were put at financial risk when tip fees began to fall in 1998. The lower tip fees were not sufficient to pay for MRFs' operating costs, compared with simply landfilling the waste. Metro responded by providing cost relief in the form of credits against the Regional System Fee and Excise Tax levied on the residual waste disposed by the MRFs. Dubbed the Regional System Fee Credit Program, these credits were originally intended to be temporary, while MRFs adjusted to the new economic climate. Until this year, the annual credits were typically in the vicinity of \$1.1 million.

In FY 2002-03, the Council shifted the policy focus of the program—from temporary cost relief, to a subsidy designed to "boost the regional recovery rate." Council adopted special findings to this effect (now Metro Code section 5.02.046), increased the size of the credits, and eliminated the annual sunset provision in Code.

The credits were called into question during the deliberations for the FY 2003-04 budget, in which Council President Bragdon requested a review of Solid Waste & Recycling Department discretionary spending in waste reduction and outreach. Ultimately, Council reduced the budget for the credits, and Council President Bragdon convened the Recycling Credit Evaluation Task Force to take an independent and objective look at the policy and program. Sometime after January 1, 2004, the Council will revisit the future of the credit program based in part on the Task Force's recommendations.

OPTIONS AVAILABLE

- Eliminate credits
- Replace with an alternative approach
- Retain credit program in its current form
- Keep credits, but revise implementation.

DRAFT IMPLICATIONS AND SUGGESTIONS

The options presented at this time are still under consideration by the Task Force. The implications and suggestions below are the Task Force's *preliminary* positions, as of October 28. The Task Force will continue its discussions in early December.

Eliminate credits

Eliminating a program which supports recovery does not appear to be justified, unless it is replaced by a program of equal or greater impact, and/or higher efficiency. This conclusion is based largely on the facts that (a) the region has a 62 percent recovery goal, and (b) the region is lagging in its progress toward that goal.

Replace with an alternative approach

It is outside this Task Force's charge to recommend alternatives to the credit program. There are others with more experience in solid waste that are charged with that task, including the RSWMP Contingency Plan Work Group convened by Metro's Waste Reduction Division to examine alternatives. However, various approaches were presented and discussed, and the Task Force will pass these along to the RSWMP Work Group for further consideration.

Keep credits, but revise implementation.

The Task Force notes that the credits result in recovery that would not occur otherwise. As long as the region lags behind schedule in meeting the recovery goal, Metro should continue to provide credits or other forms of MRF-related incentives, unless certain conditions change, such as:

- Alternative program(s) are put in place that are better than the credits (*more efficient and/or result in more recovery*); or
- The Council and/or the State reduces the recovery goal.

The Task Force also notes that the current implementation results in certain undesirable side effects. For example, incentive to reject loads that may contain recoverable material, and hard-to-measure concepts such as what counts toward the regional recovery rate. The Task Force is likely to recommend that such implementation issues be revised.

QUESTION PRESENTED FOR CONSIDERATION

The Task Force's findings and recommendations are heavily dependent on the 62 percent regional recovery goal, and the current state of progress toward that goal. Some members of the Task Force point out that Council may wish to weigh in on the 62% waste recovery goal at some time in the future. At this time, Council is scheduled to discuss the goal as part of the RSWMP update in 2004.

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

SCHEDULE FOR WORK SESSION

Department Director/Head Approval _____
Chief Operating Officer Approval _____



Agenda Item Number 5.0

REDUCTION IN ALTERNATIVE ANALYSIS STUDY AREAS

Metro Council Work Session
Tuesday, November 4, 2003
Metro Council Chamber

METRO COUNCIL

Work Session Worksheet

Presentation Date: November 3, 2003 Time: _____ Length: 30 minutes

Presentation Title- Reduction in Alternative Analysis Study Areas

Department: Planning

Presenters: Lydia Neill, Principal Regional Planner

ISSUE & BACKGROUND: The remaining Periodic Review work tasks include fulfilling the 2,700 gross acre industrial land shortfall inside of the urban growth boundary (UGB) by June 30, 2004. The 2002 and 2003 Alternatives Analysis Studies total over 68,000 acres of land. This discussion will focus on reducing the lands under consideration for industrial purposes.

OPTIONS AVAILABLE: Briefing purposes only at this time. Staff is seeking direction from the Council on preparation of a resolution that would reduce the areas under consideration.

IMPLICATIONS AND SUGGESTIONS: Reducing the lands currently under consideration will limit the areas that will receive the 26-29 report and will narrow the areas where the UGB will most likely be expanded. However, this action will not preclude the Council from considering areas that are proposed to be removed from consideration at this time but does provide a signal to citizens, property owners and local governments of the likely intent of the Council.

QUESTION(S) PRESENTED FOR CONSIDERATION: Are there areas that are not included for further consideration that should remain on the map? Should staff proceed in drafting a resolution that would reduce the areas under consideration? Are there comments on the staff work to identify sizes of new potential industrial neighborhoods?

LEGISLATION WOULD BE REQUIRED FOR COUNCIL ACTION Yes No

DRAFT IS ATTACHED Yes No

SCHEDULE FOR WORK SESSION

Department Director/Head Approval _____

Chief Operating Officer Approval _____

110403c-01

A G E N D A

600 NORTHEAST GRAND AVENUE | PORTLAND, OREGON 97232 2736
TEL 503 797 1542 | FAX 503 797 1793



METRO

Agenda

MEETING: METRO COUNCIL REGULAR MEETING
DATE: November 6, 2003
DAY: Thursday
TIME: 2:00 PM
PLACE: Metro Council Chamber

CALL TO ORDER AND ROLL CALL

1. INTRODUCTIONS

2. CITIZEN COMMUNICATIONS

3. GFOA AWARD FOR EXCELLENCE IN FINANCIAL REPORTING Stringer

4. REGIONAL COMMERCIAL OUTREACH CAMPAIGN UPDATE Kolberg

5. CONSENT AGENDA

5.1 Consideration of Minutes for the October 30, 2003 Metro Council Regular Meeting.

6. ORDINANCES - FIRST READING

6.1 **Ordinance No. 03-1028**, For the Purpose of Transferring \$67,959 from the Planning Fund Contingency to Personal Services to Add .5 FTE Associate Public Affairs Specialist and Provide for Temporary Assistance in the Planning Fund; and Declaring an Emergency.

