

 **Metro | Agenda**

Meeting: Metro Policy Advisory Committee (MPAC)  
Date: Wednesday, February 11, 2015  
Time: 5 to 7 p.m.  
Place: Metro, Council Chamber

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<b>5 PM</b>	<b>1.</b>	<b>CALL TO ORDER</b>	<b>Peter Truax, Chair</b>
<b>5:02 PM</b>	<b>2.</b>	<b>SELF INTRODUCTIONS &amp; COMMUNICATIONS</b>	<b>Peter Truax, Chair</b>
<b>5:05 PM</b>	<b>3.</b>	<b>CITIZEN COMMUNICATIONS ON NON-AGENDA ITEMS</b>	
<b>5:10 PM</b>	<b>4.</b>	<b>COUNCIL UPDATE</b>	<b>Metro Council</b>
<b>5:15 PM</b>	<b>5.</b>	<b>CONSENT AGENDA:</b>	
	*	• Consideration of January 28, 2015 Minutes	
	<b>6.</b>	<b>INFORMATION/DISCUSSION ITEMS</b>	
<b>5:20 PM</b>	<b>6.1</b>	* Community Planning and Development Grant Administrative Rules: Discussion of MTAC recommendation	<b>John Williams, Metro</b> <b>Gerry Uba, Metro</b>
<b>6:10 PM</b>	<b>6.2</b>	* Continued Discussion of 2015 MPAC Work Program, Potential Agenda Topics and Tours	<b>John Williams, Metro</b> <b>Ted Reid, Metro</b>
<b>6:40 PM</b>	<b>7.</b>	<b>MPAC MEMBER COMMUNICATION</b>	
<b>7:00 PM</b>	<b>8.</b>	<b>ADJOURN</b>	<b>Peter Truax, Chair</b>

\* Material included in the packet.

\*\* Material will be provided at the meeting.

**Upcoming MPAC Meetings:**

- Wednesday, February 25, 2015
- Wednesday, March 25, 2015
- Wednesday, April 8, 2015

For agenda and schedule information, please contact Alexandra Eldridge at  
503-797-1916 or [Alexandra.Eldridge@oregonmetro.gov](mailto:Alexandra.Eldridge@oregonmetro.gov).

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ការគោរពសិទ្ធិពលរដ្ឋរបស់ ។ សំរាប់ព័ត៌មានអំពីកម្មវិធីសិទ្ធិពលរដ្ឋរបស់ Metro ឬដើម្បីទទួលបានក្បួនលក្ខណ៍រើសអើងសូមចូលទស្សនាការប្រកាស [www.oregonmetro.gov/civilrights](http://www.oregonmetro.gov/civilrights)។  
បើលោកអ្នកត្រូវការការបកប្រែភាសានៅពេលអង្គប្រជុំសាធារណៈ សូមទូរស័ព្ទមកលេខ 503-797-1890 (ម៉ោង 8 ព្រឹកដល់ម៉ោង 5 ល្ងាច ថ្ងៃធ្វើការ) ប្រាំពីរថ្ងៃ ថ្ងៃធ្វើការ មុនថ្ងៃប្រជុំដើម្បីអាចឲ្យគេសម្រួលតាមសំណើរបស់លោកអ្នក ។

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## 2015 MPAC Work Program

*As of 02/03/15*

*Items in italics are tentative; **bold** denotes required items*

<p><b><u>Wednesday, February 11, 2015</u></b></p> <ul style="list-style-type: none"> <li>• Community Planning and Development Grant Administrative Rules - <u>Information/Discussion</u> (45 minutes, Gerry Uba/John Williams)</li> <li>• Continued discussion of 2015 MPAC Work Program including agenda topics and potential tours</li> </ul>	<p><b><u>Wednesday, February 25, 2015</u></b></p> <ul style="list-style-type: none"> <li>• 2015 Urban Growth Management Decision: Briefing on Portland Comprehensive Plan update – <u>Information/Discussion</u> (40 minutes, City of Portland TBD)</li> <li>• Community Planning and Development Grant Administrative Rules - <u>Recommendation to Metro COO and Council</u> (20 minutes, Gerry Uba/John Williams)</li> <li>• Update on Climate Smart Communities submittal to Land Conservation and Development Commission (15 minutes, Kim Ellis/John Williams)</li> </ul>
<p><b><u>Wednesday, March 11, 2015</u></b> - Cancelled</p> <p><i>National League of Cities Congressional City Conference in Washington D.C (March 7<sup>th</sup> – 11<sup>th</sup>)</i></p>	<p><b><u>Wednesday, March 25, 2015</u></b></p> <ul style="list-style-type: none"> <li>• <i>2015 Urban Growth Management Decision: Residential preferences &amp; needs - <u>Information/Discussion</u> (John Williams/Ted Reid)</i> <ul style="list-style-type: none"> <li>○ <i>Additional analysis of preference study results and home sales prices</i></li> <li>○ <i>Balancing residential preference with other considerations</i></li> </ul> </li> <li>• <i>Draft 2018 Regional Transportation Plan work program - <u>Information/Discussion</u> (Kim Ellis)</i></li> </ul>
<p><b><u>Wednesday, April 8, 2015</u></b></p> <ul style="list-style-type: none"> <li>• <i>2015 Urban Growth Management Decision - <u>Information/Discussion</u> (John Williams/Ted Reid)</i> <ul style="list-style-type: none"> <li>○ <i>Preliminary analysis of UGB candidate areas</i></li> <li>○ <i>Status of new urban areas added to UGB from 1998 onward</i></li> <li>○ <i>Damascus update</i></li> </ul> </li> <li>• <i>Community Planning and Development Grants timeline update – <u>Information/Discussion</u> (Gerry Uba)</i></li> <li>• <i>2015 Solid Waste Roadmap Work Plan – <u>Information/Discussion</u> (25 min, Tom Chaimov/Paul Slyman)</i></li> </ul>	<p><b><u>Wednesday, April 22, 2015</u></b></p> <ul style="list-style-type: none"> <li>• <i>Metro Enterprising Places program - <u>Information/Discussion</u></i></li> <li>• <i>Powell-Division Corridor project - <u>Information/Discussion</u></i></li> </ul>

<p><b><u>Wednesday, May 13, 2015</u></b></p> <ul style="list-style-type: none"> <li>• 2015 Urban Growth Management Decision: Development in Portland – <u>Discussion</u> and tour?</li> </ul>	<p><b><u>Wednesday, May 27, 2015</u></b></p> <ul style="list-style-type: none"> <li>• 2015 Urban Growth Management Decision: Important investments for successful housing &amp; community development in downtowns and main streets – <u>Discussion</u> (John Williams/Ted Reid)</li> </ul>
<p><b><u>Wednesday, June 10, 2015</u></b></p> <ul style="list-style-type: none"> <li>• 2015 Urban Growth Management Decision: Community planning activities updates and tours, of Wilsonville and Sherwood including updates on concept planning work</li> </ul>	<p><b><u>Wednesday, June 24, 2015</u></b></p> <ul style="list-style-type: none"> <li>• 2015 Urban Growth Management Decision:</li> <li>• Regional housing needs and tools to address, including urban growth boundary expansion - <u>Discussion</u> of what regional housing needs are not addressed by lands within the current UGB and existing plan (John Williams/Ted Reid)</li> </ul>
<p><b><u>Wednesday, July 8, 2015</u></b></p> <ul style="list-style-type: none"> <li>• Possible Tour Date, if desired by MPAC</li> </ul>	<p><b><u>Wednesday, July 22, 2015</u></b></p> <ul style="list-style-type: none"> <li>• Possible Tour Date, if desired by MPAC</li> </ul>
<p><b><u>Wednesday, August 12, 2015</u></b></p> <ul style="list-style-type: none"> <li>• Community Planning and Development Grants update – <u>Information/Discussion</u> (Gerry Uba)</li> <li>• 2015 Urban Growth Management Decision: <ul style="list-style-type: none"> <li>○ How much household and job growth should the region plan for within the range forecast? - <u>Discussion leading to November recommendation to Metro Council</u> (John Williams/Ted Reid)</li> </ul> </li> <li>• New policy or efficiency measures to ensure best utilization of lands currently within the UGB - <u>Discussion leading to November recommendation to Metro Council</u> (John Williams/Ted Reid)</li> </ul>	<p><b><u>Wednesday, August 26, 2015</u></b></p> <ul style="list-style-type: none"> <li>• Proposed for cancellation – Metro Council summer recess</li> </ul>
<p><b><u>Wednesday, September 9, 2015</u></b></p> <ul style="list-style-type: none"> <li>• 2015 Urban Growth Management Decision: <ul style="list-style-type: none"> <li>○ Metro Chief Operating Officer Recommendation to Council - <u>Information/Discussion</u> (John Williams/Ted Reid)</li> </ul> </li> </ul>	<p><b><u>Wednesday, September 23, 2015</u></b></p>

<p><b><u>Wednesday, October 14, 2015</u></b></p> <ul style="list-style-type: none"> <li>• <i>2015 Urban Growth Management Decision:</i> <ul style="list-style-type: none"> <li>○ <i>Is there a regional need for a UGB expansion in 2015? What are the regional housing needs not otherwise addressed by existing lands and plans? - <u>Discussion leading to November recommendation to Metro Council</u> (John Williams/Ted Reid)</i></li> </ul> </li> </ul>	<p><b><u>Wednesday, October 28, 2015</u></b></p> <ul style="list-style-type: none"> <li>• <i>2015 Urban Growth Management Decision:</i> <ul style="list-style-type: none"> <li>○ <i>If there is a regional need for additional lands within the UGB, which areas best satisfy that need, satisfy the locational requirements of state law and lead to achievement of the region's adopted six desired outcomes? - <u>Discussion leading to November recommendation to Metro Council</u> (John Williams/Ted Reid)</i></li> </ul> </li> </ul>
<p><b><u>Wednesday, November 11, 2015</u></b></p> <ul style="list-style-type: none"> <li>• <i>2015 Urban Growth Management Decision: <u>Recommendation to Metro Council including recommendations on:</u></i> <ul style="list-style-type: none"> <li>○ <i>Adoption of final Urban Growth Report, including point in the range forecast</i></li> <li>○ <i>Adoption of new policy/efficiency measures, if any</i></li> <li>○ <i>Adoption of UGB expansions, if any</i></li> </ul> </li> </ul>	<p><b><u>Wednesday, November 25, 2015 - Cancelled</u></b></p>
<p><b><u>Wednesday, December 9, 2015</u></b></p>	<p><b><u>Wednesday, December 23, 2015 - Cancelled</u></b></p>

**Parking Lot:**

- Presentation on health & land use featuring local projects from around the region
- Affordable Housing opportunities, tools and strategies
- Greater Portland, Inc. update
- “Unsettling Profiles” presentation by Coalition of Communities of Color



**METRO POLICY ADVISORY COMMITTEE (MPAC)**

Meeting Minutes

January 28, 2015

Metro Regional Center, Council Chamber

**MEMBERS PRESENT**

Ruth Adkins  
Sam Chase  
Tim Clark, *1<sup>st</sup> Vice Chair*  
Jeff Gudman  
Jerry Hinton  
Dick Jones  
Keith Mays  
Anne McEnery-Ogle  
Wilda Parks  
Martha Schrader, *2<sup>nd</sup> Vice Chair*  
Loretta Smith  
Peter Truax, *Chair*  
Jerry Willey

**AFFILIATION**

PPS, Governing Body of School Districts  
Metro Council  
City of Wood Village, Multnomah Co. Other Cities  
City of Lake Oswego, Clackamas Co. Largest City  
City of Gresham, Multnomah Co. 2<sup>nd</sup> Largest City  
Oak Lodge Water District, Clackamas Co. Special Districts  
Washington County Citizen  
City of Vancouver  
Clackamas County Citizen  
Clackamas County  
Multnomah County  
City of Forest Grove, Washington Co. Other Cities  
City of Hillsboro, Washington Co. Largest City

**MEMBERS EXCUSED**

Carlotta Collette  
Marilyn McWilliams

**AFFILIATION**

Metro Council  
Tualatin Valley Water District, Washington Co. Special Districts

**ALTERNATES PRESENT**

Carrie MacLaren  
Luis Nava  
Marc San Soucie

**AFFILIATION**

Oregon Department of Land Conservation and Development  
Washington County Citizen  
City of Beaverton, Washington Co. 2<sup>nd</sup> Largest City

**OTHERS PRESENT:** Tom Armstrong, Carol Chesarek, Chris Deffebach, Mark Gamba, Eric Hesse, Jeannine Rustad

**STAFF:** Nick Christensen, Andy Cotugno, Alexandra Eldridge, Alison Kean, Nellie Papsdorf, Ramona Perrault, Randy Tucker, Nikolai Ursin, John Williams, Ina Zucker

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

MPAC Chair Peter Truax called the meeting to order and declared a quorum at 5:10 p.m.

**2. SELF INTRODUCTIONS & COMMUNICATIONS**

All attendees introduced themselves.

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

There were none.

### **4. COUNCIL UPDATE**

Councilor Bob Stacey notified MPAC members on the following items:

- The Metro Council has appointed Councilor Carlotta Collette to MPAC as Councilor Kathryn Harrington will be moving to the Joint Policy Advisory Committee on Transportation (JPACT).
- An update on the Solid Waste Roadmap: The multi-year program of planning, which aims to determine how to best handle waste in the Portland Metro area, will result in decisions starting in late 2015 and continuing into 2016. Councilor Stacey noted that there will be a forum at the Westside Economic Alliance on February 19 which will include discussion with representatives from the solid waste industry as well from Metro and local government. Following the discussion, the Roadmap will be discussed at MPAC in February or March.
- Governor John Kitzhaber has approved using lottery funds to construct the Willamette Falls Riverwalk as part of the Willamette Falls Legacy Project and a request for design proposals was released on January 23. Councilor Stacey noted that Metro's Natural Areas program is managing the riverwalk's construction and the request for proposal (RFP) process. Design team finalists should be selected for interviews by the end of March.
- The next round of Nature in Neighborhoods grants will be accepted through April 21. \$600,000 in grants will be available for community projects and programs across the region that restore habitats and connect residents to nature close to home.
- Metro's Community Planning and Development Grants will be available in upcoming months. Councilor Stacey explained that program staff plans to hold a pre-application meeting with potential applicants in early March with letters of intent due from communities by March 26.

Chair Truax welcomed the following new MPAC members and alternates for 2015: Oregon City Mayor Dan Holladay who will represent Clackamas County 2<sup>nd</sup> Largest City, Oregon City Commissioner Carol Pauli and Clark County Commissioner Jeanne Stewart who will represent Clark County.

### **5. CONSENT AGENDA**

#### **5.1 Consideration of December 10, 2014 Minutes**

#### **5.2 2015 Metro Technical Advisory Committee (MTAC) Appointments**

MOTION: Wilda Parks moved and Councilor Jeff Gudman seconded, to approve consent agenda items.

ACTION: With all in favor, the motion passed.

## 6. ACTION ITEMS

### 6.1 Election of 2015 Officers

The 2015 MPAC Nominating Committee composed of MPAC members Councilor Tim Clark, Mayor Doug Neeley, and Commissioner Marilyn McWilliams proposed the following nominations for the 2015 MPAC officers:

Chair: Mayor Pete Truax, City of Forest Grove, Washington Co. Other Cities  
1st Vice Chair: Councilor Tim Clark, City of Wood Village, Multnomah Co. Other Cities  
2nd Vice Chair: Commissioner Martha Schrader, Clackamas County

MOTION: Mayor Jerry Willey moved and Councilor Jeff Gudman seconded, to approve the nominations of the 2015 MPAC officers.

ACTION: With all in favor, the motion passed.

### 6.2 Resolution No. 15-4597

Metro Policy Advisor Andy Cotugno introduced the resolution to endorse the recommendations for transportation funding developed by the Oregon Transportation Forum (OTF) over the last year. He explained that the hallmark of the process was to develop consensus amongst a diverse array of related organizations around an all-modes transportation package.

Andy Cotugno defined the structure of the OTF's plan, explaining that it mirrors the Oregon Department of Transportation's (ODOT) approach to distinguishing in their spending plans the expenditures as "fix it" (operating and maintaining the existing system) or enhance (multi-modal improvements to the system). He noted that there are recommendations included in the package for both fix it and enhancement projects. He noted that the package also includes policy recommendations for better future decision making and more efficient delivery of transportation planning.

*Member discussion included:*

Members discussed youth access to transit as included in the proposal and how it would apply to young people around the region. Mr. Cotugno explained that Portland Public Schools and the City of Eugene are the only parties that provide this access so far and that the proposal's recommendations could apply this statewide.

Members discussed the last paragraph of the resolution that speaks to preserving and expanding existing options and removing existing restrictions on local and regional revenue-raising authority. Members discussed existing restrictions in terms of gas taxes and upcoming expirations of some of these taxes and other fees, as well as the potential for time-limited, project-specific taxes to support multi-modal investments.

Ms. Wilda Parks noted the importance of the transportation funding issue at MPAC and the significance of MPAC's involvement in the project. She requested that MPAC be listed as recommending the adoption of the resolution. Mr. Cotugno responded that MPAC will be added if the committee agrees to endorse the resolution.



Members discussed the structure of funding distribution. Mr. Cotugno noted that transportation funding is in high demand across the state, and that many of these needs come from rural areas. Metro Legislative Affairs Manager Randy Tucker added that an estimate of covering transit needs around the state is \$75 million dollars.

MOTION: Ms. Parks moved and Councilor Marc San Soucie seconded, to approve the recommendation of Resolution No. 15-4597.

ACTION: With all in favor, the motion passed.

## **7. INFORMATION/DISCUSSION ITEMS**

### **7.1 Metro's 2015 State Legislative Agenda**

Mr. Randy Tucker introduced the 2015 Metro Council Legislative Priorities, explaining that it summarizes the specific measures that Metro will be promoting during the upcoming state legislative session if accepted by the Metro Council. He noted that the Metro Council updates its lists of principles every couple of years to give guidance on legislative issues.

Mr. Tucker gave an overview of some of the main items on the agenda. He explained that both the OTF's transportation funding recommendations and the Willamette Falls Legacy Project would be part of the legislative priorities. He also provided information on Brownfield cleanup and redevelopment efforts currently taking place, including a coalition formed to offer broad support and proposals that have arisen from the collaborative effort. He noted that there was also a coalition working on industrial site readiness that could affect industrial development and job creation as well. Mr. Tucker also alerted members to the urban growth management principles articulated on the agenda, and explained that the Metro Council is not proposing proactive legislation on land use at this time.

Mr. Tucker explained that all of the priorities listed are collaborative or multiparty conversations. Mr. Tucker stated that at the last Westside Economic Alliance breakfast, he noticed a number of the legislative agendas presented shared many common platforms with the one the Metro Council will be considering.

#### *Member discussion included:*

Members asked questions regarding the technical amendments to House Bill 4078 reserves map. Mr. Tucker responded that the changes proposed are entirely technical (making edits for items that were misnamed or misnumbered, etc.) and are intended to carry forward the intent of the bill.

Members discussed funding in terms of Metro's transportation goals and greenhouse gas reduction plan, as well as the efforts being made to secure financial support. Mr. Tucker explained that exact funding requirements have not yet been determined and will depend on funding made available by the legislature.

### **7.2 2015 Work Program and Urban Growth Management Decision 2015 Timeline**

MPAC Chair Peter Truax introduced the 2015 MPAC Work Program and the 2015 timeline for the urban growth management (UGM) decision. He pointed out that this was an opportunity to review the proposed topics slated for discussion in upcoming meetings.

Deputy Director John Williams, Metro Planning and Development, gave an overview of the 2015 work program and timeline. He explained that in the beginning of each year, MPAC takes the opportunity to look ahead and provide direction to staff in terms of work for the upcoming year.

Mr. Williams noted that the UGM decision would be a prominent part of MPAC's work in 2015. He gave a brief overview of the Urban Growth Report (UGR) and explained that it provides information for committee members and the Metro Council to use when making a decision regarding urban growth management. He explained that the timeline aims to eventually lead to the adoption of a final urban growth management recommendation, including if there is a need regionally for expansion and where from among the urban reserves that would come from. He also noted that while a number of other discussions are on the agenda regarding the UGR (such as urban housing, how to plan for housing affordability, and other related topics) not all of these issues need to be resolved for a UGM decision to be made.

Mr. Williams went over highlights of the proposed timeline:

- In late February, MPAC will be talking to the City of Portland and discussing their comprehensive plan. Mr. Williams explained that presentations from other jurisdictions will be scattered throughout the year to get a thorough view of regional issues and varying plans to address them. Mr. Williams asked for volunteers from the committee to represent their jurisdictions.
- In March, MPAC will have a discussion about the residential preference survey.
- Further into spring and summer, MPAC will discuss the city of Damascus. Mr. Williams noted that the Metro Council recommended that MPAC wait for their vote in March to discuss what is happening in that area.
- Mr. Williams suggested that in summer MPAC take tours of cities like Wilsonville, Sherwood and others to see what they have been doing in their communities.
- In fall, the initial recommendation on the growth management decision will take place, followed by a series of discussions concerning each aspect of the decision and the November UGM recommendation.

Mr. Williams pointed out that there will also be other topics on the MPAC agenda, such as transportation funding and Climate Smart Communities projects. He expressed interest in hearing comments and suggestions from MPAC members as the committee moves forward.

*Member discussion included:*

Mayor Willey inquired about combining proposed MPAC meetings, as several of them focus on UGM decision topics. John Williams responded that it would depend on group discussion and the MPAC Coordinating Committee. He expressed interest in hearing from committee members on how they would like MPAC meetings to be structured.

Members commented on the UGM process and how to fully take advantage of the discussions in order to thoughtfully consider modifications. Members also pointed out the necessity of a long-term vision on urban growth management and expansion in order to be fully prepared to make a UGM decision in November.

Councilor Marc San Soucie volunteered his time and staff to talk about new opportunities and share with MPAC members what the city of Beaverton has been doing.

## 8. MPAC MEMBER COMMUNICATION

- Councilor Jeff Gudman requested that MTAC review Metro's current requirement for local jurisdictions to provide Metro notice of proposed land use actions 45 days before the first hearing on a proposed land use code or amendment. He requested that this deadline be changed to match the Department of Land Conservation and Development (DLCD) notice requirement, which was recently changed from 45 to 35 days, and explained that this change would improve the efficiency of land use planning throughout the region. There were no objections from committee members.
- Chair Peter Truax proposed cancelling the March 11 MPAC meeting since it coincides with the National League of Cities convention in Washington D.C. which a number of MPAC members will be attending. The meeting was cancelled with no objections.

## 9. ADJOURN

MPAC Chair Peter Truax adjourned the meeting at 6:24 p.m.

