A G E N D A

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METRO

Agenda

MEETING:	METRO COUNCIL REGULAR MEETING
DATE:	February 26, 2004
DAY:	Thursday
TIME:	2:00 PM
PLACE:	Metro Council Chamber

CALL TO ORDER AND ROLL CALL

1. INTRODUCTIONS

2. CITIZEN COMMUNICATIONS

3. SECOND FINANCIAL QUARTERLY REPORT — Short

4. GOVERNMENT FINANCE OFFICERS ASSOCIATION BUDGET AWARD — Stringer

5. CONSENT AGENDA

5.1 Consideration of Minutes for the February 19, 2004 Metro Council Regular Meeting.

6. ORDINANCES – FIRST READING

6.1 **Ordinance No. 04-1041**, For the Purpose of Amending Metro's Regional Framework Plan to better protect the region's farm and forest land industries and land base, and Declaring an Emergency.

7. ORDINANCES - SECOND READING

7.1 **Ordinance 04-1033**, For the Purpose of Amending Metro Code Chapter 3.09 (Local Government Boundary Changes) to Allow Use of the Expedited Process for Changes to the Metro District Boundary and to Clarify Criteria for Boundary Changes, and Declaring an Emergency. — McLain

7.2 **Ordinance No. 04-1035**, For the Purpose of Amending Metro Code Chapter 2.04 To Require Retention of Contract Records by Metro Contractors and to Assure the Ability of Metro to Audit Contract Records. — Newman

7.3 **Ordinance No. 04-1039,** For the Purpose of Amending the FY 2003-04 Budget and Appropriations Schedule by Transferring $450,000 from Contingency to Capital Outlay in the General Account in the Solid Waste Revenue Fund, and Declaring an Emergency. McLain

8. RESOLUTIONS

8.1 **Resolution No. 04-3424**, For the purpose of Authorizing the Chief Operating Officer to enter into an Intergovernmental Agreement with TriMet for completion of the South Corridor Project Final Environmental Impact Statement. Monroe

8.2 **Resolution No. 04-3427**, For the Purpose of Responding to USDOT Concerns, Revising the Conformity Determination Report and Re-adopting the Portland Area Air Quality Conformity Determination for the 2004 Regional Transportation Plan and 2004-07 Metropolitan Transportation Improvement Program. ***(PUBLIC HEARING ONLY, NO FINAL ACTION)*** Monroe

9. CONTRACT REVIEW BOARD

9.1 **Resolution No. 04-3425**, For the purpose of Authorizing the Chief Operating Officer to Amend the Environmental consultant contracts to Complete the South Corridor Project Final Environmental Impact Statement. Newman

9.2 Solid Waste report on possible Solid Waste Contract Extension for Transfer Stations Hoglund

9.3 **Resolution No. 04-3426,** For the Purpose of Authorizing the Exemption from Competitive Bidding Requirements and Authorizing Issuance of RFP #04-1091-SWR for the Operation of Metro South and/or the Metro Central Transfer Stations. Park

10. EXECUTIVE SESSION HELD PURSUANT TO ORS 192.660(1)(e). DELIBERATIONS WITH PERSONS DESIGNATED TO NEGOTIATE REAL PROPERTY TRANSACTIONS.

10.1 **Resolution No. 04-3421,** For the Purpose of Authorizing the Execution Of a Seven-Year Lease with Oregon Park Development, LLC. Park

11. CHIEF OPERATING OFFICER COMMUNICATION

12. COUNCILOR COMMUNICATION

ADJOURN

Television schedule for Feb. 26, 2004 Metro Council meeting

Clackamas, Multnomah and Washington counties, Vancouver, Wash.
Channel 11 -- Community Access Network
www.yourtvtv.org -- (503) 629-8534
Thursday, Feb. 26 at 2 p.m. (live)

Oregon City, Gladstone
Channel 28 -- Willamette Falls Television
www.wftvaccess.com -- (503) 650-0275
Call or visit website for program times.

Portland
Channel 30 (CityNet 30) -- Portland Community Media
www.pcatv.org -- (503) 288-1515
Sunday, Feb. 29 at 8:30 p.m.
Monday, March 1 at 2 p.m.

Washington County
Channel 30 -- TVTV
www.yourtvtv.org -- (503) 629-8534
Saturday, Feb. 28 at 7 p.m.
Sunday, Feb. 29 at 7 p.m.
Tuesday, March 2 at 6 a.m.
Wednesday, March 3 at 4 p.m.

West Linn
Channel 30 -- Willamette Falls Television
www.wftvaccess.com -- (503) 650-0275
Call or visit website for program times.

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

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).

Agenda Item Number 5.1

Consideration of Minutes of the February 19, 2004 Regular Council meetings.

Metro Council Meeting
Thursday, February 26, 2004
Metro Council Chamber

Agenda Item Number 6.1

Ordinance No. 04-1041, For the Purpose of Amending Metro's Regional Framework Plan to better protect the region's farm and forest land industries and land base, and Declaring an Emergency.

First Reading

Metro Council Meeting
Thursday, February 26, 2004
Metro Council Chamber

BEFORE THE METRO COUNCIL

FOR THE PURPOSE OF AMENDING METRO'S REGIONAL FRAMEWORK PLAN TO BETTER PROTECT THE REGION'S FARM AND FOREST LAND INDUSTRIES AND LAND BASE, AND DECLARING AN EMERGENCY	)))))	ORDINANCE NO. 04-1041 Introduced by Councilor Carl Hosticka

WHEREAS, Chapter 1 Land Use, Policy 1.12 Protection of Agriculture and Forest Resource Land of Metro's Regional Framework Plan (RFP) calls upon Metro to protect agricultural and forest land, but it does not offer guidance on how to achieve the policy when the Metro Council must expand the urban growth boundary (UGB) to accommodate long-term urban population or employment growth and must choose agricultural or forest land to satisfy a portion of the need for land; and

WHREAS, Metro sponsored a symposium on agriculture in the larger region around the Metro Area on October 31, 2003 ("Agriculture at the Edge"), at which farmers and others in the agricultural industry expressed concern for the loss of land to urbanization and conflicts between urban use and farm practices and asked Metro to think of agriculture as an industry rather than as a reserve for future UGB expansion; and

WHEREAS, Metro is studying approximately 29,000 acres of land, including 9,000 acres of agricultural land, for possible addition to the UGB for industrial use, and must choose approximately 2,000 acres from among those lands; and

WHEREAS, the Metro Council wants to avoid harm to the agricultural industry in the region; now, therefore

THE METRO COUNCIL ORDAINS AS FOLLOWS:

1. Chapter 1 Land Use, Policy 1.12 Protection of Agriculture and Forest Resource Land of Metro's Regional Framework Plan (RFP) is hereby amended as shown in Exhibit A, attached and incorporated into this ordinance.

2. The Findings of Fact and Conclusions of Law, attached as Exhibit B and incorporated into this ordinance, explain how the amendment of Chapter 1 Land Use, Policy 1.12 Protection of Agriculture and Forest Resource Land of the RFP complies with state and regional planning laws.

3. This ordinance is necessary for the immediate preservation of public health, safety and welfare because the Metro Council must make a decision on expansion of the UGB for industrial land by June 24, 2004, to comply with Remand Order 03-WKTASK-001524 of the Land Conservation and Development Commission. An emergency is therefore declared to exist, and this ordinance shall take effect immediately, pursuant to Metro Charter Section 39(1).

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ADOPTED by the Metro Council this ________ day of ____________________, 2004.

____
David Bragdon, Council President

Attest:

____
Christina Billington, Recording Secretary

Approved as to Form:

____
Daniel B. Cooper, Metro Attorney

Exhibit A to Ordinance No. 04-1041
Metro's Regional Framework Plan
Chapter 1 Land Use, Policy 1.12 Protection of Agriculture and Forest Lands

~~1.12~~ Protection of Agriculture and Forest ~~Resource~~ Lands

1.12.1 Agricultural and forest ~~resource~~ land outside the UGB shall be considered a regional economic and cultural resource and be protected from urbanization~~, and accounted for in regional economic and development plans,~~ consistent with ~~this Plan~~ statewide planning laws. ~~However, Metro recognizes that all the statewide goals, including Statewide Goal 10, Housing and Goal 14, Urbanization, are of equal importance to Goals 3 and 4 which protect agriculture and forest resource lands. These goals represent competing and, some times, conflicting policy interests which need to be balanced.~~

1.12.~~1~~2 ~~Rural Resource Lands~~

~~Rural resource lands outside~~ When the Metro Council must choose among agricultural lands of the same soil classification for addition to the UGB ~~that have significant resource value should actively be protected from urbanization. However, not all land zoned for exclusive farm use is of equal agricultural value.~~, the Metro Council shall choose agricultural land deemed less important to the continuation of commercial agriculture in the region, and shall not choose agricultural land south of the Willamette River and west of the Pudding River.

1.12.~~2~~3 ~~Urban Expansion~~

~~Expansion of the UGB shall occur in urban reserves, established consistent with the urban rural transition objective. All urban reserves should be planned for future urbanization even if they contain resource lands.~~ Metro shall enter into agreements with neighboring cities and counties to carry out Metro Council policy on protection of agricultural and forest resource policy through the designation of Rural Reserves and other measures.

1.12.~~3~~4 ~~Farm and Forest Practices~~

~~Protect and support the ability for farm and forest practices to continue. The designation and management of rural reserves by the Metro Council may help establish this support, consistent with the Growth Concept. Agriculture and forestry require long term certainty of protection from adverse impacts of urbanization in order to promote needed investments.~~ Metro shall work with neighboring counties to provide a high degree of certainty for investment in agriculture in agriculture and forestry and to reduce conflicts between urbanization and agricultural and forest practices.

Exhibit B to Ordinance No. 04-1041
Findings of Facts and Conclusions of Law

[TO FOLLOW]

Agenda Item Number 7.1

Ordinance No. 04-1033, For the Purpose of Amending Metro Code Chapter 3.09 (Local Government Boundary Changes) to Allow Use of the Expedited Process for Changes to the Metro District Boundary and to Clarify Criteria for Boundary Changes; and Declaring an Emergency.

Second Reading

Metro Council Meeting
Thursday, February 26, 2004
Metro Council Chamber

BEFORE THE METRO COUNCIL

FOR THE PURPOSE OF AMENDING METRO CODE CHAPTER 3.09 (LOCAL GOVERNMENT BOUNDARY CHANGES) TO ALLOW USE OF THE EXPEDITED PROCESS FOR CHANGES TO THE METRO DISTRICT BOUNDARY AND TO CLARIFY CRITERIA FOR BOUNDARY CHANGES, AND DECLARING AN EMERGENCY	))))))))	ORDINANCE NO. 04-1033 Introduced by Council President Bragdon and Councilor McLain

WHEREAS, the Metro Council intends that territory added to the urban growth boundary ("UGB") become available for urbanization, consistent with the Urban Growth Management Functional Plan ("UGMFP"), in a timely and orderly fashion; and

WHEREAS, the Council, pursuant to Metro Code Section 3.01.040, applies a design type from the 2040 Growth Concept to the territory at the time the Council adds it to the UGB; and

WHEREAS, Title 11 of the UGMFP (Planning for New Urban Areas) ensures that territory added to the UGB will not be urbanized until appropriate planning and zoning designations consistent with the Growth Concept design type are applied by the responsible city or county; and

WHEREAS, there are circumstances in which territory added to the UGB should be annexed to the Metro district quickly to facilitate the timely and orderly urbanization of the territory; and

WHEREAS, Metro Code Chapter 3.09 (Local Government Boundary Changes) does not currently authorize use of the expedited process, set forth in Section 3.09.045, for minor changes to the Metro District boundary; and

WHEREAS, the criteria for boundary changes in Chapter 3.09 are not clear, as required by state law; now, therefore,

THE METRO COUNCIL ORDAINS AS FOLLOWS:

1. Chapter 3.09 of the Metro Code is hereby amended, as indicated in Exhibit A, attached and incorporated into this ordinance, in order to authorize annexation to the Metro District of territory in the UGB through the expedited process for minor boundary changes in Chapter 3.09 and to clarify the criteria for boundary changes.

2. The Findings of Fact and Conclusions of Law in Exhibit B, attached and incorporated into this ordinance, demonstrate that these amendments to Chapter 3.09 comply with the Regional Framework Plan and statewide planning laws.

3. This ordinance is necessary for the immediate preservation of public health, safety and welfare because the time involved in processing applications for change to the Metro District boundary is delaying the replenishment of the supply of project-ready industrial sites in the region. An emergency is therefore declared to exist, and this ordinance shall take effect immediately, pursuant to Metro Charter section 39(1).

ADOPTED by the Metro Council this _____ day of _______________ 2004.

____
David Bragdon, Council President

ATTEST: Approved as to Form:

____
Recording Secretary

____
Daniel B. Cooper, Metro Attorney

Exhibit A to Ordinance No. 04-1033
Amendments To Chapter 3.09
Local Government Boundary Changes

3.09.010 Purpose and Applicability

The purpose of this chapter is to carry out the provisions of ORS 268.354. This chapter applies to all boundary changes within the boundaries of Metro ~~or~~ and any ~~urban reserve designated by Metro prior to June 30, 1997~~ annexation of territory to the Metro boundary. Nothing in this chapter affects the jurisdiction of the Metro Council to amend the region's Urban Growth Boundary ("UGB").

3.09.020 Definitions

As used in this chapter, unless the context requires otherwise:

(a) "Affected entity" means a county, city, or special district for which a boundary change is proposed or is ordered.

(b) "Affected territory" means territory described in a petition.

(c) "Approving entity" means the governing body of a city, county, city-county or district authorized to make a decision on a boundary change, or its designee.

(d) "Boundary change" means a major or minor boundary change, involving affected territory lying within the jurisdictional boundaries of Metro and the urban reserves designated by Metro prior to June 30, 1997.

(e) "Contested case" means a boundary change decision by a city, county or district that is contested or otherwise challenged by a necessary party.

(f) "District" means a district defined by ORS 198.710 or any district subject to Metro boundary procedure act under state law.

(g) "Final decision" means the action by an approving entity whether adopted by ordinance, resolution or other means which is the determination of compliance of the proposed boundary change with all applicable criteria and which requires no further discretionary decision or action by the approving entity other than any required referral to electors. "Final decision" does not include resolutions, ordinances or other actions whose sole purpose is to refer the boundary change to electors or to declare the results of an election.

(h) "Major boundary change" means the formation, merger, consolidation or dissolution of a city or district.

(i) "Minor boundary change" means an annexation or withdrawal of territory to or from a city or district or from a city-county to a city. "Minor boundary change" also means an extra-territorial extension of water or sewer service by a city or district.

(j) "Necessary party" means: any county, city or district whose jurisdictional boundary or adopted urban service area includes any part of the affected territory or who provides any urban service to any portion of the affected territory, Metro, and any other unit of local government, as defined in ORS 190.003, that is a party to any agreement for provision of an urban service to the affected territory.

(k) "Petition" means a petition, resolution or other form of initiatory action for a boundary change.

(l) "Uncontested case" means a boundary change decision by an approving entity that is not challenged by a necessary party to that decision.

(m) "Urban services" means sanitary sewers, water, fire protection, parks, open space, recreation and streets, roads and mass transit.

3.09.030 Uniform Notice Requirements for Final Decisions

(a) The following minimum requirements apply to all boundary change decisions by an approving entity. Approving entities may choose to provide more notice than required. These procedures are in addition to and do not supersede the applicable requirements of ORS Chapters 197, 198, 221 and 222 and any city or county charter for boundary changes. Each approving entity shall provide for the manner of notice of boundary change decisions to affected ~~persons~~ entities and necessary parties.

(b) An approving entity shall, within 30 days after the petition is completed, set a time for ~~deliberations~~ a public hearing on a boundary change ~~within 30 days after the petition is completed~~. The approving entity shall give notice of its ~~proposed deliberations~~ public hearing by mailing notice to all necessary parties, by weatherproof posting of the notice in the general vicinity of the affected territory, and by publishing notice in a newspaper of general circulation in the affected territory. Notice shall be mailed and posted at least 45 days prior to the date of ~~decision~~ the hearing for major boundary changes and for those minor boundary changes which are not within the scope of adopted urban service provider agreements and for which a shorter notice period has not been agreed to by all necessary parties. However, notice of minor boundary changes to ~~special~~ districts may be mailed and posted at least 40 days prior to the proposed date of ~~decision~~ the hearing. Notice shall be published as required by state law.

(c) The notice of the date of the public hearing, or of deliberations if the decision is to be made without a hearing pursuant to Section 3.09.045, shall: describe the affected territory in a manner that allows certainty; state the date, time and place where the approving entity will consider the boundary change; and state the means by which any interested person may obtain a copy of the approving entity's report on the proposal. The notice shall state whether the approving entity intends to decide the boundary change without a public hearing unless a necessary party requests a public hearing.

(d) An approving entity may adjourn or continue its final decision on a proposed boundary change to another time. For a continuance later than 31 days after the time stated in the original notice, notice shall be reissued in the form required by subsection (b) of this section at least 15 days prior to the continued date of decision. For a continuance scheduled within 31 days of the previous date for decision, notice shall be adequate if it contains the date, time and place of the continued date of decision.

(e) An approving entity's final decision shall be reduced to writing and authenticated as its official act within ~~5~~ five working days following the decision and mailed to Metro and to all necessary parties to the decision. The mailing to Metro shall include payment to Metro of the filing fee required pursuant to Section 3.09.110. The date of mailing shall constitute the date from which the time for appeal runs for appeal of the decision to the Metro Boundary Appeals Commission.

(f) Each county shall maintain a current map and list showing all necessary parties entitled to receive notice of proposed boundary changes. A county shall provide copies of the map, list, and any changes thereto, to Metro.

3.09.040 Minimum Requirements for Petitions

(a) A petition for a boundary change shall be deemed complete if it includes the following information:

(1) The jurisdiction of the approving entity to act on the petition;

(2) A narrative, legal and graphical description of the affected territory in the form prescribed by the Metro Chief Operating Officer;

(3) For minor boundary changes, the names and mailing addresses of all persons owning property and all electors within the affected territory as shown in the records of the tax assessor and county clerk;

(4) A listing of the present providers of urban services to the affected territory;

(5) A listing of the proposed providers of urban services to the affected territory following the proposed boundary change;

(6) The current tax assessed value of the affected territory; and

(7) Any other information required by state or local law~~.~~; and

(8) An explanation how the petition satisfies the criteria in subsections (d) or (e) of 3.09.050, in subsection (e) of 3.09.120, or in subsection (c) of 3.09.130, whichever are applicable.

(b) A city, ~~or~~ county, or Metro may charge a fee to recover its reasonable costs to carry out its duties and responsibilities under this chapter.

3.09.045 Expedited Decisions

(a) Approving entities may establish an expedited decision process that does not require a public hearing ~~consistent with this section~~. Expedited decisions are not subject to the requirements of Sections 3.09.030(b) and 3.09.050(a), (b), (c),(e) or (f). The expedited decision process may only be utilized for minor boundary changes where the petition initiating the ~~minor boundary~~ change is accompanied by the written consent of one hundred percent (100%) of the property owners and at least fifty percent (50%) of the electors, if any, within the affected territory.

(b) Notwithstanding the notice requirements in subsection (b) of section 3.09.030, ~~T~~the expedited decision process must provide for a minimum of 20 days notice to all ~~interested~~ necessary parties and persons otherwise legally entitled to notice. The notice shall state that the petition is subject to the expedited process. The expedited process may not be utilized if a necessary party gives written notice of its intent to contest the decision prior to the date of the decision. A necessary party may not contest a minor boundary change where the minor boundary change is explicitly authorized by an urban service~~s~~ agreement adopted pursuant to ORS 195.065.

(c) At least seven days prior to the date of decision the approving entity shall make available to the public a brief report that ~~addresses the factors listed in~~ complies with Section 3.09.050(b). The decision record shall demonstrate compliance with the criteria ~~contained~~ in ~~Sections 3.09.050~~ subsections (d)and (g) of Section 3.09.050.

(d) Decisions made pursuant to an expedited process are not subject to appeal ~~by a necessary party~~ pursuant to Section 3.09.070.

3.09.050 Uniform Hearing and Decision Requirements for Final Decisions Other Than Expedited Decisions

(a) The following minimum requirements for hearings on ~~boundary change decisions~~ petitions operate in addition to all procedural requirements for boundary changes provided for under ORS chapters 198, 221 and 222. Nothing in this chapter requires an approving entity to hold a public hearing in addition to a hearing required by ORS 221.040, or allows an approving entity to dispense with a public hearing on a proposed boundary change when the public hearing is required by applicable state statutes or is required by the approving entity's charter, ordinances or resolutions.

(b) Not later than 15 days prior to the date set for a ~~boundary change decision~~ hearing, the approving entity shall make available to the public a report that addresses the criteria in subsections (d) and (g) ~~below~~ of this section, and ~~that~~ includes ~~at a minimum~~ the following information:

(1) The extent to which urban services presently are available to serve the affected territory including any extra territorial extensions of service;

(2) ~~A description of how the proposed boundary change complies with any urban service provider agreements adopted pursuant to ORS 195.065 between the affected entity and all necessary parties;~~

~~(3) A description of how the proposed boundary change is consistent with the comprehensive land use plans, public facility plans, regional framework and functional plans, regional urban growth goals and objectives, urban planning agreements and similar agreements of the affected entity and of all necessary parties;~~

~~(4)~~ Whether the proposed boundary change will result in the withdrawal of the affected territory from the legal boundary of any necessary party; and

(~~5~~3) The proposed effective date of the decision.

(c) In order to have standing to appeal a boundary change decision pursuant to Section 3.09.070 a necessary party must appear at the hearing in person or in writing and state reasons why ~~the necessary party believes~~ the boundary change is inconsistent with the approval criteria. A necessary party may not contest a boundary change where the boundary change is explicitly authorized by an urban services agreement adopted pursuant to ORS 195.065. At any public hearing, the persons or entities proposing the boundary change shall have the burden to prove that the ~~petition~~ proposal meets the criteria for a boundary change.

(d) An approving entity's final decision on a boundary change shall include findings and conclusions ~~addressing the following criteria~~ to demonstrate that the affected territory lies within the UGB and that the proposal is consistent with:

(1) ~~Consistency with directly a~~Applicable provisions in an urban service ~~provider~~ agreement ~~or annexation plan~~ adopted pursuant to ORS 195.065 or an annexation plan adopted pursuant to ORS 195.205;

(2) ~~Consistency with directly a~~Applicable provisions of ~~urban~~ any cooperative planning ~~or other agreements, other than agreements adopted pursuant to ORS 195.065,~~ agreement adopted pursuant to ORS 195.020(2) or other planning agreement between the affected entity and a necessary party;

(3) ~~Consistency with specific directly applicable~~Clear and objective standards or criteria for boundary changes contained in applicable comprehensive land use plans and public facility plans;

(4) ~~Consistency with specific directly applicable~~ Clear and objective standards or criteria for boundary changes contained in the Regional Framework Plan or any functional plan;

(5) ~~Whether the proposed change will promote or not interfere with t~~The timely, orderly and economic provisions of public facilities and services; and

(6) ~~The territory lies within the Urban Growth Boundary; and~~

~~(7)~~ ~~Consistency with other applicable~~ Clear and objective criteria ~~for~~ applicable to the boundary change in ~~question under~~ other state and local laws.

(e) ~~When~~ If there is no urban service agreement ~~adopted pursuant to ORS 195.065~~ that ~~is applicable~~ applies to the affected territory, and a boundary change decision is contested by a necessary party, the approving entity shall ~~also address and consider, information on the following factors in determining whether the proposed boundary change meets the criteria of Sections 3.09.050(d)and (g). The findings and conclusions adopted by the approving entity shall explain how these factors have been considered.~~ demonstrate that:

(1) The ~~relative financial, operational and managerial capacities of alternative~~ proposed providers of ~~the disputed~~ urban services to the affected ~~area~~ territory have the financial, operational and managerial capacity to provides the services;

(2) The ~~quality and quantity of the urban services at issue with alternative providers of the urban services, including differences in cost and allocations of costs of the services and accountability of the alternative providers~~ proposed providers of urban services to the affected territory can provide the necessary quality and quantity of service at a reasonable cost;

(3) There are no ~~P~~physical factors ~~related to the~~ that would prevent feasible provision of urban services by ~~alternative~~ proposed providers;

(4) ~~For proposals to create a new entity the feasibility of creating the new entity.~~

~~(5)~~ Plans to provide urban services to the affected territory will eliminate or avoid~~The elimination or avoidance of~~ unnecessary duplication of facilities;

(~~6~~5) Economic, demographic and sociological trends and projections relevant to the provision of the urban services indicate that services are feasible in the affected territory;

(~~7~~6) ~~Matching t~~The recipients of tax supported urban services ~~with~~ will, to the extent possible, be the payers of the tax;

(~~8~~7) ~~The equitable a~~Allocation of the costs to ~~alternative~~ proposed urban service providers of serving ~~between~~ new development and prior development will be equitable.~~; and~~

~~(9) Economies of scale.~~

~~(10) Where a proposed decision is inconsistent with an adopted intergovernmental agreement, that the decision better fulfills the criteria of Section 3.09.050(d) considering Factors (1) through (9) above.~~

(f) Only territory already within the defined Metro ~~Urban Growth Boundary~~ UGB at the time ~~a petition is complete~~ an approving entity considers its decision may be annexed to a city ~~or included in territory proposed for incorporation into a new city~~. However, cities may annex individual tax lots partially within and ~~without~~ outside the ~~Urban Growth Boundary~~ UGB.

(g) A final boundary change decision by an approving entity shall state the effective date, which date shall be no earlier than 10 days following the date that the written decision is ~~reduced to writing, and~~ mailed to all necessary parties. However, a decision that has not been contested by any necessary party may become effective upon adoption.

(h) Only territory already within the jurisdictional boundary of Metro at the time a petition is complete may be annexed to a city.

3.09.060 Creation of Boundary Appeals Commission

(a) The Metro Boundary Appeals Commission is created to decide contested cases of final boundary change decisions made by approving entities. The Metro Council shall appoint the Commission which shall consist of three citizen members, one each to be appointed from a list of nominees provided to the Metro Council President at least 30 days prior to the commencement of each term by Clackamas, Multnomah and Washington counties, respectively. The Council shall appoint two of the members for a initial four-year term and one for a nominal two-year term, the initial terms to be decided by chance; thereafter, each commissioner shall serve a four year term. Each Commission member shall continue to serve in that position until replaced. Commission members may not hold any elective public office.

(b) The Metro Chief Operating Officer shall provide staff assistance to the Commission and shall prepare the Commission's annual budget for approval by the Metro Council.

(c) At its first meeting and again in its first meeting of each successive calendar year, the Commission shall adopt rules of procedure that address, among other things, the means by which a position is declared vacant and the means of filling a vacant position; and, the Commission at that first meeting shall elect a chairperson from among its membership, who shall serve in that position until a successor is elected and who shall preside over all proceedings before the Commission.

3.09.070 How Contested Case Filed

(a) A necessary party to a final decision that has appeared in person or in writing as a party in the hearing before the approving entity decision may contest the decision before the Metro Boundary Appeals Commission. A contest shall be allowed only if notice of appeal is served on the approving entity no later than the close of business on the 10th day following the date that the written decision is ~~reduced to writing, authenticated and~~ mailed to necessary parties. A copy of the notice of appeal shall be served on the same day on Metro together with proof of service on the approving entity, the affected entity and all necessary parties. The notice of appeal shall be accompanied by payment of Metro's prescribed appeal fee. Service of notice of appeal on the approving entity, the affected entity and all necessary parties by mail within the required time and payment of the prescribed appeal fee shall be jurisdictional as to Metro's consideration of the appeal.

(b) An approving entity shall prepare and certify to Metro, no later than 20 days following the date the notice of appeal is served upon it, the record of the boundary change proceedings.

(c) A contested case is a remedy available by right to a necessary party. When a notice of appeal is filed, a boundary change decision shall not be final until resolution of the contested case by the Commission.

(d) A final decision of an approving entity is subject to appeal to the Commission by a necessary party when it is the last action that needs to be taken by the approving entity prior to the referral of the boundary change to the electors in those cases where approval of the electors is required or permitted.

3.09.080 Alternate Resolution

(a) On stipulation of all parties to a contested case made at any time before the close of the hearing before the Commission, the Commission shall stay further proceedings before it for a reasonable time to allow the parties to attempt to resolve the contest by other means.

(b) A contested case that is not resolved by alternate means during the time allowed by the Commission shall be rescheduled for hearing in the normal course.

3.09.090 Conduct of Hearing

(a) The Commission shall schedule and conduct a hearing on a contested case no later than 30 days after certification of the record of the boundary change proceedings.

(b) The Commission shall hear and decide a contested case only on the certified record of the boundary change proceeding. No new evidence shall be allowed. The party bringing the appeal shall have the burden of persuasion.

(c) The Commission shall hear, in the following order, the Metro staff report, if any; argument by the approving entity and the affected entity; argument of the party that contests the decision below; and rebuttal argument by the approving entity and the affected entity. The Commission may question any person appearing before it. Metro staff shall not make a recommendation to the Commission on the disposition of a contested case.

(d) The deliberations of the Commission may be continued for a reasonable period not to exceed 30 days.

(e) The Chairperson may set reasonable time limits for oral presentation and may exclude or limit cumulative, repetitious or immaterial testimony. The Chairperson shall cause to be kept a verbatim oral, written, or mechanical record of all proceedings before the Commission.

(f) No later than 30 days following the close of a hearing before the Commission on a contested case, the Commission shall consider its proposed written final order and shall adopt the order by majority vote. The order shall include findings and conclusions on the criteria for decision listed in subsections (d) and (g) of Section 3.09.050~~(d) and (g)~~. The order shall be deemed final when reduced to writing~~ in the form adopted~~, and served by mailing on all parties to the hearing.

(g) The Commission shall affirm or deny a final decision made below based on substantial evidence in the whole record. The Commission shall have no authority to remand a decision made below for further proceedings before the approving entity, and may only stay its proceedings to allow for alternate resolution as provided for in this chapter.

3.09.100 Ex Parte Communications to the Boundary Appeals Commission

Commission members shall place in the record a statement of the substance of any written or oral ex parte communication on a fact in issue made to them during the pendency of the proceeding on a contested case. A party to the proceeding at its request shall be allowed a reasonable opportunity to rebut the substance of the communication.

3.09.110 Ministerial Functions of Metro

(a) Metro shall create and keep current maps of all service provider service areas and the jurisdictional boundaries of all cities, counties and special districts within Metro. The maps shall be made available to the public at a price that reimburses Metro for its costs. Additional information requested of Metro related to boundary changes shall be provided subject to applicable fees.

(b) The Metro Chief Operating Officer shall cause notice of all final boundary change decisions to be sent to the appropriate county assessor(s) and elections officer(s), the Secretary of State and the Oregon Department of Revenue.

(c) The Metro Chief Operating Officer shall establish a fee structure for establishing the amounts to be paid upon filing notice of city or county adoption of boundary changes, appeals to the Boundary Appeals Commission and for related services. The fee schedule shall be filed with the Council Clerk and distributed to all cities, counties and special districts within the Metro region.

3.09.120 Minor Boundary Changes to Metro's Boundary

(a) Minor boundary changes to the Metro Boundary may be initiated by Metro, the city or county responsible for concept planning for the affected territory specified pursuant to Metro Code Section 3.01.040, property owners, ~~and~~ electors, or others as ~~otherwise~~ provided by law. Petitions shall meet the minimum requirements of Section 3.09.040 above. The Chief Operating Officer shall establish a filing fee schedule for petitions that shall reimburse Metro for the expense of processing and considering petitions. The fee schedule shall be filed with the Council.

(b) Notice of proposed minor boundary changes to the Metro Boundary shall be given as required pursuant to Section 3.09.030.

(c) Hearings will be conducted consistent with the requirements of Section 3.09.050. When it takes action on a minor boundary change, the Metro Council shall consider the requirements of Section 3.09.050 and all provisions of applicable law.

(d) Minor boundary changes to the Metro Boundary ~~are not subject~~ may be made pursuant to ~~an~~ the expedited process set forth in Section 3.09.045.

(e) The following criteria shall apply in lieu of the criteria set forth in subsection (d) or (e) of Section 3.09.050 to a minor boundary change to Metro's boundary. The Metro Council's final decision on a boundary change shall include findings and conclusions to demonstrate that:

(1) The affected territory lies within the UGB; and

(2) Upon annexation to the district, the affected territory will become subject to the interim protection standards set forth in Metro Code section 3.07.1120 and any conditions imposed by the ordinance adding the territory to the UGB.

(~~e~~f) Contested case appeals of decisions regarding minor boundary changes to the Metro Boundary are subject to appeal as provided in Section 3.09.070.

3.09.130 Incorporation of a City that Includes Territory Within Metro's Boundary

(a) A petition to incorporate a city that includes territory within Metro's jurisdictional boundary shall comply with the minimum notice requirements in section 3.09.030, the minimum requirements for a petition in section 3.09.040, the hearing and decision requirements in subsections (a), (c), and (f) of section 3.09.050, and the contested case requirements and hearing provisions of 3.09.070, 3.09.080, 3.09.090, and 3.09.100.

(b) A petition to incorporate a city that includes territory within Metro's jurisdictional boundary may include territory that lies outside Metro's UGB. However, incorporation of a city with such territory shall not authorize urbanization of that territory until the Metro Council includes the territory in the UGB pursuant to Metro Code Chapter 3.01.

(c) The following criteria shall apply in lieu of the criteria set forth in Section 3.09.050(d) and (e). An approving entity shall demonstrate that incorporation of the new city complies with the following criteria:

(1) At least 150 people reside in the territory proposed for incorporation, as required by ORS 221.020;

(2) No part of the territory proposed for incorporation lies within the boundary of another incorporated city, as prohibited in ORS 221.020;

(3) The petition complies with the requirements of ORS 221.031;

(4) The petitioner's economic feasibility statement complies with the requirements of ORS 221.035;

(5) If some of the territory proposed for incorporation lies outside the Metro UGB, that portion of the territory conforms to the requirements of ORS 221.034;

(6) The petitioner's economic feasibility statement indicates that the city must plan for average residential density of at least 10 dwelling units per net developable residential acre or such other density specified in Title 1 (Requirements for Housing and Employment Accommodation) of the Urban Growth Management Functional Plan; and

(7) Any city whose approval of the incorporation is required by ORS 221.031(4) has given its approval or has failed to act within the time specified in that statute.

STAFF REPORT

FOR THE PURPOSE OF AMENDING METRO CODE CHAPTER 3.09 (LOCAL GOVERNMENT BOUNDARY CHANGES) TO ALLOW USE OF THE EXPEDITED PROCESS FOR CHANGES TO THE METRO DISTRICT BOUNDARY AND TO CLARIFY CRITERIA FOR BOUNDARY CHANGES, AND DECLARING AN EMERGENCY

Date: January 14, 2004

Prepared by: Dick Benner
Presented by: Dick Benner

PROPOSED ACTION

Adoption of ordinance 04-1033 amending Metro Code Chapter 3.09 (Local Government Boundary Changes) to allow use of the expedited process for changes to the Metro district boundary and to clarify criteria for boundary changes, and declaring an emergency.

