

MINUTES OF THE METRO COUNCIL WORK SESSION MEETING

Tuesday, March 22, 2005
Metro Council Chamber

Councilors Present: David Bragdon (Council President), Susan McLain, Carl Hosticka, Rod Park, Robert Liberty, Rex Burkholder and Brian Newman

Council President Bragdon convened the Metro Council Work Session Meeting at 2:03 p.m.

1. DISCUSSION OF AGENDA FOR COUNCIL REGULAR MEETING, MARCH 24, 2005/ ADMINISTRATIVE/CHIEF OPERATING OFFICER AND CITIZEN COMMUNICATIONS

President Bragdon asked if the Measure 37 Task Force had proper constituency represented. Councilor Liberty said they do not yet have Clackamas farmers represented. Councilors Hosticka and Liberty said they would like to know more about the three new members proposed and why they are proposed as members. The Council discussed some of the proposed new members' backgrounds.

Councilor Liberty said he had a question about issue 9.5 (Resolution No. 05-3564, For the Purpose of Reviewing the Decision of the Transit Oriented Development (TOD) Steering Committee for the North Flint Avenue Project) and the appropriate process for discussing it on Thursday in public session. President Bragdon said they can discuss some of it in Executive Session, if needed. Michael Jordan clarified what is appropriate and not appropriate to discuss in Executive Session.

President Bragdon announced that he will have to leave at 3:30 p.m. to speak with Mary Kitch at the Oregonian about Senate Bill 370 with Metro Policy Advisory Committee Chair Jack Hoffman.

Chief Financial Officer Bill Stringer let the Councilors know that he distributed budget notebooks and a capitol projects list to the councilors on Thursday last week.

2. LEGISLATIVE UPDATE

President Bragdon noted that the Council cancelled a plan Council retreat tomorrow in order to allow some councilors to attend a hearing in Salem to show their support.

Randy Tucker, Legislative Affairs Manager, talked about how he is working on the Oregon legislative session in Salem and some of the issues. Tomorrow is a big hearing with four bills on the agenda that relate to Metro. Two are "good" and eliminate duplicative land use appeals to the urban growth boundary (UGB). They may have amendments ready and be able to move it out of committee tomorrow (Wednesday, March 23, 2005). Another "good" bill is to extend the cycle of review on the UGB review from five to 10 years. The bill will be amended. It would ensure that concept planning is done on property already brought in. It would get Metro out of the 2007 cycle and get it extended.

Michael Jordan clarified how the bill would serve as a funding mechanism for concept planning in areas already brought in, as well as new areas. Metro has been talking with the development community about funding and capacity. He said there was some interest in putting some

mechanism in place to be able to do the funding for concept planning on areas that have already been brought in and get them underway. Then, potentially, shift that funding mechanism from a broad funding mechanism across the UGB, to a mechanism that would only apply to new areas. In this way, once they got the process jump-started in terms of cash flow, it would actually pay for the next cycle each time a new area came in. He said the development community is concerned. They are also trying to get the 2007 cycle extended at least to 2009, and preferably further out. They are looking at how to integrate with the State's Big Look work.

Councilor Newman asked for clarification on the requested UGB cycle extension. Mr. Jordan said it would extend the cycle from 2007 to 2009, but would not necessarily be a permanent extension. They would like to get such a permanent extension eventually.

Mr. Tucker said amendments should be ready by the end of the week.

Councilor Park asked if in the context of Metro's request for an extension, if Metro was obligating itself to do subregional planning. Mr. Jordan said no, that there is a separate bill on subregional planning in one specific area, but he said Metro is not committing to any subregional analysis. Mr. Tucker noted that the separate bill, SB 900, that applies to only noncontiguous areas of the UGB (Forest Grove and Cornelius), and SB 730 that deals with the language of Metro's charter will both have hearings tomorrow.

Mr. Tucker said the greatest concern is regarding SB730. He said it was a point of discussion whether or not all the Councilors should attend the 3 p.m. hearing tomorrow in Salem.

Councilor Newman said it would send a powerful message if all of the Councilors attended, but it could be perceived as overkill and offend the chair.

Councilor Liberty asked about the prospects for SB730. Mr. Tucker said he thinks it has an uphill battle, and may not go anywhere after tomorrow's hearing, but that is not certain. He said he thinks the chances are less than half that it will get out of committee. He said he thinks it is important that Metro make a strong showing tomorrow. A handful of mayors opposing the bill are also expected to attend.