Respectfully Submitted,



Nellie Papsdorf  
Recording Secretary

**ATTACHMENTS TO THE PUBLIC RECORD FOR THE MEETING OF JAN. 28, 2015**

<b>ITEM</b>	<b>DOCUMENT TYPE</b>	<b>DOC DATE</b>	<b>DOCUMENT DESCRIPTION</b>	<b>DOCUMENT NO.</b>
<b>6.1</b>	Memo	12/22/15	Proposed 2015 MPAC Officers	012815m-01
<b>6.2</b>	Brochure	01/28/15	2015 Transportation Funding and Policy Recommendations	012815m-02
<b>7.1</b>	Handout	01/28/15	Metro Council Legislative Priorities 2015	012815m-03
<b>7.2</b>	Handout	01/28/15	2015 MPAC Work Program	012815m-04
<b>7.2</b>	Worksheet	01/28/15	Growth Management Decision, Topics and Timelines 2015	012815m-05
<b>8.0</b>	Handout	01/28/15	Metro Hotsheet, Project Updates January 2015	012815m-06

# MPAC Worksheet

**Agenda Item Title:** Revised Administrative Rules for Construction Excise Tax and Community Planning and Development Grants Implementation

**Presenter:** -Martha Bennett, Chief Operating Officer, 503-797-1541  
-John Williams, Deputy Director, Planning and Development, 503-797-1635  
-Gerry Uba, Community Planning and Development Grants project manager, 503-797-1737

## **Purpose/Objective**

Provide the recommendations of the Metro Technical Advisory Committee (MTAC) to the Metro Policy Advisory Committee (MPAC) and Chief Operating Officer (COO), on the revisions to the Administrative Rules for implementation of the Construction Excise Tax (CET) and Community Planning and Development Grants (CPDG).

## **Action Requested/Outcome**

Provide comments / recommendations to the Metro Council on the proposed revisions in the Administrative Rules for CET and CPDG.

## **What has changed since MPAC last considered this issue/item?**

On June 11, 2014, Metro COO shared with MPAC her recommendations to the Metro Council to consider extending the CET that funds CPDG, and how to strengthen the grant program. MPAC endorsed the recommendations.

On June 19, 2014, the Metro Council extended the CET and directed the COO to work with MTAC to review the Administrative Rules for implementing the CET and CPDG and propose revisions for strengthening the grant program. The Metro Council also directed the COO to bring back the proposed revisions for consideration and adoption. MTAC's recommendations were delivered to MPAC by the chair, John Williams, in his memo in the accompanying meeting materials.

## **What packet material do you plan to include?**

1. John Williams' (MTAC Chair) memo to MPAC and Metro COO
2. Planning and Development Grants brochure
3. Community Planning and Development Grants Cycle 3 Awards
4. Strikethrough version of Administrative Rules (Metro Code Chapter 7.04) for Construction Excise Tax to fund Community Planning and Development Grants
5. Clean version of Administrative Rules (Metro Code Chapter 7.04) for Construction Excise Tax to fund Community Planning and Development Grants
6. A Draft Logic Model for Metro Community Planning and Development Grants
7. Schedule



Date: December 19, 2014  
To: Metropolitan Policy Advisory Committee (MPAC)  
Martha Bennett, Metro Chief Operating Officer  
From: John Williams, Planning and Development Deputy Director and MTAC Chair  
Subject: Recommendation on Revised Administrative Rules for Construction Excise Tax and Community Planning and Development Grants program

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In August 2014, after working with an advisory group of regional stakeholders, the Metro Council extended the regional construction excise tax (CET), which funds Metro's Community Planning and Development Grants (CPDG), for another six years. The Community Planning and Development Grants are a key source of funds for local planning and development projects region-wide (see attached Planning and Development Grants brochure and Cycle 3 Award for background on previous projects funded by this program since 2006).

The Council directed that revisions be made to the program's administrative rules and grant criteria to ensure that the grants continue to meet the needs of the region and local communities. The Council directed that the Metro Technical Advisory Committee (MTAC) propose these revisions and forward them on to MPAC for a recommendation to the Metro Council and Chief Operating Officer. Upon approval from the Metro Council and Chief Operating Officer, the revised rules and criteria will be utilized in the next round of grants, which will get underway immediately after adoption.

MTAC discussed the administrative rules and grant criteria on October 15, November 5, November 19, and December 3, 2014. On December 3 MTAC voted unanimously to recommend the revisions in the attached Administrative Rules (titled Administrative Rules: Metro Code Chapter 7.04) in addition to the strikethrough version is a clean version also attached. MTAC's work was focused on making the rules clearer for applicants and the Grant Screening Committee as well as implementing policy direction from the Metro Council and recommendations of the stakeholder advisory group. There are many text changes and staff does not intend to go through all of these in detail with MPAC (although we of course can answer any questions raised); rather this memo and staff's presentation will focus on a high-level overview of the proposed changes to the grant rules and criteria.

I would like to thank MTAC for their time, effort and creative thinking in conducting their thorough review.

#### Summary of MTAC's recommendations to the COO on changes to the Administrative Rules

MTAC focused its discussion on the revenue distribution section of the Administrative Rules. Their discussions were partly informed by a "Logic Model" for the CPDG program which Metro contracted with ECONorthwest to produce. The attached Logic Model (titled A Draft logic Model for Metro Community Planning and Development Grants) serves to clearly state the desired outcomes of the CPDG program.

Below is an overview of the changes recommended by MTAC. Please see the attachments for detail. Note that there are two major sections of grant criteria: one for projects within Urban Reserves and for areas added to the urban growth boundary (UGB) since 2009, and one for all other projects within the UGB.

1. The goal of the grant program for projects proposed inside the UGB is to reduce barriers to developing complete communities.
2. Changes to criteria for proposed projects inside the UGB:
  - a) Expected development outcome:
    - i. Clearer articulation of program goals – seeking projects that increase community readiness for development and reduce the barriers to creating complete communities
    - ii. Describe applicant’s track record of successful implementation of community development projects and previous CPDG projects
  - b) Regionally Significant (six desired outcomes)
    - i. Benefits and burdens of growth and change are distributed equitably sub-criteria: MTAC recommends using the Application Handbook to explain how applicants can use information in the Regional Equity Atlas to address the social equity sub-criteria. This recommendation followed extensive discussion of other ways to create criteria regarding social equity.
    - ii. Climate change sub-criteria: Again, MTAC recommends using the Application Handbook to connect this grant source to possible projects from the Climate Smart Communities Toolbox.
  - c) Location: Add “areas with concentration of underserved or underrepresented groups” as one of the location sub-criteria.
  - d) Best practices model: Ask applicants to explain how lessons learned from the planning project will be shared.
  - e) Matching fund: Add 10% local match requirement, either direct financial or in-kind.
  - f) Growth absorption: Clarify the intent of this criterion is for applicants to discuss how the project will create opportunities to accommodate expected population and employment growth.
  - g) Public involvement: Add explanation of the type of action the governing body will likely take to implement the final product.
  - h) Governing body: Clarify the discussion of the role of the governing body in approving grant applications and final products.
  - i) Capacity of applicant: Request applicants describe the skill set needed to manage the project and how that will match their proposed project team’s skill set.
3. Criteria for proposed projects within new urban areas and Urban Reserve Areas
  - a) Regional Significant (six desired outcomes): Replicate the criteria for proposed projects within the UGB.  
*(Note: b-g below mirror those described in section 1 above)*
  - b) Best practices model: Ask applicants to explain how lessons learned from the planning project will be shared.
  - c) Matching fund: Add 10% local match requirement, either direct financial or in-kind.
  - d) Growth absorption: Clarify the intent of this criterion is for applicants to discuss how the project will create opportunities to accommodate expected population and employment growth.

- e) Public involvement: Add explanation of the type of action the governing body will likely take to implement the final product.
  - f) Governing body: Clarify the discussion of the role of the governing body in approving grant applications and final products.
  - g) Capacity of applicant: Request applicants describe the skill set needed to manage the project and how that will match their proposed project team's skill set.
4. Other issues and sections of the Administrative Rules
- a) Screening Committee membership: Allow the Metro COO to appoint 6-9 members who together represent the skills sets listed.
  - b) Deadline for signing IGA: Incorporate a deadline for projects to start into the grant intergovernmental agreement section.
  - c) Matching Fund: Require applicants to submit information about the allocation of matching fund and/or staff resources for the project. Require also stating the matching fund in the IGA.
  - d) Outcome measures: Grant requests should identify outcome measures specific to each project to allow tracking and evaluation in the future.

Summary of MTAC's recommendations to the COO on changes to the Application Handbook

1. Best practices model criteria: Add information on social equity goals and Climate Smart Communities toolbox actions to encourage applicants to connect with these criteria.
2. Growth absorption criteria: Explain the background and intent of this criteria
3. Letter of intent: Add page limit.





# Planning and development Grants

Supporting development of jobs  
and safe and vibrant communities

Metro's Community Development and Planning Grants support planning projects that enable great communities to develop and thrive. The grants are awarded to local governments to pay for planning activities in targeted areas that will support development for future housing and jobs. The grants leverage some in-kind local contributions.

Funding for the grants comes from a regional excise tax on construction permits. The tax is assessed at 0.12 percent of the value of the improvements for which a permit is sought, unless the project qualifies for an exemption. Since its inception in 2006, the tax has raised more than \$10 million to support planning in new and growing communities.



*“Hillsboro has many exciting redevelopment opportunities in and around its downtown and Tanasbourne/ AmberGlen Regional Centers. The funding provided by Metro’s Community Development and Planning Grants program supports our city’s efforts to create vibrant centers and commercial areas that attract new development while preserving the historic character of our communities.”*

**Jerry Willey**  
Mayor of Hillsboro

*“Metro’s Community Development and Planning Grants help local communities put their plans into action more quickly and support redevelopment needed to sustain economic activity.”*

**Chris Smith**  
Member, Portland Planning and Sustainability Commission





# How the grants are used by cities and counties

## Metro has awarded grants in two cycles since 2007.

The first cycle of grants paid for planning only in new areas brought into the region's urban growth boundary between 2002 and 2005. These grants enabled the recipient local governments to undertake the required planning and eventual adoption of the new urban areas into their comprehensive plans and development codes.

The second cycle of grants were awarded in 2010 to fund planning and development projects in 17 areas that further support development in important town and regional centers, transportation corridors and employment areas. These projects were chosen based on their expected abilities to result in on-the-ground development within five years, leverage additional financial and in-kind resources to match Metro's investment, demonstrate best practices in planning and development, and achieve regionally significant outcomes that support the 2040 Growth Concept.

Grant cycles	Project type	Start	Total Grant Award	Expended as of May 2012
1	Focused on Concept Planning for areas added to the UGB between 2002 and 2005	FY 2006-2007	\$6.3 Million	\$5 million
2	Focused on community and economic development inside the UGB	FY 2009-2010	\$3.7 million	\$754,000

## The third cycle of grants will be awarded in 2013.

These grants are intended for community and economic development inside the UGB and up to 50 percent for new urban areas and urban reserves.

Grant cycle	Project type	Start	To be awarded
3	Focused on community and economic development inside the UGB, along with planning for new urban area and urban reserves	FY 2012-2013	\$3.7 million anticipated funding

# Planning for new communities



## Beaverton

Planning of portion of Bull Mountain area

**\$3,750**

This grant paid for Beaverton's portion of the planning responsibilities for an area brought into the urban growth boundary in 2002 near the unincorporated community of Bull Mountain. The city adopted a plan and code language for this small area to help support the adjacent Murray Scholls Town Center.

## Clackamas County

Development of Damascus/Boring Concept Plan

**\$202,701**

This grant reimbursed Clackamas County for a portion of the cost of developing the Damascus/Boring Concept plan. This concept plan was accepted by the Metro Council in 2006 and helped guide comprehensive land use planning in the cities of Damascus and Happy Valley and other nearby areas brought into the urban growth boundary in 2002. The cities of Gresham and Happy Valley also participated in the development of the concept plan.

## Damascus

Comprehensive planning for the city

**\$524,724**

The community of Damascus was brought into the urban growth boundary in 2002 and its residents voted in 2004 to incorporate as a new city. The comprehensive plan for the new city, which is not yet complete, will identify land uses, a transportation network, development codes, future parks and other public structures that will support economic growth and new housing in this community.

## Forest Grove

Planning for North Forest Grove area

**\$8,422**

This plan covers 60 acres north of the City of Forest Grove that was added to the urban growth boundary in 2002 to provide for additional housing and improved east-west transportation connections. The comprehensive plan and zoning have been completed, and the area has been annexed to the City in preparation for development.

## Gresham

Kelly Creek Headwaters Urbanization Plan

**\$90,000**

This plan covers 220 acres and is the city's portion of the Boring/Damascus Concept Plan. The plan has been completed, with 25 percent of the area annexed into the city and zoned for residential uses, and another 75 percent awaiting annexation and final city zoning.

## Happy Valley

East Happy Valley Comprehensive Plan

**\$168,631**

Metro's grant funds supported the development of a comprehensive plan for a 2,100-acre area added to the urban growth boundary in 2002 and part of the larger Boring/Damascus Concept Plan area. The East Happy Valley Comprehensive Plan was completed in 2009 and most of this area has been annexed to the City of Happy Valley and zoning is completed so development can begin.



**Hillsboro**

Planning for a portion of the South Hillsboro Concept Plan area  
**\$157,500**

This grant supported planning for two areas (known as Areas 69 and 71) that were added to the urban growth boundary in 2002 and were included as a portion of a larger South Hillsboro Concept Plan area. The remaining portion of the concept plan area was added to the urban growth boundary in 2011 and funding for this larger area was provided through private sources, the City of Hillsboro and Washington County. The concept plan for the larger 1,063-acre area was completed in June 2012. This area, which awaits annexation to the city and the completion of a comprehensive plan and zoning, is expected to accommodate more than 12,000 new housing units.

**Multnomah County**

Planning for Bonny Slope area  
**\$202,500**

The Bonny Slope area, in unincorporated Multnomah County near Forest Heights, was brought into the urban growth boundary in 2002 for new housing. Multnomah County is responsible for completing the planning in this area.

**Oregon City**

Park Place Concept Plan  
**\$292,500**

This area, 270 acres in size, was added to the urban growth boundary in 2002 to accommodate future housing east of Oregon City. The concept plan for this area is complete, but the area has not yet been annexed and awaits final zoning. The city took the opportunity to include an additional 180 acres of adjacent Clackamas County unincorporated land into the planning effort.

**Sherwood**

Northwest Sherwood Plan  
**\$15,524**

This 88-acre area was added to the urban growth boundary in 2002 for a new residential neighborhood. The concept and comprehensive plans have been adopted and a new elementary school has already been constructed and is in use in this area.

**Sherwood**

Brookman Road Concept Plan  
**\$153,000**

Metro grant funds helped the City of Sherwood complete planning for this 240-acre residential area south of the city that was added to the urban growth boundary in 2002. The plan is adopted and the area is awaiting annexation to the city and final zoning.

**Washington County**

North Bethany Community Plan  
**\$1,170,000**

The North Bethany area was brought into the urban growth boundary in 2002 to provide for a new and more complete residential community that better integrates urban services and amenities and provides for a diverse range of housing options. Washington County completed the planning and zoning for the 804-acre area in 2012.

**Washington County/  
Tigard**

West Bull Mountain Concept Plan and River Terrace Plan  
**\$670,500**

The funding from the Metro grant covers planning for a 468-acre area west of Tigard that was added to the urban growth boundary in 2002. This area is intended to provide a wide range of housing options. The concept plan is mostly complete, and it is anticipated that the City of Tigard will finish the planning and complete the zoning for this area within the next two years. The city has annexed over half of the area.



# North Bethany Plan Area

The 800-acre North Bethany area was included in the urban growth boundary in 2002 to provide for anticipated population growth in northern Washington County. Due in part to a lack of dedicated funding, conceptual planning for North Bethany did not begin immediately upon its inclusion in the urban growth boundary.

Metro's community planning and development grant provided funding for the planning work needed to facilitate future development in North Bethany and other areas recently added to the urban growth boundary. In 2007, Metro provided a \$1.17 million grant to Washington County to initiate North Bethany planning.

The North Bethany Subarea Plan, which is part of the broader Bethany Community Plan, was developed over a multi-year period. Washington County worked with the public, various consultants, a technical advisory committee and a stakeholder work group to develop the plan. Through this effort, the county and its stakeholders established a vision and framework for development in the area.

While envisioned as a "Community of Distinction," North Bethany is also intended to complement the existing housing and services in the nearby Bethany Town Center and to integrate with Portland Community College's Rock Creek Campus, which is part of the North Bethany planning area. North Bethany has been planned as a complete community with a vision that incorporates:

- high standards for integrating comprehensive plans for urban services such as parks and stormwater management
- a comprehensive design approach that integrates neighborhoods with open space
- a variety of housing choices for a range of affordability levels
- community design features and focal points—such as civic spaces, parks, small neighborhood commercial sites and schools—that are connected to one another, to adjacent points of interest, and to neighborhoods using a variety of transportation options.



## Design goals for this community include:

- integrating the North Bethany community into the larger, existing Bethany community
- distinguishing North Bethany by its variety of housing choices – including affordable options, walkable streets, nearby schools, community gathering places, variety of green spaces and natural areas, and family-friendly character
- integrating a coordinated system of parks, trails, natural areas and water quality facilities into the community
- providing multiple transportation options – walking, bicycling, driving and use of transit – that are connected and integrated within North Bethany and with the larger transportation system
- providing for the long-term livability of the area, including considerations for future growth.



The foundation elements of the North Bethany Subarea Plan were completed and adopted by the Washington County Board of Commissioners in 2010, with additional refinements in 2011 and 2012. Service

district annexations are pending in the area, and the first development pre-application meeting was held in July 2012. It is anticipated that development will begin in earnest in 2013. Development in the North Bethany plan area is anticipated to take place in multiple phases over the next 30 years.

# Corridor plans



## Portland

Barbur Corridor  
Concept Plan

**\$700,000**

This project is engaging communities in Southwest Portland to create a concept plan for the corridor that:

- identifies community focus areas with the greatest development and placemaking opportunities and potential transit station areas
- develops a vision for Barbur Blvd. that supports community-identified goals
- links community visions for development and placemaking, watershed health and investment strategies.

The city is committing \$330,516 in matching funds for this concept plan. As of summer 2012, the city has worked with the community to define goals and objectives for the Barbur Corridor, has identified community focus areas, held a community workshop to define alternatives for each focus area, and is on track to evaluate alternatives and define preferred land use scenarios in the fall. The city also committed additional funds to add the Kelly focus area at the northern end of Barbur Boulevard to the study.

This project complements the work of the current Southwest Corridor Plan, in which the 13 project partners are defining a set of land use, transportation and community building investments and strategies that best achieve local and regional goals and develop an action plan for local

and regional agreements to implement the vision. The Southwest Corridor Plan will integrate affordable housing, parks, green infrastructure, economic development, and public health into land use and transportation decisions.

## Tualatin

Linking Tualatin  
(Highway 99W Corridor  
Plan)

**\$181,000**

This grant supports a city-wide process to support employment growth and community building in targeted focus areas with investments in a full range of transportation projects, including high capacity transit and local transit service to support employers. This project enables the city to prepare a land use plan for the city, including the Highway 99W corridor. The plan will facilitate the

redevelopment of industrial, commercial and residential uses to achieve a vibrant community while balancing the conflicting demands of vehicular mobility and continuous-flow operation with pedestrian and bicycle safety and transit access. An additional \$33,200 in matching funds will be provided by the city.

As of summer 2012, the city has worked to engage the community through an advisory group as well as through community workshops. They have defined goals and objectives for Linking Tualatin, developed and evaluated alternative scenarios for community focus areas, and are currently on track to define preferred alternatives in the fall.

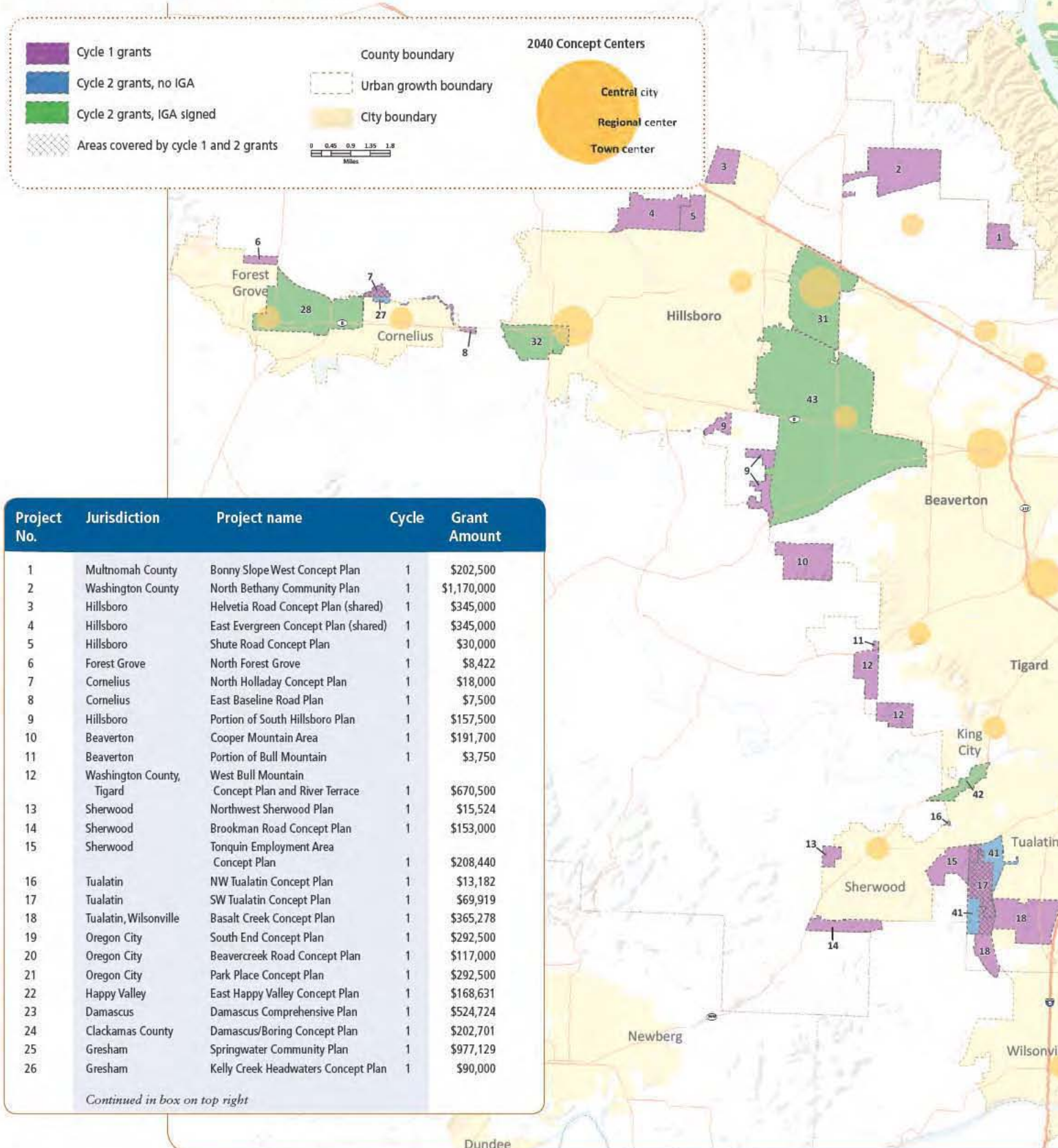
This project complements also the work of the current Southwest Corridor Plan. The cities of Tualatin and Portland are among the 13 project partners.