BACKGROUND

Attached to this memorandum is a draft ordinance amending the Metro Code on boundary changes. The Office of Metro Attorney ("OMA") drafted the changes to accomplish several objectives:

1. To make the process of annexing territory to the Metro district easier and faster.
2. To specify the process and criteria for incorporation of a new city within Metro's boundary.
3. To make the criteria for boundary changes clearer and more objective.
4. To bring the code in line with state and local law and with Metro's experience.

OMA recommends that the Council adopt these changes following public comments and the revisions that may follow from those comments.

1. Ease the Process for Annexation to the Metro District

The Metro Code on annexations (Chapter 3.09) provides an expedited process for "consent" annexations to which no "necessary party" (defined) objects. The current code, however, expressly makes this expedited process unavailable for annexations to the Metro district. The draft ordinance would amend the code to make "consent" annexations to the district eligible for the faster process. [Note: the Council added a requirement to Title 11 (Planning for New Urban Areas) that territory added to the UGB be annexed to the district prior to urbanization.]

2. Specify Process and Criteria for Incorporation of New Cities

The Metro Code does not specify a process or criteria tailored to the incorporation of a new city within Metro's boundary. The draft ordinance adds a new section aimed particularly at such incorporations, such as the incorporation of Damascus. The proposed revisions also reflect recent changes in the statutes on incorporations in the Metro area.

3. Make Criteria Clearer and More Objective

The Metro statute – ORS Chapter 268 – requires Metro to establish clear and objective criteria for review of proposed boundary changes [268.354(1)(d)]. The criteria in the current code are subject to criticism on this count. The draft ordinance moves the criteria toward greater clarity and objectivity while addressing the subjects and policies in the current code.

4. Bring the Code up to Date

There have been changes both to the statutes on boundary changes and LCDC rules that have made several provisions in the Metro Code on boundary changes out of date. The proposed revisions bring the code into line with recent changes to state law on incorporation of new cities (*e.g.,* special provisions for new cities whose boundary would include land both within and outside Metro's UGB). The revisions also respond to changes in LCDC's rules on urban reserves (urban reserves no longer required).

ANALYSIS/INFORMATION

1. Known opposition

None at this time.

2. Legal antecedents

ORS chapters 198 and 268; Metro Code chapter 3.09 (Local Government Boundary Changes).

3. Anticipated effects

If the proposed revisions are made to the Metro Code on boundary changes, review of proposed boundary changes will become faster and will require fewer public and private resources for processing the changes. This will especially be true for changes to the Metro district boundary.

4. Budget impacts

If the proposed revisions are made to the Metro Code on boundary changes, the staff anticipates that fewer resources (time, contract funds) will be required for the processing changes to the Metro district boundary.

Agenda Item Number 7.2

Ordinance No. 04-1035, For the Purpose of Amending Metro Code Chapter 2.04 to Require Retention of Contract Records by Metro Contractors and to Assure the Ability of Metro to Audit Contract Records.

Second Reading

Metro Council Meeting
Thursday, February 26, 2004
Metro Council Chamber

BEFORE THE METRO COUNCIL

FOR THE PURPOSE OF AMENDING METRO CODE CHAPTER 2.04 TO REQUIRE RETENTION OF CONTRACT RECORDS BY METRO CONTRACTORS AND TO ASSURE THE ABILITY OF METRO TO AUDIT CONTRACT RECORDS	)))))	ORDINANCE NO. 04-1035 Introduced by Metro Auditor Alexis Dow

WHEREAS, Metro is required from time to time to contract for the provisions of goods and services and for the construction of public improvements; and

WHEREAS, it is in the public interest to assure that Metro's public contracts, personal services contracts and public improvement contracts are performed in accordance with the terms upon which the parties to those contracts have agreed; and

WHEREAS, an important element of assuring the appropriate performance of Metro's contractors and subcontractors is the ability to inspect, audit and review all of the records related to such contracts; now therefore,

THE METRO COUNCIL ORDAINS AS FOLLOWS:

Section 1. Section 2 of this Ordinance is hereby added to and made a part of Metro Code Chapter 2.04, Metro Contract Policies.

Section 2. Contract Provisions Requiring Records Maintenance and Permitting Audits

(a) All Metro contracts of $50,000 or more shall require contractors and subcontractors to maintain all fiscal records relating to such contracts in accordance with generally accepted accounting principles. In addition, such contracts also shall require contractors and subcontractors to maintain any other records necessary to clearly document:

(1) The performance of the contractor, including but not limited to the contractor's compliance with contract plans and specifications, compliance with fair contracting and employment programs, compliance with Oregon law on the payment of wages and accelerated payment provisions; and compliance with any and all requirements imposed on the contractor or subcontractor under the terms of the contract or subcontract;

(2) Any claims arising from or relating to the performance of the contractor or subcontractor under a public contract;

(3) Any cost and pricing data relating to the contract; and

(4) Payments made to all suppliers and subcontractors.

(b) All Metro contracts of $50,000 or more shall require contractors and subcontractors to maintain records for the longer period of (i) six years from the date of final completion of the contract to which the records relate or (ii) until the conclusion of any audit, controversy or litigation arising out of or related to the contract.

(c) All Metro contracts of $50,000 or more shall contain provisions requiring contractors and subcontractors to make records available to Metro and its authorized representatives, including but not limited to the staff of any Metro department and the staff of the Metro Auditor, within the boundaries of the Metro region, at reasonable times and places regardless of whether litigation has been filed on any claims. Such contracts shall also provide that if the records are not made available within the boundaries of Metro, the contractor or subcontractor agrees to bear all of the costs for Metro employees, and any necessary consultants hired by Metro, including but not limited to the costs of travel, per diem sums, salary, and any other expenses that Metro incurs, in sending its employees or consultants to examine, audit, inspect, and copy those records. Such contracts shall further provide that if the contractor elects to have such records outside these boundaries, the costs paid by the contractor to Metro for inspection, auditing, examining and copying those records shall not be recoverable costs in any legal proceeding.

(d) All Metro contracts of $50,000 or more shall contain provisions by which contractors and subcontractors authorize and permit Metro and its authorized representatives, including but not limited to the staff of any Metro department and the staff of the Metro Auditor, to inspect, examine, copy and audit the books and records of any contractor or subcontractor, including tax returns, financial statements, other financial documents and any documents that may be placed in escrow according to any contract requirements. Metro shall keep any such documents confidential to the extent permitted by Oregon law, subject to the provisions of subsection (e).

(e) All Metro contracts of $50,000 or more shall contain provisions by which contractors and subcontractors agree to disclose the records requested by Metro and agree to the admission of such records as evidence in any proceeding between Metro and the contractor or subcontractor, including, but not limited to, a court proceeding, arbitration, mediation or other alternative dispute resolution process.

(f) All Metro contracts of $50,000 or more shall contain provisions by which contractors and subcontractors agree that in the event such records disclose that Metro is owed any sum of money or establish that any portion of any claim made against Metro is not warranted, the contractor or subcontractor shall pay all costs incurred by Metro in conducting the audit and inspection. Such contracts shall further provide that such costs may be withheld from any sum that is due or that becomes due from Metro.

(g) Failure of the contractor or subcontractor to keep or disclose records as required by this Ordinance or any solicitation document may result in disqualification as a bidder or proposer for future Metro contracts as provided in ORS 279.037 and Metro Code Section 2.04.070(c), or may result in a finding that the contractor or subcontractor is not a responsible bidder or proposer as provided in ORS 279.029 and Metro Code Section 2.04.052.

ADOPTED by the Metro Council this ____ day of __________________, 2004.

____
David Bragdon, Council President

Attest:

____
Recording Secretary

Approved as to Form:

____
Daniel B. Cooper, Metro Attorney

MDF/kaj
M:\attorney\confidential\R-O\2003-r-o\Ord. 03-XXXX v.2 Records Maint Chap 2.04.doc
12/22/2003

STAFF REPORT

IN CONSIDERATION OF ORDINANCE NO. 04-1035, FOR THE PURPOSE OF AMENDING METRO CODE CHAPTER 2.04 TO REQUIRE RETENTION OF CONTRACT RECORDS BY METRO CONTRACTORS AND TO ASSURE THE ABILITY OF METRO TO AUDIT CONTRACT RECORDS

Date: January 28, 2004

Prepared by: Metro Auditor
Alexis Dow

BACKGROUND

Metro does not currently have the right to inspect and review contractor records. This ordinance would require contractors to retain all fiscal records relating to such contracts in accordance with generally accepted accounting principles fiscal records and make them available to Metro departments and the Metro Auditor.

ANALYSIS/INFORMATION

1. **Known Opposition**
   None

2. **Legal Antecedents**
   City of Portland Code section 5.33.410 - See Attachment A

3. **Anticipated Effects**
   Adoption of Ordinance 04-1035 will ensure:
   - the ability to assure that Metro's public contracts, personal services contracts and public improvement contracts are performed in accordance with the terms upon which the parties to those contracts have agreed
   - the ability to inspect, audit and review all of the records related to such contracts.

4. **Budget Impacts**
   None

RECOMMENDED ACTION

The Metro Auditor recommends the adoption of Odinance 04-1035.

Ordinance No. 04-1035

Attachment 1

Portland City Code
5.33.410 Records Maintenance; Right to Audit Records.
(Amended by Ordinance No. 176675, effective July 3, 2002.)

A. Contractors and subcontractors shall maintain all fiscal records relating to a contract executed with the City in accordance with generally accepted accounting principles. In addition, contractors and subcontractors shall maintain any other records necessary to clearly document:

1. Their performance. Performance includes, but is not limited to, compliance with plans and specifications, compliance with fair contracting and employment programs, compliance with Oregon law on payment of wages and accelerated payment provisions, and any and all requirements imposed on the contractor or subcontractor under the contract or subcontract;
2. Any claims arising from or relating to their performance under a public contract;
3. Any cost and pricing data; and,
4. Payment to suppliers and subcontractors.

B. Such records shall be maintained for a period of six years from the date of final completion of the contract or until the conclusion of any audit, controversy or litigation arising out of or related to a contract, whichever is longer, unless a shorter period of time is authorized in writing by the City.

C. Contractors and subcontractors shall make all their records available to the City within the boundaries of the City of Portland, Oregon, at reasonable times and places regardless of whether litigation has been filed on any claims. If the records are not made available within the boundaries of the City, the contractor or subcontractor shall pay all costs for City employees, and any necessary consultants hired by the City, including travel, per diem costs, salary, and any other expenses incurred by City in sending its employees or consultants to examine, audit, inspect, and copy those records. If the contractor elects to have such records outside these boundaries, the costs paid by the contractor to the City for inspection, auditing, examining and copying those records are not recoverable costs in any legal proceeding.

D. The City and its authorized representatives shall be entitled to inspect, examine, copy and audit the books and records of any contractor or subcontractor upon request by the City for any reason, including any documents that may be placed in escrow according to any contract requirements. The records that may be inspected and copied include financial documents of the contractor, including tax returns and financial statements. The City will keep such documents confidential to the extent permitted by Oregon law, subject to Paragraph E below.

E. Contractors and subcontractors agree to disclose the records requested by the City and agree to their admission as evidence in any proceeding between the parties, including, but not limited to a court proceeding, arbitration, mediation or other alternative dispute resolution process.

F. In the event that the records disclose that the City is owed money or establishes that any portion of any claim made against the City is not warranted, the contractor or subcontractor shall pay all costs incurred by the City in conducting the audit and inspection. Such costs may be withheld from any sum due or that becomes due to the contractor by the City.

G. Failure of the contractor or subcontractor to keep or disclose records as required by PCC 5.33.410 or a solicitation document may result in disqualification as a bidder or proposer for future City contracts as provided in PCC 5.33.330 B.4, or may result in a finding that the contractor or subcontractor is not a responsible bidder or proposer as provided in PCC 5.33.300 B.4.

Agenda Item Number 7.3

Ordinance No. 04-1039, For the Purpose of Amending the FY 2003-04 Budget and Appropriations Schedule by Transferring $450,000 from Contingency to Capital Outlay in the General Account in the Solid Waste Revenue Fund; and Declaring an Emergency.

Second Reading

Metro Council Meeting
Thursday, February 26, 2004
Metro Council Chamber

BEFORE THE METRO COUNCIL

FOR THE PURPOSE OF AMENDING THE FY 2003-04 BUDGET AND APPROPRIATIONS SCHEDULE BY TRANSFERING $450,000 FROM CONTINGENCY TO CAPITAL OUTLAY IN THE GENERAL ACCOUNT IN THE SOLID WASTE REVENUE FUND, AND DECLARING AN EMERGENCY.	)))))))	ORDINANCE NO. 04-1039 Introduced by Mike Jordan, Chief Operating Officer, with the concurrence of the Council President

WHEREAS, the Metro Council has reviewed and considered the need to transfer appropriations within the FY 2003-04 Budget; and

WHEREAS, the need for the transfer of appropriation has been justified; and

WHEREAS, adequate funds exist for other identified needs; now, therefore,

THE METRO COUNCIL ORDAINS AS FOLLOWS:

1. That the FY 2003-04 Budget and Schedule of Appropriations are hereby amended as shown in the column entitled "Revision" of Exhibits A and B to this Ordinance for the purpose of transferring $450,000 from Contingency to Capital Outlay in the General Account in the Solid Waste Fund.

2. This Ordinance being necessary for the immediate preservation of the public health, safety or welfare of the Metro area in order to meet obligations and comply with Oregon Budget Law, an emergency is declared to exist, and this Ordinance takes effect upon passage.

ADOPTED by the Metro Council this _______ day of __________ , 2004.

David Bragdon, Council President

Attest:

Christina Billington, Recording Secretary

Approved as to Form:

Daniel B. Cooper, Metro Attorney

Exhibit A
Ordinance No 04-1039

ACCT	DESCRIPTION	Current Budget FTE	Current Budget Amount	Revision FTE	Revision Amount	Amended Budget FTE	Amended Budget Amount
	Solid Waste Revenue Fund						
	Total Personal Services	108.70	8,680,433	0.00	0	108.70	8,680,433
	Total Materials & Services		35,167,274		0		35,167,274
	TOTAL REQUIREMENTS	**108.70**	**$43,847,707**	**0.00**	**$0**	**108.70**	**$43,847,707**
	Debt Service		**$1,511,427**		**$0**		**$1,511,427**
	Landfill Closure Materials & Services		**$192,400**		**$0**		**$192,400**
	Landfill Closure Capital Outlay		**$1,008,200**		**$0**		**$1,008,200**
	TOTAL LANDFILL CLOSURE REQUIREMENTS		**$1,200,600**		**$0**		**$1,200,600**
	TOTAL RENEWAL & REPLACEMENT REQUIREMENT		**$2,899,000**		**$0**		**$2,899,000**
	General Account						
	Capital Outlay						
	Environmental & Engineering Services						
CAPNO!	*Capital Outlay (Non-CIP Projects)*						
5720	*Buildings & Related (non-CIP)*		20,000		0		20,000
5740	Equipment & Vehicles (non-CIP)		45,000		0		45,000
CAPCIP	*Capital Outlay (CIP Projects)*						
5725	Buildings & Related (CIP)		850,000		450,000		1,300,000
	TOTAL GENERAL ACCOUNT REQUIREMENTS		**$915,000**		**$450,000**		**$1,365,000**
	TOTAL MASTER PROJECT ACCOUNT REQUIREMENT		**$350,000**		**$0**		**$350,000**
	TOTAL RECYCLING BUSINESS ASSISTANCE ACCOUN		**$700,000**		**$0**		**$700,000**
	General Expenses						
	Total Interfund Transfers		**$4,209,801**		**$0**		**$4,209,801**
	Contingency and Ending Balance						
CONT	*Contingency*						
5999	Contingency						
	* Operating Account (Operating Contingency)		2,000,000		(450,000)		1,550,000
	* Landfill Closure Account		5,162,527		0		5,162,527
	* Renewal & Replacement Account		4,195,811		0		4,195,811
UNAPP	*Unappropriated Fund Balance*						
5990	Unappropriated Fund Balance						
	* Debt Service Account (Metro Central)		1,376,733		0		1,376,733
	* General Account (Working Capital)		5,759,668		0		5,759,668
	* Reserve Account (Metro Central)		2,945,270		0		2,945,270
	* General Account (Rate Stabilization)		1,738,898		0		1,738,898
	* General Account (Capital Reserve)		3,196,768		0		3,196,768
	* General Account (Undesignated)		0		0		0
	Total Contingency and Ending Balance		**$26,375,675**		**($450,000)**		**$25,925,675**
	TOTAL REQUIREMENTS	**108.70**	**$82,009,210**	**0.00**	**$0**	**108.70**	**$82,009,210**

Exhibit B
Ordinance No. 04-1039
FY 2003-04 SCHEDULE OF APPROPRIATIONS

	Current Appropriation	Revision	Amended Appropriation
SOLID WASTE REVENUE FUND			
Operating Account			
Operating Expenses (PS & M&S)	$43,847,707	$0	$43,847,707
Subtotal	43,847,707	0	43,847,707
Debt Service Account			
Debt Service	1,511,427	0	1,511,427
Subtotal	1,511,427	0	1,511,427
Landfill Closure Account			
Materials & Services	192,400	0	192,400
Capital Outlay	1,008,200	0	1,008,200
Subtotal	1,200,600	0	1,200,600
Renewal and Replacement Account			
Capital Outlay	2,899,000	0	2,899,000
Subtotal	2,899,000	0	2,899,000
General Account			
Capital Outlay	915,000	450,000	1,365,000
Subtotal	915,000	450,000	1,365,000
Master Project Account			
Debt Service	350,000	0	350,000
Subtotal	350,000	0	350,000
Recycling Business Assistance Account			
Materials & Services	700,000	0	700,000
Subtotal	700,000	0	700,000
General Expenses			
Interfund Transfers	4,209,801	0	4,209,801
Contingency	11,358,338	(450,000)	10,908,338
Subtotal	15,568,139	(450,000)	15,118,139
Unappropriated Balance	15,017,337	0	15,017,337
Total Fund Requirements	**$82,009,210**	**$0**	**$82,009,210**

STAFF REPORT

IN CONSIDERATION OF ORDINANCE NO. 04-1039 FOR THE PURPOSE OF AMENDING THE FY 2003-04 BUDGET AND APPROPRIATIONS SCHEDULE BY TRANSFERRING $450,000 FROM CONTINGENCY TO CAPITAL OUTLAY IN THE GENERAL ACCOUNT IN THE SOLID WASTE REVENUE FUND, AND DECLARING AN EMERGENCY.

Date: January 26, 2004

Prepared by: Mike Hoglund
Paul Ehinger

BACKGROUND

The Northern Tip Floor Renovation project is included in the Capital Improvement Plan and was approved for bidding by the Metro Council by Resolution No. 03-3294, For the Purpose of Authorizing the Issuance of a Request for Bid No. 03-1056-SW to construct the Metro South Station Northern Tip Floor (Bay 2) Renovation, adopted April 17, 2003. The Solid Waste & Recycling Department anticipated that the construction would take place during the 2002-03 and 2003-04 fiscal years. At the time the resolution was approved, our design firm estimated the construction cost at $887,000. The 2002-03 budget included $667,000 for the project and the 2003-04 budget included $544,000. The Department anticipated significant expenses during May and June of 2003 and that funds would be "carried forward" from the 2002-03 budget, if needed, to complete the work. Construction on the project was not started until after the end of the 2002-03 fiscal year. Unfortunately, the needed funds were not carried forward prior to the cut-off for amending the budget. In addition, the low bid of $949,600 exceeded the engineer's estimate of construction cost. The increase in the construction cost is partially due to a different interpretation of code requirements. The $450,000 transfer is intended to cover the difference between the contract amount and the 2003-04 appropriation for the project and an additional $45,000 to cover any change orders. This action will also amend the FY 2003-04 Capital Improvement Plan.

ANALYSIS/INFORMATION

1. **Known Opposition** None.

2. **Legal Antecedents** Under Oregon Budget law, an ordinance is required to amend the adopted budget and appropriation schedule.

3. **Anticipated Effects** This amendment will shift appropriation from Contingency to Capital Outlay in the General Account in the Solid Waste and Recycling Fund. The purpose of this shift is to allow completing of the Northern Tip Floor Renovation authorized by the Metro Council in Resolution No. 03-3294.

4. **Budget Impacts** This amendment does not increase total appropriations for the FY 2003-04 budget year in this fund. This amendment allows the transfer of up to $450,000 from contingency to the General Account.There is an increase in project cost of $62,500, or about 7%.

RECOMMENDED ACTION

The Chief Operating Officer recommends approval of Ordinance No 04-1039

Agenda Item Number 8.1

Resolution No. 04-3424, For the Purpose of Authorizing the Chief Operating Officer to enter into an Intergovernmental Agreement with TriMet for completion of the South Corridor Project Final Environmental Impact Statement.

Metro Council Meeting
Thursday, February 26, 2004
Metro Council Chamber

BEFORE THE METRO COUNCIL

FOR THE PURPOSE OF AUTHORIZING THE CHIEF OPERATING OFFICER TO ENTER INTO AN INTERGOVERNMENTAL AGREEMENT WITH TRIMET FOR COMPLETION OF THE SOUTH CORRIDOR PROJECT (I-205/PORTLAND MALL) FINAL ENVIRONMENTAL IMPACT STATEMENT	))))))	RESOLUTION NO. 04-3424 Introduced by Councilor Brian Newman

WHEREAS, the South Corridor Project is the Metro Area's next light rail transit priority project for Federal New Starts Funding after the North Corridor Interstate MAX Light Rail Project; and

WHEREAS, authorization of Federal New Starts Funding for the South Corridor Project will require that the Metro Area maintain an aggressive schedule to get the project included in the next Federal 6-year Surface Transportation Bill; and

WHEREAS, in December of 2002 the Federal Transit Administration (FTA), the Federal Highway Administration (FHWA) and Metro published the South Corridor Project SDEIS; and

WHEREAS, on April 17, 2003, the Metro Council approved Resolution No. 03-3303 (For the Purpose of Amending the Locally Preferred Strategy For the South/North Corridor Project to Define a Two-Phased Major Transit Investment Strategy For the South Corridor, With the I-205 Light Rail Transit Project as the Phase 1 Locally Preferred Alternative Followed By the Milwaukie Light Rail Transit Project in Phase 2), adopting a two-phased Locally Preferred Alternative (LPA) for the South Corridor Project, including the I-205 LRT Alignment as Phase 1 and the Milwaukie LRT Alignment as Phase 2; and

WHEREAS, in October of 2003 the FTA, FHWA and Metro published the Downtown Portland Amendment to the South Corridor Project SDEIS; and

WHEREAS, on January 15, 2004, the Metro Council approved Resolution No. 04-3403 (For the Purpose of Finalizing the Decision to Add the Portland Mall Alignment to the Locally Preferred Alternative For Phase I of the South Corridor Light Rail Project), affirming the Portland Mall light rail transit alignment as the LPA for downtown Portland; and

WHEREAS, on January 15, 2004, the Metro Council approved Resolution No. 03-3372 (For the Purpose of Amending the South/North Land Use Final Order, to Include the Two Phases of the South Corridor Project Consisting of the Addition of the I-205 Light Rail Transit Project From Gateway to Clackamas Regional Center With the Downtown Portland Transit Mall Alignment, and Modifications of the Proposed Light Rail From Milwaukie to Clackamas Regional Center, and to Reflect From Milwaukie to Clackamas Regional Center, and to Reflect the Final Interstate Max Design), amending the South/North Land Use Final Order (LUFO) to include the 1-205, Portland Mall and Milwaukie light rail transit alignments; and

WHEREAS, Metro serves as the local lead agency for regionally significant transit projects with assistance from TriMet during the planning phase and for the preparation of the Environmental Impact Statement; and

WHEREAS, in October of 1999 Metro executed an IGA with TriMet for project design assistance during the Planning Phase of the South Corridor Project that allowed Metro to pay for TriMet's design assistance during the planning phase of the project; and

WHEREAS, local lead agency responsibility for the project shifts from Metro to TriMet after the selection of the Locally Preferred Alternative (LPA) when TriMet takes the lead to complete Preliminary Engineering (PE), Final Design (FD), construction and operation of the project; and

WHEREAS, entering into a revenue Intergovernmental Agreement (IGA) with TriMet will allow TriMet to reimburse Metro for work required to complete the environmental process required by the National Environmental Policy Act (NEPA) that will be documented in the FEIS, now therefore

BE IT RESOLVED that the Metro Council hereby authorizes the Chief Operating Officer to execute the IGA with TriMet attached hereto as to form to the Staff Report. The IGA will provide approximately $2.7 million for Metro staff and consultant work on the South Corridor project (I-205/Portland Mall) FEIS.

ADOPTED by the Metro Council this 26th day of February, 2004.

David Bragdon, Council President

Approved as to Form:

Daniel B. Cooper, Metro Attorney

STAFF REPORT

IN CONSIDERATION OF RESOLUTION NO. 04-3424, FOR THE PURPOSE OF AUTHORIZING THE CHIEF OPERATING OFFICER TO ENTER INTO AN INTERGOVERNMENTAL AGREEMENT WITH TRIMET FOR COMPLETION OF THE SOUTH CORRIDOR PROJECT (I-205/PORTLAND MALL) FINAL ENVIRONMENTAL IMPACT STATEMENT

Date: February 12, 2004 Prepared by: Sharon Kelly

BACKGROUND

The South Corridor Project (I-205 and the Portland Mall) is the Metro Area's next light rail priority for Federal New Starts funding. Completion of the Federally mandated Environmental Impact Statement (EIS) must be done prior to federal approval of funding for final design and construction of the project. The South Corridor Project represents the southern portion of the larger South/North Project. Interstate MAX is the northern part and is expected to open this spring. Phase 2 of the South Corridor Project will include the Milwaukie light rail project.

Metro typically acts as the local lead agency during the planning process for these large multi-jurisdictional regionally significant transit projects. During the planning phase, Metro managed finances for the study and executed an IGA with TriMet for their assistance, including design of the alternatives. After the selection of the Locally Preferred Alternative (LPA), the local lead agency role shifts to TriMet for implementation of the project. TriMet becomes the federal grantee, and Metro then assists TriMet in the completion of the planning and environmental process. This IGA will allow TriMet to pay Metro for completion of the I-205/Portland Mall FEIS.

ANALYSIS/INFORMATION

1. **Known Opposition.** None

2. **Legal Antecedents.** There is a long history of legal actions that have led to the current action on the South Corridor Project, including federal authorizing legislation for the South/North Project, state legislative action for the Land Use Final Order, and numerous regional and local jurisdiction actions. The most recent formal actions by the Metro Council related to this project include:

   - Adoption of Resolution No. 03-3303 on April 17, 2003 (For the Purpose of Amending the Locally Preferred Strategy For the South/North Corridor Project to Define a Two-Phased Major Transit Investment Strategy For the South Corridor, With the I-205 Light Rail Transit Project as the Phase 1 Locally Preferred Alternative Followed By the Milwaukie Light Rail Transit Project in Phase 2), amending the Locally Preferred Alternative for the South Corridor to include the I-205 Light Rail Alignment;
   - Adoption of Resolution No. 04-3403 on January 15, 2004 (For the Purpose of Finalizing the Decision to Add the Portland Mall Alignment to the Locally Preferred Alternative For Phase I of the South Corridor Light Rail Project), amending the Locally Preferred Alternative to include the Portland Mall light rail alignment with a terminus at PSU in downtown Portland; and
   - Adoption of Resolution No. 03-3372 on January 15, 2004 (For the Purpose of Amending the South/North Land Use Final Order, to Include the Two Phases of the South Corridor Project Consisting of the Addition of the I-205 Light Rail Transit Project From Gateway to Clackamas Regional Center With the Downtown Portland Transit Mall Alignment, and Modifications of the

Proposed Light Rail Between Downtown Portland and Milwaukie, Deletion of Plans to Extend Light Rail From Milwaukie to Clackamas Regional Center, and to Reflect the Final Interstate Max Design), amending the South/North Land Use Final Order to include the I-205 light rail alignment and the downtown Portland Mall alignment to PSU.

3. Anticipated Effects. Execution of this IGA will provide the resources to Metro for staff and consultants to complete the Final Environmental Impact Statement for the South Corridor (I-205/Portland Mall) Project, allowing the project to eventually move into final design and then construction and operations.

4. Budget Impacts. Through this IGA, TriMet will pass $2.7 million through to Metro to fund Metro staff and consultant work on completing the South Corridor Project (I-205 and the Portland Mall) Final Environmental Impact Statement. The revenue provided through this IGA will fund staff in the Corridor Planning section of the Planning Department. The adopted budget assumes that these resources would be available to complete the FEIS. The work on the FEIS will continue into FY 04-05, and this project is proposed to be in next year's budget.

RECOMMENDED ACTION

Michael J. Jordan, Chief Operating Officer, with the concurrence of David Bragdon, Council President, recommends adoption of Resolution No. 04-3424.

ATTACHMENTS

Attachment A: Draft IGA as to form and Budget

INTERGOVERNMENTAL AGREEMENT
SOUTH CORRIDOR I 205 AND PORTLAND MALL LIGHT RAIL PROJECT

THIS AGREEMENT is between the Tri-County Metropolitan Transportation District of Oregon ("TriMet") and Metro.

ARTICLE I – RECITALS

1. TriMet is a mass transit district organized under the laws of the State of Oregon as codified in ORS Chapter 267.

2. Metro is a Home Rule Chartered Regional Planning entity created by the Oregon Legislature, the rights and duties of which are authorized under its Home Rule Charter and ORS Chapter 268.

3. In December 2002, Metro completed a supplemental draft Environmental Impact Statement identifying the next alternative for a portion of the South/North Light Rail Project. The alternative provides a direct high-capacity rail transit connection between downtown Portland and the Gateway and Clackamas regional centers, such alternative being called the South Corridor I205 Light Rail Project.

4. On April 17, 2003, the Metro Council adopted light rail along the I-205 corridor as the locally preferred alternative for Phase I of the South Corridor project.

5. In October 2003, Metro completed the downtown amendment to the South Corridor Project supplemental draft Environmental Impact Statement. This amendment includes light rail transit on the transit mall, SW Fifth and Sixth Avenues in downtown Portland.

6. Following public notice, Metro held public hearings and, on January 15, 2004, adopted a revised alignment and approved the South Corridor I 205 / Portland Mall as Phase I of the South Corridor Light Rail Project.

7. TriMet has decided to contract with Metro for services related to the preparation and publishing of the final environmental impact statement, which additional services are specified in this Agreement.

8. The Project is, or will be, subject to budgetary limitations imposed by the U.S. Department of Transportation, Federal Transit Administration (FTA), and Finance Agreements.

9. The parties desire to enter into this agreement to document each party's understandings and agreement relating to the services being contracted under this Agreement.

ARTICLE II – TERM

The term of this agreement shall be from December 1, 2003 through June 30, 2005 unless terminated or extended under the provisions of this Agreement.

ARTICLE III– TRIMET OBLIGATIONS

A. Except as otherwise provided herein, TriMet shall retain responsibilities as the grantee for federal funding appropriated for this project.

B. TriMet shall designate a Project Manager for this contract

ARTICLE IV – METRO OBLIGATIONS

A. Metro agrees to supply appropriate and sufficient staff to complete the tasks required for the completion and publication of the Final Environmental Impact Statement.

B. Metro agrees to use its best efforts to maintain Project schedule.

C. Metro shall deliver the specific work products as identified in Exhibit A.

D. The Metro Project Manager shall exercise good faith efforts to manage the Metro services within the budget specified for this contract.

ARTICLE V – COMPENSATION and PAYMENT

A. Compensation
Metro's compensation for services provided under this Agreement shall not exceed $2,220,000 without prior written authorization of TriMet. The parties recognize that funding for this effort is constrained and will use their best efforts to minimize costs consistent with the timely completion of the required tasks.

B. Method of Payment
TriMet agrees to pay the hourly rates for the performance of the services required herein, direct consultant and direct materials and services costs.

C. Invoices
Metro shall submit to TriMet billings not more frequently than monthly for reimbursable costs incurred since the previous billings. TriMet shall pay Metro the balance due within thirty (30) days of receipt of such billings. Financial reports accompanying requests for reimbursement shall be in accordance with FTA requirements. TriMet shall review records for suitability and provide assistance as necessary to assure compliance with FTA requirements. Invoices shall be supported by current time sheets for each month and copies of other direct costs included in the invoice amount. The Project Managers shall review the invoices and billings against the project budget to provide real time cost tracking and budget management.

Overtime shall not be invoiced to TriMet unless TriMet's Project Manager has specifically authorized overtime in advance of the work.

ARTICLE VI – PROJECT MANAGEMENT

A. TriMet designates Alan Lehto as its Project Manager and Metro designates Ross Roberts as its Project Manager. Project Managers shall be responsible for coordinating all aspects of their respective work scopes for the Project and all the respective employees assigned to the Project. The Project Managers shall ensure that the Project and tasks related thereto are completed expeditiously and economically, shall be the contact persons through whom TriMet and Metro officially communicate, and shall have the authority to make decisions and resolve disputes relating to the Project. In the event that a disagreement or dispute occurs between the Project Managers, they shall refer it to TriMet and Metro Directors for resolution.

B. Until the environmental and preliminary engineering work for the Phase I South Corridor project is fully funded, TriMet shall issue Metro limited notices to proceed for specific tasks as agreed by the Project Managers.

C. Following the publication of the FEIS, TriMet shall issue Metro limited notices to proceed for specific follow-on tasks as agreed by the Project Managers.

ARTICLE VII – GENERAL PROVISIONS

A. Liability. TriMet shall hold harmless and indemnify Metro and its officers, agents, and employees against any and all liability, settlements, loss, costs, and expenses in connection with any action, suit, or claim arising out of TriMet work under this Agreement within the maximum liability limits set forth under the Oregon Tort Claims Act. Metro shall hold harmless and indemnify TriMet and its officers, agents, and employees against any and all liability, settlements, loss, costs, and expenses in connection with any action, suit, or claim arising out of Metro work under this Agreement within the maximum liability limits under the Oregon Tort Claims Act.

B. Interest of Members of Congress. No member of or delegate to the Congress of the Untied States shall be admitted to any share or part of this Agreement or to any benefit arising there from.

C. Interest of Public Officials. No member, officer, or employee of Metro or TriMet during his or her tenure or for one year thereafter shall have any interest, direct or indirect, in this Agreement or the proceeds thereof.

D. Disadvantaged Business Enterprise. In connection with the performance of this Agreement, Metro will cooperate with TriMet in meeting TriMet's commitments and goals with regard to the maximum utilization of disadvantaged business enterprises and will use its best efforts to ensure that disadvantaged business enterprises shall have the maximum practicable opportunity to compete for subcontract work under this Agreement.

E. Equal Employment Opportunity. In connection with the execution of this Agreement, neither Metro nor TriMet shall not discriminate against any employee or applicant for employment because of race, religion, color, sex, age, or natural origin. Such actions shall include, but not be limited to the following: employment, upgrading, demotion, or transfer; recruitment or recruitment advertising; layoff or termination; raise or pay or other forms of compensation; and selection for training, including apprenticeship.

F. Termination for Convenience. Metro or TriMet may terminate this agreement in whole or in part at any time by written notice to the other party. In the event of such termination, TriMet shall pay Metro's costs, including any costs necessarily incurred by Metro in terminating its work or the work of others under contract to Metro. Metro promptly shall submit its termination claim to be paid by TriMet. If Metro has any property in its possession belonging to TriMet, Metro will account for it and dispose of it in the manner TriMet directs.

