 **Metro** | *Agenda*

Meeting: Metro Council
Date: Thursday, November 12, 2015
Time: 2:00 p.m.
Place: Metro Regional Center, Council Chamber

CALL TO ORDER AND ROLL CALL

- 1. CITIZEN COMMUNICATION**
- 2. AUDITOR ANNUAL REPORT PRESENTATION** **Brian Evans, Metro Auditor**
- 3. CONSIDERATION OF COUNCIL MEETING MINUTES FOR NOVEMBER 5, 2015**
- 4. RESOLUTIONS**
 - 4.1 Resolution No. 15-4656**, For the Purpose of Authorizing an Exemption from Competitive Bidding and Authorizing Procurement of Construction Manager/General Contractor Services by Competitive Request for Proposals for the Construction of the new Polar Bear Habitat and Associated Infrastructure at the Oregon Zoo **Heidi Rahn, Metro Gabriele Schuster, Metro**
 - 4.2 Resolution No. 15-4666**, For the Purpose of Suspending Provisions in the Metro Code, Title V, Related to Enhanced Dry Waste Recovery Program **Roy Brower, Metro**
- 5. ORDINANCES (SECOND READ)**
 - 5.1 Ordinance No. 15-1361**, For the Purpose of Adopting the 2014 Urban Growth Report and Complying with Regional Growth Management Requirements Under ORS 197.299 and Statewide Planning Goal 14 **John Williams, Metro Ted Reid, Metro Roger Alfred, Metro**
- 6. RECESS**
- 7. SPECIAL PRESENTATION: CLEAN WATER SERVICES AWARD** **Bruce Roll, Clean Water Services**
- 8. Resolution No. 15-4644**, For the Purpose of Approving 2015 Nature in Neighborhoods Restoration and Community Stewardship Grants **Heather Nelson Kent, Metro**
- 9. CHIEF OPERATING OFFICER COMMUNICATION**
- 10. COUNCILOR COMMUNICATION**

ADJOURN

Television schedule for November 12, 2015 Metro Council meeting

<p>Clackamas, Multnomah and Washington counties, and Vancouver, WA Channel 30 – Community Access Network <i>Web site:</i> www.tvctv.org <i>Ph:</i> 503-629-8534 Call or visit web site for program times.</p>	<p>Portland Channel 30 – Portland Community Media <i>Web site:</i> www.pcmtv.org <i>Ph:</i> 503-288-1515 Call or visit web site for program times.</p>
<p>Gresham Channel 30 - MCTV <i>Web site:</i> www.metroeast.org <i>Ph:</i> 503-491-7636 Call or visit web site for program times.</p>	<p>Washington County and West Linn Channel 30– TVC TV <i>Web site:</i> www.tvctv.org <i>Ph:</i> 503-629-8534 Call or visit web site for program times.</p>
<p>Oregon City and Gladstone Channel 28 – Willamette Falls Television <i>Web site:</i> http://www.wftvmedia.org/ <i>Ph:</i> 503-650-0275 Call or visit web site for program times.</p>	

PLEASE NOTE: Show times are tentative and in some cases the entire meeting may not be shown due to length. Call or check your community access station web site to confirm program times. Agenda items may not be considered in the exact order. For questions about the agenda, call the Metro Council Office at 503-797-1540. Public hearings are held on all ordinances second read. Documents for the record must be submitted to the Regional Engagement and Legislative Coordinator to be included in the meeting record. Documents can be submitted by e-mail, fax or mail or in person to the Regional Engagement and Legislative Coordinator. For additional information about testifying before the Metro Council please go to the Metro web site www.oregonmetro.gov and click on public comment opportunities.

Metro respects civil rights

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Thông báo về sự Metro không kỳ thị của

Metro tôn trọng dân quyền. Muốn biết thêm thông tin về chương trình dân quyền của Metro, hoặc muốn lấy đơn khiếu nại về sự kỳ thị, xin xem trong www.oregonmetro.gov/civilrights. Nếu quý vị cần thông dịch viên ra dấu bằng tay, trợ giúp về tiếp xúc hay ngôn ngữ, xin gọi số 503-797-1890 (từ 8 giờ sáng đến 5 giờ chiều vào những ngày thường) trước buổi họp 5 ngày làm việc.

Повідомлення Metro про заборону дискримінації

Metro з повагою ставиться до громадянських прав. Для отримання інформації про програму Metro із захисту громадянських прав або форми скарги про дискримінацію відвідайте сайт www.oregonmetro.gov/civilrights або Якщо вам потрібен перекладач на зборах, для задоволення вашого запити зателефонуйте за номером 503-797-1890 з 8.00 до 17.00 у робочі дні за п'ять робочих днів до зборів.

Metro 的不歧视公告

尊重民權。欲瞭解Metro民權計畫的詳情，或獲取歧視投訴表，請瀏覽網站 www.oregonmetro.gov/civilrights。如果您需要口譯方可參加公共會議，請在會議召開前5個營業日撥打503-797-1890（工作日上午8點至下午5點），以便我們滿足您的要求。

Ogeysiiska takooris la'aanta ee Metro

Metro waxay ixtiraamtaa xuquuqda madaniga. Si aad u heshid macluumaad ku saabsan barnaamijka xuquuqda madaniga ee Metro, ama aad u heshid warqadda ka cabashada takoorista, booqo www.oregonmetro.gov/civilrights. Haddii aad u baahan tahay turjubaan si aad uga qaybqaadatid kullamada dadweyne, wac 503-797-1890 (8 gallinka hore illaa 5 gallinka dambe maalmaha shaqada) shan maalmo shaqa ka hor kullanka si loo tixgaliyo codsashadaada.

Metro의 차별 금지 관련 통지서

Metro의 시민권 프로그램에 대한 정보 또는 차별 항의서 양식을 얻으려면, 또는 차별에 대한 불만을 신고 할 수 www.oregonmetro.gov/civilrights. 당신의 언어 지원이 필요한 경우, 회의에 앞서 5 영업일 (오후 5시 주중에 오전 8시) 503-797-1890를 호출합니다.

Metroの差別禁止通知

Metroでは公民権を尊重しています。Metroの公民権プログラムに関する情報について、または差別苦情フォームを入手するには、www.oregonmetro.gov/civilrights。までお電話ください公開会議で言語通訳を必要とされる方は、Metroがご要請に対応できるよう、公開会議の5営業日前までに503-797-1890（平日午前8時～午後5時）までお電話ください。

សេចក្តីជូនដំណឹងអំពីការមិនរើសអើងរបស់ Metro

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

إشعار بعدم التمييز من Metro

تحتزم Metro الحقوق المدنية. للمزيد من المعلومات حول برنامج Metro للحقوق المدنية أو لإبداء شكوى ضد التمييز، يرجى زيارة الموقع الإلكتروني www.oregonmetro.gov/civilrights. إن كنت بحاجة إلى مساعدة في اللغة، يجب عليك الاتصال مقدماً برقم الهاتف 503-797-1890 (من الساعة 8 صباحاً حتى الساعة 5 مساءً، أيام الاثنين إلى الجمعة) قبل خمسة (5) أيام عمل من موعد الاجتماع.

Paunawa ng Metro sa kawalan ng diskriminasyon

Iginagalang ng Metro ang mga karapatang sibil. Para sa impormasyon tungkol sa programa ng Metro sa mga karapatang sibil, o upang makakuha ng porma ng reklamo sa diskriminasyon, bisitahin ang www.oregonmetro.gov/civilrights. Kung kailangan ninyo ng interpreter ng wika sa isang pampublikong pulong, tumawag sa 503-797-1890 (8 a.m. hanggang 5 p.m. Lunes hanggang Biyernes) lima araw ng trabaho bago ang pulong upang mapagbigyan ang inyong kahilingan. Notificación de no discriminación de Metro.

Notificación de no discriminación de Metro

Metro respeta los derechos civiles. Para obtener información sobre el programa de derechos civiles de Metro o para obtener un formulario de reclamo por discriminación, ingrese a www.oregonmetro.gov/civilrights. Si necesita asistencia con el idioma, llame al 503-797-1890 (de 8:00 a. m. a 5:00 p. m. los días de semana) 5 días laborales antes de la asamblea.

Уведомление о недопущении дискриминации от Metro

Metro уважает гражданские права. Узнать о программе Metro по соблюдению гражданских прав и получить форму жалобы о дискриминации можно на веб-сайте www.oregonmetro.gov/civilrights. Если вам нужен переводчик на общественном собрании, оставьте свой запрос, позвонив по номеру 503-797-1890 в рабочие дни с 8:00 до 17:00 и за пять рабочих дней до даты собрания.

Avizul Metro privind nediscriminarea

Metro respectă drepturile civile. Pentru informații cu privire la programul Metro pentru drepturi civile sau pentru a obține un formular de reclamație împotriva discriminării, vizitați www.oregonmetro.gov/civilrights. Dacă aveți nevoie de un interpret de limbă la o ședință publică, sunați la 503-797-1890 (între orele 8 și 5, în timpul zilelor lucrătoare) cu cinci zile lucrătoare înainte de ședință, pentru a putea să vă răspunde în mod favorabil la cerere.

Metro txoj kev ntxub ntxaug daim ntawv ceeb toom

Metro tributes cai. Rau cov lus qhia txog Metro txoj cai kev pab, los yog kom sau ib daim ntawv tsis txaus siab, mus saib www.oregonmetro.gov/civilrights. Yog hais tias koj xav tau lus kev pab, hu rau 503-797-1890 (8 teev sawv ntxov txog 5 teev tsaus ntuj weekdays) 5 hnub ua hauj lw m ua ntej ntawm lub rooj sib tham.



Agenda Item No. 2.0

Auditor Annual Report Presentation

Presentation

Metro Council Meeting
Thursday, November 12, 2015
Metro Regional Center, Council Chamber



Metro

Office of the Auditor
Annual Report
FY 2014-15

Brian Evans, Auditor
October 2015

A Note From the Auditor

This report is an opportunity for us to demonstrate our values of accountability, transparency, efficiency and effectiveness. It contains information about the performance of the Metro Auditor's office over the year. I hope you find it informative. I use the data to manage our resources and make adjustments when needed. Continuous improvement is a common theme in the recommendations we make in audit reports and the annual report is a chance to apply that same approach to our own efforts.

I began my first term as Metro Auditor in January 2015. Since taking office, I have hired new staff, created an audit schedule and issued two audits. I look forward to serving you over the next four years.

Sincerely,



Brian Evans

About the Auditor's Office

The office is led by the Metro Auditor; an elected position serving the entire Metro region. Performance audits are the primary work conducted by the office. Performance audits provide independent and objective analysis so that management and the Metro Council can use the information to improve program performance, reduce costs, assist decision-making and contribute to public accountability. The office also oversees the contract for the annual financial audit and administers an Accountability Hotline.

Brian Evans is the third elected auditor since the position was created in the Metro Charter in 1995. Prior to being elected, Brian was a Principal Management Auditor. He began working in the Auditor's Office in 2008.

The Office includes the elected Auditor, four staff auditors and an administrative assistant:

- Brian Evans, CGAP, CIA, *Metro Auditor*
- Tracy Evans, *Administrative Assistant*
- Angela Owens, CFE, *Senior Management Auditor*
- Zane Potter, *Senior Management Auditor*
- Simone Rede, *Senior Management Auditor*
- Elliot Shuford, *Senior Management Auditor*

To meet standards, auditors are required to complete 80 hours of continuing professional education every two years. Our staff attends forums, workshops and conferences on performance auditing, as well as participates in an annual retreat to plan our work and enhance communication and teamwork.

In addition to continuing education, auditors contribute to the audit profession by leading training events both internally and at conferences and through webinars. Some staff also serve on committees of the Association of Local Government Auditors.

Mission and Values

Our mission is to:

- Ensure that Metro is accountable to the public,
- Ensure that Metro's activities are transparent, and
- Improve the efficiency and effectiveness of Metro programs and services.

We do this by:

- Conducting independent and objective performance audits, and
- Reporting our findings and recommendations to the public.

It is our vision to be relevant and efficient, choosing the right areas to audit and completing audits quickly so Metro can continually improve its services and be accountable to the public. Audit findings and recommendations are presented publicly before the Council and are intended to assist the Council and Chief Operating Officer in making improvements that will better serve the public. Audit reports are published on the Metro Auditor's web page.

Our values are:

- Professionalism
- Wise and equitable use of resources
- Supporting findings with fact
- Balanced perspectives
- Ethical behavior
- Being open minded
- Respecting others
- Credibility
- Teamwork

Performance Measures

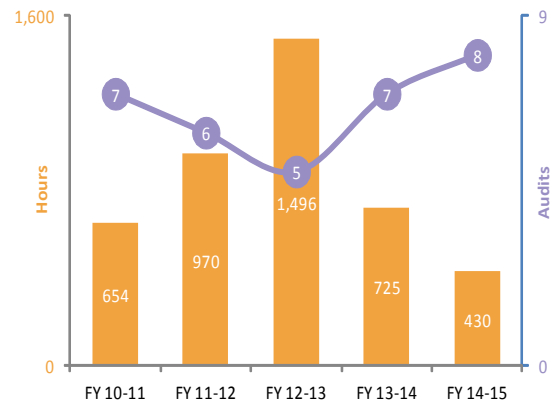
The performance of the Auditor’s Office is measured by reviewing results in the following areas:

- Average hours to complete an audit and number completed each fiscal year,
- Audits completed per full time equivalent (FTE) employee,
- Total audit hours per department expenditure,
- Survey of audited programs, and
- Recommendation implementation rate.

Average Hours per Audit and Number of Audits

These measures are used to evaluate the office’s efficiency. In FY 2014-15, eight audits were completed. The hours required to complete an audit ranged from 37 to 1,122 hours. The average was 430 hours.

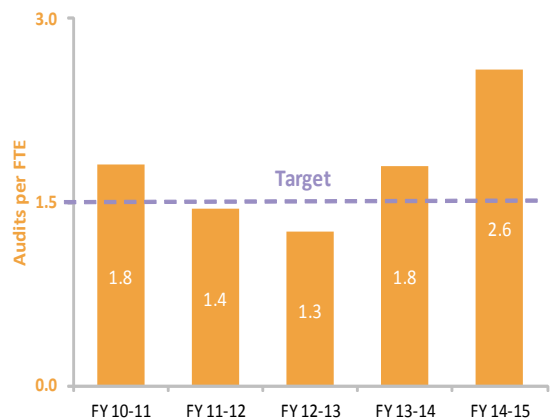
Audits vary in length, depending on their scope and complexity. Average hours in FY 2012-13 were higher than other years due to the complexity of an audit completed in that year. The recent trend has been audits with narrower scopes of work. This has led to more audits being completed with fewer hours devoted to each audit.



Audits per FTE

Another way to measure efficiency is to look at the number of audits completed per full-time equivalent (FTE) employee. In FY 2014-15, 2.6 audits per FTE were completed, up from 1.8 the prior year. The downward trend in FY 2011-12 and FY 2012-13 was due to a highly complex and detailed audit conducted over that time period.

Staff hours available and the scope of the audit determine the number of audits that can be completed each year. The length is affected by the complexity of the subject and size of the program. Generally, the office tries to complete one and a half audits per FTE each year.

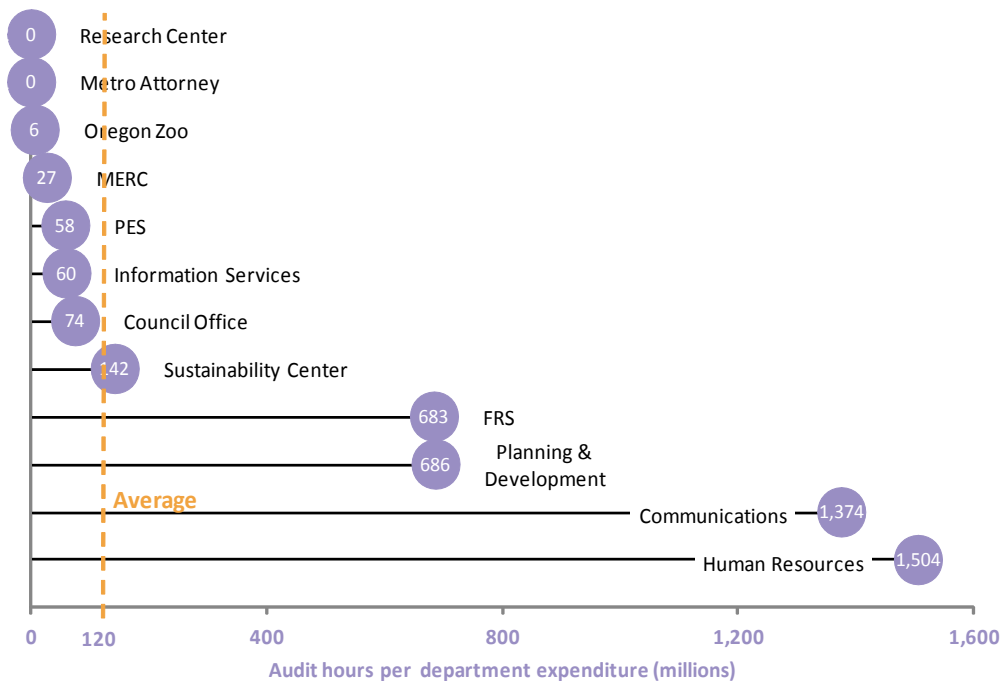


Audit Hours by Department Size

FY 2010-11 to FY 2014-15

This measure is used to evaluate the office's effectiveness by analyzing how audit hours were distributed among Metro departments. It is calculated by dividing the total audit hours spent in each department by the department's size as measured by annual expenditures. In the last five years, about 120 hours were available for each \$1 million spent by Metro. In general, larger departments have more complex programs and services. As a result, it's reasonable to expect that more audit hours would be devoted to larger departments.

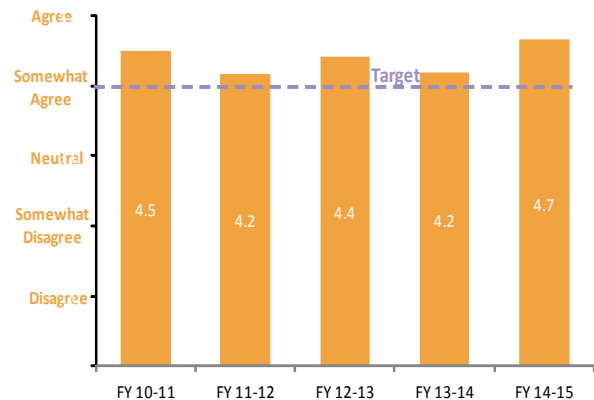
Over the last five-years, audit hours have been unevenly distributed between departments based on their size. More time was spent in the Human Resources and Communications departments relative to their level of expenditure. Conversely, other parts of the organization such as MERC venues, Research Center, Metro Attorney and the Zoo had relatively few audit hours compared to their size. While some unevenness is expected, this type of analysis is one consideration when audits are placed on the schedule. This year some audits were scheduled in part to rebalance audit coverage.



Survey of Audited Programs

Surveys are a way to get input on the quality of the audit process and reports. After an audit is published, we ask those involved to provide feedback through an anonymous survey. The questions are designed to get information about the audit process, staff, report and overall satisfaction.

In FY 2015-14 the average rate of agreement was 4.7 out of 5. This indicated relatively high satisfaction with our services. Unfortunately, the results were from a small number of respondents. Over the last five years, the number of completed survey responses per audit declined from an average of 3.5 to 1.8. We will work to increase the survey response rate this year.

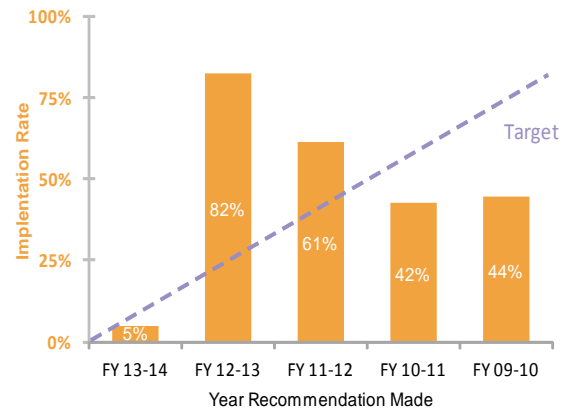


Recommendation Implementation Rate (1-5 years after audit issued)

The percentage of recommendations that are implemented over time shows how much impact audits have on the organization. Each year, the office asks program managers to report on the status of recommendations made in the last five years. That information, combined with conclusions reached in follow-up audits, is used to track the percent of recommendations implemented.

According to the most recent survey, 44% of recommendations from audits completed within five years were implemented. In general, the expectation is that at least 75% of the recommendations are implemented after five years. A positive trend would show the percentage increasing as time from completion increases.

The low implementation rate is an area of concern. Some of the performance is explained by the low number of audits and associated recommendations completed in FY 2009-10. That year only three audits were released. Two years after the reports were released; we completed follow-up audits. We concluded that none of the recommendations in one of those audits had been implemented. We will seek ways to improve this measure by working with management to identify barriers to implementation.



Audits Released

The office completed eight audit reports in FY 2014-15, which included seven full audits and one follow-up audit. There were a total of 28 recommendations made. The audit reports released were:

- Recycling Hotline: Re-examine role and increase efficiencies (September 2014)
- Asset Management: Systematic approach needed to manage risks (October 2014)
- Accountability Line Case #129 (October 2014)
- Employee Paid Retirement Contributions (October 2014)
- Budget Process: Strengthen practices that increase transparency (November 2014)
- Performance Measures: Clarify goals and increase measurement of efficiency and effectiveness (December 2014)
- Accountability Line Case #139 (December 2014)
- Natural Areas Maintenance Follow-up: Maintenance Strategy Needed (March 2015)

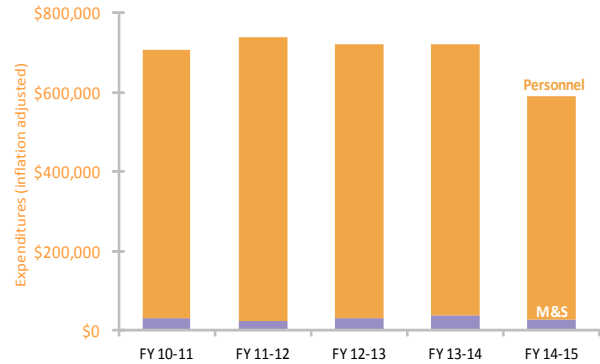
Audit Schedule, FY 2015-16

The following audits are anticipated this fiscal year. Audit topics are selected based on input from Metro Council, department management and audit staff.

Audit Title	Start Date	Estimated Completion Date
Nature in Neighborhoods Program	February 2015	October 2015
Community Planning and Development Grants	February 2015	November 2015
Convention Center Hotel Project Management	October 2015	March 2016
Zoo Organization Culture	October 2015	March 2016
Glendoveer Golf Course Operating Contract	March 2016	August 2016
Social Media Usage	March 2016	August 2016

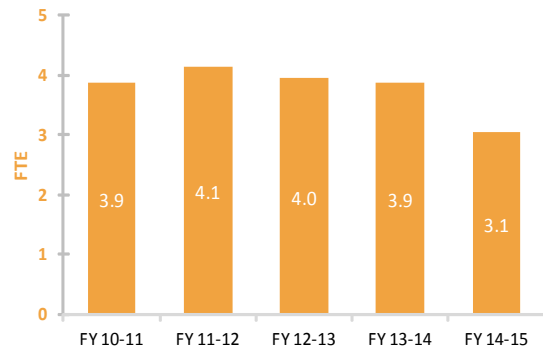
Expenditure

Expenditures were about 18% lower than last year. This was the result of lower personnel costs due to staff vacancies. Spending on materials and services also declined slightly.



Staffing Available

This graph represents actual audit staff hours available. In FY 2014-15, there were 6,367 staff hours available, the equivalent of 3.1 FTE. This was a decrease from last year due to staff changes.



Accountability Hotline Summary

The Accountability Hotline gives employees and the public a way to report waste, inefficiency or abuse of resources. The Metro Auditor administers the Accountability Hotline in consultation with upper management and the human resources director. Cases may be handled by human resources personnel if there is the possibility disciplinary action may occur. In some cases, upper management will assign an investigation to a department director if the report involves a service or program in their department. The Auditor reserves the right to conduct an audit on any report received.

Fifty-four reports were received in FY 2014-15; more than in any other year. About one-half of the reports were related to the Oregon Zoo. There is a wide variety in the nature of the reports in terms of specificity and issues identified. As a result, they cannot be categorized or summarized easily. Forty-six of the reports were successfully investigated. The other eight reports were not related to Metro’s jurisdiction or inadequate information was provided to successfully investigate.

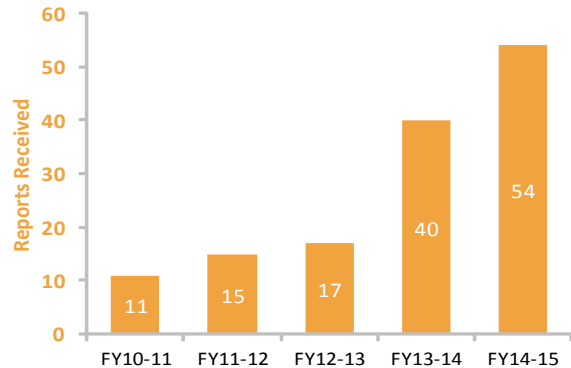
In 23 of the investigated cases, the information was confirmed and in 20 cases the information was unfounded. In three cases, the information was inaccurate. The most frequent action taken in response to a report was to relay information to the person reporting the concern to explain why the incident occurred. In 16 of the cases, some level of personnel action was taken. This year, two audits were initiated as a result of a report to the Accountability Hotline.

Reports Received

FY 2010-11 to FY 2014-15

The number of Accountability Hotline cases received has increased each of the last five years. In FY 2014-15, a total of 54 reports were received. That was the highest number ever received.

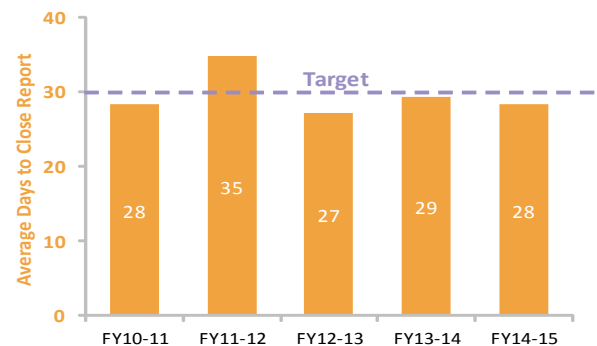
Monitoring the workload associated with the hotline will continue to be a priority this year. One strategy to address the volume of reports is to initiate audits that address common themes from the reports received. Some of the topics on this year’s audit schedule are based on that strategy.



Average Days to Close

FY 2010-11 to FY 2014-15

According to best practices, cases should be resolved in 30 days or less to be responsive to the person reporting. This standard has been met in four of the last five years.