# Planning and development grants project locations

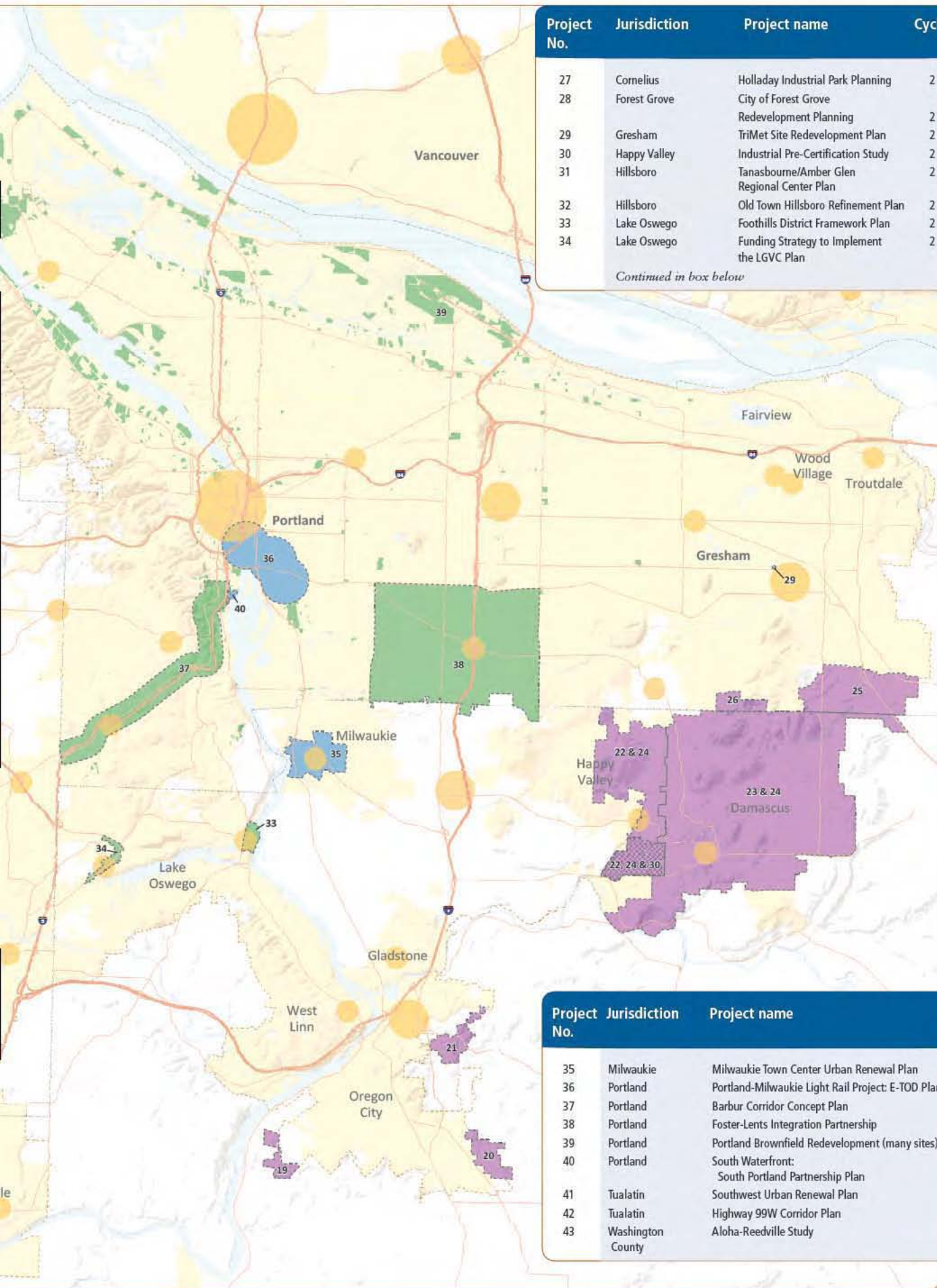
Funded with Construction Excise Tax



Project No.	Jurisdiction	Project name	Cycle	Grant Amount
1	Multnomah County	Bonny Slope West Concept Plan	1	\$202,500
2	Washington County	North Bethany Community Plan	1	\$1,170,000
3	Hillsboro	Helvetia Road Concept Plan (shared)	1	\$345,000
4	Hillsboro	East Evergreen Concept Plan (shared)	1	\$345,000
5	Hillsboro	Shute Road Concept Plan	1	\$30,000
6	Forest Grove	North Forest Grove	1	\$8,422
7	Cornelius	North Holladay Concept Plan	1	\$18,000
8	Cornelius	East Baseline Road Plan	1	\$7,500
9	Hillsboro	Portion of South Hillsboro Plan	1	\$157,500
10	Beaverton	Cooper Mountain Area	1	\$191,700
11	Beaverton	Portion of Bull Mountain	1	\$3,750
12	Washington County, Tigard	West Bull Mountain Concept Plan and River Terrace	1	\$670,500
13	Sherwood	Northwest Sherwood Plan	1	\$15,524
14	Sherwood	Brookman Road Concept Plan	1	\$153,000
15	Sherwood	Tonquin Employment Area Concept Plan	1	\$208,440
16	Tualatin	NW Tualatin Concept Plan	1	\$13,182
17	Tualatin	SW Tualatin Concept Plan	1	\$69,919
18	Tualatin, Wilsonville	Basalt Creek Concept Plan	1	\$365,278
19	Oregon City	South End Concept Plan	1	\$292,500
20	Oregon City	Beavercreek Road Concept Plan	1	\$117,000
21	Oregon City	Park Place Concept Plan	1	\$292,500
22	Happy Valley	East Happy Valley Concept Plan	1	\$168,631
23	Damascus	Damascus Comprehensive Plan	1	\$524,724
24	Clackamas County	Damascus/Boring Concept Plan	1	\$202,701
25	Gresham	Springwater Community Plan	1	\$977,129
26	Gresham	Kelly Creek Headwaters Concept Plan	1	\$90,000

*Continued in box on top right*





Project No.	Jurisdiction	Project name	Cycle	Grant Amount
27	Cornelius	Holladay Industrial Park Planning	2	\$79,000
28	Forest Grove	City of Forest Grove Redevelopment Planning	2	\$85,000
29	Gresham	TriMet Site Redevelopment Plan	2	\$70,000
30	Happy Valley	Industrial Pre-Certification Study	2	\$32,600
31	Hillsboro	Tanasbourne/Amber Glen Regional Center Plan	2	\$275,000
32	Hillsboro	Old Town Hillsboro Refinement Plan	2	\$90,000
33	Lake Oswego	Foothills District Framework Plan	2	\$295,000
34	Lake Oswego	Funding Strategy to Implement the LGVC Plan	2	\$50,000

*Continued in box below*

Project No.	Jurisdiction	Project name	Cycle	Grant Amount
35	Milwaukie	Milwaukie Town Center Urban Renewal Plan	2	\$224,000
36	Portland	Portland-Milwaukie Light Rail Project: E-TOD Plan	2	\$485,000
37	Portland	Barbur Corridor Concept Plan	2	\$700,000
38	Portland	Foster-Lents Integration Partnership	2	\$250,000
39	Portland	Portland Brownfield Redevelopment (many sites)	2	\$150,000
40	Portland	South Waterfront: South Portland Partnership Plan	2	\$250,000
41	Tualatin	Southwest Urban Renewal Plan	2	\$70,000
42	Tualatin	Highway 99W Corridor Plan	2	\$181,000
43	Washington County	Aloha-Reedville Study	2	\$442,000

# Industrial and employment areas



## Cornelius

Planning for East Baseline area  
**\$7,500**

The East Baseline area, added to the urban growth boundary in 2002, is a 22-acre area intended for future industrial development to help the city accommodate additional employment lands and to provide urban services at the east end of the city. The planning and zoning for this area have been completed.

## Cornelius

North Holladay Concept Plan  
**\$18,000**

The North Holladay Concept Plan covers a 56-acre area north of the Cornelius city limits that was added to the urban growth boundary in 2005. The concept plan was completed in 2011 and the area is awaiting annexation and final industrial zoning.

## Gresham

Planning for Springwater Community Plan  
**\$977,129**

This grant supported planning in the 1,150-acre Springwater employment area that was added to the urban growth boundary

in 2002. The concept plan has been completed and the area is awaiting annexation to the City of Gresham and final zoning.

## Hillsboro

Shute Road Concept Plan  
**\$30,000**

This 210-acre area was added to the urban growth boundary in 2002 to accommodate future industrial employment. The concept and comprehensive plans have been completed for this area, zoning is in place and 36 acres have been developed as of June 2012.

## Hillsboro

Helvetia Road and East Evergreen concept plans  
**\$345,000**

Metro grant funds supported concept planning for the Helvetia Road (248 acres) and East Evergreen (544 acres) industrial areas added to the urban growth boundary in 2004 and 2005, respectively. Both areas have been included in the city's comprehensive plan. All of the East Evergreen area and much of the Helvetia Road area are awaiting annexation into the City of Hillsboro after which the zoning may be completed.

## Oregon City

Beavercreek Road Concept Plan  
**\$117,000**

This 308-acre area was added to the urban growth boundary in 2002 and 2004 for future industrial needs. The concept plan was completed and adopted into the city's comprehensive plan. Based on more refined locational and economic information, the city created a mix of uses for the area, including the accommodation of needed job land. Currently, the area is awaiting annexation and final zoning.

## Sherwood

Tonquin Employment Area Concept Plan  
**\$208,440**

This 283-acre area was added to the urban growth boundary in 2004 to provide additional industrial employment adjacent to the City of Sherwood. The planning has been completed for this area, and as of June 2012 it is awaiting annexation and final zoning.

## Tualatin

Northwest Tualatin Concept Plan  
**\$13,182**

This 23-acre area was added to the urban growth boundary in 2002 for future large-lot industrial employment. The City of Tualatin completed the plan in 2007 and has zoned the property for industrial uses.

## Tualatin

Southwest Tualatin Concept Plan  
**\$69,919**

This 464-acre area, in part the former Tigard Sand and Gravel site, is directly west of the Tualatin city limits. It was added to the urban growth boundary in 2002 and is a Regionally Significant Industrial Area. The city has completed the concept plan for this area, which has not yet been annexed to the city. Following annexation, the city will complete the final industrial zoning for this area.



# Lake Grove Village Center Plan

The Lake Grove Village Center is a mixed-use residential and commercial town center, centered on Boones Ferry Rd. in Lake Oswego.

The Lake Grove Village Center Plan was adopted by the Lake Oswego City Council in 2008 and includes a list of projects to help create a walkable, mixed-use center. Some of the projects envisioned in the plan include bikeway and sidewalk connections to surrounding neighborhoods, public plazas and gathering spaces, parking improvements, and enhancements to Boones Ferry Road.

The plan adopted in 2008 did not include a financing strategy to fund its implementation. The City of Lake Oswego applied to Metro for funding through the Community Development and Planning Grants program to support the development of the financing strategy. In 2010, Metro awarded the city a grant of \$50,000, which the city matched with another \$20,000 from the city's general fund.

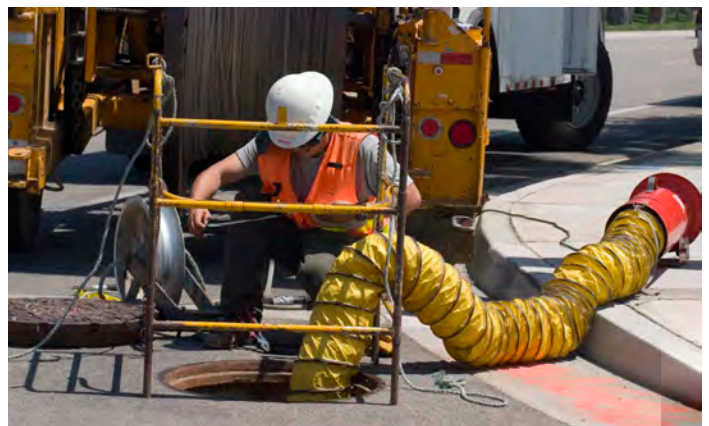
## The financing strategy included four steps:

- Prioritizing projects in the plan by estimating costs and identifying the projects that could serve as catalyst projects to encourage private development. These projects include road improvements, sidewalks and pathways, pedestrian plazas, traffic signal enhancements, and parking improvements.
- Identifying possible funding strategies to pay for the plan's elements. Possible funding strategies could include tax increment financing through an urban renewal district, the formation of a local improvement district, assessment of systems development charges on new construction, general obligation or revenue bonds, and grants.
- Examining the feasibility of the different funding strategies to determine the amount of revenue that they could generate.
- Developing a strategy for achieving the funding necessary to implement the plan.



City planning staff hired a team of consultants to engage local residents, business and civic leaders in the development of the financing strategy for the Lake Grove Village Center Plan. Eight work sessions and other public meetings were held over a period of eight months to identify the funding strategies and tools that could best support the plan's implementation.

In April 2012, the consultant team finished its report and the city council gave direction to pursue a "mixed tools" approach that would rely on long-term tax increment financing from the creation of an urban renewal district along with a "bridge" loan from the city's general fund to allow for early construction of improvements to Boones Ferry Road. This approach also leaves open the possibility of pursuing other financing tools, such as creating local improvement districts, to pay for additional projects in the Lake Grove Village Center Plan. In July 2012, the city council approved the establishment of an urban renewal district in the Plan area. The first phase of Boones Ferry Road improvements is expected to begin construction in 2014.



# Redevelopment

## Forest Grove

Redevelopment Planning  
**\$85,000**

Metro's grant supported the city's efforts to prepare an urban renewal feasibility study and an urban renewal report to support the implementation of a tax increment financing district. The study aims to assess blight, identify investments in public structures necessary to promote private development in blighted areas, identify subsidies that might be needed to support mixed-use development, and assess the potential impacts of tax increment financing on other taxing districts and on revenue collection within the urban renewal area. The city provided an additional \$20,000 in matching funds.

The city has completed the first draft of the feasibility study and held urban renewal 101 workshops with the city council, planning commission and economic development commission. The study has determined that urban renewal is feasible and the city will conduct further public outreach before the city council decides whether to establish an urban renewal district.



## Hillsboro

Tanasbourne/AmberGlen  
Regional Center  
Implementation  
**\$275,000**

This grant award supports planning and development of implementation tools to support robust mixed-use development and transportation investments in the newly designated Tanasbourne/AmberGlen Regional Center.

To date, a zoning code update has been completed, which focuses on properties within the AmberGlen plan area. The City is currently working on an Urban Renewal Feasibility Study, which will help determine if Tax Increment Financing is a realistic funding strategy. Sites that are expected to catalyze further development will be identified through a later phase of the project. The city also wants to explore the possibility of extending the existing MAX red line to the regional center.

## Hillsboro

Old Town Hillsboro  
Refinement Plan  
**\$90,000**

Metro's grant funds are supporting the city's redevelopment planning in the vintage industrial neighborhood located southwest of the Hillsboro Regional Center. The city envisions this "Old Town Hillsboro" redeveloping as an "eclectic mix of residences, shopping and employment opportunities." Other funding sources provided another \$68,000 to complete this work.

A joint workshop by the city and Washington County in June 2012 shared information on redevelopment and sustainable development opportunities and on the identification of catalyst sites.

## Lake Oswego

Foothills District  
Framework Plan  
**\$295,000**

The city seeks to develop a comprehensive redevelopment plan consistent with the goals of the 2040 Growth Concept. The plan is intended to establish a new regulatory framework and comprehensive strategy for investing in public structures to accelerate redevelopment activity. An additional \$1.3 million in matching funds was anticipated from the city.

This project was initially intended to complement the Portland-to-Lake Oswego Streetcar project, which is now on hold. The city has revised the work scope to retain elements that promote transit oriented development linked to bus service. The city has completed its study, and the plan is under consideration by the city council.

## Lake Oswego

Funding Strategy for Lake  
Grove Village Center Plan  
**\$50,000**

The Lake Grove Village Center Plan addresses the current and near-term requirements of land use and transportation within the existing Lake Grove Town Center. The Funding Strategy Plan started with identifying and prioritizing specific projects and identified urban renewal as an essential funding source among other funding tools to be implemented. An additional \$20,000 in matching funds was identified for this project from the city.

The city has completed the funding strategy plan, which has been adopted by the city council and selected urban renewal as the preferred funding source. Boones Ferry Road has been identified as the main target area for development.

**Portland**

Foster Lents Integration Partnership  
**\$250,000**

This project, led by the Portland Development Commission, is intended to develop a strategic framework for green infrastructure investments in the Foster Corridor to achieve thriving, transit-oriented, sustainable 20-minute neighborhoods. The strategy seeks to address green infrastructure, economic development, environmental stewardship, transit services, transportation infrastructure and strategic redevelopment to catalyze private investments in the target areas. The strategy will identify constraints, opportunity sites and realistic financial partners for redevelopment.

Metro’s grant is matched with nearly \$136,000 in other funds from the city. So far the City of Portland has developed a public engagement strategy for this project, engaged a consultant to help manage the project and established a technical advisory committee.

**Portland**

Brownfield Redevelopment  
**\$150,000**

This study is assessing market feasibility needs and actions to achieve full redevelopment of Portland’s brownfields in 25 years. The project includes a brownfield inventory and conditions analysis, an evaluation of financial feasibility gaps and other redevelopment barriers, an estimate of the public payback for expanding brownfield reinvestment, and recommendations or incremental implementation actions. An additional \$50,000 in funding was provided by the city.

So far the city has contracted with a consultant team, conducted the inventory and existing conditions analysis, and completed the preliminary financial feasibility analysis. The study area covers a cumulative total of approximately 1,400 acres.



**Washington County**  
 Aloha-Reedville Study  
**\$442,000**

This project funds the first phase of a three-year project to develop potential alternatives for improving the community’s livability and address the impacts of future growth. This phase consists of an existing conditions report and an extensive public outreach program to evaluate service needs and options. The project’s final results will include strategies to encourage public and private investment in development, programs and services and is focused on transportation, land use, affordable housing and economic development.

Phase one was completed in June 2012. The funding for the second and third phases, which will build upon the existing conditions report to develop alternatives and identify recommendations for the county community plan, comes from a \$2 million award through the Sustainable Communities Initiative Challenge Grant, a program of the U.S. Department of Housing and Urban Development in partnership with U.S. Department of Transportation and the Environmental Protection Agency.





# Additional projects

## funded by the grants

**Cycle 1 grants** – The following three projects were awarded Cycle 1 grants in 2007 but work has not begun.

### Beaverton

Cooper Mountain concept planning  
**\$191,700**

Metro awarded grant funding in 2007 for a 504-acre area that was added to the urban growth boundary in 2002 for future residential land. This planning effort will include an additional 543-acre area, west of Beaverton and north Scholls Ferry Road, which was added to the urban growth boundary in 2011 for additional residential development near the Murray Scholls Town Center.



### Oregon City

South End Concept Plan  
**\$292,500**

This 192-acre area was added to the urban growth boundary in 2002. Planning for this area will begin in summer 2012.

### Tualatin/Wilsonville

Basalt Creek Concept Plan  
**\$365,278**

This 790-acre area between Tualatin and Wilsonville was brought into the urban growth boundary in 2004 for future industrial employment. The planning for this area is expected to begin in fall 2012. The City of Tualatin was awarded the Metro grant funds and will be working with City of Wilsonville to develop the plan.

**Cycle 2 grants** – The following seven projects were awarded grants in 2010 but implementation was delayed due to various factors. Metro will be working with these local governments in the coming months to help launch these projects.

### Cornelius

Holladay Industrial Park Planning  
**\$79,000**

This planning will support a three-part preparation of a 50-acre shovel-ready industrial site north of Holladay Drive. The work supported by the grant will consist of a site survey, a wetland study and vegetated corridor functional assessment, and a traffic study.



### Gresham

TriMet Site Redevelopment Plan  
**\$70,000**

Through this project, the city will work with TriMet to transform a park-and-ride lot into a signature development in the middle of the Gresham Regional Center. The city and TriMet will study the market, land use and urban design potential for this 417-space TriMet park-and-ride lot, explore the financial feasibility of development on this site, and ensure adequate park-and-ride spaces. An additional \$18,000 is being provided in matching funds from the city and TriMet.



## GRANTS AWARDED

### Happy Valley

Industrial Pre-Certification Study

**\$32,600**

The funds awarded in this grant will augment local in-kind support to complete an Industrial Pre-Certification Study of multiple sites of 20 acres and larger located within the 400-acre Rock Creek employment area. More than \$21,000 will be provided in matching funds from the city.

### Portland

Portland-Milwaukie Light Rail Project E-TOD Plan

**\$485,000**

This grant will support the development of an innovative employment-based transit-oriented development (E-TOD) typology that encourages high job density and transit ridership around four stations on the new Portland-Milwaukie light rail line, located in predominantly industrial neighborhoods. The project will first develop overall land use, economic development and transportation frameworks and then specific implementation strategies for a successful E-TOD plan. This grant will be matched with another \$175,000 from the city and Living Cities/Harvard Kennedy School.

### Portland

South Waterfront: South Portland Partnership Plan

**\$250,000**

This grant is intended to support a comprehensive stakeholder engagement process to refine the preferred design alternative for the South Portal Project, which will improve multi-modal access to the South Waterfront District. The refinement will narrow three key site specific transportation modes critical to success of the Partnership Plan and allow progress on the Portland-to-Lake Oswego Streetcar project, which is now on hold.

### Milwaukie

Town Center Urban Renewal Plan

**\$224,000**

This grant will support the development of an urban renewal plan for the Milwaukie Town Center that identifies the appropriate land use plans and development strategies to stimulate private investment, as well as the funding mechanisms to support redevelopment efforts. Matching funds of \$83,500 will be provided from the city.