Councilor Liberty suggested that MPAC should discuss it tomorrow.

Mr. Tucker said he needs Michael Jordan and Dan Cooper to testify on other bills. The main testimony should come from President Bragdon. They discussed who else should attend. Mr. Tucker said he would talk with the committee chair in advance of the hearing about who would be attending from Metro. Councilors Park said he would be there in the morning and would plan to stay for the afternoon hearing. Councilor McLain said she would be there, and would come back for MPAC.

Mr. Tucker talked about the legislative work process. The established an electronic bill tracking system and legislative contacts at Metro. There has been an onslaught of bills to track. The database has several hundred bills in the database. Most of the time he is getting the feedback he needs in a timely fashion. He has been sending out legislative updates to Councilors. He highlighted some issues and let the councilors ask questions.

He said there are 30-50 Measure 37 bills. Many came out in the last few weeks. The Measure 37 discussion has been going on in a more comprehensive fashion with the work groups convened

by Oregon Senator Charlie Ringo and in which Dan Cooper is participating. Dan Cooper will have to brief the Council on that. He urged the Council to speak with Mr. Cooper, since the legislative work may influence Metro's Nature in Neighborhood work.

President Bragdon said Mr. Cooper talked to him and several members of the Council about the Measure 37 legislative work, and said, verging on an official request that the Metro Council, in terms of final action on Nature in Neighborhoods and Goal 5, take a pause on the decision, but not on the actual work. This would be pending clarification on issues related to Measure 37.

Councilor Liberty said he hopes that Metro's Measure 37 Task Force can have a communication with Senator Charlie Ringo. The Task Force represents an interesting mix of people that could be helpful to the legislative work. They want the legislature to know what Metro is working on. Councilor Hosticka said it would be helpful to know what direction the Legislature is thinking of going with Measure 37. He wasn't sure of the best timing for that.

Mr. Tucker said he didn't know the answer to that. He said he has ceded two issues to Mr. Cooper. One is the question about Measure 37 and the other is the industrial lands efforts.

Councilor Liberty said if we have a bill that says that everyone can have a house on every parcel regardless of whether there were regulations prohibiting building a house at the time they bought it, it makes doing what Metro is trying to do much harder. There are a limited number of potential claims for development in rural areas. There's ways of paying for some of those and reorganizing some of them, but if you just hand out development permits all over the place, he thinks Metro's efforts could easily fail.

Mr. Tucker said a bill that passed the Oregon House last week, said, he thinks, it only gives you a house on a parcel if you *could* build it at time of purchase of the property.

Councilor Liberty cited an Oregonian article that implied that it was if you owned a parcel, like a lot of record. He said Measure 37's language creates a certain amount of uncertainty, which can make an opportunity to offer something that is certain more attractive to people. If you eliminate all that in favor of something that was not on the ballot, then that also makes the job harder.

Mr. Jordan asked about the Senate deadline for Senate bills to clear Senate committees. Mr. Tucker explained some of the exceptions and ways around the deadlines. He said that if they find a way substantively, they will find a way to make it happen administratively. On Measure 37 issues, he is not so concerned about the deadline.

Mr. Jordan said that the things under discussion by the work group chaired by Senator Ringo will come to light sooner rather than later. They will be amendments to another bill or in another new bill. He expects they will start to emerge in the next two weeks. When those details emerge, then they may come back to the Measure 37 committee and then check in with the committee to see if they help or hurt.

Mr. Tucker said Senate Bill 537 has clauses related to land use and has been scheduled for hearings a couple of times. It has become, possibly, a vehicle for some of the Measure 37 concepts on the Senate side. Amendments to the bill were not ready, so they haven't actually held a hearing on it yet.

Councilor Hosticka asked about, in terms of dynamics, whether a Nature in Neighborhoods notice sent from Metro would influence the dynamics of the negotiations by the Legislature on Measure 37. Mr. Tucker said he thought it was a possibility.

President Bragdon said he had talked to Mr. Cooper about that question. Mr. Cooper said he thought it would affect it. Metro is on course to send out 40,000 notices. Mr. Cooper indicated that it might be advisable to delay the notices. President Bragdon said he thought the Council should give direction to staff on this.

