

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 WORK SESSION MEETING
DATE: January 20, 2004
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, JANUARY 22, 2004 | |
| 1:15 PM | 2. | COORDINATION WITH MARION COUNTY | Neill |
| 2:15 PM | 3. | GOAL 5 REGULATORY DISCUSSION | Deffebach |
| 2:45 PM | 4. | ORGANICS DISCUSSION | Barrett/
Erickson |
| 3:30 PM | 5. | CITIZEN COMMUNICATIONS | |
| 3:45 PM | 6. | EXECUTIVE SESSION HELD PURSUANT TO
ORS 192.660 (1) (d) FOR THE PURPOSE OF
DELIBERATING WITH PERSONS DESIGNATED
TO CONDUCT LABOR NEGOTIATIONS. | Dull/Scott |
| 4:15 PM | 7. | CHIEF OPERATING OFFICER COMMUNICATION | |
| 4:30 PM | 8. | COUNCILOR COMMUNICATION | |

ADJOURN

Agenda Item Number 2.0

COORDINATION WITH MARION COUNTY

Metro Council Work Session
Tuesday, January 20, 2004
Metro Council Chamber

METRO COUNCIL

Work Session Worksheet

Presentation Date: January 20, 2003 Time:

Length:

Presentation Title: Meeting with Marion County Commissioners and City of Woodburn

Department: Planning

Presenters: Lydia Neill, Principal Regional Planner

ISSUE & BACKGROUND

Part of our commitment to the State for completing Periodic Review includes local government coordination. Coordination with local governments is required under Statewide Goal 1. Recent discussions regarding Alternatives Analysis Study areas and in particular areas located south of the Willamette River have sparked discussion with Marion County and other cities. Marion County and a number of small cities have met several times with staff to understand the scope of Periodic Review and the necessity of studying land south of the Willamette River. Marion County Commissioners and a representative from the City of Woodburn would like an opportunity to address the Council and provide feedback on a potential decision to add land to the UGB south of the river. The concerns range from protecting the agricultural industry in Marion County to dilution of efforts by small cities to diversify and grow their own economic base.

OPTIONS AVAILABLE

This is an informational item only.

IMPLICATIONS AND SUGGESTIONS

The discussion will be informative and may prompt direction to staff for maintaining coordination with cities and Marion County throughout the remainder of the project before the June 2004 UGB decision.

QUESTION(S) PRESENTED FOR CONSIDERATION

Is there further direction to staff regarding coordination efforts?

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 3.0

GOAL 5 REGULATORY DISCUSSION

Metro Council Work Session
Tuesday, January 20, 2004
Metro Council Chamber

METRO COUNCIL

Work Session Worksheet

Presentation Date: 1/20/04 Time: Length: 30 min

Presentation Title: Acreage affected by the Fish and Wildlife Habitat Protection Program Regulatory Options

Department: Planning

Presenters: Deffebach, Ketcham, Cotugno

ISSUE & BACKGROUND

In October 2003, Metro Council directed staff to evaluate six different regulatory approaches to fish and wildlife habitat protection. The regulatory approaches vary in the habitat acres covered and in the degree of protection. By May, Metro Council is scheduled to consider a recommendation for the extent of habitat area protection by specifying where development (or conflicting uses) should be allowed, limited or prohibited. Prior to this consideration, the public will have an opportunity to review the regulatory options and comment on the recommendation.

The first step in evaluating the regulatory options is to map the extent of habitat areas where development could be subject to allow, lightly limit, moderately limit, strictly limit or prohibit and to compare these areas to the baseline. This work is now completed. This work session presentation will begin the discussion of the options by describing how the options differ and how they compare to the baseline. Future presentations will describe how the options address the Economic, Social, Economic and Energy criteria.

OPTIONS AVAILABLE

This presentation is intended to begin to provide information about the regulatory options. No action is requested at this time.

IMPLICATIONS AND SUGGESTIONS

These presentations to Council on the differences between the regulatory options are an opportunity for Councilors to ask questions and for staff to prepare the data in a way that responds to these questions.

QUESTION(S) PRESENTED FOR CONSIDERATION

Staff request Councilors to ask questions that help their understanding of the differences between the options, based on the initial data available for presentation.

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 4.0

ORGANICS DISCUSSION.

Metro Council Work Session
Tuesday, January 20, 2004
Metro Council Chamber

METRO COUNCIL

Work Session Worksheet

Presentation Date: January 20, 2004 Time: Length: 45 minutes
Presentation Title: Organics Update and Decision to Proceed
Department: Solid Waste & Recycling
Presenters: Michael Hogle and Lee Barrett

ISSUE & BACKGROUND

Metro Waste Reduction & Outreach staff and local government partners developed an organics management work plan and have been working steadily over the past four years to implement a wide range of programs and services designed to recover 45,000 tons of organics from the waste stream.

Staff has been working to secure organic waste processing capacity for the region including an infrastructure development grant funded in cooperation with the City of Portland, development of a tip fee for compostable organic waste at Metro transfer stations, and discussions regarding organics transport and composting with Threemile Canyon Farms, the only operational fully-permitted organic waste composting facility in Oregon. The City of Portland's current schedule is to implement food waste collection programs by Summer 2004, anticipating that Metro transfer stations will be prepared to accept the material for reload to a composter. The City is currently conducting a cost of service study to determine the overall costs and benefits to a wide variety of organic waste generators.

Staff has reached some key policy and program implementation decision points requiring Council direction.

OPTIONS AVAILABLE

- 1) Direct staff to proceed with drafting a grant funding agreement, bringing legislation forward to establish an organics rate at Metro transfer stations, and proceed with legislation to secure transport and processing of organic wastes with Threemile Canyon Farms.
- 2) Direct staff to proceed no further with the organics collection and processing program initiatives.

IMPLICATIONS AND SUGGESTIONS

In order to meet state-mandated recovery goals, the region has targeted the recovery of an additional 45,000 tons of organics from the waste stream. To do so, an organic waste collection and composting system must be developed in cooperation with Metro's regional partners. Metro staff has proceeded down this path and with Council's approval is now ready to take the next steps that will enable implementation of a permanent regional organics recovery system.

Moving forward entails: 1) expenditure of up to \$500,000 in grant funds to develop the necessary infrastructure to process and compost the region's organic wastes; 2) adoption of a tip fee for source-separated compostable organic waste at Metro transfer stations; 3) entering into an agreement or agreements for the transport and composting of the organic wastes delivered to Metro transfer stations; and 4) assistance to local government partners with outreach and education to ensure that the separation and collection programs run smoothly.

QUESTION(S) PRESENTED FOR CONSIDERATION

Shall the Solid Waste & Recycling Department proceed with securing processing capacity for source separated organic wastes via the following actions:

- 1) Proceed with awarding an infrastructure development grant to Threemile Canyon Farms to implement necessary capital improvements to accommodate the acceptance, processing and composting of organic waste from the region.
- 2) Proceed with filing an ordinance to establish a rate for acceptance of source-separated compostable organic waste at Metro transfer stations.
- 3) Proceed with negotiating a sole-source agreement with Threemile Canyon Farms for the transport, processing and composting of source-separated compostable organic wastes delivered to Metro transfer stations.

Prior to Council discussion of these items, staff will present relevant new information on the organics program that have occurred since the department's last update to Council. The role of the organics program will be presented in context with other current waste reduction efforts (e.g., the Regional Solid Waste Management Plan Contingency Plan). Staff will also briefly discuss the latest organics program economics pro forma.

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 _____

to relocate the facility to a similar area with similar attributes in the Willamette Valley where available land is extremely scarce. These impacts on the OSU facility should be more critically assessed due to the potential for negative consequences to Oregon's agricultural industry far beyond *Area F* and the Metro boundary.

Although the current study clearly justifies elimination of *Area F* at this time, the Board of Commissioners is concerned that this area or other nearby areas south of the Willamette River will be considered for inclusion within the Metro UGB at every future periodic review of Metro's UGB. This issue was raised by the City of Wilsonville when the city, in their "Industrial Land Alternatives Analysis Study," stated that there are other important factors not included in the suitability analysis. In Wilsonville's report they state:

"The development of Charbonneau was the catalyst for Oregon's land use policies because its development made us keenly aware that urban sprawl would flow down the valley uncontained unless clear boundaries were established and maintained for urbanization. The very idea of extending now past the Willamette River is contrary to the state goals and principles of land use law in Oregon."