### Tualatin

Southwest Urban Renewal Plan

**\$70,000**

The city is proposing to create an urban renewal plan to develop a tax increment financing district, and funding from this grant will be used to hire a consultant to conduct a feasibility study, create an urban renewal plan and consult with legal counsel who specializes in urban renewal law. An additional \$43,000 in matching funds will be provided by the City of Tualatin.



For more information about Metro's Community Development and Planning Grants, visit [www.oregonmetro.gov/grants](http://www.oregonmetro.gov/grants) or contact **Gerry Uba** at 503-797-1737 or [gerry.uba@oregonmetro.gov](mailto:gerry.uba@oregonmetro.gov).

Clean air and clean water do not stop at city limits or county lines. Neither does the need for jobs, a thriving economy, and sustainable transportation and living choices for people and businesses in the region. Voters have asked Metro to help with the challenges and opportunities that affect the 25 cities and three counties in the Portland metropolitan area.

A regional approach simply makes sense when it comes to providing services, operating venues and making decisions about how the region grows. Metro works with communities to support a resilient economy, keep nature close by and respond to a changing climate. Together we're making a great place, now and for generations to come.

### **Metro representatives**

**Metro Council President** – Tom Hughes

**Metro Councilors** – Shirley Craddick, District 1; Carlotta Collette, District 2; Carl Hosticka, District 3; Kathryn Harrington, District 4; Rex Burkholder, District 5; Barbara Roberts, District 6

**Auditor** – Suzanne Flynn



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**Metro Community Planning and Development Grants Cycle 3 Awards  
Full Funding List, June 17, 2014**

	City / County	Project	Funded Amount
<b>PROJECTS LOCATED WITHIN AREAS ADDED TO UGB SINCE 2009 &amp; URBAN RESERVES</b>			
1	Beaverton	South Cooper Mtn. Concept and Community Plan	469,397
2	Cornelius	City of Cornelius Urban Reserves Concept Plan	73,000
3	Forest Grove	Forest Grove Westside Planning Program	123,000
4	Sherwood	West Sherwood Concept Plan	221,139
5	Wilsonville	Frog Pond / Advance Road Concept Plan	341,000
6	Washington County	Concept Planning of Area 93	122,605
<b>Subtotal</b>			<b>\$1,350,141</b>
<b>PROJECTS LOCATED INSIDE THE UGB</b>			
7	Gresham	Gresham Vista Business Park Eco-Industrial Strategies	100,000
8	Gresham and Portland	Powell-Division Transit and Development Project	812,290
9	Happy Valley	Rock Creek Employment Center Infrastructure Funding Plan	53,100
10	King City	King City Town Center Action Plan	75,000
11	Lake Oswego	Lake Oswego Southwest Employment Area Plan	80,000
12	Oregon City	Willamette Falls Legacy Project	300,000
13	Portland	Mixed-use Zoning Project	425,500
14	Tigard	River Terrace Community Plan Implementation	245,000
15	Tigard	Downtown Tigard Mixed-Use Development Projects	100,000
16	West Linn	Arch Bridge / Bolton Center	220,000
17	Clackamas County	Strategically Significant Employment Lands Project	221,000
19	Clackamas County	Performance Measures and Multimodal Mixed Use Area Project	160,000
20	Sherwood and Washington County	Tonquin Employment Area Implementation Plan and Washington County Industrial Land Analysis	255,000
<b>Subtotal</b>			<b>\$3,163,387</b>
<b>GRANT TOTAL</b>			<b>\$4,513,528</b>

**ADMINISTRATIVE RULES: METRO CODE CHAPTER 7.04**

[Revised January 2015]

(MTAC RECOMMENDATIONS -- DECEMBER 2014)  
(METRO COUNCIL COMMENTS -- JANUARY 2015)

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Effective July 1, 2006, and extended through December 31, 2020, Metro has established as Metro Code Chapter 7.04 a Construction Excise Tax ("CET") to fund Community Planning and Development Grants ("CPDG"). These Administrative Rules establish the procedures for administering this tax as mandated in Metro Code Section 7.04.050 and Metro Code Section 7.04.060. For ease of reference a copy of Metro Code Chapter 7.04 is attached to these administrative rules.

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**I. Metro Administrative Matters.**

- A. Definitions. These administrative rules incorporate the definitions as set forth in Metro Code Section 7.04.030 of Chapter 7.04, Construction Excise Tax, and Chapter 3.07, the Urban Growth Management Functional Plan.
- B. Designated Representatives (Metro Code Section 7.04.060). The Metro Chief Operating Officer ("COO") is responsible for the administration and enforcement of the Metro Code Chapter 7.04 and these administrative rules.
1. The COO may delegate his authority in administration and enforcement of the Code chapter and these administrative rules as he determines and as set forth herein.
  2. The COO shall appoint a Hearings Officer(s), which appointment shall be confirmed by the Metro Council. The Hearings Officer(s) shall have the authority to order refunds or rebates of the Construction Excise Tax or waive penalties as a result of the hearings process. Upon appointing a Hearings Officer, the Chief Operating Officer shall delegate authority to the Hearings Officer to administer oaths, certify to all official acts, to subpoena and require attendance of witnesses at hearings to determine compliance with this chapter, rules and regulations, to require production of relevant documents at public hearings, to swear witnesses, to take testimony of any Person by deposition, and perform all other acts necessary to adjudicate appeals of Construction Excise Tax matters.
- C. Internal Flow of Funds. Funds will be accounted for in a Construction Excise Tax account that will be created by the effective date of Metro Code Chapter 7.04.
- D. Rate Stabilization Reserves. Metro Code Chapter 7.04.200 states that the Council will, each year, as part of the Budget process, create reserves from revenues generated by the CET. These reserves are to even out collections thereby stabilizing the funds needed to support the applicable programs despite industry building activity fluctuation. These reserves can only be drawn on to support the specific budgeted activities as discussed in Section I.E. of these administrative rules. Due to their restricted nature, these reserves shall be reported as designations of fund balance in Metro's General Fund.
- E. Dedication of Revenues. Revenues derived from the imposition of this tax, netted after deduction of authorized local jurisdiction costs of collection and administration will be solely dedicated to grant funding of the regional and local planning that is required to make land ready for development after inclusion in the Urban Growth Boundary.
- F. Rule Amendment. The Chief Operating Officer retains the authority to amend these administrative rules as necessary for the administration of the Construction Excise Tax, after consultation with Metro Council.

**II. Construction Excise Tax Administration.**

A. Imposition of Tax (Metro Code Section 7.04.070).

1. The CET is imposed on every Person who engages in Construction within the Metro jurisdiction, unless an Exemption applies as set forth herein.
2. The tax shall be due and payable at the time of the issuance of any building permit, or installation permit in the case of a manufactured dwelling, by any building authority, unless an Exemption applies as set forth herein.
3. The CET shall be calculated and assessed as of the application date for the building permit. Persons obtaining building permits based on applications that were submitted prior to July 1, 2006 shall not be required to pay the CET, unless the building permit issuer normally imposes fees based on the date the building permit is issued.
4. If no permit is issued, then the CET is due at the time the first activity occurs that would require issuance of a building permit under the State of Oregon Building Code.

B. Calculation of Tax (Metro Code Section 7.04.080). The CET is calculated by multiplying the Value of New Construction by the tax rate of 0.12%

(0.0012 x Value of New Construction)

- a. In the case of a Manufactured Dwelling for which no Exemption is applicable, and for which there is no building code determination of valuation of the Manufactured Dwelling, the applicant's good faith estimate of the Value of New Construction for the Manufactured Dwelling shall be used.

C. Exemptions (Metro Code Section 7.04.040).

1. Eligibility for Exemption. No obligation to pay the CET is imposed upon any Person who establishes, as set forth below, that one or more of the following Exemptions apply:
  - a. The Value of New Construction is less than or equal to One Hundred Thousand Dollars (\$100,000); or
  - b. The Person who would be liable for the tax is a corporation exempt from federal income taxation pursuant to 42 U.S.C. 501(c)(3), or a limited partnership the sole general partner of which is a corporation exempt from federal income taxation pursuant to 42 U.S.C. 501(c)(3), the Construction is used for residential purposes AND the property is restricted to being occupied by Persons with incomes less than fifty percent (50%) of the median income for a period of 30 years or longer; or
  - c. The Person who would be liable for the tax is exempt from federal income taxation pursuant to 42 U.S.C. 501(c)(3) AND the Construction is dedicated for use for the purpose of providing charitable services to Persons with income less than fifty

percent (50%) of the median income.

2. Procedures for Establishing and Obtaining an Exemption: Exemption Certificates:

- a. For exemption (a) above, the exemption will be established at the building permit counter where the Value of New Construction as determined in the building permit is less than or equal to One Hundred Thousand Dollars (\$100,000).
- b. For exemptions (b) and (c) above, prior to applying for a building permit a Person claiming an exemption may apply to Metro for a Metro CET Exemption Certificate, by presenting the appropriate documentation for the exemption as set forth herein, and upon receiving a Metro CET Exemption Certificate the Person may present the certificate to the building permit issuer to receive an exemption from paying the CET; or
- c. For exemptions (b) and (c) above, instead of going to Metro to obtain a Metro CET Exemption Certificate, a Person claiming an exemption from the CET when applying for a building permit may submit to the building permit issuer Metro's CET Exemption Certificate application form. Upon receiving a Person's Metro CET Exemption Certificate application, the building permit issuer shall preliminarily authorize the exemption and shall not collect the CET. The building permit issuer shall forward the Person's Metro CET Exemption Certificate application to Metro along with the quarterly CET report. It shall be Metro's responsibility to determine the validity of the exemption and to institute collection procedures to obtain payment of the CET, as well as any other remedy Metro may have under law, if the Person was not entitled to the exemption;
- d. To receive a Metro CET Exemption Certificate from Metro, or to substantiate to Metro the validity of an exemption received from a local building permit issuer, an applicant must provide the following:
  - i. IRS tax status determination letter evidencing that the Person seeking the building permit is exempt from federal income taxation pursuant to 42 U.S.C. 501(c)(3); and
  - ii. In the case of residential property, proof that the property is to be restricted to low income persons, as defined, for at least 30 years. Proof can be in the form of loan covenants; rental agreements or grant restrictions; a certification from the entity's corporate officer attesting that the exemption is applicable; or any other information that may allow the exemption determination to be made; and
  - iii. In the case of a qualified tax-exempt entity providing services to Persons with incomes less than 50 percent of the median income, the applicant must provide information that will allow such tax exempt status to be verified, and proof that the property will be restricted to such uses. Proof can be in the form of loan covenants; rental agreements or grant restrictions; certification from the entity's corporate officer attesting that the exemption is applicable; or any other information that may allow the exemption determination to be made; and

- iv. In the case of a limited partnership with a tax-exempt sole general partner corporation, verification from the partnership's attorney of that status is required; and
  - v. Authorization to audit the records to verify the legal status and compliance with Metro qualifications of all entities claiming exempt status.
- e. Partial Applicability of Exemption. If an exemption is applicable to only part of the Construction, then only that portion shall be exempt from the CET, and CET shall be payable for the remainder of the Construction that is not eligible for an exemption, on a pro-rata basis. It shall be the responsibility of the Person seeking the partial exemption to fill out a Metro CET Exemption Certificate application for the partial exemption, declaring on that application the proportion of the Construction qualifies for the exemption. Upon receiving a Person's Metro CET Exemption Certificate application claiming a partial exemption, the building permit issuer shall preliminarily authorize the partial exemption and shall only collect the pro-rata CET as declared by the applicant. The building permit issuer shall forward the Person's Metro CET Exemption Certificate application to Metro along with the quarterly CET report. It shall be Metro's responsibility to determine the validity of the partial exemption and to institute collection procedures to obtain payment of the remainder of the CET, as well as any other remedy Metro may have under law, if the Person was not entitled to the partial exemption.

D. Ceiling (Metro Code Section 7.04.045).

1. If the CET imposed would be greater than \$12,000.00 (Twelve Thousand Dollars) as measured by the Value of New Construction that would generate that amount of tax, then the CET imposed for that Construction is capped at a Ceiling of \$12,000.00 (Twelve Thousand Dollars).
2. The Ceiling applies on a single structure basis, and not necessarily on a single building permit basis. For example:
  - a. If a single building permit is issued where the Value of New Construction is greater than or equal to Ten Million Dollars (\$10,000,000), then the CET for that building permit is capped at Twelve Thousand Dollars (\$12,000.00).
  - b. If Construction in a single structure will require multiple building permits during the pendency of the CET program, and the total CET that would be imposed for those building permits would add up to more than Twelve Thousand Dollars (\$12,000.00), then the total CET for those building permits within the same structure during the pendency of the CET program is capped at Twelve Thousand Dollars (\$12,000.00). Once a total of \$12,000.00 has been paid in CET for a particular structure, then no additional CET will be collected for that structure during the pendency of the CET program.

E. Rebates (Metro Code Section 7.04.120). If a CET has been collected and a CET Exemption or the CET Ceiling was applicable, a rebate for the CET may be obtained from Metro.

1. Procedures for obtaining rebate are:

- a. Within thirty (30) days of paying the CET, the Person who believes that the CET was not applicable due to a CET exemption or CET Ceiling, shall apply for a rebate in writing to Metro and provide verification that the exemption eligibility provisions of Metro Code Section 7.04.040, or that the CET Ceiling provisions of Metro Code Section 7.04.045, have been met. Failure to seek a rebate within the thirty (30) day time limit will terminate a Person's right to seek a rebate.
- b. Applicant shall provide proof that the CET was paid, in the form of a paid receipt from the building permit issuer showing the tax was paid. All supporting documentation for the exemption or ceiling shall be submitted at the time of the rebate claim. The rebate will only be made to the name that is listed on the receipt unless the applicant has a written assignment of rebate.
- c. A rebate or a letter of denial shall be issued by Metro within thirty (30) days of receipt of a written request for rebate provided that the request includes all required information. The rebate will be calculated based upon the paid receipt, less the five percent (5%) administrative fee already retained by the building permit issuer and the five percent (5%) Metro administration fee.

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F. Refunds (Metro Code Section 7.04.150). If a CET has been collected and the Construction was not commenced and the building permit was cancelled, a refund for the CET may be obtained from Metro.

1. Eligibility is determined by the absence of Construction and cancellation of the building permit.

2. Procedures for obtaining refund:

- a. Apply in writing to Metro within thirty (30) days of permit cancellation.
- b. Provide copy of canceled permit.
- c. Provide proof of payment of the tax in the form of the paid receipt.
- d. A refund or a letter of denial shall be issued by Metro within thirty (30) days of receipt of the written request for refund provided that the request includes all required information. The refund will be calculated based upon the paid receipt, less the five percent (5%) administrative fee already retained by the building permit issuer and the five percent (5%) Metro administration fee.
- e. Failure to seek a rebate within the thirty (30) day time limit will terminate a Person's right to receive a refund.

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G. Appeals. The Hearings Officer shall conduct hearings related to enforcement or appeals of the CET. The appeal to the Hearings Officer must be:

1. In writing;
2. Made within ten (10) calendar days of denial of a refund, rebate, or exemption request. Notice of denial to the party denied, is deemed to have occurred three days after the mailing of the certified denial letter from Metro;
3. Tax must be paid prior to appeal;
4. Directed to the Office of Metro Attorney, who will contact the Hearings Officer to schedule a hearing upon receipt of a written appeal. The Hearings Officer will at that time provide further information as to what documentation to bring to the hearing.

H. Review. Review of any action of the Chief Operating Officer or Hearings Officer, taken pursuant to the Construction Excise Tax Ordinance, or the rules and regulations adopted by the Chief Operating Officer, shall be taken solely and exclusively by writ of review in the manner set forth in ORS 34.010 through 34.100, provided, however, that any aggrieved Person may demand such relief by writ of review.

I. CET Sunset (Metro Code Section 7.04.230).

1. The CET shall not be imposed on and no person shall be liable to pay any tax for any Construction activity that is commenced pursuant to a building permit issued on or after December 31, 2020.
2. Local governments collecting CETs shall remit the CETs to Metro on a quarterly or monthly basis, based on the jurisdiction's CET Collection IGAs with Metro. Each quarter, within thirty days of receiving CET remittances from all collecting local jurisdictions, Metro will issue a written statement of the total CET that Metro has received that quarter and cumulatively.
3. CET remittance to Metro shall be net of the local government's administrative expenses in collecting the CET, up to five percent (5%) of the CET collected by the local government as set forth in the Metro CET Collection IGA. This net amount of CET remitted to Metro shall be the basis for Metro's calculations of CET cumulative totals.
4. The CET shall cease to be imposed by local governments on December 31, 2020, and shall be remitted by the local governments to Metro as soon thereafter as possible.

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### III. **CET Collection Procedures.**

A. Local Government CET Collection and Remittance Via Intergovernmental Agreements (Metro Code Section 7.04.110). For those local governments collecting the CET pursuant to Intergovernmental Agreements with Metro, the following procedures shall apply:

1. CET Report; Information Required. Each quarter (unless a local government prefers to report monthly), along with its CET remittance to Metro, the local government shall prepare and submit to the Metro Chief Operating Officer a report of the CETs and building permits issued for the previous quarter's construction activities. The report shall include: the number of building permits issued that quarter; the aggregate value of construction; the number of building permits for which CET exemptions were given; the aggregate value of

construction for the exempted construction; the aggregate amount of CET paid; and the amount of CET administrative fee retained by the local government pursuant to this CET Collection IGA.

2. CET Remittance to Metro. Local governments collecting CET via IGAs with Metro shall remit the collected CET to Metro. Remittance shall be quarterly, unless a jurisdiction prefers to remit the CET monthly, by the 30<sup>th</sup> of the month following the quarter (or month) ending. Quarters end on September 30, December 31, March 31 and June 30 of each year. CET remittance and the CET Report shall be sent to Metro, attn Construction Excise Tax Accounting Specialist, 600 NE Grand, Portland, Oregon 97232.
3. Remuneration to Local Government for Collecting CET. As consideration for collecting the CET, each local government collecting the CET shall retain no more than five percent (5%) of the tax collected by that local government. This payment is intended to be a reimbursement of costs incurred. Prior to submitting the CET to Metro, the local government shall deduct the remuneration agreed upon directly from the collected tax, and the amounts deducted and retained shall be identified on the report submitted to Metro.
4. Metro Administrative Fee. To partially reimburse Metro for its costs in implementing and administering the CET program, Metro will retain five percent (5%) of the net CET funds remitted by local governments to Metro.
5. Audit and Control Features. Each local government shall allow the Chief Operating Officer, or any person authorized in writing by the Chief Operating Officer, to examine the books, papers, building permits, and accounting records relating to any collection and payment of the tax, during normal business hours, and may investigate the accuracy of reporting to ascertain and determine the amount of CET required to be paid.
6. Failure to Pay. Upon a Person's refusal to or failure to pay the CET when due, the local government administering that Person's building permit shall notify Metro in writing within five (5) business days of such failure, with information adequate for Metro to begin collection procedures against that Person, including the Person's name, address, phone numbers, Value of New Construction, Construction Project, and building permit number. Upon a Person's refusal or failure to pay the CET, it shall be Metro's responsibility to institute collection procedures to obtain payment of the CET as well as any other remedy Metro may have under law.

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B. Metro Collection Procedures in Event of Non-payment. The CET is due and payable upon issuance of a building permit. It is unlawful for any Person to whom the CET is applicable to fail to pay all or any portion of the CET. If the tax is not paid when due, Metro will send a letter notifying the non-payer of his obligation to pay the CET along with the following information:

1. Penalty. In addition to any other fine or penalty provided by Chapter 7.04 of the Metro Code, penalty for non- payment will be added to the original tax outstanding. That penalty is equal to fifty dollars (\$50.00) or the amount of the tax owed, whichever is greater.
2. Misdemeanor. In addition to any other civil enforcement, non- payment of the CET is a misdemeanor and shall be punishable, upon conviction, by a fine of not more than five hundred dollars (\$500.00). This fine shall be charged to any officer, director, partner or other Person having direction or control over any Person not paying the tax as due.



3. Enforcement by Civil Action. If the tax is not paid, Metro will proceed with collection procedures allowable by law to collect the unpaid tax, penalties assessed and fines due, including attorney fees.

**IV. Revenue Distribution (Metro Code Section 7.04.220).**

A. Grant Cycles. CET funds collected pursuant to the 2014 extension of the CET shall be allocated in three new application assessment cycles (Cycle 4, Cycle 5 and Cycle 6).

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1. The Cycle 1 fund distribution took place in March 2006, which allocated up to \$6.3 million in grants. Grant requests in this cycle were made for planning only in new areas that were brought into the Urban Growth Boundary (UGB) between 2002 and 2005.

2. The Cycle 2 grant allocation through the Community Planning and Development Grant program (CPDG) took place in June 2010, which allocated up to \$3.57 million in CET Grants revenue. Grant requests in this cycle were made for planning in all areas that are in the Urban Growth Boundary (UGB) as of December 2009.

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3. The Cycle 3 grant allocation took place in August 2013, which allocated \$4.5 million in grants. Grant requests in this cycle were made for planning in all areas that are in the UGB as of December 2009, plus areas added to the UGB since 2009 and Urban Reserves. This cycle earmarked fifty percent (50%) of projected CET revenues for planning in areas added to the UGB since 2009 and Urban Reserves, and required that if the amount of qualified Grant Requests for areas added to the UGB since 2009 and Urban Reserves does not equal or exceed the earmarked amounts, the remainder of funds may be allocated to Grant Requests for planning in other areas.

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4. The Cycle 4 grant allocation shall take place in 2015-2016 for planning in all areas that are in the UGB and Urban Reserves. This grant allocation shall earmark seventy percent to seventy five percent (70% to 75%) of projected revenue for planning within the existing UGB, and earmark twenty five percent to thirty percent (25% to 30%) of projected revenue for concept planning and comprehensive planning for urban reserves and new urban areas, and require that if the amount of qualified Grant Requests for areas added to the UGB since 2009 and Urban Reserves does not equal or exceed the earmarked amounts, the remainder of funds may be allocated to Grant Requests for planning in other areas.

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5. The Cycle 5 grant allocation shall take place in 2017-2018 for planning in all areas that are in the UGB and Urban Reserves. This grant allocation shall earmark seventy percent to seventy five percent (70% to 75%) of projected revenue for planning within the existing UGB, and earmark twenty five percent to thirty percent (25% to 30%) of projected revenue for concept planning and comprehensive planning for urban reserves and new urban areas, and require that if the amount of qualified Grant Requests for areas added to the UGB since 2009 and Urban Reserves does not equal or exceed the earmarked amounts, the remainder of funds may be allocated to Grant Requests for planning in other areas.