G. Termination for Default. If Metro fails to perform in the manner called for in the Agreement, or if Metro fails to comply with any other provisions of the Agreement, TriMet may terminate this Agreement for default. Termination shall be effected by serving a notice of termination on Metro setting forth the manner in which Metro is in default. Metro will be paid only the Agreement price for services performed in accordance with the manner of performance set forth in this Agreement.

If it is later determined by TriMet that Metro has an excusable reason for not performing, such as a strike, fire, flood, or events, which are not the fault of, or are beyond the control of Metro, TriMet shall establish a new performance schedule, and allow Metro to continue work, or treat the termination as a termination for convenience.

H. Maintenance of Record. Metro shall maintain records to show actual time involved in accomplishment of the Project and the cost incurred for the period of time specified. Metro shall cooperate in good faith with TriMet and FTA to provide records in a form satisfactory to FTA. TriMet shall take the lead and provide assistance to Metro as necessary for compliance with FTA requirements.

I. Audit and Inspection of Records. Metro shall permit the authorized representative of TriMet, the United States Department of Transportation, and the Controller General of the United States to inspect and audit all data and records of Metro relating to its performance under this Agreement. TriMet shall be responsible for all auditing costs.

J. Documents: All records, reports, data, documents, systems, and concepts, whether from writings, figures, graphs, or models which are prepared or developed in connection with this Project shall become public property. All design drawings and documents prepared by Metro staff under this Agreement shall be property of TriMet. Nothing herein shall prevent Metro from retaining original design drawings and providing reproducible copies to TriMet.

METRO	**Tri-County Metropolitan Transportation District of Oregon**
By:____________________	**By:**________________________ **Neil McFarlane , Executive Director**
Dated:__________________	**Dated:**______________________
Approved as to form:	**Approved as to Legal Sufficiency:**
________________________ **Metro Attorney**	____________________________ **Legal Services**

INTERGOVERNMENTAL AGREEMENT
SOUTH CORRIDOR I 205 AND PORTLAND MALL LIGHT RAIL PROJECT

EXHIBIT A

Scope of Work:
This scope of work outlines tasks to be performed by Metro in support of the South Corridor I 205/ Portland Mall Light Rail Project Final Environmental Impact Statement (FEIS) and preliminary engineering. These tasks follow work performed in preparing the Supplemental Draft Environmental Impact Statement (SDEIS) and the Amended Supplemental Draft Environmental Impact Statement (ASDEIS).

Task 1:
Prepare, review with TriMet, and revise as required a schedule to meet agreed upon dates for the completion of the FEIS.

Task 2
Negotiate contracts with appropriate consultants for assistance with environmental, traffic, financial and other special areas of effort. Report any deficiencies to TriMet.

Task 3
Prepare review schedule for FTA and Federal Highway Administration (FHWA). Gain concurrence from appropriate federal staff on submittals and review timelines.

Task 4
Provide coordination with and secure appropriate approvals from resource agencies, including but not limited to State Historic Preservation Office, Division of State Lands, NOAA Fisheries, and the United States Army Corps of Engineers.

Task 5
Prepare, and revise as necessary, draft chapters of the FEIS. Publish and distribute final completed document in accordance with schedule.

INTERGOVERNMENTAL AGREEMENT
SOUTH CORRIDOR I 205 AND PORTLAND MALL LIGHT RAIL PROJECT

EXHIBIT B

Professional and Technical	\$ 695,000
Personal Services, Materials and Services	\$1,525,000
Total Agreement	\$2,220,000

Agenda Item Number 8.2

Resolution No. 04-3427, For the Purpose of Responding to USDOT Concerns, Revising the Conformity Determination Report and Re-adopting the Portland Area Air Quality Conformity Determination for the 2004 Regional Transportation Plan and 2004-07 Metropolitan Transportation Improvement Program.

Public Hearing Only – No Final Action

Metro Council Meeting
Thursday, February 26, 2004
Metro Council Chamber

BEFORE THE METRO COUNCIL

FOR THE PURPOSE OF RESPONDING TO USDOT CONCERNS, REVISING THE CONFORMITY DETERMINATION REPORT AND RE-ADOPTING THE PORTLAND AREA AIR QUALITY CONFORMITY DETERMINATION FOR THE 2004 REGIONAL TRANSPORTATION PLAN AND 2004-07 METROPOLITAN TRANSPORTATION IMPROVEMENT PROGRAM	)	RESOLUTION NO. 04-3427 Introduced by Councilor Rod Monroe

WHEREAS, on January 15, 2004 the Metro Council adopted Resolution No. 03-3382A, For the Purpose of Adopting the Portland Area Air Quality Conformity Determination for the 2004 Regional Transportation Plan (RTP) and 2004-2007 Metropolitan Transportation Improvement Program (MTIP); and

WHEREAS, the United States Department of Transportation (USDOT), as represented by the Federal Highway Administration and the Federal Transit Administration, notified Metro by a letter dated February 5, 2004 that the USDOT had concerns with the opportunity for public comment, requested that emission credit information and transportation control measure progress information clarifications and amplifications be included within the body of the Conformity Determination and could not certify the document as submitted; and

WHEREAS, a revised Conformity Determination attached as Exhibit "A", has been completed addressing USDOT concerns and comments; and

WHEREAS, a fourteen day public comment period has been provided for public comment on the revised document as requested by the USDOT; now therefore

BE IT RESOLVED,

1. The Metro Council approves the Air Quality Conformity Determination dated February 12, 2004 for the 2004 RTP and 2004-2007 MTIP, attached as Exhibit A to this Resolution, as a determination that the 2004 RTP and the 2004-2007 MTIP, adopted by the Council by Resolution No. 03-3380A, For the Purpose of Designation of the 2004 Regional Transportation Plan as the Federal Metropolitan Transportation Plan to Meet Federal Planning Requirements, on December 11, 2003, are in conformity with all state and federal air quality requirements.

2. The Metro Council directs the Chief Operation Officer to request concurrence with this air quality conformity determination from the USDOT, in consultation with the Environmental Protection Agency (EPA), in order to confirm that the financially constrained system of the 2004 RTP and the 2004-2007 MTIP conforms to the State Implementation Plan for attainment and maintenance of National Ambient Air Quality Standards in the Portland area Carbon Monoxide and Ozone Maintenance Plans.

ADOPTED by the Metro Council this ___________ day of March, 2004.

____
David Bragdon, Council President

Approved as to Form:

____
Daniel B. Cooper, Metro Attorney

Exhibit "A" to Resolution No. 04-3427

Document too large to
copy, contact Planning
Department for copy,
797-1916

2004 Federal Update to the Regional Transportation Plan/ 2004-07 Metropolitan Transportation Improvement Program

Air Quality Conformity Determination

February 12, 2004

METRO

PEOPLE PLACES
OPEN SPACES

STAFF REPORT

IN CONSIDERATION OF RESOLUTION NO. 04-3427, FOR THE PURPOSE OF RESPONDING TO USDOT CONCERNS, REVISING THE CONFORMITY DETERMINATION REPORT AND RE-ADOPTING THE PORTLAND AREA AIR QUALITY CONFORMITY DETERMINATION FOR THE 2004 REGIONAL TRANSPORTATION PLAN AND 2004-07 METROPOLITAN TRANSPORTATION IMPROVEMENT PROGRAM

Date: February 11, 2004 Prepared by: Mark Turpel

BACKGROUND

Federal regulations require that Metro's financially constrained system of the Regional Transportation Plan (RTP) and its Transportation Improvement Program (MTIP), which is drawn from the financially constrained RTP, be updated every three years. Federal approval of the updates can't occur until the region demonstrates that the updates meet Clean Air Act (CAA) requirements (a conformity determination). A conformity lapse is to be avoided as it could result in delay of most new transportation construction projects in the region.

The last full analysis conformity determination was approved January 26, 2000. Accordingly, the deadline for demonstrating conformity for the 2004 RTP and 2004-2007 MTIP was January 26, 2004.

On October 2, 2003 Metro facilitated an Interagency Consultation Committee meeting where a first draft Air Quality Conformity Determination was discussed and recommendations made by members (including representatives from the Federal Highway Administration, Federal Transit Administration, Environmental Protection Agency, Oregon Department of Environmental Quality, Oregon Department of Transportation, and TriMet).

On October 31, 2003, a draft Conformity Determination incorporating all changes requested at the Interagency Consultation Committee meeting was published and made available to the public, opening a public comment period. This draft did not include air quality modeling results, though it described the overall process and assumptions.

On December 18, 2003, a further revised and updated report was published and distributed based on Federal Highway Administration comments. On January 9, 2004 the air quality modeling results were completed and made available on Metro's web site. On January 13, 2004, the public comment period was closed.

On January 15 2004, Joint Policy Advisory Committee on Transportation (JPACT) recommended that the Conformity Determination be approved and later that afternoon, the Metro Council approved Resolution No. 03-3382A, For the Purpose of Adopting the Portland Area Air Quality Conformity Determination For the 2004 Regional Transportation Plan and 2004-07 Metropolitan Transportation Improvement Program, approving the January 15, 2004 Conformity Determination and directing the Chief Operating Officer to request concurrence.

Also on January 15, 2004, Metro submitted a conformity determination for United States Department of Transportation (USDOT), (Federal Highway Administration and Federal Transit Administration) consideration. On February 5, 2004, the USDOT stated in a letter that they had concerns with the length of time that had been made available for public comment on the final document, that emission credit information had not been included in the document and that there was a need to clarify and amplify progress with transportation control measures (TCM).

Accordingly, in order to address USDOT concerns, a new Conformity Determination Report has been prepared responding to USDOT concerns and a new public comment period has been opened. Report changes include the following:

- adding information about the emission credits applied to the emission computer model results;
- clarifying and amplifying information about some of the transportation control measures;
-updating references so that the document is a February 12, 2004 document.

ANALYSIS/INFORMATION

1. Known Opposition None known. The region is and has been in compliance with the Clean Air Act since 1996. The proposed transportation investments included in the 2004 RTP and the 2004-07 MTIP when added to the present transportation systems, have been demonstrated to result in future air quality conditions which continue to meet the Clean Air Act to the year 2025.

2. Legal Antecedents There are a wide variety of past Federal, State and regional legal actions that apply to this action.

Federal regulations include:

- the Clean Air Act, as amended [42 U.S. C. 7401, especially section 176(c)]; and
- Federal statutes concerning air quality conformity [23 U.S.C. 109(j)];
- US EPA transportation conformity rules (40 CFR, parts 51 and 93)
- USDOT rules that require Metro to update RTPs on a three-year cycle [23 CFR 450.322(a)].

State regulations include:

- Oregon Administrative Rules for Transportation Conformity, (OAR Chapter 340, Division 252);
- Portland Area Carbon Monoxide Maintenance Plan and Portland Area Ozone Maintenance Plan each prepared in 1996 and which received Federal approvals on September 2, 1997 and May 19, 1997 respectively.

Previous related Metro Council actions include:

- Metro Resolution No. 00-2999, For the Purpose of Adopting the Portland Area Air Quality Conformity Determination For the 2000 Regional Transportation Plan, adopting the air quality conformity for the 2000 RTP;
- Metro Resolution No. 02-3186B, For the Purpose of Amending the Metropolitan Transportation Improvement Program (MTIP) to Include State Bond Funds; Programming Preliminary Engineering Funds For US 26 Widening, amending the 2000 RTP and 2002 MTIP to incorporate OTIA bond projects (using a estimate of additional air quality impacts from the projects added to the RTP and MTIP);
- Metro Resolution 03-3351, For the Purpose of Amending the Metropolitan Transportation Improvement Program to Include the Revised South Corridor Light Rail Transit Project, amending the 2000 RTP and MTIP to incorporate the South Corridor LRT Project (again, using a less than full analysis method to assess air quality impacts from the project when added to the RTP and MTIP).

- Metro Resolution For the Purpose of Adopting the Portland Area Air Quality Conformity Determination For the 2004 Regional Transportation Plan and 2004-07 Metropolitan Transportation Improvement Program, which adopted the January 15, 2004 Conformity Determination. The January 15, 2004 Conformity Determination was not approved by the USDOT, making revisions to the Report and re-opening the public comment period, the subject of Metro resolution 04-3427.

3. Anticipated Effects Approval of this Resolution will allow submittal of the revised air quality conformity determination contained in Exhibit A to the US Department of Transportation, Federal Highway Administration and Federal Transit Administration as well as the US Environmental Protection Agency for their review and approval. This approval will allow Metro and local, regional and state agencies to proceed with transportation investments within the region.

4. Budget Impacts None. The subject transportation investments are allocations of Federal and State transportation funds.

RECOMMENDED ACTION

Adopt Resolution 04-3427.

Agenda Item Number 9.1

Resolution No. 04-3425, For the Purpose of Authorizing the Chief Operating Officer to Amend the Environmental Consultant Contracts to Complete the South Corridor Project Final Environmental Impact Statement.

Contact Review Board

Metro Council Meeting
Thursday, February 26, 2004
Metro Council Chamber

BEFORE THE METRO CONTRACT REVIEW BOARD

FOR THE PURPOSE OF AUTHORIZING THE CHIEF OPERATING OFFICER TO AMEND THREE ENVIRONMENTAL CONSULTANT CONTRACTS TO COMPLETE THE SOUTH CORRIDOR PROJECT (I-205/PORTLAND MALL) FINAL ENVIRONMENTAL IMPACT STATEMENT	))))))	RESOLUTION NO. 04-3425 Introduced by Councilor Brian Newman

WHEREAS, the South Corridor Project is the Metro Area's next light rail transit priority project for Federal New Starts Funding after the North Corridor Interstate MAX Light Rail Project; and

WHEREAS, authorization of Federal New Starts Funding for the South Corridor Project will require that the Metro Area maintain an aggressive schedule to get the project included in the next Federal 6-year Surface Transportation Bill; and

WHEREAS, the use of consultant resources is necessary to support the Metro, TriMet and local jurisdiction staffs by providing specific technical expertise in environmental analysis, transportation and traffic analysis; and financial analysis for preparation of the Final Environmental Impact Statement (FEIS); and

WHEREAS, in April of 2001, Metro Council authorized the release of a Request for Proposals for assistance with the South Corridor Project Supplemental Draft Environmental Impact Statement (SDEIS) that expressed the intent to amend the SDEIS consultant contracts for the Final Environmental Impact Statement (FEIS); and

WHEREAS, in the summer of 2001 Metro executed three consultant contracts to provide assistance in preparation of the SDEIS: Metro Contract No. 923312 with URS to assist with the environmental analysis; Metro Contract No. 923315 with Siegel Consulting to assist with the financial analysis; and Metro Contract No. 923313 with DKS to assist with the traffic analysis; and

WHEREAS, in December of 2002, the Federal Transit Administration (FTA) the Federal Highway Administration (FHWA) and Metro published the South Corridor Project SDEIS; and

WHEREAS, on April 17, 2003, the Metro Council approved Resolution No. 03-3303 (For the Purpose of Amending the Locally Preferred Strategy For the South/North Corridor Project to Define a Two-Phased Major Transit Investment Strategy For the South Corridor, With the I-205 Light Rail Transit Project as the Phase 1 Locally Preferred Alternative Followed By the Milwaukie Light Rail Transit Project in Phase 2), adopting a two phased Locally Preferred Alternative (LPA) for the South Corridor including the I-205 LRT Alignment as Phase 1 and the Milwaukie alignment as Phase 2; and

WHEREAS, in October of 2003, the FTA, FHWA and Metro published the Downtown Portland Amendment to the South Corridor Project SDEIS; and

WHEREAS, on January 15, 2004, the Metro Council approved Resolution No. 04-3403 (For the Purpose of Finalizing the Decision to Add the Portland Mall Alignment to the Locally Preferred Alternative For Phase I of the South Corridor Light Rail Project), affirming the Portland Mall light rail transit alignment as the LPA for downtown Portland; and

WHEREAS, on January 15, 2004, the Metro Council approved Resolution No. 03-3372 (For the Purpose of Amending the South/North Land Use Final Order, to Include the Two Phases of the South

Corridor Project Consisting of the Addition of the I-205 Light Rail Transit Project From Gateway to Clackamas Regional Center With the Downtown Portland Transit Mall Alignment, and Modifications of the Proposed Light Rail From Milwaukie to Clackamas Regional Center, and to Reflect From Milwaukie to Clackamas Regional Center, and to Reflect the Final Interstate Max Design), amending the South/North Land Use Final Order (LUFO) to include the I-205, Portland Mall and Milwaukie light rail transit alignments; and

WHEREAS, the Metro Council is concurrently considering Resolution No. 04-3424 (For the Purpose of Authorizing the Chief Operating Officer to Enter Into an Intergovernmental Agreement With TriMet for Completion of the South Corridor Project (I-205/Portland Mall) Final Environmental Impact Statement), authorizing execution of a revenue Intergovernmental Agreement (IGA) that will provide revenue to Metro from TriMet to pay for the South Corridor FEIS work; now therefore

BE IT RESOLVED that the Metro Council authorizes the Chief Operating Officer to execute amendments to the following Metro contracts for work on the South Corridor I-205/ Portland Mall light rail project FEIS:

1. Metro Contract No. 923312 with URS for environmental analysis for an amount not to exceed $500,000;

2. Metro Contract No. 923313 with DKS for Traffic analysis for an amount not to exceed $175,000; and

3. Metro Contract No. 923315 with Siegel Consulting for financial analysis for an amount not to exceed $20,000.

ADOPTED by the Metro Council this 26th day of February, 2004.

David Bragdon, Council President

Approved as to Form:

Daniel B. Cooper, Metro Attorney

STAFF REPORT

IN CONSIDERATION OF RESOLUTION NO. 04-3425, FOR THE PURPOSE OF AUTHORIZING THE CHIEF OPERATING OFFICER TO AMEND THREE ENVIRONMENTAL CONSULTANT CONTRACTS TO COMPLETE THE SOUTH CORRIDOR PROJECT (I-205/PORTLAND MALL) FINAL ENVIRONMENTAL IMPACT STATEMENT

Date: February 12, 2004 Prepared by: Sharon Kelly

BACKGROUND

The South Corridor Project (I-205 and the Portland Mall) is the Metro Area's next light rail priority for Federal New Starts funding. Completion of the Federally mandated Environmental Impact Statement (EIS) must be done prior to federal approval of funding for final design and construction of the project. The South Corridor Project represents the southern portion of the larger South/North Project. Interstate MAX is the northern part and is expected to open this spring. Phase 2 of the South Corridor Project will include the Milwaukie light rail project.

ANALYSIS/INFORMATION

1. **Known Opposition** None.

2. **Legal Antecedents** On April 12, 2001, the Metro Council adopted Resolution No. 01-3051 (For the Purpose of Authorizing the Issuance of a Request For Proposals For Personal Services For the South Corridor Study Supplemental Draft Environmental Impact Statement), authorizing the release of a Request for Proposals (RFP) for consultant assistance on the South Corridor Project. The RFP solicited proposals for Conceptual Design, Social and Environmental Analysis, Transportation Analysis and Financial Analysis and Technical Assistance. The RFP also stated Metro's intent to amend the initial contracts for work on the FEIS at Metro's discretion. Four contracts were executed and the work was completed. The SDEIS was published in December 2002 and the ASDEIS was published in October 2003. These contract amendments will support completion of the South Corridor FEIS.

Separate from the history of the contracts related to the South Corridor, there is a long history of legal actions that have led to the current action on the South Corridor Project, including federal authorizing legislation for the South/North Project, state legislative action for the Land Use Final Order, and numerous regional and local jurisdiction actions. The most recent actions by the Metro Council include:

- Adoption of Resolution No. 03-3303 on April 17, 2003 (For the Purpose of Amending the Locally Preferred Strategy For the South/North Corridor Project to Define a Two-Phased Major Transit Investment Strategy For the South Corridor, With the I-205 Light Rail Transit Project as the Phase 1 Locally Preferred Alternative Followed By the Milwaukie Light Rail Transit Project in Phase 2), amending the Locally Preferred Alternative for the South Corridor to include the I-205 Light Rail Alignment;

- Adoption of Resolution No. 04-3403 on January 15, 2004 (For the Purpose of Finalizing the Decision to Add the Portland Mall Alignment to the Locally Preferred Alternative For Phase I of the South

Corridor Light Rail Project), amending the Locally Preferred Alternative to include the Portland Mall light rail alignment with a terminus at PSU in downtown Portland; and

- Adoption of Resolution No. 03-3372 on January 15, 2004 (**For the Purpose of Amending the South/North Land Use Final Order, to Include the Two Phases of the South Corridor Project Consisting of the Addition of the I-205 Light Rail Transit Project From Gateway to Clackamas Regional Center With the Downtown Portland Transit Mall Alignment, and Modifications of the Proposed Light Rail Between Downtown Portland and Milwaukie, Deletion of Plans to Extend Light Rail From Milwaukie to Clackamas Regional Center, and to Reflect the Final Interstate Max Design)**, amending the South/North Land Use Final Order to include the I-205 light rail alignment and the downtown Portland Mall alignment to PSU.

3. Anticipated Effects This action will authorize the Chief Operating Officer to execute amendments to three contracts with consultant firms to assist Metro and TriMet staff in completion of the South Corridor Project (I-205/Portland Mall) Final Environmental Impact Statement. The attached draft scopes of work and budgets provide additional details of the proposed contract amendments. Metro staff is continuing to refine the details and the final contract amendments will likely vary slightly from the attached drafts.

4. Budget Impacts The adopted Metro budget has anticipated amendments to these contracts to complete the FEIS. The concurrent resolution authorizing an IGA with TriMet will provide the revenue to Metro to pay for these contracts. Work on the FEIS will extend into the FY 04-05 budget year.

The budget estimates for these three contracts are as follows:

• Metro Contract No. 923312 URS (environmental)	\$500,000
• Metro Contract No. 923313 DKS (traffic)	\$175,000
• Metro Contract No. 923315 Siegel Associates (financial)	\$ 20,000
• Total	\$695,000

RECOMMENDED ACTION

Michael J. Jordan, Chief Operating Officer, with the concurrence of David Bragdon, Council President, recommends adoption of Resolution No. 04-3425.

ATTACHMENTS:

Attachment A: Draft URS Scope of Work and Budget
Attachment B: Draft DKS Scope of Work and Budget
Attachment C: Draft Siegel Consulting Scope of Work and Budget

URS Environmental Consultant Scope of Work and Budget
Draft - February 18, 2004

The purpose of this work scope is to outline the URS consultant team's role and project deliverables. This work scope amends the previous consultant work scope for the South Corridor DEIS. The prime consultant for this work is URS with assistance from Leon Skiles and Associates, TW Environmental, Newlands Company, and Archaeological Investigations Northwest (AINW). This work scope assumes a 9 month with the consultant work ending on or about September 30, 2004.

Metro has requested that the South Corridor consultant team assist them in the development of the South Corridor Final Environmental Impact Statement (FEIS). This analysis will look at the impacts and mitigation measures associated with the Locally Preferred Alternative (LPA) The LPA consists of the I-205 LRT alignment and the LRT alignment on the Transit Mall.

1. Air Quality Analysis

Both the I-205 alignment and downtown segment of the preferred alignment alternative are included in the currently conforming RTP. The only potential issue for the regional analysis would be if the configurations under consideration for the downtown segment cause regionally significant changes in emissions and require a modification to the regional conformity analysis. I have assumed that this is unlikely and that only minor analysis may be needed to support a finding of no significant change to the regional analysis results.

Task 1.1 – Regional Verification

A limited analysis of the potential regional emissions changes due to design options under consideration for the downtown segment will be performed. It is assumed that the analysis will focus on rerouting of buses and will compare bus VMT and speed information.

Task 1.2 - Develop Emission Factors

TW Environmental will use the U.S. Environmental Protection Agency's (EPA) MOBILE5a_H, or MOBILE6 model to calculate emission factors for use in the hot spots analysis. The model input will either be consistent with the assumptions used in attainment planning (in the case of MOBILE5a_H), or will be developed in coordination with DEQ and Metro staff. Model input assumptions will be summarized in a memorandum and distributed to DEQ and Metro staff prior to performing the modeling.

Task 1.3 - Local Hot Spots Analysis

TW Environmental will perform a hot spots analysis following the guidance in the 1992 EPA document *Guideline for Modeling Carbon Monoxide from Roadway Intersections* and EPA guidance for analyses in maintenance areas. For purposes of budgeting, it is assumed that a **maximum of 6 intersections** will be modeled for existing, no build, and the build alternative for a maximum of three analysis years. The draft budget assumes that the 6 intersections will include all potential impacts including those from park-and-ride facilities.

Modeling will be performed using the EPA CAL3QHC model. Model input assumptions will be included in the methodology memorandum submitted to DEQ and Metro staff prior to modeling.

Task 1.4 – Prepare Report
An air quality technical memorandum will be prepared. The memorandum will include existing conditions, analysis methodology, results, and supporting documentation. The memorandum will include a qualitative discussion of construction related impacts. A brief summary will be prepared and delivered electronically for inclusion in the Final Environmental Impact Statement. The draft budget assumes we will provide one version of a draft memorandum, and a final memorandum.

2. Consultant Project Management

The consultant Project Manager will conduct the day to day management of the consultant resources and team for the FEIS and associated environmental issues. Metro and TriMet Staff will work directly with the consultant task managers. The budget assumes that the project manager will attend weekly Metro staff meetings, conduct monthly consultant coordination meetings and if requested by Metro attend meetings with regulatory agencies. These tasks include but are not limited to:

- Sub-Consultant Contracts and Invoices
- Consultant Team Budget Tracking and Management
- Weekly two (2) hour meetings with Metro's Project Manager and staff (up to 25 meetings)
- Invoicing including Preparation of monthly project status reports
- Conduct consultant coordination meetings as needed
- Meetings with regulatory agencies (up to 6 meetings @2 hours each)

3. Contingency

A contingency of $50,000 is included in the contract budget. The contingency is included to cover the cost of additional consultant support that may be required due to currently unforeseen circumstances or issues that may be identified during the FEIS work. The contingency is available at Metro's discretion for work by the consultant team. Utilization of the budget contingency requires authorization in writing by the Metro's Contract Manager. Authorization to use the contingency will be made only when a detailed Scope of Work and Budget are agreed upon between Metro and the URS Team.

4. Document Production and Editing

The FEIS document production and editing includes assistance on drafting, editing, reviewing, and revising the FEIS Document. The document is expected to be approximately 300 pages plus appendices. The FEIS document will be subject to a series of reviews and edits by numerous groups such as Metro and TriMet staffs, local jurisdiction staff and elected officials, state and federal regulatory agencies, and the Federal Transit Administration and the Federal Highway Administration. The document will be prepared consistent with federal, state, regional and local laws and regulations, and must be done in the format as identified in the South Corridor Project Style Guide. The FEIS document will be created and reviewed by Chapter and Topic as identified in the *draft Table of Contents for the South Corridor Project (I-205/Portland Mall) Final Environmental Impact Statement*. All final graphics will be produced by Metro staff and all tables in the document will be in the format as defined in the Style Guide.

5. Ecosystems and Water Quality Analysis (2/09 draft)

This section describes detail for the hours and cost spreadsheet for the South Corridor FEIS project for an Ecosystems FEIS section, wetland delineations/determinations, a Wetlands FEIS section, a Water Resources Analysis and FEIS section, a Biological Assessment, a mitigation plan and overall task management for these tasks. The hours and costs in the attached spreadsheet are based on the tasks and assumptions outlined below.

Task 5.1 – Draft and Final Fish/Wildlife Ecosystems FEIS Section

Task 5.1a - Research and Summarize Change Conditions
Resource specialists including NEPA and ESA specialists will review changes in physical conditions, species listing designations, or design changes since issuance of SDEIS. This will be done in an interdisciplinary format to understand and coordinate integrated and connected actions that might occur from these changes. This process (agreement by all resource specialists) will assist in the streamlining of ESA consultation and the FEIS review process.

Task 5.1b – Author and Submit Draft Fish and Wildlife Ecosystems FEIS Section
Resource specialists will compose the draft fish and wildlife ecosystems section, submit it for peer review, revise accordingly, and submit for Metro comments. The format of this memo will follow guidelines outlined by Federal NEPA and CEQ regulations which meet FTA and/or FHWA requirements. This format will be reviewed and agreed on by Metro.

Task 5.1c – Final Fish and Wildlife Ecosystems FEIS Section
Revise fish and wildlife ecosystems FEIS section according to Metro's comments and submit Final Fish and Wildlife Ecosystems FEIS section for Metro's incorporation into the FEIS, as appropriate.

Task 5.1d – 3 Coordination meetings for 2 people at 3 hours per meeting

Deliverables –
- Detailed outline of FEIS section
- Draft and Final FEIS section

Assumptions
- That wildlife and botanical work needs are extremely limited.
- Metro will purchase ONHP species list and request USFWS/NOAA Fisheries species lists

Task 5.2 - Conduct Wetlands Delineations and Determinations

Task 5.2a – Wetlands Project Review
Review existing data and, where appropriate, conduct wetland delineation along project corridor as required in the DEIS and Supplement.

Task 5.2b – Wetland Delineation Report
Wetland ecologist will prepare a wetlands delineation and function and value assessment for the Johnson Creek area and produce a document incorporating Task 2a information. This will be submitted for peer review and assembled for a draft to submit to Metro for comments. Comments will be incorporated into the final and submitted to Metro.

Deliverables

- Draft and Final Wetland Delineation Report
- function and value assessment for Johnson Creek and
- review of remaining corridor.

Assumptions

- That a wetland review will be conducted along the entire route as specified in the DEIS. This work will include delineation for the Johnson Creek Crossing, which was included in the Wetland Determination Report.
- That no further wetlands will be identified for delineation and no Clean Water Act section 404 or conceptual wetland mitigation plan will be required (riparian mitigation may be needed). If more wetland areas are identified along the route, a scope and/or budget amendment to include more tasks will be required.
- That Metro will obtain landowner permission for access to properties other than ODOT/FHWA right-of-way.
- HGM-based judgmental assessment will be used. Metro's and DSL's comments will be minor and not require development of additional information or field studies.

Task 5.3 - Author Draft and Final Wetlands FEIS section; submit to Metro

Task 5.3a - Wetland ecologist will research and summarize conditions, designation, or design changes since issuance of SDEIS, if any.

Task 5.3b - Prepare FEIS section; complete peer review and address comments; assemble draft and submit for Metro comments. This FEIS section will follow the outline for aquatic and terrestrial as noted in Task 5.1.

Task 5.3c - Review Metro comments; revise draft, peer review; re-submit to Metro.

Deliverable – Draft and Final Wetland FEIS section

Task 5.4 – Author Draft and Final Water Resources Analysis and FEIS section

Task 5.4a – Review information and changes
Research and summarize conditions, designation, or design changes since issuance of SDEIS, if any. Water resource specialist including NEPA and ESA specialists will review change conditions, designation, or design changes since issuance of SDEIS. This will be done in an interdisciplinary format to understand and coordinate integrated and connected actions that might occur from these changes. This process (agreement by all resource specialists) will assist in the streamlining of consultation and FEIS review process in the future.

Task 5.4b – Water Volumes
Analyze existing and with-project runoff volumes and peak flows; develop appropriate BMPs; develop estimates of existing and with-project impacts after implementation of BMPs.

Task 5.4c – Assess new design
Analyze new I-205 corridor design for water quality, water quantity, and floodplain impacts.

Task 5.4d – Draft FEIS section
The water resource specialist will submit FEIS section or new information analysis for peer review; assemble draft and submit for Metro comments. The format of this memo will follow guidelines outlined by Federal NEPA and CEQ regulations for New Information Analysis, which meet FTA requirements (outlined in Task 1). Water resource specialist will address Metro comments and submit final FEIS section and NIA for Metro to incorporate into the FEIS as appropriate.

Task 5.4e – Review Metro comments and revise draft

Task 5.4f – 5 Coordination meetings for 1 person at 3 hours per meeting

Deliverables – Draft and Final FEIS section for water quality and quantity

Assumptions

- Assumes pre-treatment and infiltration on-site at Park and Ride lots, percolation tests not available and not conducted by contractor.
- Assumes that tie and ballast is considered a pervious surface; track is impervious only where currently impervious.
- Does not include development of performance specifications for selected design team (Metro or Consultant).

Task 5.5 – Draft and Final BA

Task 5.5a – Draft BA; submit to Metro
Prepare draft BA; peer review; submit to Metro for comment.

Task 5.5b - Final BA; submit to Metro
Review and address Metro comments; peer review; prepare final document for submittal to regulatory agencies.

Task 5.5c - Final BA; respond to agency comments
Review and respond to NOAA Fisheries comments, if any; prepare final document for re-submittal and completion of consultation.

Task 5.5d – Water Resource Coordination
Coordinate water resources/ stormwater data for BA and Fish/Wildlife FEIS sections.

Task 5.5e – 5 coordination meetings for 1 person at 3 hours per meeting

Deliverables – Draft and Final Biological Assessment for aquatic species and a No Effect letter for terrestrial species

Assumptions

- Assumes No Effect for USFWS species, and Formal consultation for NOAA Fisheries species. Assumes that a determination has been made regarding the use of 30% designs to complete ESA Consultation and/or that a ROD may be issued without conclusion of ESA Consultation.

- Assumes pre-treatment and infiltration will occur on-site at Park and Ride lots, percolation tests not available and not conducted by contractor.
- Assumes that tie and ballast is considered a pervious surface; track is impervious only where currently impervious.

Task 5.6 – Prepare Mitigation Plan

Task 5.6a – Obtain mitigation measures from aquatic, terrestrial, water resources and wetlands sections of the FEIS. Organize these measures according to: effectiveness mitigation and monitoring, implementation mitigation and monitoring; and permit conditions mitigation and monitoring. Peer review the draft plan and incorporate suggested revisions. Assemble draft for Metro comments.

Task 5.6b –Review and address Metro comments; peer review the final plan and submit to Metro.

Task 5.6c – 3 coordination meetings for one person at 3 hours per meeting

Task 5.7 - Environmental Task Management

Task 5.7a – Project Kickoff
Attend project kick-off meeting, set up and monitor Natural Resources administrative and financial systems; monitor execution of tasks (QAQC), prepare and submit invoices and associated documents.

Task 5.7b – Monthly in-house interdisciplinary meetings Organize and attend monthly in-house project status meetings.

Task 5.7c – 4 Coordination meetings for one person at three hours per meeting

Deliverables –
- Monthly status reports
- Kickoff Meeting notes

Overall Assumptions
- One round of comment-response for FEIS sections and reports will be sufficient.
- That no substantive change to relevant SDEIS sections will be necessary beyond review and minor revision and supplementation for the FEIS sections.
- That time spent on external coordination meetings/phone conferences will be limited to the meetings/phone conferences listed per section in the spreadsheet.
- All final GIS work and figure creation will be done by Metro.

6. Hazardous Materials Investigation and Risk Assessment

The SDEIS and ASDEIS have identified a number of Hazardous Materials sites in close proximity to the LPA that would need to be examined in more detail in the FEIS and Final Design phases. Previous Hazardous Materials work is incomplete in the downtown area south of PSU. Analysis will focus on sites that may present a risk to the LPA. Updating information on the current status of remediation on some sites may be necessary. A mitigation plan for construction will be required for contaminated sites.

URS staff will assist Metro staff and TriMet engineers on this task. Metro will manage this task. URS staff will provide consultant assistance. Metro will draft the FEIS section and URS staff and TriMet will review and comment. URS staff will prepare a draft Hazardous Materials mitigation plan that will be closely coordinated with TriMet engineers and construction management staff.

