

# Metro | Agenda

Meeting: Metro Council  
Date: Thursday, September 15, 2016  
Time: 2 p.m.  
Place: Metro Regional Center, Council Chamber

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1. **CALL TO ORDER AND ROLL CALL**
2. **CITIZEN COMMUNICATION**
3. **GLENDOVEER GOLF COURSE OPERATING CONTRACT AUDIT PRESENTATION** **Brian Evans, Metro Auditor**
4. **FURNITURE STORE (82<sup>ND</sup> AVENUE AND DIVISION) REDEVELOPMENT UPDATE** **Jonathan Williams, Metro**  
**Elissa Gertler, Metro**
5. **CONSENT AGENDA**
  - 5.1 Consideration of Council Meeting Minutes for September 1, 2016
6. **ORDINANCES (FIRST READ)**
  - 6.1 **Ordinance No. 16-1380**, For the Purpose of Annexing to the Metro District Boundary Approximately 19.63 Acres Located at 17300 and 17400 NW Brugger Road in the North Bethany Area of Washington County **Tim O'Brien, Metro**
  - 6.1.1 **Public Hearing on Ordinance No. 16-1380**
7. **CHIEF OPERATING OFFICER COMMUNICATION**
8. **COUNCILOR COMMUNICATION**
9. **ADJOURN**

**Television schedule for September 15, 2016 Metro Council meeting**

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

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

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Agenda Item No. 3.0

Glendoveer Golf Course Operating Contract Audit Presentation

*Presentations*

Metro Council Meeting  
Thursday, September 1, 2016  
Metro Regional Center, Council Chamber



## **Glendoveer Golf Course Operating Contract:**

*Improve financial planning to achieve desired outcomes*

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August 2016

A Report by the Office of the Auditor

**Brian Evans**

*Metro Auditor*

**Zane Potter**

*Senior Management Auditor*

**Elliot Shuford**

*Senior Management Auditor*

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**Dial 888-299-5460 (toll free in the U.S. and Canada)**  
**File an online report at [www.metroaccountability.org](http://www.metroaccountability.org)**



**Brian Evans**  
**Metro Auditor**  
600 NE Grand Ave  
Portland, OR 97232-2736  
TEL 503 797 1892, FAX 503 797 1831

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August 31, 2016

To: Tom Hughes, Council President  
Shirley Craddick, Councilor, District 1  
Carlotta Collette, Councilor, District 2  
Craig Dirksen, Councilor, District 3  
Kathryn Harrington, Councilor, District 4  
Sam Chase, Councilor, District 5  
Bob Stacey, Councilor, District 6

From: Brian Evans, Metro Auditor

A handwritten signature in black ink, consisting of the letters "BE" in a stylized, cursive-like font.

Re: Audit of Glendoveer Golf Course Operating Agreement

The following report covers our audit of the Glendoveer Golf Course Operating Agreement. Our objectives were to determine if the operating agreement's financial, environmental sustainability and community outcomes were achieved. The audit was included in the FY2015-16 Audit Schedule.

We found mixed financial results during the first three years of the operating agreement. Enough revenue was generated to cover operating costs, but that revenue was less than what was spent on capital improvements. While that may have been expected due to a backlog of maintenance and other investments, Metro will need to improve financial planning to ensure these goals can be met in the future. The sustainability and community goals were mostly met, but additional work was needed to fully achieve them.

We have discussed our findings and recommendations with Scott Robinson, Deputy COO; Kathleen Brennan-Hunter, Director of Parks and Nature; and Tim Collier, Director of Finance and Regulatory Services. I would like to acknowledge their assistance and cooperation in preparing and reviewing the report.

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## Table of Contents

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Summary .....	1
Background .....	3
Scope and methodology .....	5
Results .....	7
• Financial goals partially achieved	8
• Improved financial planning needed to guide future investments	9
• Opportunities exist to increase net revenue	10
• Several environmental sustainability goals accomplished, but one remains	12
• Most community goals met, but some issues remain	13
Recommendations .....	15
Management response .....	17

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## Summary

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Glendoveer Golf and Tennis is a Metro-owned facility with several kinds of public recreation. In 2013, Metro selected a new company to operate the facility. This audit assessed progress on the financial, community and environmental sustainability goals contained in the operating agreement.

We found mixed financial results during the first three years of the agreement. The operator generated an average of about \$200,000 per year in net income during the first three years of the agreement. However, Metro spent an average of about \$277,000 per year on capital improvements during that time.

Improved planning would help Metro meet its financial goals. Long-term financial planning is the process of aligning financial capacity with long-term service objectives. Metro used the operating agreement and the operator's annual plan to guide decisions about Glendoveer. Neither provided a long-term outlook. Establishing more specific financial goals would help guide long-term planning.

Our analysis of Glendoveer's financial performance identified weaknesses in capital planning processes. The projects that were planned were not always the ones that were completed. Some capital projects cost more than expected due to inaccurate costs estimates. There was incomplete information about future maintenance needs. Metro and the operator identified different investments for the next five years.