7. ORDINANCES - SECOND READING

7.1 **Ordinance No. 03-1021**, For the purpose of amending Title 4 of the Urban Growth Management Functional Plan to improve its protection of industrial land and to make corrections. *(PUBLIC HEARING ONLY, NO FINAL ACTION)* McLain

7.2 **Ordinance No. 02-1022**, For the purpose of Amending the Employment and Industrial Areas Map to Add Regionally Significant Industrial Areas in Compliance with Subsection J of Section 3.07.420 of Title 4 (Industrial and other employments areas) of the Urban Growth Management Functional Plan. *(PUBLIC HEARING ONLY, NO FINAL ACTION)* Park

7.3 **Ordinance No. 03-1023**, For the Purpose of Amending Provisions of Metro Code Chapter 6.01 Relating to the Metropolitan Exposition-Recreation Commission. (*PUBLIC HEARING ONLY, NO FINAL ACTION*) Burkholder

8. RESOLUTIONS

8.1 **Resolution No. 03-3378**, For the Purpose of Selecting a Center to serve as the pilot for the development of strategies to enhance regional and town centers in the region. Newman

8.2 **Resolution No. 03-3383**, For the Purpose of Responding to the Metro Auditor's Request for suggestions to Metro for Future Potential Performance Audit Topics. Hosticka

9. CHIEF OPERATING OFFICER COMMUNICATION

10. COUNCILOR COMMUNICATION

ADJOURN

Cable Rebroadcast Schedule for November 6, 2003 Meeting

	Sunday (11/9)	Monday (11/10)	Tuesday (11/11)	Wednesday (11/12)	Thursday (11/6)	Friday (11/7)	Saturday (11/8)
CHANNEL 11 Community Access Network Clackamas, Multnomah and Washington counties, Vancouver, Wash.					Live at 2 p.m.		
CHANNEL 30 TVTV Washington County, Lake Oswego	7 p.m.		6 a.m.	4 p.m.			7 p.m.
CHANNEL 30 CityNet 30 Portland	8:30 p.m.	2 p.m.					
CHANNEL 30 Willamette Falls Television West Linn	6 a.m.		9:30 a.m. 5 p.m.		9:30 a.m. 5 p.m.		6 a.m.
CHANNEL 28 Willamette Falls Television Oregon City, Gladstone	6 a.m.						6 a.m.
CHANNEL 23 Milwaukie Public Television Milwaukie							
CHANNEL 30 MCTV Gresham							

PLEASE NOTE: Show times are tentative and in some cases the entire meeting may not be rebroadcast due to length. Call or check your community access station web site to confirm program times.

<i>Portland Cable Access</i>	www.pcatv.org	(503) 288-1515
<i>Milwaukie Public Television</i>	www.wftvaccess.com	(503) 652-4408
<i>Multnomah Community Television</i>	www.mctv.org	(503) 491-7636
<i>Tualatin Valley Television</i>	www.yourtvvtv.org	(503) 629-8534
<i>Willamette Falls Television</i>	www.wftvaccess.com	(503) 650-0275

Agenda items may not be considered in the exact order. For questions about the agenda, call Clerk of the Council, Chris Billington, 797-1542. Public Hearings are held on all ordinances second read and on resolutions upon request of the public. Documents for the record must be submitted to the Clerk of the Council to be considered included in the decision record. Documents can be submitted by email, fax or mail or in person to the Clerk of the Council. For assistance per the American Disabilities Act (ADA), dial TDD 797-1804 or 797-1540 (Council Office).

110403x-02

M E M O R A N D U M

600 Northeast Grand Avenue | Portland, Oregon 97232-2736
(tel) 503-797-1700 | (fax) 503-797-1797



METRO

DATE: October 24, 2003
TO: David Bragdon, Metro Council President
FROM: Lydia Neill, Principal Regional Planner
RE: Formation of Industrial Neighborhoods

Purpose

To provide technical information to facilitate a discussion on identifying optimal sizes and characteristics of industrial neighborhoods based on MetroScope modeling, mapping of existing Title 4 areas, an analysis of current business conditions and information obtained from the first phase of the aggregation study.

Characteristics of Existing Older Industrial Neighborhoods

Staff examined a number of different areas to identify characteristics associated with thriving industrial neighborhoods. The existing UGB contains a number of older industrial neighborhoods some of which are concentrated around the central city that developed historically around transportation infrastructure. These neighborhoods range from 575 to 4,500 acres in size and are primarily located within the City of Portland. The largest areas being the Columbia South Shore and the Portland Harbor. The Columbia South Shore area is really a collection of four industrial neighborhoods each having a different focus and access to different types of transportation facilities. These areas are heavily focused on the traded sector and transportation and logistics that are concentrated around rail, marine and airport access and on traded sector industries and transportation. Examples include metals, equipment manufacturing, transportation/logistics and general manufacturing uses. These uses are consistent with traditional industries.

Newer Industrial Areas

Emerging industrial neighborhoods in general are less transportation dependent and are clustered around supporting suppliers and concentrations of knowledge-based companies. Newer industrial areas that have developed within the last 20-years are generally smaller than the traditional areas that encompass Portland Harbor and the Columbia Corridor. These new neighborhoods have formed in Hillsboro, Tualatin and Gresham and contain a mix of traditional industry types as well as a newer focus on knowledge-based industries. All of the newer industrial areas have linkages to the movement of goods and services both within and outside of the region.

For example, Ronler Acres was assembled by the City of Hillsboro during the 1990's included over 698 lots that were converted from an underutilized platted residential

subdivision to a mixture of industrial, employment and mixed uses. Today the neighborhood is anchored by a 250 acre Intel development that forms a nucleus for hi-tech development at the intersection of Shute and Evergreen Roads.¹ Approximately 200 acres were added to the UGB in December 2002 northwest of the intersection of Shute and Evergreen Roads for industrial use due to the location of very specialized public facilities that serve the hi-tech industry.