7. Historic and Cultural Resource Analysis

There is a significant amount of new work to be done for this task for the FEIS. Archaeological Investigations NW will provide historic, cultural and archaeological assistance to Metro staff on this task. A large body of work was done for the S/N DEIS, and it was used for the SDEIS and ASDEIS. However, it is largely out of date and the State Historic Preservation Office (SHPO) expects it to be done to newer standards. The SHPO has new forms for determinations of eligibility and determinations of effect. There are several resources (approximately 10) that need to have National Register eligibility determined. Each determination requires use of the SHPO's form and could require significant research and documentation. All the identified historic resources that are within the area of potential effect must also have the SHPO's determination of effect forms prepared. There are approximately 66 historic resources that must have effect forms prepared.

Formal Consultation with the SHPO will be required to negotiate a Memorandum of Agreement (MOA) to mitigate the effects of the project on historic resources. The mitigation will need to be clearly defined and agreed to. The previous work (including a draft MOA) will be helpful, but staff turnover at the SHPO and the amount of new work that must be done will make this task challenging.

Metro will manage this task and be the primary contact with the SHPO. Consultant assistance will be required to complete the research and documentation on the determination of eligibility forms. Either Metro staff will prepare the first draft of the determination of effect forms. Consultant assistance will be required to review the forms and support the development of the mitigation plans. Details of the downtown station locations will be important information in preparation of the effect forms because the effects relate directly to the proximity of stations to the historic resources.

8. Noise and Vibration Impact Analysis

Although an analysis needs to be completed to verify the status of potential noise impacts in downtown, previous analyses have shown noise impacts are unlikely in this area. Potential noise impacts were identified for the I-205 segment during the SDEIS analysis. Therefore, the primary topics to be addressed by the Noise and Vibration analysis are the development of a noise mitigation plan for the I-205 segment, and a careful analysis of potential vibration impacts in downtown. The potential for noise impacts downtown and vibration impacts along I-205 also need to be verified.

Task 8.1 - Field Monitoring and Mapping

TW Environmental staff will collect additional 24-hour monitoring data along I-205 to assess existing noise levels. 24-hour monitoring data will be collected at a maximum of 8 locations. Photographs of microphone placement will be taken at each monitoring location and existing noise sources will be documented. Limited traffic counts for I-205 will be taken during certain hours of the monitoring for use in calibration of the noise model to be used in the mitigation analysis.

The current land use of 1st row and some 2nd row structures will be mapped for use in determining impacts for both the I-205 and downtown segments.

Task 8.2 – Estimate Operational Noise Impacts
Source noise levels will be estimated using previous measurements of similar trains or using FTA calculation methods for train passbys. We have assumed no new measurements will be required and that we will coordinate with Metro staff to develop source levels for train operating conditions. Using the source-level data, LRT noise levels will be estimated at locations of interest during the peak operational period and over a 24-hour period. These calculations will follow FTA guidance for detailed analyses. Calculated sound levels will be compared with existing monitored levels to estimate project-related noise impacts.

Based on sound level measurements and calculated levels of LRT noise, total noise levels will be estimated at sensitive receptor locations and impacts will be identified.

Task 8.3 - Analyze Noise Mitigation Measures
Several areas along I-205 were identified in the DEIS where noise mitigation would potentially be feasible. Responsibility for mitigation of LRT noise impacts is limited to the impacts themselves. Metro and TriMet are not responsible for mitigating existing noise levels for I-205. However, the overall effectiveness of noise mitigation can potentially be significantly affected by I-205. Therefore, for the segment of LRT line adjacent to I-205 between approximately Division Street and Sunnyside Road, the Transportation Noise Model (TNM) will be used to evaluate barrier type mitigation measures. I-205 traffic data will be included in the modeling. The LRT line will be input to the model as a new vehicle type and the model will be used to facilitate an understanding of the performance of mitigation in the complex topography and noise environment of the alignment.

FTA does not have criteria for cost effectiveness. To serve as a preliminary guide to cost effective mitigation, the ODOT barrier cost effectiveness criteria will be used in evaluating potential barrier mitigation measures in the I-205 corridor. A preliminary summary of the mitigation effectiveness and cost effectiveness using ODOT criteria will be presented to the Metro team for discussion and guidance in developing the final mitigation plan. We have assumed 2 3-hour meetings will be sufficient to discuss the preliminary results, make decisions and confirm a final approach.

In addition to the LRT-only analysis, a section of existing noise wall on the west side of I-205 near Sunnyside Road will require relocation. An analysis of the existing and future configuration of the wall will be performed at a level sufficient to obtain a clearance approval for the relocation from ODOT.

A qualitative discussion of construction noise impacts and mitigation will be prepared. Detailed calculations of construction noise impacts will not be provided.

Task 8.4 – Vibration Assessment

Potential vibration impacts associated with the operation of the LRT will be analyzed using data and analysis methods included in the South/North Corridor Project Noise and Vibration Impacts Results

Report (February 1998). The vibration estimation method used in the report appears reasonably conservative. Background vibration levels will be assumed typical and existing background vibration will not be measured. Assumptions about track configurations relative to vibration force density spectra will be verified with HMMH staff. If areas of potential vibration impact are identified, general mitigation measures will be identified and discussed with the project team prior to inclusion in the mitigation plan.

Task 8.5 - Prepare Noise and Vibration Mitigation Plan

A noise and vibration mitigation plan will be prepared. The report will include existing conditions, a regulatory analysis that includes local regulations, analysis methodology, results, and supporting documentation. A brief summary will be prepared and delivered electronically for inclusion in the Environmental Impact Statement. I have assumed we will provide one version of a draft report, and a final report. For budgeting purposes, I have assumed we will provide five copies of the draft and final reports.

Project Team Meetings and Public Meeting Support

TW Environmental staff will prepare for and attend up to 2 public information meetings to present and discuss noise and vibration analysis results. I have assumed that we will provide graphics in 11-inch by 17-inch format. If wall graphics are required, I have assumed URS, or Metro will prepare them. I have assumed attendance at 4 project team or project management team meetings.

9. Technical Support, Analysis and Assistance

The work preformed under this task includes assistance to Metro and TriMet Staff on preparation of the following sections of the FEIS:

- Executive Summary
- Chapter 1 Purpose and Need
- Chapter 2 Description of the Alternatives
- Chapter 4 Transportation Impacts
- Chapter 7 Evaluation of the Locally Preferred Alternative

Leon Skiles and Associates will provide the primary consultant assistance on this task.

10. Visual Analysis

The Visual Analysis for the South Corridor FEIS will require revisions to the SDEIS and ASDESI sections on Visual Analysis to reflect the selection of the LPA and Public Comments received during the two public comment periods. URS Staff will draft the Visual Impacts and Mitigation section of the FEIS.

11. Visual and Video Simulations

Visual Simulations are very effective in presenting the project to the general public and elected officials in a way that makes it much easier to understand. New video simulations will be prepared for the Downtown Mall, reflecting the revised station locations and design, once there is agreement.

Also a video simulation will be prepared for the I-205 LRT alignment. Donald Newlands will prepare theses simulations with assistance from Metro staff and TriMet engineers.

URS Team Draft Budget Estimate:

URS Budget for the South Corridor Project FEIS

Task	Budget
Air Quality	25,000
Consultant Project Management	25,000
Contingency	50,000
Document Production and Editing	40,000
Ecosystems and Water Quality	150,000
Hazardous Materials	15,000
Historic and Cultural Resources	25,000
Noise and Vibration	70,000
Technical Support (Skiles)	50,000
Visual Analysis	5,000
Visual and Video Simulations	45,000
Total	500,000

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FEIS Traffic Scope of Work
DKS Associates
February 18, 2004 - Draft

Introduction

This Work Scope describes the tasks that will be performed by the traffic consultant in support of the overall South Corridor Final Environmental Impact Statement (FEIS). These tasks include updating the intersection analyses to a 2025 forecast year, further refinement to traffic issues identified in the South Corridor SDEIS and the Downtown Amendment to the South Corridor SDEIS and analysis of traffic issues where the light rail design has been modified.

The FEIS traffic analysis will use output from updated 2025 regional travel demand model runs. The 2025 model runs will be based on the Financially Constrained network in the Regional Transportation Plan (RTP) federal update, which was completed in January 2004.

This traffic analysis will include two alternatives, No-Build and the Locally Preferred Alternative (LPA). The No-Build Alternative will be based on the updated Financially Constrained RTP roadway and transit networks and will be consistent with the No-Build Alternative analyzed in the SDEIS and ASDEIS. The LPA will include I-205 Light Rail between Clackamas Town Center and Gateway operating through-routed to downtown Portland and using the Portland Mall alignment between the Steel Bridge and SW Jackson Street near Portland State University (PSU).

Task 1: Update Intersection Analyses to 2025 Forecast Year

Purpose: The intersection analyses included in the South Corridor SDEIS and the Downtown Amendment to the South Corridor SDEIS were based on 2020 travel forecasts that were developed consistent with the RTP 2020 Financially Constrained network. FTA has requested that the FEIS use a 2025 forecast year for both traffic analysis and ridership forecasts. Metro will prepare new Financially Constrained 2025 travel forecasts based on updated RTP networks and TAZ growth allocations.

Study Approach: Metro will provide the consultant with an EMME2 bank that includes the 2025 traffic assignment. The consultant will update the intersection analyses for the No-Build and Build Alternatives using Synchro to determine the level-of-service (LOS), delay and queuing at the intersections previously studied in the SDEIS and ASDEIS at the following locations:

- CTC Subarea — 9 previously studied intersections
- Fuller Rd. Subarea — 9 previously studied intersections (P&R change)
- Foster-Flavel Subarea — 7 previously studied intersections (P&R change)
- Stark-Powell-Holgate Subarea — 10 previously studied intersections (P&R changes)
- Gateway-Rose Quarter — No intersection analysis
- North Transit Mall Subarea — 14 previously studied intersections
- Central Transit Mall Subarea — Intersection analysis needs TBD
- South Transit Mall Subarea — 19 previously studied intersections

Inputs: Metro will provide an assigned p.m. peak hour EMME2 bank to the consultant. Metro will also provide the consultant with detailed plan and profile sheets and bus route and light rail operations information.

Product: The product of this task will be tables and graphics for the FEIS and Mitigation Report that describe the intersection LOS, delay and queuing.

Schedule: Metro will provide the assigned EMME2 bank by April 1, 2004. The consultant will complete this task, including tables and graphics by May 31, 2004.

Task 2: Prepare 2025 Analysis for New Intersections

Purpose: As a result of modifications to the Build Alternative design, some intersections not included in the SDEIS or ASDEIS need to be analyzed. This analysis will be developed to be comparable to the Synchro analysis described above in Task 1.

Study Approach: Metro will provide the consultant with an EMME2 bank that includes the 2025 traffic assignment. The consultant will prepare the intersection analyses for the No-Build and Build Alternatives using Synchro to determine the level-of-service (LOS), delay and queuing at the following locations:

- Approximately 6 intersections in the vicinity of the Main Street P&R
- Approximately 5 intersections between Rose Quarter and NE 13th Avenue
- Approximately 8 intersections in downtown Portland.

Inputs: Metro will provide an assigned p.m. peak hour EMME2 bank to the consultant. Metro and TriMet will also provide the consultant with detailed plan and profile sheets and bus route and light rail operations information.

Product: The product of this task will be tables and graphics for the FEIS and Mitigation Report that describe the intersection LOS, delay and queuing.

Schedule: Metro will provide the assigned EMME2 bank by April 1, 2004. The consultant will complete this task, including tables and graphics by May 31, 2004.

Task 3: Additional Traffic Analysis by Subarea

Purpose: The purpose of this task is to prepare traffic analyses that address specific issues in each of the subareas. This includes locations where the design has been modified subsequent to the SDEIS and issues where the need for more detailed assessment was identified in the SDEIS. In addition, some traffic issues have been identified through the design process. The FEIS traffic consultant will coordinate with TriMet's design team to analyze specific design-related traffic issues. This task addresses analysis over and above the updated intersection analysis.

Study Approach: This task will address the following issues in each subarea:

Clackamas Town Center Subarea – Updated designs include a new access road at SE 95th and Monterey. The consultant will modify the traffic analysis to include this intersection.

Fuller Road Subarea – The consultant will update the discussion of Fuller Road Park-and-Ride access to reflect the new park-and-ride design, size and location. This will include discussion of the likely access and egress routes for park-and-ride traffic. The updated park-and-ride site may include a direct access to SE Otty Road. The consultant will update all of the traffic analysis in this subarea to reflect the decisions made regarding future access patterns at SE Johnson Creek Boulevard and SE Fuller Road and the revised park-and-ride access. The consultant will also analyze the need for a traffic signal at the intersection of SE Otty Road and SE Fuller Road, using updated traffic counts if needed.

Foster – Flavel Subarea - The consultant will update the discussion of Foster Road Park-and-Ride access to reflect the new park-and-ride design, size and location. This will include discussion of the likely access and egress routes for park-and-ride traffic and potential downstream traffic impacts. If the new park-and-ride design includes access via SE 92nd Avenue, the consultant will need to address intersection operations and turn lane configuration at the intersections of SE 92nd at Holgate, SE 92nd at Foster, SE 92nd at Woodstock and SE 92nd at the park-and-ride access points. The consultant will also describe how the traffic associated with the proposed park-and-ride works in coordination with PDC and community plans for traffic operations in downtown Lents.

Stark-Powell-Holgate Subarea – The Holgate Park-and-Ride has been reduced from the 400 spaces analyzed in the SDEIS to approximately 125 spaces. The consultant will update the analysis to reflect the smaller size and determine if the park-and-ride access requires a traffic signal. The Powell Park-and-Ride remains at 400 spaces as analyzed in the SDEIS, but the street alignment is slightly modified. The consultant will determine the need for a traffic signal at the park-and-ride access and reconfirm the mitigation plan for SE 92nd and Powell Boulevard. This will include working with the TriMet design team on the half-street improvement proposed between the park-and-ride access and Powell. The Main Street Park-and-Ride was not included in the SDEIS. The consultant will prepare an analysis of the impacts associated with the Main Street Park-and-Ride, including a determination of the need for a traffic signal at SE 96th and Main Street at the park-and-ride access.

North Mall Subarea – The consultant will work with the TriMet design team to further develop concepts for the proposed traffic signal operation at the west end of the Steel Bridge. The consultant will coordinate with the TriMet design team to prepare two plans for motor vehicle, bus and LRT operations in the vicinity of W Burnside and NW Couch Streets. One plan will assume the status quo (Burnside and Couch operate as they do today) and a second plan will assume the full implementation of the city's Burnside-Couch couplet plan. The consultant will also provide a qualitative assessment of the impact of the North Mall LRT operations to the function of the downtown "portal" locations at NW Everett and NW Glisan.

Central Mall – The consultant will provide a qualitative assessment of the impact of the Central Mall LRT operations to the function of the downtown "portal" locations at SW Washington and Alder.

South Mall – The consultant will update, as needed, the SDEIS South Mall analyses regarding diversion from SW 5th and 6th Avenues to SW 4th Avenue and SW Broadway. The consultant will work with Metro and City staff to determine whether the traffic forecasts used for downtown Portland should be updated based on the change from a 2020 forecast year to a 2025 forecast year. The consultant will also coordinate with TriMet and ODOT to address issues related to access to and from the I-405 ramps. This could include analysis of intersections south of I-405 as requested by ODOT. The consultant will also provide a qualitative assessment of the impact of the Central Mall LRT operations to the function of the downtown "portal" locations at SW Clay and Columbia.

Inputs: Metro will provide an assigned p.m. peak hour EMME2 bank to the consultant. Metro and TriMet will also provide the consultant with detailed plan and profile sheets and bus route and light rail operations information. The consultant and Metro will coordinate with City staff to determine if revisions to the downtown Portland traffic forecasts are required.

Product: Technical memoranda addressing the traffic analysis issues for each subarea.

Schedule: Technical memoranda should be completed by June 30, 2004.

Task 4: Prepare FEIS Sections

Purpose: The consultant will prepare a first draft and a final draft of a traffic impacts section to be included in Chapter 4 Transportation Impacts in the FEIS. This section will address pedestrian, bicycle and automobile impacts associated with the Build Alternative when compared with the No-Build Alternative.

Study Approach: The pedestrian and bicycle impacts are not expected to change significantly from the SDEIS and ASDEIS. The consultant will update and incorporate the pedestrian and bicycle analysis into the FEIS text.

The automobile impacts section will be based on the updated 2025 forecast and will include the updated intersection analysis and new analysis based on park-and-ride lot changes and downtown alignment changes.

Inputs: The SDEIS and ASDEIS provide the basis for much of the impacts discussion to be included in the FEIS. The FEIS write-up will also use the updated analysis described in Tasks 1 & 2.

Product: The Traffic Impacts and Mitigation section for the FEIS.

Schedule: The FEIS section should be completed by June 30, 2004

Task 5: Prepare Traffic Mitigation Plan

Purpose: The consultant will prepare a traffic mitigation plan by subarea. The mitigation plan will describe traffic signal operations, signal priority and preemption, intersection channelization, turn pocket lengths, and other traffic operations elements as needed to mitigate impacts *directly* associated with the operation or design of the I-205/Portland Mall LRT or the new park-and-ride lots included in the I-205 segment.

Study Approach: Based on the mitigation criteria included in Chapter 2 of the *South Corridor Project Local Traffic Impacts Results Report* (December 2002), the consultant will identify locations where direct traffic impacts that would require mitigation are found. The consultant will work with the TriMet design team, City of Portland and Clackamas County to identify and test possible mitigation concepts. This task shall utilize and update mitigation analysis previously developed for the SDEIS. The consultant will assist the TriMet design team to reach consensus with local jurisdictions regarding the mitigation plans.

Inputs: The consultant will use the updated 2025 intersection analysis results and the mitigation concepts developed for the SDEIS.

Product: The Traffic Mitigation Plan to be produced as a stand-alone report or as part of a larger, comprehensive FEIS Mitigation Plan.

Schedule: The mitigation plan should be completed by July 15, 2004

Budget:

The current estimate for these tasks is **$175,000**. Metro Staff will continue to work with DKS to refine the scope and budget prior to execution of the contract amendment.

South Corridor FEIS Scope of Work and Budget
Financial Analysis - Siegel Consulting

Task Description: This task develops and describes the financial plan to fund the capital and operating costs of the South Corridor I-205/Portland Mall Light Rail Project. Previously completed work in the South Corridor SDEIS and the Downtown Amendment to the SDEIS will be updated and local funding commitments secured during the FEIS phase of the project. Inputs required for this task include capital and operating cost estimates, the proposed construction schedule and capital expenditures by federal fiscal year. Outputs of this task include:

- Capital funding plan including confirmed local, state and federal funding sources.
- Identification of the costs of borrowing or interim financing when federal appropriations or availability of local sources lag behind construction requirements
- Detailed cash flow analysis for construction
- Assessment of project capital feasibility
- System fiscal feasibility analysis including effect on working capital and capital reserve
- Analysis of risks and uncertainties
- Implementation of the financing plan

Roles and Responsibilities: Metro and TriMet staff will develop inputs for this task and coordinate the overall development of the finance plan with local jurisdictions, the state and FTA and FHWA. The Consultant will perform the detailed financial analyses and will assist Metro and TriMet in the development of the overall funding strategy for the project. Consultant products will include a draft and final version of the *FEIS Chapter 6 - Financial Analysis*, as well as materials required for developing and negotiating the finance plan with project partners. The consultant may also participate in discussions with FTA and FHWA regarding the project's federal funding.

Budget:

To complete this work, a $20,000 amendment will be made to Metro Contract No. 923315 with Siegel Consulting.

Resolution No. 04-3426,For the Purpose of Authorizing the Exemption from Competitive Bidding Requirements and Authorizing Issuance of RFP #04-1091-SWR for the Operation of Metro South and/or Metro Central Transfer Stations.

Contract Review Board

Metro Council Meeting
Thursday, February 26, 2004
Metro Council Chamber

BEFORE THE METRO CONTRACT REVIEW BOARD

FOR THE PURPOSE OF AUTHORIZING AN EXEMPTION FROM COMPETITIVE BIDDING REQUIREMENTS AND AUTHORIZING ISSUANCE OF RFP #04-1091-SWR FOR THE OPERATION OF THE METRO SOUTH AND/OR THE METRO CENTRAL TRANSFER STATIONS	))))))	RESOLUTION NO. 04-3426 Introduced by Council President David Bragdon

WHEREAS, Metro is responsible for advancing the cost-effective recovery of materials from solid waste generated within the region and for ensuring the proper disposal of the region's remaining solid waste; and,

WHEREAS, Metro owns the Metro Central and Metro South transfer stations in partial fulfillment of these responsibilities; and,

WHEREAS, it is Metro's policy to operate the transfer stations through the use of private firms; and,

WHEREAS, the current operations contract expires September 30, 2004, at which time a replacement contract or contracts must be in place; and,

WHEREAS, Metro Code Section 2.04.054(c) authorizes, where appropriate and subject to the requirements of ORS 279.015, the use of alternative contracting and purchasing practices that take account of market realities and modern innovative contracting and purchasing methods which are consistent with the public policy of encouraging competition; and,

WHEREAS, the Metro Contract Review Board finds, as set forth on the attached Exhibit B, that exempting the transfer station operator contract(s) from competitive bidding requirements pursuant to the RFP attached hereto as Exhibit A is unlikely to encourage favoritism in the award of the contract(s) or to substantially diminish competition for the contract(s), and that the award of the contract(s) pursuant to an exemption from competitive bidding will result in substantial cost savings to Metro; and,

WHEREAS, the Metro Contract Review Board finds, for the reasons stated in the staff report for Resolution No. 04-3412, "For the purpose of authorizing an exemption from competitive bidding requirements and authorizing issuance of RFP #04-1091-SWR for the operation of the Metro South and/or Metro Central Transfer Station," and the findings attached hereto as Exhibit B, that the proposed RFP attached hereto as Exhibit A is appropriate for obtaining such replacement contract(s); and,

WHEREAS, as directed by Resolution No. 04-3412A, the Metro Chief Operating Officer entered into negotiations with BFI Waste Systems of North America, Inc., for an extension of the current agreement; and

WHEREAS, as directed the Metro Chief Operating Officer has reported to the Metro Council that an extension acceptable to Metro could not be agreed upon; and, WHEREAS, these extension negotiations have delayed the project to obtain a replacement contract(s), a short-term extension to the existing operations contract is required as contained in Change Order No. 5 attached hereto as Exhibit C; now therefore,

BE IT RESOLVED that the Metro Contract Review Board:

1. Adopts as its findings the justifications, information and reasoning set forth in Exhibit B, which is incorporated by reference into this Resolution as if set forth in full;
2. Exempts from competitive bidding requirements the contract to be solicited through RFP #04-1091-SWR, attached as Exhibit A;
3. Authorizes issuance of RFP #04-1091-SWR, attached as Exhibit A; and,
4. Authorizes the Chief Operating Officer to execute Change Order No. 5 to Contract No. 905690 attached as Exhibit C.

ADOPTED by the Metro Contract Review Board this _________day of ____________, 2004.

____
David Bragdon, Council President

Approved as to Form:

____
Daniel B. Cooper, Metro Attorney

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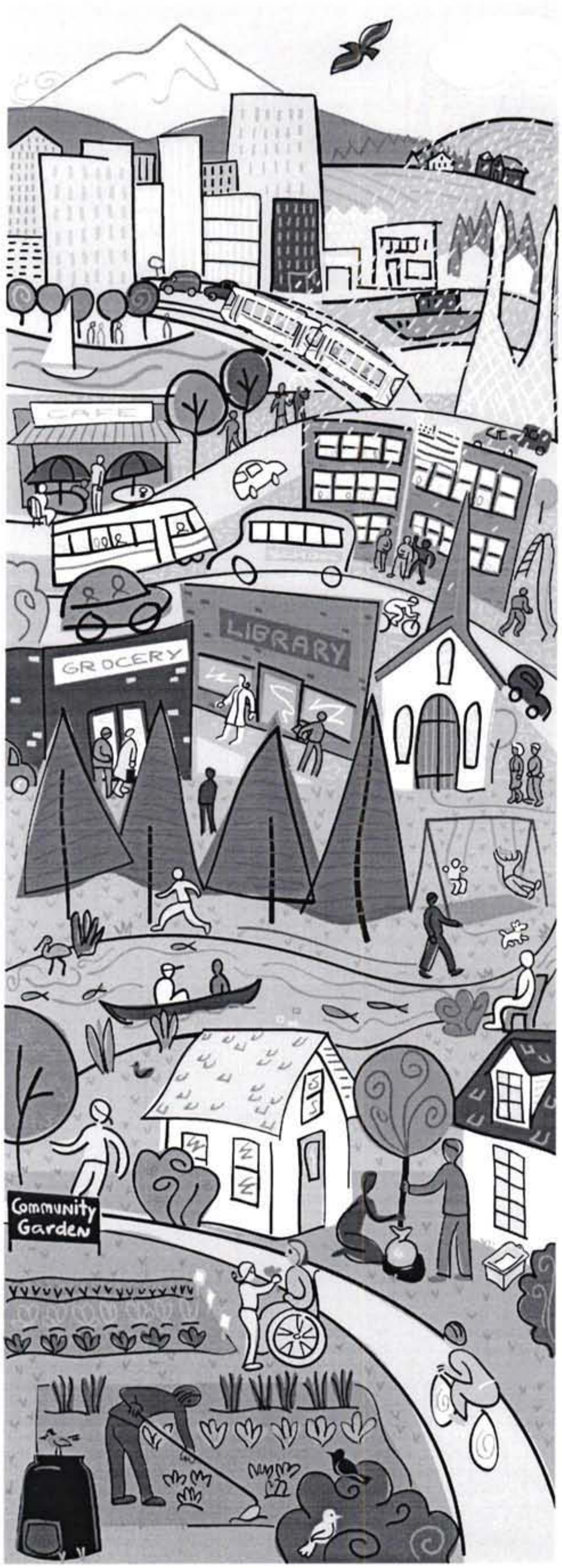

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Exhibit A

Request for Proposals for

the Operation of the Metro South and/or Metro Central Transfer Stations

RFB #04-1091 SWR

February 2004

Prepared by:

METRO

Solid Waste & Recycling
Environmental & Engineering Services Division

600 NE Grand Ave
Portland, OR 97232-2736
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Resolution No. 04-3426
EXHIBIT B

FINDINGS SUPPORTING AN EXEMPTION FROM THE COMPETITIVE BIDDING PROCESS FOR A REQUEST FOR PROPOSALS FOR THE OPERATION OF THE METRO SOUTH AND/OR METRO CENTRAL TRANSFER STATIONS

1. BACKGROUND

Metro owns the Metro South and Central Transfer Stations, which receive solid waste and certain source- separated recyclable materials from the public and commercial haulers. The stations have traditionally been operated by private contractors that are responsible for receiving the materials, recovering recyclables, and loading the remaining materials into transfer trailers for disposal.

The current contract to operate Metro's transfer stations expires on September 30, 2004. Metro intends to award a replacement contract(s) through a request for proposals process. Pursuant to Metro Code Section 2.04.054 and ORS 279.015(2) and (6), the Metro Contract Review Board makes the following findings to exempt this contract procurement from a request for bids process, and in support of the use of a request for proposals process.

2. FINDINGS

2.1. Findings supporting exemption from competitive bid process regarding discouraging favoritism

The Metro Contract Review Board finds that exempting the contract(s) for operation of Metro transfer stations from competitive bidding requirements is unlikely to encourage favoritism in the award of a contract(s). This finding is supported by the following:

2.1.1. Opportunity to Comment on RFP Documents: Interested parties will have been provided copies of the RFP documents and will have an opportunity to comment on those documents at a public hearing of the Metro Contract Review Board convened to authorize the release of this RFP.

2.1.2. Solicitation Advertisement: Pursuant to ORS 279.025, the solicitation will be advertised as appropriate in regional and national publications. In addition, solicitation documents will be available both through Metro's website page that highlights contracting opportunities, as well as at regional plan and procurement centers. The release will also be announced publicly at meetings of the Metro Solid Waste Advisory Committee, the Metro Council, and the Metro Contract Review Board. Additionally, regional and national firms providing such services will be contacted directly by staff. Accordingly, this solicitation process is designed to discourage favoritism.

2.1.3. Full Disclosure: To avoid favoritism and ensure full disclosure of all project requirements, the RFP solicitation package will include:

- A detailed description of the project;
- Performance specifications;
- Contractual terms and conditions;
- Selection process description;
- Evaluation criteria; and
- A complaint process and remedies

2.1.4. Selection Process: To avoid favoritism the selection process will include the following elements:

2.1.4.1. A pre-proposal review period for potential proposers to ask questions, request clarifications and suggest changes to the RFP or solicitation process generally.

2.1.4.2. The evaluation process will include the following steps:

- Proposals will be evaluated for completeness and compliance with the requirements listed in the RFP;
- References regarding experience, qualifications and operating history will be investigated and evaluated;
- The information regarding other aspects of the proposal such as technical characteristics, product support and cost will be discussed and evaluated;
- Firms submitting proposals considered complete and responsive will be interviewed regarding their proposal; and
- The selection committee will score complete proposals using predetermined criteria stated in the RFP.

2.1.4.3.Metro will enter into negotiations with the highest ranked firm (or combination of firms) to attempt to negotiate a contract(s). If negotiations are unsuccessful, negotiations will be conducted with the next highest ranked firm.

2.1.4.4. Once a contract has been negotiated, competing firms will be notified and given an opportunity to appeal the award(s) in accordance with the provisions of the Metro Code and Oregon law.

2.2. **Findings supporting exemption from competitive bid process regarding fostering competition**

The Metro Contract Review Board finds that exempting the contract(s) for operation of Metro transfer stations from competitive bidding requirements is unlikely to substantially diminish competition for such a contract(s). To the contrary, this RFP is likely to encourage competition among numerous suppliers that will offer a wide spectrum of products and services representing a broad marketplace. This finding is supported by the following:

2.2.1. Preparation of RFP Documents: The RFP has been written in a simple, easy to read format given the complexity of the task for which proposals are being requested. As described above in section 2.1.1 of these findings, potential proposers have been provided with opportunities to review and provide comments on this RFP prior to its final release. In addition, proposers will have an opportunity to ask clarifying questions after this RFP is released. All of these steps, in combination, will make this process fair and unbiased to all potential proposers, such that parties are not likely to be discouraged from submitting proposals due to a misunderstanding of the RFP documents.

2.2.2. Solicitation Advertisement: As described in section 2.1.2 of these findings, the solicitation will be advertised in regional and national publications, via Metro's internet website, through direct contact with potential proposers, and with announcements at several public meetings. Thus, this RFP will be advertised widely to encourage the greatest number of competitive proposals.

2.2.3. RFP Design--Allowing Combinations of Proposals: This RFP permits proposals to operate one or both transfer stations. This will encourage competition because smaller companies that may not have the resources to operate both transfer stations, and that may have more innovative or specialized approaches, will be provided the opportunity to submit a proposal to operate a single transfer station. Thus, a firm may choose to propose only on the one station that best fits its strengths. During the last procurement a small local firm chose to propose to operate Metro South Transfer Station only, and ended up as part of the second-highest ranked combination (combined with a large national firm's proposal to operate the other transfer station). It is unlikely this small firm would have proposed if the RFP had required proposals to operate both stations.

2.3. **Findings supporting exemption from the competitive bid process regarding cost savings**

The Metro Contract Review Board finds that exempting the procurement of the contract(s) for the operation of Metro's transfer stations from competitive bidding requirements will result in substantial cost savings to Metro. This finding is based on consideration of the type of contract, its cost, the amount of the contract, the number of available proposers, and other appropriate factors as follows:

2.3.1. Protection of Metro Assets: Exemption from the competitive bid requirements permits Metro to solicit proposals that maximize the protection of over $20 million of Metro's assets through proper operation and maintenance of the transfer facilities and associated equipment. Proposed operation and maintenance procedures as well as the experience of proposers is best evaluated through the proposal process and will result in substantial savings in maintenance and repair costs both short and long term. In addition, proper operation of the facility will minimize the financial risks to Metro through expensive cleanups of hazardous materials and possible facility closures occurring as a result of poor operational practices.

2.3.2. Waste Reduction Savings: Exemption from the competitive bid requirements permits Metro to solicit both the cost and level of material recovery to which proposers are willing to commit. This enables Metro to pick the most cost-effective combination to achieve increased recovery—both between proposers and as compared with other potential Metro waste reduction programs. This will result in substantial savings in expenditures for achieving Metro's waste reduction goals.

2.3.3. Savings Due to Increased Competition: As described in section 2.2, above, this RFP process will encourage greater competition, which should result in substantial cost savings to Metro to operate the transfer stations while achieving its goals and purposes.

2.4. Additional factors regarding exemption from competitive bidding requirements

The operation of Metro's transfer stations represents a unique project in which special expertise is required to perform a technically complex operation. It is complex and is subject to multiple and conflicting needs of public and commercial customers who use the station as well as integration with the regional solid waste system. Metro must balance the cost of operating the transfer station with achievement of Metro's waste recycling and waste reduction goals. These conflicting needs are best balanced by examining both quantitative and qualitative responses to the RFP, and are not easily measured only in pricing mechanisms.

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Exhibit C
Resolution No. 04-3426
METRO CONTRACT NO. 905690

CHANGE ORDER NO. 5

This Contract Change Order No. 5, effective _________, 2004, hereby amends Metro Contract No. 905690 between Metro and BFI Waste Systems of North America, Inc. (formerly Browning-Ferris Industries of Oregon, Inc.) "Contractor", dated July 18, 1997, including prior change orders, which contract and change orders are collectively referred to herein as the "Contract".

Purpose

The purpose of this change order is to extend the term of the Contract.

Provisions of Contract Change Order

1. The provisions of Paragraph No. 5 of the Contract Document entitled "Agreement" are amended to delete the date "September 30, 2004" and to replace such date with "November 30, 2004." In addition, the provisions of Article 31 of the General Conditions of the Contract are amended to delete the date "September 30, 2004" and to replace such date with "November 30, 2004."

2. Except as amended and modified herein, all other terms of the Contract and any previous Contract Change Orders shall remain in full force and effect. Any material conflict between the provision of the original Contract, including the provisions of other previous Contract Change Orders, and this Contract Change Order No. 5 shall be resolved by reference to and reliance upon this Contract Change Order No. 5.

BFI Waste Systems of North America, Inc.	**METRO**
______________________	______________________
Signature	Signature
______________________	______________________
Print Name and Title	Print Name and Title
______________________	______________________
Date	Date

STAFF REPORT

IN CONSIDERATION OF RESOLUTION NO. 04-3426 FOR THE PURPOSE OF AUTHORIZING AN EXEMPTION FROM COMPETITIVE BIDDING REQUIREMENTS AND AUTHORIZING ISSUANCE OF RFP #04-1091-SWR FOR THE OPERATION OF THE METRO SOUTH AND/OR METRO CENTRAL TRANSFER STATIONS

Date: February 17, 2004 Drafted by: Chuck Geyer

BACKGROUND

In January 2004, Resolution No. 04-3412, "For the purpose of authorizing an exemption from competitive bidding requirements and authorizing issuance of RFP #04-1091-SWR for the operation of the Metro South and/or Metro Central Transfer Station," was filed with the Metro Council to authorize release of RFP #04-1091-SWR for the Operation of the Metro South and/or Metro Central Transfer Stations. Consideration of the resolution was postponed until February 5th in order to obtain comments from interested parties regarding the request for proposals.