Agenda Item No. 4.1

Resolution No. 15-4656, For the Purpose of Authorizing an
Exemption from Competitive Bidding and Authorizing
Procurement of Construction Manager/General Contractor
Services by Competitive Request for Proposals for the
Construction of the new Polar Bear Habitat and Associated
Infrastructure at the Oregon Zoo

Resolutions

Metro Council Meeting
Thursday, November 12, 2015
Metro Regional Center, Council Chamber

BEFORE THE METRO CONTRACT REVIEW BOARD

FOR THE PURPOSE OF AUTHORIZING AN) RESOLUTION NO. 15-4656
EXEMPTION FROM COMPETITIVE BIDDING)
AND AUTHORIZING PROCUREMENT OF)
CONSTRUCTION MANAGER/GENERAL) Introduced by Chief Operating Officer Martha
CONTRACTOR SERVICES BY COMPETITIVE) Bennett, with the concurrence of Council
REQUEST FOR PROPOSALS FOR THE) President Tom Hughes
CONSTRUCTION OF THE NEW POLAR BEAR)
HABITAT AND ASSOCIATED)
INFRASTRUCTURE AT THE OREGON ZOO)

WHEREAS, at the General Election held on November 4, 2008, the Metro Area voters approved Oregon Zoo Bond Measure 26-96, entitled “Bonds to Protect Animal Health And Safety; Conserve and Recycle Water,” a major component of which is the construction of a new polar bear habitat, which includes associated infrastructure work such as a public plaza with guest amenities, visitor path upgrades, and utility upgrades (the “Polar Bear Habitat”); and

WHEREAS, construction of the Polar Bear Habitat is planned for Metro fiscal years 2018 through 2019; and

WHEREAS, ORS 279C.335 and Metro Code 2.04.054 require that all Metro public improvement contracts shall be procured based on competitive bids, unless exempted by the Metro Council, sitting as the Metro Contract Review Board; and

WHEREAS, Metro Code Section 2.04.054(c) authorizes the Metro Contract Review Board to exempt a public improvement contract from competitive bidding and direct the appropriate use of alternative contracting methods that take account of market realities and modern innovating contracting and purchasing methods, so long as they are consistent with the public policy of encouraging competition, subject to the requirements of ORS 279C.335; and

WHEREAS, the Oregon Zoo wishes to obtain an exemption from competitive bidding for the Polar Bear Habitat public improvement project, and instead procure the construction of the Polar Bear Habitat by an alternative contracting method known as Construction Manager/General Contractor (CM/GC); and

WHEREAS, ORS 279C.335(4)(c) and ORS 279C.337 require that Construction Manager/General Contractor Services be procured in accordance with the administrative rules adopted by the Oregon State Attorney General and set forth in OAR 137-049-0600 to OAR 137-049-0690; and

WHEREAS, said administrative rules and ORS 279C.335(2) and (4) require that the Metro Contract Review Board hold a public hearing and adopt written findings establishing, among other things, that: the exemption of a public improvement contract from competitive bidding is unlikely to encourage favoritism in the awarding of public improvement contracts; said exemption is unlikely to substantially diminish competition for public improvement contracts; and that said exemption will likely result in substantial cost savings to Metro; now therefore

BE IT RESOLVED THAT THE METRO CONTRACT REVIEW BOARD:

1. Exempts from competitive bidding the procurement and award of a public improvement contract for the construction of the Polar Bear habitat; and

2. Adopts as its findings in support of such exemption the justifications, information and reasoning set forth on the attached Exhibits A and B, which are incorporated by this reference as if set forth in full; and
3. Authorizes the Chief Operating Officer to prepare a form of Request for Proposals for Construction Management/General Contractor services that includes as evaluation criteria for contractor selection: the contractor's proposed contract management costs for pre-construction services, contractor's proposed overhead and profit costs for construction services, contractor's demonstrated public improvement project experience and expertise, the contractor's demonstrated Construction Manager/General Contractor project experience, the contractor's record of completion of projects of similar type, scale and complexity, the contractor's demonstrated quality and schedule control, the contractor's experience in incorporating sustainability construction practices and design into projects, and the contractor's demonstrated commitment to workforce diversity and record of use of minority, women and emerging small businesses (MWESB) and any other criteria that ensures a successful, timely, and quality project, in the best interest of Metro and in accord with ORS 279C.335(4)(c) and OAR 137-049-0600 to OAR 137-049-0690; and
4. Following the approval of said form of Request of Proposals by the Office of the Metro Attorney, to issue such approved form, and thereafter to receive responsive proposals for evaluation; and
5. Following evaluation of the responses to the Request for Proposals, authorizes the Chief Operating Officer to execute a contract with the most advantageous proposer to construct the Polar Bear habitat.

ADOPTED by the Metro Council this _____ day of November 2015.

Tom Hughes, Council President

Approved as to Form:

Alison R. Kean, Metro Attorney

EXHIBIT A

Findings in Support of an Exemption from Competitive Bidding and Authorizing the Procurement by RFP of CM/GC Services for Construction of the Oregon Zoo Polar Bear Exhibit and Associated Infrastructure

Pursuant to ORS 279C.335(2) and (4), and Metro Code Section 2.04.054(c), the Metro Contract Review Board makes the following findings in support of exempting the procurement of the Polar Bear habitat at the Oregon Zoo from competitive bidding, and authorizing use of an RFP solicitation for a Construction Manager/General Contractor public improvement construction contract:

1. The exemption is unlikely to encourage favoritism or substantially diminish competition.

The Metro Contract Review Board finds that exempting the procurement of the construction of the Polar Bear habitat from competitive bidding is “unlikely to encourage favoritism in the awarding of public contracts or to substantially diminish competition for public contracts” as follows: The RFP will be formally advertised with public notice and disclosure of the planned CM/GC alternative contracting method and made available to all qualified contractors. Award of the contract will be based on the identified selection criteria and dissatisfied proposers will have an opportunity to protest the award. Full and open competition based on the objective selection criteria set forth in the Metro Contract Review Board resolution will be sought, with the contract award going to the most advantageous proposer. Competition for the RFP will be encouraged by: posting on ORPIN (Oregon Procurement Information Network), utilizing the Oregon Daily Journal of Commerce and a minority business publication for the public advertisement; performing outreach to local business groups representing minorities, women and emerging small businesses; and by contacting contractors known to Metro to potentially satisfy the RFP criteria. The CM/GC subcontractor selection process will be a low bid competitive method for contracts by requiring a minimum of three bids per scope, unless there is an approved exception. Competition among subcontractors will be encouraged by: contacting local subcontractors, including MWESB firms and notifying them of any opportunities within their area of expertise and by performing outreach to local business groups representing minorities, women and emerging small businesses.

2. The exemption will likely result in substantial cost savings to Metro.

The Metro Contract Review Board finds that exempting the procurement of the construction of the Polar Bear habitat from competitive bidding will likely result in substantial costs savings to Metro, considering the following factors required by OAR 137-049-0630 and ORS:

- a. **Number of entities available to bid:** This factor has no application to the Construction of the Polar Bear habitat, as there are numerous firms interested in participating in the procurement, many of which would have bid on the project in the absence of the exemption from competitive bidding.
- b. **Construction budget and future operating costs:** Utilizing an RFP process to select a CM/GC will allow Metro to obtain cost reductions through pre-construction services by the contractor during the design phase, including a constructability

review, value engineering, and other services. Given the high degree of complexity of the project improvements, the need to integrate with pre-existing infrastructure, and challenging environmental and topographical site constraints, involving the contractor early during the design process fosters teamwork that results in a better design, fewer change orders, and faster progress with fewer unexpected delays, resulting in lower costs to Metro. The ability to have the CM/GC do early work prior to completion of design shortens the overall duration of construction, resulting in less disruption to the Zoo as the state's top paid tourist attraction. Faster progress and an earlier completion date will also help Metro avoid the risk of inflationary increase in materials and construction labor costs.

CM/GC constructability review also allows for an ongoing review of the long term operating costs of design options, allowing for midcourse design choices leading to a project having lower long term operating maintenance and repair costs.

Metro has experience benefitting from CM/GC on constructability review with Elephant Lands, the zoo's largest project to date.

- c. **Public Benefits:** The expeditious completion of the project by using the CM/GC process will help ensure that the new Polar Bear habitat is available for the bears and guests as quickly as possible, thus more quickly bringing economic benefits to the Zoo and to the Metro Area. In addition to the public benefits from the cost savings noted above, the procurement of a CM/GC construction contract through RFP process will help realize Metro's aspirational goal of obtaining 15 percent MWESB participation by enabling a qualitative review of proposers' approach to MWESB outreach and mentoring partnerships.
- d. **Value engineering:** The CM/GC process will enable the contractor to work with the project architect and the Zoo bond staff to help reduce construction costs by providing early input and constructability review to designers, avoiding costly redesigns and change orders, and providing opportunities for the architects and contractor to work together on both practical and innovative solutions to complex design issues. This type of contract will allow the designers to more easily explore with the contractor the feasibility of innovative design solutions and incorporate ongoing value engineering.
- e. **Specialized expertise required.** Unique projects require special qualifications. The Polar Bear habitat project includes work that can only be performed by a few specialists and which will require a design team and contractor with depth of experience, including but not limited to: green building; large-scale construction work through identified landslide area; guest safety on campus; and project phasing to minimize impacts to guests, animals, and Zoo operations. The selection of a contractor with such specialized expertise to construct the project will result in a substantially lower risk to Metro, because it increases the likelihood of the project being completed on or ahead of schedule, resulting in lower costs and increased benefit to the community. The ability to factor expertise and experience into contractor selection is inherent in the RFP process, but is not normally part of the traditional competitive bid process.
- f. **Public safety:** The Polar Bear habitat is a complex project subject to a tight construction schedule. Construction will occur across a large swath in the center of

the Zoo while the rest of the Zoo continues to be safely open to the public. The CM/GC contracting process will enable the contractor to work with the project architect and the Zoo construction and design staff to plan for minimizing safety hazards and conflict between the project and ongoing Zoo operations, by providing early input into issues of project phasing, construction staging areas, construction access corridors, and scheduling. Such integrated early planning efforts are expected to limit risks to public safety, thus reducing the risk of costly injury claims. Metro's experience using CM/GC on Elephant Lands demonstrated the success in planning in advance for visitor needs and safety.

- g. **Reduces risk to Metro and the public.** The Polar Bear project is a major construction project that will take place in the heart of the Zoo at its central hub. As such, it will have an impact on the revenue-generating operations of the Oregon Zoo. The use of CM/GC will reduce the risk to Zoo operations by minimizing the duration of the construction disruption through early work amendments. Early Construction Manager (CM) involvement in project phasing and planning will inform the decisions of designers and the Zoo Bond so that Zoo operations may continue in and around construction efforts meanwhile preserving the safety of visitors. Early involvement by the CM reduces the risk of change orders, thus shortening the likely duration, lessening the risk of late delivery. Metro's experience with CM/GC on Elephant Lands demonstrated the reduced risk in change orders on a large scale project.
- h. **Exemption's effect on funding.** The exemption of the Polar Bear project will have no effect on funding for the project.
- i. **Effect on ability to control impact of market conditions.** The ability to implement early work amendments will enable the Zoo to save on labor and material costs for early work elements in environment where construction costs are escalating rapidly. The ability to do early work shortens the project's overall duration, allowing bids to be obtained sooner, before further inflationary increases occur. The CM/GC firm will be working alongside the design team to identify measures to keep the project within budget during the design phase.
- j. **Technical complexity:** The design and construction of Zoo exhibits requires technical expertise, knowledge, and experience, all of which can be factored into the contractor selection in the RFP process. The selection of a contractor with demonstrated experience and success in implementing similar projects will result in a substantially lower risk to Metro, because it increases the likelihood of the project being completed on budget, with fewer construction delays and change orders, resulting in lower costs and increased benefit to the community. The RFP process will take into account each contractor's past performance and technical knowledge. Based on the necessary quality of the finished project, and the technical complexity of the undertaking, the Procurement Manager believes an alternative contracting process to be necessary and in the best interest of the agency.
- k. **New construction, renovation or remodel:** The Polar Bear project involves new construction and the extensive replacement of existing antiquated infrastructure, much of which is underground and some of which is of unknown location, quality and condition. Some of the design limitations and conditions are likely to be

unknown until uncovered by work performed under an early work amendment, which can be performed during design development to inform the design process.

- l. **Occupancy during construction.** Construction will occur across a large swath in the center of the Zoo while the rest of the Zoo must continue to operate safely and be open to the public. The CM/GC contracting process will enable the contractor to work with the project architect and the Zoo construction and design staff to minimize conflict between the project and ongoing Zoo operations, by providing early input into issues of project phasing, construction staging areas, construction access corridors, and scheduling. Such integrated early planning efforts are expected to limit conflicts thus reduce the risk of construction delays and costly change orders.
- m. **Multi-phase construction.** The Polar Bear project can be conducted in phases, allowing for early work amendments to start on the beginning construction phases while finalizing overall design, which ultimately saves time on the overall project. Early work phases are expected to uncover latent conditions at the project site that, once exposed, will then be addressed efficiently and less expensively during ongoing design, avoiding costly redesigns and change orders,
- n. **Availability of personnel, consultants and legal counsel with CM/GC expertise.** With the Elephant Lands project, the Zoo Bond Program has established a successful track record of negotiating, administering and enforcing the terms of Metro's CM/GC public improvement contract. This team, or a team equivalent in qualifications and expertise, will be deployed on the Polar Bear project.

3. **Other substantial benefits to Metro – additional findings.**

Industry practices, surveys, trends. In February 2011, Pinnell/Busch, Inc., an experienced construction management firm in Portland, Oregon, worked with the Zoo's bond project team and a number of industry experts in alternative contracting methods (primarily members of the Oregon Public Contracting Coalition) to survey industry practices and results. The team's final report recommended Construction Management by General Contractor (CM/GC) as a beneficial contracting process for Zoo bond projects. The report determined that properly implemented CM/GC contracting provides a process that ensures a successful project.

Frequently cited benefits of the method include:

1. Results in a better design that meets the owner's objectives
2. Encourages competition, especially for Minority, Women, and Emerging Small Business (MWESB) subcontractors
3. Can be completed in a faster time frame
4. Costs less than a design-bid build project that is designed and constructed in the traditional manner
5. Reduces the risks of delays, cost overruns, and disputes
6. Limits the number of change orders for unforeseen conditions

Past experience and evaluation of Elephant Land CM/GC.

The Zoo Elephant Lands project, now approximately 95% complete, is the largest construction project in the Zoo's history. The benefits to the Elephant Lands Project achieved through the

CM/GC process include:

1. The zoo obtained cost reductions through pre-construction services by the contractor during the design phase, including a constructability review (e.g. materials, phasing, layout and design) and value engineering.
2. Phased construction starting with relocation of Wildlife Live and new service road in March 2013. These two scopes of work were able to start while the main elephant project design was still being developed, which saved approximately eight months on the overall schedule and allowed for construction access to the site without disrupting Zoo activities.
3. Phased construction in relation to the elephants themselves, allowing the herd to stay at the Zoo rather than temporary relocation.
4. Five percent of GMP in change orders. On a project of this size and complexity, one would ordinarily expect a ratio of at least ten percent or greater in change orders increasing the cost of construction.
5. The project achieved nine percent MWESB participation, with approximately \$4M going to the MWESB community.
6. The Zoo was able to safely maintain visitor attendance and all normal activities during two and one-half years of construction.

Benefits and drawbacks of CM/GC to Polar Bear project construction. The CM/GC method provides an invaluable means of addressing the risks to Metro presented by the Zoo's unique working environment, which is complicated by the following factors:

1. Continual operations are required (24/7 basis)
2. Widespread public access and need to preserve a quality visitor experience to maintain current revenues
3. Extremely sensitive and dangerous occupants
4. Very difficult site layout, work site access, and geotechnical conditions
5. Highly specialized exhibit construction means and methods
6. Extensive program goals with somewhat limited budget for the anticipated scope and quality

By involving the contractor extensively during the design process, the Zoo will be able to better account for, plan around, and address the above factors prior to commencing construction. This avoids project delays and expensive change orders, helps to reduce liability and revenue risks to Metro, and provides a foundation of cooperation upon which a high-quality result may be achieved, on schedule and on budget. Pre-construction services provided during this process include a constructability review, value engineering, and other services during design. Involving a contractor during the design fosters teamwork that results in a better design, faster progress with fewer delays, and less costs.

Given the Zoo Bond program's experience with CM/GC on the Elephant lands project, staff foresees no drawback to adopting the CM/GC method to implement the Polar Bear project.

STAFF REPORT

IN CONSIDERATION OF RESOLUTION NO. 15-4656 FOR THE PURPOSE OF AUTHORIZING AN EXEMPTION FROM COMPETITIVE BIDDING AND AUTHORIZING PROCUREMENT OF CONSTRUCTION MANAGER/GENERAL CONTRACTOR SERVICES BY COMPETITIVE REQUEST FOR PROPOSALS FOR THE CONSTRUCTION OF THE NEW POLAR BEAR HABITAT AND ASSOCIATED INFRASTRUCTURE AT THE OREGON ZOO

Date: October 30, 2015

Prepared by: Heidi Rahn
503-220-5709

BACKGROUND

The Oregon Zoo plans to construct a new polar bear habitat as part of executing the 2008 capital improvements bond. The vision for the Polar Bear project is to develop a new and larger habitat to encourage and promote exploring, digging, swimming, scratching, and other natural behaviors. As the world's largest land predators, polar bears need space, and the proposed upgrade will offer them not only more room, but also a safer and more natural habitat to explore.

The new habitat is needed to increase access to natural substrate; renovate and increase the efficiency of the water-filtration system; reduce temperatures; chill the pool water; and increase both land and pool space. New holding areas would have better lighting and ventilation, allowing better care for the animals. Space requirements, water quality, and housing conditions will meet or exceed the Manitoba Protocols established for zoo polar bears.

The Oregon Zoo has the opportunity to educate guests about climate change and the research the zoo conducts with polar bears to assess the impacts of such changes. A key component of the new Polar Bear exhibit will be to bring the zoo's research activities to the forefront of the visitor experience. One of the main objectives of the interpretive messaging will be to introduce facts about climate change, polar bear conservation, and actions visitors can take.

Infrastructure work associated with the polar bear project includes a public plaza with guest amenities, visitor path upgrades and upgrading utilities.

Recognizing the complexity of this project, Metro referred to analysis performed under contract by Pinnell Busch, a project management consulting firm, on recommended procurement and construction delivery methods for zoo bond program projects.

Pinnell Busch collaborated with the Oregon Public Contracting Coalition¹ whose findings concluded a Construction Management by General Contractor (CM/GC) would be the best contracting method for projects constructed in the zoo's working environment, complicated by:

- Ongoing 24-hour operations
 - Widespread public access and need for a quality visitor experience to maintain current revenues
-

- Sensitive and potentially dangerous animal occupants
- Very difficult site layout, work site access, and geotechnical conditions
- Highly specialized exhibit construction means and methods
- Extensive program goals with somewhat limited budget for the anticipated scope and quality

The CM/GC procurement method is supported by the Oregon Zoo Bond Citizens' Oversight Committee and is a common procurement practice used by public agencies. Area agencies such as City of Portland, Tri-Met, and Port of Portland utilize the CM/GC process for their large, complex projects.

CM/GC offers a distinct advantage over traditional design-bid-build (low bid) method to enhance participation by MWESB (minority/woman-owned/emerging small business) contractors. The procurement method for CM/GC, a Request for Proposals, enables Metro to specifically request and qualitatively evaluate proposer's approach to MWESB outreach and partnership and workforce diversity. The CM/GC delivery method offers a better ability for public agencies to increase the use of minority, women and emerging small businesses (MWESB) in sub-contracting opportunities.

The attached resolution and findings in Exhibit A describe the specialized nature of this project. Based on these findings, the Metro Procurement Manager believes that a value-based selection process is more appropriate than a traditional, competitive bid (which solely considers lowest bid price). Zoo bond management staff and the Office of Metro Attorney concur.

Therefore, staff seeks Council authorization to pursue the alternative procurement process known as CM/GC for the polar bear habitat at the Oregon Zoo. This will allow Metro to consider cost as well as experience and expertise in completing similar projects and in selecting the most advantageous contractor for this project.

ANALYSIS/INFORMATION

1. **Known Opposition** None.
2. **Legal Antecedents** Metro Code 2.04.054, 2.04.054©; Oregon Revised Statutes 279C.335(4).
3. **Anticipated Effects** Public procurement process will be open and competitive, but items other than cost will be considered in the awarding of the contract. Increased use of MWESB subcontractors is anticipated.
4. **Budget Impacts** The CM/GC process offers safeguards for cost control of the project, including early involvement by construction contractor in the design process, as well as a limited change orders.

RECOMMENDED ACTION

Metro Council, acting as Public Contract Review Board, approves the use of a Construction Manager General Contractor process and exempts this project from traditional competitive bidding. Further, Council authorizes the execution of the resulting contract by the Chief Operating Officer in a form to be approved by the Office of the Metro Attorney.

Agenda Item No. 4.2

Resolution No. 15-4666, For the Purpose of Suspending
Provisions in the Metro Code, Title V, Related to Enhanced
Dry Waste Recovery Program

Resolutions

Metro Council Meeting
Thursday, November 12, 2015
Metro Regional Center, Council Chamber

BEFORE THE METRO COUNCIL

FOR THE PURPOSE OF SUSPENDING)	RESOLUTION NO. 15-4666
PROVISIONS IN THE METRO CODE, TITLE V,)	
RELATED TO THE ENHANCED DRY WASTE)	Introduced by Chief Operating Officer Martha
RECOVERY PROGRAM PERTAINING TO)	Bennett in concurrence with Council
WOOD WASTE)	President Tom Hughes

WHEREAS, in Ordinance No. 07-1147B, the Metro Council adopted code provisions to support the Enhanced Dry Waste Recovery Program (“EDWRP”), which requires, among other things, processing of non-putrescible waste generated in the Metro region to recover wood; and

WHEREAS, the Council adopted EDWRP to assist the region to attain its state-mandated recovery goal by recovering additional reusable and recoverable non-putrescible waste generated by the building industry; and

WHEREAS, Metro Code Section 5.01.125(c) requires a Metro solid waste licensee or franchisee to process non-putrescible waste accepted at the facility to recover certain materials, including wood, to a specific standard and to conduct sampling on the processing residual; and

WHEREAS, Metro Code Section 5.05.034(d) and (e) require that an agreement between Metro and a designated facility of the system shall not authorize acceptance of non-putrescible waste generated in the Metro region that has not undergone material recovery processing unless the facility agrees to process the waste; and

WHEREAS, Metro Code Section 5.05.041 requires, among other things, that an applicant for a non-system license, or a licensee that seeks to deliver unprocessed non-putrescible waste outside the Metro region, must demonstrate that the non-system facility is in substantial compliance with the material recovery provisions of Metro Code Section 5.01.125; and

WHEREAS, Metro Code Section 5.09.040(g) stipulates that no person shall deliver non-putrescible solid waste generated within Metro that has not undergone material recovery, or direct another person to deliver such solid waste, to any facility other than a Metro-authorized material recovery facility; and

WHEREAS, in Resolution No. 07-3802, the Metro Council directed staff to ensure that the contract operators of Metro Central and South transfer stations meet or exceed EDWRP’s recovery performance and reporting standards; and

WHEREAS, the wood market used by many generators and solid waste facilities in the Metro region has changed after the enactment of EDWRP due largely to the indefinite closure of the WestRock/SP paper mill located in Newberg, Oregon, effective November 15, 2015; and

WHEREAS, compliance with EDWRP under current conditions is not practical; now therefore,

BE IT RESOLVED that the Metro Council:

1. Suspends certain provisions of the Metro Code related to EDWRP and the recovery of wood waste, including Metro Code Sections 5.01.125(c); 5.05.034(d) & (e); portions of 5.05.041; and 5.09.040(g) as it relates to wood; and
2. Authorizes the Chief Operating Officer to inform facilities outside the region that Metro will not enforce any provision of a designated facility agreement that prohibits the facility from accepting unprocessed wood waste for disposal or that requires the facility to recover wood waste; and
3. Directs the Chief Operating Officer to introduce a resolution to reinstate the suspended code provisions once the wood waste market conditions change.

ADOPTED by the Metro Council this 12th day of November 2015.

Tom Hughes, Council President

Approved as to Form:

Alison R. Kean, Metro Attorney

STAFF REPORT

IN CONSIDERATION OF RESOLUTION NO. 15-4666 FOR THE PURPOSE OF SUSPENDING PROVISIONS OF METRO CODE, TITLE V, RELATED TO THE ENHANCED DRY WASTE RECOVERY PROGRAM PERTAINING TO WOOD WASTE

October 30, 2015

Prepared by: Roy Brower
503-797-1657

Adoption of Resolution No. 15-4666 will temporarily suspend portions of Metro Code Chapters 5.01 (Solid Waste Facility Regulation), 5.05 (Solid Waste Flow Control), and 5.09 (Illegal Disposal) that pertain to Metro's Enhanced Dry Waste Recovery Program (EDWRP) as it relates to wood waste. The proposed suspension responds to the significant disruption in the region's primary wood recovery outlets and provides temporary regulatory relief to wood waste generators, solid waste facilities processing wood waste, and disposal sites by allowing land disposal of certain source-separated wood waste previously destined for energy recovery. However, adoption of this proposed resolution would not change the current EDWRP requirement for all mixed non-putrescible (dry) waste to be processed at an authorized material recovery facility prior to disposal.

BACKGROUND

In August 2015, Georgia-based WestRock Co. purchased the SP Fiber Technologies paper mill located in Newberg. On October 15, WestRock announced that it would indefinitely cease operations at the Newberg mill on November 15. Since that time, the company has severely restricted the acceptance of urban wood waste derived fuel from the Metro-area and elsewhere. It is not yet clear when or whether the mill will open again.

The Newberg mill had served as a long-term reliable market for the region's paper recyclables and the primary market for the region's recovered urban wood waste - which is burned as hogged fuel at the mill for the production of steam and electricity. While the closure was not totally unexpected, the suddenness and timing was a surprise even to the mill's management team, and it significantly impacts our region's waste reduction efforts and solid waste operations.

In 2014, the mill received about 88 percent (127,000 tons) of the Metro area's recovered wood waste from material recovery facilities (MRFs). Additionally, the mill served as a fairly proximate outlet for the most-difficult-to-recycle types of urban wood, including painted, treated, and manufactured wood waste. There are also two other paper mills located in Washington (Longview and Camas) that have capacity to accept some additional amount of urban wood waste for use as fuel, but those facilities will accept only very "clean" urban wood. The shutdown of the Newberg mill has foreclosed the region's only outlet for much of the painted, treated and manufactured wood waste. The region's urban wood waste generators and processors, including Metro's own public transfer stations, are entering into a market transition period that will require significant modifications to processing and operating procedures in order to recover only the cleanest wood from the region's dry waste stream.

Metro and EDWRP

Representatives of the solid waste industry have expressed concern that Metro's current EDWRP requirements will create undue hardships for generators, processors and solid waste facility operators during this challenging transition period for urban wood waste recovery. Metro Code Title V (Solid Waste) establishes two primary EDWRP requirements that have served the region very well since 2009: 1) all mixed dry waste must be delivered to a Metro-authorized MRF that will separate the waste into

marketable components,¹ and 2) all MRFs must ensure that their processing residual contains no more than 15-percent of wood, metal and cardboard.² Violation of either of these requirements could result in a Metro enforcement action.

Currently, one of the primary materials targeted for recovery by post-collection MRFs is wood waste. The recent market disruption for this material creates uncertainty and risk for industry participants at all levels. Therefore, the following provisions associated with EDWRP present some challenges under the current market conditions:

- **Disposal of Recyclable Material.** Metro Code prohibits the disposal of source-separated recyclable materials generated or received by solid waste facilities. In other words, a MRF that separates incoming loads of mixed dry waste into its various individual marketable components (wood, metal, plastic, gypsum, roofing, cardboard, etc.), must not dispose the source-separated and recovered components. However, with the recent disruption in the urban wood markets, it is no longer reasonable to expect certain types of wood to be recovered because the closure of the WestRock mill in Newberg eliminates the major outlet for this wood. The Oregon Department of Environmental Quality (DEQ) has taken the position that source-separated wood waste that was intended for energy recovery is not prohibited from disposal as provided in OAR 340-090-0090(2). Metro staff supports this position and, upon adoption of this resolution, Metro would also allow this type of wood waste to be disposed as allowed by the DEQ. (Any disposal would continue to be subject to payment of Metro's Regional System Fee and Excise Tax.)
- **Material Recovery Residual Standard.** Metro-authorized processing facilities (both MRFs and transfer stations) are required to perform material recovery on all mixed dry waste received at the facility such that the remaining residual contains no more than 15-percent of wood, metal, and cardboard. Upon adoption of this resolution, Metro would suspend enforcement of the 15-percent requirement as it pertains to the wood component in the processing residual. This means that such facilities will no longer be required to separate wood from mixed loads prior to disposal until this standard is again reinstated. However, loads of mixed dry waste received by facilities must still be processed to remove metal and cardboard as required under EDWRP. Anecdotally, staff understands that there may currently be some market capacity for very clean wood at the two other paper mills located in Longview and Camas, Washington – as such staff will continue to encourage facilities to recover clean urban wood while Metro evaluates the region's alternative wood recovery and recycling options. Staff will also encourage Metro-regulated facilities to post signage and otherwise inform their customers that the wood received at those facilities may not be recovered or recycled.
- **Direct Delivery and Disposal of Wood Waste at Landfills.** Currently, Metro Code³ prohibits the disposal of unprocessed dry waste, including loads of wood waste. Staff recognizes that land disposal may be the only reasonable alternative available for the temporary management of urban wood waste under the current market conditions. Staff recommends that the Metro Council suspend certain provisions of the Code to allow such unprocessed, source-separated wood loads to be delivered directly to a disposal site in the interim while staff evaluates the region's alternative recovery and recycling options.