Linkages to Employment Areas

Employment areas often border industrial neighborhoods because these uses provide a buffer between less intensive residential uses and are less sensitive to topographic constraints. Some of the employment areas were designated due to existing development patterns when Title 4 was initially adopted. These areas are predominately office, medical facilities, retail and limited big box retail. The retail located within these areas typically serve adjoining industrial and residential areas. Examples include: corporate headquarters, office uses, light manufacturing, business services and small-site manufacturing. Kruse Way and the OHSU Campus are examples of destination employment areas because of large concentrations of single focused uses.

Medium to smaller size (300-700) industrial neighborhoods have connections to nearby employment and residential markets or provide a support function to other industrial areas. An example is the Central Eastside neighborhood. This area contains small distribution, wholesale and light industrial uses mainly located north of the viaduct. South of the viaduct has more of traditional industrial industry base that focuses on aggregate processing, dairy product refinement, heavy equipment rental, storage and lumber wholesale. Examples of uses typically located in these neighborhoods include: wholesale, quasi-retail, small site manufacturing facilities, construction and industrial services.

Examination of Data

MetroScope Gain and Loss Areas

Using the MetroScope modeling conducted in 2002 to evaluate industrial investment and industrial employment gains/losses indicate a number of areas that are thriving industrial neighborhoods (see attachments A, B and C). Based on this modeling, substantial investment is projected to be concentrated in the Rivergate area, Columbia South shore east of I-205, Tualatin, Wilsonville and the HWY 212/224 area in Clackamas County.

Using the mapped Title 4 areas and results from the 2002 MetroScope modeling characterizations of existing industrial uses can be drawn in terms of size, location, adjacency to employment areas and level of investment.

Title 4 Areas- lot site characteristics

Title 4 areas located in newly added areas and those areas at the edge of the UGB tend to have fewer parcels and a higher average lot size. Smaller areas located close to the center of the region have smaller average lot sizes due to the existing street grid pattern and historical development patterns.

Areas highlighted in the table below represent the areas with the highest projected demand based on MetroScope modeling. Of these areas, some of the largest (723-6,215 acres) generally have excellent access to transportation, port facilities, or are

¹ The City of Hillsboro completed the consolidation and replatting of the Ronler Subdivision by forming an urban renewal district. They had assistance from OECDD. The 30 million dollar public investment has leveraged a \$610 million dollar return to the tax roles and several billion dollars of capital investment.

heavily concentrated with particular types of uses like heavy manufacturing, hi-tech or warehouse and distribution uses.

Title 4 Areas- lot site characteristics

Industrial Area & Number	Total Acres	Number of Tax Lots	Average Lot Size (in acres)
1- Forest Grove and Cornelius	476	185	2.56
2- Hillsboro	2,687	45	15.67
3- South Hillsboro	267	173	1.54
4- HWY 217 Beaverton	414	141	2.92
5- HWY 217 Beaverton	256	87	2.92
6- Tualatin/Sherwood	2,336	479	4.87
7- Wilsonville	723	190	3.79
8- Rivergate/I-5	4,139	613	6.74
9- Portland Harbor	2,521	1,367	1.84
10- North/eastside	322	887	.36
11- South/eastside	255	292	.87
12- Hwy 212/Milwaukie	435	173	1.51
13- Clackamas	2,269	829	2.73
14- Oregon City	263	55	4.70
15- I-84/Gresham	518	70	4.12
16- Troutdale	1,589	254	6.23
17- Gresham-east	267	63	4.18
18- Sunnyside	655	119	5.46
19- Damascus	764	94	10.62
20- Columbia South Shore/airport	6,215	1,769	3.29
21- Columbia South Shore	1,766	592	2.98
22- Gresham/Springwater	1,148	339	3.38

Creating New Industrial Neighborhoods

New industrial neighborhoods need to be a minimum size and contain core attributes that allow these areas to function as complete industrial communities. Industries tend to cluster in areas due to access to suppliers and because of competitive site advantages. The areas should contain a minimum of 300 to 500 gross acres but could be as large as 1,500 acres.² Gross acres do not take into account for deductions necessary to obtain net buildable acres. Common deductions include streets, natural resources, internal access, slopes, landscaping and potential buffer areas from conflicting uses.³ The minimum neighborhood size range allows for efficient development patterns, development of a functional street network, platting of a range of lot sizes, appropriate buffers from other uses and adequate protection of natural resources. Minimum area sizes are important because development of these areas require substantial investments in public facilities that can be used efficiently in areas that have opportunities to grow over time and contain enough users to absorb the infrastructure costs.

Key Components of Industrial Neighborhoods

- Contain a minimum of 300 acres up to 1,500 acres
- May be located adjacent to employment areas due to synergy of uses
- Employment areas provide good buffers between industrial and less intensive residential areas

² Based on minimum sizes from Title 4 areas.

³ Interviews conducted in April and May of 2003 indicated that most development professionals use a gross to net reduction of 30% to account for reductions in a building site.

- Require good transportation access
- Areas should be sized with room to grow
- Areas should be large enough to make infrastructure investments worthwhile