Councilor Liberty expressed his concerns with sending out a notice when the Council has not finished making decisions on the content of program is not yet. He said it makes people feel more anxious when they don't know Metro is about to do something Metro is not even ready to tell them about. He felt Metro should continue its pace on the work. He felt Metro may be able to get some other things done that fit with this. One is going to be Measure 37 claims process. If they are going to tell people that there may be a reduction in value based on the Nature in Neighborhoods program, you have a remedy and Metro is ready. Metro has not even started on crafting that. That would make a more complete answer to people concerned about this and show that Metro is taking Measure 37 and its implementation seriously. He noted that Metro has not answered some important basic questions such as: Is Metro going to rely on the Tualatin Basin? Is Metro going to be an agency for carrying out various clean water mandates? Are we going to try and do that together or not? He can imagine moving ahead at the same or faster speed on the other elements, and then packaging that all together, with hearings along the way, and *then* send out the notice.

Councilor Newman said he has been reluctant to postpone the Nature in Neighborhood notice. He has wanted to get it done, but he spoke with Mr. Cooper this morning and trusts Mr. Cooper's advice. Mr. Cooper said he thought it would be best for Metro to wait to send its notice. Councilor Newman said he would reluctantly agree to postpone.

President Bragdon said he thought the staff could proceed to do its work, while still not sending the Measure 56 Nature in Neighborhood notice.

Councilor Hosticka said he hopes the staff work, Chief Operation Officer's recommendation, Metro Technical Advisory Committee (MTAC), and Metro Policy Advisory Committee (MPAC), etc. could proceed on the current schedule. They may decide to delay the final decision due to the Legislature's clarification of Measure 37, but he doesn't think Metro should leave it open for any further changes at the policy level after those policy decisions are made.

Councilor Burkholder asked for clarification of the legal notice requirement. Paul Garrahan, Assistant Attorney, clarified the 45-day requirement before a final hearing on the program. May 19 is the date currently set for the policy decision, with amendments scheduled for a vote on May 12. Councilor Hosticka clarified that the ordinance would be in place with everything but the final hearing and vote. He said it will depend on the person controlling the agenda (the Council President) to impose some discipline to say that, aside from some issues that they may need to consider from the legislature relative to Measure 37, they vote on the proposed ordinance without other policy discussion and further amendments.

Mr. Garrahan reminded the Council that the notice to the public is inviting them to come to the final hearing to give their input, which the Council will consider.

Councilor McLain said that if they have the vote four months after the public outreach, Metro will be criticized for not doing adequate outreach. She said Metro has partners in this work and it is important to stay in accord with our partners, and what Metro has said to them. She cautioned that staff has worked on this for years, and energy may be lost by postponing the vote.

Councilor Liberty said he felt he did not have adequate time to have the preparatory meetings requested of Councilors for Nature in Neighborhoods.

President Bragdon summarized what he heard the Council saying and said the notice should not go out this afternoon because of the uncertainty around Measure 37. They want to continue with the technical work and marshal that into some form that is relatively fixed and stable, other than the component that might relate to legislative action on Measure 37, which the Council could then act upon at the right time. He would then direct staff to work on the related outreach and education issues.

Councilor Hosticka said he would like to hear some clarification directly from some other legislators. He agreed that there is enough uncertainty to say the Council should not proceed with the notice today. They don't necessarily have to wait until August to send the notice.

Councilor Park said he thinks Metro should continue to move full speed ahead on the other parts of the Nature in Neighborhood program other than the final vote, in order to be sensitive to Measure 37. This would allow Metro to have its program intact before a notice is sent out to the public.

Councilor McLain spoke about the deadlines for Councilor newsletters and publishing the hearings and adoption dates. She said leaking it out over the summer has not worked well in the past.

Mr. Tucker talked about the near hysteria with some legislators about annexation, and the threat Nature in Neighborhoods could have to cause a similar reaction.

President Bragdon suggested that Councilor Hosticka work with the staff to come back to the Council with a revised schedule. Councilor Park concurred.

Councilor Liberty said his motivation was different, but he agreed with the result of postponing the notice. Councilor Newman said he reluctantly agrees to postponing the final vote.