At the February 5th Council meeting, the Metro Council adopted Resolution No. 04-3412A, directing the Metro Chief Operating Officer to negotiate an extension of the existing operations contract and to report on the result of such negotiations no later than February 26, 2004. Concerns were raised at the meeting as to the impacts on the RFP schedule should negotiations be unsuccessful. A representative of the current operator (BFI) stated that BFI would agree to a short-term extension at existing prices if long-term (three year) extension negotiations were unsuccessful.

The Chief Operating Officer has been unable to negotiate the terms of a long-term extension that are in the best interests of Metro and is therefore recommending that the Metro Council authorize release of RFP #04-1091-SWR. Due to the delay caused by unsuccessful negotiations, the Chief Operating Officer also recommends a two month extension to the existing operations contract in order to allow adequate time to conduct the RFP process and allow the successful proposer time to mobilize.

ANALYSIS/INFORMATION

1. Known Opposition

There is no known opposition.

2. Legal Antecedents

Metro Code Section 2.04.054(c) authorizes, where appropriate and subject to the requirements of ORS 279.015, the use of alternative contracting and purchasing practices that take account of market realities and modern innovative contracting and purchasing methods which are consistent with the public policy of encouraging competition.

Metro Code Section 2.04.058(b) requires Council approval of amendments to contracts designated as having a significant impact on Metro. Contract No. 905690 was designated as having such a significant impact.

3. Anticipated Effects

Adoption of Resolution No. 04-3426 will exempt the procurement of transfer station operations services for Metro's two transfer stations from the competitive bid requirements of the Metro Code and State law, and authorize the release of a request for proposals to obtain such services. Adoption of the resolution will also authorize the Chief Operating Officer to execute Change Order No. 5 to Contract No. 905690.

4. Budget Impacts

There will be no impact on the current budget. The FY 2004-05 budget may be impacted depending on the cost associated with the replacement contract(s) and the establishment of a bonus fund.

RECOMMENDED ACTION

The Council President recommends approval of Resolution No. 04-3426.

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Agenda Item Number 10.1

Resolution No. 04-3421, For the Purpose of Authorizing the Execution of a Seven-Year Lease with Oregon Park Development, LLC.

Executive Session

Metro Council Meeting
Thursday, February 26, 2004
Metro Council Chamber

BEFORE THE METRO COUNCIL

FOR THE PURPOSE OF AUTHORIZING THE EXECUTION OF A SEVEN-YEAR LEASE WITH OREGON PARK DEVELOPMENT, LLC	) RESOLUTION NO. 04-3421)) Introduced by Michael J. Jordan, Chief) Operating Officer, with the concurrence) of David Bragdon, Council President

WHEREAS, Metro's latex paint recycling and retail facility has been housed in its current building at the Metro South Transfer Station since August of 1999; and,

WHEREAS, limited parking, competing truck traffic, and long lines of transfer station customers at the Metro South Transfer Station make it difficult for customers to get to the recycled latex paint facility; and,

WHEREAS, the small size of the current space at Metro South Transfer Station does not allow for the storage of sufficient feedstock and stockpiling of latex paint inventory or the automated production of more profitable one-gallon cans; and,

WHEREAS, Metro currently stores much of its recycled latex paint inventory in an off-site warehouse, costing $26,400 annually; and,

WHEREAS, the current latex paint recycling building could be used to house Metro South Transfer Station maintenance activities and provide meeting space, as called for in the Metro South Transfer Station Capital Improvement Plan; and,

WHEREAS, Metro proposes to move its latex paint recycling and retail facility to a 22,500 square foot building located at 4825 N. Basin Avenue, Swan Island, that is well suited for production, storage and sales of Metro's recycled paint; and,

WHEREAS, Metro would lease the new location from Oregon Park Development, LLC; and,

WHEREAS, the proposed leasehold would have thirty reserved parking spaces, convenient ingress and egress, and would be more centrally located and accessible to a larger portion of the Metro Area, expanding the potential recycled paint retail customer base; and,

WHEREAS, the proposed leasehold would increase available processing and storage space from 11,000 to 22,500 square feet, allowing for the automated production of one-gallon cans, providing the ability to store more incoming waste latex paint, and enabling increased paint production and stockpiling over the winter for sale during the busy painting season; and,

WHEREAS, entering into a leasehold is preferable to Metro acquiring or constructing a building because the current real estate climate has produced lease rates that are very favorable to tenants, and leasing allows for greater future flexibility; and,

WHEREAS, Metro Code 2.04.026(a)(3) requires Metro Council approval for any lease contract; now therefore, BE IT RESOLVED that the Metro Council authorizes the Chief Operating Officer to execute a seven-year lease with Oregon Park Development, LLC.

ADOPTED by the Metro Council this ________ day of ____________________________, 2004.

____
David Bragdon, Council President

Approved as to Form:

____
Daniel B. Cooper, Metro Attorney

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STAFF REPORT

IN CONSIDERATION OF RESOLUTION NO. 04-3421 FOR THE PURPOSE OF AUTHORIZING THE EXECUTION OF A SEVEN-YEAR LEASE WITH OREGON PARK DEVELOPMENT, LLC

January 28, 2004

Prepared by: William Eadie
Jim Quinn

BACKGROUND

Metro's latex paint recycling operation has been housed in its current building at the Metro South Transfer Station since August of 1999. For several reasons, as outlined below, it is advantageous to move the operation to a leased off-site location. The proposed lease is with Oregon Park Development, LLC, for a 22,500 square foot warehouse located on Swan Island. This building is well suited for production, storage and sales of Metro's recycled paint.

A more detailed explanation of the operational, financial, and marketing aspects of the paint recycling program can be found in the "Metro Latex Paint Recycling Business Plan", dated August 2003.

<u>Justification for Relocating the Latex Paint Recycling Facility</u>

There are several factors that make it advantageous to move Metro's latex paint recycling operation to a new location:

- There are substantial traffic congestion problems at the current Metro South location that make it difficult to retail Metro's recycled paint to a large number of customers. There is limited parking, competing truck traffic, and at times long lines of transfer station customers making it difficult to get to the latex facility.
- The new facility would increase available processing and storage space from 11,000 to 22,500 square feet. An increase in processing and storage space is beneficial because it will eliminate the current $26,400 annual expenditure for offsite warehouse space, allow for automated production of one-gallon cans which are more profitable to sell, provide the ability to store more incoming paint feedstock, and facilitate increased paint production and stockpiling over the winter for sale during the busy painting season.
- The new facility will be more centrally located and accessible to a larger portion of the region, expanding the potential customer base.
- There will also be a substantial financial benefit by using the building currently used for latex paint recycling operations on the Metro South site to instead house maintenance activities and provide meeting space that is called for in the Capital Improvement Plan.

Leasing a building is preferable to new construction for two reasons: the current climate is very favorable for leasing, and leasing allows for greater flexibility.

Summary of Proposed Lease

Property: 4825 N. Basin Avenue, Swan Island
Landlord: Oregon Park Development, LLC
Tenant: Metro Latex Paint Recycling
Premises: 22,500 sq. ft. of shell space, including approximately 1665 sq. ft of interior office space
Commencement/Occupancy: March 1, 2004
Early Access: Allowed
Term: 84 months
Option to Renew: Yes; one to five year term
Right of First Refusal: Yes (on 30,680 square feet, including approximately 5,250 square feet of office space)
Assignment and Subletting: Allowed
Building Rent: Average rental rate over first five-years is 32.8 cents per sq. ft.
Average rental rate over entire seven-year term is 33.8 cents per sq. ft.
Tenant (NNN) Expenses: 8.5 cents/sf/mo
Tenant Improvements: Landlord will build-out as requested and recover cost in rent payment over term of lease
Parking: thirty assigned parking spaces
Signage: Yes

Justification for Selection of This Property

The proposed lease satisfies the following selection criteria:

- Market location
  Swan Island is centrally located
- Convenient Access to I-5
  Less than 1.5 miles from the I-5 interchange
  Less than 3 minutes drive time to I-5 interchange
- Adequate size (22,500 sq. ft.)
- Adequate building clear height (twenty-four feet)
- Adequate power (400a/480v)
- Adequate striped parking and staging area (thirty striped spaces)
- Adequate loading and staging area (two dock-doors, three grade-doors)
- Includes a five-year lease renewal option at the then market rate
- Includes a right of first refusal on additional space in the same building
- Allows for assignment and subletting

The proposed lease exceeds the following selection criteria:

- Competitive lease rate
  Average rental rate for the proposed building over the first five years is 32.8 cents per sq. ft; Average rental rate over the seven-year term is 33.8cents per sq. ft;
  The Range of rental rates of the comparable buildings (adjusted for build-out allowances and operating expenses) is 32.4-48.4 cents per sq. ft; three of the four building indicate a higher range of from 34.6-48.4cents per sq. ft. in comparison to the proposed building
- Positive exposure
  Street signage allowed; plus, building is easily visible to passing vehicles
- Convenient access
  A four-lane, one-way street (N. Basin Avenue) provides direct access to the building

Comparison of Proposed Lease to Comparable Properties:

Selection Criteria	**Proposed Lease**	Hayden Island	Columbia Blvd.	Airport Way	Airport Way
Location	*Adequate*	*Adequate*	*Adequate*	*Adequate*	*Adequate*
Access	*Good*	*Below Avg.*	*Good*	*Good*	*Good*
Exposure	*Very Good*	*Below Avg.*	*Good*	*Average-Good*	*Very Good*
Loading	*Adequate*	*Adequate*	*Adequate*	*Inadequate*	*Adequate*
Parking	*Good*	*Adequate*	*Adequate-Good*	*Adequate-Good*	*Adequate-Good*
Size	*22,500*	*16,969*	*17,250*	*20,625*	*18,660*
Signage	*Good*	*Good*	*Good*	*Good*	*Good*
Ave. Rental Rate/SF	*32.8 cents*	*38.9 cents*	*40.4 cents*	*31.4 cents*	*44.9 cents*
	33.8 cents (7-yr average)				
Adjusted Rental Rate/SF*	*32.8 cents*	*34.6 cents*	*39.6 cents*	*32.4 cents*	*48.4 cents*
Lease Renewal	*1-5yr*	*1-5yr*	*1-5yr*	*1-5yr*	*1-5yr*
Operating Expenses per square foot	*$0.085*	*$0.120*	*$0.114*	*$0.127*	*$0.120*
Clear Height	*24'*	*20'*	*23'*	*Adequate*	*20'*
Power	*400a/480v*	*250a/480v*	*Adequate*	*400a/480v*	*Adequate*
		150a 120/240v		*300a-208/120v*	
Management Quality	*Very Good*	*Very Good*	*Good*	*Unknown*	*Unknown*
ROFR	*Yes*	*Yes*	*Yes*	*Unknown*	*Unknown*

*adjusted for different build-out allowances and operating expenses structures

ANALYSIS/INFORMATION

1. **Known Opposition**
   None

2. **Legal Antecedents**
   Metro Code 2.04.026(a)(3) requires Metro Council approval for any lease contract.

3. **Anticipated Effects**
   Adoption of Resolution No. 04-3421 would authorize execution of a seven-year lease with Oregon Park Development, LLC, for a 22,500 square foot warehouse located on Swan Island.

4. **Budget Impacts**
For the remainder of FY03-04 the lease commits Metro to about $18,000 in expenditures. For FY04-05 the total lease cost is expected to be $100,150, which is less than the amount anticipated in the department's proposed budget for FY04-05. In future years there are modest cost increases, due to the increases in the rent schedule shown below.

Rent schedule:

Months	Rent
1	$7,720
2-6	$0
7-24	$7,720
25-48	$8,106
49-60	$8,511
61	$0
62-72	$8,511
73	$0
74-84	$9,192

Triple net costs: start at $1912.50 per month, vary with actual costs.

The department has conducted an economic analysis comparing the cost of leaving the paint recycling operation in its current location vs. moving it to a new leased building. The analysis concluded that the move would be financially beneficial for the following reasons:

- There will be a $685,000 savings in capital costs by using the current latex building to house maintenance and office facilities called for in Metro's Capital Improvement Plan
- The additional space in the new facility will increase the latex operation's revenue by allowing for increased processing of latex from other agencies for a fee and increased production of more profitable one gallon cans
- The net increase in operating costs in the new facility will be very modect, estimated at $16,000 for FY04-05.

RECOMMENDED ACTION

The Chief Operating Officer recommends approval of Resolution No. 04-3421.

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REGIONAL SERVICES

METRO

COMMITTEE FOR CITIZEN INVOLVEMENT

Mission: TO ASSIST IN DEVELOPMENT, IMPLEMENTATION AND EVALUATION OF CITIZEN INVOLVEMENT ACTIVITIES AT METRO

Report to the Metro Council for MCCI Business for February, 2004
Report presented 2/26/04

Industrial lands open houses feedback from MCCI

1. An MCCI member has attended an industrial land workshop, which over 100 people were at. She said the most interesting exercise was where they sat at a big table with "puzzle pieces" and a map and had to lay them out on the map following the rules and guidelines the planners had to follow. She found it very interesting and said it gave them a little sympathy for what planners go through. She thought that the workshop would be effective at communicating with citizens.

2. It has been noticed that Charbonneau residents are up in arms about the industrial land study and the possibility of industrial lands being sited near them.

3. MCCI noted at the time of their last meeting that there was not a Goal 5 open house scheduled for the Damascus area. At the time of this report, however, an open house has been finalized at the Sunnybrook Service Center.

Transportation PIP comments

MCCI has been informed that over 800 responses had been received to the Highway 217 survey on Metro's website in the first week and half it was online. That's an incredible amount of feedback in a short time, and we think staff did a great job on the survey. Members also commented that there are still issues about who is lead agency on the I-5/99W connector road. We asked if Metro would be taking a role in getting public involvement. We've been informed that there are open houses planned and that the discussion of Metro's role was currently happening, but that at this point, there are no Metro staff or resources available.

This project is one of many that has led to a general MCCI discussion on public involvement processes where METRO is not the lead agency but is the funding agency or partner agency, and that topic is going to continue to be discussed in MCCI meetings.

Current MCCI business for March:

Improving Regional Communication

MCCI has developed a list of discussion items for improving regional communication, including:
- how to work on things where Metro is not the lead agency but we have a partnership,
- how to communicate with CPOs and CCIs and how we work together;
- what are best practices, how do we honor and recognize folks who do implement the best practices,
- and how to use those opportunities to improve citizen involvement in the region.

Citizen Involvement Network
MCCI has drafted a letter to the citizen members of other Metro committees and subcommittees encouraging them to share information with MCCI on issues they are working on. The plan is to invite them to help MCCI build a citizen involvement network.

Members discussed the idea of a listserve or online chat group where citizens involved with neighborhood issues could share information. The committee discussed the proposal and the legalities of such a group, which we will continue to further research.

Out of boundary communities
MCCI is still discussing the idea of holding a neighborhood summit meeting, primarily to discuss communicating with out of boundary communities. We postponed active discussion of this item from our February 18th meeting to our upcoming March 5th meeting. Councilor McLain had expressed an interest in attending this discussion, so when she had a scheduling conflict for our last meeting, we delayed the conversation until March.

Neighborhood News
CPO 9 is in the middle of dissolution and CPO 8 is having issues as well. Hillsboro sent out 400 surveys as part of their citizen involvement and received a lot of reaction from the Hispanic population in the community, which has received press coverage and at council meetings. MCCI is considering discussing the changing values and population in the region.

Our Gresham members were pleased that Council President Bragdon mentioned downtown Gresham at the recent State of Region address. The are glad that their regional center has received TMA funding.

FISCAL YEAR 2003-04

Quarterly Report
Second Quarter

September through December 2003

Prepared by the Financial Planning Division of the
Finance and Administrative Services Department

METRO
PEOPLE PLACES
OPEN SPACES

022604C-02

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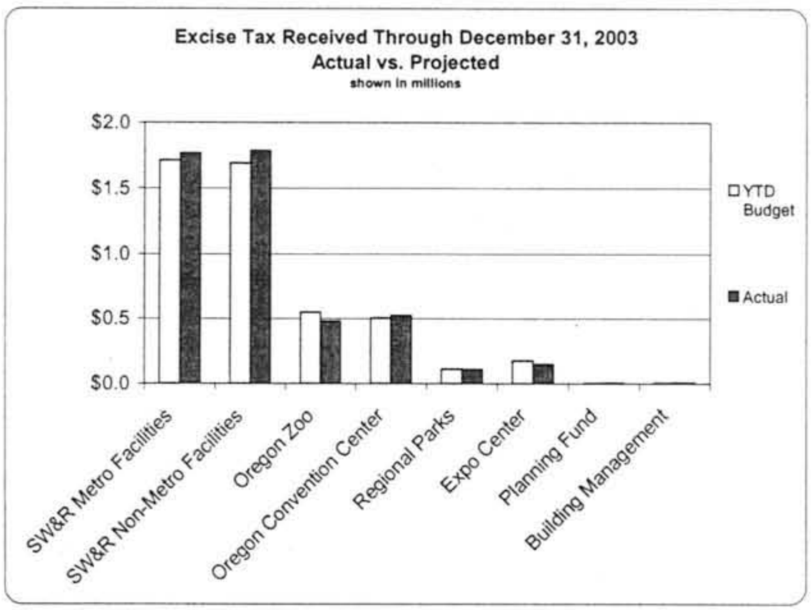
TRANSMITTAL LETTER

February 26, 2004

The Honorable David Bragdon
Metro Council President
600 NE Grand Avenue
Portland, OR 97232

Dear Council President Bragdon:

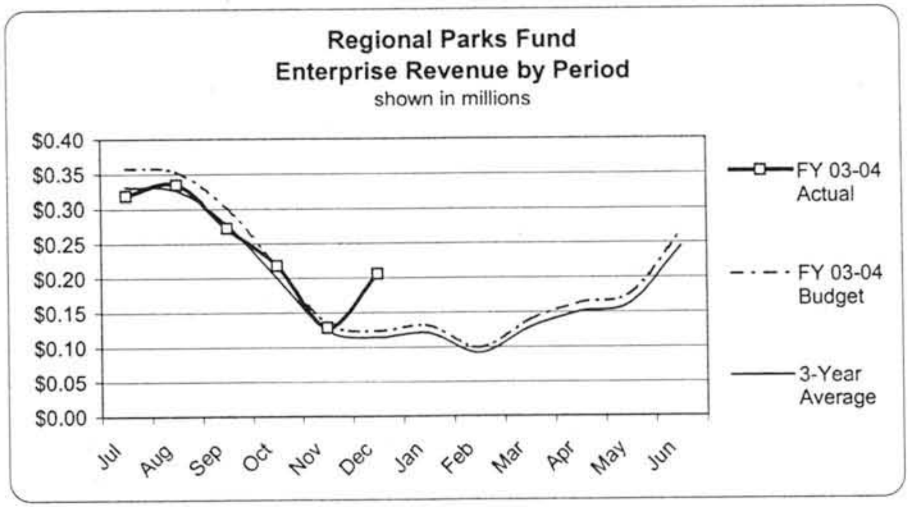
I am pleased to present Metro's Quarterly Financial Report for the second quarter of the 2003-04 fiscal year. The report summarizes revenue and expenditure performance for each fund, in a format that includes current revenues as well as operating and non-operating expenditures. There is also information regarding excise taxes through December 31, 2003. In addition to the information provided in past quarterly reports, this report includes a section summarizing the status of Capital Improvement Projects budgeted in FY 2003-04. This section can be found in the back of this report. Also new to this report is the addition of graphs to the transmittal letter summarizing the major sources of Enterprise Revenue and Excise Tax.

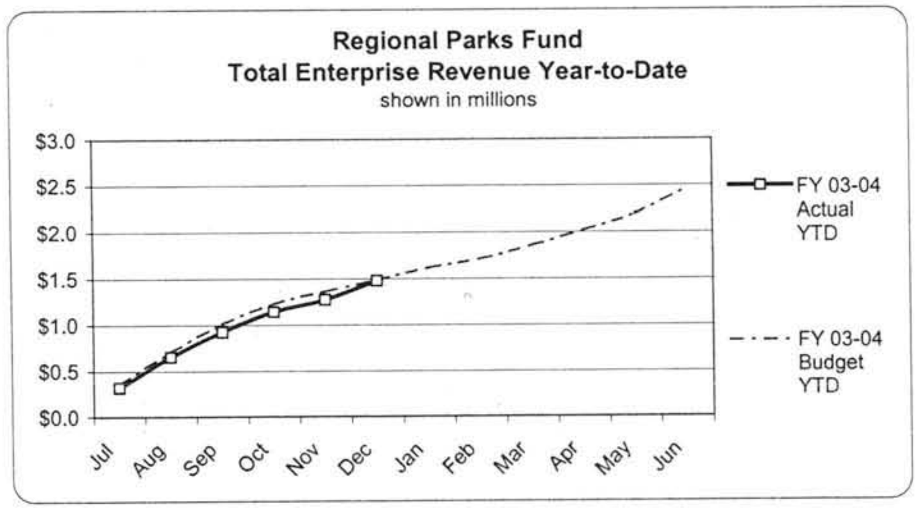


The financial status of the General Fund and in particular, the excise tax, is of extreme importance to the agency. Overall excise tax revenue received through the end of the second quarter totaled $4.8 million, exceeding the seasonal year-to-date budget by 1.6 percent. While Solid Waste & Recycling, the Oregon Convention Center, Planning, and Building Management exceeded first half projections, the Zoo, Expo Center, and Parks fell short. The revised annual forecast, based on historical patterns and results from the first two quarters, projects year-end excise tax collections above budget by more than $185,000 overall. This includes an additional year-end contribution to the Rate Stabilization Reserve of $335,000. The net result is a projected reduction in discretionary excise tax available in the General Fund at year-end of $150,000. The actual beginning balance in the General Fund was $371,000 higher than budgeted with $102,000 of this going toward the Recovery Rate Stabilization Reserve. The remaining $269,000 helps to offset the projected shortfall from non-solid waste activity.

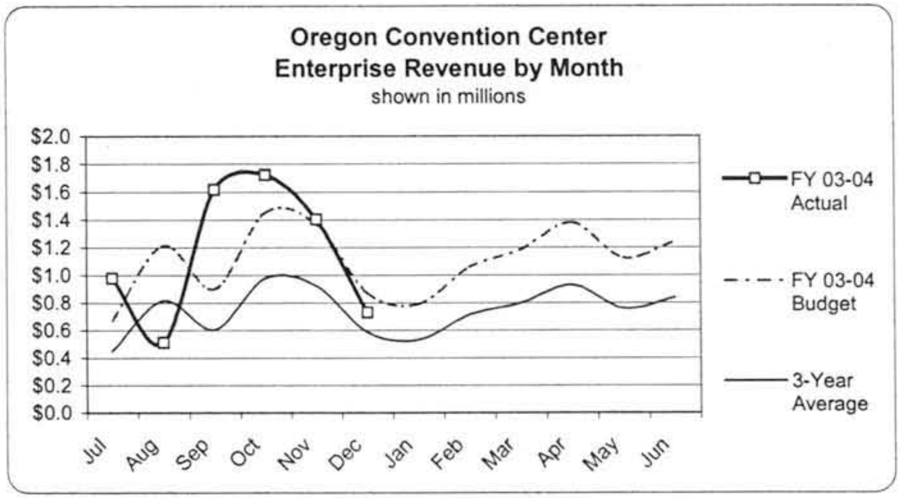
At 46 percent of budget, revenue received for all of the operating funds through the end of the second quarter is slightly higher than past years. Expenditures, however, appear a little high for this point in the year, partially due to additional debt service in the Solid Waste Revenue Fund. In the 2002-03 fiscal year, the Solid Waste and Recycling department began restructuring its debt to take advantage of lower interest rates, and to ensure compliance with bond covenant requirements. This was achieved through a combination of refunding and defeasance of outstanding debt. The first half of this fiscal year included over $4 million in Solid Waste debt service, exceeding budgeted debt service by over $2.2 million, and completing the debt restructuring. After adjusting for this additional debt service, expenditures for all of the operating funds through the end of the first quarter are at 44 percent of budget, on the high side of normal.

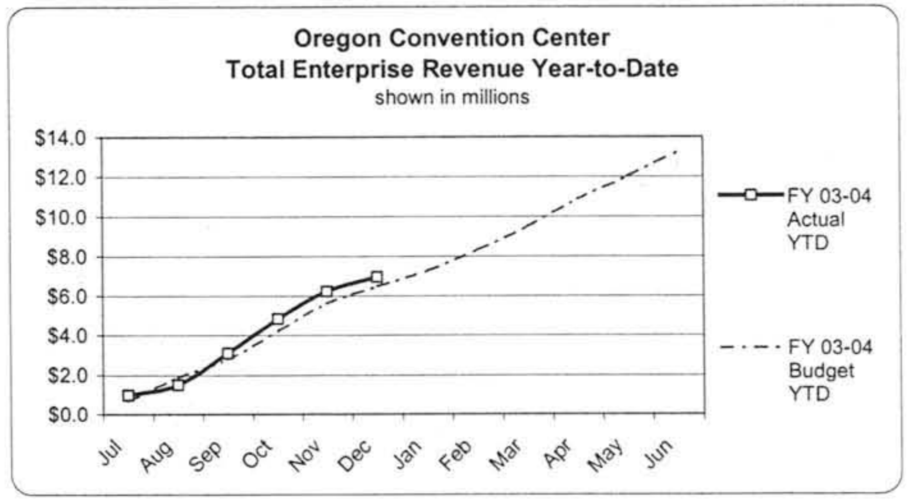
Enterprise revenues in the Parks Department are down slightly from projections primarily due to a reduction in Glendoveer revenue. The first six months of the fiscal year is usually the highest revenue-generating period for the department. The receipt of one-time unexpected revenue in December helped make up for the first half of the year. The Parks Department expects to meet overall revenue projections by year-end.



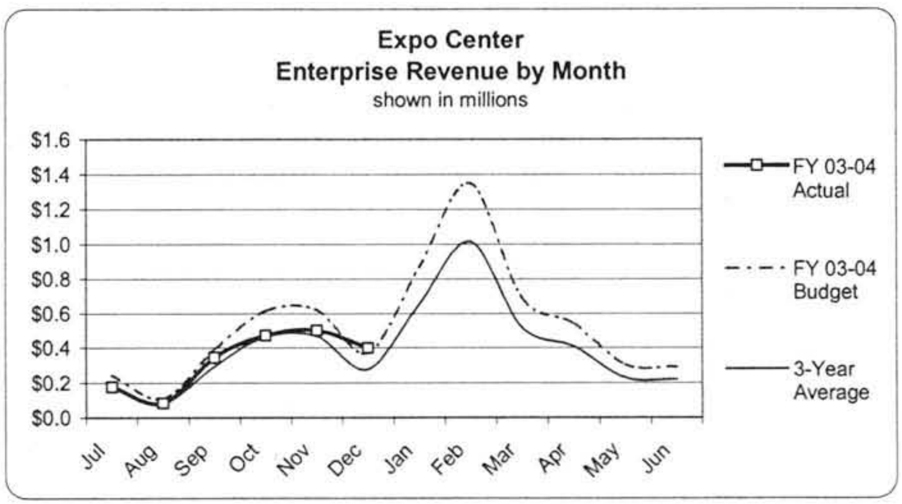


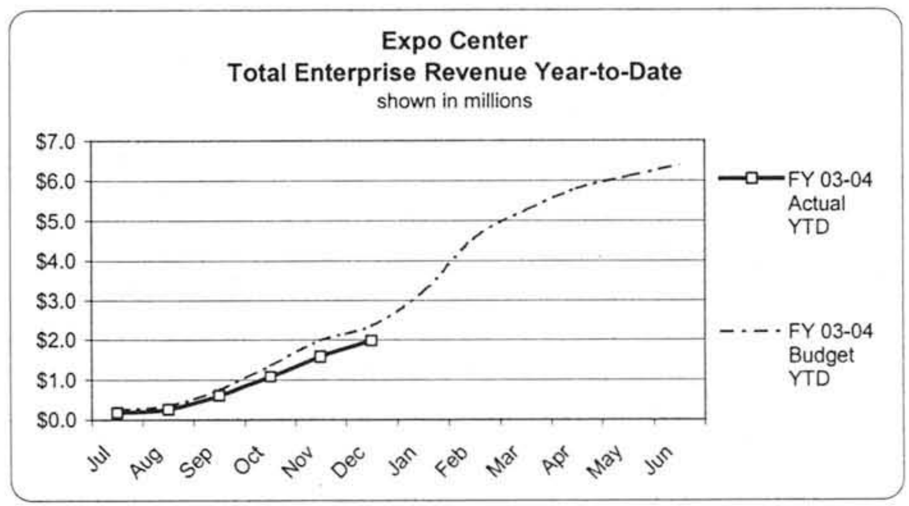
MERC continues to fall short of budgeted revenue at both Expo and the Portland Center for the Performing Arts. However, at the Oregon Convention Center enterprise revenues are up from the prior year and from budget.



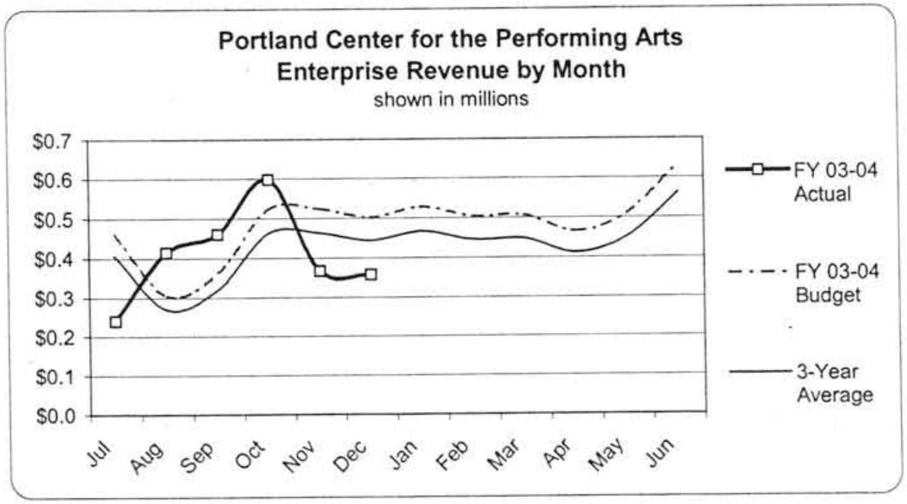


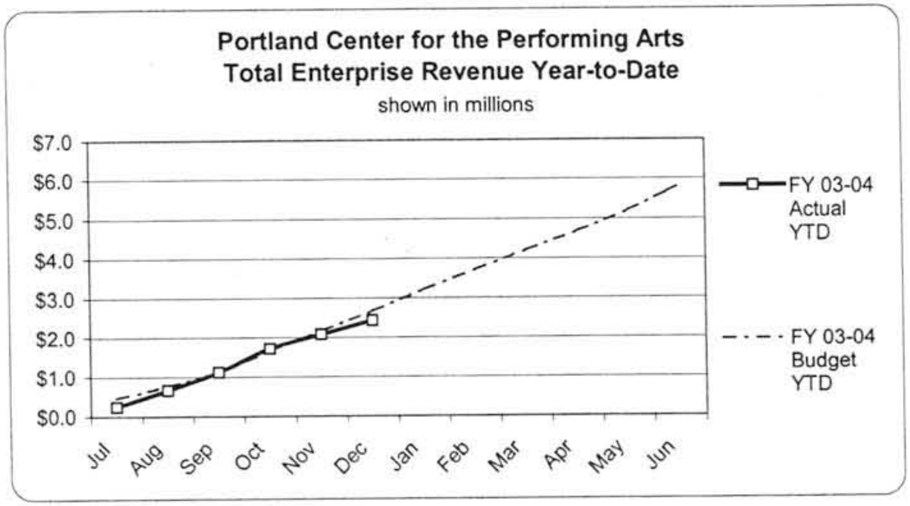
Enterprise revenues for the Expo Center were at 34 percent of budget for the first half of the year, lower than expected due to the poor economy. Expo is projected to end the year down 6 percent from budget.



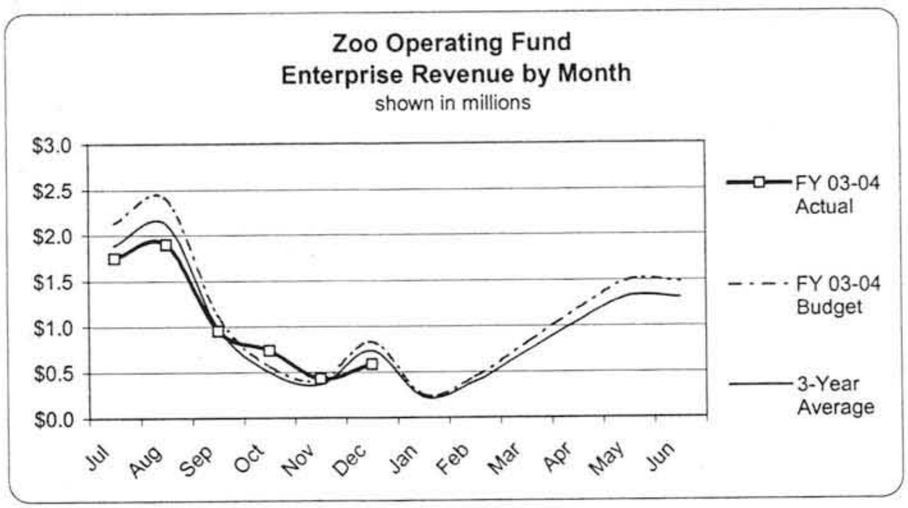


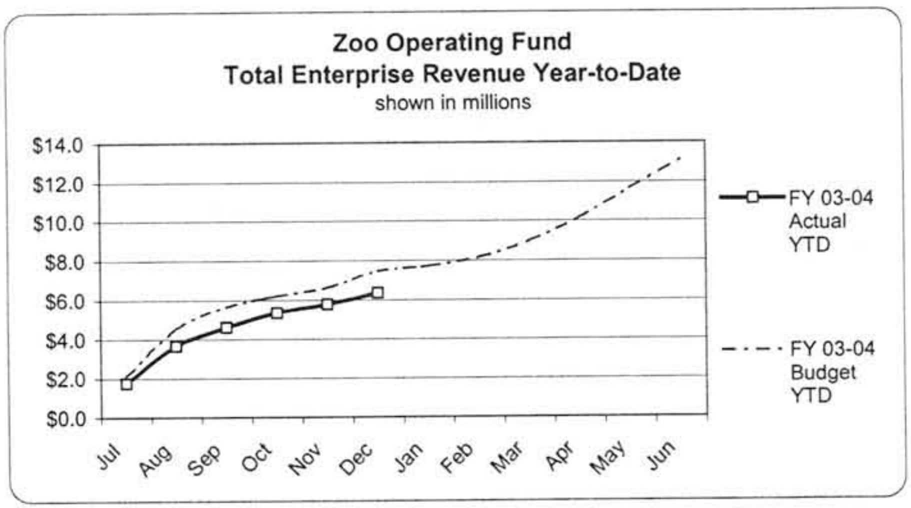
Through the end of the second quarter, enterprise revenues for the Portland Center for the Performing Arts were at 42.5 percent of budget, lower than expected for the first half of the year.