The Willamette River in this area has served as a physical and psychological barrier separating the Portland metro area from the fertile farmlands of the Willamette Valley. The expansion of the Metro UGB farther south of the river would essentially eliminate this important and recognized barrier. When you traverse the I-5 Boone Bridge over the Willamette River, you cross a distinct boundary separating urban from rural. Maintaining this boundary is critical to the long-term future and viability of agriculture in the Willamette Valley, recognized as one of the most productive agricultural regions in the world.

To reiterate, the 2003 Industrial Land Alternative Analysis Study clearly identifies and rates *Areas E and F* as the least suitable for expansion in a number of critical areas. The Marion County Board of Commissioners unanimously recommends that *Area E* and *Area F* be eliminated from further consideration for the proposed expansion

Thank you again for including us in this important discussion and we look forward to continuing our conversation on this topic in the appropriate public forums.

Sincerely,

Patti Milne
Chair

Janet Carlson
Vice-Chair

Sam Brentano
Second Vice-Chair



Marion County

OREGON

(503) 588-5212
 (503) 588-5237 - FAX

BOARD OF COMMISSIONERS

Samuel Brentano
 Janet Carlson
 Patti Milne

December 9, 2003

Dear Metro Councilors:

Thank you for recognizing that your proposal to expand the Metro Urban Growth Boundary in the Wilsonville area will affect Marion County, and thank you for requesting a response regarding this proposal. We would also like the opportunity to present our comments to Metro Council in a public forum. Our staff will be contacting you to arrange an appropriate time and venue.

We have reviewed your draft 2003 Industrial Land Alternative Analysis Study and generally agree with its tentative findings. Therefore, based on the contents of that study, we cannot support the expansion of Metro's UGB into Marion County. The Marion County Board of Commissioners strongly recommends that *Area E* and *Area F* be eliminated from further consideration for meeting the industrial land needs of Metro. Further, this Board encourages Metro Council to consider adopting a policy that prohibits any future Metro UGB expansion south of the Willamette River and west of the Pudding River.

The 2003 study rates *Area F* as being "difficult" to provide public services for transportation, sewer and water and "moderate" for storm water management. No other sites studied rated as difficult to provide adequate public services as *Areas E and F*. Likewise, the Environmental, Social, Energy and Economic Consequences Analysis, *Area F* scored a high impact for those categories.

Another area where the study clearly demonstrates the unsuitability of *Area F* is under the agricultural impact analysis. We fully agree that including this highly productive and valuable commercial farm area in the UGB has significant negative consequences. Additionally, the Marion County Board of Commissioners feels that potential negative impacts on the Oregon State University research and extension facility were not fully appreciated or examined. This facility is critical to the health and future of the Oregon's greenhouse and nursery industry, which in 2001 generated \$696 million in total farmgate value. The greenhouse and nursery industry is the number one Oregon agricultural commodity and is one area where production value is continuing to grow. Including *Area F* in the UGB would jeopardize the ability of the OSU facility to continue to support Oregon agriculture by increasing the value of the donated facility land to the point at which it would become a great financial temptation to sell the property and displace the OSU research facility. This would create a serious hardship in trying



January 20, 2004

Metro
600 NE Grand Ave.
Portland, OR 97232-2736

Dear President Bragdon and Metro Councilors:

This letter is written on behalf of the Woodburn City Council. The City Council shares Marion County's concerns regarding the proposed expansion of the Metro urban growth boundary in the Wilsonville area and urges you to eliminate *Areas E and F* from further consideration for meeting Metro's industrial land needs. The City Council is opposed to such an expansion, and agrees with the County that you should adopt a policy prohibiting expansion of Metro boundaries south of the Willamette and west of the Pudding rivers.

The Council's opposition is based in part on the same concerns expressed in the Marion County Commissioners' December 8, 2003 letter to you. *Areas E* and/or *F* are unsuitable for meeting Metro's industrial lands needs because they:

- were rated in your Alternatives Analysis study as the most difficult of the study areas to provide with adequate transportation, water, wastewater, and storm water services;
- were determined by your Environmental, Social, Energy, and Economic Consequences analysis to have negative impacts in those areas;
- will eliminate prime agricultural land; and
- threaten the long-term survival of the OSU research facility.

Of equal import to the Woodburn City Council is the negative impact your expansion into Areas E and F is likely to have on Woodburn's ability to attract quality industrial development and realize this community's economic goals - living wage jobs, locally, for all our residents desiring them.

Among the comparative strengths identified in Woodburn's 2001 Economic Opportunities Analysis is our proximity to Portland and Salem markets and access to Interstate 5. Metro expansion into Areas E and F will eliminate Woodburn's economic advantage by potentially placing over 1000 acres of competing industrial land within a few miles of our city limits, making it far more difficult for this community to attract Industry. If Oregon is to prosper, economic opportunities must be available to a greater number of communities. They must be available to communities that are both willing

Office of the City Administrator

270 Montgomery Street • Woodburn, Oregon 97071

Ph 503-982-5228 • Fax 503-982-5243

Honorable President Bragdon and Metro Councilors
January 20, 2004
Page 2.

and able to capitalize on them, and not allocated solely for the benefit of one regional entity.

Many of our residents are forced to work two or more jobs to make ends meet. One-third of the workforce commutes to work in other communities. This erodes the quality of life in our community and adds to the congestion on the region's highways. It also has social consequences, such as reduced participation in childrens' education, community involvement and volunteerism, and property maintenance. If our residents can spend less time working for better pay and less time commuting, they will be more prosperous and have more time and energy to actively participate in their families and community. The Woodburn City Council desires to correct these imbalances by increasing our industrial land supply to secure industries that will provide local employment and livable wages.

Woodburn is completing periodic review, and will soon seek an urban growth boundary expansion. In that expansion approximately 400 acres will be sought to provide the supply of industrial land we need to generate more living wage employment for our residents. Through our site analyses, we have identified land with good access to the transportation, infrastructure, and services needed to support industrial growth. We have also sized our water and wastewater systems to accommodate this industrial growth. *Areas E and F* fail to meet these criteria. Due to the characteristics of the land in question, we believe that our expansion will also have less impact on prime agricultural land than will Metro's expansion into *Areas E and F*. Further, the State of Oregon is finally investing in interchange improvements at our I-5 access, and the City Council has established the fees and policies to assure that transportation concerns are addressed.

In conclusion, we believe expanding Woodburn's urban growth boundary offers the best solution to providing industrial development in the North Marion/ South Clackamas County area. As Metro evaluates the land necessary to meet its industrial needs, we strongly encourage you to focus your attention on other study areas and remove *Areas E and F* from consideration.

Sincerely,



John C. Brown
City Administrator

JCB

cc: Mayor and City Council
Marion County Board of Commissioners

RECEIVED

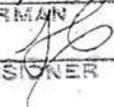
NOV 07 2003

Marion County
Board of Commissioners

CITY OF DONALD

10790 Main Street N.E.
P.O. Box 388
Donald, OR 97020-0388
(503) 678-5543
FAX (503) 678-2750


CHAIRMAN


COMMISSIONER

COMMISSIONER

ADMIN. OFFICER

COPY:

Wednesday, November 05, 2003

Marion County Board of Commissioners
Marion County
P. O. Box 14500
Salem, Oregon 97309-5036

Subject: Proposed Metro Industrial Lands Expansion Proposal South of Wilsonville

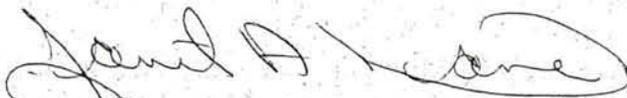
Dear Commissioners:

This letter is being written to help the Marion County Board of Commissioners respond to Metro's request to add industrial land to its industrial lands inventory near Wilsonville, Oregon.

The City of Donald would like to be on record as opposing this expansion. We feel this large expansion would take away from the City of Donald's ability to attract industry to our small City. Further we feel we must be diverse and have the ability to offer all types of vacant land, available for development in our City. This expansion would more than likely take this ability away from us.