¹ Metro Code Section 5.09.040(g).

² Metro Code Section 5.01.125(c)(1)

³ Metro Code Section 5.05.034(d) and (e).

DEQ Guidance

Metro requested guidance from DEQ on the conditions under which source-separated wood waste in the region could be disposed. In summary, DEQ provided the following guidance:

- The ban on disposal of source-separated recyclables does not apply to wood waste intended for energy recovery. The wood waste separated for the purpose of being used as hogged fuel at the WestRock/SP mill is not subject to the state's prohibition and may be disposed.
- However, if source-separated wood waste is collected for recycling, as defined in Oregon Administrative Rules (OAR) below, then it may not be delivered to disposal.

DEQ's rationale for this finding is as follows:

OAR 340-090-0090(2) requires:

In addition to the provisions set forth in ORS 459A.080, no person shall dispose of source-separated recyclable material which has been collected or received from the generator by any method other than reuse or recycling except for used oil and wood waste which may be collected and burned for energy recovery.

OAR 340-090-0010(30) defines "recycling" as:

[A]ny process by which solid waste materials are transformed into new products in such a manner that the original products may lose their identity.

OAR 340-090-0010(12) defines "energy recovery" as:

[R]ecovery in which all or part of the solid waste material are processed to use the heat content, or other forms of energy, of or from the material.

DEQ has indicated to Metro that it will continue to encourage the recovery of scrap and urban wood where markets exist for the use and reuse of that material. DEQ also recommends separation of clean wood scrap from contaminated, painted, or treated wood waste and recommends recycling of clean, untreated wood where markets exist. Disposal may be the best (or only) option for contaminated, painted or treated wood.

Metro Resolution No. 15-4666

The proposed resolution is offered as a way to provide clarity, certainty and regulatory relief during a temporary period of transition in the urban wood market. Adoption of this resolution would result in the following:

1. *Suspend portions of the Metro Code pertaining to EDWRP.* Adoption of this resolution would suspend portions of the Metro Code related to wood recovery under EDWRP. Specifically, the following provisions would be suspended:
 - a. **Metro Code Section 5.01.125(c).** These are requirements for licensed and franchised facilities to 1) process dry waste to meet the EDWRP residual standard, and 2) require facilities to take quarterly sampling of processing residual and report results to Metro. This section also provides details on violations, enforcement and remedies related to non-compliance with this section. Suspension of this provision would not reinstate Metro's former method for calculating and demonstrating recovery as described Section 5.01.125(b) by recovering 25 percent by weight from all waste received at a facility.

Adoption of this resolution would suspend the requirement to segregate wood from mixed dry waste loads and removes the wood waste component from determining EDWRP compliance during residual sampling events. The Chief Operating Officer (COO) will provide additional guidance to operators on the implementation details.

- b. **Metro Code Section 5.05.034(d) and (e).** These are requirements placed on facilities located outside the Metro regional boundary that prohibit the acceptance of unprocessed dry waste for disposal through a designated facility agreement.

Adoption of this resolution would suspend this requirement for designated facilities, primarily landfills, located outside the region and allow disposal sites to accept unprocessed, source-separated wood waste loads normally destined for energy recovery for disposal provided that the disposal site collects and remits Metro's fees and taxes for the waste. The COO will provide additional guidance to operators on the implementation details.

- c. **Metro Code Section 5.05.041.** In the last paragraph of this section, applicants seeking non-system licenses must demonstrate that mixed dry waste loads, when delivered to a facility located outside the region, are being delivered to a facility that meets the same standards in Section 5.01.125 for facilities located inside the region. This standard will be difficult or impossible to meet given the current market conditions for wood.

Adoption of this resolution would suspend this particular application requirement and allow applicants to seek non-system licenses to deliver unprocessed, source-separated wood waste normally destined for energy recovery directly to disposal sites. The COO will provide operators with additional guidance on the implementation details.

- d. **Metro Code Section 5.09.040(g).** This provision requires all mixed dry waste to be delivered to a Metro-authorized recovery facility. Adoption of this resolution would suspend this provision as it relates to loads of unprocessed, source-separated wood waste. The COO will provide additional guidance to operators on the implementation details.

- 2. *Inform industry of EDWRP suspension.* Adoption of the proposed resolution would direct the COO to notify all of Metro's designated facilities (located inside and outside of the regional boundary) of the Metro Council action and inform those operators of the suspended portions of EDWRP as specified above. The COO will provide additional guidance to operators on the implementation details.
- 3. *Reinstatement of EDWRP requirement.* The COO is directed to introduce a resolution to reinstate the suspended code provisions once the wood waste market conditions change. The COO will continue to monitor the region's wood markets and report back periodically to the Council if a significant change in the region's wood recovery options occurs that would merit reinstatement of the proposed suspended provisions.

ANALYSIS / INFORMATION

1. Known Opposition

Metro provided industry, local governments and other stakeholders with information on October 23, 2015 that provided some guidance on management of wood waste loads, including information provided to Metro by DEQ. Metro spoke with numerous stakeholders by phone or in-person to discuss solutions to the challenges presented by the wood market situation. Metro staff also met and discussed the market situation with local government solid waste directors on October 22, 2015.

There is no known or anticipated opposition to the proposed resolution. On October 30, 2015, Metro staff provided copies of the proposed resolution and draft staff report to all designated facilities located inside and outside the boundary. Copies were also provided to staff of local governments involved in solid waste work, DEQ and other stakeholders generally interested in solid waste issues. Comments were solicited to provide assurance that temporary suspension of these Code provisions during this transitional period was prudent and reasonable and did not create any unanticipated hardships. Current feedback indicates that this proposal is relevant, timely and helpful to industry.

2. Legal Antecedents

ORS Chapter 268 (Solid Waste); Metro Charter; Metro Code Title V (Solid Waste Facility Regulation).

3. Anticipated Effects

Approval of Resolution No. 15-4666 will temporally suspend certain provisions related to EDWRP requirements provided in Metro Code Sections 5.01.125(c), 5.05.034(d), 5.05.034(e), and portions of 5.05.041; and 05.09.040(g) as it relates to wood. This suspension will result in more urban wood waste being disposed, especially the painted, treated, contaminated and manufactured wood. This increased disposal will have some negative impact on the regions overall recovery rate. It should also result in the separation of cleaner wood for use as a fuel in energy recovery and existing or newly emerging recycling markets.

4. Budget Impacts

Upon adoption, it is anticipated that some additional quantity of wood waste will be disposed at landfills rather than burned for energy recovery at the WestRock/SP mill in Newberg. Wood waste that is used for hogged fuel, such as that previously delivered to the mill has not been subject to Metro's regional system fee (\$18.39/ton) or excise tax (\$11.48/ton). If that wood waste is now delivered to a disposal site, it will be subject to Metro's full fee and tax rate (\$29.87/ton).

Assuming that half of the Metro region's wood waste that had been sent to the WestRock/SP mill in 2014 will now be delivered to disposal for the next eight months through the end of the fiscal year (mid-November through June 30, 2016), Metro may collect up to an additional \$650,000 in regional system fees and \$400,000 in excise taxes. These revenues would be factored into the next budget cycle (FY16-17) and considered for future rate and budget setting.

Recommended Action:

The COO recommends adoption of Resolution No. 15-4666.

Agenda Item No. 5.1

Ordinance No. 15-1361, For the Purpose of Adopting the
2014 Urban Growth Report and Complying with Regional
Growth Management Requirements Under ORS 197.299 and
Statewide Planning Goal 14

Ordinances (Second Read)

Metro Council Meeting
Thursday, November 12, 2015
Metro Regional Center, Council Chamber

BEFORE THE METRO COUNCIL

FOR THE PURPOSE OF ADOPTING THE)	ORDINANCE NO. 15-1361
2014 URBAN GROWTH REPORT AND)	
COMPLYING WITH REGIONAL GROWTH)	Introduced by Martha J. Bennett, Chief
MANAGEMENT REQUIREMENTS UNDER)	Operating Officer, with the concurrence of
ORS 197.299 AND STATEWIDE PLANNING)	Tom Hughes, Council President
GOAL 14)	

WHEREAS, state law requires Metro to assess the capacity of the urban growth boundary (UGB) on a periodic basis and, if necessary, to increase the region’s capacity for housing and employment for the next 20 years; and

WHEREAS, to accomplish that task, Metro has prepared the 2014 Urban Growth Report (UGR), which forecasts the likely range of population and employment growth in the region to the year 2035; and

WHEREAS, the UGR also assesses the capacity of the UGB for housing and employment, assuming continuation of existing local and regional plans, policies and investment strategies, and concludes that there is sufficient land capacity in the region for the next 20 years; and

WHEREAS, Metro released the UGR in draft form in July 2014 after more than a year of technical engagement with a working group of public and private sector experts; and

WHEREAS, after making some modifications to the draft UGR based on comments from stakeholders, in December 2014 the Metro Council accepted the draft UGR via Metro Resolution No. 14-4582 as a preliminary step toward formal adoption of the final UGR in 2015; and

WHEREAS, in Resolution No. 14-4582 the Metro Council identified certain policy components of the draft UGR warranting further discussion prior to adoption in 2015, including the likelihood of projected residential development in urban centers, the likelihood of development in the City of Damascus, and consideration of the range forecast for population and employment growth; and

WHEREAS, between February and June of 2015 the Metro Council and the Metro Policy Advisory Committee (MPAC) devoted multiple meetings to the policy components identified for further discussion in Resolution No. 14-4582; and

WHEREAS, after further discussion with MPAC and stakeholders, including a joint meeting with the Damascus City Council, the Metro Council concludes that the amount of land assumed to be developable in the City of Damascus should be reduced as described in the Recommendations to the Metro Council from Metro’s Chief Operating Officer dated July 2015 (COO Recommendations) and as reflected in the corresponding revisions to the UGR; and

WHEREAS, after further discussion with MPAC and stakeholders, the Metro Council concludes that current city and county comprehensive plans and codes provide the region with sufficient capacity to accommodate projected housing and job growth inside the existing UGB; and

WHEREAS, the COO Recommendations advise the Metro Council to select the midpoint of the forecast range for population and employment growth in the next 20 years, a point which presents the highest statistical probability of accuracy; and

WHEREAS, the work required to finalize the region's urban and rural reserve designations is ongoing, and will not be complete and acknowledged by the end of the current growth management cycle in 2015; and

WHEREAS, the rate and scale of development in the region has significantly increased in the last two years, suggesting movement out of the recession and into a new economic cycle; and

WHEREAS, the Metro Council believes the region would benefit from undertaking a new UGR analysis within the next three years, sooner than required under state law, in order to reassess the capacity of the UGB given current development trends and the possible disincorporation of the City of Damascus; and

WHEREAS, the Metro Council agrees with and accepts the COO Recommendations; now therefore,

THE METRO COUNCIL ORDAINS AS FOLLOWS:

1. The 2014 Urban Growth Report, attached as Exhibit A, is hereby adopted as support for the Metro Council's conclusion that there is no need to expand the Metro UGB as part of the current growth management cycle under ORS 197.299 and Goal 14.
2. The Metro Council selects the midpoint of the forecast range for population and employment growth, as expressed in the revised housing and employment figures described in the COO Recommendations and incorporated into the adopted UGR.
3. The Metro Council directs Metro staff to produce a new draft urban growth report within three years from the date of this ordinance.
4. Metro staff is directed to continue working with Clackamas County and Multnomah County to finalize urban and rural reserve designations and to seek acknowledgement of reserves from the Land Conservation and Development Commission as soon as possible.
5. Metro will work with its regional partners to explore possible improvements to the region's growth management process.
6. Metro staff is directed to monitor and report on housing and job trends on an ongoing basis, including implementation of the Regional Snapshots program, and to work with regional partners to increase knowledge about housing market preferences through additional market research and analysis.
7. The Metro Council directs Metro staff to provide, beginning in early 2016, updates to MPAC and the Metro Technical Advisory Committee on work programs and timelines for accomplishing clauses three, four, five and six.

8. The Findings of Fact and Conclusions of Law in Exhibit B, attached and incorporated into this ordinance, are adopted to explain how this ordinance is consistent with state law and applicable Metro policies.

ADOPTED by the Metro Council this ____ day of November 2015.

Tom Hughes, Council President

Attest:

Approved as to Form:

Alexandra Eldridge, Recording Secretary

Alison R. Kean, Metro Attorney

2014 URBAN GROWTH REPORT

*Investing
in our
communities
2015 – 2035*



Exhibit A to Ordinance No. 15-1361

If you picnic at Blue Lake or take your kids to the Oregon Zoo, enjoy symphonies at the Schnitz or auto shows at the convention center, put out your trash or drive your car – we've already crossed paths.

So, hello. We're Metro – nice to meet you.

In a metropolitan area as big as Portland, we can do a lot of things better together. Join us to help the region prepare for a happy, healthy future.

Metro Council President

Tom Hughes

Metro Councilors

Shirley Craddick, District 1

Carlotta Collette, District 2

Craig Dirksen, District 3

Kathryn Harrington, District 4

Sam Chase, District 5

Bob Stacey, District 6

Auditor


Brian Evans



Metro

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Stay in touch with news, stories and things to do.

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To learn more about the growth management decision and the urban growth report, visit [**oregonmetro.gov/growth**](http://oregonmetro.gov/growth)

2014 URBAN GROWTH REPORT

Investing in our communities
2015 – 2035

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Introduction

As the Portland metropolitan region grows, our shared values guide policy and investment choices to accommodate growth and change, while ensuring our unique quality of life is maintained for generations to come.

Metro, local jurisdictions and many other partners work together to guide development in the region. This means striking a balance between preservation of the farms and forests that surround the Portland region, supporting the revitalization of existing downtowns, main streets and employment areas, and ensuring there's land available for new development on the edge of the region when needed.

Oregon law requires that every five years, the Metro Council evaluate the capacity of the region's urban growth boundary to accommodate a 20-year forecast of housing needs and employment growth. The results of that evaluation are provided in the urban growth report.

While complying with the requirements of state law, the urban growth report serves as more than just an accounting of available acres inside the urban growth boundary. It plays a vital role in the implementation of the region's 50-year plan that calls for the efficient use of land, redevelopment before expansion, and the preservation of the region's resources for future generations.

WORKING TOGETHER

ACHIEVING DESIRED OUTCOMES

To guide its decision-making, the Metro Council, on the advice of the Metro Policy Advisory Committee (MPAC), adopted six desired outcomes, characteristics of a successful region:

- People live, work and play in vibrant communities where their everyday needs are easily accessible.
- Current and future residents benefit from the region’s sustained economic competitiveness and prosperity.
- People have safe and reliable transportation choices that enhance their quality of life.
- The region is a leader in minimizing contributions to global warming.
- Current and future generations enjoy clean air, clean water and healthy ecosystems.
- The benefits and burdens of growth and change are distributed equitably.

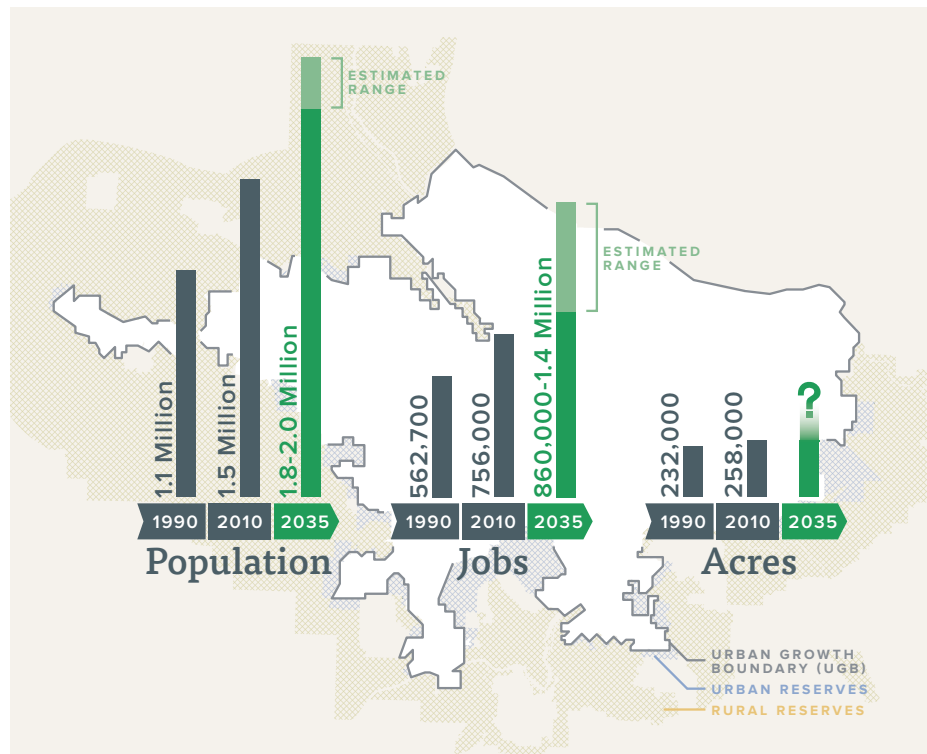
The population and employment range forecasts in the urban growth report help inform Metro, local jurisdictions, and other public and private sector partners as they consider new policies, investments, and actions to maintain the region’s quality of life and promote prosperity.

The urban growth report, once accepted in its final form by the Metro Council in December 2014, will serve as the basis for the council’s urban growth management decision, which will be made by the end of 2015.

But the work does not end with the council’s decision. Implementation will require coordination of local, regional and state policy and investment actions. In its role as convener for regional decision-making, Metro is committed to building and maintaining partnerships and alignments among the different levels of government and between the public and private sectors.

Past growth-future forecast

Population and job growth within the Metro urban growth boundary 1990-2035



SUCCESSSES AND CHALLENGES

The region's longstanding commitment to protecting farms and forests, investing in existing communities, and supporting businesses that export goods and services is paying off in economic growth. From 2001 to 2012, the Portland region ranked third among all U.S. metropolitan areas for productivity growth, outpacing the Research Triangle in North Carolina, the Silicon Valley in California, and several energy producing regions in Texas.ⁱ Likewise, the region's walkable downtowns, natural landscapes, and renowned restaurants, breweries, and vineyards are well known around the world. In 2013, visitors to Clackamas, Multnomah and Washington counties spent \$4.3 billion dollars, supporting 30,100 jobs in the region.ⁱⁱ These successes are no accident – they demonstrate that prosperity, livability and intentional urban growth management are compatible.

However, Metro and its partners also have challenges to face when it comes to planning for additional population and employment growth. These include making sure that workforce housing is available in locations with access to opportunities, providing more family-friendly housing choices close to downtowns and main streets, delivering high quality transportation options that help people get where they need to go, ensuring freight mobility, and protecting and enhancing the environment.



Outcomes-based approach to growth management

A core purpose of the urban growth report is to determine whether the current urban growth boundary (UGB) has enough space for future housing and employment growth. Considerable care and technical engagement have gone into the assessment of recent development trends, growth capacity, and the population and employment forecasts provided in this report. However, this kind of analysis is necessarily part art and part science. State laws direct the region to determine what share of growth can “reasonably” be accommodated inside the existing UGB before expanding it but ultimately, how the region defines “reasonable” will be a reflection of regional and community values.

HOW WE ACCOMMODATE GROWTH

URBAN AND RURAL RESERVES Areas outside the current UGB designated by Metro and the three counties through a collaborative process. Urban reserves are the best places for future growth if urban growth expansions are needed over the next 50 years. Rural reserves are lands that won't be urbanized for the next 50 years.

INFILL Development on a tax lot where the original structure has been left intact and the lot is considered developed.

REDEVELOPMENT Development on a tax lot where the original structure has been demolished and there is a net increase in housing units.

VACANT LAND Land inside the UGB that's not developed.

RESIDENTIAL BUILDABLE LAND INVENTORY

If the region's historic annual housing production records (high and low from 1960 to 2012) are any indication, how long might the residential buildable land inventory last?

- SINGLE FAMILY** 10 to 52 years
- MULTIFAMILY** 28 to 354 years

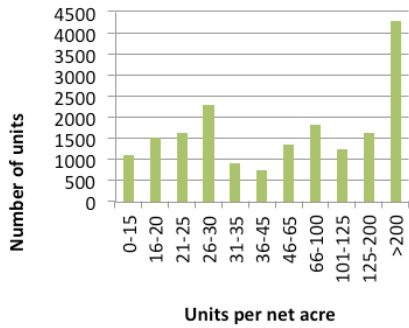


FIGURE 1 Net new multifamily units by density inside UGB (built 2007-2012)

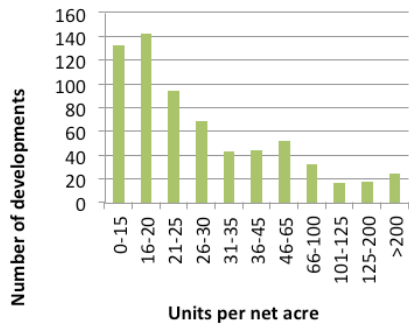
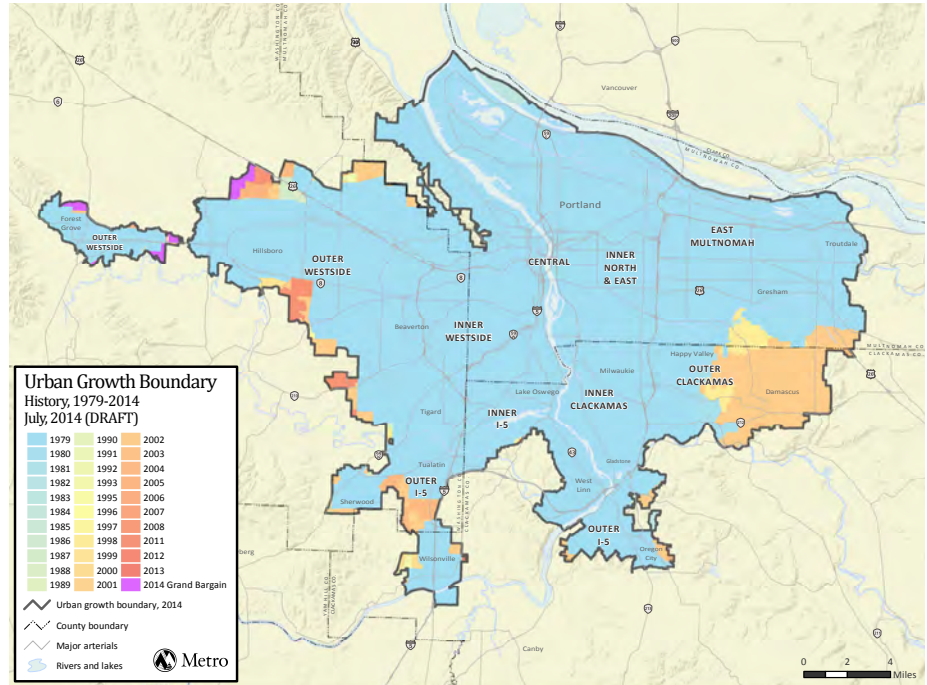


FIGURE 2 Net new multifamily developments by density inside UGB (built 2007-2012)



MAP 1 Metro UGB expansions over time (1979 - 2014)

How has the region been growing?

The Portland region's original urban growth boundary was adopted in 1979. As depicted in Map 1, the UGB has been expanded by about 31,400 acres. During the same time period, the population inside the UGB has increased by over half a million people. This represents a 61 percent increase in population inside an urban growth boundary that has expanded by 14 percent.

RESIDENTIAL DEVELOPMENT TRENDS

From 1998 to 2012, 94 percent of the new residential units were built inside the original 1979 boundary. During these 14 years, post-1979 UGB expansion areas produced about 6,500 housing units compared to the approximately 105,000 units produced in the original 1979 UGB. With a couple of notable exceptions, UGB expansion areas have been slow to develop because of challenges with governance, planning, voter-approved annexation, infrastructure financing, service provision, and land assembly. Development of Wilsonville's Villebois and Hillsboro's Witch Hazel communities demonstrates that new urban areas can be successful with the right combination of factors such as governance, infrastructure finance, willing property owners, and market demand. There are also challenges in our existing urban areas. Infill and redevelopment have been focused in a few communities while many downtowns and main streets have been slow to develop.

The 2040 Growth Concept, the Portland region's 50-year plan for growth, calls for focusing growth in existing urban centers and transportation corridors, and making targeted additions to the urban growth boundary when needed. To achieve this regional vision, redevelopment and infill are necessary. During the six years from 2007 through 2012, which included the Great Recession, the region saw levels of redevelopment and infill that exceeded past rates.

Exhibit A to Ordinance No. 15-1361

During this time period, 58 percent of the net new residential units built inside the UGB were through redevelopment (46 percent) or infill (12 percent) and 42 percent were on vacant land. There are a variety of views on whether the recession explains this uptick in redevelopment and infill or whether this is an indication of people wanting to live in existing urban areas with easy access to services and amenities. What is clear is that development challenges exist in both urban areas and past expansion areas. In some cases, however, market demand in existing urban areas appears to have overcome those challenges.

During this same six years, new residential development was evenly split between multifamily and single-family units with a total of 12,398 single-family and 12,133 multifamily residences built. The average density of new single-family development was 7.6 units per acre (5,766 square foot average lot size) and multifamily development was 41.8 units per acre. The highest density multifamily developments also tended to be the largest, so while there were many smaller developments, the statistics are dominated by the large high-density developments. This pattern is clear in Figures 1 and 2 (p. 8), which depict the number of units and developments built per net acre, indicating levels of density.

EMPLOYMENT TRENDS

As in most regions, many people in the Portland region lost their jobs in the Great Recession. With the ensuing recovery, total employment in the region was essentially unchanged when comparing 2006 and 2012. However, the recession did lead to some major changes across industries. Private education recorded the highest growth rate at 25.4 percent from 2006 to 2012, while health and social assistance employers saw the largest net gain in employment with the addition of just over 14,000 jobs during the same period. Construction saw the largest decline, with a loss of around 9,600 jobs, or 20.2 percent of total jobs, in the industry as of 2006. The loss of construction jobs reflects the housing crash that brought residential construction nearly to a halt for several years. Appendix 8 describes the region's employment trends in greater detail.

Aggregating to the sector level, industrial and retail employment declined from 2006 to 2012 while service and government employment increased (Table 1).

Sector	2006 Employment	2012 Employment	Net Change	Percent Change	Avg. Annual Growth Rate
Industrial	244,951	218,311	-26,640	-10.9%	-1.9%
Retail	86,921	84,475	-2,446	-2.8%	-0.5%
Service	396,470	419,516	23,046	5.8%	0.9%
Government	103,736	108,582	4,846	4.7%	0.8%

Table 1 Employment in the three-county area by aggregated sector 2006-2012 (Clackamas, Multnomah, Washington) | Source Quarterly Census of Employment and Wages

Policy considerations

HEALTHY DEBATE AND INFORMED DECISION-MAKING

Though this report strives for completeness, balance, and accuracy, there is always room for debate. Having engaged in those discussions, the Metro Council uses this report to inform its urban growth management decision. Throughout this document, policy questions and topics that have been raised by Metro Council and involved stakeholders are called out for further discussion by policymakers and members of the community.