6. The Cycle 6 grant allocation shall take place in 2019-2020 for planning in all areas that are in the UGB and Urban Reserves. This grant allocation shall earmark seventy percent to seventy five percent (70% to 75%) of projected revenue for planning within the existing UGB, and earmark twenty five percent to thirty percent (25% to 30%) of projected revenue for concept planning and comprehensive planning for urban reserves and new urban areas, and require that if the amount of qualified Grant Requests for areas added to the UGB since 2009 and Urban Reserves does not equal

or exceed the earmarked amounts, the remainder of funds may be allocated to Grant Requests for planning in other areas.

7. These cycles may be delayed or amounts reduced if the actual CET receipts remitted by the local governments are not as high as projected, or if CET revenue projections are modified due to market conditions, or if required by Metro's spending cap limitations.

8. Metro may conduct additional allocation cycles if the Metro Chief Operating Officer finds that CET receipts are projected to exceed the grant amounts awarded in Cycle 4 and Cycle 5 and Cycle 6?

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B. CPDG Screening Committee ("Committee").

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1. Role. A CPDG Screening Committee ("the Committee") shall be created, which Committee shall review Grant Requests submitted by local governments. The Committee shall advise and recommend to the Metro Chief Operating Officer ("COO") the ranking and recommended grant amounts, and whether to grant full, partial, or no awards, in accordance with the grant Evaluation Criteria set forth below. The COO shall review the Committee's recommendations and shall forward her/his own grant recommendations, along with the recommendations of the CPDG Screening Committee, to the Metro Council. The Metro Council shall make final grant decisions in a public hearing. A new CPDG Screening Committee shall be established for Cycle 4, Cycle 5 and Cycle 6 grants, but may include members from the previous Committees.

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2. CPDG Screening Committee Members. The COO shall appoint six to nine members to the Committee, including the Committee Chair, Skill sets to be represented will be composed of the following expertise:

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- Economic development;
- Urban planning;
- Real estate and finance;
- Infrastructure finance relating to development or redevelopment;
- Local government;
- Urban renewal and redevelopment;
- Business and commerce;
- Neighborhood Association or Community Planning Commission with an understanding of community livability issues; and
- Environmental sustainability relating to development or redevelopment.
- Social equity relating to community development and redevelopment planning.

Deleted: In appointing Committee members, the Metro COO shall make every effort so that no one jurisdiction or geographic location is disproportionately represented on the Committee. The Committee will be composed of nine individuals representing a variety of expertise from public and private interests as set forth below, plus one non-voting Metro Councilor to serve as a Metro Council liaison. A committee member may have more than one expertise. The nine-member Committee shall include:

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C. CPDG Screening Committee Review of Grant Requests.

1. Metro staff shall forward the letters of intent and Grant Requests to the members of the Screening Committee, and will provide staff assistance to the Committee.
2. The Screening Committee shall then review the Grant Requests and evaluate them based on the CPDG Requests Evaluation Criteria set forth below. The Screening Committee shall use the criteria as guidelines for evaluating applications. The Committee may consult with the proponent of the Grant Request or any others in reviewing the request.
3. After analyzing the Grant Requests, the Committee shall forward to the Metro COO the Committee's recommended ranking and grant amounts for each of the Grant Requests.

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4. The Metro COO shall review the Committee's recommendations and shall forward her/his own grant recommendations, based on the CPDG Requests Evaluation Criteria set forth above, along with the recommendations of the Screening Committee, to the Metro Council. The Metro Council shall decide, in a public hearing, whether or not to approve funding of any grants, and the amount of each grant.

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D. Metro Council Grant Approval. The Metro Chief Operating Officer ("Metro COO") shall review the Committee's recommendations and shall forward her/his own grant recommendations, along with the recommendations of the Screening Committee, to the Metro Council. The Metro Council shall make final grant decisions in a public hearing.

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E. Procedures for Distribution.

1. **Step One: Pre-Grant-Letter of Intent**. Prior to making a request to Metro for CPDG funds, each Grant Applicant that anticipates requesting CPDG funds in Cycle 4, Cycle 5 and Cycle 6 shall submit electronic Letter of Intent to the Metro Chief Operating Officer.

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a. Grant Applicant. CPDG applicants shall be cities or counties within the Metro boundary. Other local governments, as defined in ORS 174.116, may apply for a CPDG only in partnership with a city or county within the Metro boundary.

Deleted: b. Letter of Intent Submission Date. For Grant Requests in Cycle 2, Letters of Intent shall be submitted to Metro within three (3) months of the effective date of the extension to the CET program, i.e., by December 9th, 2009, unless a different date is mutually agreed upon by Metro and the local government. For Grant Requests in Cycle 3, Letters of Intent shall be submitted to Metro by within three (3) months of the update to this administrative rule.

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b. Letter of Intent Content. The Letter of Intent shall set forth the local government's proposed planning project, the requested grant amount, how the project will address the CPDG Request Evaluation Criteria, and proposed milestones for grant payments. Metro staff and the grant applications Screening Committee shall review the Letter of Intent and Metro staff will send comments to the local governments.

2. **Step Two: Grant Request**. After submitting the Letter of Intent, and after working with Metro staff and Screening Committee if necessary, to revise the proposal, Grant Applicants shall submit an electronic Grant Request to the Metro Chief Operating Officer. The grant request shall include support of the governing body and matching fund commitment with allocation of fund and/or staff resources for the proposed project.

**A. Grant Request Evaluation Criteria for Proposed Projects within the current UGB**. For proposed projects within the UGB, the Grant Request shall specifically address how the proposed grant achieves, does not achieve, or is not relevant to, the following criteria ("CPDG Grant Evaluation Criteria"), based on the intent in the Urban Growth Management Functional Plan.

1) Expected Development Outcomes: Explain what planning activities are proposed to be undertaken with the planning and development grant, and how those activities will identify and reduce the barriers to developing complete communities. Address:

a) Identification of opportunity site/s within the boundary of the proposed project area with catalyst potential that focus on jobs growth and/or housing. Explain the characteristics of the site/s and how the proposed project will lead to a catalytic investment strategy with private and public sector support.

b) Clearly articulated and realistic desired outcomes from the planning grant that increase community readiness for development.

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c) The level of community readiness and local commitment to the predicted development outcomes; considerations include:

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1. Track record of successful implementation of community development projects and / or past CPDG plan implementation

- 2. Development sites of adequate scale to generate critical mass of activity;
- 3. Existing and proposed transportation infrastructure to support future development;
- 4. Existing urban form provides strong redevelopment opportunities;
- 5. Sound relationship to adjacent residential and employment areas;
- 6. Compelling vision and long-term prospects;

d) Describe the roles and responsibilities of the applicant and county or city, and relevant service providers for accomplishing the goals of the proposed project.

2) Regionally Significant: Clearly identify how the proposed planning grant will benefit the region in achieving established regional development goals and outcomes, including sustainability practices, expressed in the 2040 Growth Concept and the six Desired Outcomes, adopted by the region to guide future planning, which include:

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a. People live and work in vibrant communities where their everyday needs are easily accessible;

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b. Current and future residents benefit from the region's sustained economic competitiveness and prosperity;

c. People have safe and reliable transportation choices that enhance their quality of life;

\*Refer to the Application Handbook for information for how to address this sub-criteria.

d. The region is a leader in minimizing contributions to climate change;

\*Refer to the Application Handbook for information for how to address this sub-criteria.

e. Current and future generations enjoy clean air, clean water and healthy ecosystems;

f. The benefits and burdens of growth and change are distributed equitably\* ~~\_\_\_\_\_~~

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\*Refer to the Application Handbook for information for how to address this sub-criteria.

3) Location: Discuss whether and how the proposed planning grant facilitates development or redevelopment of:

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a. Centers;

b. Corridors/Main Streets;

c. Station Centers; ~~\_\_\_\_\_~~

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d. Employment & Industrial Areas;

e. Areas where concept planning has been completed but where additional planning and implementation work is needed in order to make these areas development ready; and/or

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f. Areas with concentration of underserved or underrepresented groups

4) Best Practices Model. Consideration will also be given to applications that can be easily replicated in other locations and demonstrate best practices. Discuss also how lessons learned from the planning project will be shared with other communities in the region.

5) Leverage: Discuss whether and how the proposed planning grant will leverage outcomes across jurisdictions and service providers, or create opportunities for additional private/public investment. Investments can take the form of public or private in-kind or cash contributions to the overall planning activity.

6) Matching Fund/Potential: A ten percent (10%) local match is required either as direct financial contribution or in-kind contribution. Discuss whether any portion of the total project cost will be incurred by the applicant and/or its partners. Explain specific portions of the work scope the match money would fund.

7) Growth Absorption: Discuss how this project will create opportunities to accommodate expected population and employment growth consistent with local planning

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\*Refer to the Application Handbook for information for how to address this sub-criteria.

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8) Public Involvement: Discuss whether and how the public, including neighbors to the project, businesses, property owners and other key stakeholders, and disadvantaged communities including low income and minority populations, will be involved in the and how their input will be used to strengthen the project outcomes and increase likelihood to be implemented.

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9) Governing Body: Describe the role of the governing body in relation to:

a. Type of action to be taken to implement the final product

b. When and where applicable, how public voting requirements for annexation and transit improvements will be addressed so that the outcome of proposed planning projects can be realized.

10) Capacity of applicant: Describe the skill set needed and the qualifications of the staff and/or proposed consulting teams to carry out the planning project.

**B. Grant Request Evaluation Criteria for Proposed Projects within areas added to the UGB since 2009 and Urban Reserves.**

The grant request for proposed projects in both areas added to the UGB since 2009 and Urban Reserves shall specifically address how the proposed grant achieves, does not achieve, or is not relevant to the following criteria, drawn from the Urban Growth Management Functional Plan (UGMFP). While the UGMFP's Title 11 (Planning for New Urban Areas) calls for completion of a concept plan prior to Council decision to add the area to the UGB, Metro Council award of

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grants for concept planning in urban reserves should not be interpreted as a commitment by the Council to add the rest of the area to the UGB in the next cycle. Applications should note whether the planning project includes an Urban Reserve area. ~~The Screening Committee shall emphasize using available funds to spur development.~~

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1) Address ~~Title 11 requirements for concept plan or comprehensive plan.~~ Clearly describe how the proposed planning grant will address the requirements for either a concept plan or comprehensive plan or both as described in Title 11.

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- a. If not proposing to complete a full plan, describe how the portion proposed will result in an action that secures financial and governance commitment that facilitates the next steps in the planning process.
- b. If not proposing a planning grant for the full Urban Reserve area, describe how the proposal would address the intent for complete communities as described in the urban reserve legislative intent, urban and rural reserve intergovernmental agreements between Metro and counties, and Title 11.

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2) Regionally Significant: Unless addressed in criteria # 1, describe how the proposed planning grant will benefit the region in achieving established regional development goals and outcomes, including sustainability practices, expressed in the 2040 Growth Concept and the six Desired Outcomes, adopted by the region to guide future planning, which include:

- a. People live and work in vibrant communities where their everyday needs are easily accessible;
- b. Current and future residents benefit from the region's sustained economic competitiveness and prosperity;
- c. People have safe and reliable transportation choices that enhance their quality of life\*;  
\*Refer to the Application Handbook for information for how to address this sub-criteria.
- d. The region is a leader in minimizing contributions to climate change\*;  
\*Refer to the Application Handbook for information for how to address this sub-criteria.
- e. Current and future generations enjoy clean air, clean water and healthy ecosystems;
- f. The benefits and burdens of growth and change are distributed equitably\*.  
\*Refer to the Application Handbook for information about how to address this sub-criteria.

3) Addresses how the proposed projects will meet local needs and also contribute solutions to regional needs.

Describe whether and how the proposal will meet a variety of community needs, including land uses such as mixed use development and/or large lot industrial sites which are anticipated to continue to be regional needs.

- 4) Demonstrates jurisdictional and service provider commitments necessary for a successful planning and adoption process.  
Applications should reflect commitment by county, city and relevant service providers to participate in the planning effort and describe how governance issues will be resolved through or prior to the planning process. Describe the roles and responsibilities of the county, city and relevant service providers for accomplishing the commitments.
- 5) Address readiness of land for development in areas added to the UGB since 2009 and Urban Reserves.  
For applications in areas added to the UGB since 2009, demonstrate that market conditions would be ready to support development and efficient use of land or define the steps that the project would undertake to influence market conditions.
- 6) Best Practices Model. Consideration will also be given to applications that can be easily replicated in other locations and demonstrate best practices. Discuss also how lessons learned from the planning project will be shared with other communities in the region.
- 7) Leverage: Discuss whether and how the proposed planning grant will leverage outcomes across jurisdictions and service providers, or create opportunities for additional private/public investment. Investments can take the form of public or private in-kind or cash contributions to the overall planning activity.
- 8) Matching Fund/Potential: A ten percent (10%) local match is required either as direct financial contribution or in-kind contribution. Discuss whether any portion of the total project cost will be incurred by the applicant and/or its partners. Explain specific portions of the work scope the match money would fund.

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- 9) Growth Absorption: Explain how this project will create opportunities to accommodate expected population and employment growth consistent with local planning.

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\*Refer to the Application Handbook for information for how to address this sub-criteria.

- 10) Public Involvement: Discuss whether and how the public, including neighbors to the project, businesses, property owners and other key stakeholders, and disadvantaged communities including low income and minority populations, will be involved in the progress of the project and how their input will be used to strengthen the project outcomes and increase likelihood to be implemented.

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- 10) Governing Body: Describe the role of the governing body in relation to:

a. Type of action to be taken to implement the final product

b. When and where applicable, how public voting requirements for annexation and transit improvements will be addressed so that the outcome of proposed planning projects can be realized.

12) Capacity of applicant: Describe the skill set needed and the qualifications of the staff or proposed consulting teams to carry out the planning project.

C. Proposed Scope of Work, Milestones and Budget. The Grant Request shall include a proposed scope of work and budget, setting forth the expected completion dates and costs for achieving the milestones proposed in the Grant Request. The Grant Request shall include also outcome measures specific to the project and source of data and information for Metro's use for evaluation of the progress of the CPDG program. Milestones and grant payment allocations should follow the following general guidelines:

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1) Execution of the CPDG IGA

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2) Grant Applicant staff's draft or proposed plan, report, code change, zoning change, redevelopment plan, Urban Growth Diagram, Concept Plan, urban services delivery plan, or other plan or agreement consistent with the CPDG;

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3) Grant Applicant staff's final recommended plan, report, code change, redevelopment plan, zoning change, Comprehensive Plan or Comprehensive Plan amendment, development agreement, urban services delivery plan, or other plan or agreement consistent with the CPDG award, addressing compliance with the Urban Growth Management Functional Plan, the applicable conditions of the CPDG award, and applicable state laws and regulations; and

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4) Grant Applicant's action on final plan, report, code change, redevelopment plan, zoning change, Comprehensive Plan or Comprehensive Plan amendment, urban services delivery plan, or other plan or agreement consistent with the CPDG award, consistent with the applicable conditions of the CPDG award, and applicable state law. The governing body of the applicant shall authorize the action on the final products.

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5) Grant Applicant's proposed outcome measures specific for the project and source of data and information for Metro's use for evaluation of the progress of this grant program.

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<#>Grant Screening Committee Review of Grant Request. ¶  
The Screening Committee shall recognize the intent of the grants to lead to on-the-ground development and prioritize projects with broad public and private sector support. The Grant Screening Committee shall review and advise the COO as to the Committee's grant recommendations as set forth in Section IV C above.¶

3. **Step Three: Grant Intergovernmental Agreement ("IGA").** Upon the award of a grant, the Metro Chief Operating Officer shall issue a Grant Letter for the grant amount determined by the Metro Council. Metro and the Grant Applicant shall enter into a Grant Intergovernmental Agreement ("IGA"). The governing body of the Grant applicant jurisdiction shall authorize the approval of the IGA. The IGA shall set forth an agreed-upon scope of work and budget, completion dates of expected milestones and deliverables, and Grant payment dates and payment amount for each milestone. The scope of work in the grant application and guidelines above in Section IV.E.2.C as modified by any condition in Metro Council grant award shall be the basis for Metro and grantee to negotiate the IGA.

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Deleted: or, at the Grant Applicant's request, the Metro Chief Operating Officer shall issue a Grant Letter, for the grant amount determined by the Metro Council.

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a) Deadline for Signing IGA: If the IGA has not been signed by Metro and grantee within six months of grant award, the COO shall exercise the authority to cancel the grant award.

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b) Grant Payments: The grant payment amount and marching fund shall be stated in the IGA.

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Grant payments shall be made upon the completion of those milestones set forth in the IGA, as determined by Metro in accordance with the requirements of the Metro Code and the IGA. In general, a portion of the Grant funds shall be distributed upon execution of a IGA with Metro, with the remainder of the Grant being paid out as progress payments upon

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completion of the milestones in the JGA. Grantees shall submit progress reports to Metro documenting the milestone and the completed deliverables for grant payment.

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c) Eligible Expenses.

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1. The following expenses shall be considered Eligible Expenses for CPDG consideration for eligible direct costs, which will have priority for funding over indirect costs:

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- i. Materials directly related to project;
- ii. Consultants' work on project;
- iii. Grant Applicant staff support directly related to project; and
- iv. Overhead directly attributable to project;

2. Grant requests to reimburse local governments for planning work already completed shall not be considered.
3. If the total Grant Requests from participating Grant Applicants exceed the total CET actual revenues, Metro shall first consider awarding funds for eligible direct costs, which will have priority for funding over indirect costs.

c) Metro staff liaison: Grantees shall work closely with the Metro staff liaison, and include them in the appropriate advisory committee for the project.

d) Completion of grant project: The COO shall retain the right to terminate a CPDG award if the milestones set forth in the IGA are not met within the timeframes set forth in the IGA.

4. **Application Handbook:** Before soliciting applications for the planning and development grants, Metro shall publish a handbook with details on how to submit applications, prepare a project budget linked to expected outcomes and milestones, and deadlines for applicants to submit letters of intent and full applications.

## ADMINISTRATIVE RULES: METRO CODE CHAPTER 7.04

[Revised January \_\_\_\_ 2015]

(MTAC RECOMMENDATIONS -- DECEMBER 2014)

(METRO COUNCIL COMMENTS -- JANUARY 2015)

Effective July 1, 2006, and extended through December 31, 2020, Metro has established as Metro Code Chapter 7.04 a Construction Excise Tax (“CET”) to fund Community Planning and Development Grants (“CPDG”). These Administrative Rules establish the procedures for administering this tax as mandated in Metro Code Section 7.04.050 and Metro Code Section 7.04.060. For ease of reference a copy of Metro Code Chapter 7.04 is attached to these administrative rules.

### I. Metro Administrative Matters.

- A. Definitions. These administrative rules incorporate the definitions as set forth in Metro Code Section 7.04.030 of Chapter 7.04, Construction Excise Tax, and Chapter 3.07, the Urban Growth Management Functional Plan.
- B. Designated Representatives (Metro Code Section 7.04.060). The Metro Chief Operating Officer (“COO”) is responsible for the administration and enforcement of the Metro Code Chapter 7.04 and these administrative rules.
1. The COO may delegate his authority in administration and enforcement of the Code chapter and these administrative rules as he determines and as set forth herein.
  2. The COO shall appoint a Hearings Officer(s), which appointment shall be confirmed by the Metro Council. The Hearings Officer(s) shall have the authority to order refunds or rebates of the Construction Excise Tax or waive penalties as a result of the hearings process. Upon appointing a Hearings Officer, the Chief Operating Officer shall delegate authority to the Hearings Officer to administer oaths, certify to all official acts, to subpoena and require attendance of witnesses at hearings to determine compliance with this chapter, rules and regulations, to require production of relevant documents at public hearings, to swear witnesses, to take testimony of any Person by deposition, and perform all other acts necessary to adjudicate appeals of Construction Excise Tax matters.
- C. Internal Flow of Funds. Funds will be accounted for in a Construction Excise Tax account that will be created by the effective date of Metro Code Chapter 7.04.
- D. Rate Stabilization Reserves. Metro Code Chapter 7.04.200 states that the Council will, each year, as part of the Budget process, create reserves from revenues generated by the CET. These reserves are to even out collections thereby stabilizing the funds needed to support the applicable programs despite industry building activity fluctuation. These reserves can only be drawn on to support the specific budgeted activities as discussed in Section I.E. of these administrative rules. Due to their restricted nature, these reserves shall be reported as designations of fund balance in Metro’s General Fund.
- E. Dedication of Revenues. Revenues derived from the imposition of this tax, netted after deduction of authorized local jurisdiction costs of collection and administration will be solely dedicated to grant funding of the regional and local planning that is required to make land ready for development after inclusion in the Urban Growth Boundary.
- F. Rule Amendment. The Chief Operating Officer retains the authority to amend these administrative rules as necessary for the administration of the Construction Excise Tax, after consultation with Metro Council.

## II. Construction Excise Tax Administration.

### A. Imposition of Tax (Metro Code Section 7.04.070).

1. The CET is imposed on every Person who engages in Construction within the Metro jurisdiction, unless an Exemption applies as set forth herein.
2. The tax shall be due and payable at the time of the issuance of any building permit, or installation permit in the case of a manufactured dwelling, by any building authority, unless an Exemption applies as set forth herein.
3. The CET shall be calculated and assessed as of the application date for the building permit. Persons obtaining building permits based on applications that were submitted prior to July 1, 2006 shall not be required to pay the CET, unless the building permit issuer normally imposes fees based on the date the building permit is issued.
4. If no permit is issued, then the CET is due at the time the first activity occurs that would require issuance of a building permit under the State of Oregon Building Code.

### B. Calculation of Tax (Metro Code Section 7.04.080). The CET is calculated by multiplying the Value of New Construction by the tax rate of 0.12%

(0.0012 x Value of New Construction)

- a. In the case of a Manufactured Dwelling for which no Exemption is applicable, and for which there is no building code determination of valuation of the Manufactured Dwelling, the applicant's good faith estimate of the Value of New Construction for the Manufactured Dwelling shall be used.