Metro's ability to increase revenue and control costs will determine if it meets its financial goals in the future. The agreement did not provide incentives for controlling costs. As a result, Metro could be required to pay an incentive fee even if the operator spent more than it brought in. Better controls were needed to monitor complimentary rounds of golf and a review of the agreement for the point of sales system had not been completed.

Metro's investments, combined with the operator's management practices accomplished several of the environmental sustainability goals in the agreement. The result was decreased water and energy use, and increased recycling rates. Clarifying expectations for achieving SalmonSafe certification was the remaining issue related to environmental sustainability.

Most of the community benefits outlined in the operating agreement were met. Golf customers were generally satisfied and prices were in line with comparable facilities. More work was needed to get customer service information about tennis, clarify requirements for employee background checks, and resolve potential data security issues.

Our recommendations focus on improving financial planning, clarifying financial goals, and addressing the remaining environmental and community goals associated with the operating agreement.

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## Background

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Glendoveer Golf and Tennis is a Metro-owned facility with several kinds of public recreation. The facility includes two 18-hole golf courses and four indoor tennis courts. Located in East Portland, the 242-acre property also includes a fitness trail and restaurant.

**Exhibit 1:** Map and photos of Glendoveer

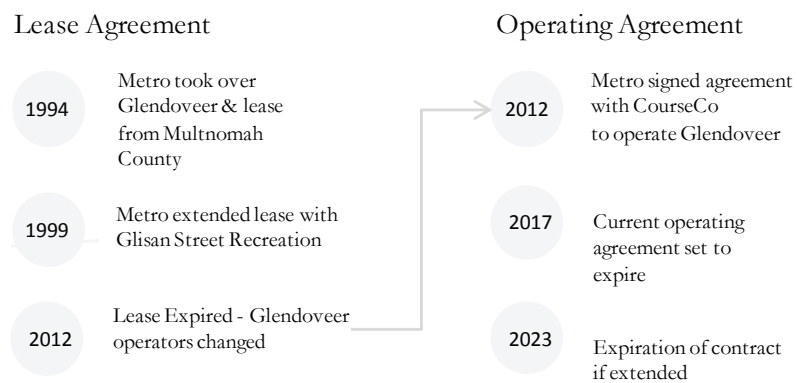


*Source: Metro Auditor's Office, based on geographic data from the Regional Land Information System*

Metro took over Glendoveer from Multnomah County in 1994 and continued a lease agreement with Glisan Street Recreation (GSR) to operate the facility. Metro's involvement with the property was limited under the lease. GSR was responsible for operations, maintenance and capital improvements. Metro received 44% of gross revenue generated from golf fees.

In 1999, Metro extended the lease with GSR. As the lease was expiring in 2012, Metro issued a request for bids for a new operating agreement to manage the golf and tennis center. CourseCo won the bid and took over operations at the end of 2012. In 2013, CourseCo set up a subsidiary named Glendoveer Golf LLC to operate the facility. The current operating agreement is set to expire on December 31st, 2017, but can be extended for up to six years.

**Exhibit 2:** Key dates of ownership and management

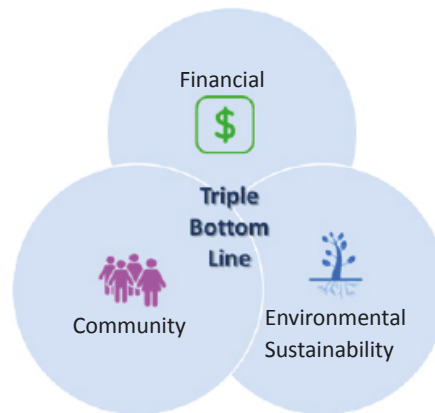


*Source: Metro Auditor's Office*

The current agreement is structured differently than the prior lease with GSR. Metro is now responsible for capital improvements. It pays Glendoveer LLC (operator) to manage the day-to-day operations of the facility. Metro collects all revenue from golf and tennis operations and reimburses the operator for direct expenses.

The agreement outlines outcomes and goals for Glendoveer in three areas: financial, community and environmental sustainability. These three categories are sometimes referred to as the triple bottom line.

**Exhibit 3:** Triple bottom line diagram



*Source: Metro Auditor's Office*

Oversight and planning for the Glendoveer property primarily reside within the Visitor Services Division of Metro's Parks and Nature department. The Visitor Services' Director acts as a liaison between Metro and the operator, and reviews aspects of the operations for compliance with the operating agreement.

A staff member in Financial and Regulatory Services (FRS) reviews financial information including documentation for some reimbursements paid to the operator. The operator provides Metro with audited financial statements each year. Bank statements and other financial information are sent each month.