LAND READINESS OR LAND SUPPLY?

For better or worse, our state land use planning system asks Metro to focus on counting acres of land to determine the region's 20-year growth capacity. Over the years, it's become clear that land supply alone isn't the cause or the solution for all of the region's challenges. Working together, we must make the most of the land we already have inside the urban growth boundary to ensure that those lands are available to maintain, improve, and create the kinds of communities that we all want – today and for generations to come.

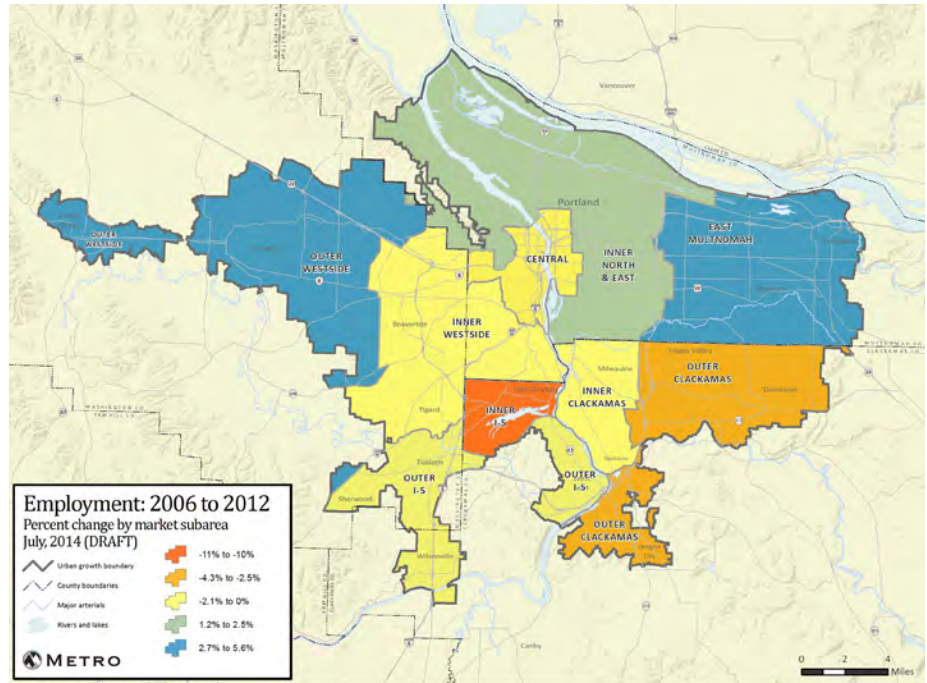
Working together, we can:

- ensure that communities have governance structures in place that can respond to growth and change
 - provide the types of infrastructure and services that signal to the development community a site or area is primed for investment
 - make the strategic investments needed to clean up and reuse neglected lands.
-

Policy considerations

CHANGES IN OUR COMMUNITIES

People around the region are concerned about new development in their communities. The concern exists not just in existing urban areas experiencing a new wave of development, but also in areas added to the urban growth boundary. With population growth expected to continue, change is inevitable. What policies and investments are needed to ensure that change is for the better?



Map 2 Employment gains and losses in Metro UGB 2006 - 2012

From 2006 to 2012, there was also a change in where jobs were located in the three-county area (Map 2). While about 25 percent of all jobs could still be found in the central part of the region, the subarea experienced a loss of about 2,300 jobs, or 1.2 percent. The inner I-5 area saw a decline in employment of roughly 2,200 jobs, or 11.0 percent of 2006 employment. This area was home to many firms involved in real estate and finance, industries that were hard hit by the housing collapse and recession. Many businesses in the area, like mortgage and title companies, contracted or closed during this time period. For example, the Kruse Way area in Lake Oswego had an office vacancy rate of 22.4 percent in 2012. In the southeastern part of the region, the outer Clackamas and outer I-5 subareas together lost about 3,400 jobs or 3.2 percent. In contrast, the outer Westside experienced the greatest increase in employment, gaining about 5,800 jobs, an increase of 5.6 percent. The East Multnomah subarea also gained jobs, increasing employment by 1,800 or 2.7 percent.

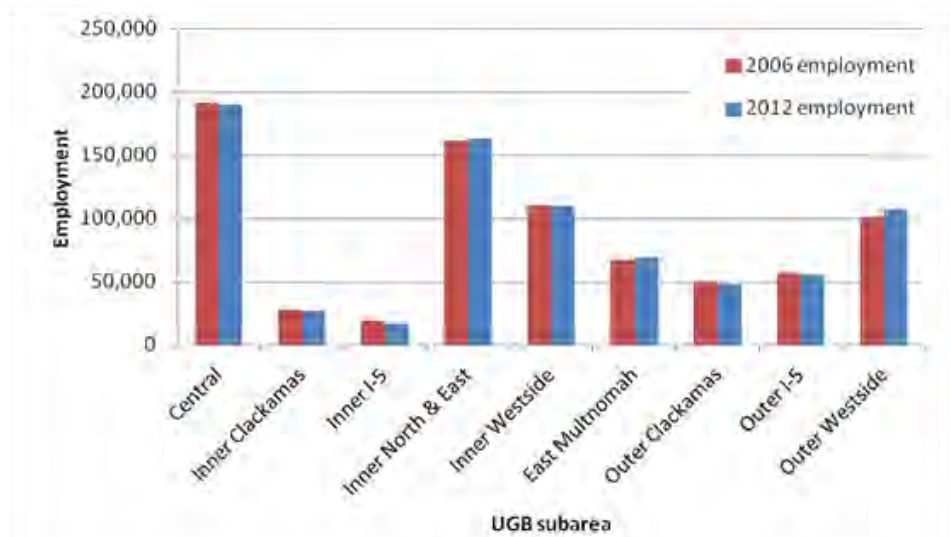


Figure 3 Total employment by subarea for 2006 and 2012



Case study

VILLEBOIS, WILSONVILLE

The Villebois community is one of only a few urban growth boundary expansion areas that has been developed. The roughly 500-acre area was brought into the UGB in 2000. With plans for about 2,600 households, the area quickly rebounded from the recession and is now about half built. Residents benefit from a variety of amenities such as parks, plazas, and community centers.



Case study

HASSALO ON 8TH, LLOYD DISTRICT, PORTLAND

Adjacent to MAX and streetcar stops, construction is now underway on a site that was previously a parking lot. Once built, the development will provide over 600 rental apartments, plazas, office and retail space, more than 1,000 underground car parking places, and space to park more than 1,000 bikes – all in a central location.

Policy considerations

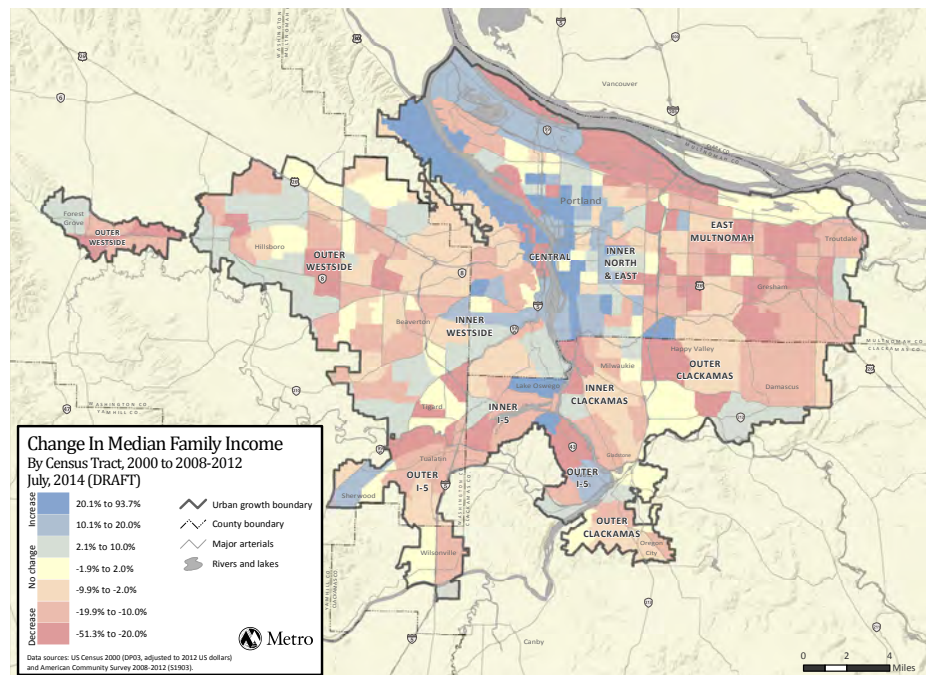
OPPORTUNITIES FOR WORKFORCE HOUSING

Market-rate workforce housing is typically provided by existing housing stock, not new construction. Yet, existing housing in locations with good access to jobs is often too expensive for the region's workforce. What policies, investments, innovative housing designs and construction techniques could provide additional workforce housing in locations with good transportation options? Who has a role?

UNINTENDED CONSEQUENCES OF REDEVELOPMENT

Our region has made a commitment to ensuring its decisions improve quality of life for all. Yet, like many metropolitan areas, we've struggled to make good on that intent. Investments made to encourage redevelopment and revitalization have too often disproportionately impacted those of modest means. The consequence has been that people with lower incomes have often been displaced from their long-time communities when redevelopment in the city center drives up land values and prices follow.

Map 3 shows the change in median family income around the region over the last decade. There is a clear trend of incomes increasing in close-in Northwest, Northeast, and Southeast Portland, Lake Oswego, and West Linn, while incomes have stagnated or decreased elsewhere. Outlying areas like outer east Portland, Gresham, Cornelius, and Aloha stand out as having decreasing incomes. In many cases, increases in incomes in central locations and decreases elsewhere indicate displacement of people from their communities as housing prices increase.



Map 3 Change in median family income 2000-2012

GROWTH WITHOUT SERVICES AND FACILITIES

Over the last couple of decades, the trend of depopulation of the urban core and the movement of the middle class to the suburbs has reversed in many regions in the U.S. The Portland metropolitan region is no exception. While there have been positive outcomes, this has also led to displacement and concentrations of poverty in places that lack adequate services and facilities like sidewalks and transit. Additional information about access to opportunity around the region can be found in Appendix 10. Information about housing and transportation cost burdens can be found in Appendix 12.

COMMUTING TRENDS: THE JOBS-HOUSING BALANCE

For years, leaders have talked about a jobs-housing balance – ensuring there are homes close to employment areas. But evidence and common sense tell us that people’s lives don’t neatly line up with the available housing inventory. Some people work at or close to home, some commute from one end of the region to the other, and some live halfway between where they work and their spouse works. In other words, putting homes next to major employers doesn’t necessarily cut down on commuting.

However, services and amenities near residential areas can make our lives outside of jobs and commutes easier and help create strong local economies. When people can go out to eat, do their shopping, visit the bank or see a doctor close to where they live, they spend less time going somewhere and more time with friends and family, actively enjoying their communities and the region.

Map 4 illustrates the region’s commute patterns. Using Washington County as an example (2011 data):ⁱⁱⁱ

- about 120,000 people who live in Washington County also work there
- about 118,000 people who live outside Washington County work in Washington County
- about 104,000 people who live in Washington County work outside Washington County.



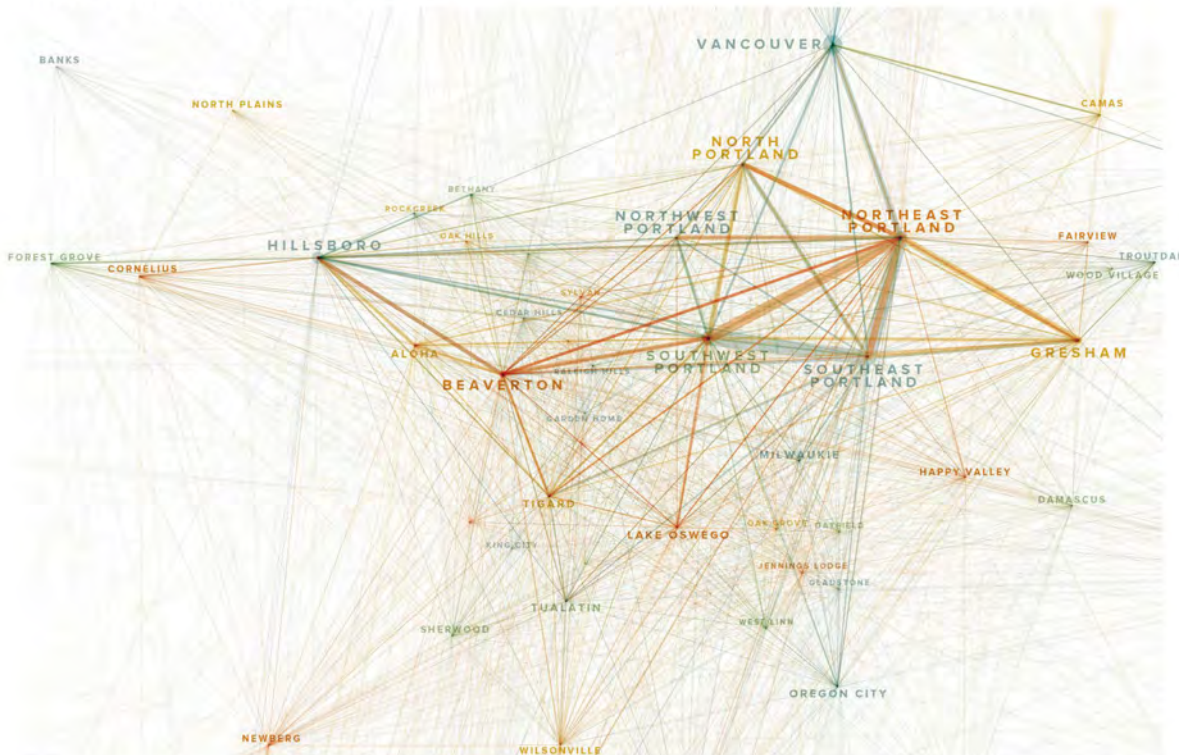
Policy considerations

A BIGGER PICTURE

Regional and local policies and investments also interact with actions taken in neighboring cities, Clark County and Salem. What are the best policies for using land efficiently and reducing time spent in traffic?

TRAVEL COMMUTE PATTERNS

2011 commute patterns from cities/places in the Portland metropolitan region
Lines connect a person’s place of residence to place of employment
Line thickness represents number of people



DATA SOURCE: LONGITUDINAL EMPLOYER-HOUSEHOLD DYNAMICS, U.S. CENSUS BUREAU

Policy considerations**MANAGING UNCERTAINTY**

- What are the risks and opportunities of planning for higher or lower growth in the forecast range?
- Recognizing that the two forecasts are linked, are there different risks when planning for employment or housing growth?
- Are there different risks when planning for land use, transportation, or for other infrastructure systems?
- Who bears the public and private costs and benefits associated with different growth management options?

How many more people and jobs should we expect in the future?

A core question this report addresses is how many more people and jobs should the region plan for between now and the year 2035. In creating the 2035 forecast, Metro convened a peer review group consisting of economists and demographers from Portland State University, ECONorthwest, Johnson Economics, and NW Natural. The forecast assumptions and results in this report reflect the recommendations of this peer review panel. A summary of the peer review can be found in Appendix 1C.

However, even with a peer review of the forecast, some forecast assumptions will turn out to be incorrect. For that reason, the population and employment forecasts in this report are expressed as ranges, allowing the region's policymakers the opportunity to err on the side of flexibility and resilience in choosing a path forward. As with a weather forecast, this population and employment range forecast is expressed in terms of probability. The baseline forecast (mid-point in the forecast range) is Metro staff's best estimate of what future growth may be. The range is bounded by a low end and a high end. There is a ninety percent chance that actual growth will occur somewhere in this range, but the probability of ending up at the high or low ends of the range is less.

Appendix 1B describes the accuracy of past forecasts. These typically have been reliable, particularly when it comes to population growth. For example, Metro's 1985 to 2005 forecast proved to be off by less than one percent per year for both population and employment over the 20-year time frame.

POPULATION AND JOB GROWTH IN THE SEVEN-COUNTY PORTLAND/VANCOUVER METROPOLITAN AREA

To "show our work" and to understand our region in its economic context, this analysis starts with a forecast for the larger seven-county Portland/Vancouver/Hillsboro metropolitan area.² Full documentation of the metropolitan area forecast is available in Appendix 1A. It is estimated that there will be about 470,000 to 725,000 more people in the seven-county area by the year 2035. Mid-point in the forecast range, or best estimate, is for 600,000 more people. This amount of growth would be consistent with the region's past growth; the seven-county area grew by about 600,000 people between 1985 and 2005 and by about 700,000 from 1990 to 2010. Adding 600,000 people would be comparable to adding the current population of the city of Portland to the area.

The forecast calls for 120,500 to 648,500 additional jobs in the seven-county Portland/Vancouver metropolitan area between 2015 and 2035. The forecast range for employment is wider than the forecast range for population since regional employment is more difficult to predict in a fast-moving global economy. Unexpected events like the Great Recession, technological advances, international relations, and monetary policy can lead to big changes. Mid-point in the forecast range, or best estimate, is for 384,500 additional jobs. This amount of growth would surpass the 240,000 additional jobs that were created in the seven-county metropolitan area during the 20-year period from 1990 to 2010, which included job losses from the recession.

² The seven-county Portland/Vancouver metropolitan area includes Clackamas, Clark, Columbia, Multnomah, Skamania, Washington, and Yamhill counties.

POPULATION AND JOB GROWTH IN THE METRO UGB

A market-based land and transportation computer model is used to determine how many of the new jobs and households in the seven-county area are likely to locate inside the Metro urban growth boundary. The model indicates that about 75 percent of new households and jobs may locate inside the UGB. The share of regional growth accommodated inside the boundary varies depending on what point in the forecast range is chosen. More detail can be found in Appendices 4 and 6. It is estimated that there will be about 300,000 to 485,000 additional people inside the Metro urban growth boundary between 2015 and 2035 (Figure 4). At mid-point in this range, the UGB will have about 400,000 additional people. This would be comparable to adding more than four times the current population of the city of Hillsboro to the UGB. The population forecast is converted into household growth for this analysis.

It is estimated that there will be about 85,000 to 440,000 additional jobs in the Metro UGB between 2015 and 2035 (Figure 5). At mid-point in this range, there would be about 260,000 additional jobs between 2015 and 2035. This job forecast is converted into demand for acres for this analysis.

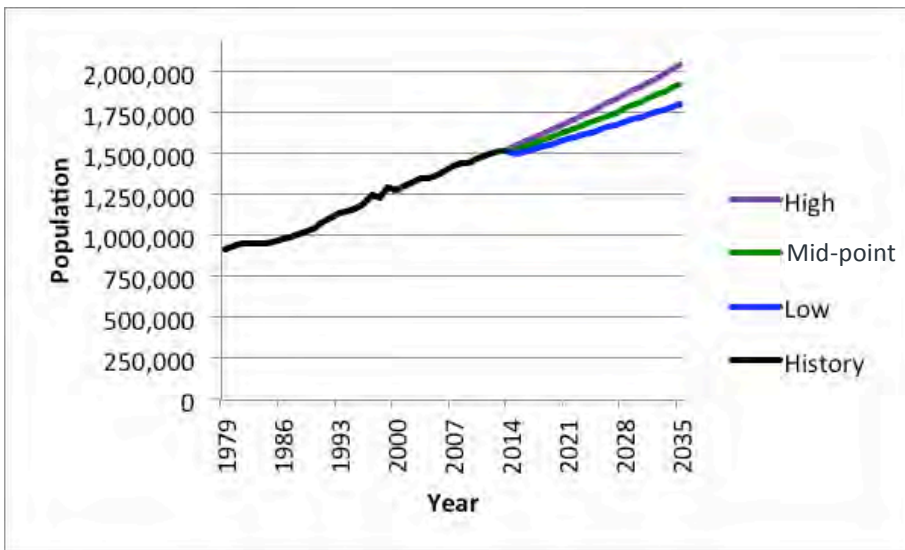


Figure 4 Population history and forecast for Metro UGB 1979 - 2035

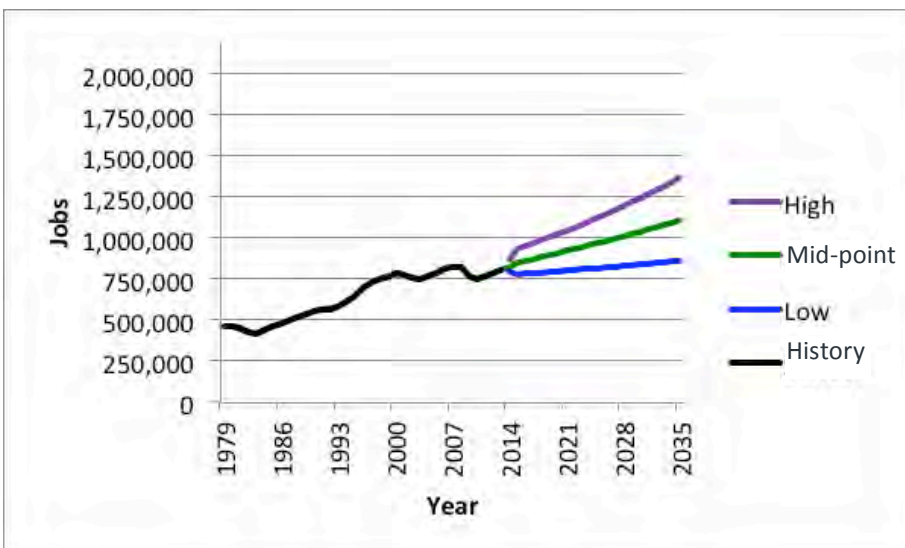


Figure 5 Employment history and forecast for Metro UGB, 1979-2035

DIDN'T THE STATE LEGISLATURE JUST EXPAND THE UGB?

Signed into state law in the spring of 2014, HB 4078 codifies the fundamental principles behind our region's decision about urban and rural reserves. The legislation provides greater protection for farms, forests and natural areas, offers predictability to our communities, home builders and manufacturers, and makes our land use system more efficient. The legislation also expanded the UGB in several locations in Washington County and described how Metro must account for those lands in this urban growth report.



How much room for growth is there inside the UGB?

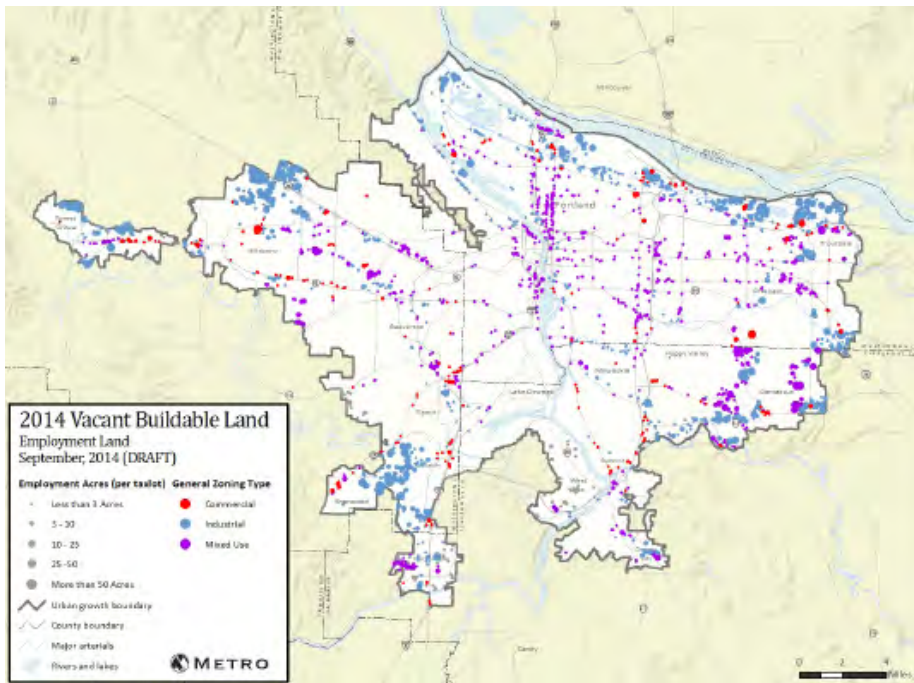
Cities and counties around the region plan for the future and prioritize investments that support their community's vision. In most cases, however, long-term plans for downtowns, main streets and employment areas are more ambitious than what is actually built or redeveloped. One task of this analysis is to help us understand how the market might respond to long-term community plans in the next 20 years.

To analyze the region's growth capacity, detailed aerial photos of all the land inside the urban growth boundary were taken. Factoring in current adopted plans and zoning designations, the photos were used to determine which parcels of land were developed and which were vacant. Methodologies for assessing the redevelopment potential and environmental constraints of the land were developed over the course of a year by Metro and a technical working group consisting of representatives from cities, counties, the state and the private sector (see pages 30-31 for a complete list of technical working group members).

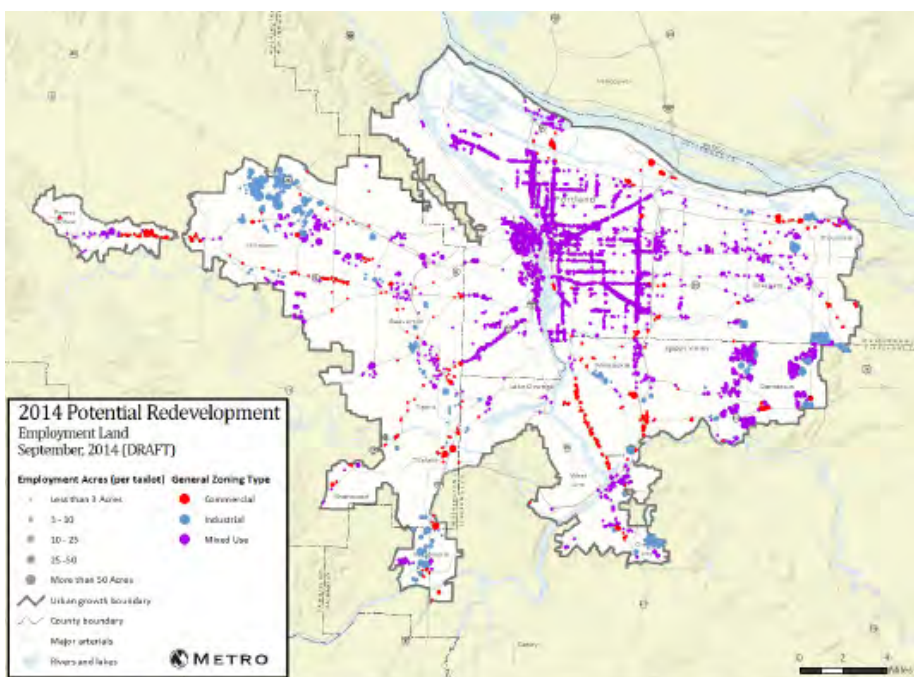
After settling on the methodology described in Appendix 2, Metro produced a preliminary buildable land inventory that local cities and counties had more than two months to review. The draft buildable land inventory described in Appendix 3 reflects refined local knowledge about factors such as environmental constraints including wetlands, steep slopes, and brownfield contamination. Maps 4 through 7 illustrate the buildable land inventory reviewed by local jurisdictions. They are available at a larger scale in Appendix 3. The buildable land inventory is considered a "first cut" at determining the region's growth capacity. For a variety of reasons described in the next section, not all of it may be developable in the 20-year time frame.

ESTIMATING RESIDENTIAL GROWTH CAPACITY

Current plans and zoning allow for a total of almost 1.3 million residences inside the urban growth boundary after accounting for environmental constraints and needs for future streets and sidewalks. About half of that potential capacity is in use today. This urban growth report does not count all of this capacity since doing so would assume that every developed property in the region will redevelop to its maximum density in the next twenty years. A rational developer will only build products that are expected to sell. Redevelopment requires market demand, which is a function of a number of factors, including expected population growth. This affects whether a property will be redeveloped and at what density.