### C. Exemptions (Metro Code Section 7.04.040).

1. Eligibility for Exemption. No obligation to pay the CET is imposed upon any Person who establishes, as set forth below, that one or more of the following Exemptions apply:
  - a. The Value of New Construction is less than or equal to One Hundred Thousand Dollars (\$100,000); or
  - b. The Person who would be liable for the tax is a corporation exempt from federal income taxation pursuant to 42 U.S.C. 501(c)(3), or a limited partnership the sole general partner of which is a corporation exempt from federal income taxation pursuant to 42 U.S.C. 501(c)(3), the Construction is used for residential purposes AND the property is restricted to being occupied by Persons with incomes less than fifty percent (50%) of the median income for a period of 30 years or longer; or
  - c. The Person who would be liable for the tax is exempt from federal income taxation pursuant to 42 U.S.C. 501(c)(3) AND the Construction is dedicated for use for the purpose of providing charitable services to Persons with income less than fifty

percent (50%) of the median income.

2. Procedures for Establishing and Obtaining an Exemption; Exemption Certificates:

- a. For exemption (a) above, the exemption will be established at the building permit counter where the Value of New Construction as determined in the building permit is less than or equal to One Hundred Thousand Dollars (\$100,000).
- b. For exemptions (b) and (c) above, prior to applying for a building permit a Person claiming an exemption may apply to Metro for a Metro CET Exemption Certificate, by presenting the appropriate documentation for the exemption as set forth herein, and upon receiving a Metro CET Exemption Certificate the Person may present the certificate to the building permit issuer to receive an exemption from paying the CET; or
- c. For exemptions (b) and (c) above, instead of going to Metro to obtain a Metro CET Exemption Certificate, a Person claiming an exemption from the CET when applying for a building permit may submit to the building permit issuer Metro's CET Exemption Certificate application form. Upon receiving a Person's Metro CET Exemption Certificate application, the building permit issuer shall preliminarily authorize the exemption and shall not collect the CET. The building permit issuer shall forward the Person's Metro CET Exemption Certificate application to Metro along with the quarterly CET report. It shall be Metro's responsibility to determine the validity of the exemption and to institute collection procedures to obtain payment of the CET, as well as any other remedy Metro may have under law, if the Person was not entitled to the exemption;
- d. To receive a Metro CET Exemption Certificate from Metro, or to substantiate to Metro the validity of an exemption received from a local building permit issuer, an applicant must provide the following:
  - i. IRS tax status determination letter evidencing that the Person seeking the building permit is exempt from federal income taxation pursuant to 42 U.S.C. 501(c)(3); and
  - ii. In the case of residential property, proof that the property is to be restricted to low income persons, as defined, for at least 30 years. Proof can be in the form of loan covenants; rental agreements or grant restrictions; a certification from the entity's corporate officer attesting that the exemption is applicable; or any other information that may allow the exemption determination to be made; and
  - iii. In the case of a qualified tax-exempt entity providing services to Persons with incomes less than 50 percent of the median income, the applicant must provide information that will allow such tax exempt status to be verified, and proof that the property will be restricted to such uses. Proof can be in the form of loan covenants; rental agreements or grant restrictions; certification from the entity's corporate officer attesting that the exemption is applicable; or any other information that may allow the exemption determination to be made; and

- iv. In the case of a limited partnership with a tax-exempt sole general partner corporation, verification from the partnership's attorney of that status is required; and
  - v. Authorization to audit the records to verify the legal status and compliance with Metro qualifications of all entities claiming exempt status.
- e. Partial Applicability of Exemption. If an exemption is applicable to only part of the Construction, then only that portion shall be exempt from the CET, and CET shall be payable for the remainder of the Construction that is not eligible for an exemption, on a pro-rata basis. It shall be the responsibility of the Person seeking the partial exemption to fill out a Metro CET Exemption Certificate application for the partial exemption, declaring on that application the proportion of the Construction qualifies for the exemption. Upon receiving a Person's Metro CET Exemption Certificate application claiming a partial exemption, the building permit issuer shall preliminarily authorize the partial exemption and shall only collect the pro-rata CET as declared by the applicant. The building permit issuer shall forward the Person's Metro CET Exemption Certificate application to Metro along with the quarterly CET report. It shall be Metro's responsibility to determine the validity of the partial exemption and to institute collection procedures to obtain payment of the remainder of the CET, as well as any other remedy Metro may have under law, if the Person was not entitled to the partial exemption.

D. Ceiling (Metro Code Section 7.04.045).

1. If the CET imposed would be greater than \$12,000.00 (Twelve Thousand Dollars) as measured by the Value of New Construction that would generate that amount of tax, then the CET imposed for that Construction is capped at a Ceiling of \$12,000.00 (Twelve Thousand Dollars).
2. The Ceiling applies on a single structure basis, and not necessarily on a single building permit basis. For example:
  - a. If a single building permit is issued where the Value of New Construction is greater than or equal to Ten Million Dollars (\$10,000,000), then the CET for that building permit is capped at Twelve Thousand Dollars (\$12,000.00).
  - b. If Construction in a single structure will require multiple building permits during the pendency of the CET program, and the total CET that would be imposed for those building permits would add up to more than Twelve Thousand Dollars (\$12,000.00), then the total CET for those building permits within the same structure during the pendency of the CET program is capped at Twelve Thousand Dollars (\$12,000.00). Once a total of \$12,000.00 has been paid in CET for a particular structure, then no additional CET will be collected for that structure during the pendency of the CET program.

- E. Rebates (Metro Code Section 7.04.120). If a CET has been collected and a CET Exemption or the CET Ceiling was applicable, a rebate for the CET may be obtained from Metro.
1. Procedures for obtaining rebate are:
    - a. Within thirty (30) days of paying the CET, the Person who believes that the CET was not applicable due to a CET exemption or CET Ceiling, shall apply for a rebate in writing to Metro and provide verification that the exemption eligibility provisions of Metro Code Section 7.04.040, or that the CET Ceiling provisions of Metro Code Section 7.04.045, have been met. Failure to seek a rebate within the thirty (30) day time limit will terminate a Person's right to seek a rebate.
    - b. Applicant shall provide proof that the CET was paid, in the form of a paid receipt from the building permit issuer showing the tax was paid. All supporting documentation for the exemption or ceiling shall be submitted at the time of the rebate claim. The rebate will only be made to the name that is listed on the receipt unless the applicant has a written assignment of rebate.
    - c. A rebate or a letter of denial shall be issued by Metro within thirty (30) days of receipt of a written request for rebate provided that the request includes all required information. The rebate will be calculated based upon the paid receipt, less the five percent (5%) administrative fee already retained by the building permit issuer and the five percent (5%) Metro administration fee.
- F. Refunds (Metro Code Section 7.04.150). If a CET has been collected and the Construction was not commenced and the building permit was cancelled, a refund for the CET may be obtained from Metro.
1. Eligibility is determined by the absence of Construction and cancellation of the building permit.
  2. Procedures for obtaining refund:
    - a. Apply in writing to Metro within thirty (30) days of permit cancellation.
    - b. Provide copy of canceled permit.
    - c. Provide proof of payment of the tax in the form of the paid receipt.
    - d. A refund or a letter of denial shall be issued by Metro within thirty (30) days of receipt of the written request for refund provided that the request includes all required information. The refund will be calculated based upon the paid receipt, less the five percent (5%) administrative fee already retained by the building permit issuer and the five percent (5%) Metro administration fee.
    - e. Failure to seek a rebate within the thirty (30) day time limit will terminate a Person's right to receive a refund.

G. Appeals. The Hearings Officer shall conduct hearings related to enforcement or appeals of the CET. The appeal to the Hearings Officer must be:

1. In writing;
2. Made within ten (10) calendar days of denial of a refund, rebate, or exemption request. Notice of denial to the party denied, is deemed to have occurred three days after the mailing of the certified denial letter from Metro;
3. Tax must be paid prior to appeal;
4. Directed to the Office of Metro Attorney, who will contact the Hearings Officer to schedule a hearing upon receipt of a written appeal. The Hearings Officer will at that time provide further information as to what documentation to bring to the hearing.

H. Review. Review of any action of the Chief Operating Officer or Hearings Officer, taken pursuant to the Construction Excise Tax Ordinance, or the rules and regulations adopted by the Chief Operating Officer, shall be taken solely and exclusively by writ of review in the manner set forth in ORS 34.010 through 34.100, provided, however, that any aggrieved Person may demand such relief by writ of review.

I. CET Sunset (Metro Code Section 7.04.230).

1. The CET shall not be imposed on and no person shall be liable to pay any tax for any Construction activity that is commenced pursuant to a building permit issued on or after December 31, 2020.
2. Local governments collecting CETs shall remit the CETs to Metro on a quarterly or monthly basis, based on the jurisdiction's CET Collection IGAs with Metro. Each quarter, within thirty days of receiving CET remittances from all collecting local jurisdictions, Metro will issue a written statement of the total CET that Metro has received that quarter and cumulatively.
3. CET remittance to Metro shall be net of the local government's administrative expenses in collecting the CET, up to five percent (5%) of the CET collected by the local government as set forth in the Metro CET Collection IGA. This net amount of CET remitted to Metro shall be the basis for Metro's calculations of CET cumulative totals .
4. The CET shall cease to be imposed by local governments on December 31, 2020, and shall be remitted by the local governments to Metro as soon thereafter as possible.

### **III. CET Collection Procedures.**

A. Local Government CET Collection and Remittance Via Intergovernmental Agreements (Metro Code Section 7.04.110). For those local governments collecting the CET pursuant to Intergovernmental Agreements with Metro, the following procedures shall apply:

1. CET Report; Information Required. Each quarter (unless a local government prefers to report monthly), along with its CET remittance to Metro, the local government shall prepare and submit to the Metro Chief Operating Officer a report of the CETs and building permits issued for the previous quarter's construction activities. The report shall include: the number of building permits issued that quarter; the aggregate value of construction; the number of building permits for which CET exemptions were given; the aggregate value of

construction for the exempted construction; the aggregate amount of CET paid; and the amount of CET administrative fee retained by the local government pursuant to this CET Collection IGA.

2. CET Remittance to Metro. Local governments collecting CET via IGAs with Metro shall remit the collected CET to Metro. Remittance shall be quarterly, unless a jurisdiction prefers to remit the CET monthly, by the 30<sup>th</sup> of the month following the quarter (or month) ending. Quarters end on September 30, December 31, March 31 and June 30 of each year. CET remittance and the CET Report shall be sent to Metro, attn Construction Excise Tax Accounting Specialist, 600 NE Grand, Portland, Oregon 97232.
  3. Remuneration to Local Government for Collecting CET. As consideration for collecting the CET, each local government collecting the CET shall retain no more than five percent (5%) of the tax collected by that local government. This payment is intended to be a reimbursement of costs incurred. Prior to submitting the CET to Metro, the local government shall deduct the remuneration agreed upon directly from the collected tax, and the amounts deducted and retained shall be identified on the report submitted to Metro.
  4. Metro Administrative Fee. To partially reimburse Metro for its costs in implementing and administering the CET program, Metro will retain five percent (5%) of the net CET funds remitted by local governments to Metro.
  5. Audit and Control Features. Each local government shall allow the Chief Operating Officer, or any person authorized in writing by the Chief Operating Officer, to examine the books, papers, building permits, and accounting records relating to any collection and payment of the tax, during normal business hours, and may investigate the accuracy of reporting to ascertain and determine the amount of CET required to be paid.
  6. Failure to Pay. Upon a Person's refusal to or failure to pay the CET when due, the local government administering that Person's building permit shall notify Metro in writing within five (5) business days of such failure, with information adequate for Metro to begin collection procedures against that Person, including the Person's name, address, phone numbers, Value of New Construction, Construction Project, and building permit number. Upon a Person's refusal or failure to pay the CET, it shall be Metro's responsibility to institute collection procedures to obtain payment of the CET as well as any other remedy Metro may have under law.
- B. Metro Collection Procedures in Event of Non-payment. The CET is due and payable upon issuance of a building permit. It is unlawful for any Person to whom the CET is applicable to fail to pay all or any portion of the CET. If the tax is not paid when due, Metro will send a letter notifying the non-payer of his obligation to pay the CET along with the following information:
1. Penalty. In addition to any other fine or penalty provided by Chapter 7.04 of the Metro Code, penalty for non-payment will be added to the original tax outstanding. That penalty is equal to fifty dollars (\$50.00) or the amount of the tax owed, whichever is greater.
  2. Misdemeanor. In addition to any other civil enforcement, non-payment of the CET is a misdemeanor and shall be punishable, upon conviction, by a fine of not more than five hundred dollars (\$500.00). This fine shall be charged to any officer, director, partner or other Person having direction or control over any Person not paying the tax as due.



3. Enforcement by Civil Action. If the tax is not paid, Metro will proceed with collection procedures allowable by law to collect the unpaid tax, penalties assessed and fines due, including attorney fees.

**IV. Revenue Distribution (Metro Code Section 7.04.220).**

**A. Grant Cycles.** CET funds collected pursuant to the 2014 extension of the CET shall be allocated in three new application assessment cycles (Cycle 4, Cycle 5 and Cycle 6).

1. The Cycle 1 fund distribution took place in March 2006, which allocated up to \$6.3 million in grants. Grant requests in this cycle were made for planning only in new areas that were brought into the Urban Growth Boundary (UGB) between 2002 and 2005.

2. The Cycle 2 grant allocation through the Community Planning and Development Grant program (CPDG) took place in June 2010, which allocated up to \$3.57 million in CET Grants revenue. Grant requests in this cycle were made for planning in all areas that are in the Urban Growth Boundary (UGB) as of December 2009.

3. The Cycle 3 grant allocation took place in August 2013, which allocated \$4.5 million in grants. Grant requests in this cycle were made for planning in all areas that are in the UGB as of December 2009, plus areas added to the UGB since 2009 and Urban Reserves. This cycle earmarked fifty percent (50%) of projected CET revenues for planning in areas added to the UGB since 2009 and Urban Reserves, and required that if the amount of qualified Grant Requests for areas added to the UGB since 2009 and Urban Reserves does not equal or exceed the earmarked amounts, the remainder of funds may be allocated to Grant Requests for planning in other areas.

4. The Cycle 4 grant allocation shall take place in 2015-2016 for planning in all areas that are in the UGB and Urban Reserves. This grant allocation shall earmark seventy percent to seventy five percent (70% to 75%) of projected revenue for planning within the existing UGB, and earmark twenty five percent to thirty percent (25% to 30%) of projected revenue for concept planning and comprehensive planning for urban reserves and new urban areas, and require that if the amount of qualified Grant Requests for areas added to the UGB since 2009 and Urban Reserves does not equal or exceed the earmarked amounts, the remainder of funds may be allocated to Grant Requests for planning in other areas.

5. The Cycle 5 grant allocation shall take place in 2017-2018 for planning in all areas that are in the UGB and Urban Reserves. This grant allocation shall earmark seventy percent to seventy five percent (70% to 75%) of projected revenue for planning within the existing UGB, and earmark twenty five percent to thirty percent (25% to 30%) of projected revenue for concept planning and comprehensive planning for urban reserves and new urban areas, and require that if the amount of qualified Grant Requests for areas added to the UGB since 2009 and Urban Reserves does not equal or exceed the earmarked amounts, the remainder of funds may be allocated to Grant Requests for planning in other areas.

6. The Cycle 6 grant allocation shall take place in 2019-2020 for planning in all areas that are in the UGB and Urban Reserves. This grant allocation shall earmark seventy percent to seventy five percent (70% to 75%) of projected revenue for planning within the existing UGB, and earmark twenty five percent to thirty percent (25% to 30%) of projected revenue for concept planning and comprehensive planning for urban reserves and new urban areas, and require that if the amount of qualified Grant Requests for areas added to the UGB since 2009 and Urban Reserves does not equal

or exceed the earmarked amounts, the remainder of funds may be allocated to Grant Requests for planning in other areas.

7. These cycles may be delayed or amounts reduced if the actual CET receipts remitted by the local governments are not as high as projected, or if CET revenue projections are modified due to market conditions, or if required by Metro's spending cap limitations.

8. Metro may conduct additional allocation cycles if the Metro Chief Operating Officer finds that CET receipts are projected to exceed the grant amounts awarded in Cycle 4 and Cycle 5 and Cycle 6?.

B. CPDG Screening Committee ("Committee").

1. Role. A CPGD Screening Committee ("the Committee") shall be created, which Committee shall review Grant Requests submitted by local governments. The Committee shall advise and recommend to the Metro Chief Operating Officer ("COO") the ranking and recommended grant amounts, and whether to grant full, partial, or no awards, in accordance with the grant Evaluation Criteria set forth below. The COO shall review the Committee's recommendations and shall forward her/his own grant recommendations, along with the recommendations of the CPGD Screening Committee, to the Metro Council. The Metro Council shall make final grant decisions in a public hearing. A new CPGD Screening Committee shall be established for Cycle 4, Cycle 5 and Cycle 6 grants, but may include members from the previous Committees.

2. CPDG Screening Committee Members. The COO shall appoint six to nine members to the Committee, including the Committee Chair. Skill sets to be represented will be composed of the following expertise:

- Economic development;
- Urban planning;
- Real estate and finance;
- Infrastructure finance relating to development or redevelopment;
- Local government;
- Urban renewal and redevelopment;
- Business and commerce;
- Neighborhood Association or Community Planning Commission with an understanding of community livability issues; and
- Environmental sustainability relating to development or redevelopment.
- **Social equity relating to community development and redevelopment planning**

C. CPDG Screening Committee Review of Grant Requests.

1. Metro staff shall forward the letters of intent and Grant Requests to the members of the Screening Committee, and will provide staff assistance to the Committee.

2. The Screening Committee shall then review the Grant Requests and evaluate them based on the CPGD Requests Evaluation Criteria set forth below. The Screening Committee shall use the criteria as guidelines for evaluating applications. The Committee may consult with the proponent of the Grant Request or any others in reviewing the request.

3. After analyzing the Grant Requests, the Committee shall forward to the Metro COO the Committee's recommended ranking and grant amounts for each of the Grant Requests.

4. The Metro COO shall review the Committee’s recommendations and shall forward her/his own grant recommendations, based on the CPDG Requests Evaluation Criteria set forth above, along with the recommendations of the Screening Committee, to the Metro Council. The Metro Council shall decide, in a public hearing, whether or not to approve funding of any grants, and the amount of each grant.

D. Metro Council Grant Approval. The Metro Chief Operating Officer (“Metro COO”) shall review the Committee’s recommendations and shall forward her/his own grant recommendations, along with the recommendations of the Screening Committee, to the Metro Council. The Metro Council shall make final grant decisions in a public hearing.

E. Procedures for Distribution.

1. **Step One: Pre-Grant-Letter of Intent.** Prior to making a request to Metro for CPDG funds, each Grant Applicant that anticipates requesting CPDG funds in Cycle 4, Cycle 5 and Cycle 6 shall submit electronic Letter of Intent to the Metro Chief Operating Officer.

- a. Grant Applicant. CPDG applicants shall be cities or counties within the Metro boundary. Other local governments, as defined in ORS 174.116, may apply for a CPDG only in partnership with a city or county within the Metro boundary.

- b. Letter of Intent Content. The Letter of Intent shall set forth the local government’s proposed planning project, the requested grant amount, how the project will address the CPDG Request Evaluation Criteria, and proposed milestones for grant payments. Metro staff and the grant applications Screening Committee shall review the Letter of Intent and Metro staff will send comments to the local governments.

2. **Step Two: Grant Request.** After submitting the Letter of Intent, and after working with Metro staff and Screening Committee if necessary, to revise the proposal, Grant Applicants shall submit an electronic Grant Request to the Metro Chief Operating Officer. The grant request shall include support of the governing body and matching fund commitment with allocation of fund and/or staff resources for the proposed project.

**A. Grant Request Evaluation Criteria for Proposed Projects within the current UGB. For proposed projects within the UGB, the Grant Request shall specifically address how the proposed grant achieves, does not achieve, or is not relevant to, the following criteria (“CPDG Grant Evaluation Criteria”), based on the intent in the Urban Growth Management Functional Plan.**

- 1) Expected Development Outcomes: Explain what planning activities are proposed to be undertaken with the planning and development grant, and how those activities will identify and reduce the barriers to developing complete communities. Address:
  - a) Identification of opportunity site/s within the boundary of the proposed project area with catalyst potential that focus on jobs growth and/or housing. Explain the characteristics of the site/s and how the proposed project will lead to a catalytic investment strategy with private and public sector support.
  - b) Clearly articulated and realistic desired outcomes from the planning grant that increase community readiness for development.

c)

c) The level of community readiness and local commitment to the predicted development outcomes; considerations include:

1. Track record of successful implementation of community development projects and / or past CPDG plan implementation
2. Development sites of adequate scale to generate critical mass of activity;
3. Existing and proposed transportation infrastructure to support future development;
4. Existing urban form provides strong redevelopment opportunities;
5. Sound relationship to adjacent residential and employment areas;
6. Compelling vision and long-term prospects;

d) Describe the roles and responsibilities of the applicant and county or city, and relevant service providers for accomplishing the goals of the proposed project.

2) Regionally Significant: Clearly identify how the proposed planning grant will benefit the region in achieving established regional development goals and outcomes, including sustainability practices, expressed in the 2040 Growth Concept and the six Desired Outcomes, adopted by the region to guide future planning, which include:

- a. People live and work in vibrant communities where their everyday needs are easily accessible;
- b. Current and future residents benefit from the region's sustained economic competitiveness and prosperity;
- c. People have safe and reliable transportation choices that enhance their quality of life;

\*Refer to the Application Handbook for information for how to address this sub-criteria.

d. The region is a leader in minimizing contributions to climate change;

\*Refer to the Application Handbook for information for how to address this sub-criteria.

e. Current and future generations enjoy clean air, clean water and healthy ecosystems;

f. The benefits and burdens of growth and change are distributed equitably\*.

\*Refer to the Application Handbook for information for how to address this sub-criteria.

3) Location: Discuss whether and how the proposed planning grant facilitates development or redevelopment of:

- a. Centers;
- b. Corridors/Main Streets;
- c. Station Centers;

- d. Employment & Industrial Areas;
  - e. Areas where concept planning has been completed but where additional planning and implementation work is needed in order to make these areas development ready; and/or
  - f. Areas with concentration of underserved or underrepresented groups
- 4) Best Practices Model. Consideration will also be given to applications that can be easily replicated in other locations and demonstrate best practices. Discuss also how lessons learned from the planning project will be shared with other communities in the region.
- 5) Leverage: Discuss whether and how the proposed planning grant will leverage outcomes across jurisdictions and service providers, or create opportunities for additional private/public investment. Investments can take the form of public or private in-kind or cash contributions to the overall planning activity.
- 6) Matching Fund/Potential: A ten percent (10%) local match is required either as direct financial contribution or in-kind contribution. Discuss whether any portion of the total project cost will be incurred by the applicant and/or its partners. Explain specific portions of the work scope the match money would fund.
- 7) Growth Absorption: Discuss how this project will create opportunities to to accommodate expected population and employment growth consistent with local planning
- \*Refer to the Application Handbook for information for how to address this sub-criteria.
- 8) Public Involvement: Discuss whether and how the public, including neighbors to the project, businesses, property owners and other key stakeholders, and disadvantaged communities including low income and minority populations, will be involved in the and how their input will be used to strengthen the project outcomes and increase likelihood to be implemented.
- 9) Governing Body: Describe the role of the governing body in relation to:
- a. Type of action to be taken to implement the final product
  - b. When and where applicable, how public voting requirements for annexation and transit improvements will be addressed so that the outcome of proposed planning projects can be realized.
- 10) Capacity of applicant: Describe the skill set needed and the qualifications of the staff and/or proposed consulting teams to carry out the planning project.