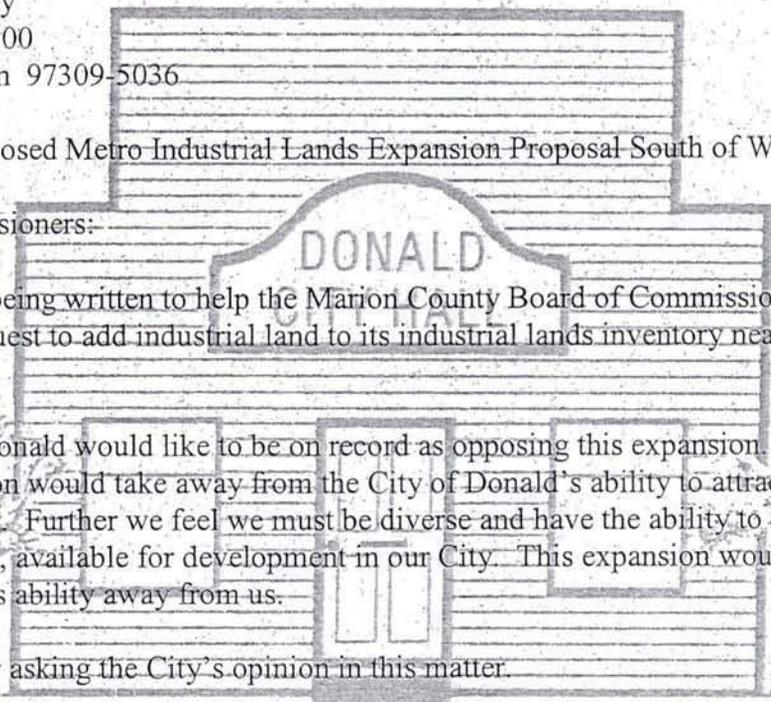
Thank you for asking the City's opinion in this matter.

Sincerely,



Janet A. Lane
City Manager

JAL





30000 SW Town Center Loop E
Wilsonville, Oregon 97070
(503) 682-1011
(503) 682-1015 Fax
(503) 682-0843 TDD

October 27, 2003

Patti Milne, Chair
Marion County Board of Commissioners
555 Court Street NE
Salem, OR 97309-5036



Dear Patti:

Thank you for thinking of Wilsonville as you formulate your response to Metro's consideration of expanding the Urban Growth Boundary south of the Willamette River. As you can imagine, this is a big issue, not just for Wilsonville, but also for the entire region and certainly for neighboring entities that will surely be impacted by this decision.

We are definitely interested in attending your meeting to discuss these issues on Nov. 10, 2003. I plan to join you and the commission, along with a few of our staff who have the technical background to help address your questions. In the meantime, I am enclosing a copy of the technical analysis our staff has recently completed and sent to Metro for consideration. My understanding is that Metro is now hiring a firm to review our analysis to make sure all of the bases have been covered. I am confident that it is an accurate portrayal of the needs and costs associated with extending the boundary south of the river.

From the political side, the Wilsonville City Council, myself, as well as many of the regional mayors and their staff members do not think that it is wise to even study jumping the Willamette, given that it will likely fuel rounds of land speculation and escalating agricultural land prices. And although it might be "technically" possible or legally defensible to overlook existing industrial lands in favor of eroding prime agricultural lands, the policy implications of that decision are serious and far reaching for lands both inside and outside our current Urban Growth Boundaries.

Again, thank you for the opportunity to discuss this issue with you on Nov. 10. If you have questions or comments before then please feel free to give me a call at (503) 682-0901. You can also reach me via e-mail at charbs51@verizon.net.

Sincerely,


Charlotte Lehan
Mayor

cc: Wilsonville City Council
Sterling Anderson



Table-7
2003 Industrial Land Goal 14 Analysis Summary

Study Area	Goal 14 Locational Factors								Overall Goal 14 Suitability
	Public Services Feasibility				ESEE Analysis- Consequences		Agric. Analysis	Productivity	
	Trans	Sewer	Water	Storm	Environmental	Soc/Energ/Econ	Consequences	Job acreage #	
A	Moderate	Difficult	Difficult	Moderate	Low	Low	Low	195	More
B	Moderate	Difficult	Easy	Easy	Low	High	Low	247	More
C	Moderate	Difficult	Moderate	Easy	Low	Moderate	Low	278	More
D	Easy	Difficult	Moderate	Easy	Low	Low	Low	85	Most
E	Moderate	Difficult	Difficult	Moderate	Low	Moderate	Moderate	691	Least
F	Difficult	Difficult	Difficult	Moderate	Low	High	High	856	Least
G	Moderate	Difficult	Moderate	Moderate	Low	Low	Moderate	718	More
H	Moderate	Easy	Easy	Easy	Moderate	High	High	828	More
I	Moderate	Easy	Moderate	Easy	Moderate	High	High	747	More
J	Moderate	Easy	Moderate	Easy	Moderate	High	High	407	More
K	Moderate	Difficult	Easy	Easy	Moderate	High	Moderate	802	More
L	Moderate	Difficult	Easy	Easy	Low	Moderate	Low	545	Most
M	Moderate	Moderate	Easy	Easy	Moderate	High	High	958	More

Preliminary Regulatory Options Description

Metro Fish and Wildlife Habitat
Protection Program

January 20, 2004

012004c-02

Resolution 03-3376B defines Regulatory Options

- 3 habitat-based options (1A, 1B, 1C); recognizes fish and wildlife habitat and orients urban development patterns around them
- 3 habitat and urban development value based (2A, 2B, 2C); applies 2040 policy priorities and economic data to modify habitat protection levels.
- Compare to Baseline (Title 3)

REGULATORY OPTIONS TO PROTECT AND RESTORE HABITAT.

Option 1. Habitat based.

Description: This approach recognizes fish and wildlife habitat as fixed assets in the urban landscape and orients urban development patterns around habitat areas based on the ecological values present.

Table 1. Option 1: Habitat based.

Resource Category	Option #1A Most habitat protection	Option #1B Moderate habitat protection	Option #1C Least habitat protection
Class I Riparian/Wildlife	Prohibit	Strictly limit	Moderately limit
Class II Riparian/Wildlife	Prohibit	Moderately limit	Lightly limit
Class III Riparian/Wildlife	Strictly limit	Lightly limit	Allow
Class A Upland Wildlife	Prohibit	Strictly limit	Moderately limit
Class B Upland Wildlife	Strictly limit	Moderately limit	Lightly limit
Class C Upland Wildlife	Strictly limit	Lightly limit	Allow
Impact Areas	Lightly limit	Lightly limit	Allow

Option 2. Habitat and urban development.

Description: Applies 2040 policy priorities and economic data to modify habitat protection levels.

Option 2A: Habitat and urban development. (Most habitat protection).

Resource Category	High urban development value	Medium urban development value	Low urban development value	Other areas
	Primary 2040 components, ¹ high employment value, or high land value ⁴	Secondary 2040 components, ² medium employment value, or medium land value ⁴	Tertiary 2040 components, ³ low employment value, or low land value ⁴	Parks and Open Spaces, no design types
Class I Riparian/Wildlife	Strictly limit	Strictly limit	Prohibit	Prohibit
Class II Riparian/Wildlife	Moderately limit	Moderately limit	Strictly limit	Strictly limit
Class III Riparian/Wildlife	Lightly limit	Lightly limit	Lightly limit	Moderately limit
Class A Upland Wildlife	Lightly limit	Moderately limit	Moderately limit	Strictly limit
Class B Upland Wildlife	Lightly limit	Lightly limit	Moderately limit	Moderately limit
Class C Upland Wildlife	Lightly limit	Lightly limit	Lightly limit	Moderately limit
Impact Areas	Lightly limit	Lightly limit	Lightly limit	Lightly limit

¹Primary 2040 components: Regional Centers, Central City, Regionally Significant Industrial Areas

²Secondary 2040 components: Town Centers, Main Streets, Station Communities, Other Industrial areas, Employment Centers

³Tertiary 2040 components: Inner and outer neighborhoods, Corridors

⁴Land value excludes residential lands.

Note: Staff will define regionally significant public facilities and recommend the appropriate urban development value rank during Phase II of the ESEE analysis.

Option 2B: Habitat and urban development. (Moderate habitat protection).