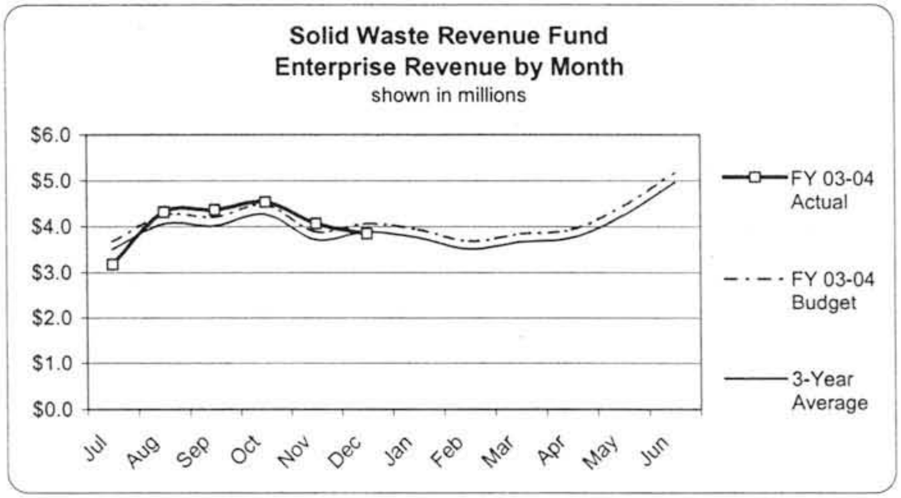


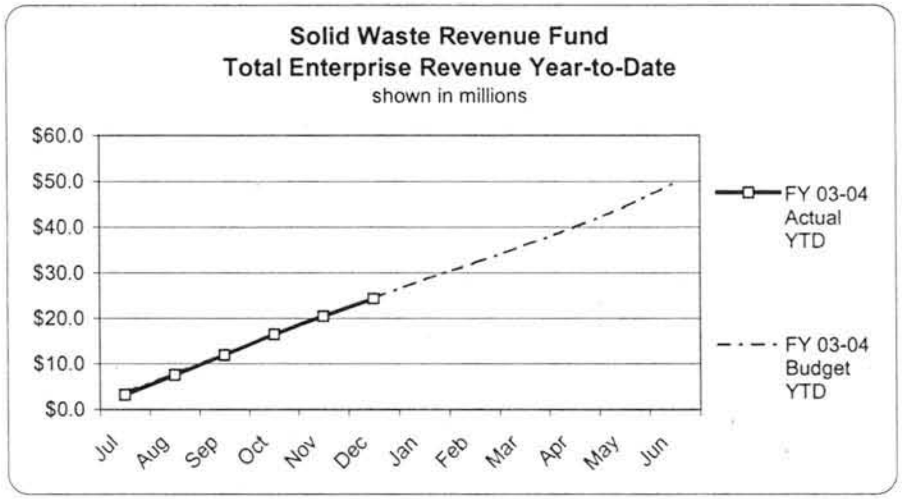
While attendance at the Zoo was at 99 percent of budget through the second quarter, admission revenues were down from budget by 9 percent. Catering revenue has improved from the first quarter but is down 16 percent from budget. Retail is reported down due to the timing of financial information from Aramark. These billings will continue to lag a month or two.





With many of the non-Metro facilities having reached their tonnage caps, the shift in Solid Waste from Metro to non-Metro facilities has slowed. At 49 percent, enterprise revenues were slightly bellow budget for the first half of the year, but higher than last year.





Any comments or suggestions on how this summary, or the document in general, could be improved would be very welcome. Please do not hesitate to contact me with any questions or concerns.

Sincerely,

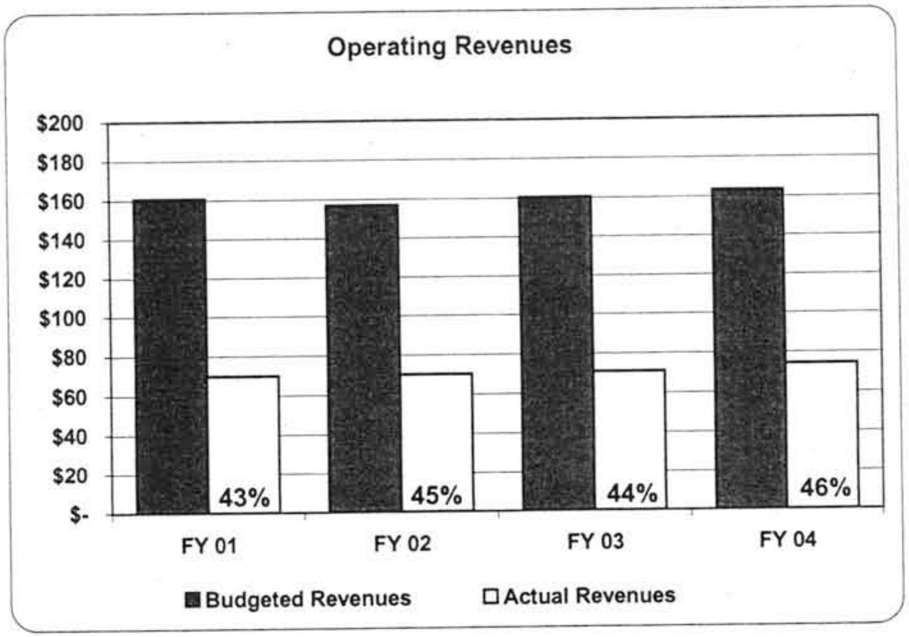
William L. Stringer
Chief Financial Officer & Director, Finance & Administrative Services Department

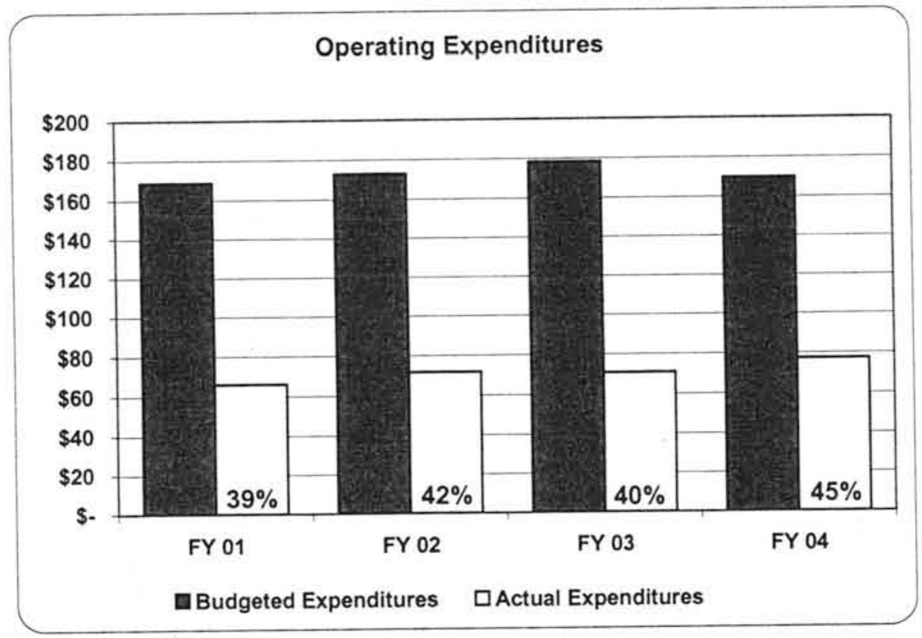
OPERATING FUNDS

Operating funds are those funds that contain the revenues and expenditures associated with Metro services. As a general rule, they are the funds where personal services expenditures are charged. Contained within this section is a budget-to-actual summary providing information regarding each fund's activity through the end of the second quarter, FY 2003-04. Also included is the same information for the corresponding period for last fiscal year. Along with the numerical information there is a brief explanation, by classification, of the revenues and expenditures in each fund.

The funds have been grouped by type: general government, enterprise, or internal service to provide for a better understanding of the different operations at Metro. The general government funds are the General, Planning, and Regional Parks funds. The enterprise funds include MERC Operating, Solid Waste Revenue, and Zoo Operating funds. The internal service funds are the Building Management, Risk Management, and Support Services funds.

The following tables show the annual budgeted revenues and expenditures compared to actual through the second quarter of the current fiscal year, and the previous three years (shown in millions).





General Fund

The General Fund was established to track revenues and expenditures for all general government functions. This includes the Metro Council and Public Affairs Department. The General Fund is supported by an excise tax on the purchase of Metro goods and services. Outlined below is an explanation of the activities in the General Fund through the second quarter, FY 2003-04.

Revenues

Excise Tax – A tax upon the purchase of Metro goods and services. At 48 percent, the taxes received through the end the second quarter are slightly below budget. Additional information regarding this tax is available in the Excise Tax section of this document, beginning on page 36.

Interfund Transfers In – Transfers come from departments for allocated costs in the Council Office. In the current fiscal year, these costs include the salary for the Chief Operating Officer and portions of the Archives program. The total transfers are determined through the cost allocation plan. Through the end of the second quarter, transfers in are at 50 percent of budget.

Expenditures

Council Office –The Council Office is at 42 percent of budget through the end of the second quarter. Year-to-date spending on materials and services is at 22 percent of budget.

Public Affairs Department – Through the end of the second quarter, the Public Affairs Department is at 29 percent of budget. Savings are the result of a vacancy in the department for the first two months of the year, one of the Public Affairs staff on loan to the Planning Department, and under-spending on materials and services. Spending on materials and services is at 14 percent of budget for the first half of the fiscal year.

Special Appropriations – Budgeted expenditures in this category include a $150,000 special appropriation for election costs, $150,000 for public notice costs required by ballot measure or Metro code, $15,000 for Water Consortium dues, and a $25,000 contribution to the Regional Arts & Culture Council (RACC). Actual expenditures through the second quarter totaled $40,611 consisting of $15,611 in Water Consortium dues and the $25,000 contribution to RACC.

Interfund Transfers Out – This category includes transfers to the central service funds to pay for services allocated through the cost allocation plan. Central service transfers are made monthly, quarterly, or semi-annually depending on the type. Also included in this category are monthly transfers of excise tax to various operating funds. The General Fund is monitored to ensure there is sufficient cash balance before excise tax transfers are made. Through the end of the second quarter, transfers out are at 48% of budget.

General Fund

As of December 31, 2003

	Amended Budget 2003-04	Actuals Qtr 2 2003-04	Actuals YTD 2003-04	YTD as % Budget 2003-04	Amended Budget 2002-03	Actuals Qtr 2 2002-03	Actuals YTD 2002-03	YTD as % Budget 2002-03
Resources								
Beginning Fund Balance	$1,277,550		$1,648,753	129%	$979,000		$1,288,482	132%
Current Revenues								
Metro Excise Tax	10,019,954	2,496,404	4,823,802	48%	9,577,258	2,519,510	4,709,901	49%
Enterprise Revenue	0	70	70	0%	0	0	(6)	0%
Earnings on Investments	25,000	4,992	13,646	55%	15,000	5,880	20,781	139%
Other Miscellaneous Revenue	0	8	13	0%	0	120	136	0%
Interfund Transfers In	248,114	62,034	124,068	50%	984,589	245,268	490,536	50%
Subtotal Current Revenues	**10,293,068**	**2,563,508**	**4,961,599**	**48%**	**10,576,847**	**2,770,778**	**5,221,348**	**49%**
Total Resources	**$11,570,618**	**$2,563,508**	**$6,610,351**	**57%**	**$11,555,847**	**$2,770,778**	**$6,509,830**	**56%**
Requirements								
Operating Expenditures								
Council Office	$1,400,107	$293,882	$585,002	42%	$1,996,314	$550,210	$990,011	50%
Public Affairs Department	652,445	98,725	191,084	29%	460,058	102,622	191,837	42%
Special Appropriations	340,000	0	40,611	12%	713,000	18,014	36,895	5%
Subtotal Operating Expenditures	2,392,552	392,607	816,697	34%	3,169,372	670,845	1,218,744	38%
Non-Operating Expenditures								
Interfund Transfers Out	8,041,194	1,847,367	3,839,853	48%	7,954,020	1,803,847	3,198,188	40%
Contingency	443,930	0	0	0%	200,000	0	0	0%
Subtotal Non-Operating Expenditures	8,485,124	1,847,367	3,839,853	45%	8,154,020	1,803,847	3,198,188	39%
Subtotal Current Expenditures	**$10,877,676**	**$2,239,974**	**$4,656,550**	**43%**	**$11,323,392**	**$2,474,692**	**$4,416,932**	**39%**
Unappropriated Balance	692,942		1,953,801		232,455		2,092,898	
Total Requirements	**$11,570,618**		**$6,610,351**		**$11,555,847**		**$6,509,830**	

Planning Fund

The Planning Fund was established to track the revenues and expenditures associated with the Transportation and Growth Management activities. As outlined in the Metro Charter, growth management and land-use planning are the primary missions of the agency. The information outlined below provides an explanation of the activities in the Planning Fund through the second quarter of FY 2003-04.

Revenues

Grants – The majority of funding comes from federal, state, and local grants. Funds are received on a reimbursement basis and typically lag one to two months behind expenditures. Revenues are recorded when invoices based on the prior month's expenditure reports are issued. Grant revenues through the second quarter remain about the same as in previous years. Since the adoption of the budget, several areas, such as the Transit Oriented Development program, South Corridor final environmental impact statement, and the Willamette Shoreline planning program, have seen significant changes due to project delays. Changes in these four areas have resulted in a reduction of anticipated grant revenue of over 25 percent or approximately $3.3 million at second quarter.

Enterprise Revenue – This category primarily includes revenues generated through the Data Resource Center. Revenues are the result of contracts with private entities, local jurisdictions and storefront sales. Most of the contracts are invoiced quarterly. Revenues received through the second quarter represent billings for services and sales on a reimbursement basis. Recording of revenues typically lags one to two months behind expenditures.

Interfund Transfers – Includes transfers of excise tax from the General Fund as well as transfers for direct services from other Metro departments. Excise tax transfers are received monthly providing the General Fund cash flow permits. Direct transfers are made as expenses are incurred. Through the second quarter six months of excise tax transfers have been received.

Expenditures

Personal Services - Expenditures are as expected through the end of the first quarter at 45 percent.

Materials & Services – The majority budgeted for this expenditure category is tied to the purchase of TOD lands ($4.55 million) or the direct receipt of grant funds. TOD land purchases are made as appropriate lands become available. One TOD purchase for $117,000 was made during the quarter. Most other major expenses are tied to grant funds and are as expected.

Debt Service - Debt service payments are for capital leases of computer equipment and are paid in accordance with the approved schedule. The final payment on the outstanding capital lease is due in February 2004.

Capital Outlay (CIP) – Capital expenditures are for the completion of the TRANSIMS computer purchase originally authorized in FY 2001-02.

Interfund Transfers Out – This category includes transfers to the central service funds to pay for services allocated through the cost allocation plan, as well as the third installment on repayment of an interfund loan from Solid Waste and Recycling. Central service transfers are made monthly, quarterly, or semi-annually depending on the type. These transfers are as anticipated through the end of the second quarter.

Planning Fund

As of December, 31 2003

	Amended Budget 2003-04	Actuals Qtr 2 2003-04	Actuals YTD 2003-04	YTD as % Budget 2003-04	Amended Budget 2002-03	Actuals Qtr 2 2002-03	Actuals YTD 2002-03	YTD as % Budget 2002-03
Resources								
Beginning Fund Balance	$654,431		$1,950,893	298%	$655,143		$1,999,360	305%
Current Revenues								
Grants	12,895,064	1,151,349	1,654,816	13%	15,114,738	806,770	1,174,282	8%
Local Gov't Shared Revenue	0	1,950	7,500	0%	0	3,500	7,035	0%
Enterprise Revenue	543,480	105,364	138,494	25%	502,570	111,388	137,005	27%
Earnings on Investments	0	11,525	27,939	0%	0	8,656	46,181	0%
Other Miscellaneous Revenue	14,536	343	343	2%	14,536	42	49	0%
Interfund Transfers In	4,643,456	1,123,528	2,283,669	49%	4,822,312	1,178,549	2,035,391	42%
Subtotal Current Revenues	**18,096,536**	**2,394,059**	**4,112,760**	**23%**	**20,454,156**	**2,108,904**	**3,399,943**	**17%**
Total Resources	**$18,750,967**	**$2,394,059**	**$6,063,654**	**32%**	**$21,109,299**	**$2,108,904**	**$5,399,303**	**26%**
Requirements								
Operating Expenditures								
Personal Services	$7,262,224	$1,632,199	$3,239,503	45%	$6,677,575	$1,625,896	$3,209,621	48%
Materials and Services	8,561,505	477,594	574,394	7%	11,204,773	735,068	819,460	7%
Subtotal Operating Expenditures	15,823,729	2,109,792	3,813,897	24%	17,882,348	2,360,964	4,029,082	23%
Non-Operating Expenditures								
Debt Service	44,212	0	1,037	2%	40,773	38,972	40,772	100%
Capital Outlay Projects (CIP)	54,200	0	44,653	82%	72,000	0	0	0%
Interfund Transfers Out	2,437,286	456,680	1,165,593	48%	2,711,625	529,826	1,302,767	48%
Contingency	301,540	0	0	0%	402,553	0	0	0%
Subtotal Non-Operating Expenditures	2,837,238	456,680	1,211,282	43%	3,226,951	568,798	1,343,539	42%
Subtotal Current Expenditures	**$18,660,967**	**$2,566,472**	**$5,025,180**	**27%**	**$21,109,299**	**$2,929,762**	**$5,372,621**	**25%**
Unappropriated Balance	90,000		1,038,474		0		26,681	
Total Requirements	**$18,750,967**		**$6,063,654**		**$21,109,299**		**$5,399,303**	

Regional Parks Fund

The Regional Parks Fund was established to track the revenues and expenditures related to the operations of the parks, golf course, marine facilities, pioneer cemeteries and open spaces managed by Metro. The information listed below provides an explanation of the activities in this fund through the second quarter of FY 2003-04.

Revenues

Grants – Significant grant revenues include $230,000 from the State Marine Board for capital improvements at the M. James Gleason Boat Ramp, $295,803 in U.S. Fish & Wildlife Service grants for Greenspaces grants program and $146,000 from the State of Oregon for improvements at Oxbow and Blue Lake Parks. Grant billings through November for U.S. Fish and Wildlife Service will be recorded in January. The Gleason Boat Ramp project will not begin until summer of 2004. Construction has begun on projects at Oxbow and Blue Lake. Billings will be made to the state as the projects progress.

Intergovernmental Revenues – The funds received are Metro's share of the revenues received by the State from the registration fees for recreational vehicles and County marine fuel taxes. Through the second quarter, revenues received are slightly above projections at 51 percent of budget.

Enterprise Revenues – Represents revenues received for the use of Metro Regional Parks and golf course. The first six months is usually the highest revenue-generating period for the regional parks. Enterprise revenues are currently down from projections mostly due to a reduction in Glendoveer revenues. However, the receipt of two one-time unexpected revenues should make up for most of the lost revenue. It is expected that by year-end overall enterprise revenue will meet budget projections.

Contributions and Donations – The FY 2003-04 budget assumes a $220,340 donation of restoration services from Ducks Unlimited and the Tualatin River Keepers as well as several smaller donations or intergovernmental contributions for various projects. To date, the department has received $10,300 for Howell Territorial Park assistance and $14,000 in donations to the Salmon Festival.

Interfund Transfers In – Interfund transfers received include excise tax revenue from the General Fund and transfers from the Open Spaces Fund for former Multnomah County local share projects managed by the Regional Parks Department. Excise tax transfers are made on a monthly basis, as cash flow in the General Fund permits. Through the second quarter, the department has received six months of excise tax transfers from the General Fund. Transfers from the Open Spaces Fund are made quarterly as expenditures for the Multnomah County local share projects are incurred; there were no such transfers in the second quarter.

Expenditures

Personal Services - Expenditures were as expected through the end of the second quarter at 50 percent of budget. The first 6 months are Parks' busy season, with part-time and seasonal employees contributing to personnel costs that are higher than average.

Materials and Services – This expenditure is at 42 percent of budget through the second quarter. Expenditures are as expected through December.

Capital Outlay (Non CIP) – The expenditures in this classification were for the purchase of a tractor in the Natural Resources program. The $88,162 in expenses during the second quarter was miscoded and should be charged against CIP Capital Outlay.

Capital Outlay (CIP) - The Parks & Greenspaces Department manages Multnomah County's portion of the Local Share Funding approved by the Open Spaces Ballot Measure. Funding for capital projects is derived partially from local share and partially from grants. Planned projects include improvements at Oxbow Park, M. James Gleason Boat Ramp and Blue Lake Lakefront. The M. James Gleason Boat Ramp project has been delayed to the summer of 2004, however, progress has begun on the Oxbow Park and Blue Lake Lakefront projects.

Interfund Transfers Out – Interfund transfer expense primarily represents transfers to central service funds for allocated costs as well as a transfer of excise tax to the Smith and Bybee Lakes Fund. Central Service transfers are made either monthly, quarterly, or semi-annually depending on type. Expenses through the second quarter are as expected.

Regional Parks Fund

As of December 31, 2003

	Amended Budget 2003-04	Actuals Qtr 2 2003-04	Actuals YTD 2003-04	YTD as % Budget 2003-04	Amended Budget 2002-03	Actuals Qtr 2 2002-03	Actuals YTD 2002-03	YTD as % Budget 2002-03
Resources								
Beginning Fund Balance	$3,158,426		$3,596,811	114%	$3,565,847		$3,422,429	96%
Current Revenues								
Grants	698,353	5,300	12,650	2%	752,500	0	0	0%
Intergovernmental Revenues	414,361	141,520	210,984	51%	380,800	97,935	183,727	48%
Enterprise Revenues	2,458,663	550,480	1,471,198	60%	2,181,508	478,327	1,456,217	67%
Earnings on Investments	58,998	11,890	31,658	54%	51,930	11,547	51,328	99%
Contributions and Donations	277,640	7,000	24,375	9%	646,651	354,182	368,032	57%
Other Miscellaneous Revenues	11,500	5,140	17,759	154%	500	4,368	6,583	1317%
Interfund Transfers In	3,168,349	664,635	1,329,270	42%	3,268,824	571,743	947,611	29%
Subtotal Current Revenues	**7,087,864**	**1,385,964**	**3,097,894**	**44%**	**7,282,713**	**1,518,103**	**3,013,498**	**41%**
Total Resources	**$10,246,290**	**$1,385,964**	**$6,694,706**	**65%**	**$10,848,560**	**$1,518,103**	**$6,435,927**	**59%**
Requirements								
Operating Expenditures								
Personal Services	$3,063,164	$734,987	$1,546,223	50%	$2,957,227	$684,420	$1,498,559	51%
Materials and Services	2,003,468	548,669	846,021	42%	2,474,875	624,228	894,601	36%
Capital Outlay Projects (non-CIP)	26,400	88,162	113,682	431%	18,500	0	18,111	98%
Subtotal Operating Expenditures	5,093,032	1,371,818	2,505,927	49%	5,450,602	1,308,648	2,411,271	44%
Non-Operating Expenditures								
Capital Outlay Projects (CIP)	898,311	34,554	35,574	4%	1,195,541	319,588	352,000	29%
Interfund Transfers Out	1,294,707	290,046	579,751	45%	1,239,703	289,455	593,928	48%
Contingency	261,390	0	0	0%	218,819	0	0	0%
Subtotal Non-Operating Expenditures	2,454,408	324,600	615,325	25%	2,654,063	609,043	945,928	36%
Subtotal Current Expenditures	**$7,547,440**	**$1,696,418**	**$3,121,252**	41%	**$8,104,665**	**$1,917,691**	**$3,357,198**	41%
Unappropriated Balance	2,698,850		3,573,453		2,743,895		3,078,729	
Total Requirements	**$10,246,290**		**$6,694,706**		**$10,848,560**		**$6,435,927**	

MERC Operating Fund

The MERC Operating Fund contains the operating revenues and expenditures of the facilities managed by the Metro Exposition-Recreation Commission (MERC). These facilities include the Oregon Convention Center (OCC), the Portland Metropolitan Exposition Center (Expo), and the Portland Center for the Performing Arts (PCPA). The fund also includes MERC Administration. The information outlined below provides an explanation of the activities in this fund through the end of the second quarter of FY 2003-04. MERC's overall results were not as good as budgeted. This is the result of the stressed lodging industry and convention business. MERC is adjusting their FY 2003-04 budget making changes to cut costs to match new revenue projections.

Revenues

Intergovernmental Revenue –The FY 03-04 Budget includes $8.0 million in Multnomah County Lodging Tax, with $6.2 million for Convention Center operations and $1.8 million for PCPA. As of the end of the second quarter, $1.9 million of the Lodging Tax has been received from Multnomah County, a decrease of almost 9 percent from the prior year. The projected annual decrease from the prior year is 5 percent.

Enterprise Revenue – This classification consists of revenue that is received for the services provided by the different facilities. The $11.4 million received for the year is 45 percent of budget.

Expo Center – Enterprise revenue of about 30 percent of budget, lower than was expected due to the poor economy. Expo expects to have 6 percent less revenue than budgeted.

Oregon Convention Center – At about 52.2 percent of budget, enterprise revenues are up from the prior year and budget.

Portland Center for the Performing Arts – Year-to-date revenues are 42.5 percent of budget. PCPA expects to meet projections.

Contributions and Donations – Included in this classification are contributions from the City of Portland to support the operation of PCPA for $315,000. As of the second quarter those funds have not been received.

Expenditures

Expo Center – Operating revenues of $2.0 million (31 percent of budget) coupled with operating expenditures of $1.5 million (36 percent of budget), overhead of $0.2 million and debt service of $1.1 million result in a year to date decline in fund balance of $0.8 million. The continued tight economy has impacted Expo's revenues. They hope to break even by fiscal year-end.

Oregon Convention Center – Operating revenues of $7.0 million (52 percent of budget) plus hotel/motel receipts of $1.5 million are offset by operating expenditures of $9.1 million (50 percent of budget) and overhead transfers of $0.9 million resulting in a $1.5 million reduction in fund balance This is a $0.5 million improvement from first quarter, the result of cost containment measures implemented early in the year and consistently strong revenue generation.

Portland Center for the Performing Arts – With Operating Revenues of $2.5 million, hotel/motel tax receipts of $0.4 million, operating expenditures of $3.1 million and overhead of $0.5 million in the first half, fund balance declined by about $0.7 million. PCPA plans to break even this fiscal year.

MERC Administration – Expenditures year-to-date are lower than expected, from vacancies and low first quarter M&S expenditures.

Interfund Transfers Out – Expenditures are as expected.

Debt Service – Expenditures are as expected.

MERC Operating Fund

As of December 31, 2003

	Amended Budget 2003-04	Actuals Qtr 2 2003-04	Actuals YTD 2003-04	YTD as % Budget 2003-04	Amended Budget 2002-03	Actuals Qtr 2 2002-03	Actuals YTD 2002-03	YTD as % Budget 2002-03
Resources								
Beginning Fund Balance	$9,986,094		$9,501,307	95%	$13,596,822		$12,769,627	94%
Current Revenues								
Intergovernmental Revenue	7,988,680	1,916,356	1,916,356	24%	8,016,509	2,101,591	2,101,591	26%
Enterprise Revenue	25,461,276	6,542,013	11,365,120	45%	21,383,358	5,394,301	9,328,598	44%
Earnings on Investments	206,281	2,919	23,281	11%	165,426	28,820	148,947	90%
Contributions and Donations	324,635	4,950	26,950	8%	315,180	0	0	0%
Other Miscellaneous Revenue	100,000	31,199	55,493	55%	77,000	8,260	47,259	61%
Interfund Transfers In	173,939	0	0	0%	110,000	34,674	65,122	59%
Subtotal Current Revenues	**34,254,811**	**8,497,438**	**13,387,200**	**39%**	**30,067,473**	**7,567,645**	**11,691,516**	**39%**
Total Resources	**$44,240,905**	**$8,497,438**	**$22,888,506**	**52%**	**$43,664,295**	**$7,567,645**	**$24,461,143**	**56%**
Requirements								
Operating Expenditures								
Expo Center	$4,238,676	$917,470	$1,526,522	36%	$4,315,069	$1,106,889	$1,620,676	38%
Oregon Convention Center	18,318,119	4,428,506	9,135,796	50%	16,747,889	4,962,812	8,156,979	49%
Portland Center for the Performing Arts	6,828,639	1,637,232	3,069,928	45%	5,986,915	1,824,808	3,231,949	54%
MERC Administration	1,134,664	250,226	502,461	44%	1,194,340	247,425	497,665	42%
Subtotal Operating Expenditures	30,520,098	7,233,435	14,234,707	47%	28,244,213	8,141,935	13,507,269	48%
Non-Operating Expenditures								
Debt Service	22,809	11,114	22,349	98%	310,694	2,000	15,074	5%
Interfund Transfers Out	3,694,943	1,641,903	2,155,064	58%	5,533,294	470,157	928,121	17%
Contingency	1,222,561	0	0	0%	483,769	0	0	0%
Subtotal Non-Operating Expenditures	4,940,313	1,653,017	2,177,413	44%	6,327,757	472,158	943,195	15%
Subtotal Current Expenditures	**$35,460,411**	**$8,886,452**	**$16,412,120**	**46%**	**$34,571,970**	**$8,614,093**	**$14,450,465**	**42%**
Unappropriated Balance	8,780,494		6,476,386		9,092,325		10,010,679	
Total Requirements	**$44,240,905**		**$22,888,506**		**$43,664,295**		**$24,461,143**	

Solid Waste Revenue Fund

The Solid Waste Revenue Fund was established to track revenues and expenditures associated with the collection, recovery, and disposal of waste within the Metro boundary. The Solid Waste and Recycling department manages this fund. The information listed below provides an explanation of the activities in this fund through the second quarter of FY 2003-04.

Revenues

Enterprise Revenue – Enterprise revenues for the 03-04 fiscal year are slightly higher than the prior fiscal year. The shift in market share has slowed due to the maxing out of the tonnage caps at the non-Metro facilities.

Miscellaneous Revenue – This classification mainly includes pass-through debt service receipts, cash overages and shortages, and fines.

Interfund Transfers In – Budgeted Interfund Transfers are for direct costs related to the Rehabilitation and Enhancement Fund, and for repayment of an interfund loan to the Planning Fund.

Expenditures

Personal Services – These expenditures are as expected at 47 percent of budget.

Materials and Services – Theses expenditures are as expected for the second quarter at 39 percent.

Capital Outlay (Non CIP) – Expenditures in this classification are for minor repairs to Solid Waste and Recycling facilities as well as the purchase of equipment for use by the department. Expenditures are as expected.

Debt Service – Funds are for the repayment of the bonds sold to finance the construction of the Metro Central Transfer Station and the Riedel Compost Facility. The amount is considerably higher than budget, and last year, due to the defeasance completed in February and refunding completed in May but funded July 1, 2003.

Capital Outlay (CIP) – Capital project expenditures are higher than expected, and higher than the prior year. Two larger projects started in the 2002-03 fiscal year were completed in the first and second quarters. Those are the Metro South – Northern Tip Floor Renovation totaling almost $900,000 and the Metro Central – Replace Metal Roof and Ventilation System at almost $1.8 million. The Northern Tip Floor Renovation did not have expenditures in FY 2002-03 as expected. The department is in the process of amending the budget to provide the $450,000 that should have been carried forward from FY 2003-04.

Interfund Transfers Out - The planned transfers to central service funds for allocated costs are within expectations for the year.

Contingency – The department is in the process of amending the budget to provide $450,000 from Contingency to Capital Outlay (CIP).

Solid Waste Revenue Fund

As of December 31, 2003

	Amended Budget 2003-04	Actuals Qtr 2 2003-04	Actuals YTD 2003-04	YTD as % Budget 2003-04	Amended Budget 2002-03	Actuals Qtr 2 2002-03	Actuals YTD 2002-03	YTD as % Budget 2002-03
Resources								
Beginning Fund Balance	$31,239,138		$34,800,955	111%	$38,081,459		$39,823,811	105%
Current Revenues								
Grants	0	539	80,905	0%	100,000	5,746	6,245	6%
Enterprise Revenue	49,596,153	12,437,902	24,273,596	49%	49,507,131	12,342,304	23,674,217	48%
Earnings on Investments	678,896	105,000	262,128	39%	752,300	142,244	553,129	74%
Other Miscellaneous Revenue	365,000	38,638	72,352	20%	365,000	24,778	49,001	13%
Interfund Transfers In	130,023	0	0	0%	141,418	0	0	0%
Subtotal Current Revenues	**50,770,072**	**12,582,079**	**24,688,980**	**49%**	**50,865,849**	**12,515,072**	**24,282,592**	**48%**
Total Resources	**$82,009,210**	**$12,582,079**	**$59,489,935**	**73%**	**$88,947,308**	**$12,515,072**	**$64,106,403**	**72%**
Requirements								
Operating Expenditures								
Personal Services	$8,680,433	$2,020,909	$4,041,854	47%	$8,256,217	$2,011,855	$3,977,176	48%
Materials and Services	36,059,674	8,445,299	14,203,524	39%	38,083,939	8,722,784	14,842,082	39%
Capital Outlay Projects (non-CIP)	261,600	2,606	46,802	18%	499,000	82,616	118,849	24%
Subtotal Operating Expenditures	45,001,707	10,468,813	18,292,180	41%	46,839,156	10,817,255	18,938,107	40%
Non-Operating Expenditures								
Debt Service	1,861,426	14,473	4,067,018	218%	6,513,951	21,842	1,411,290	22%
Capital Outlay Projects (CIP)	4,560,600	1,460,615	2,763,260	61%	7,094,607	560,207	791,142	11%
Interfund Transfers Out	4,209,801	956,328	2,002,308	48%	4,210,036	918,924	1,930,848	46%
Contingency	11,358,338	0	0	0%	8,606,622	0	0	0%
Subtotal Non-Operating Expenditures	21,990,165	2,431,415	8,832,586	40%	26,425,216	1,500,973	4,133,280	16%
Subtotal Current Expenditures	**$66,991,872**	**$12,900,228**	**$27,124,766**	**40%**	**$73,264,372**	**$12,318,229**	**$23,071,386**	**31%**
Unappropriated Balance	15,017,338		32,365,169		15,682,936		41,035,017	
Total Requirements	**$82,009,210**		**$59,489,935**		**$88,947,308**		**$64,106,403**	

Zoo Operating Fund

The Zoo Operating Fund tracks the revenues and expenditures of the Oregon Zoo. Capital projects at the Zoo are budgeted in the Zoo Capital Fund. The information below provides some detail on the financial activity of this fund through the second quarter of FY 2003-04.

Revenues

Real Property Taxes – Revenues from Metro's voter-approved permanent rate levy. Revenues are 85.4 percent of budget through the second quarter, which projects to a year-end shortfall of up to $145,000 below budget. We will continue to monitor these revenues.

Grants – No grant funds were budgeted. The revenue is the last payment from a prior year's grant, received in July.

Enterprise Revenues – Revenues received from admissions, catering, concessions, and other enterprise activities. Zoo attendance was at 99 percent of budget at 693,000, but admission revenues were down 9 percent ($263,000) from budget for the second quarter. The Zoo has not recovered from a poor July, and ZooLights attendance and revenue did not meet projections.

Catering revenue improved from the first quarter, but remains short of budget, by 16 percent through December. Retail is reported down due to timing of financial information from Aramark – these billings will continue to lag a month or two. Actual figures reported in January show sales 24 percent under budget, though it should be noted this is a transitional period. Total enterprise revenue is down 12 percent ($823,000) from budget; adjusted to include December retail revenue, it's down 11.3 percent.