**B. Grant Request Evaluation Criteria for Proposed Projects within areas added to the UGB since 2009 and Urban Reserves.**

The grant request for proposed projects in both areas added to the UGB since 2009 and Urban Reserves shall specifically address how the proposed grant achieves, does not achieve, or is not relevant to the following criteria, drawn from the Urban Growth Management Functional Plan (UGMFP). While the UGMFP's Title 11 (Planning for New Urban Areas) calls for completion of a concept plan prior to Council decision to add the area to the UGB, Metro Council award of

grants for concept planning in urban reserves should not be interpreted as a commitment by the Council to add the rest of the area to the UGB in the next cycle. Applications should note whether the planning project includes an Urban Reserve area.. The Screening Committee shall emphasize using available funds to spur development.

- 1) Address Title 11 requirements for concept plan or comprehensive plan. Clearly describe how the proposed planning grant will address the requirements for either a concept plan or comprehensive plan or both as described in Title 11.
  - a. If not proposing to complete a full plan, describe how the portion proposed will result in an action that secures financial and governance commitment that facilitates the next steps in the planning process.
  - b. If not proposing a planning grant for the full Urban Reserve area, describe how the proposal would address the intent for complete communities as described in the urban reserve legislative intent, urban and rural reserve intergovernmental agreements between Metro and counties, and Title 11.
  
- 2) Regionally Significant: Unless addressed in criteria # 1, describe how the proposed planning grant will benefit the region in achieving established regional development goals and outcomes, including sustainability practices, expressed in the 2040 Growth Concept and the six Desired Outcomes, adopted by the region to guide future planning, which include:
  - a. People live and work in vibrant communities where their everyday needs are easily accessible;
  - b. Current and future residents benefit from the region’s sustained economic competitiveness and prosperity;
  - c. People have safe and reliable transportation choices that enhance their quality of life\*;  
  
\*Refer to the Application Handbook for information for how to address this sub-criteria.
  - d. The region is a leader in minimizing contributions to climate change\*;  
  
\*Refer to the Application Handbook for information for how to address this sub-criteria.
  - e. Current and future generations enjoy clean air, clean water and healthy ecosystems;
  - f. The benefits and burdens of growth and change are distributed equitably\*.  
  
\*Refer to the Application Handbook for information about how to address this sub-criteria.
  
- 3) Addresses how the proposed projects will meet local needs and also contribute solutions to regional needs.



Describe whether and how the proposal will meet a variety of community needs, including land uses such as mixed use development and/or large lot industrial sites which are anticipated to continue to be regional needs.

- 4) Demonstrates jurisdictional and service provider commitments necessary for a successful planning and adoption process.  
Applications should reflect commitment by county, city and relevant service providers to participate in the planning effort and describe how governance issues will be resolved through or prior to the planning process. Describe the roles and responsibilities of the county, city and relevant service providers for accomplishing the commitments.
- 5) Address readiness of land for development in areas added to the UGB since 2009 and Urban Reserves.  
For applications in areas added to the UGB since 2009, demonstrate that market conditions would be ready to support development and efficient use of land or define the steps that the project would undertake to influence market conditions.
- 6) Best Practices Model. Consideration will also be given to applications that can be easily replicated in other locations and demonstrate best practices. Discuss also how lessons learned from the planning project will be shared with other communities in the region.
- 7) Leverage: Discuss whether and how the proposed planning grant will leverage outcomes across jurisdictions and service providers, or create opportunities for additional private/public investment. Investments can take the form of public or private in-kind or cash contributions to the overall planning activity.
- 8) Matching Fund/Potential: A ten percent (10%) local match is required either as direct financial contribution or in-kind contribution. Discuss whether any portion of the total project cost will be incurred by the applicant and/or its partners. Explain specific portions of the work scope the match money would fund.
- 9) .  
Growth Absorption: Explain how this project will create opportunities to accommodate expected population and employment growth consistent with local planning.  
  
\*Refer to the Application Handbook for information for how to address this sub-criteria.
- 10) Public Involvement: Discuss whether and how the public, including neighbors to the project, businesses, property owners and other key stakeholders, and disadvantaged communities including low income and minority populations, will be involved in the progress of the project and how their input will be used to strengthen the project outcomes and increase likelihood to be implemented.
- 10) Governing Body: Describe the role of the governing body in relation to:
  - a. Type of action to be taken to implement the final product
  - b. When and where applicable, how public voting requirements for annexation and transit improvements will be addressed so that the outcome of proposed planning projects can be realized.

- 12) Capacity of applicant: Describe the skill set needed and the qualifications of the staff or proposed consulting teams to carry out the planning project.

C. Proposed Scope of Work, Milestones and Budget. The Grant Request shall include a proposed scope of work and budget, setting forth the expected completion dates and costs for achieving the milestones proposed in the Grant Request. The Grant Request shall include also outcome measures specific to the project and source of data and information for Metro's use for evaluation of the progress of the CPDG program. Milestones and grant payment allocations should follow the following general guidelines:

- 1) Execution of the CPDG IGA
- 2) Grant Applicant staff's draft or proposed plan, report, code change, zoning change, redevelopment plan, Urban Growth Diagram, Concept Plan, urban services delivery plan, or other plan or agreement consistent with the CPDG;
- 3) Grant Applicant staff's final recommended plan, report, code change, redevelopment plan, zoning change, Comprehensive Plan or Comprehensive Plan amendment, development agreement, urban services delivery plan, or other plan or agreement consistent with the CPDG award, addressing compliance with the Urban Growth Management Functional Plan, the applicable conditions of the CPDG award, and applicable state laws and regulations; and
- 4) Grant Applicant's action on final plan, report, code change, redevelopment plan, zoning change, Comprehensive Plan or Comprehensive Plan amendment, urban services delivery plan, or other plan or agreement consistent with the CPDG award, consistent with the Functional Plan, the applicable conditions of the CPDG award, and applicable state law. The governing body of the applicant shall authorize the action on the final products.
- 5) Grant Applicant's proposed outcome measures specific for the project and source of data and information for Metro's use for evaluation of the progress of this grant program.

**3. Step Three: Grant Intergovernmental Agreement ("IGA").** Upon the award of a grant, the Metro Chief Operating Officer shall issue a Grant Letter for the grant amount determined by the Metro Council. Metro and the Grant Applicant shall enter into a Grant Intergovernmental Agreement ("IGA") The governing body of the Grant applicant jurisdiction shall authorize the approval of the IGA. The IGA shall set forth an agreed-upon scope of work and budget, completion dates of expected milestones and deliverables, and Grant payment dates and payment amount for each milestone. The scope of work in the grant application and guidelines above in Section IV.E.2.C as modified by any condition in Metro Council grant award shall be the basis for Metro and grantee to negotiate the IGA.

- a) **Deadline for Signing IGA:** If the IGA has not been signed by Metro and grantee within six months of grant award, the COO shall exercise the authority to cancel the grant award.
- b) **Grant Payments:** The grant payment amount and marching fund shall be stated in the IGA. Grant payments shall be made upon the completion of those milestones set forth in the IGA, as determined by Metro in accordance with the requirements of the Metro Code and the IGA. In general, a portion of the Grant funds shall be distributed upon execution of a IGA with Metro, with the remainder of the Grant being paid out as progress payments upon

completion of the milestones in the IGA. Grantees shall submit progress reports to Metro documenting the milestone and the completed deliverables for grant payment.

c) Eligible Expenses.

1. The following expenses shall be considered Eligible Expenses for CPDG consideration for eligible direct costs, which will have priority for funding over indirect costs:
  - i. Materials directly related to project;
  - ii. Consultants' work on project;
  - iii. Grant Applicant staff support directly related to project; and
  - iv. Overhead directly attributable to project;
2. Grant requests to reimburse local governments for planning work already completed shall not be considered.
3. If the total Grant Requests from participating Grant Applicants exceed the total CET actual revenues, Metro shall first consider awarding funds for eligible direct costs, which will have priority for funding over indirect costs.

c) Metro staff liaison: Grantees shall work closely with the Metro staff liaison, and include them in the appropriate advisory committee for the project.

d) Completion of grant project: The COO shall retain the right to terminate a CPDG award if the milestones set forth in the IGA are not met within the timeframes set forth in the IGA.

**4. Application Handbook:** Before soliciting applications for the planning and development grants, Metro shall publish a handbook with details on how to submit applications, prepare a project budget linked to expected outcomes and milestones, and deadlines for applicants to submit letters of intent and full applications.

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# A Draft Logic Model For Metro Community Planning And Development Grants

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December 2014

Prepared for:

Metro

## Summary and Recommendations

In response to input from many community members and stakeholders, the goals and criteria for application for the Community Planning and Development Grant (CPDG) program have evolved over time. Resulting definitional ambiguities have complicated attempts to describe the program's impact, as stated in the CPGD program evaluation report. To begin to address this challenge, Metro has asked ECONorthwest (ECO) to assist as Metro pursues recommendations to "develop a draft logic model that visually displays the links between goals, project activities, and ultimate outcomes." In this context, ECO was also asked to propose several ways the draft logic model could be used for program evaluation. The advisory group will consider ECO's recommendations and finalize the draft logic model, propose an evaluation approach for the program and grantees, and identify selection criteria for the upcoming cycle of grants.

Logic models and the evaluation activities they support are very rare in the urban and regional planning field, and Metro's consideration of one is unique. As such, there are few existing examples, and Metro and its partners have an opportunity to be innovators.

This memorandum accompanies ECO's draft logic model for the CPGD program. It provides a brief overview of the logic model before describing a series of recommendations regarding how the draft logic model could support the CPGD program.

Below is a summary of ECO's recommendations on how Metro can use the draft logic model, which can be found in Appendix A.:

1. Clearly frame the goal of the CPGD program: *to help communities become development-ready as they implement the 2040 Vision*, in concept plan areas as well as in centers and corridors. Metro can also add a phrase like "Development-ready communities can achieve on-the-ground development quickly and efficiently," to draw an explicit link to development activity without setting expectations.
2. Measure program impact. *Short-term impact* (3-5 years) for grantees can be measured as the successful identification and removal of the core development barriers that were identified through their CPGD application and some of those identified through the funded planning activity. More detail on this below. This is a realistic expectation of what individual CPGD-funded activities can accomplish.
3. As part of a shift to outcome-focused evaluation, work with grantees to identify specific outcomes (in terms of successfully removing development barriers) that an evaluation approach would measure in the short- and medium-term. This engages the grantee in the evaluation process and respects the uniqueness of local conditions, while still enabling evaluation to occur.
4. Measure long-term impact (5 – 15 years) for the entire CPGD program by development activity in areas receiving grants relative to areas that did not receive grants, using existing GIS data on development.
5. ECO has proposed selection criteria that align with the draft logic model, as input for conversations that will revise and finalize the criteria for future grant application cycles.

Proposed new criteria are “Track Record of Relevant Planning Activities,” “The Project Would Not Have Happened Otherwise,” “Identified Outcomes for the Evaluation Process,” “Addresses Development Barriers,” and “Social Equity.” Criteria to retain from other recommendations and previous cycles are “Likelihood of Implementation,” “Best Practices,” “Location,” and “Regionally Significant.”

## Background

Metro’s CPDG program supports planning projects that enable communities to develop and thrive. Funding for the grants comes from a regional excise tax on construction permits. The grants are awarded to local governments to pay for planning activities in targeted areas that will support development of housing and jobs. Metro has awarded three cycles of grants, with differing goals and selection criteria for each.

Metro contracted ECONorthwest to evaluate the CPDG program. ECONorthwest has pointed out in the CPDG Program Evaluation Report that these differing goals and criteria created definitional ambiguities that must be addressed. One of the recommendations of ECONorthwest is that Metro should “develop a draft logic model that visually displays the links between goals, project activities, and ultimate outcomes.” This project is implementing that recommendation.

## Overview of the draft logic model

The draft logic model is a visual summary of what the program is specifically intended to accomplish in the short, medium, and long term. Its purpose is to clearly communicate the program’s intent by identifying the target population, defining “success” for the program, focusing program activities, setting reasonable expectations for what the program can accomplish, and creating a framework for measuring outcomes. The draft logic model, found in Appendix A, contains several parts:

- The **Goal** (“success” for the CPDG program) is *to help communities be development ready as they pursue the 2040 Vision*
- **Application Evaluation Criteria** clarify the planning projects that the program is targeting
- **Activities** describe how the program will accomplish its goal
- **Outcomes** are the concrete events or changes that should result from the activities
- **Impact** is what the program hopes to achieve through its outcomes
- **Conditions** within and not within Metro’s influence help set reasonable expectations

In the context of the CPDG Program, this draft logic model can help support short- and medium-term evaluation of grantees and long-term evaluation of the program itself.



## Details regarding recommendations

### Recommendation 1: Reframe the goal around helping communities be development-ready as they implement the 2040 Vision.

The goals of the first three cycles of grant awards were framed around on-the-ground development. The specific wording varied between cycles, but the expectation was that the CPDG-funded planning activities would lead to development activity.

For future cycles, ECO recommends framing the fundamental goal of the program as increasing development-readiness. There are many barriers to development that local planning activities alone cannot address, including macroeconomic conditions, local political dynamics, and factors impacting land values, such as crime rates and natural amenities. Many of these can change while a planning activity is taking place. It is not realistic to expect that a planning activity alone will cause development to occur.

However, planning activities *can* directly address barriers currently preventing or discouraging development. For example, planning can rally community support and lower the chances of opposition. Planning can also identify and update specific policies that are not aligned with the market. Addressing these barriers should be considered success for the grantees. This sets realistic expectations about what CPDG-funded activities can and should accomplish, at the same time that it increases the likelihood that new development that aligns with community goals and the 2040 Vision will occur in grant areas.

ECO recommends that the final goal statement for the program include reference to development readiness or barriers to development. Many stakeholders agree that the ultimate purpose of the program is to realize the 2040 Vision, but the wording of the goal should identify a realistic and measurable outcome more specific than the 2040 Vision itself. Metro can also add a phrase like “Development-ready communities can achieve on-the-ground development quickly and efficiently,” to draw an explicit link to development activity without setting expectations.

### Recommendation 2: Measure short-term program impact based on program activities

While planning alone doesn't always catalyze development, it can address certain development barriers. Successful planning should have immediate short-term outcomes, though these will depend on the type of planning activity. The CPDG program funds a variety of planning activities, which the draft logic model categorizes into the following:

- **Vision:** planning that gathers community input to propose a vision of the community's future. Short-term outcomes include securing community support and identifying follow-up issues.

- **Policy:** planning that sets regulatory conditions for development, including zoning, codes, incentives, and internal procedures and processes. Short-term outcomes include updating regulations and identification of additional community issues.
- **Strategy:** activities that specify how the next steps for certain kinds of development could take place. Short-term outcomes involve formal commitments and agreements, certain policy programs or incentive schemes, and occasionally infrastructure improvements.

Communities generally engage in all these activities as they progress to development readiness. Vision activities will identify additional policy issues to be tackled next, and many policy-focused planning activities set the stage for strategy.

Projects within these categories are aimed at addressing different development barriers, and the first criteria for success should be whether the initial planning activity had immediate outcomes. Was the concept plan adopted? Was the zoning changed? Were formal agreements made? ECO recommends that a grantee be measured according to these short-term outcomes and not whether development occurred, which is subject to many different factors beyond the grantee's control. These short-term outcomes help make the goal of development-ready communities more concrete.

### Recommendation 3: Shift toward outcome-focused evaluation methods and work with grantees to develop identify short- and medium-term outcomes

Not every project has the same intended outcome, but accountability for achieving outcomes is important in grant-funded activities. This method recognizes that one size doesn't fit all, but still creates a mechanism to ensure that local and regional objectives are met.

Metro should work with grantees to develop evaluation criteria specific to the CPDG-funded project, and the grantees should propose some outcomes to which they should be held accountable in a 3 – 5 year time frame. Each community, working with a certain population, infrastructure conditions, political atmosphere, and policy legacy faces a unique set of development barriers. A top-down evaluation approach with a single set of outcomes for all grantees obscures local nuance. Moreover, many planning activities themselves are diagnostic and uncover additional development barriers facing the community. The grantees are best positioned to know their community.

As part of the application, the grantee proposes the planning activity that they think addresses a development barrier, and short-term success would involve the successful completion and adoption of the resulting vision, policy, or strategy.

In addition, the grantee can work with Metro to identify several outcome measures specific to their project. The core question for success in the medium term is whether the planning activity was relevant in future decision-making. Each activity should identify a series of next steps or recommend possible actions. Were recommendations from the concept plan implemented? Was

the policy utilized, even as the basis for strategy? Did the strategy lead to additional investments, partnerships, or policy updates?

Grantees can propose the outcomes specific to their project. This will provide incentives for the grantee to identify realistic next steps in becoming development-ready and allow for a bottom-up evaluation process flexible enough to accommodate all planning activities. This recommendation ensures that grantees have a say in their evaluation process and a stake in the outcomes. Appendix B contains an example of how this approach, based on the draft logic model, could have been structured for the Barbur Concept Plan.

**Recommendation 4: Metro should measure long-term development impacts across all grantee areas.**

A key purpose of the draft logic model is to support an evaluation of the CPDG program as a whole. This recommendation helps capture the transition from the short-term outcome of removing development barriers to the longer-term goal of development on the ground. The goal of the program is to fund planning activities that increase development-readiness. The anticipated long-term impact is that readiness will increase development relative to the 2040 goal. Metro can measure the extent that its portfolio of investments has influenced development by comparing development activity within all funded areas to activity outside those areas.<sup>1</sup>

Evaluation can happen at two levels. First, it is possible to measure just the amount, value, and type of development occurring in grant areas compared to other areas. Second, Metro could conduct a more complex approach that estimates alignment with the 2040 Vision by looking at key indicators related to the initial “regionally significant” goals in previous cycles. Metro will have its own measures to evaluate development relative to the 2040 plan that are not specific to the CDGP, though ECO has proposed several measures for consideration if existing measures do not exist. ECO believes Metro, as author of the 2040 Vision, is best positioned to identify these measures.

A list of potential measures for 2040 Vision outcomes follows on the next page.

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<sup>1</sup> Two methodological challenges in long-term evaluation merit discussion. First, it will be impossible to attribute causation to the CDGP. There simply are not enough statistical controls or a sufficient sample size to isolate particular planning activities as causal variables. Nonetheless, analysis can suggest correlations and identify areas in which development activity indicates success. When estimating correlations, spillover effects from other activities make it difficult to draw boundaries for measuring impact. Neighborhood walkability will be influenced by developments outside the project areas. Transportation choices will depend on nearby transit infrastructure and system connectivity. As such, any data gathered should be interpreted with caution.

**Desired Outcomes Relative to 2040****Vision**

(from Regionally Significant criteria in previous cycles)

**Possible Measure**

(within the project area)

People live and work in vibrant communities where they can choose to walk for pleasure and to meet their daily needs	Walk score for development (residential and commercial) within the project areas or adaptation of a 20-min analysis
Current and future residents benefit from the region's sustained economic competitiveness and prosperity	Square footage of commercial development
People have safe and reliable transportation choices that enhance their quality of life	Number of housing units within .25 miles of a continuous bike lane and frequent transit service  Mode split for residents within project area
The region is a leader in minimizing contributions to global warming	52% of GHG emissions in the Portland Metro come from transportation and energy use. <sup>2</sup> Mode split for people within the area, density, and energy use in buildings would be indicators plausibly influenced by local planning and policy
Current and future generations enjoy clean air, clean water, and healthy ecosystems	We recommend against measuring this for the CPDG program. These are difficult to measure at a local level and not directly linked to development-readiness.
The benefits and burdens of growth and change are distributed equitably	We recommend against any single measure. These outcomes will depend on development type, which will vary significantly from jurisdiction to jurisdiction.

Given availability of geocoded data, this kind of evaluation is possible (if time-consuming) today and can be used to track whether past grant awards are having a medium- or long-term impact. See Appendix C for an example. Identifying outlier communities (with high or low amounts of development activity) could yield insights about how these planning activities influence development and what factors might mitigate that relationship. While methodological challenges will prevent causal attribution, new spatial regression techniques can estimate correlations.

<sup>2</sup> "A snapshot of the greenhouse gas inventory for the Portland metropolitan region." Oregon Metro, Spring 2010.

## Recommendation 5: Suggested selection criteria

The draft logic model can also support the selection committee as it identifies projects. ECO recommends several criteria for consideration. The committee can use the draft logic model to consider which planning activities are appropriate to the community. ECO recommends retaining many selection criteria used in Cycle 3 and adding the following:

- **Track Record of Relevant Planning:** if the applicant has received CPDG funding before, demonstration that the applicant took or is taking the recommended next steps it identified in the previous planning project.
- **Would Not Have Happened Otherwise:** justification that the activity needs the grant funding to occur. A possible proxy is that grants do not support positions with existing stable funding sources.
- **Identified Outcomes:** Proposed short-term outcomes that will reflect progress toward development-readiness. These should include outcomes directly related to the planning activity, such as successful adoption of the plan, and provisions for identifying follow-up activities in the 3 – 5 year timeframe.
- **Social Equity:** Metro can require an explanation of how the project relates to social equity and supports historically underserved populations in its selection criteria. The Regional Equity Strategy Advisory Committee is currently finalizing measures of equity, and the Metro should consider including them in selection criteria. Given that the grant supports many different planning activities in pursuit of many different elements of the 2040 Vision, there will be many possible measures of social equity applicable to these projects. ECO recommends that grantees identify one measure and attach it to a proposed outcome.
  - In addition, all planning activities themselves further Metro’s goal of Meaningful Engagement and Empowered Communities, as identified by the Regional Equity Strategy Advisory Committee. One measure the committee has identified is “investment in community outreach,” and Metro can consider requiring that a certain percentage of the budget is devoted to public outreach and participation.
- **Existing Development Barriers:** clear articulation of how activities remove existing development barriers and why the proposed planning activity is needed in the community.