Councilor Hosticka said they will keep the same schedule and just change the notice to go out after Metro has proposed a set program, with a final public hearing to come after that.

Councilor Liberty suggested a method of posting information on the web to get feedback. Mr. Jordan said Metro would send a broad notice to get people to the Nature in Neighborhoods public fair event on May 14 and 15, 2005.

Mr. Tucker said the Damascus bill will be signed by the Governor the day after tomorrow.

Another issue he wanted to highlight is the issue to possibly change the farmland priority statute. He said he will need some direction from the Metro Council about how they want to proceed on that issue. He will send a memo and circulate it for discussion and feedback. It could get tangled up in some other school legislation.

Councilor Park said the hierarchy is an important question. He said he is split, as a farmer and Metro Councilor. Councilor Newman said he would like to have a longer discussion out it, and that he has mixed feelings about it.

Councilor Liberty said he would like to be able to have a larger discussion about what constitutes economic development. Is land development economic development? He would like to put something more positive forward. Is it more of the same over a bigger landscape, or is there a qualitative difference? He cited former Governor McCall's message that Oregon is an unusual and special place and we should set high expectations and standards about how growth occurs. It is still a message Councilor Liberty believes in. We have let the conversation turn into economic development equals land development. He thinks that is wrong as a matter of economic fact. He thinks that some information Metro's Data Resources Center could prepare on that would be very helpful about that. He said it would be nice to have some legislation that talked about that. It's fine to include some realtors, but he wants to include others in the discussion. It should not be limited to an elite group of realtors, as it has been.

Mr. Jordan said that as part of the Goal 9 discussion, they would be discussing the issue of an economic strategy for the region. They would be discussing whether land equals economy. That is one venue for the discussion.

Councilor Burkholder said they could also talk about it when they discuss the Transportation Plan update, which is also coming up.

President Bragdon left and Councilor Burkholder chaired the meeting.

3. DISPOSAL VOUCHER PROGRAM REVIEW

Jan O'Dell and Jenny Stein from the Solid Waste and Recycling Department introduced the voucher program and distributed three handouts, included here as part of the record. A voucher is the main mechanism used to waive disposal fees. She is interested to hear direction from the Council on how they would like the department to administer the program and see how it fits with the Council's goals for the region. She explained why the program was originally started, how it functions and why it is running over budget this year. It was created about 10 years ago with the primary purpose of assisting local governments, neighborhood associations and nonprofits in cleaning up neighborhoods, dealing with neighborhood dumping and holding community clean-up events. Currently, there are very few voucher requests for cleaning up illegal dumping, probably due to the success of Metro's illegal dumping program. The tipping fee is waived for loads of solid waste collected through the neighborhood clean-up events. It was brought under the community relations umbrella. Each voucher is good for one load. They get about requests from about 100 organizations each year.

Councilor Hosticka asked if the vouchers were valued at the tip fee level or the actual cost of handling level. Ms. O'Dell said she thought it was at the handling level, which includes the transaction fee, excise tax, etc.

Councilor Newman asked about what people collected in the collections, and whether it was what people would normally recycle anyway on their own. Ms. O'Dell said yes, by and large. Ms. Stein said it varied depending on what the organization was focusing on for their collection. It could be yard debris, styrafoam, electronic waste, scrap metal, etc.

Councilor McLain said the main purpose of the program conceived 10 years ago was twofold: One was a proactive way to prevent illegal dumping and the other was to provide ways for Metro as a partner help communities do clean-ups. It was a way for Metro to be involved with an everyday community need. Much of Metro's work seems removed from citizens.

Councilor Liberty asked about costs, and if the staff felt that there was a direct connection with the illegal dumping prevented and the vouchers.

Ms. O'Dell said they would have to research that to know for sure. It may be that it is more of a great community building event. She referred to SOLV and the clean up events they are doing.

Councilor Newman said he felt it is a valid question, recounting his own experience dropping recycling materials off at a community event. He feels it is mostly a community building event. He asked how well the events are publicized. He noted that some cities have not used the vouchers.

Councilor Burkholder cautioned the Council that they need to proceed to the budget issue at hand, and discuss the policy issues of the program later. Ms. O'Dell noted that the policy is part of the issue. She reviewed the Attachments A and B (attached) with data about the vouchers used and where. She said it was not always clear if Metro got adequate credit for the vouchers since it is mostly a grassroots, volunteer-run program. She said it varies with how well organized the neighborhood associations and nonprofits are.