Resource Category	High urban development value	Medium urban development value	Low urban development value	Other areas
	Primary 2040 components, ¹ high employment value, or high land value ⁴	Secondary 2040 components, ² medium employment value, or medium land value ⁴	Tertiary 2040 components, ³ low employment value, or low land value ⁴	Parks and Open Spaces, no design types
Class 1 Riparian/Wildlife	Lightly limit	Moderately limit	Strictly limit	Strictly limit
Class 2 Riparian/Wildlife	Lightly limit	Lightly limit	Moderately limit	Moderately limit
Class 3 Riparian/Wildlife	Allow	Lightly limit	Lightly limit	Moderately limit
Class A Upland Wildlife	Lightly limit	Moderately limit	Moderately limit	Strictly limit
Class B Upland Wildlife	Lightly limit	Lightly limit	Moderately limit	Moderately limit
Class C Upland Wildlife	Allow	Lightly limit	Lightly limit	Moderately limit
Impact Areas	Allow	Lightly limit	Lightly limit	Lightly limit

¹Primary 2040 components: Regional Centers, Central City, Regionally Significant Industrial Areas

²Secondary 2040 components: Town Centers, Main Streets, Station Communities, Other Industrial areas, Employment Centers

³Tertiary 2040 components: Inner and outer neighborhoods, Corridors

⁴Land value excludes residential lands.

Note: Staff will define regionally significant public facilities and recommend the appropriate urban development value rank during Phase II of the ESEE analysis.

Option 2C: Habitat and urban development. (Least habitat protection).

Resource Category	High urban development value	Medium urban development value	Low urban development value	Other areas
	Primary 2040 components, ¹ high employment value, or high land value ⁴	Secondary 2040 components, ² medium employment value, or medium land value ⁴	Tertiary 2040 components, ³ low employment value, or low land value ⁴	Parks and Open Spaces, no design types
Class 1 Riparian/Wildlife	Allow	Lightly limit	Moderately limit	Strictly limit
Class 2 Riparian/Wildlife	Allow	Lightly limit	Lightly limit	Moderately limit
Class 3 Riparian/Wildlife	Allow	Allow	Allow	Moderately limit
Class A Upland Wildlife	Allow	Lightly limit	Moderately limit	Strictly limit
Class B Upland Wildlife	Allow	Lightly limit	Lightly limit	Moderately limit
Class C Upland Wildlife	Allow	Allow	Allow	Moderately limit
Impact Areas	Allow	Allow	Lightly limit	Lightly limit

¹Primary 2040 components: Regional Centers, Central City, Regionally Significant Industrial Areas

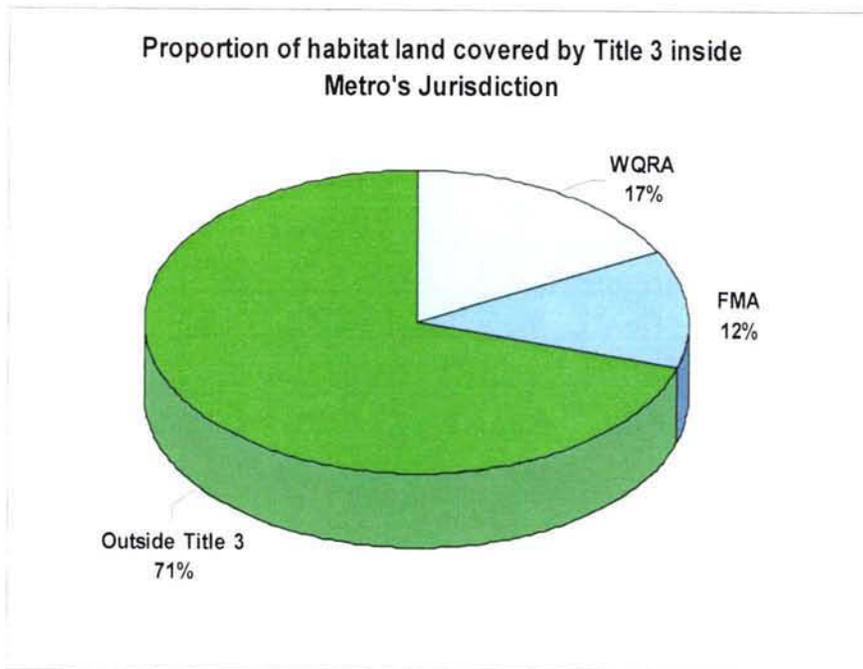
²Secondary 2040 components: Town Centers, Main Streets, Station Communities, Other Industrial areas, Employment Centers

³Tertiary 2040 components: Inner and outer neighborhoods, Corridors

⁴Land value excludes residential lands.

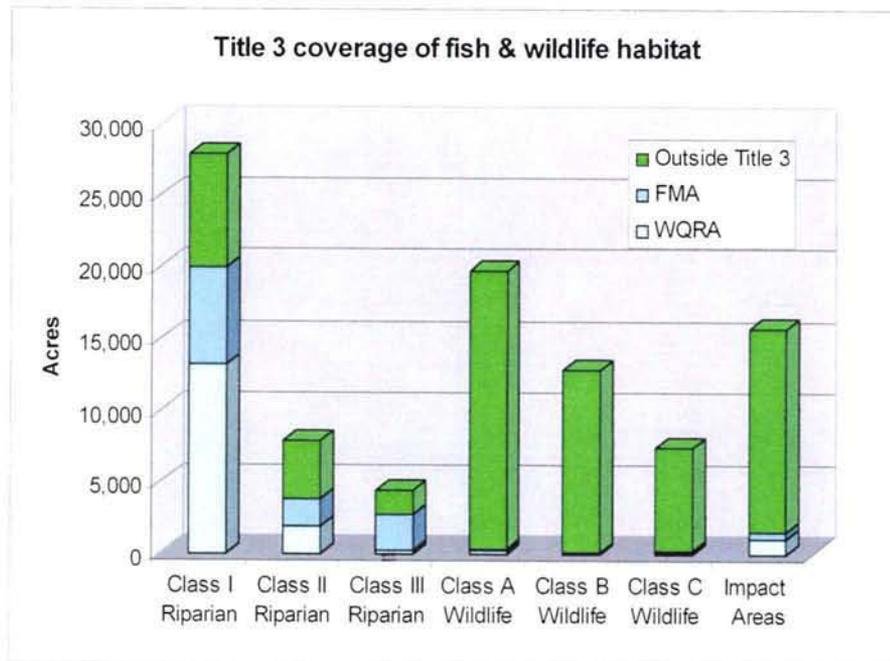
Note: Staff will define regionally significant public facilities and recommend the appropriate urban development value rank during Phase II of the ESEE analysis.

Baseline Protection with Title 3



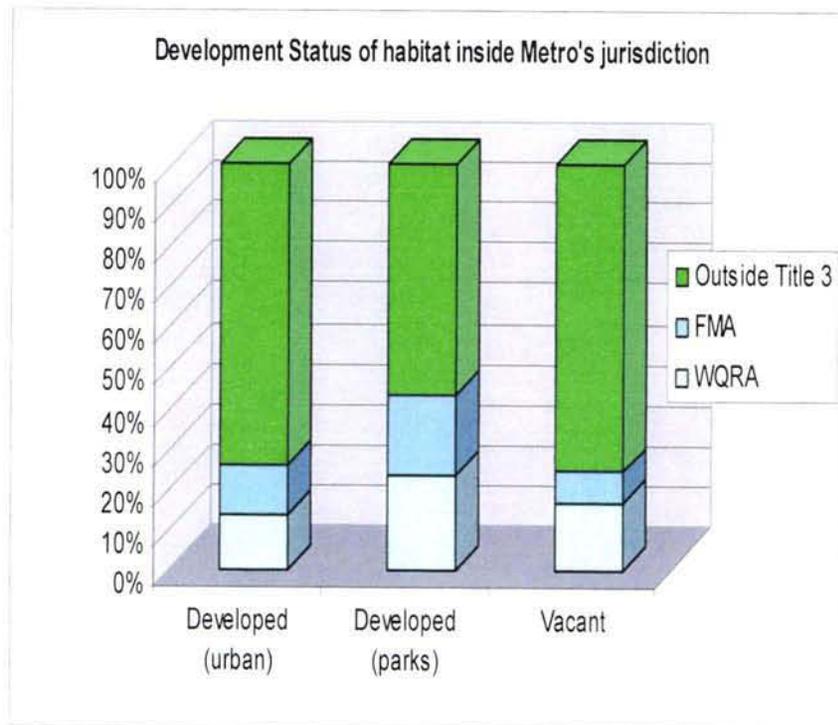
- Establishes base of regionally consistent habitat protection
- Covers almost 30% of Fish and Wildlife Habitat Inventory
- FMA offers minimum protection of habitat
- WQRA offers protection in “Limit” range