Map 4 Employment vacant buildable tax lots (reviewed by local jurisdictions)

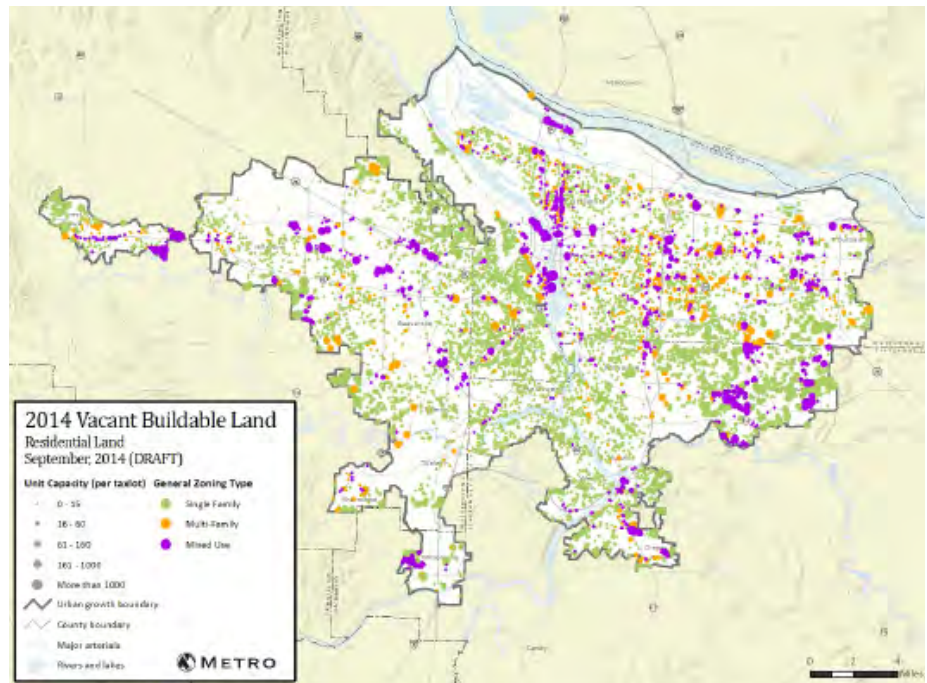


Map 5 Employment infill and redevelopment candidate tax lots (reviewed by local jurisdictions)

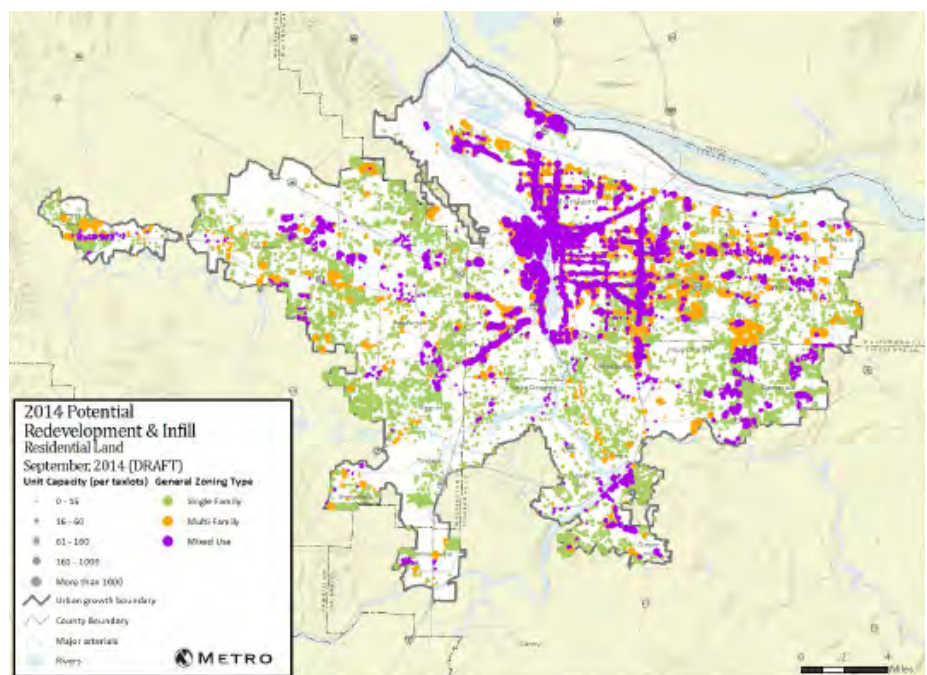
Exhibit A to Ordinance No. 15-1361

Acknowledging this complexity, Metro staff convened representatives from cities, counties, the state and the private sector to establish consensus for estimating how much of the region's buildable land inventory might be absorbed by the year 2035 (see pages 30-31 for a complete list of technical working group members). Redevelopment and infill are most common in locations where there is significant demand for housing, so the growth capacity from redevelopment and infill rises with assumptions for population growth. For this reason, the region's residential growth capacity is expressed as a range. The amount of growth capacity that the region has depends, in part, on the point in the household forecast range for which the Metro Council chooses to plan. Appendix 4 describes the approach for identifying the 20-year capacity range for housing.

Map 6 Residential vacant buildable tax lots (reviewed by local jurisdictions)



Map 7 Residential redevelopment candidate tax lots (reviewed by local jurisdictions)



HOW DO DEVELOPERS EVALUATE REDEVELOPMENT POTENTIAL?

The construction of new infill (original structure intact) and redevelopment (original structure demolished) projects is increasing in some places, fueled by a renewed interest in and market demand for housing and jobs close to the urban core. In order to realize a return on an investment, given the higher costs of urban redevelopment, investors will evaluate the redevelopment potential of the site by considering the following:

- Where is the site located? Is it an up and coming area?
 - What is the value of the existing building or structure on the site? What is the value of the land? At what point does the building become worth less than the land it sits on?
 - What is the developer allowed to build under the local zoning code?
 - What are the construction costs and fees for the new building?
 - How much will the developer be able to sell or rent space for in the new building?
-



Policy considerations

HOW SHOULD POLICYMAKERS EVALUATE DEVELOPMENT POTENTIAL?

Since the adoption of the 2040 Growth Concept, there has often been skepticism about the viability of redevelopment as a source of growth capacity. Our region's history shows that developing urban growth boundary expansion areas is difficult as well. Aside from developing a concept plan, what other factors support the likelihood that an urban reserve will be developed if brought into the UGB?



Case study

4TH MAIN, HILLSBORO

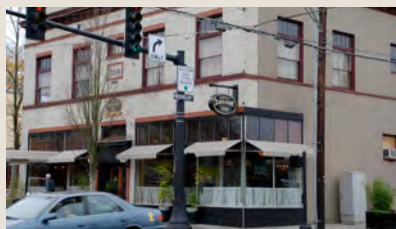
With a shared vision for an active, historic main street area, Metro, the City of Hillsboro and the Federal Transit Administration worked together to attract private sector redevelopment of a city block adjacent to the Hillsboro Central MAX station. 4th Main offers 71 market-rate apartments, underground parking, and active retail along main street. The existing 1950s era vacant bank building on site is being updated for restaurant and retail use. When 4th Main opened in May 2014, over half the units were leased.



ESTIMATING EMPLOYMENT GROWTH CAPACITY

To determine the UGB's employment growth capacity, analysis began with the creation of a buildable land inventory. As with the residential analysis, employment capacity depends on demand since different types of jobs have different space needs. For instance, an office job will have very different location and space needs than a warehouse job. Metro staff convened a group of public and private sector experts to help update these employment demand factors. Appendix 6 describes the approach for identifying the 20-year capacity range. (See pages 30-31 for a complete list of technical working group members).

Different jobs have different space needs





Is there a regional need for additional growth capacity?

Under state law, Metro’s analysis must assess regional, not local or subregional, growth capacity needs. While some local jurisdictions may desire additional land for growth, this analysis is required to keep those needs in the regional context, knowing that other locations in the region may have greater growth capacity.

This analysis uses a probabilistic range forecast. The baseline forecast (middle of the range) has the highest probability. Though there is a 90 percent chance that growth will occur within the range, it is less probable at the low and high ends of the range.

DOES THE REGION NEED MORE LAND FOR HOUSING GROWTH?

Regional growth management policy alone cannot ensure adequate housing choices. Other elements that influence what kind of housing gets built include tax policy, lending practices, local plans and decisions, public investments, market demand, and developer responses. All of these factors impact housing production.

Appendix 4 describes in detail the residential demand analysis and includes estimates of potential demand by housing type (single-family and multifamily), tenure (own and rent), average density, as well as detail about demand from different household income brackets. For accounting purposes, the detailed analysis uses rigid supply and demand categories – for instance, single-family and multifamily. In reality, demand for these two housing types is somewhat fluid, particularly as average household sizes continue to decrease. By 2035, 68 percent of new households are expected to include just one or two people.

WHAT THE NUMBERS SHOW

Population and employment forecasts in the urban growth report are expressed as ranges based on probability. Mid-point in the forecast range is Metro’s best estimate of what future growth may be. It is less probable that growth will occur at the high or low ends of the range forecast.

This analysis looks at long-term capacity needs for:

- single-family and multifamily housing
- general industrial employment uses
- large industrial sites
- commercial employment uses.

This analysis finds that currently adopted plans can accommodate new housing at the low, middle or high ends of the growth forecast range. If policymakers choose to plan for the high end of the growth range, there is a need for additional capacity for new jobs.

Policy considerations

WHAT ABOUT DAMASCUS?

With its ongoing community and political challenges, how much of Damascus’ growth capacity should be counted during the 2015 to 2035 time frame is more of a policy question than a technical question. In May 2015, the Metro Council and the Damascus City Council held a joint work session to talk about the future of the city. Based on direction provided through that meeting, the UGR’s final analysis reflects the likelihood that the City of Damascus will disincorporate and that Happy Valley will annex portions of the area. From a regional urban growth management perspective, disincorporation of the city could lead to slightly less household growth inside the Metro UGB, with a bit more occurring in neighboring jurisdictions, particularly Clark County, Washington. Additional details about this analysis can be found in Appendix 15.

Policymakers have the challenge of balancing the type of housing and neighborhoods people prefer with funding realities, governance and annexation challenges. They also must consider regional and community goals such as preserving the character of existing neighborhoods, reducing carbon emissions, preserving farms and forests, and creating vibrant downtowns and main streets. To inform that discussion, Metro and a group of public and private sector partners conducted a study on residential preferences across the region and will make results available to policymakers in the early fall of 2014.

The capacity estimation method recommended by Metro’s public and private sector advisory group recognizes that infill and redevelopment depend on demand. Consequently, the capacity from those two sources increases with greater household demand (i.e., a higher growth forecast results in a greater housing capacity).

Table 2 and Table 3 summarize the more detailed analysis of residential needs provided in Appendix 4.³

Single-family dwelling units

	Buildable land inventory	Market-adjusted supply	Market-adjusted demand	Surplus/need
Low growth forecast	113,200	75,900	64,000	+11,900
Middle (baseline) growth forecast		85,200	74,900	+10,300
High growth forecast		97,000	90,800	+6,200

Table 2 Metro UGB single-family residential market analysis of existing plans and policies (2015-2035)³

Multifamily dwelling units

	Buildable land inventory	Market-adjusted supply	Market-adjusted demand	Surplus/need
Low growth forecast	273,300	118,400	89,300	+29,100
Middle (baseline) growth forecast		130,900	120,500	+10,400
High growth forecast		165,100	145,900	+19,200

Table 3 Metro UGB multifamily residential market analysis of existing plans and policies (2015-2035)³

Over the last several decades, communities around the region adopted plans for job and housing growth that emphasize making the most of existing downtowns, main streets and employment areas. Based on those existing plans and estimates of what is likely to be developed in the next twenty years, this analysis finds that the region can accommodate new housing at the low, middle or high ends of the growth forecast range.

This analysis should not be understood as prescribing a future for the region. It remains up to policymakers to decide whether these projected outcomes are desirable and, if not, what plans and investments are needed to achieve a different outcome that matches the public’s preferences, values and funding priorities, as well as state laws governing growth management.

³ The Metro Council intends to plan for the middle growth forecast. This analysis finds that there is a surplus of housing growth capacity inside the UGB. More detail can be found in appendices 4 and 15. The middle growth forecast numbers presented in Tables 1 and 2 have been updated to reflect the Council’s direction to assume that the City of Damascus will disincorporate. The full range forecast is retained here for context, but the numbers for high and low growth forecast have not been revised to reflect new assumptions about Damascus’ likely disincorporation since the Council’s intent is to plan for the middle forecast.

Policy considerations

PROVIDING HOUSING OPPORTUNITIES

As policymakers consider their options for responding to housing needs, there are considerations to keep in mind.

- If policymakers decide that a urban growth boundary expansion is needed to provide room for housing, where should that expansion occur? Metro is aware of two cities in the region that are currently interested in UGB expansions for housing – Sherwood and Wilsonville. Both cities had residential land added to the UGB in 2002 that they have not yet annexed. Sherwood requires voter-approved annexation and voters have twice rejected annexing the area. What is a reasonable time frame for seeing results in past and future UGB expansion areas?
- Given that the region has ample growth capacity for multifamily housing but a more finite supply of single-family growth capacity, should policymakers consider ways to encourage “family-friendly” housing in multifamily and mixed-use zones? To what extent might that address single-family housing needs in this analysis? Are there ways to ensure that housing in downtowns and along main streets remains within reach of families with moderate or low incomes?
- State land use laws and regional policy call for efficient use of any land added to the UGB. However, over the years very little multifamily housing has been built in UGB expansion areas. What is the right mix of housing types in areas added to the UGB in the future and how are they best served?
- How might policymakers balance residential preferences with other concerns such as infrastructure provision, transportation impacts, affordability, and environmental protection?

IMPACT OF MILLENNIALS ON HOUSING

Millennials, those born since 1980, are the biggest age cohort the U.S. has ever had (bigger than the Baby Boomer cohort) and will have a significant influence on the types of housing that are desired in the future. Today, 36 percent of the nation’s 18 to 31-year olds are living with their parents.¹ This has variously been attributed to student loan debt, high unemployment or fear of losing a job, and stricter mortgage lending standards. Builders have responded by reducing their housing production and focusing on apartment construction. What will these trends mean for home ownership, housing type, and location choices in the longer term?





DOES THE REGION NEED MORE LAND FOR INDUSTRIAL JOB GROWTH?

Industrial employment includes a wide range of jobs like high tech manufacturers, truck drivers, and metal workers. Since it is common to find commercial jobs (offices, stores, restaurant, etc.) in industrial zones, this analysis shifts a portion of the overall industrial redevelopment supply into the commercial category.

Table 4 summarizes regional needs for general industrial employment growth, expressed in acres.⁴ Additional detail about this analysis can be found in Appendix 6. The need for large industrial sites (sites with over 25 buildable acres) is described separately. At mid-point in the forecast range, there is no regional need for additional land for general industrial employment uses. At the high end of the forecast range, there is a deficit. However, there are limited areas in urban reserves that may eventually be suitable for industrial uses.

Policy considerations

INVESTING IN JOB CREATION

Metro has been actively engaged in the question of regional investment priorities since the release of the 2008 Regional Infrastructure Analysis and consequential discussion with regional community and business leaders through the Community Investment Initiative. From these efforts, Metro established the Regional Infrastructure Supporting our Economy (RISE) team to deliver regionally significant projects and new infrastructure investment to enhance the local and regional economy. Are there areas where RISE should focus its attention to ensure the region can generate job growth?

General industrial employment (acres)

	Buildable land inventory	Market-adjusted supply	Demand	Surplus/need
Low growth forecast	6,790	6,000	1,200	+4,800
Middle (baseline) growth forecast		4,690	3,700	+990
High growth forecast		5,200	6,500	-1,300

Table 4 Metro UGB general industrial acreage needs 2015 to 2035⁴

Note: reflecting real market dynamics where commercial uses locate in industrial zones, the market adjustment shifts some of the region's industrial redevelopment supply into the commercial land supply. The amount varies by demand forecast.

Case study TROUTDALE REYNOLDS INDUSTRIAL PARK

Located between the Columbia and Sandy rivers and bordered by the Troutdale Airport and Marine Drive, this 700-acre superfund site is being redeveloped with a mix of industrial uses, natural areas and utility and trail



access. The Port of Portland is working closely with local, regional and state jurisdictions to redevelop this former aluminum plant brownfield site and return it to productive industrial use with a traded-sector job focus. The Port has invested over \$37 million in the acquisition and redevelopment of the site. Today, a portion of the site is home to FedEx Ground's regional distribution center. Another \$48 million in investment is needed to make the remainder of the site ready to market to industrial employers. At full build-out, this industrial development is projected to result in 3,500 direct jobs, \$410 million in personal income and \$41 million in state and local taxes annually (all jobs).

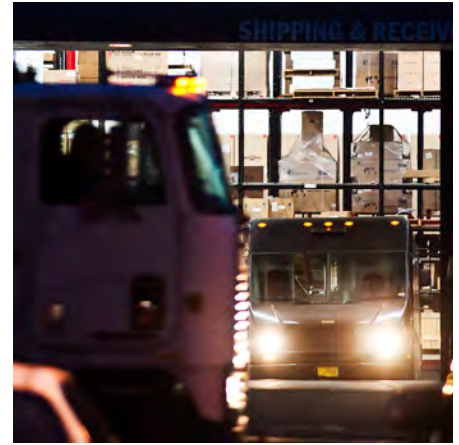
⁴ The Metro Council intends to plan for the middle growth forecast. This analysis finds that there is a surplus of industrial employment capacity inside the UGB. More detail can be found in appendices 6 and 15. The middle growth forecast numbers presented in Table 4 have been updated to reflect the Council's direction to assume that the City of Damascus will disincorporate. The full range forecast is retained here for context, but the numbers for high and low growth forecast have not been revised to reflect new assumptions about Damascus' likely disincorporation since the Council's intent is to plan for the middle forecast.

HOW SHOULD THE REGION PRIORITIZE INVESTMENTS IN LARGE INDUSTRIAL SITE READINESS?

The region's economic development strategy focuses on several sectors with anchor firms that sometimes use large industrial sites (over 25 buildable acres). These firms are important because they often pay higher-than-average wages, export goods outside the region (bringing wealth back), produce spin off firms, and induce other economic activity in the region. However, forecasting the recruitment of new firms or growth of existing firms that use large industrial sites is challenging since these events involve the unique decisions of individual firms. To produce an analysis that is as objective as possible, the estimate of future demand for large industrial sites is based on the employment forecast. That assessment and its caveats are described in Appendix 7.

The analysis finds that there may be demand for eight to 34 large industrial sites between 2015 and 2035. There are currently 50 large vacant industrial sites inside the UGB that are not being held for future expansion by existing firms.⁵ This does not include sites added to the UGB in 2014 under HB 4078. To exhaust this supply of sites by 2035, the region would need to attract five major industrial firms every two years. In addition to this inventory of 50 sites, there are 25 sites inside the UGB that are being held by existing firms for future expansion (growth of existing firms is implicit in the demand forecast). Given this total supply of 75 large industrial sites and the fact that there are only two areas in urban reserves (near Boring and Tualatin) that may be suitable for eventual industrial use, policymakers can consider whether to focus on land supply or site readiness.

There are a limited number of areas in urban reserves that may be suitable for eventual industrial use. Therefore, this demand analysis may be more useful for informing the level of effort that the region may wish to apply to making its existing large industrial sites development-ready. Existing sites typically require actions such as infrastructure provision, wetland mitigation, site assembly, brownfield cleanup, annexation by cities, and planning to make sites development-ready. Many of these same development-readiness challenges exist in the two urban reserve areas that may eventually be suitable for industrial use. Metro and several public and private sector partners continue to work to understand the actions and investments that are needed to make more of the region's large industrial sites development-ready.



Policy considerations

THE PORTLAND HARBOR

The harbor is a unique environmental, recreational and economic asset that cannot be replaced elsewhere in the Portland region. For more than a century, the harbor has played a critical role in the history of trade and manufacturing in our region. Today, the harbor needs to be cleaned up to continue providing benefits. What is the appropriate balance between environmental and economic goals? What investments and policies can advance those goals?

⁵ This inventory was completed by the consulting firm Mackenzie and can be found in Appendix 13.

Policy considerations

KEEPING SHOPPING AND SERVICES CLOSE BY

It makes sense to locate commercial uses close to where people live. What investments make sense for achieving a good mix of housing and services in existing communities?



DOES THE REGION NEED MORE LAND FOR COMMERCIAL JOB GROWTH?

The commercial employment category includes a diverse mix of jobs such as teachers, restaurant workers, lawyers, doctors and nurses, retail sales people, and government workers. Generally, these are population-serving jobs that are located close to where people live. Table 5 summarizes regional needs for commercial employment growth, expressed in acres.⁶ Additional detail about this analysis can be found in Appendix 6. At mid-point in the forecast range, there is no regional need for additional land for commercial employment uses. At the high end of the forecast range, there is a deficit. However, it may not be desirable to locate commercial uses on the urban edge unless those uses are integrated with residential development.

Commercial employment (acres)

	Buildable land inventory	Market-adjusted supply	Demand	Surplus/need
Low growth forecast		4,100	1,400	+2,700
Middle (baseline) growth forecast	3,750	3,950	3,570	+380
High growth forecast		5,000	5,700	-700

Table 5 Metro UGB commercial acreage needs 2015 to 2035⁶

Note: reflecting real market dynamics where commercial uses locate in industrial zones, the market adjustment shifts some of the region's industrial redevelopment supply into the commercial land supply. The amount varies by demand forecast.

⁶ The Metro Council intends to plan for the middle growth forecast. This analysis finds that there is a surplus of commercial employment growth capacity inside the UGB. More detail can be found in appendices 6 and 15. The middle growth forecast numbers presented in Table 5 have been updated to reflect the Council's direction to assume that the City of Damascus will disincorporate. The full range forecast is retained here for context, but the numbers for high and low growth forecast have not been revised to reflect new assumptions about Damascus' likely disincorporation since the Council's intent is to plan for the middle forecast."

Conclusion

The 2014 urban growth report is more than an accounting of available acres and forecast projections. It provides information about development trends, highlights challenges and opportunities, and encourages policymakers to discuss how we can work together as a region to help communities achieve their visions. This region has seen tremendous change and progress over the last 20 years and we know change will continue. Our shared challenge is to guide development in a responsible and cost-effective manner so that we preserve and enhance the quality of life and ensure that the benefits and costs of growth and change are distributed equitably across the region.

LOCAL LEADERSHIP

Examples of strong partnerships abound already. At the local level, cities and counties are working closely with the private sector to bring new vibrancy to downtowns, more jobs to employment areas, and to provide existing and new neighborhoods with safe and convenient transportation options. Residential and employment areas as varied as Beaverton's Creekside District, Portland's South Waterfront, Hillsboro's AmberGlen, Wilsonville's Villebois, the Gresham Vista Business Park and many others, both large and small, are pointing the way to our region's future.

METRO'S ROLE

At the regional level, Metro supports community work with a variety of financial and staff resources. The Community Planning and Development Grant program has funded over \$14 million in local project work to support development readiness. The RISE (Regional Infrastructure Supporting our Economy) program is designed to deliver regionally significant projects and spur infrastructure investment. The Transit-Oriented Development Program provides developers with financial incentives that enhance the economic feasibility of higher density, mixed-used projects served by transit. Corridor projects such as the Southwest Corridor and East Metro Connections Plan are bringing together Metro, local jurisdictions, educational institutions, residents, businesses and others to develop comprehensive land use and transportation plans for individual areas that will support local community and economic development goals.

INVESTING IN OUR COMMUNITIES

These are just a few examples of the kind of work that's happening all across the region. While the Metro Council's growth management decision must address the question of whether to adjust the region's urban growth boundary, the more difficult questions center on how to find the resources needed to develop existing land within our communities and new land in urban growth boundary expansion areas in a way that meets community and regional goals. Many of these questions and policy considerations are highlighted throughout this urban growth report to support policy discussions in the 2015 growth management decision and beyond.

Timeline recap

JANUARY 2013 – MAY 2014 Metro convened technical experts from the public, private and academic sectors to peer-review the assumptions and results that went into the urban growth report.

JULY – DECEMBER 2014 The report helped inform policy discussions at the Metro Policy Advisory Committee (MPAC) and Metro Council.

NOVEMBER 2014 MPAC advised the Metro Council that the urban growth report provides a reasonable basis for its growth management decision. The committee also identified several topics for additional discussion in 2015.

DECEMBER 2014 The Metro Council accepted the draft urban growth report as the basis for its growth management decision in 2015 and concurred with MPAC's interest in further discussion of several topics in 2015.

MAY 2015 MPAC and the Metro Council discussed topics raised in the draft urban growth report such as the likelihood of development in urban centers such as those in Portland, the likelihood of development in past UGB expansion areas, including Damascus, and planning within a range forecast.

JUNE 2015 The Metro Council requested that staff issue a recommendation on urban growth management and provided direction on its substance.

JULY 2015 Metro's chief operating officer made a recommendation for the Metro Council's growth management decision.

SEPTEMBER 2015 MPAC recommended that the Metro Council adopt an ordinance that would entail no UGB expansion in 2015 and identified priorities for future work programs and topic areas.

SEPTEMBER – NOVEMBER 2015 The Metro Council holds three public hearings on its urban growth management decision.

NOVEMBER 2015 The Metro Council makes its urban growth management decision.



Next steps

This 2014 urban growth report is the final version adopted by the Metro Council on November 12, 2015 via Ordinance 15-1361, following almost three years of public engagement. This report serves as support for the Metro Council's conclusion that there is no need to expand the Metro UGB as part of the current growth management cycle. When making its 2015 urban growth management decision, the Metro Council set forth its urban growth management priorities and direction for the next several years and directed Metro staff to provide, beginning in early 2016, updates to MPAC and the Metro Technical Advisory Committee on work programs and timelines for accomplishing the following:

SET THE STAGE FOR THE NEXT URBAN GROWTH MANAGEMENT DECISION

1. The Metro Council directs Metro staff to produce a new draft urban growth report within three years (before the end of 2018).
2. Metro staff is directed to continue working with Clackamas County and Multnomah County to finalize urban and rural reserve designations and to seek acknowledgement of reserves from the Land Conservation and Development Commission as soon as possible.

CONTINUE METRO'S LEADERSHIP IN GROWTH MANAGEMENT POLICY

3. Metro will work with its regional partners to explore possible improvements to the region's growth management process.

ADDRESS THE PUBLIC POLICY AND PROGRAM ISSUES RAISED BY THE URBAN GROWTH REPORT

4. Metro staff is directed to monitor and report on housing and job trends on an ongoing basis, including implementation of the Regional Snapshots program, and to work with regional partners to increase knowledge about housing market preferences through additional market research and analysis.

References

i U.S. Bureau of Economic Analysis, Per Capita Real GDP by Metro Area, accessed online 4/29/14

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iii U.S. Census Bureau, OnTheMap Application and LEHD Origin-Destination Employment Statistics (Beginning of Quarter Employment, 2nd Quarter of 2002-2011)

iv Pew Research Center, A Rising Share of Young Adults Live in Their Parent's Home, August 1, 2013, accessed online 5/20/14 at <http://www.pewsocialtrends.org/files/2013/07/SDT-millennials-living-with-parents-07-2013.pdf>

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THE FOLLOWING PEOPLE GRACIOUSLY LENT THEIR EXPERTISE TO INFORM THIS REPORT

2014 Urban Growth Report: buildable land inventory technical working group

The following people advised Metro staff on the methods used for identifying the region's buildable land inventory. Additional review of the preliminary inventory was provided by numerous city and county staff.

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Mike Tharp, Norris, Beggs, and Simpson

Exhibit A to Ordinance No. 15-1361

Bob LeFeber, Commercial Realty Advisors
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2014 Urban Growth Report: residential supply range technical working group

This group advised Metro staff on how much of the residential buildable land inventory's redevelopment supply may be developable in the 20-year time horizon.