Summary

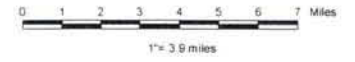
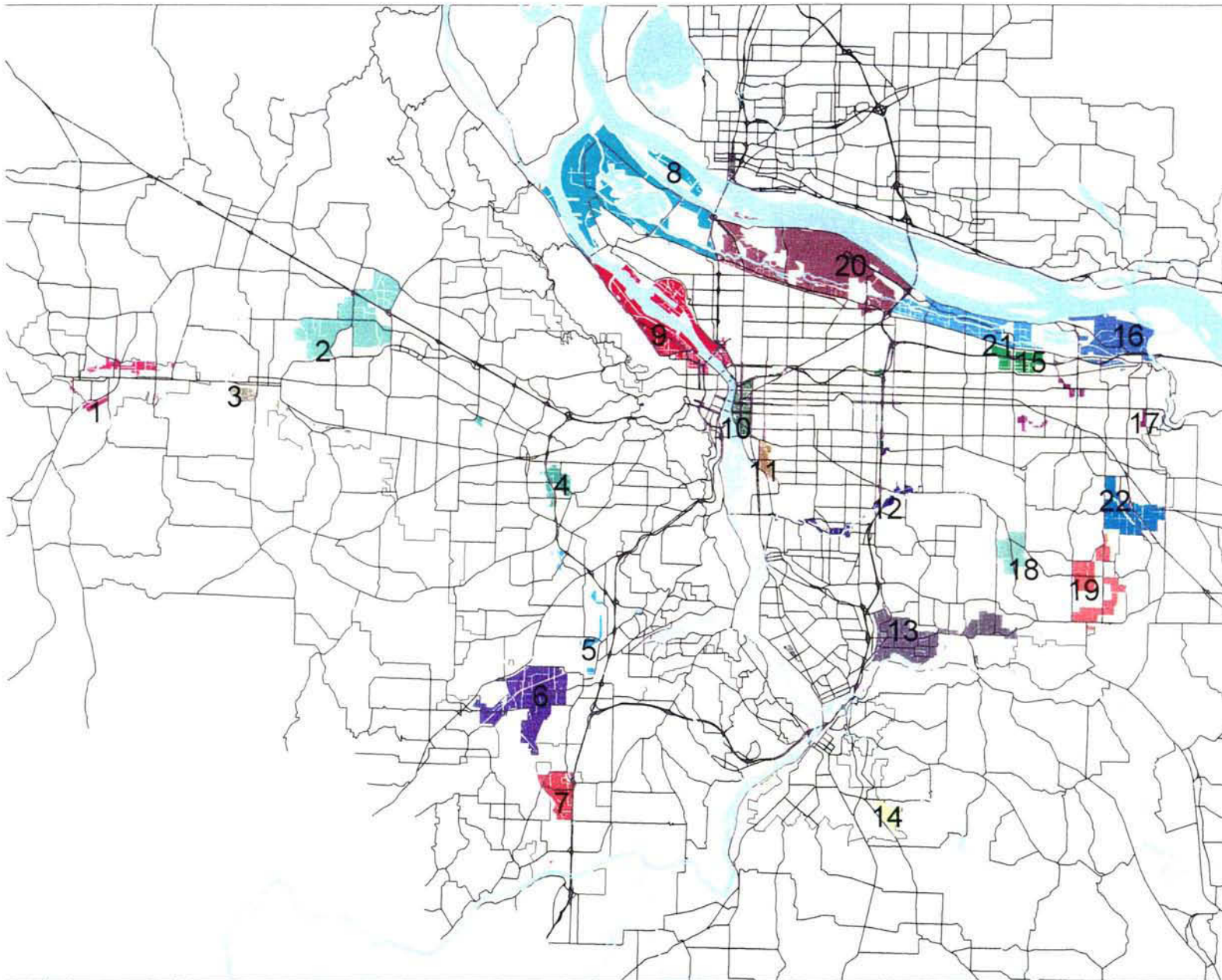
In summary, the region contains a multitude of industrial neighborhoods that are focused around specific industries and key transportation connections. The size of the neighborhood varies from area to area but there appears to be a threshold size (300-1,500) that equates to opportunities for future growth and making infrastructure investments worthwhile.

Attachments:

- A- Title 4 Areas
- B- 2002 MetroScope- Industrial Gains
- C- 2002 MetroScope- Industrial Loses
- D- 2002 MetroScope- Value of Investments

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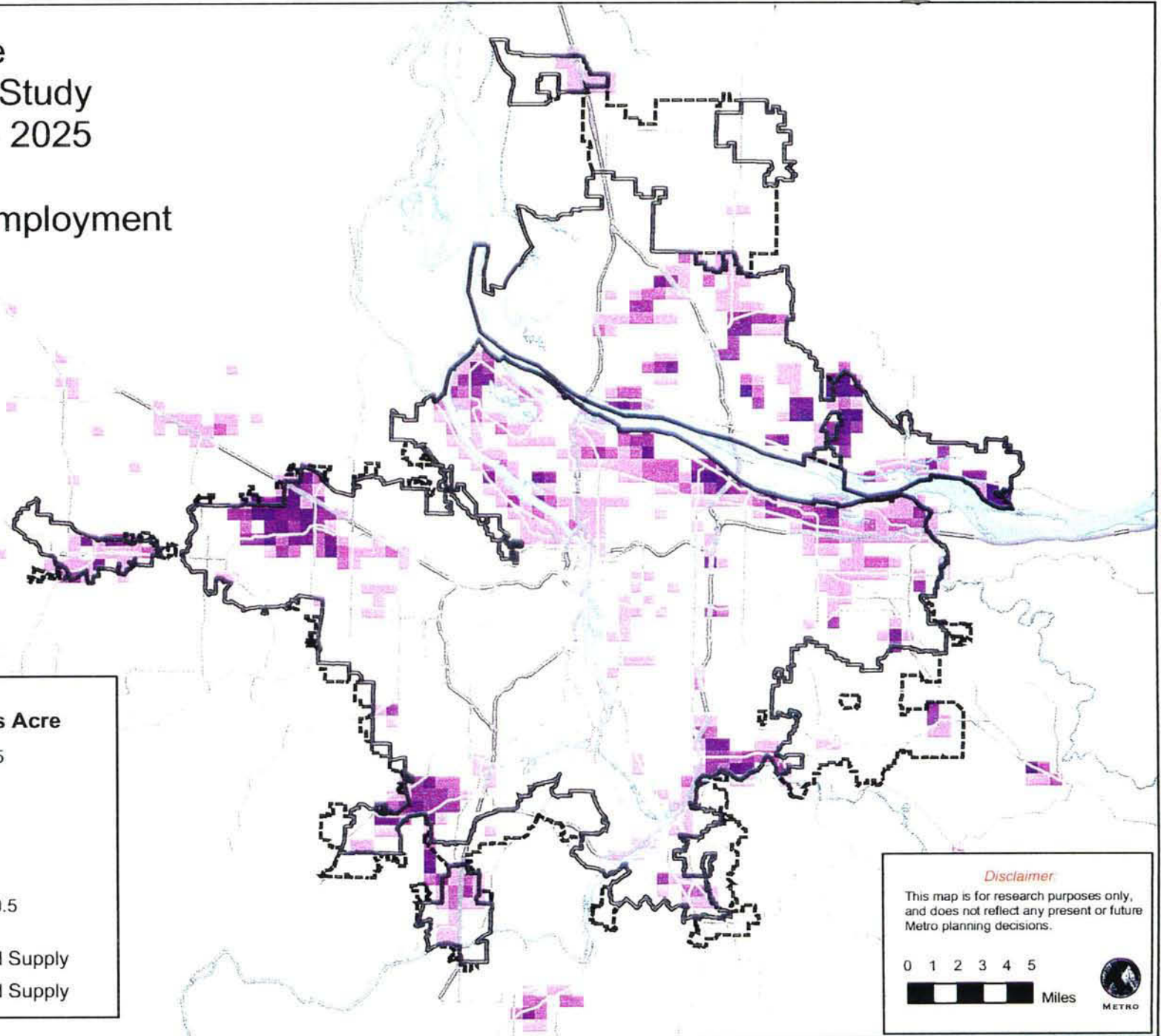
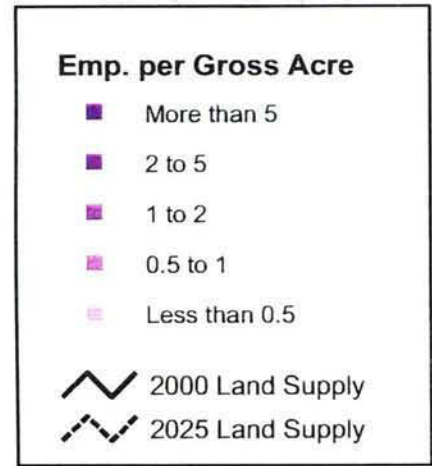
Title 4 Industrial Land