Councilor Park asked about the 60 percent of the neighborhood associations who are using them for fundraisers. It is a policy issue for further discussion. Councilor Burkholder suggested having a policy discussion on this before the budget is adopted.

Mike Hoglund explained that the budget was reduced in fiscal year 2003-04. He wanted to let the Council know that they have the appropriation level to continue as planned, or they can change course mid-stream and cap the expenditure.

Councilor Burkholder said they could do a minor shift now, and then come back and discuss the policy issues more at length. Seventy percent of the vouchers are usually issued in the spring, and they expect to go over the program budget.

Councilor Liberty said he would like to give the Council the discretion to bring the program costs down.

Ms. O'Dell explained that they had a hard time saying no to requests for vouchers and this made them go over budget.

Councilor Burkholder said he wondered why the operation of the program was in the Metro code, and not in the departmental direction so that it could be more easily changed.

Councilor Hosticka said his dilemma is that we have a program in which you go out and spend money and then find out how much you spent. Or does Metro say this is how much money we have to spend, go out and do the best you can with it.

Councilor Newman said he would like to have a policy discussion about the fund raising use of the vouchers, the regional equity of the program, and how much credit Metro is getting for the program. He noted that the Metro Transportation Improvement Program (MTIP) has some strings attached, and he wondered if this should also.

Councilor McLain said she felt Council direction to staff would be helpful, by tightening up the criteria.

Councilor Liberty agreed with Councilors Newman and McLain, and encouraged them to tighten up the criteria and not use up all the money.

Councilor Park said he agreed with Councilor Hosticka and it would be good to tie to the Nature in Neighborhoods Initiative and further other goals of the agency.

Councilor Burkholder said it would be good to tie it the goals of the agency, and means test the use of the voucher program, since he did not think residents in certain Portland neighborhoods would illegally dump items. He suggested having a dispassionate policy discussion.

4. BREAK

5. LAND VALUE TAXATION

Reed Wagner, Finance Department, presented a PowerPoint show about Land Value Taxation, with Councilor Burkholder narrating (a copy of which is included in the record). They covered tax policy and generating revenue. They want to encourage the use and re-use of vacant land. Some land is underdeveloped. They want to encourage positive behavior and discourage sprawl. They intend to present this show to the Oregon Senate for Senate Joint Resolution 1.

In the US, site value taxation is used in the state of Pennsylvania. The current tax system discourages nice development. In other places it has encouraged appropriate development.

The Councilors made suggestions for improving the PowerPoint presentation with more images and specific quotes from places that had used the site value taxing, and they corrected language.

Eleven other states, including Washington State, are considering adopting this taxation. Australia has used it since 1910 and reviewed in 1986 with no recommendations to make changes. It has been effective in helping them achieve their goals.

They did some recent research on the impact of such a tax on the Metro area. They looked at five study areas. In general, the tax burden shifts from developed to undeveloped land.

Councilor Liberty cautioned about how it would affect homeowners who would be asked to pay more. Councilor McLain noted that the taxation would take away the landowner's choice of when they develop. Councilor Burkholder said it did not take it away, but just encouraged development.

Councilor Park said he thought it would raise red flags in the Senate Revenue Committee.

Councilor Liberty said Metro would want to have the opposite of this policy outside the urban growth boundary (UGB).

Councilor Hosticka noted that we do. It's called farm-use deferral.

Councilor Park explained some history of farm deferral and its effect. It could speed up development and prevent farmers from holding large blocks of land. Councilor Burkholder noted that it does not change the farm tax deferral.

A second phase of the study looked at corridors and the effect on commercial properties. Councilor Liberty suggested comparing it to other business districts in other parts of the state to create interest and applicability at the legislative level.

The Council suggested breaking down the information into more slides that could more easily be understood. They need to focus the show on the findings, not the numbers. The site value tax rewards higher development.

Kris Nelson, Geonomics Consulting, said he had photos they could provide to better illustrate the new tax system.

Councilor Burkholder explained some of the next possible steps.

Mr. Wagner introduced the consultants Kris Nelson and Tom Gihring, with Geonomics Consulting, who prepared the two phases of the report in a short time.