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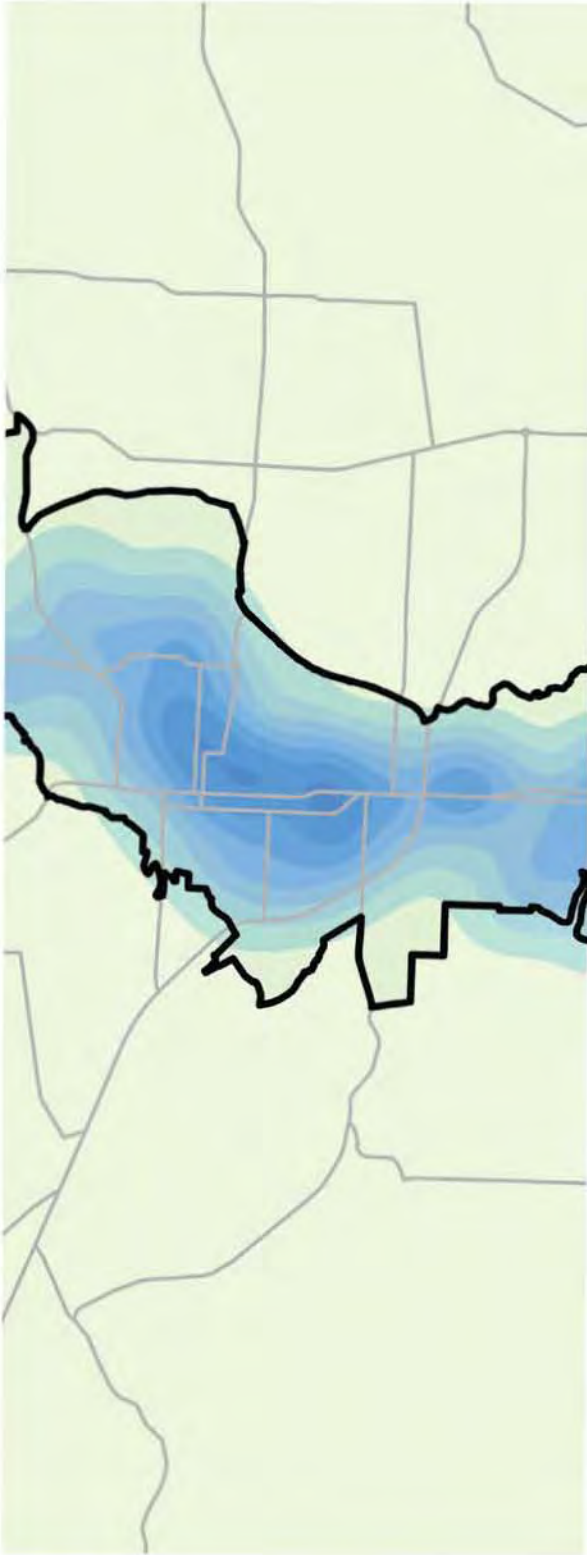
2014 Urban Growth Report: employment land technical working group

This group advised Metro staff on how various employment sectors use building space (square feet per employee and floor-area ratios).

Bob LeFeber, Commercial Realty Advisors
Mark Childs, Capacity Commercial
Steve Kountz, Portland
Tyler Bump, Portland
Brian Owendoff, Capacity Commercial
Mike Tharp, Norris, Beggs, and Simpson

2014 Urban Growth Report: regional forecast advisory panel

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Steve Storm, NW Natural



Findings of Fact and Conclusions of Law

Ordinance No. 15-1361 accepts the recommendations of Metro's Chief Operating Officer (COO) to adopt the 2014 Urban Growth Report (UGR) and not expand the Urban Growth Boundary (UGB) in Metro's current statutory growth management cycle. Based on the findings of the UGR and significant discussion with regional partners, the Metro Council concludes that the existing UGB can accommodate projected growth in the region over the next 20 years and therefore a UGB expansion is not warranted under applicable law. These findings of fact and conclusions of law explain how the Metro Council decision complies with state and regional land use laws and policies.

Section A of these findings describes revisions that have been made to the UGR since the Metro Council adopted the draft UGR in December of 2014, including recent updates based on Council directives to use the midpoint on the growth forecast range and to discount some of the developable capacity in the City of Damascus. Section B of these findings describes compliance with requirements in Statewide Planning Goal 2 and regional policies regarding coordination with other local governments in the region. Section C describes compliance with requirements in Statewide Planning Goal 1 and regional policies regarding citizen involvement. Section D describes compliance with state and regional requirements regarding urban growth boundary decisions, including Statewide Planning Goals 14 and 10 and ORS 197.296. Section E describes compliance with all other Statewide Planning Goals.

A. Final Updates to Draft UGR

Metro staff released the draft UGR in July of 2014; in September the draft was modified slightly to correct certain calculations regarding projected housing demand. After numerous meetings and discussions regarding the draft throughout the fall of 2014 with regional stakeholders, the Metro Technical Advisory Committee (MTAC), and the Metro Policy Advisory Committee (MPAC), the Metro Council adopted the draft UGR on December 4, 2014 via Resolution No. 14-4582. That resolution reflected recommendations from regional stakeholders and MPAC to continue having discussions in 2015 regarding certain growth policy considerations that could impact elements of the final growth management decision to be adopted by the Metro Council before the end of the year.

At the direction of Metro Council, the draft UGR describes the 20-year population and employment forecasts for the region as a range, in terms of probability. The baseline forecast (midpoint on the forecast range) provides the best estimate of what future growth in the region may be. The range is bounded by a low end and a high end, with an estimated 90% probability that actual growth will occur within the range. In order to satisfy its statutory obligation to estimate the number of dwelling units and acres of land that may be necessary to accommodate growth in the next 20 years, the Metro Council must select a particular point on the range.

After considering evidence from staff, local governments, and other interested parties regarding projected population and employment growth over the course of several meetings and work sessions, on September 15, 2015 the Metro Council directed staff to base the final urban growth management decision on the midpoint of the forecast range, which provides the highest

probability of accuracy. Acting on this direction from the Council, Metro staff has applied the midpoint of the range to the population and employment forecasts in the UGR in order to identify specific numbers for the estimated supply and demand of dwelling units and employment acreage.

The updated figures based on the Metro Council's selection of the midpoint of the forecast range are included in revisions to Appendix 4 and Appendix 6 of the final UGR that is being adopted by the Metro Council in Ordinance No. 15-1361. The final numbers have also been adjusted based on direction from the Metro Council to account for the likelihood of disincorporation by the City of Damascus and potential urbanization of the western portion by the City of Happy Valley, with the eastern portion of the city not being developable within 20 years.

There are two components to the UGR: a 30-page narrative summary and the 12 appendices attached to it. The actual technical analysis that comprises the UGR is included in the appendices; the 30-page UGR narrative provides a descriptive summary of the information included in the appendices. All updates that have occurred since the adoption of the draft UGR in December are located in the appendices, specifically Appendix 4, Appendix 6, and Appendix 15. The updated residential analysis materials in Appendix 4 are included as an "October 2015 Supplement" at page 49 of Appendix 4, and the updated employment analysis materials in Appendix 6 are included in supplemental materials beginning at page 19 of Appendix 6. A new Appendix 15 provides technical documentation regarding the projected impacts of the disincorporation of the City of Damascus.

The supplemental materials provide updated supply and demand figures based on the Metro Council's identification of a specific point on the forecast range and adjustments regarding the amount of land that is estimated to be available in the City of Damascus over the next 20 years. The supplemental materials also provide additional findings in support of the UGR methodology and conclusions. The updated figures regarding projected supply and demand for single-family and multifamily dwelling units are also reflected in the revised version of the UGR narrative on page 22 (Tables 2 and 3).

B. Coordination with Local Governments and State Agencies

This section addresses the coordination requirements of Statewide Planning Goal 2 and Regional Framework Plan (RFP) Policies 1.11.3, and 1.14. In preparing and adopting the UGR, Metro has coordinated extensively with the cities and counties in the region and relevant state agencies over the last two years. This includes significant coordination in the development of the technical elements of the UGR, discussed further in Section C below, and engagement at MPAC and MTAC as described in this section.

Since early 2014, the UGR has been extensively reviewed and discussed by MPAC, which is an advisory committee to the Metro Council consisting of elected officials from cities, counties and special districts throughout the region, as well as citizens and representatives of TriMet and DLCD. At its meeting on September 9, 2015, MPAC voted to recommend that the Metro Council accept the COO recommendations, adopt the UGR this year, and make no expansion to the UGB. MPAC is assisted in its advisory functions to the Metro Council by MTAC, which is a

technical advisory committee consisting primarily of staff from cities, counties, special districts and state agencies. As described in more detail below, the UGR has been an agenda item before MTAC in at least 14 of its meetings since 2013, and before MPAC in at least 14 meetings since January of 2014.

MTAC has discussed elements of the draft UGR on the following occasions:

MTAC meeting date	Topic
9/18/13	The timeline, milestones, and engagement opportunities that will lead to a 2015 growth management decision
2/19/14	Recent economic conditions and their implications for the population and employment forecast; performance of past Metro forecasts
4/2/14	Seven-county range forecast peer review process and results
4/16/14	Buildable land inventory; residential development trends
8/20/14	Introduction to the draft 2014 UGR
9/3/14	Results of the residential preference study
10/1/14	Consideration of recommendations on the residential component of the draft UGR; 2014 update of the Regional Industrial Site Readiness project
10/15/14	Consideration of recommendations on the employment component of the draft UGR
11/5/14	Consideration of recommendations on the text of the Metro Council resolution accepting the draft UGR
5/6/15	Likelihood of development in UGB expansion areas, including Damascus
5/20/15	Likelihood of development in urban centers such as Portland
6/17/15	Planning within a range forecast; likelihood of development in UGB expansion areas
8/15/15	Consideration of COO recommendations regarding UGR
9/2/15	Discussion of draft ordinance adopting UGR and COO recommendations

MTAC recommendations

On October 1, 2014, MTAC made the following unanimous recommendations on two core technical elements of the draft UGR:

- The residential buildable land inventory has undergone an appropriate level of technical review and provides a reasonable basis for policy discussions.
- The seven-county population and employment range forecast in the draft UGR has undergone an appropriate level of technical review and provides a reasonable basis for policy discussions.

On October 15, 2014, MTAC made two additional unanimous recommendations related to the draft UGR:

- The employment buildable land inventory, including the inventory of large industrial sites, has undergone an appropriate level of technical review and provides a reasonable basis for policy discussions.

- The assumptions (building types, square feet per employee, and floor-area ratios) used to translate the employment forecast into demand for acres have undergone an appropriate level of technical review and provide a reasonable basis for policy discussions.

On November 5, 2014, MTAC reviewed the draft language of Resolution No. 14-4582 and forwarded the draft resolution to MPAC for its consideration with no proposed changes to the text.

On September 2, 2015, MTAC was asked if it wished to make a formal recommendation to MPAC regarding the Metro COO’s recommendation to adopt the UGR via Ordinance No. 15-1361. Instead of making a recommendation, MTAC decided to convey its general comments and suggestions to MPAC and leave it to MPAC to propose amendments to the ordinance. MTAC’s comments focused on timelines for urban and rural reserves and other COO recommendations that relate to acknowledgement of urban and rural reserves. MTAC’s primary comments were:

- Consider an additional ordinance clause that commits Metro staff to return to MTAC, MPAC, and the Metro Council in early 2016 with a proposed work program and timeline for addressing future urban growth management work.
- The work program that staff brings forward in 2016 should identify some of the research activities that can be undertaken as building blocks for the next UGR.
- Metro and its partners may need to consider a “Plan B” for the next urban growth management decision if it appears that urban and rural reserves will not be resolved in a timely fashion.

MPAC has discussed elements of the draft UGR on the following occasions:

MPAC meeting date	Topic
1/8/14	Recent economic conditions and their implications for the population and employment forecast
2/12/14	Performance of past Metro forecasts
4/23/14	Seven-county range forecast peer review process and results
7/23/14	Introduction to the draft 2014 UGR
9/10/14	Results of the residential preference study
10/8/14	Review of resolution adopting draft UGR; residential component of the draft UGR
10/22/14	Employment component of the draft UGR; 2014 update of the Regional Industrial Site Readiness project
11/12/14	Consideration of recommendations on the Metro Council resolution accepting the draft UGR
4/22/15	Likelihood of development in urban centers such as Portland
5/27/15	Likelihood of development in UGB expansion areas, such as Damascus
6/24/15	Planning within a range forecast
7/8/15	UGR process update
8/26/15	Consideration of COO recommendations regarding UGR
9/9/15	Vote regarding recommendation on draft ordinance adopting UGR and COO recommendations

MPAC recommendations

On November 12, 2014, MPAC unanimously recommended that the Metro Council adopt Resolution No. 14-4582, adopting the draft UGR with recommendations for consideration of additional policy topics in 2015.

On September 9, 2015, MPAC voted 11-4 to recommend that the Metro Council accept the COO recommendations, adopt the UGR this year, and make no expansion to the UGB. MPAC recommended a few minor revisions to Ordinance No. 15-1361, which were discussed by the Metro Council at its September 15, 2015 work session and, for the most part, incorporated into the final ordinance.

C. Citizen Involvement

These findings address Statewide Planning Goal 1 and RFP Policy 1.13. Metro began the process of preparing the UGR in 2013 and has worked closely with key stakeholders and residents of the region from the beginning.

The draft UGR is a reflection of the expert knowledge of many stakeholders from around the region. Throughout the development of the draft UGR, staff engaged outside expertise from the public and private sectors. Some of the technical engagement conducted for the draft UGR dates back to fall of 2010 when staff engaged city and county planners in discussions of how to estimate the buildable land inventory used for the adopted 2035 forecast distribution. As described in the draft UGR, from early 2013 through the fall of 2014, staff sought review and collaboration on a number of topics:

- A working group of approximately 30 public and private sector experts provided advice on the methods used for estimating the region's buildable land inventory, with a particular emphasis on how to estimate environmental constraints and redevelopment potential.
- All cities and counties in the region were given the opportunity to review a preliminary buildable land inventory at the tax lot level. All comments received by Metro were incorporated into the inventory used in the draft UGR.
- A working group of 10 public and private sector experts provided advice on the method used for estimating market absorption of the buildable land inventory.
- A peer review group of seven public and private sector economists and demographers advised on the assumptions built into the seven-county population and employment range forecast as well as the forecast results.
- A working group of six public and private sector experts advised on the assumptions about space needs for different types of jobs. Those assumptions are used to translate the employment forecast into land demand.
- A partnership of nine public and private sector organizations worked with Portland State University and DHM Research to conduct a residential preference survey to gain a better understanding of how people make choices about where to live.
- A partnership of six public and private sector organizations worked with the consulting firm Mackenzie on an update of the Regional Industrial Site Readiness project. The

inventory of large industrial sites that was identified through that work is used to describe the region's supply of such sites in the draft UGR.

In addition to the above-described collaboration with public and private sector stakeholders, the public process involved in adopting the UGR has provided considerable opportunities for citizen involvement and engagement. In addition to the MTAC and MPAC meetings regarding the UGR that are detailed above, all of which were public meetings, the Metro Council has held at least 10 public meetings in 2015 alone on topics involving the UGR, including public hearings on September 24, 2015, October 29, 2015, and November 5, 2015.

D. Urban Growth Management Statutes and Rules

These findings address Statewide Planning Goals 10 and 14, ORS 197.295 – 197.314, OAR chapter 660 divisions 7 and 24, and RFP Policy 1.9.2.

Metro's obligation to complete an inventory of buildable lands and analysis of housing need for purposes of ensuring a 20-year supply of land inside the UGB arises out of ORS 197.299. That statute directs Metro to undertake the inventory and analysis required under ORS 197.296(3) not later than five years after completion of the previous analysis. In 2014 the Oregon Legislative Assembly changed the five-year statutory cycle to a six-year cycle as part of HB 4078. The previous regional inventory and analysis was undertaken by the Metro Council in the 2009 Urban Growth Report, which was adopted in 2010 via Ordinance No. 10-1244B.

1. Buildable Land Inventory

The first step in the process required under ORS 197.296(3)(a) is to undertake an inventory of the supply of buildable residential land inside the UGB. The applicable Goal 14 rules provide that local governments "must inventory land inside the UGB to determine whether there is adequate development capacity to accommodate 20-year needs" for both residential and employment land. OAR 660-024-0050(1). This section of the findings focuses on Metro's analysis of the residential component of the inventory.

For purposes of the inventory required under ORS 197.296(3)(a), buildable land is defined to include vacant and partially vacant land planned or zoned for residential use, land that may be used for mixed residential and employment uses under existing planning or zoning, and land that may be used for residential infill or redevelopment. ORS 197.296(4)(a). The buildable lands inventory informs the calculation of the capacity of the UGB to accommodate future growth.

Metro's methodology for calculating the region's buildable land inventory is set forth in Appendix 2 of the UGR and summarized on page 16 of the UGR narrative. The methodology began by analyzing detailed aerial photos of all land inside the UGB and applying current local plan and zoning designations. The methodology also applied the specific inventory requirements set forth in ORS 197.296(4)(a)-(b). One of the more complicated aspects of creating an inventory of buildable land is determining how to accurately predict whether land that is already developed may be redeveloped in the next 20 years, as required under ORS 197.296(4)(a)(A). To assist in accurately identifying the developable and redevelopable land in the region, Metro assembled a

technical working group consisting of representatives from cities, counties, the state, realtors, developers, and the Portland Homebuilders Association. Over the course of a year, that working group developed specific methodologies for assessing the development and redevelopment potential of land inside the UGB. Those methodologies are described in Appendix 2 of the UGR.

The buildable land inventory results are set forth in Appendix 3 of the UGR. After applying the methodologies agreed upon by the technical working group, and taking input from cities and counties on a preliminary draft of the inventory, the analysis concluded that the existing UGB has an inventory of buildable land that can provide 118,000 single-family dwelling units and 273,300 multifamily dwelling units, for a total of 391,300 units. These initial estimates in the draft UGR have been revised in October 2015 to reflect adjustments to the projected amount of developable land that will be available for urbanization in the City of Damascus. Appendix 15 of the UGR includes technical documentation of the analysis regarding possible effects of the disincorporation of the City of Damascus. These revisions are also reflected in UGR Appendix 4. The adjusted figures estimate an inventory of 113,200 single-family dwelling units and 273,300 multifamily units, for a total capacity of 386,500 dwelling units.

It is important to note that at this point in the analysis, Metro has undertaken the extent of the work required by statute for a buildable land inventory under ORS 197.296(3)(a) and the statutory definition of “buildable lands.” As required under ORS 197.296(4), Metro has inventoried all vacant and partially vacant land zoned for residential use, plus all land that may be used for mixed use residential development, plus land that “may be used for residential infill or redevelopment.” The conclusion of that inventory is that there is capacity for 386,500 dwelling units inside the existing UGB.

However, in an attempt to provide a more precise estimate of the existing regional capacity over a 20-year horizon, Metro takes an additional step of applying market-based land use and transportation modeling (known as MetroScope) to determine what portion of the infill and redevelopment supply is likely to redevelop over the next 20 years. While ORS 197.296(4)(a) instructs Metro to include all land that “may be used” for residential infill or redevelopment in the inventory, which results in a buildable land inventory showing a supply of 386,500 dwelling units, the purpose of MetroScope modeling is to estimate how much of the capacity that *may* be used for development of those units is *likely* to be used, given existing and projected market forces, and therefore how much capacity can be counted on as being market-feasible in the next 20 years.

MetroScope is a market-based model that is partially dependent upon Metro’s population forecast and related demand for dwelling units, because higher levels of growth and related demand will cause the market to increase the supply of dwelling units on redevelopment and infill land, whereas lower levels of growth would decrease demand and result in fewer units being built in those locations. Therefore, the market-adjusted supply projected by MetroScope is necessarily impacted by the Metro Council’s selection of the midpoint of the range for population forecasting. These results are described in Appendix 4 of the UGR and summarized on page 22 of the UGR narrative. At the midpoint of the range of the growth forecast, the market-adjusted inventory estimated by MetroScope is 85,200 single-family dwelling units and 130,900 multifamily dwelling units, or a total capacity for 216,100 units inside the existing UGB

over the next 20 years. Thus, application of the MetroScope model to the capacity figures from the statutory buildable lands inventory reduces the estimated 20-year capacity inside the existing UGB by 170,400 units, from 386,500 to 216,100.

2. Housing Need Analysis

The second step in the process required under ORS 197.296(3)(b) is to analyze projected housing need by type and density range in order to determine the number of units and amount of land needed inside the UGB for each needed housing type for the next 20 years. For Metro, this step begins with the regional population and employment forecast, which is provided in Appendix 1 of the UGR and summarized on pages 14-15 of the UGR narrative. As with the buildable land inventory, Metro convened a peer review group consisting of economists and demographers to help create the 2035 forecast. The resulting forecast estimates that, at the mid-point of the forecast range, there will be about 400,000 additional people and 260,000 additional jobs inside the UGB by 2035.

Next, the projected increase in population must be converted into a number of future households. This analysis is guided in part by ORS 197.296(5)(a), which provides that the determination of future housing need must be based on data from the last five years, and that the data shall include:

- (A) The number, density and average mix of housing types of urban residential development that have actually occurred;
- (B) Trends in density and average mix of housing types of urban residential development;
- (C) Demographic and population trends;
- (D) Economic trends and cycles; and
- (E) The number, density and average mix of housing types that have occurred on the buildable lands described in subsection (4)(a) of this section.

As required under ORS 197.296(5)(a), the UGR first considers data from the 2010 census of population and housing that identify the number, density and average mix of housing types that have actually occurred. Graphs summarizing key elements of that data are included in Appendix 4 at pages 9-12. The existing mix of housing types as of 2010 is identified as being 70 percent single family and 30 percent multifamily, with 61 percent of dwellings being owned and 39 percent rented. Approximately 63 percent of households consist of one or two persons.

It is important to note that ORS 197.296(5)(a) requires Metro to consider not just the past but also the future in order to estimate the region's housing needs over the next 20 years. In addition to consideration of actually occurring density and mix of housing types, the statute also directs Metro to consider trends in density, housing mix, demographics, population, and economics. The purpose of the analysis is described under the Goal 14 rules, which define the "housing needs

analysis” required by ORS 197.296 and Goal 10 as a local determination of the needed amount, types and densities of housing that will be “commensurate with the financial capabilities of present and future area residents of all income levels during the 20-year planning period.” OAR 660-024-0010(3). In other words, Metro’s estimate of future housing needs necessarily requires consideration of existing and future trends in order to project what the future housing needs will be in the region between now and 2035.

Residential development trends are described in Appendix 5 of the UGR, which provides data over the period from 2007 to 2012 regarding mix of housing types and density. Trends during that period are heavily influenced by the housing bust and resulting recession, with new development dropping off substantially through 2010 before starting to recover in 2011 and 2012. Noteworthy data regarding percentage mix of single family and multifamily development are provided in Table 1 (page 3), which shows that the mix of net new housing types, on average, over the five years preceding 2012 was approximately 50/50. The percentage share of multifamily increased dramatically prior to the recession, peaking at 62 percent in 2009, then dropping to 33 percent in 2010 before picking up again to 48 percent in 2012. Regarding average densities, the data from 2007 to 2012 also trend toward significantly higher densities since the recession, moving from a combined average of 16.2 units per acre in 2010 to 38.3 units per acre in 2012 for all new housing (single-family and multifamily combined). Appendix 5 also notes that from 2007 to 2012, 58 percent of all new housing in the region was built through redevelopment or infill, as opposed to being on vacant land.

Population, demographic and economic trends are also addressed in Appendix 4 of the UGR. As described in more detail below, the data in Appendix 4 point toward a decrease in average household sizes, an increase in the number of lower-income households, and an increase in the median age of households between 2015 and 2035. Current trends in development in the region also demonstrate a dramatic increase in higher density multifamily development, particularly in the City of Portland, which has produced 36 percent of the new housing in the UGB over the last 16 years. The City of Portland has also produced approximately half or more of the region’s housing in the years following the Great Recession, including over 5,400 units of new housing in 2014.

Metro’s analysis of trends related to future housing needs is contained in Appendix 4 of the UGR and summarized on pages 21-23 of the UGR narrative. The most historically accurate indicators of future housing needs are household income by household size and age of head of household. Therefore, in order to convert the population forecast into an estimated number of future households, Metro prepares a “three dimensional matrix” of these socio-economic household characteristics, which are referred to in the UGR as “HIA” classes: household size, income bracket, and age bracket. The UGR sorts all projected households in the UGB into an HIA matrix with five attribute levels for household size, eight income brackets, and five age brackets, and then estimates growth in each HIA class between 2015 and 2035.

The resulting HIA matrices show important projected changes in households between 2015 and 2035, which are described on pages 5-7 of Appendix 4. Notably, the analysis shows an increase in average age, as well as an increase in the percentage of lower income households and a decrease in the average household size. These results are depicted on the graphs included on

page 15 of Appendix 4 (Figures 3, 4 and 5). As described in Appendix 4, 68 percent of the additional new households are expected to consist of one or two persons, which is consistent with overall projected declines in average household sizes from 2.61 (in 2015) to 2.47 (in 2035). The decrease in average household size correlates to a need for additional housing to meet the needs of smaller households.

The HIA forecast also anticipates proportionally fewer households in the middle income bracket, and a larger marginal increase in lower income households, which is expected to drive a higher proportional demand for less expensive and smaller housing units in the future. Regarding age, the increase in average age correlates with the aging of the baby boom generation; by 2035, the last of the baby boomers will be of retirement age and the leading edge of the Gen X generation will be entering retirement. As noted in the UGR, a recent report from the Joint Center for Housing Studies of Harvard University states that “by 2025, the large and growing population of seniors is likely to drive up demand for alternative housing arrangements that offer a combination of affordability, accessibility, and supportive services.” UGR Appendix 4, page 8.

Also, the millennial generation (persons born since about 1980) has begun to demonstrate a potentially dramatic impact on future housing trends. Millennials are the biggest age cohort the U.S. has ever had, and 36 percent of the nation’s 18 to 31-year olds were living with their parents in 2013, in part due to their inability to afford other housing options. As noted in Appendix 4, millennials are also showing the following characteristics as compared to previous generations:

- Higher preferences for living in or near walkable urban centers;
- Higher preferences for attached housing such as townhouses, apartments and condominiums where they can walk to shops;
- Higher student loan debt;
- Having fewer children, and having them later in life;
- Being more likely to stay in urban areas after having children later in life;

As also noted in Appendix 4, developers nationwide are responding to the preferences and income levels of the millennials by reducing their housing production and focusing on apartments. The 2015 Harvard University report cites a “massive expansion” of multifamily housing stock since 2010 that is not showing signs of slowing down, and might even increase if job growth continues and young adults are able to move out of their parents’ homes. The report notes that overall construction levels are still below their historic average primarily due to low levels of single-family construction. UGR Appendix 4, page 9.

Having created a forecast of future household growth between 2015 and 2035 based on demographic trends and socioeconomic characteristics as defined by HIA class, Metro next applies the MetroScope model in order to translate the household forecast into an estimate of future housing demand by type and tenure. This analysis is described at page 15 of Appendix 4, and the results are summarized on Table 3, which identifies projected demand for single-family and multifamily units for each of the three HIA characteristics, as well as by tenure (owned vs. rented) for each HIA class and housing type.

The data shown on Table 3 are based on the midpoint of the forecast range and reflect an overall demand for 197,400 dwelling units of all types (76,926 single-family and 120,474 multifamily). However, those figures have been updated in the October 2015 Supplement at page 49 of Appendix 4 in order to reflect the direction of Metro Council to make adjustments based on changed assumptions regarding the amount of developable land in the City of Damascus. Those changed assumptions result in a demand forecast for 74,900 single-family units and 120,500 multifamily units, for a total of 195,400 dwelling units. *See* UGR Appendix 4, pages 57-60 and UGR Appendix 15.