500 NE Grand Ave.
Portland, OR 97232-2736
503 797-1742 FAX 503 797-1909
Email: dro@metro.dst.or.us

MetroScope
Base Case Study
Year 2000 - 2025

Industrial Employment
Gains

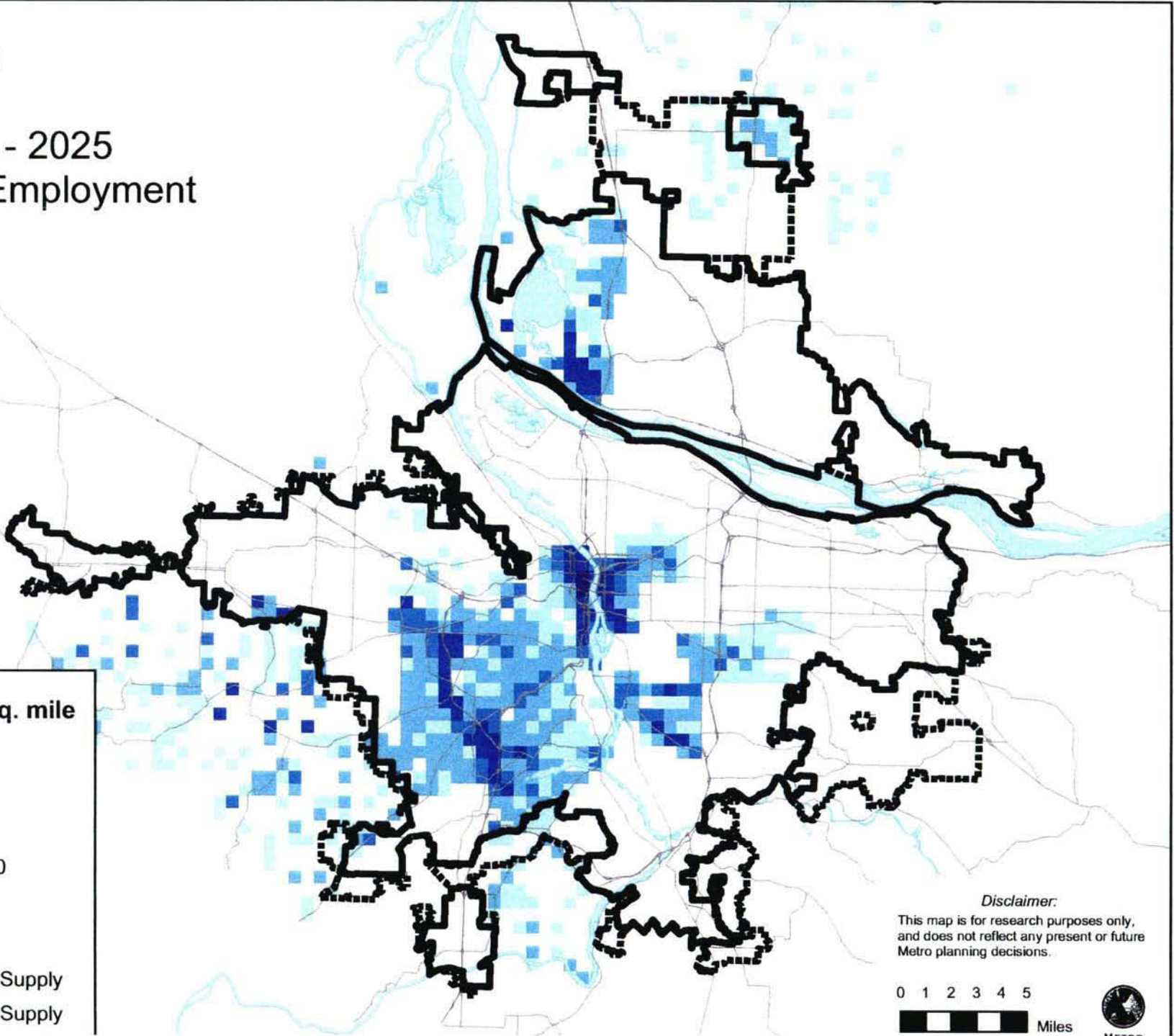
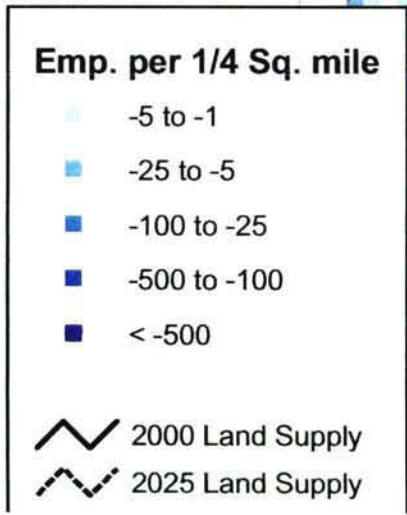