FMA and WQRA Protect Habitat Areas Differently



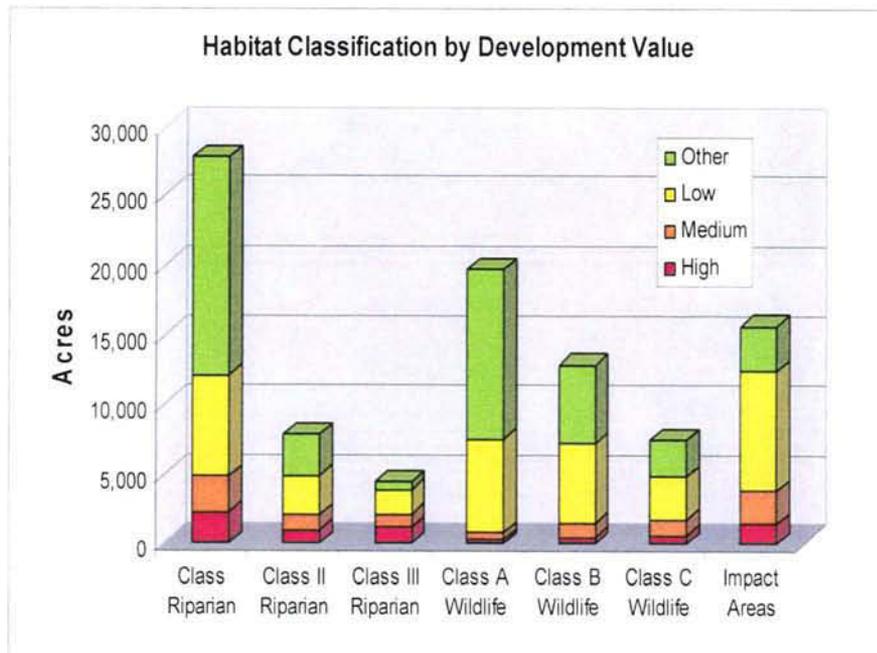
- 72% of Class I and 49% of Class II are FMA or WQRA
- FMA make up 57% of Class III
- Title 3 offers no protection for upland areas

ESEE Consequences Vary by Development Status



- Vacant would be most affected by new regulations in short term
- Of the vacant habitat land, 16% is WQRA; 8% is FMA; 76% is outside Title 3

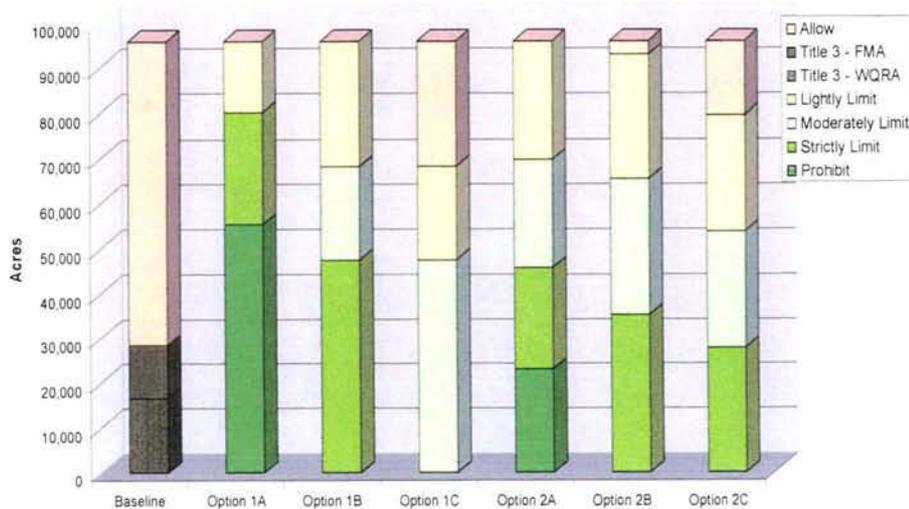
Habitat and Urban Development Value Distribution



- High habitat and high urban development value is a small %
- Much land in all categories is “other” rural and parks
- Much is Low, particularly in impact areas

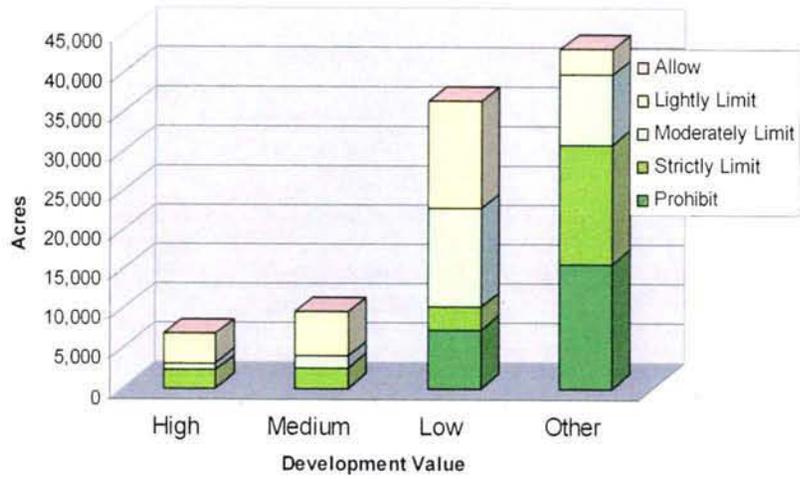
Regulatory Options Range from Most to Least Resource Protection

Comparison of Allow, Limit, Prohibit treatments for program options

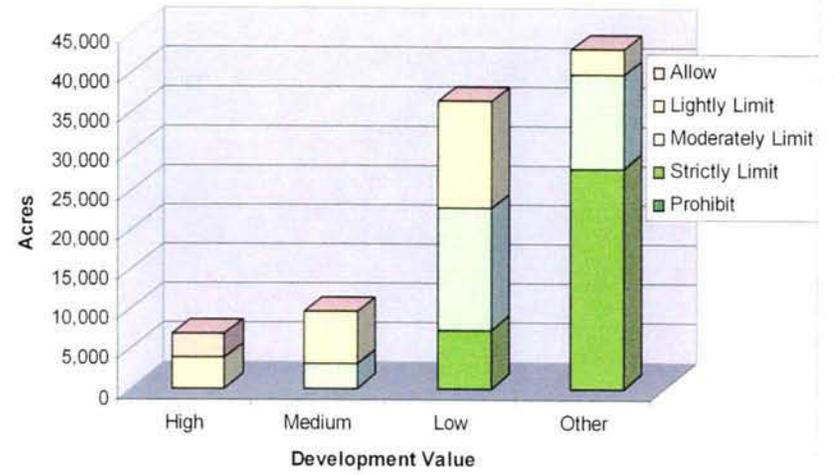


- Most protective = 1A
- Least protective = 1C
- Other options fall in between in terms of protection
- Following charts illustrate treatments by habitat class and urban development value

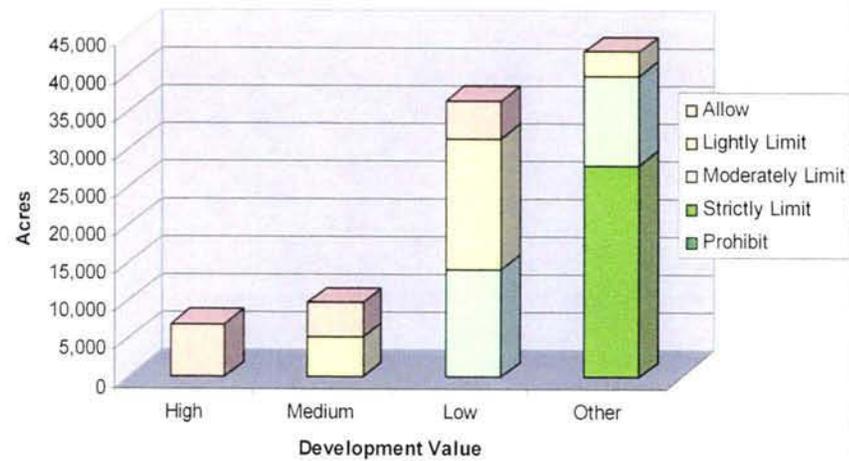
Option 2A treatment by development value