Donations – Donations are at 49 percent of budget.

Expenditures

Personal Services – Personal Services expenditures were 48 percent of budget through the second quarter. This represents the lowest expenditure rate for this category through the second quarter in the past five years, when the average has been 51.7 percent of budget. This should provide enough underspending to meet PERS reserve requirements projected at $550,000 for the full year.

Materials & Services – Materials & Services shows 47 percent spending for the first quarter, which is on the low end of the rate for the past five years. The Zoo is monitoring this spending closely in light of the revenue picture.

Capital Outlay (Non CIP) – Expenditure was for a project to re-do the floor at the Elephant facility. It was paid for with an IMLS grant.

Capital Outlay (CIP) – The CIP is recorded in the Zoo Capital Fund. There is $205 charged in the second quarter, which is a coding error that is being corrected.

Interfund Transfers Out – This category represents transfers for central services and debt service. Central service transfers are 50 percent of budget, as expected for the second quarter. The transfer to the General Revenue Bond Fund is only 53 percent of budget, the result of the October refunding of the OECDD loans. There will be a payment on the newly-issued Full Faith & Credit Bonds on February 1; total transfers for debt service this year will be 61 percent of budget, a savings of $168,000 this year from the refunding.

Zoo Operating Fund

As of December 31, 2003

	Amended Budget 2003-04	Actuals Qtr 2 2003-04	Actuals YTD 2003-04	YTD as % Budget 2003-04	Amended Budget 2002-03	Actuals Qtr 2 2002-03	Actuals YTD 2002-03	YTD as % Budget 2002-03
Resources								
Beginning Fund Balance	$5,202,233		$5,902,062	113%	$6,314,624		$6,543,031	104%
Current Revenues								
Real Property Taxes	8,822,490	7,498,975	7,536,613	85%	8,493,666	7,198,795	7,232,268	85%
Grants	0	0	14,063	0%	56,000	22,304	36,367	65%
Enterprise Revenue	13,114,025	1,738,091	6,341,954	48%	12,343,488	1,686,146	6,600,617	53%
Earnings on Investments	104,045	17,884	56,072	54%	92,469	21,856	102,380	111%
Contributions and Donations	1,232,000	344,015	604,344	49%	1,288,000	482,983	643,054	50%
Other Miscellaneous Revenue	29,756	27,089	34,332	115%	26,756	12,148	27,456	103%
Subtotal Current Revenues	**23,302,316**	**9,626,054**	**14,587,377**	**63%**	**22,300,379**	**9,424,233**	**14,642,143**	**66%**
Total Resources	**$28,504,549**	**$9,626,054**	**$20,489,439**	**72%**	**$28,615,003**	**$9,424,233**	**$21,185,174**	**74%**
Requirements								
Operating Expenditures								
Personal Services	$13,032,647	$2,840,925	$6,249,800	48%	$12,837,648	$2,848,599	$6,326,391	49%
Materials and Services	7,351,770	1,610,841	3,465,030	47%	7,559,649	1,510,709	3,488,004	46%
Capital Outlay Projects (non-CIP)	268,600	45,109	57,446	21%	474,200	925	73,838	16%
Subtotal Operating Expenditures	20,653,017	4,496,875	9,772,276	47%	20,871,497	4,360,233	9,888,233	47%
Non-Operating Expenditures								
Capital Outlay Projects (CIP)	0	205	205	0%	150,000	18,341	138,810	93%
Interfund Transfers Out	2,600,295	773,025	1,314,268	51%	2,619,680	547,680	1,095,360	42%
Contingency	1,000,000	0	0	0%	990,681	0	0	0%
Subtotal Non-Operating Expenditures	3,600,295	773,230	1,314,473	37%	3,760,361	566,021	1,234,170	33%
Subtotal Current Expenditures	**$24,253,312**	**$5,270,105**	**$11,086,749**	**46%**	**$24,631,858**	**$4,926,253**	**$11,122,403**	**45%**
Unappropriated Balance	4,251,237		9,402,691		3,983,145		10,062,771	
Total Requirements	**$28,504,549**		**$20,489,439**		**$28,615,003**		**$21,185,174**	

Building Management Fund

The Building Management Fund was established to track the revenues and expenditures related to the operations of the Metro Regional Center and attached parking structure. This fund is an internal service fund and as such receives transfers from other portions of the agency as its primary revenue source. The information listed below provides an explanation of the activities in this fund through the second quarter, FY 2003-04.

Revenues

Enterprise Revenues - These revenues are received from parking fees and rental income. The agreement with MERC to manage the Metro Regional Center parking structure has been extended through March 31, 2005. At 54 percent of budget, revenues from the parking structure and lease income from the plaza building are higher than expected through the end of the second quarter.

Interfund Transfers In – This category includes indirect transfers for operations and debt service related to the Metro Regional Center. Transfers are made semi-annually for debt service and quarterly for operations. Actual transfers through the end of the second quarter include the first two transfers for operations and the first semi-annual transfer for debt service.

Expenditures

Personal Services - Expenditures are as anticipated through the end of the second quarter.

Materials and Services – Expenditures in this category provide for operations of Metro Regional Center and include utilities, repairs and cleaning services. Expenditures are as anticipated through the end of the second quarter.

Capital Outlay – This classification includes appropriations for minor repair and remodeling for Metro Regional Center and acquisition of building maintenance equipment. To date, none of this money has been needed.

Interfund Transfers Out – These transfers are made to the General Revenue Bond Fund to cover the debt service requirements for the Metro Regional Center and parking structure. In October, this debt was refinanced with Full Faith & Credit refunding bonds. As a result of the refinancing, interfund transfers out are projected to be 80 percent of budget at year-end, a savings of nearly $345,000.

Building Management Fund

As of December 31, 2003

	Amended Budget 2003-04	Actuals Qtr 2 2003-04	Actuals YTD 2003-04	YTD as % Budget 2003-04	Amended Budget 2002-03	Actuals Qtr 2 2002-03	Actuals YTD 2002-03	YTD as % Budget 2002-03
Resources								
Beginning Fund Balance	$1,541,439		$1,570,356	102%	$1,516,205		$1,504,368	99%
Current Revenues								
Enterprise Revenue	562,556	149,266	304,093	54%	528,526	145,740	281,987	53%
Earnings on Investments	30,000	5,832	16,689	56%	22,762	4,552	22,942	101%
Other Miscellaneous Revenue	0	28	37	0%	0	9	9	0%
Interfund Transfers In	2,209,499	84,491	1,079,754	49%	2,276,618	106,406	1,057,169	46%
Subtotal Current Revenues	**2,802,055**	**239,618**	**1,400,573**	**50%**	**2,827,906**	**256,708**	**1,362,108**	**48%**
Total Resources	**$4,343,494**	**$239,618**	**$2,970,928**	**68%**	**$4,344,111**	**$256,708**	**$2,866,475**	**66%**
Requirements								
Operating Expenditures								
Personal Services	$306,549	$68,370	$136,760	45%	$278,942	$67,630	$132,751	48%
Materials and Services	596,510	156,762	248,301	42%	615,760	120,506	218,073	35%
Capital Outlay	15,000	0	0	0%	138,150	44,043	46,043	33%
Subtotal Operating Expenditures	918,059	225,132	385,061	42%	1,032,852	232,179	396,867	38%
Non-Operating Expenditures								
Interfund Transfers Out	1,755,696	1,205,554	1,205,554	69%	1,715,506	0	1,149,954	67%
Contingency	40,000	0	0	0%	40,000	0	0	0%
Subtotal Non-Operating Expenditures	1,795,696	1,205,554	1,205,554	67%	1,755,506	0	1,149,954	66%
Subtotal Current Expenditures	**$2,713,755**	**$1,430,686**	**$1,590,615**	**59%**	**$2,788,358**	**$232,179**	**$1,546,821**	**55%**
Unappropriated Balance	1,629,739		1,380,313		1,555,753		1,319,654	
Total Requirements	**$4,343,494**		**$2,970,928**		**$4,344,111**		**$2,866,475**	

Risk Management Fund

The Risk Management Fund was established to track the revenues and expenditures of insurance related activities at Metro. This fund is an internal service fund and as such receives transfers from other portions of the agency as its primary revenue source. The information listed below provides an explanation of the activities through the second quarter of FY 2003-04.

Revenues

Grants - The $10,000 grant budgeted for this fund is from the State of Oregon to assist with certain Worker's Compensation claims for injured employees. No grant funds have been requested yet this year.

Enterprise Revenues - Payments from departments for unemployment and health and welfare insurance. Departments pay these charges as a part of the fringe benefits paid per employee.

Interfund Transfers In – Interfund transfers include costs associated with the liability, property and workers compensation programs that are allocated through the cost allocation plan. Transfers to date are made on a quarterly basis.

Expenditures

Personal Services - The expenditures in this classification are for the staff that administers the Risk Management programs. Expenses during the first six months have exceeded budget expectations due to staff resignations and resulting vacation payout and settlement, as well as unexpected legal costs charged directly to the fund. Altogether the fund is expected to over-spend its personal services category. Under-spending in materials and services will offset the unexpected costs.

Materials and Services - Included in this classification are the payments of insurance premiums and other costs associated with the Risk Management functions of the agency overall. Major expenses through the second quarter included the purchase of liquor liability and property insurance, premium payments for the health and welfare program, and claims paid for unemployment, workers compensation, liability and property programs. Expenses are as expected through the first half of the fiscal year.

Risk Management Fund

As of December 31, 2003

	Amended Budget 2003-04	Actuals Qtr 2 2003-04	Actuals YTD 2003-04	YTD as % Budget 2003-04	Amended Budget 2002-03	Actuals Qtr 2 2002-03	Actuals YTD 2002-03	YTD as % Budget 2002-03
Resources								
Beginning Fund Balance	$6,442,134		$6,006,641	93%	$7,153,523		$6,835,805	96%
Current Revenues								
Grants	10,000	0	0	0%	10,000	0	0	0%
Enterprise Revenue	5,312,168	2,301,768	2,630,474	50%	5,131,533	1,322,340	1,911,848	37%
Earnings on Investments	140,000	21,997	65,408	47%	100,000	23,992	112,207	112%
Other Miscellaneous Revenue	0	0	0	0%	405,000	0	2,041	1%
Interfund Transfers In	1,000,000	250,004	500,008	50%	694,017	173,507	347,014	50%
Subtotal Current Revenues	**6,462,168**	**2,573,769**	**3,195,890**	**49%**	**6,340,550**	**1,519,839**	**2,373,110**	**37%**
Total Resources	**$12,904,302**	**$2,573,769**	**$9,202,530**	**71%**	**$13,494,073**	**$1,519,839**	**$9,208,915**	**68%**
Requirements								
Operating Expenditures								
Personal Services	$303,521	$165,580	$249,070	82%	$308,290	$70,451	$148,369	48%
Materials and Services	7,318,836	2,565,035	3,434,479	47%	7,521,188	1,478,913	2,700,687	36%
Subtotal Operating Expenditures	7,622,357	2,730,615	3,683,549	48%	7,829,478	1,549,365	2,849,056	36%
Non-Operating Expenditures								
Contingency	500,000	0	0	0%	500,000	0	0	0%
Subtotal Non-Operating Expenditures	500,000	0	0	0%	500,000	0	0	0%
Subtotal Current Expenditures	**$8,122,357**	**$2,730,615**	**$3,683,549**	**45%**	**$8,329,478**	**$1,549,365**	**$2,849,056**	**34%**
Unappropriated Balance	4,781,945		5,518,981		5,164,595		6,359,859	
Total Requirements	**$12,904,302**		**$9,202,530**		**$13,494,073**		**$9,208,915**	

Support Services Fund

The Support Services Fund is an internal service fund established to track the revenues and expenditures of the departments and programs that provide services to the entire agency. As an internal service fund, transfers from other funds, as determined through the cost allocation plan, support the activities in this fund. The information outlined below provides an explanation of the activities in this fund through the second quarter of FY 2003-04.

Revenues

Enterprise Revenue – This revenue is received from the Contractors Business License program. Revenues for this program are at 41 percent of budget through the end of the second quarter.

Interfund Transfers In – Transfers from other funds to support the activities in this fund. The total amount is determined through the cost allocation plan.

Expenditures

Finance and Administrative Services – This department includes the Accounting, Financial Planning, Risk Management, Contract Services and Information Technology divisions. In the second quarter the Property Services division was moved from the Office of the Council to the Finance and Administrative Services department. Expenditures for this department are as expected through the end of the second quarter.

Information Technology Division – This division manages Information Technology services throughout Metro. While expenses through the second quarter appear slightly higher than the other departments, the majority of service agreements for the agency are due in the first quarter. Personal services costs through September are in line at slightly over 46 percent while materials and services expenses are higher at almost 59 percent of budget. Overall, IT expenses are as expected through the second quarter.

Human Resources – This department provides human resource services for the entire agency. Expenditures for this department are as expected through the end of the second quarter.

Public Affairs – Creative Services – This division of the Public Affairs department provides communications products and tools to the agency. Expenditures are as expected through the end of the second quarter.

Office of the Metro Attorney – This department provides legal counsel to the Metro Council and all departments within the agency. Expenditures in this department are as expected through the end of the second quarter.

Office of the Auditor – This office provides auditing services to the agency. An amendment was passed in July of this fiscal year transferring $47,000 from contingency to materials & services in the Office of the Auditor for work carried over from the previous year. Expenditures in this department are as expected through the end of the second quarter.

Debt Service – The debt service payments are for capital leases on computer equipment in the Information Technology division.

Capital Outlay (CIP) – Capital projects budgeted in this fund include $50,000 in the Property Services division for the purchase a new copier in the print shop. The remaining $230,000 in CIP projects is budgeted in the Information Technology division. All of the expenditures through the end of the second quarter are for IT projects.

Interfund Transfers Out – These include transfers for indirect costs as allocated through the cost allocation plan for the Support Services departments' use of Building Management and Risk Management services. Transfers are as expected through the second quarter.

Support Services Fund

As of December 31, 2003

	Amended Budget 2003-04	Actuals Qtr 2 2003-04	Actuals YTD 2003-04	YTD as % Budget 2003-04	Amended Budget 2002-03	Actuals Qtr 2 2002-03	Actuals YTD 2002-03	YTD as % Budget 2002-03
Resources								
Beginning Fund Balance	$678,272		$772,198	114%	$1,114,549		$1,023,045	92%
Current Revenues								
Enterprise Revenue	432,000	89,182	178,778	41%	572,091	109,776	200,423	35%
Earnings on Investments	12,960	3,892	15,436	119%	12,555	4,639	28,616	228%
Other Miscellaneous Revenue	0	1,239	5,489	0%	0	906	1,475	0%
Interfund Transfers In	9,687,849	2,367,195	4,734,390	49%	9,475,383	2,312,832	4,625,664	49%
Subtotal Current Revenues	**10,132,809**	**2,461,508**	**4,934,093**	**49%**	**10,060,029**	**2,428,153**	**4,856,177**	**48%**
Total Resources	**$10,811,081**	**$2,461,508**	**$5,706,291**	**53%**	**$11,174,578**	**$2,428,153**	**$5,879,222**	**53%**
Requirements								
Operating Expenditures								
Finance and Administrative Services	$3,683,245	$676,434	$1,412,777	38%	$3,567,835	$732,165	$1,452,330	41%
Finance and Administrative Services - IT	2,186,329	436,174	1,067,753	49%	2,607,013	520,978	1,352,569	52%
Human Resources	953,682	262,102	440,254	46%	935,620	201,992	393,610	42%
Public Affairs - Creative Services	538,375	119,772	246,651	46%	577,672	142,728	273,926	47%
Office of the Metro Attorney	1,153,083	258,756	502,754	44%	1,228,910	288,028	538,438	44%
Office of the Auditor	654,940	184,516	307,388	47%	678,792	189,303	318,097	47%
Subtotal Operating Expenditures	9,169,654	1,937,754	3,977,577	43%	9,595,842	2,075,195	4,328,970	45%
Non-Operating Expenditures								
Debt Service	34,620	0	812	2%	38,060	36,250	38,059	100%
Capital Outlay Projects (CIP)	280,000	54,111	141,839	51%	180,000	22,895	51,495	29%
Interfund Transfers Out	756,557	38,280	353,279	47%	668,900	38,113	309,452	46%
Contingency	418,276	0	0	0%	471,628	0	0	0%
Subtotal Non-Operating Expenditures	1,489,453	92,391	495,930	33%	1,358,588	97,258	399,006	29%
Subtotal Current Expenditures	**$10,659,107**	**$2,030,145**	**$4,473,507**	**42%**	**$10,954,430**	**$2,172,453**	**$4,727,976**	**43%**
Unappropriated Balance	151,974		1,232,784		220,148		1,151,246	
Total Requirements	**$10,811,081**		**$5,706,291**		**$11,174,578**		**$5,879,222**	

CAPITAL FUNDS

Capital Funds

There are four capital funds included in this section: the Open Spaces Fund, the Zoo Capital Fund, the Convention Center Project Capital Fund and the MERC Pooled Capital Fund. Each of these funds was established to track the revenues and expenditures related to major capital projects or capital improvements at Metro facilities.

- Open Spaces Fund – open spaces land purchases
- Zoo Capital Fund – Great Northwest Project, as well as other Zoo capital projects
- Convention Center Capital Fund – original construction of OCC and the expansion project
- MERC Pooled Capital Fund – major capital renewal and replacement needs for all the MERC facilities

Open Spaces Fund

This fund is used to account for bond proceeds and expenditures related to the open spaces, parks and streams bonds. The information outlined below provides an explanation of the activities in this fund through the second quarter of FY 2003-04.

Revenues

Interest Earnings – The interest earned on the remaining bond proceeds provides a portion of the resources that support the open spaces program.

Enterprise Revenue – This represents revenue received from other jurisdictions for providing real estate services. The department currently has contracts with the City of Gresham, Tualatin Hills Parks and Recreation District, the State of Oregon and the City of Portland Parks and Recreation Bureau.

Grants – The budget represents anticipated contributions from the National Fish & Wildlife Foundation for stabilization projects on Open Spaces properties.

Interfund Transfers In – Reimbursements from the Regional Parks Fund for stabilization assistance on Howell Territorial Park lands.

Expenditures

Personal Services – Expenditures in this classification are for the staffing that is required for the open space acquisition services, including the due diligence staff. Expenditures are as anticipated through the second quarter.

Materials and Services – The major expenditures in this classification, payments of local share funds to local jurisdictions, are paid as requests are received for reimbursement. Five jurisdictions still have local share amounts remaining. Other major projects are property related such as appraisals, environmental consultants and stabilization.

Capital Outlay (CIP) - Expenditures are for the purchase of land. Actual expenditures are subject to negotiations with landowners.

Interfund Transfers Out - Transfers out of the Open Spaces Fund include expenditures for Multnomah County local share projects and for central services. Local share transfers are made quarterly as expenses are incurred. Central service transfers are made monthly, quarterly, or semi-annually depending on type.

Open Spaces Fund

As of December 31, 2003

	Amended Budget 2003-04	Actuals Qtr 2 2003-04	Actuals YTD 2003-04	YTD as % Budget 2003-04	Amended Budget 2002-03	Actuals Qtr 2 2002-03	Actuals YTD 2002-03	YTD as % Budget 2002-03
Resources								
Beginning Fund Balance	$10,851,057		$9,403,285	87%	$15,152,519		$15,737,420	104%
Current Revenues								
Grants	200,000	0	0	0%	0	0	0	0%
Enterprise Revenue	0	5,442	10,008	0%	0	15,723	17,468	0%
Earnings on Investments	85,000	44,377	54,888	65%	127,500	121,617	201,723	158%
Interfund Transfers In	0	0	4,657	0%	0	0	0	0%
Subtotal Current Revenues	**285,000**	**49,819**	**69,554**	**24%**	**127,500**	**157,340**	**239,191**	**188%**
Total Resources	**$11,136,057**	**$49,819**	**$9,472,839**	**85%**	**$15,280,019**	**$157,340**	**$15,976,611**	**105%**
Requirements								
Operating Expenditures								
Personal Services	$520,617	$118,011	$243,915	47%	$978,179	$237,093	$480,337	49%
Materials and Services	2,112,643	350,925	446,127	21%	4,480,082	295,048	847,910	19%
Subtotal Operating Expenditures	2,633,260	468,937	690,042	26%	5,458,261	532,141	1,328,247	24%
Non-Operating Expenditures								
Capital Outlay Projects (CIP)	5,137,300	361,000	420,668	8%	6,880,000	1,077,564	1,889,373	27%
Interfund Transfers Out	1,009,078	58,005	143,743	14%	1,218,408	122,729	244,856	20%
Contingency	250,000	0	0	0%	223,350	0	0	0%
Subtotal Non-Operating Expenditures	6,396,378	419,005	564,411	9%	8,321,758	1,200,293	2,134,229	26%
Subtotal Current Expenditures	**$9,029,638**	**$887,942**	**$1,254,453**	**14%**	**$13,780,019**	**$1,732,435**	**$3,462,476**	**25%**
Unappropriated Balance	2,106,419		8,218,385		1,500,000		12,514,135	
Total Requirements	**$11,136,057**		**$9,472,839**		**$15,280,019**		**$15,976,611**	

Zoo Capital Fund

This fund is used to account for expenditures related to capital projects at the Oregon Zoo. The information outlined below provides an explanation of the activities in this fund through the end of the second quarter of FY 2003-04.

Revenues

Grants and Donations – Grant revenue received in the second quarter consisted of $15,000 from the US Forest Service for Eagle Canyon. Donations totaling $75,159 were for the Condor project ($19,138), Eagle Canyon ($20,000, from the Collins Foundation), Family Farm ($15,030), and $20,991 for the Great Northwest Project. The latter includes $19,500 from Coca-Cola, which is part of its contract with the Zoo.

Expenditures

Personal Services – Spending was for temporary employees working on construction of artificial rock work and trees in the Eagle Canyon exhibit.

Capital Outlay (CIP) – Most of the spending was on the Eagle Canyon exhibit, which is expected to open in late May. $80,000 of the $1.15 million total was on the condor project. (The majority of the approximately $1 million spent on Phase I of this project was paid by the Oregon Zoo Foundation. This will be booked in the third quarter as a donation, with the corresponding expenditures.)

Construction of the Family Farm portion of the Great Northwest is planned to proceed in earnest in the second half of the year, with expenditures projected to be around $1 million.

Zoo Capital Fund

As of December 31, 2003

	Amended Budget 2003-04	Actuals Qtr 2 2003-04	Actuals YTD 2003-04	YTD as % Budget 2003-04	Amended Budget 2002-03	Actuals Qtr 2 2002-03	Actuals YTD 2002-03	YTD as % Budget 2002-03
Resources								
Beginning Fund Balance	$6,110,661		$6,407,568	105%	$5,581,045		$6,880,060	123%
Current Revenues								
Grants	0	90,159	230,664	0%	0	86,758	86,758	0%
Earnings on Investments	122,213	17,910	56,683	46%	83,715	18,089	75,830	91%
Contributions and Donations	2,000,000	0	0	0%	500,000	146,538	181,256	36%
Subtotal Current Revenues	**2,122,213**	**108,070**	**287,347**	**14%**	**583,715**	**251,385**	**343,845**	**59%**
Total Resources	**$8,232,874**	**$108,070**	**$6,694,915**	**81%**	**$6,164,760**	**$251,385**	**$7,223,905**	**117%**
Requirements								
Operating Expenditures								
Personal Services	$96,819	$28,880	$77,260	80%	$0	$0	$0	0%
Subtotal Operating Expenditures	96,819	28,880	77,260	80%	0	0	0	0%
Non-Operating Expenditures								
Capital Outlay Projects (CIP)	4,742,862	650,600	1,147,337	24%	1,407,000	108,469	150,936	11%
Contingency	500,000	0	0	0%	500,000	0	0	0%
Subtotal Non-Operating Expenditures	5,242,862	650,600	1,147,337	22%	1,907,000	108,469	150,936	8%
Subtotal Current Expenditures	**$5,339,681**	**$679,480**	**$1,224,597**	**23%**	**$1,907,000**	**$108,469**	**$150,936**	**8%**
Unappropriated Balance	2,893,193		5,470,318		4,257,760		7,072,969	
Total Requirements	**$8,232,874**		**$6,694,915**		**$6,164,760**		**$7,223,905**	

Convention Center Project Capital Fund

This fund is used to account for revenues and expenditures related to the expansion of the Oregon Convention Center. The information outlined below provides an explanation of the activities in this fund through the second quarter of FY 2003-04. This project finished on schedule and opened April 2003.

Revenues

Interest Earnings – The interest earned on the revenue received from various sources. The interest generated will be used to support the project.

Interfund Transfers In – This category is a budgeted transfer from the MERC operating fund, OCC. This transfer will not be made.

Expenditures

Personal Services – Expenditures are for the construction management and administrative staff associated with the project. Expenses are higher than originally anticipated and require a $70,000 budget amendment to move capital outlay to personal services. All Convention Center Project Capital staff are now gone. The budget amendment will be adopted by the end of February.

Materials and Services – These are planned expenditures in support of the project that are not classified as capital outlay.

Capital Outlay (CIP) – The final projects were completed by the end of the second quarter. There are about .5 million in invoices to be paid in the third quarter.

Unappropriated Fund Balance – A small balance of about $140,000 will be reserved into FY 2004-05 for possible insurance claims.

Convention Center Project Capital Fund

As of December 31, 2003

	Amended Budget 2003-04	Actuals Qtr 2 2003-04	Actuals YTD 2003-04	YTD as % Budget 2003-04	Amended Budget 2002-03	Actuals Qtr 2 2002-03	Actuals YTD 2002-03	YTD as % Budget 2002-03
Resources								
Beginning Fund Balance	$1,564,870		$1,939,119	124%	$58,612,069		$45,769,532	78%
Current Revenues								
Donations & Bequests	0	124,666	124,666	0%	0	0	0	0%
Earnings on Investments	130	4,168	23,441	18031%	252,863	15,237	644,213	255%
Interfund Transfers In	260,000	0	0	0%	740,000	13,118	14,043	2%
Subtotal Current Revenues	**260,130**	**128,834**	**148,107**	**57%**	**992,863**	**28,355**	**658,256**	**66%**
Total Resources	**$1,825,000**	**$128,834**	**$2,087,226**	**114%**	**$59,604,932**	**$28,355**	**$46,427,788**	**78%**
Requirements								
Operating Expenditures								
Personal Services	$46,300	$23,978	$96,793	209%	$451,893	$106,163	$227,246	50%
Materials and Services	2,300	512	803	35%	22,700	930	4,408	19%
Subtotal Operating Expenditures	48,600	24,490	97,596	201%	474,593	107,093	231,654	49%
Non-Operating Expenditures								
Capital Outlay Projects (CIP)	1,776,400	927,425	1,275,621	72%	58,928,202	15,108,831	26,024,657	44%
Interfund Transfers Out	0	0	0	0%	202,137	51,330	102,601	51%
Subtotal Non-Operating Expenditures	1,776,400	927,425	1,275,621	72%	59,130,339	15,160,161	26,127,259	44%
Subtotal Current Expenditures	**$1,825,000**	**$951,915**	**$1,373,216**	**75%**	**$59,604,932**	**$15,267,254**	**$26,358,913**	**44%**
Unappropriated Balance	0		714,010		0		20,068,875	
Total Requirements	**$1,825,000**		**$2,087,226**		**$59,604,932**		**$46,427,788**	

MERC Pooled Capital Fund

This fund is used as a reserve fund for future major capital renewal and replacement needs for all the MERC facilities. The MERC Pooled Capital Fund budgets and accounts for those projects authorized and funded through MERC's capital planning process that identifies the mission, direction, and future facility needs of all MERC facilities. The information outlined below provides an explanation of the activities in this fund through the second quarter of FY 2003-04.

Revenues

Contributions from Other Governments – The revenues in this classification consist of contributions from the City of Portland to support the capital needs of PCPA. Contributions are expected in the second half of the year.

Interest Earnings – The interest earned on fund balance.

Interfund Transfers In – These are transfers from the three MERC facilities to cover planned capital improvements.

Expenditures

Personal Services – Expenditures in this classification are for staffing required to manage the capital projects. Expenses in this category are 35 percent of budget, somewhat lower than expected.

Materials and Services – These expenditures represent the renewal and replacement projects that are not classified as capital outlay.

Capital Outlay (non CIP) – These are small projects the facilities will complete during the year, $113,000 at OCC, $86,000 at Expo and $250,000 at PCPA. Expenditures in this category are about what is expected.

Capital Outlay (CIP) – The majority of the projects budgeted in this classification are for PCPA. Delays in projects are the result of scheduling issues at the PCPA. A major push was on to complete many of the projects in the fourth quarter of the 2002-03 fiscal year. PCPA projects for $1,125,000 were carried over to FY 2003-04. A major project, the lobby upgrade at the Keller Auditorium was finished in the second quarter.

MERC Pooled Capital Fund

As of December 31, 2003

	Amended Budget 2003-04	Actuals Qtr 2 2003-04	Actuals YTD 2003-04	YTD as % Budget 2003-04	Amended Budget 2002-03	Actuals Qtr 2 2002-03	Actuals YTD 2002-03	YTD as % Budget 2002-03
Resources								
Beginning Fund Balance	$2,017,297	91	$4,479,447	222%	$3,947,279		$4,663,986	118%
Current Revenues								
Contributions from Governments	3,208,931	0	0	0%	815,180	0	0	0%
Earnings on Investments	98,220	12,259	38,501	39%	26,630	14,517	66,141	248%
Donations	527,520	0	0	0%	822,421	0	0	0%
Interfund Transfers In	253,580	0	0	0%	1,886,278	0	0	0%
Subtotal Current Revenues	**4,088,251**	**12,259**	**38,501**	**1%**	**3,550,509**	**14,517**	**66,141**	**2%**
Total Resources	**$6,105,548**	**$12,351**	**$4,517,948**	**74%**	**$7,497,788**	**$14,517**	**$4,730,127**	**63%**
Requirements								
Operating Expenditures								
Personal Services	$493,048	$86,850	$172,146	35%	$446,456	$17,473	$70,229	16%
Materials and Services	35,000	1,170	1,177	3%	100,000	4,520	4,520	5%
Capital Outlay Projects (non-CIP)	449,580	60,679	73,277	16%	280,000	37,652	108,083	39%
Subtotal Operating Expenditures	977,628	148,698	246,600	25%	826,456	59,645	182,832	22%
Non-Operating Expenditures								
Capital Outlay Projects (CIP)	1,940,000	762,945	993,284	51%	6,486,702	161,139	262,960	4%
Contingency	750,000	0	0	0%	178,630	0	0	0%
Subtotal Non-Operating Expenditures	2,690,000	762,945	993,284	37%	6,665,332	161,139	262,960	4%
Subtotal Current Expenditures	**$3,667,628**	**$911,644**	**$1,239,884**	**34%**	**$7,491,788**	**$220,784**	**$445,792**	**6%**
Unappropriated Balance	2,437,920		3,278,064		6,000		4,284,335	
Total Requirements	**$6,105,548**		**$4,517,948**		**$7,497,788**		**$4,730,127**	

EXCISE TAX

Excise Tax

Metro's excise tax is received from users of Metro facilities and services in accordance with the Metro Charter and Metro Code. The tax is recorded as revenue in the General Fund. This tax supports the general government activities of Metro, and also supports activities in the Planning and Regional Parks Departments via transfers from the General Fund. The FY 2003-04 budget was adopted assuming an excise tax rate of 7.5 percent on all authorized revenues with the exception of solid waste revenues, which are calculated on a per ton rate. The per ton rate for FY 2003-04 is $6.32 per ton. This per ton rate includes approximately $1.01 per ton dedicated to Regional Parks that is expected to generate about $1,230,914.

During the first half of the year excise tax receipts exceeded the year-to-date seasonal budget. The increase, however, was from Solid Waste, and expenditure of excise taxes derived from solid waste activities is limited by Code. The annual forecast, based on first quarter results and input from the departments, projects a net decrease of available Excise Tax of $150,700 (a $125,000 improvement over the first quarter) and a contribution to the Rate Stabilization Reserve (from overcollection of Solid Waste excise tax) of $335,300.

The table on page 40 is a projection of the General Fund through the end of the fiscal year. The actual beginning fund balance is about $370,000 higher than budgeted; $270,000 of the increase is unrestricted and $100,000 is in the Solid Waste Rate Stabilization Reserve. At the projected level of excise tax collection, and with full expenditure of budgeted funds, the ending balance would be $120,000 above budget, but $80,000 below the beginning balance at the start of the year. It is likely, given historic rates of underspending and the current year's spending pattern, that the General Fund will add to its fund balance if excise tax revenue comes in as projected.

Excise Tax Analysis

Year-to-Date:

The excise taxes received through the second quarter are higher than budgeted by about 1.8 percent as a result of higher than budgeted Solid Waste receipts. However, projections based on year-to-date actuals indicate excise taxes available for spending are 1.5 percent below budget. Solid Waste & Recycling, the Oregon Convention Center, Planning, and Building Management generated more tax than budgeted; the Zoo and Expo Center had significant shortfalls, and Regional Parks was slightly under budget.

- Solid Waste and Recycling – Actual excise tax came in higher than the budget resulting in an expected additional contribution to the General Fund Recovery Rate Stabilization Reserve on an annual basis of about $335,000.
- Oregon Zoo - The excise tax received from Zoo operations through the first half is about 12.5 percent lower than anticipated, reflecting the overall shortfall in enterprise revenue.
- Oregon Convention Center – The Convention Center is ahead of budget by over 4 percent. September and October were very good months for the OCC, and the rest of the year is tracking near budget.
- Regional Parks - The excise tax received through the first half of the fiscal year is lower than expected, primarily from lower revenues from Glendoveer.
- Expo Center - The receipts are about 15 percent lower than what was anticipated through the second quarter. The current economic environment is having a negative impact on this operation.
- Planning Department - The excise tax received from the Planning Department is higher than budgeted, as Data Resource Center sales are well above budget through December.
- Building Management – Revenue from employee parking and Metro Regional Center building leases are above budget for the second quarter.

Actual Receipts through the Second Quarter: This chart represents actual excise tax receipts through December 31, 2003.