Disclaimer
This map is for research purposes only,
and does not reflect any present or future
Metro planning decisions.

0 1 2 3 4 5
Miles

Figure 18 :

Year 2000 - 2025
Industrial Employment
Losses



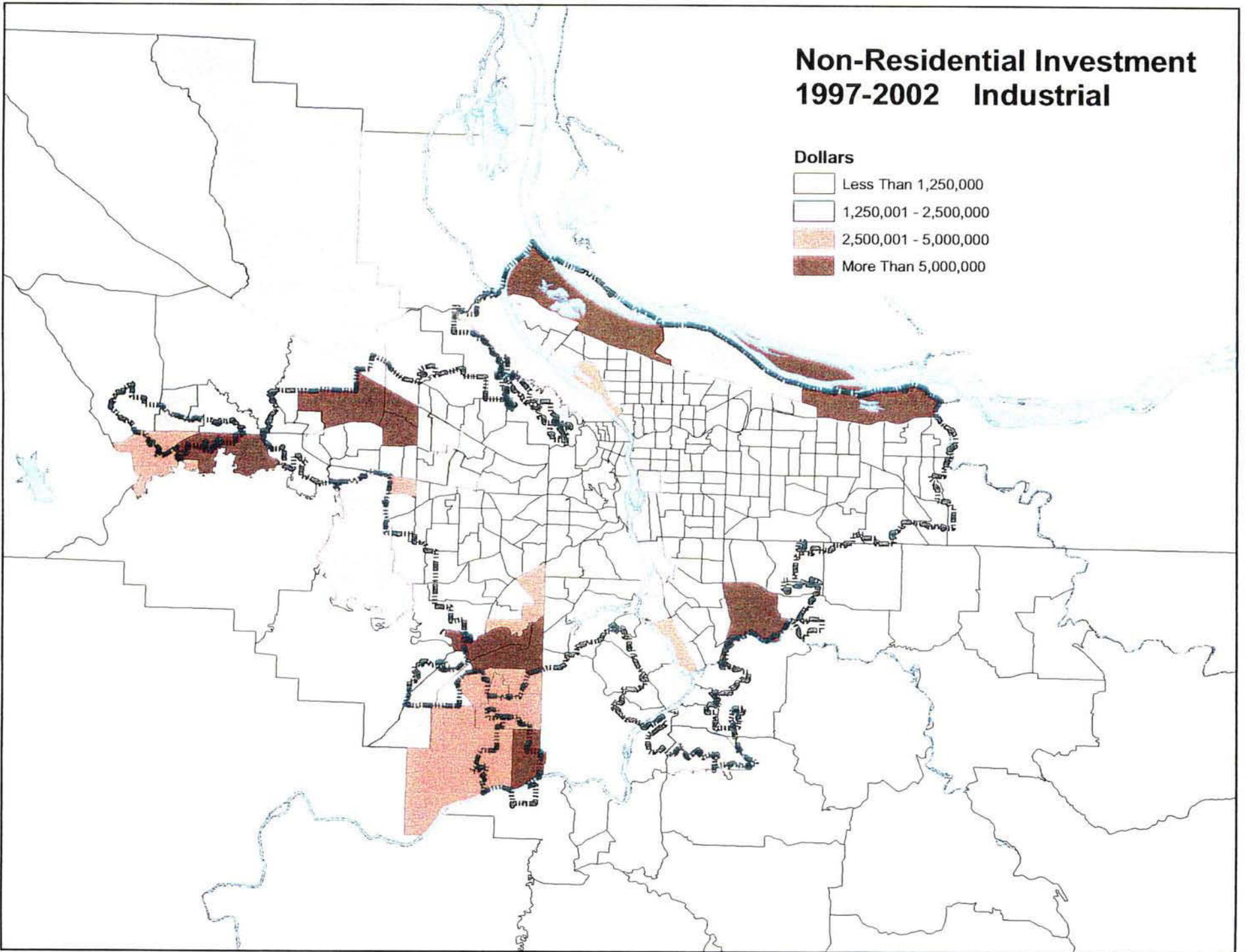
Disclaimer:
This map is for research purposes only,
and does not reflect any present or future
Metro planning decisions.

0 1 2 3 4 5
Miles

Non-Residential Investment 1997-2002 Industrial

Dollars

- Less Than 1,250,000
- 1,250,001 - 2,500,000
- 2,500,001 - 5,000,000
- More Than 5,000,000



M E M O R A N D U M

600 Northeast Grand Avenue | Portland, Oregon 97232-2736
(tel) 503-797-1700 | (fax) 503-797-1797



METRO

Date: October 30, 2003

TO: David Bragdon, President of the Metro Council

FROM: Lydia Neill, Principal Regional Planner

RE: Technical Assessment of Reducing Lands within Alternatives Analysis Study Areas

Purpose

Provide a technical assessment of reducing lands contained in the 2002/2003 Alternative Analysis Study areas that will be considered for possible amendment to the Urban growth Boundary (UGB). The technical assessment is based on the location and siting factors (slope, proximity to industry and access), size of areas, proximity to the UGB, size and committed uses of parcels. A reduction in the lands under consideration will focus discussion on areas that are suitable for industry and allow a more thorough analysis to be completed for the impact analysis completed for the Measure 26-29 report.