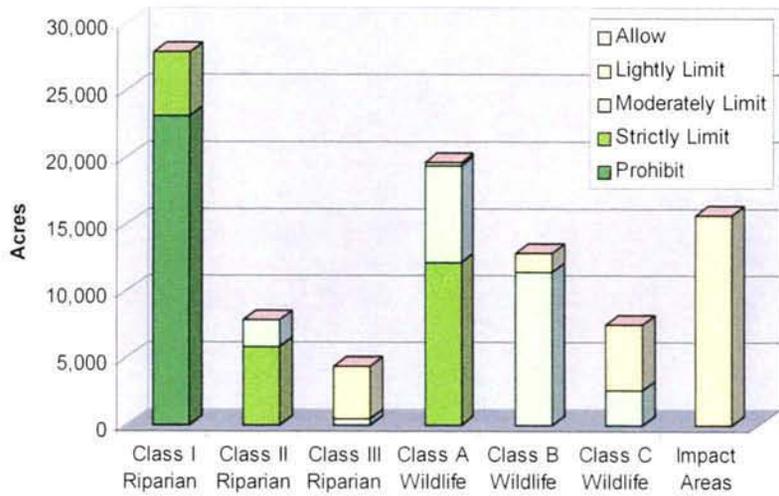
Option 2B treatment by development value



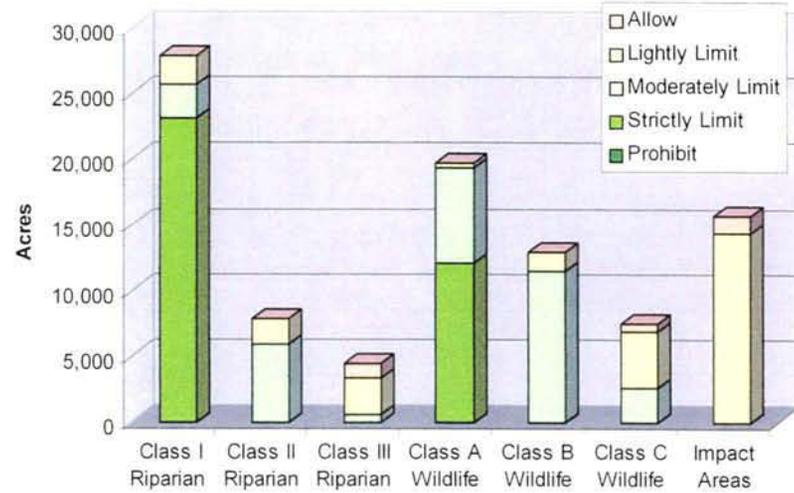
Option 2C treatment by development value