EXCISE TAX RECEIVED ACTUAL YTD VS PLAN YTD
As of December 31, 2003

	YTD Estimate	Actual	Difference	% Difference
SW&R Metro Facilities	1,712,237	1,767,794	55,557	3.24%
SW&R Non Metro Facilities	1,692,450	1,787,632	95,182	5.62%
Oregon Zoo	545,268	477,135	(68,133)	-12.50%
Oregon Convention Center	501,212	522,946	21,734	4.34%
Regional Parks	110,725	106,532	(4,193)	-3.79%
Expo Center	174,902	148,120	(26,782)	-15.31%
Planning Fund	3,218	6,337	3,119	96.93%
Building Management	6,326	7,307	982	15.52%
Total YTD	**$ 4,746,338**	**$ 4,823,803**	**$ 77,465**	**1.63%**

Revised Annual Forecast
as of month ending December 31, 2003

Facility/Function	FY 2003-04 Budget	Revised Annual Forecast	Difference	% Difference
SW&R Metro Facilities	3,302,236	3,409,384	107,147	3.24%
SW&R Non Metro Facilities**	4,057,328	4,285,507	228,180	5.62%
Oregon Zoo	983,552	860,654	(122,898)	-12.50%
Oregon Convention Center	993,527	1,036,609	43,082	4.34%
Regional Parks	184,400	177,417	(6,983)	-3.79%
Expo Center	479,585	406,148	(73,437)	-15.31%
Planning Fund	7,725	15,213	7,488	96.93%
Building Management	12,889	14,889	2,000	15.52%
Total YTD	**$ 10,021,242**	**$ 10,205,821**	**$ 184,579**	**1.84%**
Excise Tax Reserve	0	335,327	335,327	
Net Available Excise Tax	**$ 10,021,242**	**$ 9,870,494**	**$ (150,748)**	**-1.50%**

GENERAL FUND PROJECTION
through December 31, 2003

	Amended Budget	Estimated Actuals	*$ Change from Budget*	*% Change*
RESOURCES				
Beginning Fund Balance				
Undesignated Carryover	*956,000*	*1,225,302* (1)	*269,302*	*28.17%*
Project Carryover	212,550	212,550	-	0.00%
Rate Stabilization Reserve	109,000	210,901	101,901	93.49%
Total Beginning Fund Balance	1,277,550	1,648,753	371,203	29.06%
Current Revenues				
Excise Taxes	10,019,954	10,205,821 (2)	185,867	1.85%
Interest	25,000	25,000	-	0.00%
Transfers In	248,114	248,114	-	0.00%
Subtotal Current Revenues	10,293,068	10,478,935	185,867	1.81%
TOTAL RESOURCES	11,570,618	12,127,688	557,070	4.81%
REQUIREMENTS				
Operating Expenditures				
Council Office	1,400,107	1,400,107	-	0.00%
Public Affairs Department	652,445	652,445	-	0.00%
Special Appropriations	340,000	340,000	-	0.00%
Subtotal Operating Expenditures	2,392,552	2,392,552	-	0.00%
Non-Operating Expenditures				
Interfund Transfers Out	8,041,194	8,041,194	-	0.00%
Subtotal Non-Operating Expenditures	8,041,194	8,041,194	-	0.00%
Total Expenditures	10,433,746	10,433,746	-	0.00%
Ending Fund Balance (Incl. Budgeted contingency)				
Rate Stabilization Reserve	*109,000*	*546,228*	*437,228*	*401.13%*
Undesignated Reserve	*1,027,872*	*1,147,714*	*119,842*	*11.66%*
TOTAL REQUIREMENTS	11,570,618	12,127,688	557,070	4.81%

(1) Beginning fund balance has been adjusted to reflect the FY 2002-03 final close ending fund balance.

(2) Projection based on actuals through the second quarter and historical seasonality trends. Excise tax generated from solid waste is projected to be $335,327 higher than budgeted contributing to the rate stabilization reserve. Non-solid waste generated excise tax is projected to be $150,748 lower than budgeted resulting in a reduction to the undesignated ending reserve.

SPENDING vs APPROPRIATIONS

This section provides a comparison of the appropriation level with the actual spending through the end of the second quarter of FY 2003-04. The appropriation level is the legal expenditure limit as outlined in Oregon Budget Law. When expenditures are audited at the end of the fiscal year, compliance with this level of appropriations is one of the primary criteria audited.

FY 2003-2004
Budget Appropriations vs Expenditures
As of December 31, 2003

	Adopted Budget	Amended Budget	Year to Date Expenditures	% Expended	Balance Remaining
Building Manangement Fund					
Operating Expenses (PS & M&S)	$903,059	$903,059	$385,061	42.64%	$517,998
Capital Outlay	15,000	15,000	0	0.00%	15,000
Interfund Transfers	1,755,696	1,755,696	1,205,554	68.67%	550,142
Contingency	40,000	40,000	0	0.00%	40,000
Unappropriated Balance	1,629,739	1,629,739	0	0.00%	1,629,739
Total Fund Requirements	**$4,343,494**	**$4,343,494**	**$1,590,615**	**36.62%**	**$2,752,879**
Convention Center Capital Fund					
Operating Expenses (PS & M&S)	$48,600	$48,600	$97,596	200.81%	($48,996)
Capital Outlay	1,776,400	1,776,400	1,275,621	71.81%	500,779
Total Fund Requirements	**$1,825,000**	**$1,825,000**	**$1,373,216**	**75.24%**	**$451,784**
General Fund					
Council Office/Public Affairs					
Operating Expenses (PS & M&S)	$1,996,482	$2,052,552	$776,086	37.81%	$1,276,466
	1,996,482	2,052,552	776,086	37.81%	1,276,466
Special Appropriations					
Materials & Services	340,000	340,000	40,611	11.94%	299,389
	340,000	340,000	40,611	11.94%	299,389
General Expenses					
Interfund Transfers	8,041,194	8,041,194	3,839,853	47.75%	4,201,341
Contingency	500,000	443,930	0	0.00%	443,930
	8,541,194	8,485,124	3,839,853	45.25%	4,645,271
Unappropriated Balance	692,942	692,942	0	0.00%	692,942
Total Fund Requirements	**$11,570,618**	**$11,570,618**	**$4,656,550**	**40.24%**	**$6,914,068**

FY 2003-2004
Budget Appropriations vs Expenditures
As of December 31, 2003

	Adopted Budget	Amended Budget	Year to Date Expenditures	% Expended	Balance Remaining
General Obligation Debt Service Fund					
Materials & Services	0	0	650	0.00%	($650)
Debt Service	$19,548,227	$19,548,227	$11,190,681	57.25%	8,357,546
Unappropriated Balance	9,805,643	9,805,643	0	0.00%	9,805,643
Total Fund Requirements	**$29,353,870**	**$29,353,870**	**$11,191,331**	**38.13%**	**$18,162,539**
General Revenue Bond Fund					
Project Account					
Capital Outlay - Washington Park Parking Lot	175,281	175,281	0	0.00%	175,281
	175,281	175,281	0	0.00%	175,281
Debt Service Account					
Materials & Services - Metro Regional Center	0	0	163,265	0.00%	(163,265)
Debt Service - Metro Regional Center	1,785,696	1,785,696	27,231,353	1524.97%	(25,445,657)
Debt Service - Expo Center Hall D	1,128,742	1,128,742	1,128,742	100.00%	0
Debt Service - Washington Park Parking Lot	435,319	435,319	231,782	53.24%	203,537
	3,349,757	3,349,757	28,755,142	858.42%	(25,405,385)
General Expenses					
Contingency	300,000	300,000	0	0.00%	300,000
	300,000	300,000	0	0.00%	300,000
Unappropriated Balance	1,950,000	1,950,000	0	0.00%	1,950,000
Total Fund Requirements	**$5,775,038**	**$5,775,038**	**$28,755,142**	**497.92%**	**($22,980,104)**
MERC Operating Fund					
Operating Expenses (PS & M&S)	$30,520,098	$30,520,098	$14,234,707	46.64%	$16,285,391
Debt Service	22,809	22,809	22,349	97.98%	460
Interfund Transfers	3,694,943	3,694,943	2,155,064	58.32%	1,539,879
Contingency	1,222,561	1,222,561	0	0.00%	1,222,561
Unappropriated Balance	8,780,494	8,780,494	0	0.00%	8,780,494
Total Fund Requirements	**$44,240,905**	**$44,240,905**	**$16,412,120**	**37.10%**	**$27,828,785**

FY 2003-2004
Budget Appropriations vs Expenditures
As of December 31, 2003

	Adopted Budget	Amended Budget	Year to Date Expenditures	% Expended	Balance Remaining
MERC Pooled Capital Fund					
Operating Expenses (PS & M&S)	$528,048	$528,048	$173,323	32.82%	$354,725
Capital Outlay	2,389,580	2,389,580	1,066,561	44.63%	1,323,019
Contingency	750,000	750,000	0	0.00%	750,000
Unappropriated Balance	2,437,920	2,437,920	0	0.00%	2,437,920
Total Fund Requirements	**$6,105,548**	**$6,105,548**	**$1,239,884**	**20.31%**	**$4,865,664**
Open Spaces Fund					
Operating Expenses (PS & M&S)	$2,633,260	$2,633,260	$690,042	26.20%	$1,943,218
Capital Outlay	5,137,300	5,137,300	420,668	8.19%	4,716,632
Interfund Transfers	1,009,078	1,009,078	143,743	14.24%	865,335
Contingency	250,000	250,000	0	0.00%	250,000
Unappropriated Balance	2,106,419	2,106,419	0	0.00%	2,106,419
Total Fund Requirements	**$11,136,057**	**$11,136,057**	**$1,254,453**	**11.26%**	**$9,881,604**
Pioneer Cemetery Perpetual Care Fund					
Unappropriated Balance	$113,583	$113,583	$0	0.00%	$113,583
Total Fund Requirements	**$113,583**	**$113,583**	**$0**	**0.00%**	**$113,583**
Planning Fund					
Operating Expenses (PS & M&S)	$15,755,770	$15,823,729	$3,813,897	24.10%	$12,009,832
Debt Service	44,212	44,212	1,037	2.34%	43,175
Capital Outlay	54,200	54,200	44,653	82.39%	9,547
Interfund Transfers	2,437,286	2,437,286	1,165,593	47.82%	1,271,693
Contingency	369,499	301,540	0	0.00%	301,540
Unappropriated Balance	90,000	90,000	0	0.00%	0
Total Fund Requirements	**$18,750,967**	**$18,750,967**	**$5,025,180**	**26.80%**	**$13,635,787**

FY 2003-2004
Budget Appropriations vs Expenditures
As of December 31, 2003

	Adopted Budget	Amended Budget	Year to Date Expenditures	% Expended	Balance Remaining
Regional Parks Fund					
Operating Expenses (PS & M&S)	$5,066,632	$5,066,632	$2,392,245	47.22%	$2,674,387
Capital Outlay	924,711	924,711	149,256	16.14%	775,455
Interfund Transfers	1,294,707	1,294,707	579,751	44.78%	714,956
Contingency	261,390	261,390	0	0.00%	261,390
Unappropriated Balance	2,698,850	2,698,850	0	0.00%	2,698,850
Total Fund Requirements	**$10,246,290**	**$10,246,290**	**$3,121,252**	**30.46%**	**$7,125,038**
Regional Parks Special Accounts Fund					
Operating Expenses (PS & M&S)	$100	$100	$0	0.00%	$100
Interfund Transfers	93,993	93,993	89,438	95.15%	4,555
Unappropriated Balance	354,450	354,450	0	0.00%	354,450
Total Fund Requirements	**$448,543**	**$448,543**	**$89,438**	**19.94%**	**$359,105**
Rehabilitation & Enhancement Fund					
Materials & Services	$533,952	$533,952	$100,364	18.80%	$433,588
Interfund Transfers	23,923	23,923	0	0.00%	23,923
Contingency	300,000	300,000	0	0.00%	300,000
Unappropriated Balance	1,599,670	1,599,670	0	0.00%	1,599,670
Total Fund Requirements	**$2,457,545**	**$2,457,545**	**$100,364**	**4.08%**	**$2,357,181**
Risk Management Fund					
Operating Expenses (PS & M&S)	$7,622,357	$7,622,357	$3,683,549	48.33%	$3,938,808
Contingency	500,000	500,000	0	0.00%	500,000
Unappropriated Balance	4,781,945	4,781,945	0	0.00%	4,781,945
Total Fund Requirements	**$12,904,302**	**$12,904,302**	**$3,683,549**	**28.55%**	**$9,220,753**
Smith and Bybee Lakes Fund					
Operating Expenses (PS & M&S)	$231,470	$231,470	$64,365	27.81%	$167,105
Capital Outlay	1,100,070	1,100,070	6,480	0.59%	1,093,590
Interfund Transfers	52,412	52,412	21,205	40.46%	31,207
Contingency	9,817	9,817	0	0.00%	9,817
Unappropriated Balance	3,591,272	3,591,272	0	0.00%	3,591,272
Total Fund Requirements	**$4,985,041**	**$4,985,041**	**$92,050**	**1.85%**	**$4,892,991**

FY 2003-2004
Budget Appropriations vs Expenditures
As of December 31, 2003

	Adopted Budget	Amended Budget	Year to Date Expenditures	% Expended	Balance Remaining
Solid Waste Revenue Fund					
Operating Account					
Operating Expenses (PS & M&S)	$43,847,707	$43,847,707	$18,237,137	41.59%	$25,610,570
	43,847,707	43,847,707	18,237,137	41.59%	25,610,570
Debt Service Account					
Debt Service	1,511,426	1,511,426	4,038,750	267.21%	(2,527,324)
	1,511,426	1,511,426	4,038,750	267.21%	(2,527,324)
Landfill Closure Account					
Materials & Services	192,400	192,400	8,241	4.28%	184,159
Capital Outlay	1,008,200	1,008,200	664,711	65.93%	343,489
	1,200,600	1,200,600	672,952	56.05%	527,648
Renewal and Replacement Account					
Capital Outlay	2,899,000	2,899,000	1,588,252	54.79%	1,310,748
	2,899,000	2,899,000	1,588,252	54.79%	1,310,748
General Account					
Capital Outlay	915,000	915,000	557,099	60.89%	357,901
	915,000	915,000	557,099	60.89%	357,901
Master Project Account					
Debt Service	350,000	350,000	28,267	8.08%	321,733
	350,000	350,000	28,267	8.08%	321,733
Recycling Business Assistance Account					
Materials & Services	700,000	700,000	0	0.00%	700,000
	700,000	700,000	0	0.00%	700,000
General Expenses					
Interfund Transfers	4,209,801	4,209,801	2,002,308	47.56%	2,207,493
Contingency	11,358,338	11,358,338	0	0.00%	11,358,338
	15,568,139	15,568,139	2,002,308	12.86%	13,565,831
Unappropriated Balance	15,017,338	15,017,338	0	0.00%	15,017,338
Total Fund Requirements	**$82,009,210**	**$82,009,210**	**$27,124,766**	**33.08%**	**$54,884,444**

FY 2003-2004
Budget Appropriations vs Expenditures
As of December 31, 2003

	Adopted Budget	Amended Budget	Year to Date Expenditures	% Expended	Balance Remaining
Support Services Fund					
Finance Department					
Operating Expenses (PS & M&S)	$2,552,507	$2,552,507	$983,774	38.54%	$1,568,733
	2,552,507	2,552,507	983,774	38.54%	1,568,733
Business Support Department					
Operating Expenses (PS & M&S)	4,241,749	4,241,749	1,937,010	45.67%	2,304,739
Debt Service	34,620	34,620	812	2.34%	33,808
Capital Outlay	309,000	309,000	141,839	45.90%	167,161
	4,585,369	4,585,369	2,079,661	45.35%	2,505,708
Public Affairs - Creative Services					
Operating Expenses (PS & M&S)	538,375	538,375	246,651	45.81%	291,724
	538,375	538,375	246,651	45.81%	291,724
Office of Metro Attorney					
Operating Expenses (PS & M&S)	1,153,083	1,153,083	502,754	43.60%	650,329
	1,153,083	1,153,083	502,754	43.60%	650,329
Office of the Auditor					
Operating Expenses (PS & M&S)	607,940	654,940	307,388	46.93%	347,552
	607,940	654,940	307,388	46.93%	347,552
General Expenses					
Interfund Transfers	756,557	756,557	353,279	46.70%	403,278
Contingency	465,276	418,276	0	0.00%	418,276
	1,221,833	1,174,833	353,279	30.07%	821,554
Unappropriated Balance	151,974	151,974	0		
Total Fund Requirements	**$10,811,081**	**$10,811,081**	**$4,473,507**	**41.38%**	**$6,185,600**

FY 2003-2004
Budget Appropriations vs Expenditures
As of December 31, 2003

	Adopted Budget	Amended Budget	Year to Date Expenditures	% Expended	Balance Remaining
Zoo Capital Fund					
Operating Expenses (PS & M&S)	$61,819	$96,819	$77,260	79.80%	$19,559
Capital Outlay	4,777,862	4,742,862	1,147,337	24.19%	3,595,525
Contingency	500,000	500,000	0	0.00%	500,000
Unappropriated Balance	2,893,193	2,893,193	0	0.00%	2,893,193
Total Fund Requirements	**$8,232,874**	**$8,232,874**	**$1,224,597**	**14.87%**	**$7,008,277**
Zoo Operating Fund					
Operating Expenses (PS & M&S)	$20,384,417	$20,384,417	$9,714,830	47.66%	$10,669,587
Capital Outlay	268,600	268,600	57,651	21.46%	210,949
Interfund Transfers	2,600,295	2,600,295	1,314,268	50.54%	1,286,027
Contingency	1,000,000	1,000,000	0	0.00%	1,000,000
Unappropriated Balance	4,251,237	4,251,237	0	0.00%	4,251,237
Total Fund Requirements	**$28,504,549**	**$28,504,549**	**$11,086,749**	**38.89%**	**$17,417,800**
Total Budget	**$293,814,515**	**$293,814,515**	**$122,494,764**	**41.69%**	**$171,077,777**

CAPITAL IMPROVEMENT PROJECTS UPDATE

Status of CIP Projects in the FY 2003-04 Budget

The purpose of the attached report is to provide an update on the progress of the FY 2003-04 budgeted CIP projects. The report is laid out as follows:

Project: This column is includes the Project Title and a short description of the project. The projects are listed by the fund they are budgeted in.

FY 2003-04 Adopted Budget: The amount in the FY 2003-04 budget for this project.

Comments: The current status and or progress on each project.

Total Project Expected Cost: The total expected cost of the project including past expenditures and future expenditures as well as the listed budget amount.

If Complete Total Project Cost: The actual cost of the completed project. This field only includes an amount if the project is complete.

Project Completion Year: The year the project completion date as listed in the Adopted CIP. Changes to this completion date are included in the comments

Finance and Administrative Services

Project	FY 2003-04 Adopted Budget	Comments	Total Project Expected Cost	If Complete Total Project Cost	Project Completion Year
Business Services					
Copier Replacement in Print Shop Replacement of existing duplicators in the Print Shop on a regular renewal and replacement schedule.	$50,000	Copier purchased. ($34,720)	$115,000	$99,720	Ongoing
Information Technology					
Replace/Acquire Desktop Computers (All Funds) This project represents all desktop computer hardware replacement by coordinating computer replacement through the IT Department, ensuring replacement on a regular schedule.	$150,000	Annual replacement cost. Agency cost may be reduced due to lower per unit cost and is dependent on total units purchased. Total cost will not be known until year end.	$1,037,937		Ongoing
Server Management (Support Services Fund) This is regular renewal and replacement of servers as needed.	$120,000	Complete for current year. ($121,176)	$942,965	$944,141	Ongoing
PeopleSoft Database Conversion (Support Services Fund) This project represents the completion of the conversion to a more widely supported database product to support the PeopleSoft financial and human resources systems	$50,000	Completed end of year last fiscal year. ($68,127)	$212,338	$230,465	FY 2003-04

Finance and Administrative Services (continued)

Project	FY 2003-04 Adopted Budget	Comments	Total Project Expected Cost	If Complete Total Project Cost	Project Completion Year
Information Technology (continued)					
Upgrade Network Infrastructure (Support Services Fund)					
Scheduled technical upgrade required of network equipment due to technology improvements and increasing data demand.	$25,000	In process, $11,042 spent to date.	$413,208		Ongoing
Travel Forecasting System Computer (Planning and Support Services Fund)					
Final funding for the equipment used by the Travel Forecasting Section of the Planning Department.	$89,200	Completed for current fiscal year. ($79,653)	$1,049,666	$1,040,119	Ongoing
Total Business Support Department	$484,200		$3,771,114	$2,314,445	

Metropolitan Exposition and Recreation Commission (MERC)

Project	FY 2003-04 Adopted Budget	Comments	Total Project Expected Cost	If Complete Total Project Cost	Project Completion Year
Convention Center Project Capital Fund					
OCC - Oregon Convention Center Expansion Add to existing exhibit hall space, meeting rooms, and ballroom space in addition to parking for 1,200 cars, loading docks, and lobby/prefunction space.	$1,825,000	Project complete. Overall project, with the additional projects to upgrade the current facility was expected to be about $118,000,000. Costs ended up to be about $117,400,000. In addition they were able to do more than was originally in the scope of work due to efficiencies.	$115,000,000	$114,043,000	FY 2003-04
Subtotal this Fund	$1,825,000		$115,000,000	$114,043,000	
MERC Pooled Capital Fund					
PCPA-ASCH - West Entry Remodel Remodel design of West Entry to accommodate heavy commercial usage of theatre and related need for truck and bus parking.	$200,000	To be started late in the third quarter.	$200,000		FY 2003-04
PCPA-ASCH - Main Street Tents Tents for use when PCPA closes down Main Street for revenue generation.	$200,000	This project to be carried forward to FY 2004-05 due to design issues with the City of Portland.	$200,000		FY 2003-04
PCPA-NTB - Stage Floor Replacement Replacement of stage floor that has reached the end of its useful life.	$100,000	This project moved to FY 2005-06.	$100,000		FY 2003-04
PCPA-Keller Auditorium - Exterior Signage Improvements to Keller Auditorium exterior and signage	$110,000	This project to be started late in third quarter.	$110,000		FY 2003-04

Metropolitan Exposition and Recreation Commission (MERC) (continued)

Project	FY 2003-04 Adopted Budget	Comments	Total Project Expected Cost	If Complete Total Project Cost	Project Completion Year
PCPA-Keller Auditorium - Lobbies Upgrade Full remodel of lobbies including carpet, furniture, lighting, and all finishes	$400,000	Project to be completed by 6/30/04. $150,000 spent to date.	$600,000		FY 2003-04
PCPA-Keller Auditorium - HVAC Control Replacement Replacement of HVAC.	$110,000	Project currently underway and will be complete by year end.	$110,000		FY 2003-04
PCPA-Winningstad - Replace Seat Risers Replacement of seat risers in the Winningstad Theater	$50,000	This project is moved to FY 2004-05 due to project priorities.	$50,000		FY 2003-04
PCPA-All Theaters - Power Distribution Panels Installation of power distribution panels.	$55,000	Complete	$50,000	$59,511	FY 2003-04
EXPO - Canopy and Walkway for Tri-Met Station Construction of a walkway from Tri-Met Station to Expo entrance.	$675,000	This project nearing completion and should come in under budgeted cost.	$675,000		FY 2003-04
EXPO - Parking Lot Maintenance Renewal and replacement of the parking lot.	$40,000	This ongoing project complete for this fiscal year. ($34,700 spent)	$193,000	$187,700	Ongoing
Subtotal this Fund	$1,940,000		$2,288,000	$247,211	
Total MERC	$3,765,000		$117,288,000	$114,290,211	

Oregon Zoo

Project	FY 2003-04 Adopted Budget	Comments	Total Project Expected Cost	If Complete Total Project Cost	Project Completion Year
Zoo Capital Fund					
Great Northwest Project Construct new exhibits, replace outdated facilities and create new entranceway to feature native animals, improve conditions for existing animal collections, improve visitor access and enhance the Zoo's self-sufficiency. The project is financed through a $28.8 million bond measure approved by voters in September 1996, interest earnings, donations, and fund balance.	$5,137,300	Work continues on Eagle Canyon and Family Farm; expected to open on schedule in Spring, 2004. Final phases, Into to Forest and Remote Forest are scheduled for completion in the summer of 2005 and 2006, respectively. Expected completion is moved to FY 2005-06.	$37,436,049		FY 2004-05
California Condor Captive Breeding Facility Construction of mesh pens with appropriate nesting and rearing areas for the production of California Condors.	$2,000,000	Approximately $1 million spent to date, further work on hold pending receipt of funding to complete Phase I ($800,000).	$2,000,000		FY 2003-04
Modular Education Classrooms Modular Education classrooms to be placed in Tiger Terrace Plaza. Needed due to increased demand for camps and classes.	$70,000	Project indefinitely delayed due to other priorities for funding.	$70,000		FY 2003-04
Subtotal this fund	$7,207,300		$39,506,049	$0	

Oregon Zoo (continued)

Project	FY 2003-04 Adopted Budget	Comments	Total Project Expected Cost	If Complete Total Project Cost	Project Completion Year
Zoo Operating Fund					
Penguin Filtration Replacement Replace aging filtration system for Penguin building.	$60,000	Project was for water conservation, to avoid regular (approx. weekly) draining and refilling of pool - not an animal welfare project. This project deferred due to other priorities, particularly boiler replacement in Primate building.	$60,000		FY 2003-04
BearWalk Café Restroom Upgrades Renewal and replacement upgrades to restrooms at BearWalk Café.	$50,000	This project is being deferred to be done in conjunction with Primate building remodel	$50,000		FY 2003-04
Generator Replacement Replace generator used by Construction & Maintenance. Current generator is at the end of its useful life.	$30,000	Completed in FY 2002-03	$30,000	$37,891	FY 2003-04
Subtotal this fund	$140,000		$140,000	$37,891	
Total Oregon Zoo	$7,347,300		$39,646,049	$37,891	

Solid Waste and Recycling

Project	FY 2003-04 Adopted Budget	Comments	Total Project Expected Cost	If Complete Total Project Cost	Project Completion Year
Solid Waste Revenue Fund					
General Account					
Metro South - Northern Tip Floor Renovation This is an extension at the north end of the transfer building in the area currently occupied by the recycling drop boxes. The 32 x 150 foot extension will provide additional space on the north side for commercial vehicle maneuvering and floor sorting.	$544,000	Project to be complete by the end of February. This project was combined with a Baler project as it was more efficient to complete the Baler portion with this renovation. In addition the renovation project came in somewhat higher than original estimate. Total new cost is expected to be $890,000.	$744,000	$890,000	FY 2003-04
Metro South - Relocate Latex Paint Operations Project to move the Latex Paint operation out of Metro South to increase facility size to meet demand and for safety reasons.	$225,000	Negotiating lease. Design for the processing unit should be complete this year, due to delays in lease negotiation, total conversion to new facility will most likely extend into FY 2004-05.	$250,000		FY 2003-04
Metro South - Latex Building/Public Area Lunch Room This project replaces two previous projects to construct a Maintenance Facility and Office and Facilities improvements and is made possible by relocating the Latex Paint Operation saving approximately $470,000 in the combined projects.	$50,000	This will be delayed to FY 2004-05 as this project needs the Latex Paint Operations to be moved prior to beginning.	$60,000		FY 2003-04
Metro Central - Office Addition Expand office building to provide space for on-site safety or training meetings for 90+ personnel. The addition will also include new restrooms and two new offices.	$11,000	This project design will be completed in the fourth quarter. Construction was originally scheduled for FY 2004-05.	$125,000		FY 2004-05

Solid Waste and Recycling (continued)

Project	FY 2003-04 Adopted Budget	Comments	Total Project Expected Cost	If Complete Total Project Cost	Project Completion Year
Metro Central - Woodroom Improvements The increasing volume of wood and yard waste creates a need for additional storage and processing space within the wood processing area.	\$20,000	This project design is expected to be completed in the fourth quarter as anticipated	\$236,000		FY 2004-05
Subtotal-General Account	\$850,000		\$1,415,000	\$890,000	
Renewal and Replacement Account					
Metro South - Convert Mechanical Room to Lockers This project is to provide adequate locker facilities for operations contractor's personnel working on the floor of the facilities.	\$357,000	This project design will be completed in March with construction in June or July.	\$392,000		FY 2003-04
Metro Central - Replace Metal Roof and Ventilation System Replace a portion of the roof and associated ventilation system at Metro Central transfer station that was scheduled to reach the end of its useful life in 2001.	\$2,372,000	This project has just been completed in the third quarter. All expenses are not in yet but project is expected to be completed well under budget.	\$2,822,000		FY 2003-04
Subtotal- Renewal & Replacement	\$2,729,000		\$3,214,000	\$0	
Landfill Closure Account *St. Johns Landfill - Maintenance Building* Construction of a maintenance building for equipment and vehicles used in ongoing maintenance and monitoring of St. Johns Landfill.	\$233,600	This project was completed in August. The project was completed for less than expected.	\$552,675	\$440,277	FY 2003-04

Solid Waste and Recycling (continued)

Project	FY 2003-04 Adopted Budget	Comments	Total Project Expected Cost	If Complete Total Project Cost	Project Completion Year
St. Johns Landfill - Re-establish Drainage The landfill top must be sloped to drain rainwater off the cover. Differential settlement of the waste is interfering with proper drainage.	$550,000	This project is phased based on the weather. Final work for this fiscal year is expected to be completed during the third quarter.	$896,000		Ongoing
St. Johns Landfill - Leachate Pretreatment Over time the concentration of prohibited substances has been increasing in leachate from St Johns Landfill. It is likely that steps will be needed to correct the contamination.	$150,000	This is phase I of this project and will be completed by year-end.	$450,000		FY 2003-04
St. Johns - Groundwater Monitoring Wells Installation of four wells to monitor the progress achieved in cleaning up this closed landfill site	$43,000	Holding for DEQ Investigation and Feasibility Study results.	$53,800		FY 2004-05
St. Johns Landfill - Native Vegetation as a Cover Crop Five-year experiment to test if native vegetation can be used on the cover cap to prevent erosion damage and improve water quality. It will also provide an open meadow habitat.	$5,000	Ongoing	$177,100		FY 2004-05
Subtotal-Landfill Closure Account	$981,600		$2,129,575	$440,277	
Total Solid Waste and Recycling	$4,560,600		$6,758,575	$1,330,277	

Regional Parks and Greenspaces

Project	FY 2003-04 Adopted Budget	Comments	Total Project Expected Cost	If Complete Total Project Cost	Project Completion Year
Open Spaces Fund					
Open Spaces Land Acquisition Continuation of land acquisition by Metro which is financed by the Open Spaces bond proceeds.	$5,137,300	Anticipate carryover of approximately $3.1 million for land acquisition. FY 2004-05 is expected to be the final year of acquisition but program is willing seller based. Funds will continue to carry forward until spent.	$128,408,995		FY 2003-04
Subtotal this fund	$5,137,300		$128,408,995	$0	
Regional Parks Fund					
M. James Gleason Boat Ramp Renovation Complete upgrade and renovation of boat ramp facility contingent upon receipt of over $2 million in grants from Oregon State Marine Board.	$300,000	Land use permitting expected to be completed this fiscal year. Construction delayed until the summer of 2004.	$1,652,603		FY 2004-05
Blue Lake Park - Lakefront Enhancement Phase 1 of the Lakefront Enhancement includes the demolition and land preparation of the old Swim Center building at Blue Lake Park.	$188,311	Design and engineering is completed. Construction is in progress and expected to be completed by spring 2004.	$348,311		FY 2003-04
Oxbow Park - Picnic Shelters & Restrooms Public use improvements at Oxbow Park. Includes replacing two picnic shelters and adding two picnic shelters.	$410,000	Construction is in progress and expected to be completed by spring of 2004.	$410,000		FY 2003-04
Subtotal this fund	$898,311		$2,410,914	$0	

Regional Parks and Greenspaces (continued)

Project	FY 2003-04 Adopted Budget	Comments	Total Project Expected Cost	If Complete Total Project Cost	Project Completion Year
Smith and Bybee Lakes Trust Fund					
Dam Removal					
Removal of the present dam that only allows water to flow out of the lakes and construction of a water control structure in the North Slough to return the lakes to a tidal freshwater marsh.	$438,500	This project is complete and was funded by outside sources. Project costs over budget will not impact fund balance.	$438,500	$590,770	FY 2003-04
Facility Improvements					
Construction of improvements including relocation of parking lot, construction of an entry road, and a boat launch.	$661,570	Design, engineering and permitting is complete. Construction is expected to begin in June 2004 with completion anticipated by February 2005.	$701,220		FY 2003-04
Subtotal this fund	$1,100,070		$1,139,720	$590,770	
Total Regional Parks & Greenspaces	$7,135,681		$131,959,629	$590,770	

Exhibit A to Ordinance No. 04-1033
Amendments To Chapter 3.09
Local Government Boundary Changes

3.09.120 Minor Boundary Changes to Metro's Boundary

(a) Minor boundary changes to the Metro Boundary may be initiated by Metro~~, the city~~ or the county responsible for ~~concept~~ land use planning for the affected territory ~~specified pursuant to Metro Code Section 3.01.040,~~ property owners and electors in the territory to be annexed, or others ~~as otherwise provided by law~~public agencies if allowed by ORS 198.850(3). Petitions shall meet the minimum requirements of Section 3.09.040 above. The Chief Operating Officer shall establish a filing fee schedule for petitions that shall reimburse Metro for the expense of processing and considering petitions. The fee schedule shall be filed with the Council.

(b) Notice of proposed minor boundary changes to the Metro Boundary shall be given as required pursuant to Section 3.09.030.

(c) Hearings will be conducted consistent with the requirements of Section 3.09.050. When it takes action on a minor boundary change, the Metro Council shall consider the requirements of Section 3.09.050 and all provisions of applicable law.

(d) Minor boundary changes to the Metro Boundary ~~are not subject~~ may be made pursuant to an the expedited process set forth in Section 3.09.045.

(e) The following criteria shall apply in lieu of the criteria set forth in subsection (d) or (e) of Section 3.09.050 to a minor boundary change to Metro's boundary. The Metro Council's final decision on a boundary change shall include findings and conclusions to demonstrate that:

(1) The affected territory lies within the UGB; and

(2) ~~Upon annexation to the district, the affected territory will become subject to the interim protection standards set forth in Metro Code section 3.07.1120 and any conditions imposed by the ordinance adding the territory to the UGB.~~The territory is subject to measures that prevent urbanization until the territory is annexed to a city or to service districts that will provide necessary urban services.

(ef) Contested case appeals of decisions regarding minor boundary changes to the Metro Boundary are subject to appeal as provided in Section 3.09.070.

3.09.130 Incorporation of a City that Includes Territory Within Metro's Boundary

(a) A petition to incorporate a city that includes territory within Metro's ~~jurisdictional~~ boundary shall comply with the minimum notice requirements in section 3.09.030, the minimum requirements for a petition in section 3.09.040, the hearing and decision requirements in subsections (a), (c), and (f) of section 3.09.050, and if the incorporation is contested by a necessary party, the contested case requirements and hearing provisions of 3.09.070, 3.09.080, 3.09.090, and 3.09.100, except that the legal description of the affected territory required by Section 3.09.040 (a) (1) need not be provided until after the Board of County Commissioners establishes the final boundary for the proposed city.

(b) A petition to incorporate a city that includes territory within Metro's jurisdictional boundary may include territory that lies outside Metro's UGB. However, incorporation of a city with such territory shall not authorize urbanization of that territory until the Metro Council includes the territory in the UGB pursuant to Metro Code Chapter 3.01.

(c) The following criteria shall apply in lieu of the criteria set forth in Section 3.09.050(d) and (e). An approving entity shall demonstrate that incorporation of the new city complies with the following criteria:

(1) At least 150 people reside in the territory proposed for incorporation, as required by ORS 221.020;

(2) No part of the territory proposed for incorporation lies within the boundary of another incorporated city, as prohibited in ORS 221.020;

(3) The petition complies with the requirements of ORS 221.031;

(4) The petitioner's economic feasibility statement complies with the requirements of ORS 221.035;

(5) If some of the territory proposed for incorporation lies outside the Metro UGB, that portion of the territory conforms to the requirements of ORS 221.034;

(6) The petitioner's economic feasibility statement indicates that the city must plan for average residential density ~~of at least 10 dwelling units per net developable residential acre or such other density specified in~~ consistent with Title 1 (one) and Title 11 (eleven) ~~(Requirements for Housing and Employment Accommodation)~~ of the Urban Growth Management Functional Plan; and

(7) Any city whose approval of the incorporation is required by ORS 221.031(4) has given its approval or has failed to act within the time specified in that statute.