Background

Three industrial land location and siting factors have been identified to indicate which lands are most suitable for industrial purposes. The 2002 and 2003 Alternatives Analysis Study areas are proposed to be evaluated using the location and siting factors: 1) slopes of less than 10% and/or location in a floodplain, 2) proximity to other industrial uses and Title 4 areas (within one mile), and 3) good access to transportation facilities (two miles from an interchange or access to the Tualatin Valley Highway or Highway 99).

All of the 2003 Alternatives Analysis Study areas meet the location and siting factors because they were chosen for study based on these factors. The 2002 Alternatives Analysis Study areas were identified for general land need purposes and prior to the development of the location and siting factors so there may be areas that do not meet these factors. The 2002 Study areas were analyzed using these factors, resulting in a number of areas that are proposed to be dropped from further consideration because they are not suitable for industrial development. However, there are areas recommended to remain under consideration because they either meet some or all of the suitability factors or they contain exception lands that would not necessarily be suitable for industrial purposes but could facilitate the extension of services to industrial areas.

Methodology for Reducing Study Areas

The objectives of removing areas from consideration include:

- Apply the three location and siting factors to all lands (slope, proximity and access to transportation facilities), include all areas to identify lands suitable for industrial purposes
- Capture as much of the exception lands as possible that meet the 10% slope and floodplain threshold
- Evaluate exception lands that may not be ideal for industrial development but could be important for providing services to industrial areas

- Identify areas in terms of the minimum size necessary to establish a new industrial neighborhood (300 acres)

Steps to Remove Areas from Consideration

To produce a map containing a subset of lands from the 2002/2003 Alternatives Analysis Study areas a specific methodology was applied. The methodology includes the use of location and siting factors, determination of minimum necessary to form industrial neighborhoods and size and development patterns.

- Apply 10% slope and floodplain coverage to all study areas (2002/2003) and remove tax lots from study areas that do not have a majority of the area remaining outside of floodplains and/or meet the 10% slope threshold
- Examine areas to remove areas that contain a majority of parcels that are 5 acres or less and are already developed
- Remove areas that are isolated from industrial areas, not contiguous to the UGB and contain less than 300 acres.
- Remove areas that may be contiguous to the UGB but are not located within one mile of existing Title 4 areas and/or industrial areas and are more than two miles from an interchange (Highway 99 or Tualatin Valley Highway) unless these areas may be needed to provide services to areas suitable for industrial uses.

Remaining Areas to Be Considered for Industrial UGB Expansion

The areas proposed to remain under consideration have been reduced from the combined 2002/2003 Alternatives Analysis Study areas as follows:

- 2002/2003 Study areas- 68,334 acres
- Acreage recommended to be removed from study based on steps above- 46,993
- Final areas left for consideration- 21,341

Exception Areas Better Suited for Residential Development

There are a number of areas that were studied in the 2002 Alternatives Analysis that are not suitable for industrial development due to slopes, access constraints, committed uses and/or size of lots. Some of these areas are located between the existing UGB and potential areas suitable for industrial development. The location of these areas raises two policy issues: 1) should public facilities be extended through exception lands to industrial areas without bringing them into the boundary and, 2) if these exception areas were to be included in the UGB to create a logical boundary and to ease extension of services does this create a residential over-supply problem? Metro has not faced this issue before and the Land Conservation and Development Commission (LCDC) has not directly ruled on this issue. The 2002 UGB expansion decision provided 666 dwelling units over the 20-year identified land need. This decision was acknowledged by LCDC in July 2003 implying that this is an acceptable level of over-expansion for residential purposes. The addition of additional exception areas not suitable for industrial purposes has the potential to greatly increase the over-supply of residential capacity. These questions will need to be resolved prior to Council deliberation on industrial areas.

Attachment:

Map of areas

Proposed Alternatives Analysis Study Areas

Revision 10/21/03

 Revised Study Areas


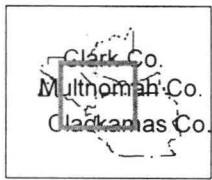
 1 Mile UGB Buffer

Areas removed based upon:

- * Slopes > 10% and floodplains
- * Areas largely composed of developed 5 acre parcels.
- * Areas not contiguous to the UGB and are less than 300 acres.
- * Areas not located within one mile of existing Title 4 / or industrially zoned lands that are more than 2 miles of an interchange, Hwy. 99 or TV Hwy.

Information on this map was derived from the following sources: Clark County GIS Department, Multnomah County GIS Department, Clackamas County GIS Department, and the Oregon Department of Transportation. The information is provided as a public service and is not intended to be used for any purpose other than that for which it was originally intended. The user assumes all liability for any use of this information.