The forecasted demand figures are then compared against the market-adjusted supply figures produced by the buildable land inventory, discussed above in section D.1 of these findings. Summaries of the breakdown of projected single-family and multifamily housing needs and supply are provided on pages 59-60 of Appendix 4 (Table 19 and 20), and also on page 22 of the revised UGR narrative. The result of the analysis is a projected surplus of 10,300 single-family dwelling units and 10,400 multifamily units in 2035.

Under ORS 197.296 and 197.299, Metro is required to ensure that there are sufficient buildable lands within the UGB to accommodate estimated housing needs for the next 20 years. Statewide Planning Goal 14 requires that “prior to expanding an urban growth boundary, local governments shall demonstrate that needs cannot reasonably be accommodated on land already inside the urban growth boundary.” Similarly, RFP Policy 1.9.2 directs Metro to “consider expansion of the UGB only after having taken all reasonable measures to use land within the UGB efficiently.” The Metro Council finds that utilizing the inventory of developable capacity inside the existing UGB is certainly a “reasonable measure” under Policy 1.9.2. Because the UGR identifies a projected surplus of both single-family and multifamily dwelling units over the 20-year planning horizon, the Metro Council concludes that there is sufficient buildable capacity inside the existing UGB and therefore no legal basis for expanding the boundary.

3. Employment Land Analysis

In addition to the statutory and rule requirements addressed above regarding provision of a sufficient amount of residential land for needed housing, Goal 14 also requires Metro to ensure there is adequate development capacity inside the UGB to accommodate needs for employment land over the next 20 years. As with residential land, that analysis begins with a buildable land inventory, which “must include suitable vacant and developed land designated for industrial or other employment use.” OAR 660-024-0050(1). That rule requires that the inventory must be conducted in accordance with the Goal 9 rule at OAR 660-009-0015, which requires a description of all employment land sites, including site characteristics and development constraints, within each zoning district.

The approach utilized by Metro to comply with the requirements of the Goal 9 rule was developed in consultation with DLCD and is set forth in Appendix 9 of the UGR. Relevant site characteristics and data points are described in Table 1, and those characteristics are reviewed and applied to particular areas and employment land types as shown on the maps and tables in the rest of Appendix 9.

The methodology utilized by Metro in making its capacity calculations for vacant and redevelopable employment land is described in Appendix 2 of the UGR along with the residential inventory. As with the residential inventory, the methodologies for developing the inventory of employment capacity were developed by a technical working group consisting of representatives from public and private sector organizations. The specific methods for determining vacant and redevelopment capacity of commercial and industrial land are described at pages 13-15 of Appendix 2, and the methods for estimating capacity of areas in mixed-zoning are at pages 16-17.

The results of the employment land inventory are set forth in Appendix 3 of the UGR, and those results were adjusted in October of 2015 to reflect revised assumptions about future development in the City of Damascus. The adjusted supply figures are provided in Table 27 of Appendix 6 (page 35), which shows a market-adjusted inventory of 4,690 acres of land available for industrial use and 3,950 acres for commercial use.

The supply of available employment land is then compared against future demand using the methodology described in Appendix 6 of the UGR. The result of that analysis indicates a market-adjusted demand for 3,700 acres of industrial land and 3,570 acres of commercial land. Compared against the market-adjusted supply figures, this equates to a surplus of 990 acres of industrial and 380 acres of commercial land over the 20-year planning horizon. These results are described at pages 24-26 of the UGR summary.

E. Statewide Planning Goals

Goal 1 (Citizen Involvement): See findings in Section C above.

Goal 2 (Adequate Factual Base): Findings regarding the coordination element of Goal 2 are set forth above in Section B. The Metro Council finds that the UGR and the information it relies upon provide an adequate factual base for these findings and the adoption of the UGR. The Metro Council concludes that adoption of Ordinance No. 15-1361 complies with Goal 2.

Goal 3 (Farmland): The Metro Council finds that the decision to adopt the UGR and not expand the UGB is consistent with the farmland protection provisions of Goal 3. The decision maintains the existing UGB and therefore does not impact farmland; the decision is also consistent with Goal 14, and therefore consistent with Goal 3.

Goal 4 (Forestland): The Metro Council finds that the decision to adopt the UGR and not expand the UGB is consistent with the forestland protection provisions of Goal 4. The decision maintains the existing UGB and therefore does not impact forestland; the decision is also consistent with Goal 14, and therefore consistent with Goal 4.

Goal 5 (Natural Resources): The Metro Council finds that adoption of Ordinance No. 15-1361 does not impact any inventoried Goal 5 resources and is therefore consistent with Goal 5 and its implementing rules.

Goal 6 (Air, Water and Land Quality): The Metro Council finds that the decision to adopt the UGR and not expand the UGB does not impact any comprehensive plan designations or land use regulations that relate to protection of air, water and land quality. Ordinance No. 15-1361 does not authorize any particular uses of property with environmental impacts, and therefore does not implicate Goal 6.

Goal 7 (Natural Hazards): The Metro Council finds that adoption of Ordinance No. 15-1361 does not impact any existing local plans, polices, or inventories regarding natural hazards and does not authorize any particular uses of property in natural hazard areas; therefore, this decision does not implicate Goal 7.

Goal 8 (Recreation): The Metro Council finds that adoption of Ordinance No. 15-1361 does not involve recreation planning or destination resort siting; therefore, this decision does not implicate Goal 8.

Goal 9 (Economy): Although Goal 9 does not apply to Metro, the Metro Council concludes that adoption of Ordinance No. 15-1361 does not impact local comprehensive plans, policies or inventories regarding economic development.

Goal 10 (Housing): See findings in Section D above.

Goal 11 (Public Facilities and Services): Metro does not provide public facilities or services and does not adopt public facility plans; Metro is responsible for coordinating public facility planning by cities and counties. The Metro Council finds that adoption of Ordinance No. 15-1361 does not impact the planning for or provision of public facilities and services; therefore, this decision does not implicate Goal 11.

Goal 12 (Transportation): The Metro Council finds that the decision to adopt the UGR and not expand the UGB does not impact transportation planning or transportation facilities; therefore, this decision does not implicate Goal 12.

Goal 13 (Energy): The Metro Council finds that the decision to adopt the UGR and not expand the UGB promotes a compact urban form and the efficient use of energy within the existing UGB. To the extent Goal 13 applies, the Metro Council concludes that adoption of Ordinance No. 15-1361 is consistent with Goal 13.

Goal 14 (Urbanization): See findings in Section D above.

Goal 15 (Willamette River Greenway): The Metro Council finds that adoption of Ordinance No. 15-1361 has no impact on the Willamette River Greenway; therefore, this decision does not implicate Goal 15.

STAFF REPORT

IN CONSIDERATION OF ORDINANCE NO. 15-1361, FOR THE PURPOSE OF ADOPTING THE 2014 URBAN GROWTH REPORT AND COMPLYING WITH REGIONAL GROWTH MANAGEMENT REQUIREMENTS UNDER ORS 197.299 AND STATEWIDE PLANNING GOAL 14

Date: September 16, 2015

Prepared by: Ted Reid (503) 797-1768

INTRODUCTION

Purpose of the proposed legislation

Proposed Ordinance No. 15-1361 is intended to fulfill Metro's responsibilities for managing regional household and employment growth as well as to memorialize other related recommendations made by Metro's Chief Operating Officer (COO).

TIMELINE

2014 Urban Growth Report

Staff began technical engagement and peer review of the components of the Urban Growth Report (UGR) in early 2013. In July of 2014, staff released a draft UGR. Council accepted the draft UGR in December 2014, by Resolution No. 14-4582, also identifying topics for additional discussion in 2015.

July 2015 Chief Operating Officer recommendation

After the Council accepted the draft 2014 UGR in December 2014, the Metro Technical Advisory Committee (MTAC), the Metro Policy Advisory Committee (MPAC) and the Metro Council continued discussions of several topics identified during the Council's acceptance of the draft UGR. Those discussions concluded in June 2015 when the Council directed Metro's COO to make a recommendation on the Council's urban growth management decision. In July 2015, Metro's COO made her recommendations to the Metro Council. The COO recommendations are built on the analysis found in the 2014 UGR, additional policy discussions during early-to-mid 2015, and direction provided by the Metro Council in June 2015. Since the time that the COO recommendation was released, MPAC, MTAC and the Metro Council have discussed the recommendation.

MTAC discussion

MTAC discussed the topics of the UGR and the COO recommendation on a number of occasions from early 2013 onward. At its September 2, 2015 meeting, MTAC chose not to vote on a formal recommendation to MPAC. However, when asked, no MTAC members indicated that they had fundamental concerns about the draft ordinance. MTAC informally suggested an additional clause (see ordinance clause number seven) that would direct staff to provide, beginning in early 2016, updates to MPAC and MTAC on work programs and timelines accomplishing ordinance clause numbers three, four, five and six. MTAC's suggested edits to the text of draft Ordinance No. 15-1361 were passed on to MPAC for discussion.

MPAC recommendation

MPAC discussed the topics of the UGR and the COO recommendation on a number of occasions from early 2013 onward. At its September 9, 2015 meeting, MPAC recommended¹ a version of Ordinance 15-1361 that includes MTAC's suggested clause number seven as well as deleting a portion of the third clause so that the initiation of a new UGR would not be contingent upon acknowledgement of urban and rural reserves. MPAC's recommended version of the ordinance is included in this legislative packet.

Metro Council direction at September 15, 2015 work session

At its September 15, 2015 work session, the Council directed staff that it intends to base its urban growth management decision on the midpoint of the forecast range. Based on that direction, staff will finalize its analysis in the UGR and will draft legal findings for review by October 27, 2015. The proposed Ordinance No. 15-1361 includes formal adoption of a final UGR as well as legal findings.

The Metro Council directed staff to revise the proposed Ordinance No. 15-1361 so that clause five states "Metro will work with its regional partners to explore possible improvements to the region's growth management process." A version of this proposed ordinance is included in the public hearing materials.

Public comment period and public hearings

In advance of the Metro Council's November 12, 2015 decision on Ordinance No. 15-1361, the Council will hold three public hearings on September 24, October 29 and November 5.

ATTACHMENTS

Attachment 1: Ordinance No. 15-1361 and Exhibits A and B

ANALYSIS/INFORMATION

1. Known Opposition

Urban Growth Management decisions typically elicit a variety of views and this decision is no exception. Some business interest groups and some of the region's mayors have expressed concerns about the economic conditions and future housing mix forecast in the draft 2014 UGR. Some have expressed an opinion that Metro should request an extension from the Oregon Land Conservation and Development Commission for this urban growth management decision.

2. Legal Antecedents

- Statewide Planning Goals 10 (Housing) and 14 (Urbanization)
- Oregon Revised Statutes 197.296, 197.299, and 197.303 (Needed Housing in Urban Growth Areas)
- Oregon Administrative Rules, Division 24 (Urban Growth Boundaries)
- Metro Regional Framework Plan, Chapter 1 (Land Use)
- Metro Urban Growth Management Functional Plan

3. Anticipated Effects

Adoption of the proposed legislation would:

- Satisfy Metro's statutory requirements related to growth management; and,
- Provide direction to staff regarding work programs related to urban growth management.

4. Budget Impacts

¹ 11 votes in favor and 4 votes opposed.

Adoption of this ordinance would mark the closure of this urban growth management decision. Direction provided by Council will inform future staff activities related to urban growth management. At this time, however, budget estimates are not available.

RECOMMENDED ACTION

Staff recommends that Council adopt the version of Ordinance No. 15-1361 that incorporates edits made by the Council at its September 15, 2015 Council work session.

Agenda Item No. 8.0

Resolution No. 15-4644, For the Purpose of Approving
2015 Nature in Neighborhoods Restoration and Community
Stewardship Grants

Resolutions

Metro Council Meeting
Thursday, November 12, 2015
Metro Regional Center, Council Chamber

BEFORE THE METRO COUNCIL

FOR THE PURPOSE OF APPROVING 2015) RESOLUTION NO. 15-4644
NATURE IN NEIGHBORHOODS)
RESTORATION AND COMMUNITY) Introduced by Chief Operating Officer Martha
STEWARDSHIP GRANTS) Bennett in concurrence with Council President
Tom Hughes

WHEREAS, in 2005, the Metro Council established an initiative designed to protect and restore our region’s significant fish and wildlife habitat and connect people with nature as provided in Resolution No. 05-3574A, “Establishing a Regional Habitat Protection, Restoration and Greenspaces Initiative called Nature in Neighborhoods,” adopted May 12, 2005;

WHEREAS, the Metro Council established the Nature in Neighborhoods grant program in 2005 to provide local communities support to fulfill this regional initiative (Resolution No. 05-3580A);

WHEREAS, in May 2013, voters in the Metro region approved a 5-year local option levy for Metro’s parks and natural areas including new and expanded funding for what were referred to in the levy as Nature in Neighborhoods community grants;

WHEREAS, the Metro Council reiterated the community grant program’s purpose, eligibility and funding criteria via Resolution No. 12-4398 referring the 5-year local option levy to the voters, and called for the creation of a committee to review grant applications and make award recommendations to the Metro Council;

WHEREAS, Metro awarded the first round of Nature in Neighborhood Restoration and Community Stewardship grants in September 2014 via Resolution 14-4554;

WHEREAS, Metro has solicited and received applications for 2015 Nature in Neighborhoods community grants, now known as “Restoration and Community Stewardship” grants, and the grant review committee has identified the proposals which best meet the grant criteria and the goals of the Nature in Neighborhoods grant program;

WHEREAS, the Metro Council adopted Resolution No. 15-4612 approving \$600,000 in the FY 2015-16 Budget and Appropriation Schedule for 2015 Nature in Neighborhoods Restoration and Community Stewardship grants; now therefore

BE IT RESOLVED that the Metro Council hereby approves the award of the 2015 Nature in Neighborhoods Restoration and Community Stewardship grants to those recipients listed in Exhibit A and for the amounts listed for each individual award.

ADOPTED by the Metro Council this ____ day of November 2015.

Tom Hughes, Council President

Approved as to Form:

Alison R. Kean, Metro Attorney

**Nature in Neighborhoods Restoration and Community Stewardship Grants
2015 (Second Round) Grant Awards
Grant Review Committee Recommendations to the Metro Council**

Expand, Diversify and Steward Backyard Habitat Certification Program

Recipient: Audubon Society of Portland and Columbia Land Trust

Grant Amount: \$ 34,380

Partners: APANO/Jade District, Friends of Tryon, City of Gresham, East Multnomah Soil & Water Conservation District, West Multnomah Soil & Water Conservation District, and community-based organizations

The Backyard Habitat Certification Program is an initiative that engenders community stewardship and improves habitat in developed areas through the efforts of private landowners. This project will spread the program to 550 new households and pilot a targeted outreach project with APANO, aimed at increasing program participation among Jade District residents.

Badger Creek Culvert Fish Passage Restoration

Recipient: Johnson Creek Watershed Council

Grant Amount: \$ 25,000

Partners: Portland Parks & Recreation (landowner), Clackamas County Dept. of Transportation, Inter-Jurisdictional Committee of the Johnson Creek Watershed (multiple agencies with natural resource interests in the watershed-technical assistance), Oregon Department of Fish & Wildlife, and Portland Bureau of Environmental Services.

This project will restore access for salmon to 1.6 miles of lower Badger Creek, a primary tributary to Johnson Creek, by replacing two adjacent undersized steel culverts with a properly sized culvert under the Springwater Trail in 2016. This fish barrier is ranked within the top ten out of 275 identified barriers for restoration in the watershed, barriers.

Riparian and Wetlands Restoration on the Springwater Corridor

Recipient: Johnson Creek Watershed Council

Grant Amount: \$ 19,866

Partners: Portland Parks & Recreation, Oregon Bhutanese Community Organization, Impact Northwest, Wisdom of the Elders, Walker Emulsions, Crystal Springs Partnership

Engage watershed residents, including members of underserved communities, in maintaining recent riparian planting sites, and new plantings in riparian and wetland areas along the Springwater Corridor.

Partners Restoring Strategy Habitats in Lake Oswego

Recipient: City of Lake Oswego

Grant Amount: \$ 45,000

Partners: Adelante Mujeres, Association of Women in Science (AWIS), Backyard Habitat Program, Clean Water Services, Friends of Trees, Friends of Tryon Creek, The Lake Corporation, Lakeridge High School, Lewis & Clark College, Tualatin River Watershed Council, Tualatin Riverkeepers, Ash Creek Forest Management/Ecology and Scholls Valley Native Nursery

On 66 acres within a 270-acre South Lake Oswego Habitat Cluster, the project will engage local non-profits, schools, agencies and businesses to reestablish resilient, native plant communities on lands identified as regionally significant for recovery of native species and ecological processes.

KelipiCamas: A Cultural Confluence of Landowners and Native Americans Fostering Community Conservation and Stewardship of Oak and Prairie Habitats

Recipient: Portland State University, Indigenous Nations Studies Program

Grant Amount: \$ 48,041

Partners: Kingfisher Ecological Services LLC, Mark G. Wilson consultant, Urban Greenspaces Institute, Metro, Native American Youth and Family Center, Native American Community Advisory Council, The Intertwine Alliance, City of Portland Parks and BES, West Multnomah, Clackamas, and Tualatin Soil and Water Conservation Districts, Natural Resources Conservation Service, USFWS, Audubon Society of Portland

Provide paid internships for two Native youth in natural resources stewardship and engage local Native Americans in development and implementation of culturally-relevant stewardship activities at one or two natural areas. Train 45+ urban landowners from Western Washington and Clackamas counties in naturescaping to restore and reconnect fragmented oak habitats in strategic oak-rich neighborhoods.

Sandy River Delta Restoration II

Recipient: Sandy River Basin Watershed Council

Grant Amount: \$ 73,043

Partners: The Confluence Project, US Forest Service, Oregon Department of Fish & Wildlife, Friends of the Sandy River Delta, Reynolds School District, Friends of Trees, Ash Creek Forest Management, Jubitz Foundation, FedEx, Portland Trail Blazers

Expands the Sandy River Basin Watershed Council's efforts engaging a diverse community of students, scientists and residents in stewardship of strategic habitats at the popular, 1,500-acre Sandy River Delta.

Springwater Meadows Pilot Project - A Sellwood-Moreland Community Pilot Project for Meadowscaping Along the Springwater Corridor Trail

Recipient: Sellwood-Moreland Improvement League (SMILE)

Grant Amount: \$ 12,000

Partners: Portland Parks & Recreation, Columbia Land Trust, Meyer Boys & Girls Club, Metro

Springwater Meadows will engage an urban community in stewardship efforts to improve wildlife habitat on the first of six public properties adjacent to the Springwater Corridor Trail in the heart of Portland's Sellwood-Moreland neighborhood and inspire neighbors to improve habitat in their own backyards.

Engaging Diverse Communities in Restoration & Stewardship Volunteerism at Council Creek

Recipient: SOLVE

Grant Amount: \$ 18,081

Partners: City View Charter School, Landowner (Hilja Davis), Clean Water Services, Tualatin River Watershed Council, Centro Cultural, Adelante Mujeres

SOLVE will enhance restoration and stewardship of Council Creek with opportunities for volunteers from traditionally underserved communities in Cornelius through strong partnerships with culturally diverse organizations, offering summer camp watershed education field trips and weekend community tree planting and stewardship events.

East Fork Tryon Creek Fish Habitat Restoration

Recipient: Tryon Creek Watershed Council

Grant Amount: \$ 75,000

Partners: Tryon Creek State Natural Area, Friends of Tryon Creek State Park City of Portland BES, and adjacent landowners

An earthen dam and undersized culvert will be removed to restore fish passage in Tryon Creek State Natural Area. The creek bed will be reconstructed and riparian area replanted with native trees and shrubs. A footbridge and path will be installed to accommodate the well-used trail.

Willow Creek Greenway Enhancement

Recipient: Tualatin Hills Park & Recreation District

Grant Amount: \$ 25,025

Partners: Five Oaks/Triple Creeks Neighborhood Association Committee, Parsons Brinkerhoff Green Team, Clean Water Services

This project will improve water quality, and amphibian habitat in Willow Creek, a tributary of Beaver Creek in the Aloha area. Stewardship activities will engage youth and other community members through weed removal, native plant installation, and site monitoring.

Whitaker Ponds Restoration

Recipient: Verde

Grant Amount: \$ 25,000

Partners: Columbia Slough Watershed Council, Portland Parks and Recreation, Hacienda CDC, Multnomah Youth Cooperative

The Whitaker Ponds Restoration project utilizes Verde's most mature social enterprise, Verde Landscape, to comprehensively restore Whitaker Ponds Nature Park through engagement of underserved communities. Three primary habitats will be restored involving five areas of the Park, consistent with the Whitaker Ponds Master Plan.

Hummingbird Hill Forest Restoration

Recipient: West Multnomah Soil & Water Conservation District

Grant Amount: \$ 25,000

Partners: Verde Landscape, Turnstone Environmental Consultants, Homeowners of NW Riverview Drive

A collaborative neighborhood forest restoration project designed to control invasive ivy and blackberry and revive native understory in the Tualatin Mountains. The project engages land owners and volunteers, as well as providing job training to Verde crew members recruited from local, low-income communities in methods of invasive plant control, native planting, maintenance, monitoring, and project reporting.

Connecting Portland's Urban Forest

Recipient: West Willamette Restoration Partnership and Portland Bureau of Environmental Services

Grant Amount: \$ 98,500

Partners: Portland Parks & Recreation and Bureau of Environmental Services, Audubon Society of Portland & Columbia Land Trust's Backyard Habitat Certification Program, Oregon Health & Sciences University, Friends of Marquam Nature Park, SW Watershed Resource Center, West Multnomah Soil & Water Conservation District, Friends of Terwilliger and Homestead Neighborhood Association

Connecting Portland's Urban Forest is a collaborative project with diverse stakeholders bringing together restoration, stewardship, and interactive learning across public and private properties to enhance 85 acres of habitat in the Westside Wildlife Corridor located between Forest Park and Tryon Creek.

Nyberg Herptile Project

Recipient: The Wetlands Conservancy

Grant Amount: \$ 14,011

Partners: Clean Water Services, Cascade Education Corps, New Avenues for Youth

The Nyberg Herptile Project will add and enhance key habitat features at The Wetland Conservancy's Nyberg Wetland Preserve to attract the northern red-legged frogs and Western pond turtles found upstream and downstream. The project will create habitat and connectivity in a watershed supporting Oregon Conservation Strategy species.

Restore Ross Island

Recipient: Willamette Riverkeeper

Grant Amount: \$ 62,000

Partners: Portland Parks & Recreation GRUNT, Jr. GRUNT and Youth Conservation Corps Programs, Portland Bureau of Environmental Services, Lower Columbia Estuary Partnership, Audubon Society of Portland, Groundwork Portland

Restore Ross Island is a partnership effort focused on restoring ecological function to a wildlife corridor and floodplain forest on the publically owned Ross Island Natural Area located within the heart of Portland and the Willamette River Greenway. Partners will work with youth crews and school groups, community volunteers and groups in restoration, monitoring and habitat enhancement activities.

STAFF REPORT

IN CONSIDERATION OF RESOLUTION 15-4644, FOR THE PURPOSE OF APPROVING 2015 NATURE IN NEIGHBORHOODS RESTORATION AND COMMUNITY STEWARDSHIP GRANTS

Date: November 12, 2015

Prepared by: Heather Nelson Kent, 503-797-1739
Crista Gardner, 503-797-1627

BACKGROUND

For nearly two decades, the Metro Council has provided funding for grants to community groups, non-profits, local governments and other organizations, which grants are designed to improve water quality and wildlife habitat and give people of all ages opportunities to learn about and connect with nature.

In May 2013, voters approved Measure 26-152 (the “Natural Areas Levy”), providing new funding for Metro’s parks and natural areas and providing increased funding for Nature in Neighborhoods community grants. Grant program staff used the framework provided by Metro Council in Resolution No. 12-4398, which referred the Natural Areas Levy to the voters, to develop an outreach plan, application materials and evaluation criteria for these community grants, referred to as Restoration and Community Stewardship grants, as outlined in the approved work plan. Staff aligned Metro’s Restoration and Community Stewardship grant criteria with state, regional and community initiatives in order to achieve multiple benefits.

Grant Evaluation Criteria

Using the framework provided by Metro Council in Resolution No. 12-4398, Metro’s grant program staff developed an outreach plan, application materials and evaluation criteria for this first cycle of restoration grants. Staff worked to align this new funding with other state, regional and community initiatives so that these grants can achieve multiple benefits. To do this, the grant criteria focused on two categories for funding, based on the Regional Conservation Strategy – Community Stewardship in Developed Areas and Restoration in Natural Areas. Additionally, staff identified two primary goals for all Restoration and Community Stewardship grants:

Goal 1: Preserve and restore fish and wildlife habitat in local communities and support larger conservation initiatives such as the Oregon State Conservation Strategy, Regional Conservation Strategy, Watershed Action Plans or local community plans.

Goal 2: Increase people’s awareness of the need for – and benefits of – protecting and managing natural areas. Engage people in learning about, protecting and managing natural areas at the community level.

The response to the funding opportunity was great. Metro received 27 pre-applications, totaling \$1,112,083 in funding requests for the \$600,000 in funding available.

Due to the large number of applications, Metro’s Nature in Neighborhoods grant program follows a two-step process. The review committee evaluated pre-applications based on the information submitted by applicants, the stated evaluation criteria, and the review committee’s

professional and collective judgment. The purpose of the pre-application review is to determine the best proposals to invite for full applications. Of the initial 27 pre-applications submitted, the review committee recommended inviting 23 to submit full applications. Those invited had one month to prepare a full application. The same committee reviewed the final proposals using the same evaluation criteria and recommended 15 for funding (see attachment).

Nature in Neighborhoods Restoration Grants Review Committee

Participation on the grant review committee is by application, open and advertised to all community members. Parks and Nature Interim Director Kathleen Brennan-Hunter selected the committee members from the group of applicants. The committee included local experts in project management, habitat restoration, natural area land management, conservation planning, grants administration, non-profit management, volunteer coordination, and community partnerships. Committee members declared any direct conflict of interest in the proposals and did not score or participate directly in the discussion or ranking of applications where there was a conflict. Perceived conflicts were also noted and recorded in meeting minutes.

2015 Nature in Neighborhoods Restoration Grant Review Committee

Michael Ahr, West Multnomah Soil & Water Conservation District

Ben Axt, Institute for Applied Ecology

Gaylen Beatty, Columbia Land Trust

Greg Creager, Tualatin Hills Park and Recreation District

Jenny Dezso, Clackamas River Basin Council

John Goetz III, Clean Water Services

Jeff Merrill, Metro, Natural Areas Program

Kristen Pleyte Acock, City of Portland, BES

ANALYSIS/INFORMATION

1. Known Opposition

None.

2. Legal Antecedents

Resolution No. 12-4398, For the Purpose of Referring to the Voters of the Metro Area a Local Option Levy for the Purpose of Preserving Water Quality, Fish and Wildlife Habitat and Maintaining Metro's Parks and Natural Areas for the Public.

Resolution No. 05-3574A, Establishing a Regional Habitat Protection, Restoration and Greenspaces Initiative called Nature in Neighborhoods.

Resolution 05-3580A, Transferring \$1,250,000 from the Balance of the FY 2004-05 Recovery Rate Stabilization Reserve to a General Fund Reserve for Nature in Neighborhoods Restoration Projects.

Ordinance No. 07-1160B, Transferring \$250,000 from the Recovery Rate Stabilization Reserve Fund for Nature in Neighborhoods Restoration Projects.

Ordinance No. 09-1215B, Approving \$92,500 in the FY 2009-10 Budget and Appropriation Schedule for an additional round of Nature in Neighborhoods Restoration and Enhancement grants.

Ordinance No. 10-1235B, Approving \$150,000 in the FY 2010-11 Budget and Appropriation Schedule for an additional round of Nature in Neighborhoods Restoration and Enhancement grants.

Ordinance No. 12-1274A, Approving \$200,000 in the FY 2012-13 Budget and Appropriation Schedule for an additional round of Nature in Neighborhoods Restoration and Enhancement grants.