Core criteria to retain from Cycle 3 and the Metro Stakeholder Advisory Group recommendations (April 18, 2014):

- **Likelihood of Implementation:** This criterion will evaluate the “will” to implement the project. ECO supports the advisory group’s recommendations that Metro require:
  - Demonstration that the governing body has approved
  - A portion of matched funds
  - A strategy for building or expanding public support

- Where applicable, how voter-approved annexation and transit improvements will be addressed so that the outcome of proposed planning projects can be realized
- **Location:** facilitation of development or redevelopment in centers, corridors/main streets, station areas, and/or employment and industrial areas
- **Best Practices:** provision of innovative tools that can be easily replicated in other locations in the region
- **Regionally Significant:** clear articulation of how planning activity will further the 2040 Vision

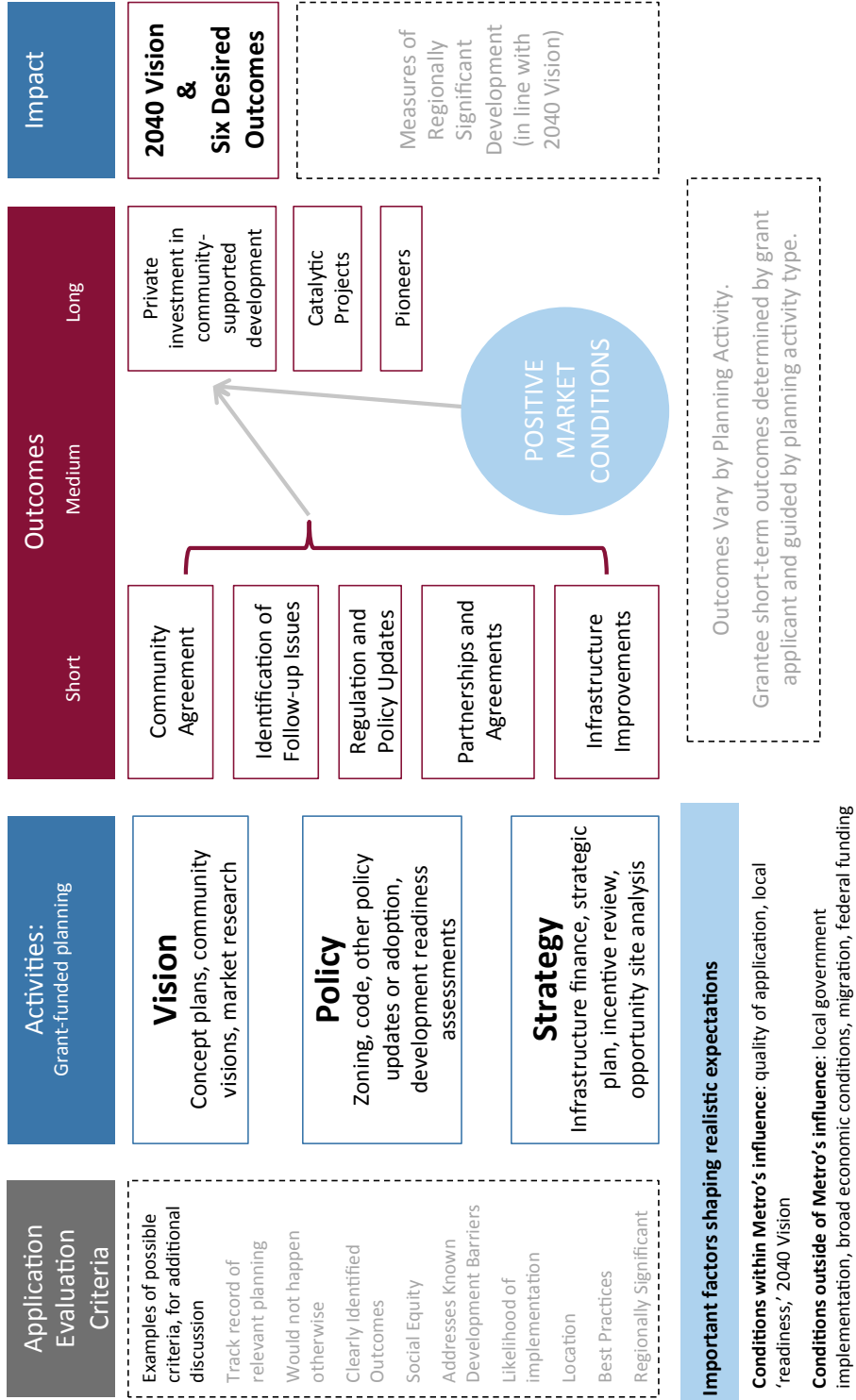
It is important to identify the right projects to achieve the short-term outcomes of removing development barriers. It is also important to work with program stakeholders to identify criteria that will generate buy-in from program participants. Selection criteria that discourage applicants can be counterproductive to the program's goals. The recommendations above can support the conversations about the selection criteria.



# Community Planning and Development Grant Program

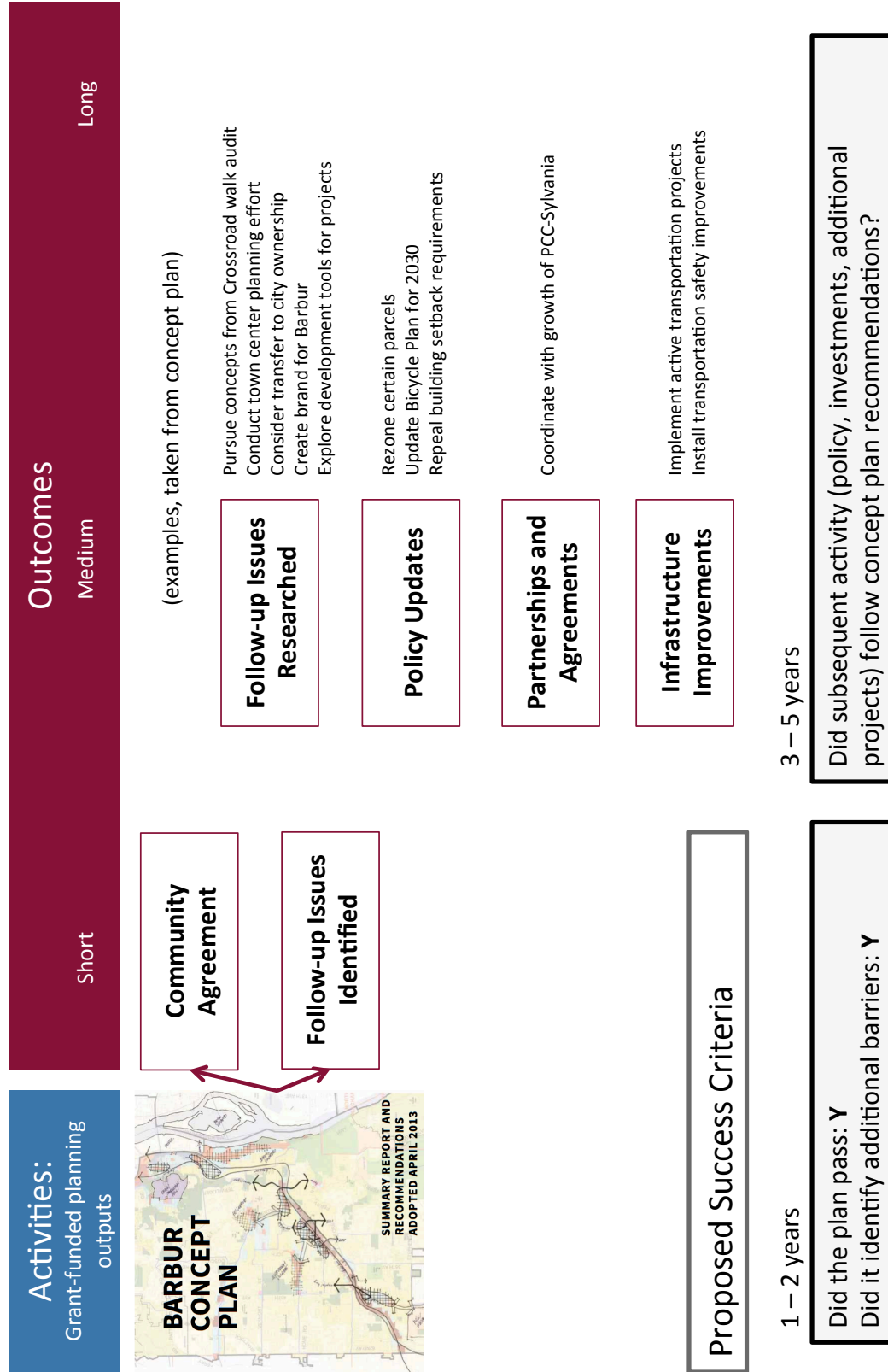
**GOAL: To help communities be development-ready as they pursue the 2040 Vision. Development-ready communities can achieve on-the-ground development quickly and efficiently.**

## Appendix A: Draft Logic Model

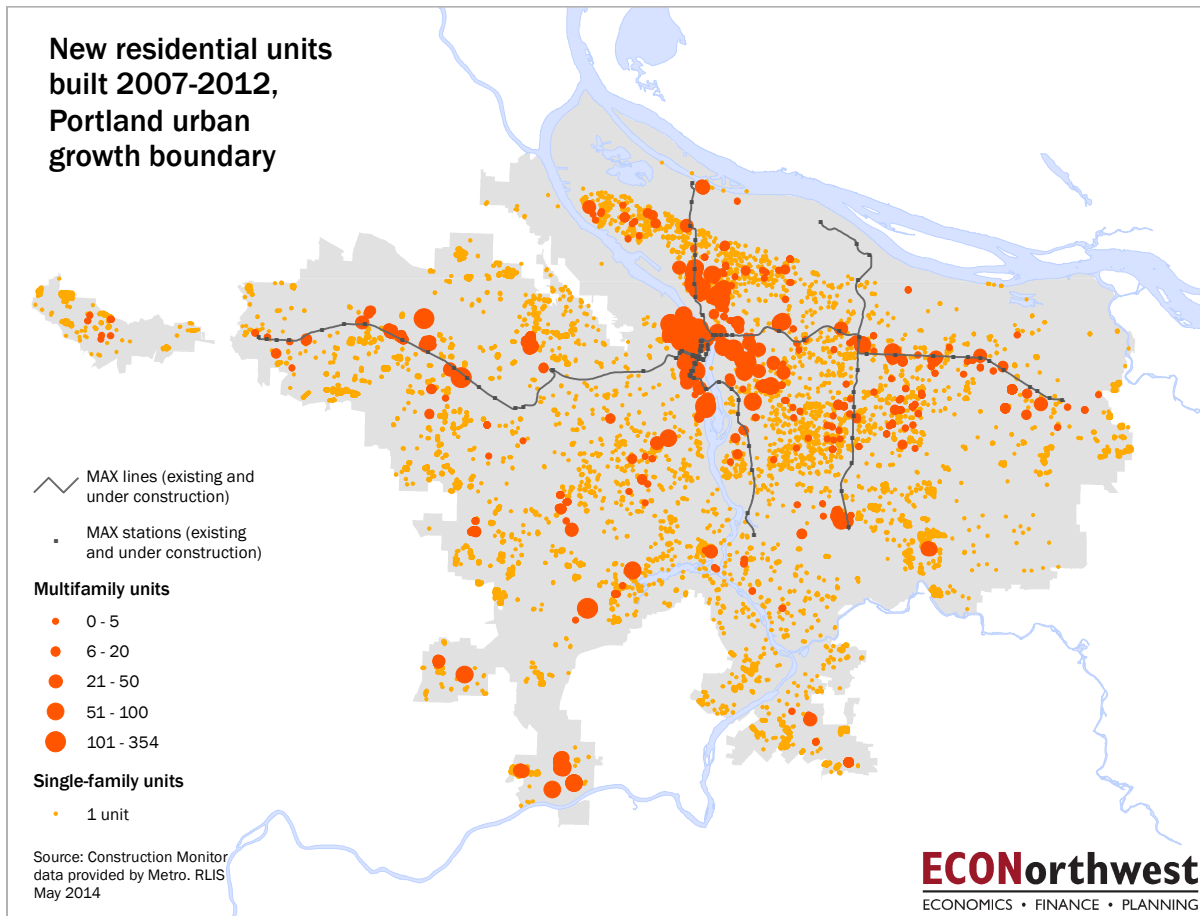


# Appendix B: Example Application of Logic Model

## Barbur Concept Plan



## Appendix C: Example GIS Analysis



For MPAC

**DRAFT: Schedule for Revision of CET Administrative Rules and for  
Cycle 4 of Community Planning and Development Grants**

February 2, 2015

	<b>TASK</b>	<b>DEADLINE</b>
1	Metro Council extension of the construction excise tax (CET)	June 19, 2014
2	Metro Council direction on proposed changes to the Administrative Rules	October 7, 2014
3	Metro Technical Advisory Committee (MTAC) meetings on revision of Administrative Rules and recommendations to MPAC and Metro Chief Operating Officer (COO)	October 15 <sup>th</sup> to December 3 <sup>rd</sup>
4	Council Work Session to review and discuss MTAC and COO recommendations	January 8, 2015
5	MTAC review of CPDG / Title 6 linkage	February 4
6	MPAC review and discussion of MTAC recommendations on revisions to the Administrative Rules	February 11
7	MPAC recommendations on revisions to the Administrative Rules	February 25
8	Metro Council work session discussion of MPAC recommendations on revisions to the Administrative Rules	March 10
9	Metro Council approval of revisions to the Administrative Rules	March 19
10	COO appoint Grant Applications Screening Committee members	March 20
11	Pre-application meeting with potential applicants for Cycle 4 grants application process	March 25
12	Letters of intent (LOI) due to Metro	April 16
13	Screening Committee review of LOIs	April 25
14	Metro respond to LOIs	April 30
15	Grant Applications due to Metro	June 1
16	Screening Committee evaluate applications and submit recommendations to COO	June - July
17	COO's recommendations submitted to Metro Council along with the recommendations of the Screening Committee	Early August
18	Metro Council award of Cycle 4 grants	Mid August
19	Negotiation of intergovernmental agreements	Fall and beyond

Materials following this page were distributed at the meeting.



## Metro | Memo

Date: February 2, 2015  
To: MPAC Members, Alternates and Interested Parties  
From: Alexandra Eldridge, Metro  
Subject: 2015 Metro Policy Advisory Committee (MPAC) Meeting Schedule - UPDATE

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**Please mark your calendars with the following 2015 MPAC meeting dates. MPAC meetings will be held on the second and fourth Wednesdays of the month, from 5:00 p.m. to 7:00 p.m. in the Metro Council Chambers (unless otherwise notified):**

- Feb. 11 and Feb.25
- Mar.25 (Mar. 11<sup>th</sup> cancelled per Chair Truax)
- Apr. 8 and Apr.22
- May 13 and May 27
- June 10 and June 24
- July 8 and July22
- Aug. 12 and Aug .26
- Sept. 9 and Sept. 23
- Oct. 14 and Oct.28
- Nov. TBD
- Dec. 9<sup>th</sup> and Dec 23<sup>rd</sup>

**Please note:** Several of our meetings during the summer months may be combined to allow for offsite tours. Once those dates have been confirmed, an updated list of dates will be provided.

**To check on closure or cancellations during inclement weather, please call 503-797-1916.**



For Metro Council / COO/ MPAC/ MTAC

**DRAFT: Schedule for Revision of Administrative Rules for CET and CPDG,  
and Cycle 4 of CPDG – Updated February 10, 2015**

	TASK	DEADLINE
1	Metro Council extension of the construction excise tax (CET)	June 19, 2014
2	Metro Council direction on proposed changes to the Administrative Rules for implementation of CET and Community Planning and Development Grants (CPDG)	October 7, 2014
3	Metro Technical Advisory Committee (MTAC) meetings on revision of Administrative Rules and recommendations to MPAC and Metro Chief Operating Officer (COO)	October 15 <sup>th</sup> to December 3 <sup>rd</sup>
4	Council Work Session to review and discuss MTAC and COO recommendations	January 8, 2015
5	MTAC review and discussion of the linkage between CPDG and Title 6 of Urban Growth Management Functional Plan	February 4
6	MPAC review and discussion of MTAC recommendations on revisions to the Administrative Rules	February 11
7	MTAC recommendation on the CPDG and Title 6 linkage	February 18
8	MPAC recommendations on revisions to the Administrative Rules	February 25
9	Metro Council work session discussion of MPAC recommendations on revisions to the Administrative Rules	March 10
10	Metro Council approval of revisions to the Administrative Rules	March 19
11	COO appoint Grant Applications Screening Committee members	March 20
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19	Metro Council award of Cycle 4 grants	Mid August
20	Negotiation of intergovernmental agreements	Fall and beyond

# Metro hotsheet

Project updates  
February 2015

## Parks and nature

***Metro's parks and natural areas preserve more than 17,000 acres of our region for recreational enjoyment and environmental protection. Supported through voter-approved bond measures and a 2013 property tax levy, Metro's parks and natural areas attract hundreds of thousands of visitors from around our region.***

**Willamette Falls Legacy Project:** Gov. John Kitzhaber's office has approved \$5 million in state lottery bonds to build a public riverwalk at the former Blue Heron paper mill site. A request for proposals was also released Jan. 23 to find a team to design and develop a plan for construction of the riverwalk. Finalists should be selected by the end of March. Contact: Kathryn Krygier, 503-797-1732

**Killin Wetlands Natural Area:** Planning is underway for this 590-acre site near Banks, popular with birders in search of American bitterns and soras. With no formal public access to the site, birders often set up scopes on Cedar Canyon Road. Thanks to the 2013 parks and natural areas levy, Metro is working to provide safe public access to a portion of the site while allowing farming to continue on another portion. About a dozen people, including Councilor Kathryn Harrington, attended a stakeholder meeting Jan. 15. A community open house is scheduled for Feb. 18 in Banks. Contact: Alex Perove, 503-797-1583

**Nature in Neighborhoods restoration grants:** Applications for the next round of Nature in Neighborhoods restoration grants will be accepted through April 21. Thanks to investments made by voters with the 2013 parks and natural areas levy, \$600,000 will be available this year for community projects that restore habitat and connect residents with nature close to home. Contact: Crista Gardner, 503-797-1627

**Bond and levy reports:** Two recent reports show that Metro is delivering on its promises to voters for parks and natural areas. One report outlines how Metro has invested money from the voter-approved 2006 natural areas bond measure. The 2014 report to the Natural Areas Program Performance Oversight Committee says that "each of the three primary components of the program continues to achieve material gains towards realizing the goals of the bond measure." The second report outlines how Metro invested money in the first year of the parks and natural areas levy that voters approved in 2013. Contact: Kathleen Brennan-Hunter, 503-797-1948

**Planting season:** A potentially record-setting planting season is underway with 524,000 bareroot plants set to go into the ground this winter at 37 sites. More than 105,000 of those are slated for the Smith and Bybee Wetlands Natural Area. This year's total surpasses last year's total of 433,800 plants. Contact: Jonathan Soll, 503-797-1727

## Land and transportation

*Working together, our region can reduce traffic, improve our economy and maintain the qualities that make this region a great place. Metro works with 25 cities and 3 counties to protect local community values and preserve our region's farms and forests.*

The **Powell-Division Transit and Development Project** will hold three workshops in February, in which participants can dig in to key project choices like where to transition the bus rapid transit line from inner Powell Boulevard to outer Division Street. A new online comment tool launching in February will provide another means of providing feedback on the project. The project's equity work group expects to meet in February to discuss anti-displacement strategies in the corridor. Contact: Brian Monberg, 503-797-1621.

The **Southwest Corridor Plan** is focusing outreach efforts around choices in South Portland, Hillsdale, PCC Sylvania and Tigard Triangle areas. Project staff will be meeting with people in these areas to hear about benefits and tradeoffs of different high capacity alignment options in these areas. The plan's steering committee will also meet in February or early March to discuss issues in these areas. Contact: Noelle Dobson, 503-797-1745.

**Growth Management Decision:** Following the Metro Council's acceptance of the Urban Growth Report in December, long range planning staff and councilors are continuing with discussions with MPAC, local partners and others about key issues that will help the region make a 2015 growth management decision that advances shared priorities. Contact: Ted Reid, 503-797-1768.

Metro's **Community Planning and Development Grants** program opens a new cycle in February. These grants help communities prepare land inside the urban growth boundary and in urban reserves for housing and jobs. Program staff plan to hold a pre-application meeting with potential applicants during the third week of February, with letters of intent due the second week of March. Contact: Gerry Uba, 503-797-1737

Metro's new **Enterprising Places** grant program launched in January. The first grant deadlines were in the last week of January, but quarterly deadlines continue throughout 2015. The program provides grants in 22 emerging main streets and commercial districts around the region. Two kinds of grants are available: storefront

improvement grants and district transformation grants. Contact: Lisa Miles, 503-797-1877.

Metro's **Regional Travel Options** program, in collaboration with ODOT and Portland Community College will launch a marketing campaign in February at the college's Southeast Campus. The campaign aims to increase student knowledge and use of travel options, decrease parking violations in surrounding neighborhoods and support local business development. Contact: Marne Duke, 503-797-1551.

The **Oregon Brownfields Coalition**, a diverse statewide public-private coalition which Metro has helped convene, has introduced legislation in the 2015 Oregon Legislature. The Coalition's proposals include allowing local governments to create land banks and property tax abatements, and creating a state income tax credit, to foster cleanup and redevelopment of polluted sites statewide. The coalition also proposes recapitalizing an existing state brownfields fund. Contact: Brian Harper, 503-797-1833.

## **Waste reduction and management**

***Metro manages our region's garbage, recycling and compost systems, and encourages residents and businesses to make the most of what they don't want.***

**Waste reduction:** More than 64 percent of what businesses and residents threw away in 2013 was recovered through recycling, composting or energy generation, according to the Oregon Department of Environmental Quality. It's the first time the rate has surpassed the regional goal of 64 percent set by the Oregon Legislature. The report also shows the per capita generation of waste has declined 12 percent on the last decade. Contact: Matt Korot at 503-797-1760.

## **Visitor venues**

***Metro's visitor venues – the Oregon Zoo, the Oregon Convention Center, the Expo Center and Portland's 5 Centers for the Arts – support the livability of our region and promote economic development and tourism.***

**The Oregon Zoo's** orangutan program celebrated two milestones in January. Inji, a Sumatran orangutan, celebrated her 55<sup>th</sup> birthday last month, making her the oldest orangutan in North America. She's joined by Kumar, another Sumatran orangutan that arrived from a zoo in Texas. The zoo expects Bob, a Bornean orangutan who comes to the Oregon Zoo from South Carolina, to make his public debut early in 2015. Contact: Stephanie Cameron at 503-220-2447 x5447.