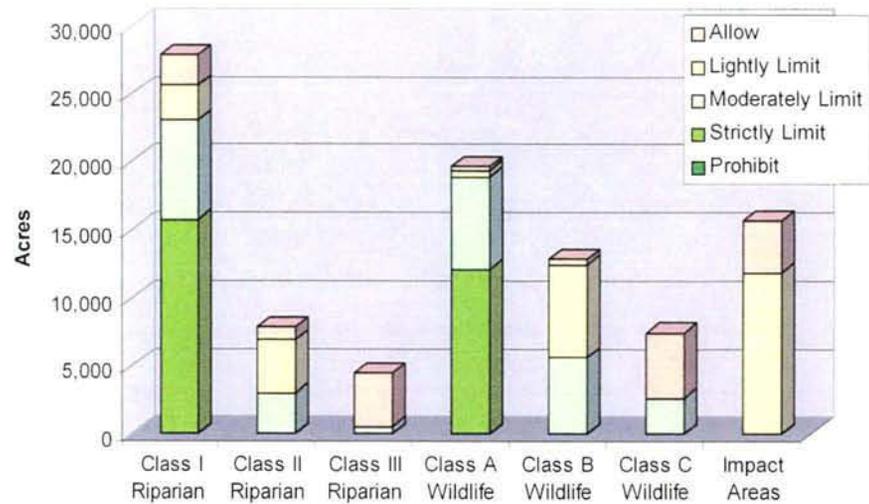
Option 2A treatment by habitat class



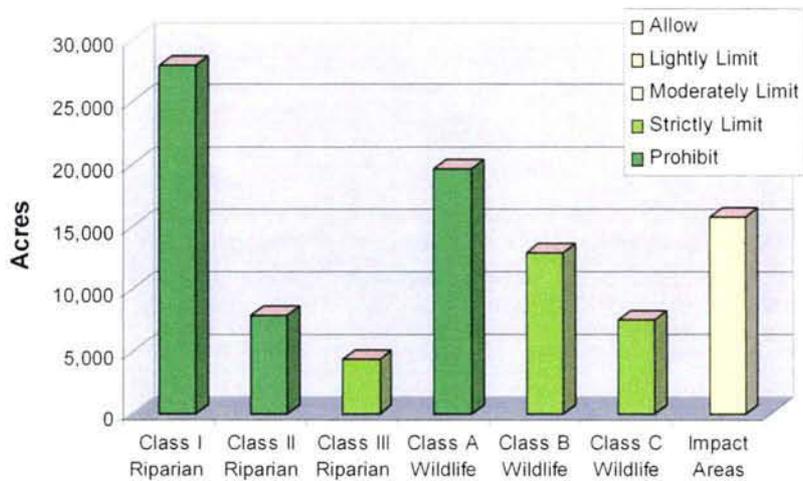
Option 2B treatment by habitat class



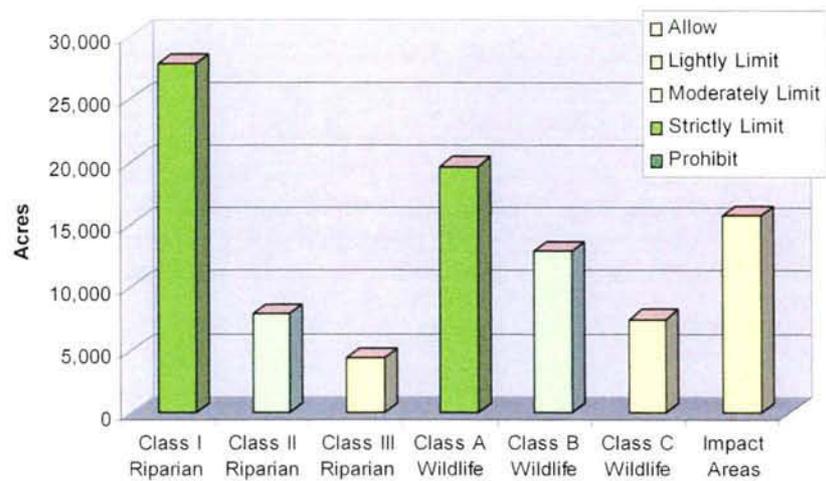
Option 2C treatment by habitat class



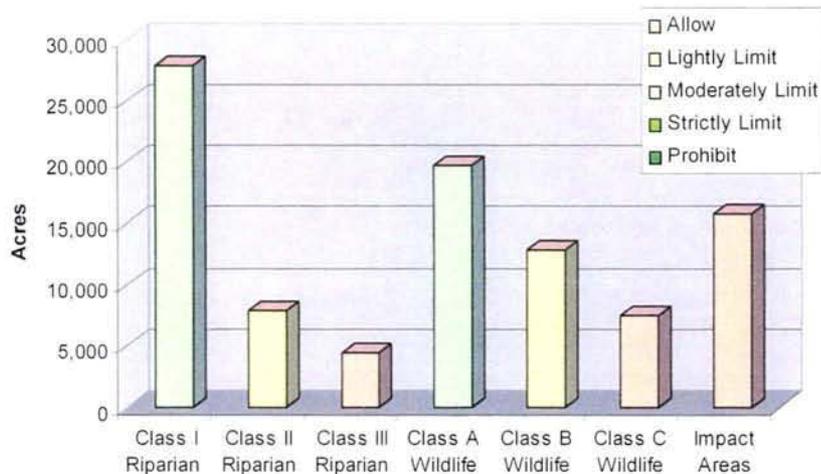
Option 1A treatment by habitat class



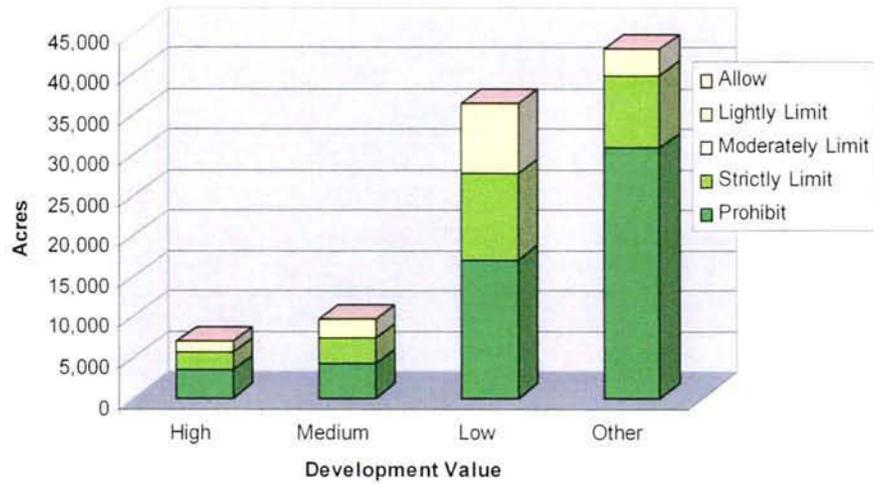
Option 1B treatment by habitat class



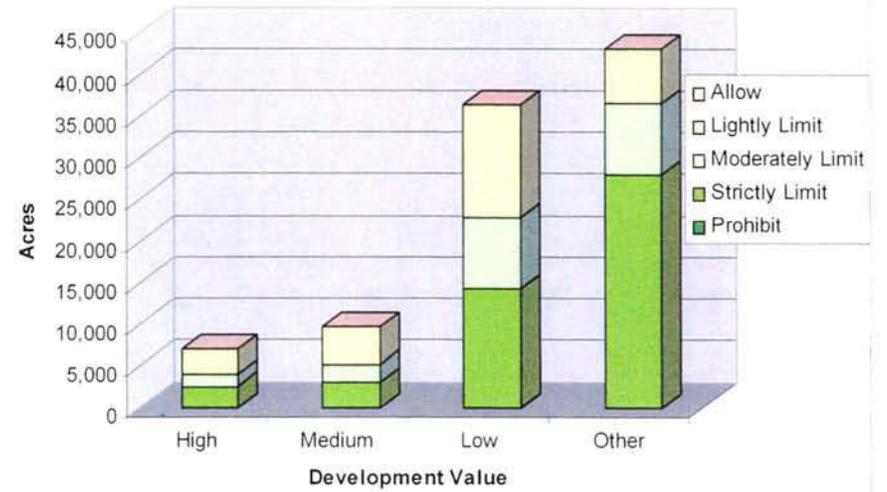
Option 1C treatment by habitat class



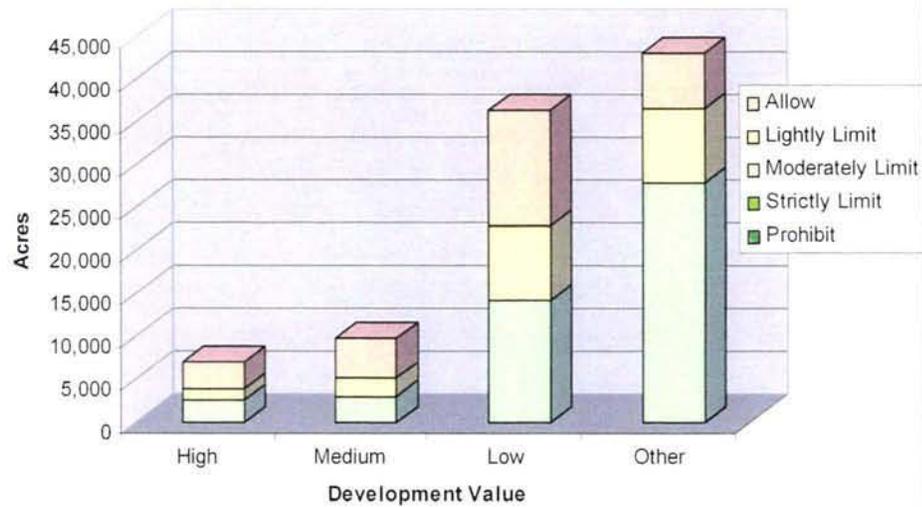
Option 1A treatment by development value



Option 1B treatment by development value



Option 1C treatment by development value



VACANT LAND: Development assumptions for purposes of the Phase 2 ESEE analysis¹

ESEE treatment	Development assumption	Disturbance area	Design guidelines	Land divisions	Mitigation
Allow	➤ Development in resource area subject to existing regulations (Title 3, local Goal 5 programs, and all other federal, state and local regulations)	➤ Subject to existing regulations	➤ Subject to existing regulations	➤ Subject to existing regulations	➤ Subject to existing regulations
Lightly Limit	➤ Development may occur within the resource area if it cannot be avoided ²	➤ 50 percent of habitat may be preserved (50 percent disturbance area may be allowed) ³	<ul style="list-style-type: none"> ➤ Development in riparian corridors will be located as far from the water feature as possible ➤ Development in upland wildlife habitat will be designed to minimize fragmentation ➤ Low impact development standards (e.g., impervious surface reduction, rain gardens)⁴ may be required 	➤ Land divisions allowed ; designation of habitat as common open space will be encouraged ; standards will be flexible to allow clustering, small lots, density transfers, etc. to avoid adverse impacts while achieving planned densities on average	➤ Mitigation of development impacts (e.g., canopy removal) may be required at a ratio of 2:1
Moderately Limit	➤ Same as above	➤ 65 percent of habitat may be preserved (35 percent disturbance area may be allowed) ³	➤ Same as above	➤ Same as above	➤ Mitigation of development impacts (e.g., canopy removal) may be required at a ratio of 3:1
Strictly Limit	➤ Same as above	➤ 80 percent of habitat may be preserved (20 percent disturbance area may be allowed) ³	➤ Same as above	➤ Land divisions may not be allowed unless the undisturbed portion of site is designated as open space	➤ Mitigation of development impacts (e.g., canopy removal) may be required at a ratio of 4:1
Prohibit	➤ Development will be prohibited unless all economic use of property is lost	➤ 95 percent of the habitat may be preserved (5 percent disturbance area assumed to account for exceptions) ³	➤ Low impact development standards (e.g., impervious surface reduction, rain gardens) ⁴ will be required	➤ Land divisions will not be allowed	➤ Mitigation of development impacts (e.g., canopy removal) may be required at a ratio of 5:1

Notes:

¹Actual program treatments may result in more or less protection.

²Title 3 Water Quality Resource & Flood Management Areas, the more restrictive treatment applies.

³Disturbance area must be located first in the non-resource portion of a site before disturbing the resource area.

⁴Low impact development is an innovative strategy to plan, construct and maintain commercial and residential development so that there are no measurable impacts to aquatic environments by 1) maintaining and/or restoring the natural hydrology on a developed site; and 2) managing stormwater as close to its origin as possible.

DEVELOPED LAND: Development assumptions for purposes of the Phase 2 ESEE analysis¹

ESEE treatment	Development assumption	Disturbance area	Design guidelines	Land divisions	Mitigation
Allow	➤ Uses are generally expected to remain the same	➤ If intensification of existing uses occurs (e.g., partition of existing lot, redevelopment), subject to existing regulations	➤ If intensification of existing uses occurs (e.g., partition of existing lot, redevelopment), subject to existing regulations	➤ If intensification of existing uses occurs (e.g., partition of existing lot, redevelopment), subject to existing regulations	➤ If intensification of existing uses occurs (e.g., partition of existing lot, redevelopment), subject to existing regulations
Lightly Limit	➤ Uses are generally expected to remain the same	➤ If intensification of existing uses occurs (e.g., partition of existing lot, redevelopment), the same standards in lightly limit for vacant land would apply	➤ If intensification of existing uses occurs (e.g., partition of existing lot, redevelopment), the same standards in lightly limit for vacant land would apply	➤ If intensification of existing uses occurs (e.g., partition of existing lot, redevelopment), the same standards in lightly limit for vacant land would apply	➤ If intensification of existing uses occurs (e.g., partition of existing lot, redevelopment), the same standards in lightly limit for vacant land would apply
Moderately Limit	➤ Same as above	➤ Same as above, except that the same standards in moderately limit for vacant land would apply	➤ Same as above, except that the same standards in moderately limit for vacant land would apply	➤ Same as above, except that the same standards in moderately limit for vacant land would apply	➤ Same as above, except that the same standards in moderately limit for vacant land would apply
Strictly Limit	➤ Same as above	➤ Same as above, except the same standards in strictly limit for vacant land would apply	➤ Same as above, except the same standards in strictly limit for vacant land would apply	➤ Same as above, except the same standards in strictly limit for vacant land would apply	➤ Same as above, except the same standards in strictly limit for vacant land would apply
Prohibit	➤ Same as above	➤ Intensification of existing uses, except for vertical expansion of existing buildings, will be prohibited	➤ N/A	➤ Land divisions will not be allowed	➤ N/A

**Council Work Session
Food Waste Recovery: Economics and Fiscal
January 20, 2004**

Pro forma analysis in four areas:

1. Size and capture of market
2. Metro reload & processing cost
3. Generators' cost
4. Fiscal impact

Market

- Target of 32,000 tons per year, out of 185,000 total, is only 17½% of market.
- Concentration in Portland, where many large food waste generators are located.