Councilor Liberty suggested another test run with people who are not as "wonky" as the Council. Councilor Hosticka suggested using pictures from others cities in Oregon. Councilor Liberty suggested using quality photos from other states. Councilor Park suggested that the positive photos have lots of people in the images.

Mr. Nelson suggested using photos from cities in Pennsylvania that are and are not using the tax, as a means of comparison. Councilor Liberty asked if Pennsylvania State has done any research on this.

Councilor Liberty noted that assessment of his personal residential land seems to be rising more than the value of the house, which seems low.

Councilor Park said a change in ownership does not necessarily change the assessment. Councilor Burkholder noted that his assessment went up significantly when he got a permit to remodel. He feels it was a disincentive to improve.

Councilor Newman wondered if this tax had been in place in the 80s, would the opportunity sites that have recently been developed (Pearl, etc.) have been lost to one or two-story development?

Councilor Park said he would like to see some more numbers of the trade-offs of using this tax. You may not get the kind of development you really want.

Councilor Burkholder said they are looking for permissive change of law to enable local jurisdictions to implement this tax as desired, where desired.

Councilor Park asked Michael Jordan if we aren't naturally moving in the direction of site value taxation anyway, because of the assessed value on developed property.

Mr. Jordan said they are proportionally the same, because the way a new piece rolls onto the books is at a ratio. You would think development would tend to go down faster over time, but it is probably negligible compared to the overall tax system and the differential between improvements in land. He didn't think it would have a huge difference.

Mr. Gihring said the changes over time between assessed valuation and market valuation, land value is getting greater. The properties where the values are increasing rapidly, their taxes are becoming lower and then the tax burden is shifting from higher value properties to lower value properties.

Councilor Liberty said it is actually making the cause for change greater, showing a greater need for change, because the land increase in value is not being reflected. We're moving the opposite direction from the site value taxation proposal.

Councilor Park again asked if it isn't just like rearranging the deck chairs on the Titanic, to implement this proposed system.

Mr. Jordan said he was right, if he was talking about the broad fiscal issues. He said the point of this is to get at underutilization of land inside the UGB. It does not change the fiscal landscape of jurisdictions. Councilor Park is concerned that it will prematurely chase land into development to the detriment to do Metro-desired development of centers.

Councilor Hosticka suggested some language improvements for presentation to the legislature.

6. ST. JOHNS PHASE 2 REMEDIATION

Mr. Hogle, Solid Waste and Recycling Department Director, referred to a resolution that will be discussed on Thursday. It would authorize the release of a cluster proposal to do up to \$650,000 of work on the second phase of the St. Johns Landfill Remedial Investigation. That is a potential cap on the spending. It may be less than that. Since it is an investigative study and the outcomes and expenditures are not known, he wanted to let the Council know how they are going to go about doing the work, Metro's relationship with the Oregon Department of Environmental Quality (DEQ), contingencies they have on the spending, and offer to report when big issues arise that require dipping into some of that money.

He introduced Paul Vandenberg of the Solid Waste and Recycling Department, who distributed a short chronology of the St. Johns Landfill. Twelve to fifteen million tons of garbage have been dumped there over 50-some years. Metro became the operator in 1980 and the owner in 1990. Waste collection was stopped in 1991, and a cover was constructed over the landfill 1991-96. Methane gas is collected. A surcharge funded an account to cover construction and meet state requirements. It has funded several environmental projects. It has a current balance of about \$6.6 million. It is the funding source for all work related to the remedial investigation and feasibility study, which is the subject of the Request for Proposal.

This project is required under a consent order deposition by DEQ in 2003, along with a renewed ten-year closure permit. He said the consent deposition is a method used to work cooperatively where there has been a confirmed release of hazardous substances. In the case of St. Johns, it refers to certain metals and organic chemicals that have been detected in some of the groundwater monitoring wells. The investigation will focus on those contaminants, but it will look more broadly at the whole environment around surface water, soils, and air emissions. It will feed into

a risk assessment for both human health and ecological reasons. The feasibility study will evaluate feasible options for eliminating or controlling risks that are identified. The culmination of the whole process is a record of decision issued by DEQ that will establish and further legal actions and long-term environmental laundering requirements. The record of decision could fall into a broad range, anywhere from doing nothing more than what Metro is already doing at the landfill to possible multi-million dollar remedial measures. It is unknown until the risk assessments are done. The remedial investigation also creates opportunities for environmental restoration in the area and safe and appropriate recreational uses by the public.