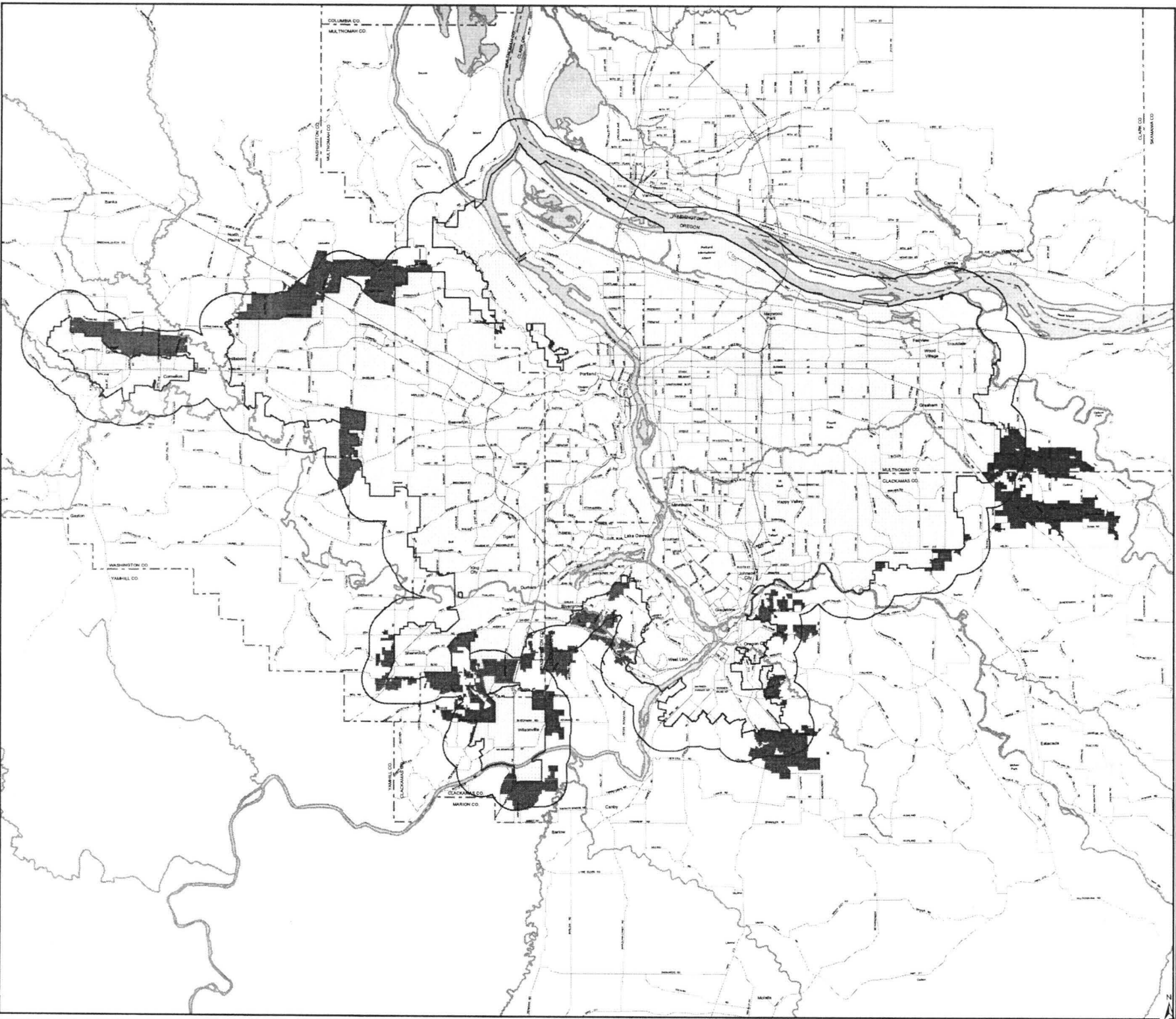
1 inch equals 5.1 miles

Location Map



METRO
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Quick Responses to Some Issues from November 3 Title 4/RSIA Meetings
November 4, 2003

Issue 1: Title 4's limitation on new corporate headquarters (1,000 employees) will discourage industries that start small, as Intel and Nike once were.

Response: The 1,000-employee minimum does not apply to headquarters of industrial companies, such as Nike, Intel and Freightliner. The minimum applies to non-industrial firms. Revisions proposed to Title 4 allow headquarters of non-industrial companies in any existing building in RSIA's with no minimum number of employees.

Issue 2: Title 4 limits on offices in RSIA's will prevent Intel from consolidating its offices scattered across several states in the Hillsboro area.

Response: Title 4 limits only specified types of offices (financial, insurance, real estate and professional) in RSIA's. There is no limit on offices of industrial companies, such as Intel, or on uses accessory to industrial uses, or on non-industrial uses necessary to serve the needs of businesses in the area.

Issue 3: Big offices, like those at Jones Farm, are too big for some Centers, such as Hillsboro, and ought to be allowed in RSIA's.

Response: These are industrial offices; they are allowed in RSIA's.

Issue 4: Title 4 may make major employers, such as U.S. Bank in Gresham, non-conforming uses.

Response: Proposed revisions to Title 4 make all office existing uses in RSIA's allowed uses; they would not be non-conforming.

Issue 5: The 50-acre limit on large parcels will prevent the creation of small parcels from the large parcels in RSIA's.

Response: Title 4 protects large parcels (50 acres or larger). But, to provide flexibility, Title 4 does allow some division of large parcels so long as the maximum number of 50-acre parcels remains. For example, a 65-acre parcel may be divided into a 50 and three 5-acre parcels; a 50, a 10 and a 5; or a 50 and fifteen one-acre parcels. Note: parcels smaller than 50 acres may be divided into any number of parcels of any size.

Periodic Review – Industrial Lands

Reduction in Alternative Analysis Study Areas Resolution
Critical Dates Timeline

Revised October 30, 2003

Date	Committee	Item(s)	Action
November 4	Council Worksession	Discuss reduction in Alternatives Analysis Study Area and Industrial Neighborhoods	None
November 5	MTAC		
November 11	Council Worksession	<i>No meeting - holiday</i>	
November 12	MPAC	<i>Other: Aggregation Study and Industrial Neighborhood Discussion</i>	
November 13	Council Meeting		
November 18	Council Worksession	Resolution 03-3386 – Reduction in Alternatives Study Areas, <i>Other: Port warehousing and distribution study results, review draft 2003 Alt. Analysis</i>	Direction to staff
November 19	MTAC	Introduction Resolution 03-3386 Reduction in Alternative Analysis Areas, <i>Other: Port Warehousing and Distribution Study results, review draft Alt. Analysis</i>	Introduction
November 19	MPAC	Introduction Resolution 03-3386 Reduction in Alternative Analysis Areas Study Areas, <i>Other: Port warehousing and distribution study results</i>	Introduction
December 3	LCDC	Discussion on Resolution 03-3386	Briefing
December 3	MTAC	Resolution 03-3386 – Reduction in Alternative Analysis Areas Study Areas	Recommendation
December 4	Metro Council		
December 10	MPAC	Resolution 03-3386 – Reduction in Alternative Analysis Study Areas	Recommendation
December 11	Metro Council	Resolution 03-3386 – Reduction in Alternative Analysis Study Areas	Adoption