⇒ ***Reasonable capture rate supports feasibility of program.***

Metro Cost: Food Waste Tip Fee

- Full-cost recovery for transfer, transport and processing.
- Exempt from Regional System Fee and excise tax
(consistent with policy toward any other recovered material).
- No transaction fee proposed.
 - A mild subsidy of scalehouse costs.
 - Rate Review Committee: charge a transaction fee after program takes off.

⇒ ***Outside the exception, full-cost recovery rate consistent with policy on recovered materials.***

Generator Cost

- Cost to the generator is less than managing as garbage:
 - Collection cost higher
 - Tip fee lower
 - Internal management slightly higher
- On balance, savings: \$3 per ton (near term) to over \$11 after program matures.

⇒ ***Price break suggests voluntary participation, especially by large generators.***

Fiscal: two effects—program cost and tonnage diversion

- Program costs:
 - Processing grants, \$350,000 total over 4 years. From fund balance, no rate impact.
 - Other (containers, education) \$72,000 average for 5 years—6¢ on the rate.
- Cost per recovered ton: quickly falls to \$5, then to \$2.25, finally to 50¢
- Rate changes (due to diversion of tonnage)
 - 37¢—42¢ per ton on all disposal (Regional System Fee); plus
 - 45¢—50¢ on Metro's tonnage charge (Metro customers only).
 - These changes hold for any recovered material—not specific to food waste

⇒ ***Fiscal impacts in line with similar programs and policy precedent.***

⇒ ***Cost per recovered ton is significantly less than some other programs in place.***

Food Waste Pro Forma Analysis

January 20, 2004

Summary of Market

Tons per Year	FY 03-04*	FY 04-05	FY 05-06	FY 06-07	FY 07-08	FY 08-09
Commercially-generated food waste /1/	165,100	169,228	173,458	177,795	182,240	186,795
Of which: Portland	54,200	55,284	56,390	57,517	58,668	59,841
Capture rates						
Region excluding Portland	0%	1%	4%	5%	6%	6%
In Portland	5%	25%	38%	40%	41%	43%
Diversion	2,710	15,245	25,829	29,021	31,306	32,732

Generator Cost Analysis (per ton)

Solid waste						
Collection	83.03	85.52	88.09	90.73	93.45	96.25
Disposal	67.18	69.04	70.50	72.51	73.02	71.76
Total	\$150.21	\$154.56	\$158.59	\$163.24	\$166.47	\$168.01
Food Waste						
Collection /2/	103.79	113.32	113.96	114.55	115.06	115.51
Disposal	41.00	39.34	39.18	39.02	39.20	39.38
Total	\$144.79	\$152.66	\$153.15	\$153.57	\$154.26	\$154.89
Savings (cost) per ton						
Internal management	(2.50)	(2.50)	(2.25)	(2.25)	(2.00)	(2.00)
Collection & disposal	5.42	1.91	5.44	9.67	12.21	13.12
Savings (cost) per ton	\$2.92	(\$0.59)	\$3.19	\$7.42	\$10.21	\$11.12

Calculation of Metro Food Waste Tip Fee

Rate Components						
Trans.Fee (averaged over load size)	0.00	0.00	0.00	0.00	0.00	0.00
Fixed costs	0.00	0.00	0.00	0.00	0.00	0.00
Transfer	8.50	8.67	8.84	9.02	9.20	9.38
Transport & disposal	32.50	30.67	30.34	30.00	30.00	30.00
Fees & taxes	0.00	0.00	0.00	0.00	0.00	0.00
Total (Tip Fee)	\$41.00	\$39.34	\$39.18	\$39.02	\$39.20	\$39.38

Metro Fiscal Impact (solid waste; program costs in constant dollars)

Program Costs						
Processing grants** /3/	1,750	4,795	6,942	9,625	9,625	9,625
Container grants /4/	0	58,333	58,333	58,333	58,333	58,333
Education & outreach	19,000	15,000	5,000	5,000	5,000	5,000
Total	\$20,750	\$78,128	\$70,275	\$72,958	\$72,958	\$72,958
Per recovered ton (total)	\$27.15	\$9.37	\$5.22	\$5.01	\$2.33	\$2.23 ***
of which: program costs	\$7.66	\$5.12	\$2.72	\$2.51	\$2.33	\$2.23 ***
grants (from fund balance)	\$19.49	\$4.25	\$2.50	\$2.49	\$0.00	\$0.00
Solid Waste Fee Changes/5/ (per-ton cost impact on remaining disposal)						
Metro tonnage charges (due to diversion)	0.00	0.27	0.35	0.50	0.48	0.45
Regional System Fee						
Due to tonnage diversion	0.00	0.21	0.37	0.42	0.42	0.37
Recovery of program costs	0.02	0.06	0.06	0.06	0.06	0.06
Total	\$0.02	\$0.54	\$0.78	\$0.98	\$0.96	\$0.88
Costs Recovered from Fee Changes (total cost impact on remaining disposal)						
Metro tonnage charges (due to diversion)	\$264	\$149,882	\$198,011	\$293,357	\$293,251	\$285,370
Regional System Fee						
Due to tonnage diversion	\$451	\$256,004	\$458,082	\$531,251	\$543,774	\$490,379
Recovery of program costs	\$20,750	\$78,128	\$70,275	\$72,958	\$72,958	\$72,958
Total	\$21,465	\$484,014	\$726,368	\$897,566	\$909,983	\$848,708

Notes and Assumptions

Notes

- * Tonnage and capture reflect program operation for only part of the year.
- ** Source of processing grants is fund balance. Figures reflect foregone interest earnings.
- *** Container grants of \$58,333 are scheduled to end in FY 09-10, reducing per-ton cost by about \$1.80 per ton, for a total of approximately \$0.45 per recovered ton (reflecting promotion costs & foregone interest) thereafter.

Assumptions

/1/ Average annual growth rates

Food waste excluding Portland	2.5% per year
Food waste in Portland	2.0% per year

	FY 03-04	FY 04-05	FY 05-06	FY 06-07	FY 07-08	FY 08-09
/2/ Food waste collection cost over SW	25%	32.50%	29.38%	26.25%	23.13%	20%

Source: developed from information from Merina & Co. (for Gresham food waste study) and conversations with haulers.

/3/ Processing grants (\$350,000 total)

Disbursement	\$175,000	\$38,113	\$64,572	\$72,315	\$0	\$0
Fund Balance	\$175,000	\$136,887	\$72,315	\$0	\$0	\$0
Return (interest) on fund balance	2.00%	2.25%	2.50%	2.75%	2.75%	2.75%

/4/ Container grant funds

	\$350,000 total
Economic life of containers	6 years

/5/ Solid Waste Rates (source: 5-year financial model)

With food waste diversion						
Tip fee, of which:	67.18	69.04	70.5	72.51	73.02	71.76
RSF	16.57	17.17	17.96	17.43	17.59	15.98
Tonnage charge	42.55	43.53	44.2	46.74	47.09	47.44
Revenue (disposal) Tonnage	1,209,402	1,219,065	1,238,058	1,264,883	1,294,699	1,325,349
of which: Metro	550,538	555,119	565,747	586,713	610,940	634,157
Without food waste						
Tip fee, of which:	67.18	68.56	69.78	71.59	72.12	70.94
RSF	16.57	16.96	17.59	17.01	17.17	15.61
Tonnage charge	42.55	43.26	43.85	46.24	46.61	46.99
Revenue (disposal) Tonnage	1,212,112	1,234,310	1,263,887	1,293,904	1,326,005	1,358,081
of which: Metro	553,248	570,364	591,576	615,734	642,246	666,889