The project is structured in three phases. The first is the remedial investigation proposal and work plan. That phase is essentially complete. Last week they submitted the final work plan to DEQ, and are awaiting their approval. The second phase, which is the subject of the RFP, is implementing that remedial investigation work plan. The third phase is the feasibility study. The contract based on this RFP would be a three-year contract involving remedial investigation taking approximately two years, or more, followed by the feasibility study. Upon completing the remedial investigation, they recommend either amending the contract to do the feasibility study, or to go out for a new contract.

Cost considerations regarding remedial investigation has starting point tasks, but the rest of the work plan is not defined specifically because it is investigative in nature. In that context, they are asking for a not-to-exceed contract of \$650,000, most of which is contingency. He detailed some cost containment measures for the project. Task orders would be negotiated with the contractor. Funding would come from the St. Johns account.

Councilor McLain noted that it had taken 15 years to get to this point with DEQ. She thought that over the last 15 years she thought Metro had worked to limit its exposure, and had come to some understandings with DEQ about what they thought was ahead of us for analysis. Given that, she said she would be comfortable with the RFP going out using the St. Johns account. But she understood that this is really only step two of three, and that Metro will use all of the money in step two to find out what we need to do in step three. She thought the first fifteen years of work had been to agree to limit the kind of analysis that would be done and to agree upon a protocol for analysis.

Mr. Vandenberg said they have done monitoring but they have never done a project like this that involves all of the work that has been done thus far, and involves a formal risk assessment, which has not been done before. St. Johns was put on a confirmed release list at DEQ. Metro was listed in 1995. It took DEQ a long time to get to the point where they actually issued Metro a consent order to carry out this remedial investigation. In the meantime, Metro has been doing a lot of routine monitoring to feed the process.

Councilor McLain said Metro needs to have a contingency plan to go beyond stage two. She confirmed that \$6 million would be left in the St. Johns Closure Account after this RFP is done. She asked if Mr. Vandenberg felt comfortable that this RFP would get Metro all the way through stage two, and he said yes, he did.

Councilor Liberty asked if in fact Metro does not really know what went into that landfill. Mr. Vandenberg said Metro does not really know, and hazardous waste did go into it. He said the federal Environmental Protection Agency did some testing for pesticide dioxins, but they did not find as much as expected. Mr. Vandenberg cited a myth of 5,000 drums of agent orange by product.

Councilor Burkholder said the concern is what might come out into the ground water, and containing what is there to prevent it from coming out.

Councilor Hosticka asked how much Metro is getting annually for the methane gas. Metro is getting \$71,250 annually, since the volume of gas is going down and it is a fixed-rate contract.

Councilor Newman asked when the contract will be completed, and Mr. Vandenberg said it would be three years to get through the remedial investigation and the feasibility study. Mr. Vandenberg reviewed the 1999 purchase agreement from the City of Portland and believes that Metro is mostly liable.

Councilor McLain asked whether the contract represents the previously discussed ways of improving contract management at Metro. Mr. Bill Stringer, Chief Financial Officer and David Biedermann, Business Services Manager, noted that it does represent management improvements.

Mr. Hoglund explained the decision matrix that had been worked out with DEQ that makes it so that Metro does not need to spend money unnecessarily and can report back to the Council as needed.

7. VEGETATION CONTROL CONTRACT

David Biedermann, Business Services Manager, said the Council will discuss a resolution on Thursday to exempt a particular contract from the contracting code of public bidding. Metro's contracting code changes included a provision that if the contracting agency brings a material and substantial amount of money to the project, it can be exempt from public bidding. The State Watershed Enhancement Board issued the grant to Metro instead of contract to the nonprofit agency, the Clackamas River Basin Council. They are the preferred contractor by Metro and the state. The Metro Council is being asked to provide special procurement authorization to let the contract.

8. COUNCIL BRIEFINGS/COMMUNICATIONS

Councilor Park asked about Metro Policy Advisory Committee (MPAC) Chair Jack Hoffman and Metro staff meeting with the City of Gresham in a Goal 5 round table.