3. Anticipated Effects

This Resolution approves the award of 2015 Nature in Neighborhood Restoration and Community Stewardship community grants and begins the individual contract award process for the selected grant applicants with an anticipated project start date on or after Sept. X 2015. Projects may be up to three years in length.

4. Budget Impacts

This Resolution authorizes award of contracts in an amount previously identified by the Metro Council in the budget for this purpose. The adopted FY 2015-16 budget includes the necessary appropriation authority for reimbursement of these grants.

RECOMMENDED ACTION

The Chief Operating Officer recommends adoption of Resolution No. 15-4644.

Materials following this page were distributed at the meeting.

STATEMENT BY JAMES JORDAN TO OREGON METRO COUNCIL ABOUT
HAPPY VALLEY NOT PROVIDING CONNECTIVITY OF WILDLIFE
HABITAT AREAS NEAR METRO'S HAPPY VALLEY NATURE PARK AND
MITCHELL CREEK NATURAL AREA – NOVEMBER 12, 2015

On December 1, 2015, the City of Happy Valley City Council is going to vote to approve a 600 house development project next to Metro's Happy Valley Nature Park. This project will be adjacent to the Pioneer Highlands project that is now building 66 houses. The Pioneer Highlands project is adjacent to the already existing Jackson Hills housing project. These housing projects will encircle the Happy Valley Nature Park on the north, east and south sides. The west side of the park is bordered by more houses and a busy road. The result of these development projects is to isolate the Happy Valley Nature Park from nearby wildlife habitat areas and eliminate presently existing wildlife corridors to these areas and to the nearby Metro Mitchell Creek Natural Area.

The City of Happy Valley is ignoring its development code which requires connectivity of wildlife habitat areas. Happy Valley's code requires it to "maintain wildlife habitat connectivity . . . to adjacent areas" and "minimize impacts on habitat connectivity" and to "protect and improve the functions and values that contribute to upland wildlife habitat" including "connectivity and proximity to water" and "connectivity and proximity to other upland habitat areas." (Happy Valley Code Policies 56C.5 and Section 16.04.010)

Metro's Urban Growth Management Functional Plan, Title 13, Nature in Neighborhoods, Section 3.07.1360 A.1.c. includes the performance objective to "Preserve and improve connectivity for wildlife between riparian corridors and upland wildlife habitat."

When I question Metro staff about why Metro is not requiring connectivity of wildlife habitats between the Happy Valley Nature Park, and the nearby Mitchell Creek Natural Area, and other nearby upland wildlife habitat areas I was told, wildlife "habitat connectivity . . . was not included as a requirement in Metro's Title 13 program." I have been trying without success to learn why Metro is taking a position that is contrary to the clear language of Title 13.

I request that Metro do its share to protect wildlife and the connectivity of wildlife habitat areas as its policies require. When these housing projects are completed it will be too late to undo the harm that will be done to wildlife by eliminating wildlife corridors between these Metro parks and nearby wildlife habitat areas.

MITCHELL CREEK NATURAL AREA

CROSS SECTIONS

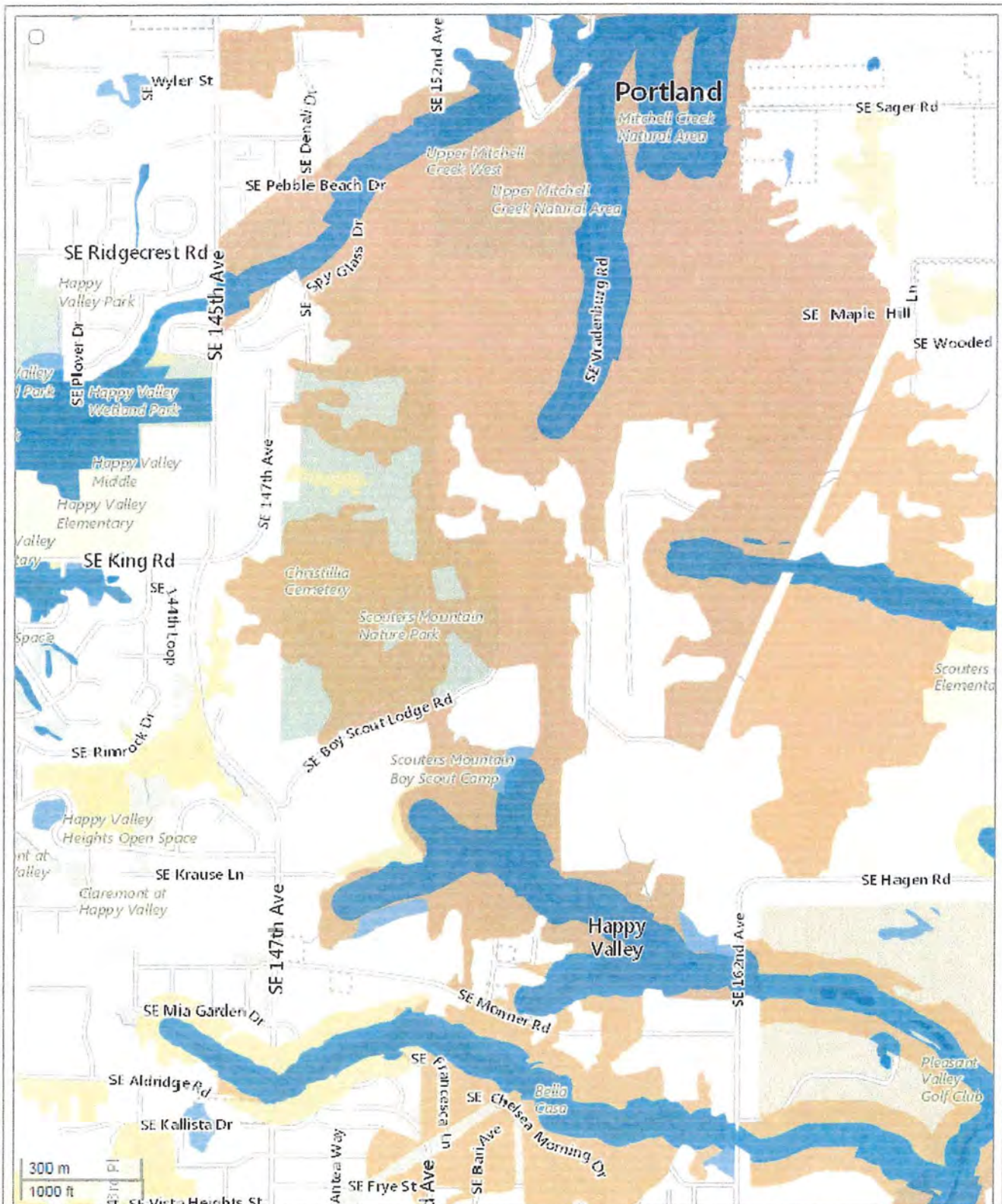
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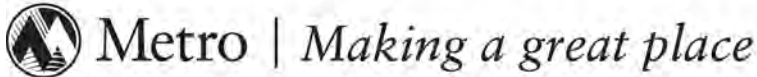




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METRO COUNCIL MEETING
Meeting Minutes
November 5, 2015
Metro Regional Center, Council Chamber

Councilors Present: Council President Tom Hughes, and Councilors Carlotta Collette, Craig Dirksen, Kathryn Harrington, Shirley Craddick, Sam Chase, and Bob Stacey

Councilors Excused: None

Council President Tom Hughes called the regular council meeting to order at 2:02 p.m.

1. CITIZEN COMMUNICATIONS

Sharon Nasset, Vancouver: Ms. Nasset addressed the Metro Council regarding the October meeting of the Southwest Regional Transportation Council and the Columbia River Crossing project.

Courtney Scott, Portland: Ms. Scott addressed the Metro Council on conservation at the Oregon Zoo, specifically relating to elephants, and listing elephants (living and deceased) previously at the Oregon Zoo.

Mars Green, Portland: Ms. Green addressed the Metro Council on the Oregon Zoo elephants and requested that Packy be sent to an elephant sanctuary.

Nancy Shaw, Portland: Ms. Shaw spoke to the Metro Council about the Draft Environmental Assessment: Dallas Zoo Management document and the capture/import of elephants from the wild to zoos as a practice.

Sandy Miller, Portland: Ms. Miller addressed the Metro Council on Oregon Zoo elephants, specifically Packy, and their general welfare and lack of exercise.

2. CONSIDERATION OF THE OCTOBER 29, 2015 COUNCIL MEETING MINUTES

Motion:	Councilor Kathryn Harrington moved to adopt the Council Meeting Minutes from October 29, 2015.
Second:	Councilor Bob Stacey seconded the motion.

Vote: Council President Hughes, and Councilors Harrington, Dirksen, Craddick, Collette, Stacey, and Chase voted in support of the motion. The vote was 7 ayes, the motion passed.

3. PUBLIC HEARING ON ORDINANCE NO. 15-1361

Council President Hughes noted that this would be the third and final public hearing on Ordinance No. 15-1361 (the first was held September 24, 2015, the second was held on October 29, 2015). He added that the second reading of the ordinance, Council consideration, and vote would occur on Thursday, November 12. Council President Hughes noted that we received written testimony to be added to the record, but that no one was in the audience who wanted to testify. Council President Hughes opened the public hearing on Ordinance No. 15-1361 and called for anyone to come forward to testify. Seeing no one, Council President Hughes closed the public hearing.

Council discussion

There were no questions for staff or Council discussion.

4. CHIEF OPERATING OFFICER COMMUNICATION

Mr. Scott Robinson provided an update on the following events or items: upcoming Native American Veterans Day event on Tuesday, November 10th in the Oregon Convention Center, Partners in Nature open house event on November 10th for people to learn more about the program, the Blue Lake Regional Park Master Plan's digital planning forum open between November 16 – 20th, and Portland'5 season events new brochure.

5. COUNCILOR COMMUNICATION

Councilors provided updates on the following meetings or events: Council President Hughes asked for a quick thumbs up/down vote on approval of authorization for the members of the Metro Council to represent the agency at the upcoming Travel Portland Fam Tour (Dec. 3-5) and councilors all gave thumbs up.

6. ADJOURN

There being no further business, Council President Hughes adjourned the regular meeting at 2:27 p.m. The Metro Council will convene the next regular council meeting on Thursday, November 12, 2015 at 2 p.m. at the Metro Regional Center in the council chamber.

Respectfully submitted,



Alexandra Eldridge, Regional Engagement & Legislative Coordinator

ATTACHMENTS TO THE PUBLIC RECORD FOR THE MEETING OF NOV. 5, 2015

Item	Topic	Doc. Date	Document Description	Doc. Number
1.0	Testimony handouts	11/05/15	Testimony from Courtney Scott: Oregon Zoo's Forgotten Elephants	110515c-01
1.0	Testimony handouts	09/25/15	Testimony from Nancy Shaw: Draft Environmental Assessment for Dallas Zoo Management	110515c-02
2.0	Minutes	10/29/2015	Council Meeting Minutes from October 29, 2015	110515c-03
3.0	Testimony, public hearing	11/05/15	Letter from HBA on Ordinance No. 15-1361	110515c-04
3.0	Testimony, public hearing	11/05/15	Letter from EMEA on Ordinance No. 15-1361	110515c-05
3.0	Testimony, public hearing	11/05/15	Letter from 1000 Friends on Ordinance No. 15-1361	110515c-06



Nature in Neighborhoods

Restoration and Community Stewardship Grants 2015

Expand, Diversify and Steward Backyard Habitat Certification Program

Recipient: Audubon Society of Portland and Columbia Land Trust

Grant Amount: \$ 34,380

Partners: APANO/Jade District, Friends of Tryon, City of Gresham, East Multnomah Soil & Water Conservation District, West Multnomah Soil & Water Conservation District, and community-based organizations

The Backyard Habitat Certification Program is an initiative that engenders community stewardship and improves habitat in developed areas through the efforts of private landowners. This project will spread the program to 550 new households and pilot a targeted outreach project with APANO, aimed at increasing program participation among Jade District residents.

Badger Creek Culvert Fish Passage Restoration

Recipient: Johnson Creek Watershed Council

Grant Amount: \$ 25,000

Partners: Portland Parks & Recreation (landowner), Clackamas County Dept. of Transportation, Inter-Jurisdictional Committee of the Johnson Creek Watershed (multiple agencies with natural resource interests in the watershed-technical assistance), Oregon Department of Fish & Wildlife, and Portland Bureau of Environmental Services.

This project will restore access for salmon to 1.6 miles of lower Badger Creek, a primary tributary to Johnson Creek, by replacing two adjacent undersized steel culverts with a properly sized culvert under the Springwater Trail in 2016. This fish barrier is ranked within the top ten out of 275 identified barriers for restoration in the watershed, barriers.

Riparian and Wetlands Restoration on the Springwater Corridor

Recipient: Johnson Creek Watershed Council

Grant Amount: \$ 19,866

Partners: Portland Parks & Recreation, Oregon Bhutanese Community Organization, Impact Northwest, Wisdom of the Elders, Walker Emulsions, Crystal Springs Partnership

Engage watershed residents, including members of underserved communities, in maintaining recent riparian planting sites, and new plantings in riparian and wetland areas along the Springwater Corridor.

Partners Restoring Strategy Habitats in Lake Oswego

Recipient: City of Lake Oswego

Grant Amount: \$ 45,000

Partners: Adelante Mujeres, Association of Women in Science (AWIS), Backyard Habitat Program, Clean Water Services, Friends of Trees, Friends of Tryon Creek, The Lake Corporation, Lakeridge High School, Lewis & Clark College, Tualatin River Watershed Council, Tualatin Riverkeepers, Ash Creek Forest Management/Ecology and Scholls Valley Native Nursery

On 66 acres within a 270-acre South Lake Oswego Habitat Cluster, the project will engage local non-profits, schools, agencies and businesses to reestablish resilient, native plant communities on lands identified as regionally significant for recovery of native species and ecological processes.

KelipiCamas: A Cultural Confluence of Landowners and Native Americans Fostering Community Conservation and Stewardship of Oak and Prairie Habitats

Recipient: Portland State University, Indigenous Nations Studies Program

Grant Amount: \$ 48,041

Partners: Kingfisher Ecological Services LLC, Mark G. Wilson consultant, Urban Greenspaces Institute, Metro, Native American Youth and Family Center, Native American Community Advisory Council, The Intertwine Alliance, City of Portland Parks and BES, West Multnomah, Clackamas, and Tualatin Soil and Water Conservation Districts, Natural Resources Conservation Service, USFWS, Audubon Society of Portland

Provide paid internships for two Native youth in natural resources stewardship and engage local Native Americans in development and implementation of culturally-relevant stewardship activities at one or two natural areas. Train 45+ urban landowners from Western Washington and Clackamas counties in naturescaping to restore and reconnect fragmented oak habitats in strategic oak-rich neighborhoods.

Sandy River Delta Restoration II

Recipient: Sandy River Basin Watershed Council

Grant Amount: \$ 73,043

Partners: The Confluence Project, US Forest Service, Oregon Department of Fish & Wildlife, Friends of the Sandy River Delta, Reynolds School District, Friends of Trees, Ash Creek Forest Management, Jubitz Foundation, FedEx, Portland Trail Blazers

Expands the Sandy River Basin Watershed Council's efforts engaging a diverse community of students, scientists and residents in stewardship of strategic habitats at the popular, 1,500-acre Sandy River Delta.

Springwater Meadows Pilot Project - A Sellwood-Moreland Community Pilot Project for Meadowscaping Along the Springwater Corridor Trail

Recipient: Sellwood-Moreland Improvement League (SMILE)

Grant Amount: \$ 12,000

Partners: Portland Parks & Recreation, Columbia Land Trust, Meyer Boys & Girls Club, Metro

Springwater Meadows will engage an urban community in stewardship efforts to improve wildlife habitat on the first of six public properties adjacent to the Springwater Corridor Trail in the heart of Portland's Sellwood-Moreland neighborhood and inspire neighbors to improve habitat in their own backyards.

Engaging Diverse Communities in Restoration & Stewardship Volunteerism at Council Creek

Recipient: SOLVE

Grant Amount: \$ 18,081

Partners: City View Charter School, Landowner (Hilja Davis), Clean Water Services, Tualatin River Watershed Council, Centro Cultural, Adelante Mujeres

SOLVE will enhance restoration and stewardship of Council Creek with opportunities for volunteers from traditionally underserved communities in Cornelius through strong partnerships with culturally diverse organizations, offering summer camp watershed education field trips and weekend community tree planting and stewardship events.

East Fork Tryon Creek Fish Habitat Restoration

Recipient: Tryon Creek Watershed Council

Grant Amount: \$ 75,000

Partners: Tryon Creek State Natural Area, Friends of Tryon Creek State Park City of Portland BES, and adjacent landowners

An earthen dam and undersized culvert will be removed to restore fish passage in Tryon Creek State Natural Area. The creek bed will be reconstructed and riparian area replanted with native trees and shrubs. A footbridge and path will be installed to accommodate the well-used trail.

Willow Creek Greenway Enhancement

Recipient: Tualatin Hills Park & Recreation District

Grant Amount: \$ 25,025

Partners: Five Oaks/Triple Creeks Neighborhood Association Committee, Parsons Brinkerhoff Green Team, Clean Water Services

This project will improve water quality, and amphibian habitat in Willow Creek, a tributary of Beaver Creek in the Aloha area. Stewardship activities will engage youth and other community members through weed removal, native plant installation, and site monitoring.

Whitaker Ponds Restoration

Recipient: Verde

Grant Amount: \$ 25,000

Partners: Columbia Slough Watershed Council, Portland Parks and Recreation, Hacienda CDC, Multnomah Youth Cooperative

The Whitaker Ponds Restoration project utilizes Verde's most mature social enterprise, Verde Landscape, to comprehensively restore Whitaker Ponds Nature Park through engagement of underserved communities. Three primary habitats will be restored involving five areas of the Park, consistent with the Whitaker Ponds Master Plan.

Hummingbird Hill Forest Restoration

Recipient: West Multnomah Soil & Water Conservation District

Grant Amount: \$ 25,000

Partners: Verde Landscape, Turnstone Environmental Consultants, Homeowners of NW Riverview Drive

A collaborative neighborhood forest restoration project designed to control invasive ivy and blackberry and revive native understory in the Tualatin Mountains. The project engages land owners and volunteers, as well as providing job training to Verde crew members recruited from local, low-income communities in methods of invasive plant control, native planting, maintenance, monitoring, and project reporting.

Connecting Portland's Urban Forest

Recipient: West Willamette Restoration Partnership and Portland Bureau of Environmental Services

Grant Amount: \$ 98,500

Partners: Portland Parks & Recreation and Bureau of Environmental Services, Audubon Society of Portland & Columbia Land Trust's Backyard Habitat Certification Program, Oregon Health & Sciences University, Friends of Marquam Nature Park, SW Watershed Resource Center, West Multnomah Soil & Water Conservation District, Friends of Terwilliger and Homestead Neighborhood Association

Connecting Portland's Urban Forest is a collaborative project with diverse stakeholders bringing together restoration, stewardship, and interactive learning across public and private properties to enhance 85 acres of habitat in the Westside Wildlife Corridor located between Forest Park and Tryon Creek.

Nyberg Herptile Project

Recipient: The Wetlands Conservancy

Grant Amount: \$ 14,011

Partners: Clean Water Services, Cascade Education Corps, New Avenues for Youth

The Nyberg Herptile Project will add and enhance key habitat features at The Wetland Conservancy's Nyberg Wetland Preserve to attract the northern red-legged frogs and Western pond turtles found upstream and downstream. The project will create habitat and connectivity in a watershed supporting Oregon Conservation Strategy species.

Restore Ross Island

Recipient: Willamette Riverkeeper

Grant Amount: \$ 62,000

Partners: Portland Parks & Recreation GRUNT, Jr. GRUNT and Youth Conservation Corps Programs, Portland Bureau of Environmental Services, Lower Columbia Estuary Partnership, Audubon Society of Portland, Groundwork Portland

Restore Ross Island is a partnership effort focused on restoring ecological function to a wildlife corridor and floodplain forest on the publically owned Ross Island Natural Area located within the heart of Portland and the Willamette River Greenway. Partners will work with youth crews and school groups, community volunteers and groups in restoration, monitoring and habitat enhancement activities.



PORTLAND PARKS & RECREATION

Healthy Parks, Healthy Portland

A COMPONENT OF THE RENEW FOREST PARK INITIATIVE

RESTORE Forest Park

Transforming the Ecological Health of Portland's Greatest Asset

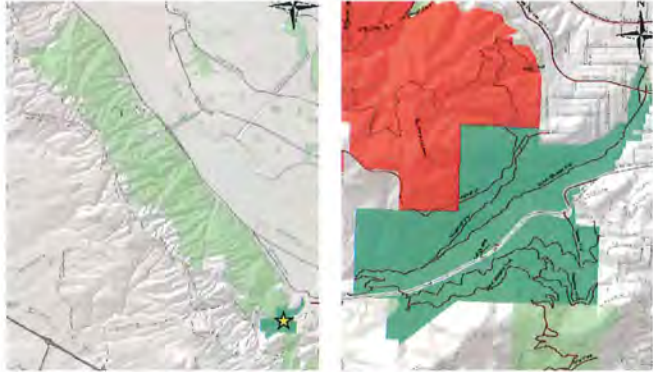


**50 YEARS AGO, INVASIVE SPECIES WERE RARE IN FOREST PARK.
TODAY, FOREST PARK IS AT RISK.**

Restore Forest Park is a long-term plan to transform the park's ecological health by removing invasive species and replanting native plants. Our success will be demonstrated by what we see when we are done—a healthy Forest Park with a diversity of wildlife.

▶ PROJECT DESCRIPTION

Invasive species removal efforts have been ongoing for years in Forest Park. While these efforts have tangible results, they have not been comprehensive for a landscape of this scale. Through strong leadership from PP&R, support from The Forest Park Conservancy and funding from Metro, these efforts have now been elevated to a level that reflects the needs of a natural area of this size. Restore Forest Park will provide a sustainable, long-term invasive species management plan to reduce invasive species to a level where they no longer impact forest health and function.



Forest Park with highlighted Balch Creek subwatershed

The first on-the-ground restoration efforts of Restore Forest Park are planned for the Balch Creek subwatershed section of the park. The project area is 155 forested acres that extends from north of Pittcock Mansion to near Holman Lane. Through this project we will remove invasive species, improve native plant biodiversity, increase wildlife habitat and connect existing restoration areas.

▶ EFFORTS WILL INCLUDE

- ▶ Removal of weedy trees such as English holly and laurel
- ▶ Cutting of canopy vines such as clematis and ivy
- ▶ Treatment of ground cover invasives, predominantly ivy and blackberry

▶ TREATMENT APPROACH

Work on the ground will begin in mid-August 2015. In accordance with our Integrated Pest Management Policy—the City of Portland has established a treatment protocol that has perfected the herbicide combination and treatment timing so that initial treatments are extremely effective. State-licensed applicators will use selective herbicide application for this site. Best management practices for Forest Park include utilizing volunteers to remove invasive species by hand in areas directly adjacent to trails.

▶ PARTNERSHIPS

This project has been made possible through a grant from Metro *Nature in Neighborhoods* and in partnership with The Forest Park Conservancy.



RESTORE Forest Park is a critical part of the RENEW Forest Park initiative, a unique opportunity to make a significant and comprehensive investment in Forest Park.

This \$20+ million, 20-year initiative includes three main components that look holistically at *ecology*, *recreation* and *access*. Together, we will renew this remarkable asset and create a legacy for generations to come.



▶ RESTORE (*ecology*)

Habitat restoration and invasive species removal



▶ REBUILD (*recreation*)

Repairs to trails, signage and bridges



▶ RECONNECT (*access*)

Improving access to and education about the park

For questions or additional information, please contact Forest Park Natural Resource Ecologist, Kendra Petersen-Morgan at kendra.petersen-morgan@portlandoregon.gov or 503-823-4492.





Washington County
Transportation Futures Study
 Exploring options • Informing choices



Update - Fall 2015



The County is growing and our travel needs are changing. How do we ensure our transportation system will sustain our wonderful quality of life in the coming decades?

This Washington County Transportation Futures Study will identify transportation investments and evaluate how well they address future challenges. Your input on the types of investments we study and the challenges we need to consider are important to the success of this study.

Participate in the online open house or contact the study team with your comments.

Online Open House
Nov 16 to Dec 7, 2015
WCTransportationFutures.org

Questions or comments? Contact the study team:
WCTS@co.washington.or.us or (503) 846-6737

Why are we doing this study?

Historically the county has experienced a strong economy, community growth and a wonderful quality of life. This is in part due to significant investments in a multi-modal transportation system. Over the next 50 years the county will become more urban, with an increased need for more affordable, accessible and efficient travel options.

The Washington County Transportation Futures Study will evaluate long-term transportation strategies and investments needed to sustain the county's economic health and quality of life in the coming decades.

The evaluation will highlight tradeoffs and help county residents, businesses and elected officials find areas of agreement and set transportation priorities for further evaluation and refinement.

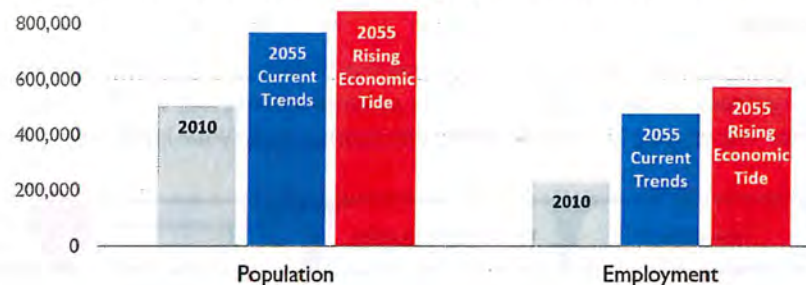
How could the county grow over the next 50 years?

Over the next 40 to 50 years, we believe that the county and its cities will continue to grow. Given the uncertainty of forecasting the long-term future, two future growth scenarios were developed that reflect potential changes in demographics, economics, and land use.

The first scenario is based on **current trends**. The second Scenario assumes a **'rising economic tide'** due to an emerging global middle class, and increased reliance on technology and trade.

As envisioned in local community plans much of the future growth will focus on downtowns and centers. Urban centers will become more vibrant and employment and industrial areas will grow. The agricultural character and economy in rural areas is anticipated to remain strong.

Washington County Population and Employment Growth Estimates





What transportation challenges could we face—and how do we respond?

This Study will evaluate how well potential transportation investments address challenges that are problematic today and anticipated to worsen in the future:

- *Traffic congestion adversely impacts our industries, businesses and commuters*
- *Congestion on major north-south routes leads to increased traffic on roads in neighborhoods and rural areas.*
- *Roads serve many conflicting demands through our downtown and regional centers*
- *Emerging technologies like autonomous, connected and electric vehicles and real-time information will offer new challenges and opportunities that we need to prepare for*
- *More healthy and affordable travel options are needed—including biking, walking and accessible transit*
- *Future funding for transportation investments is uncertain*

A number of transportation investments ideas have emerged that respond to these challenges that connect people from where they live to their daily needs, major destinations, and employment centers. Here are just some of the many potential investments to study:

- *Providing alternative access to areas east of the County without having to go through the Sunset tunnel*
- *Widening some parts of major roads and highways, such as US 26, Hwy 217 and Cornelius Pass Rd*
- *Expanding transit services and offering more express transit service options*
- *Installing bus-only and freight-only lanes on segments of some major roads and highways*
- *Expanding the system of protected bike lanes and sidewalks, and building express bicycle routes to connect to major destinations*
- *Providing a new North-South connection between Hillsboro, Sherwood and I-5/I-205*



It pays to be proactive.
 Thinking ahead has helped us make better decisions—and will continue to help us in the years ahead.

We encourage you to visit the study website to learn more about the investment ideas and provide your input on what we should study.

Next Steps

In early 2016 the Study will evaluate how well the investments address our transportation challenges and support values that are important to the community. In the summer of 2016, we will share the study finding and trade-offs between the alternatives. We anticipate a robust public discussion where your input will again be requested.