Councilor Liberty talked about an upcoming bond measure possible amount. He spoke with Consultant Liz Kaufman. She said \$0 to \$300 million is in the same ballpark, and politically feasible. Three hundred to \$500 million is a stretch. There may be interest in packaging different things together, being clear about how the money is used, and the distribution for local projects, even though that might be something that she thinks Metro could have more say about. Rather than giving out a pot of money, Metro could have a pot of money that they would have to ask Metro to use it in the community. She said it is good to start early, to reserve a place on the ballot. She said Metro should be shopping the ideas with proposals out now, without being committed to them, to constituencies about how to focus it. It would be like a focus group to get feedback.

Councilor Hosticka referred to a City of Seattle bond measure passed that was a lot of money (\$200,000) for a jurisdiction slightly larger than the city of Portland (and much smaller than Metro's jurisdiction). It included an acquisition fund and an opportunity fund that local communities could bid on, funded by a property tax.

Councilor Liberty said Ms. Kaufman also said it would be good for the bond measure to give examples of what would be acquired.

Councilor Newman asked if the bond measure had more than one use of the money, if it needed to have a unifying theme.

Councilor Liberty said he feels Metro already has a theme of livability. He said Ms. Kaufman said Metro may be in competition with the schools. He said Metro might think about piggy-backing a part of it that would go with the school, or an improvement that goes with a school. He suggested doing a brainstorming about the bond measure package. He talked about putting some Transit-Oriented Design type elements in a local opportunity fund. He noted Metro's slogan of People places, open spaces as a theme. His conversation with her was short, and he would need to clarify more with her later.

Councilor Burkholder said he feels livability is too vague, and felt it best to tie it to children, schools and their future, in part because that is what sells with voters.

Councilor Liberty said different places have different needs at different times. One way is to put all the flexibility in the opportunity fund. He would like to set aside some time to brainstorm some packages to take to Liz Kaufman. He is also interested in affordable housing, but some research done by Patricia McCaig suggests that it doesn't go over well with voters because most people who vote already have houses. He suggested looking at reducing housing fees as an alternative.

Councilor Newman asked about the previous bond measures for \$200 million, which failed, and for \$135.6 million, which passed. Councilor Liberty said that Ms. Kaufman indicated that if it passed by 65 percent of the vote at \$135.6 million, it represented a missed opportunity for more money. The first time, there was opposition, and the second time circumstances had changed.

Councilor McLain said Councilors Hosticka and Newman met with Nature in Neighborhood staff, and it became evident that more time was needed for Council to review the model ordinance.

Councilor Park spoke about the Metropolitan Transportation Improvement Plan (MTIP) and the City of Portland wanting money previously earmarked for a particular TOD project. Councilor Liberty asked about the principle of earmarking funds. He said that the Gateway project should stand on its own. Councilor Park said it is a political question and situation. Councilor Burkholder explained the City of Portland's interest in using Metro Planning money for projects. The councilors discussed the pros and cons of earmarking projects. The Springwater Corridor Trail Gap project, at Umatilla street, was discussed as an alternative.

There being no further business to come before the Metro Councilor Burkholder adjourned the meeting at 4:49 p.m.

Prepared by,


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Council Support Specialist

ATTACHMENTS TO THE PUBLIC RECORD FOR THE MEETING OF MARCH 22, 2005

Item	Topic	Doc Date	Document Description	Doc. Number
1	Agenda	3/24/05	Metro Council Agenda for March 24, 2005	032205c-01
2	Budget Report	March 2005	Proposed Five-Year Capital Budget, Fiscal Years 2005-06 through 2009-10	032205c-02
3	Voucher Program		Attachment A, Disposal Vouchers 2003-2004 and Attachment C, Disposal Voucher Program Budget and Expenditures, FY 1997-2005	032205c-03
4	Voucher Program	3/21/05	Attachment B, FY 03-04 Voucher Expenditures by Organization and Event Type	032205c-04
5	Voucher Program Request Form	None	Request Form, Disposal Fee Exemption for Civic Events	032205-05
6	Land Value Taxation Report	February 2005	Incentive Effects of Land Value Taxation in Metropolitan Portland Commercial Corridors	032205-06
7	Land Value Taxation PowerPoint	3/22/05	Land Value Taxation	032205-07
8	St. Johns Landfill	3-22-05	St. Johns Landfill -- Chronology	032205-08