Metro reviews and approves an annual plan from the operator. In past years, this review has included a group of employees from FRS, Parks and Nature and the Metro Attorney's Office. The plan gives Metro information about the finances and operations of the facility. Among other things, it includes a direct expense budget, marketing plan and maintenance plan.

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## Scope and methodology

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The objectives for this audit were to determine if the operating agreement's financial, community and environmental sustainability outcomes were achieved. The audit scope included the first three calendar years of the current operating agreement, 2013 through 2015.

To determine if financial outcomes were achieved, we reviewed Metro's budget and capital improvement plans. We also reviewed Metro policies related to capital planning and budgeting as well as best practices for financial planning. We queried and analyzed financial data for Glendoveer. We also reviewed financial information from the operator's annual plans, audited financial statements, and Metro's financial and management reports.

To determine if environmental sustainability and community outcomes were achieved, we reviewed Metro's sustainability reports, and analyzed sustainability data. We compared pricing information for other nearby public golf courses. We also reviewed information about events held at the facility found in the operator's annual plans and online. We analyzed customer comment card data, secret shopper reports and survey data from the National Golf Foundation.

We interviewed Metro staff, conducted site visits and reviewed results from Metro's internal reviews of Glendoveer. We also interviewed the General Manager and staff at Glendoveer. We evaluated Metro's monitoring efforts of the operating agreement. We reviewed audits of other golf courses and interviewed staff who oversees another municipal golf course in the area.




This audit was included in the FY 2015-2016 audit schedule. We conducted this performance audit in accordance with generally accepted government auditing standards. Those standards require that we plan and perform the audit to obtain sufficient, appropriate evidence to provide a reasonable basis for our findings and conclusions based on our audit objectives. We believe that the evidence obtained provides a reasonable basis for our findings and conclusions based on our audit objectives.



# Results

Progress was made on the financial, community and environmental sustainability goals Metro has for Glendoveer Golf and Tennis. However, continued attention to each area is needed to fully achieve the desired outcomes.

**Exhibit 4:** Progress made on desired goals, but work remains

	Achievements	Work Remaining
<b>Financial</b> 	<input checked="" type="checkbox"/> Financial goals partially achieved  <input checked="" type="checkbox"/> Capital investments helped achieve environmental sustainability and community outcomes	<input type="checkbox"/> Improve financial planning <ul style="list-style-type: none"> <li>• Clarify financial goals</li> <li>• Strengthen controls for capital planning</li> </ul> <input type="checkbox"/> Increase net revenue <ul style="list-style-type: none"> <li>• Incentivize efficiency</li> <li>• Review complimentary golf</li> <li>• Assess the cost of the point of sale system</li> </ul>
<b>Environmental Sustainability</b> 	<input checked="" type="checkbox"/> Reductions in energy and water use; increased recycling	<input type="checkbox"/> Clarify expectations for SalmonSafe certification
<b>Community</b> 	<input checked="" type="checkbox"/> Golf customers generally satisfied  <input checked="" type="checkbox"/> Golf and tennis prices similar to comparable facilities  <input checked="" type="checkbox"/> Increased youth programs  <input checked="" type="checkbox"/> Other community benefits offered	<input type="checkbox"/> Collect tennis customer service information  <input type="checkbox"/> Clarify expectations for background checks and drug testing  <input type="checkbox"/> Address data security concerns

*Source: Metro Auditor's Office*

We found mixed financial results during the first three years of the operating agreement. Enough revenue was generated to cover operating costs, but that revenue was less than what was spent on capital improvements. While that may have been expected due to a backlog of maintenance and other investments, Metro will need to improve financial planning to ensure these goals can be met in the future.

Environmental sustainability and community goals were mostly met, but additional work was needed to fully achieve them. It wasn't clear what work remained for Glendoveer to be certified as a SalmonSafe golf course. More information about the quality of the tennis program was needed. Clarifying expectations about background checks and addressing data security concerns were other areas of work remaining.

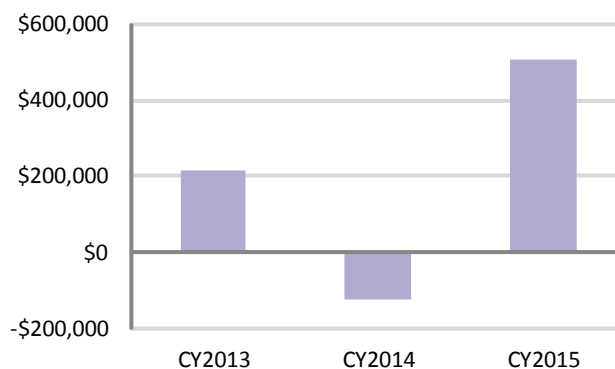
## Financial goals partially achieved

Financial objectives were partially met during the first three years of the agreement. The agreement outlined two primary financial goals. The first was to generate enough revenue to cover operating expenses. The second was to generate enough net income to allow for continued capital improvements.

The operator generated an average of about \$200,000 per year in net income during the first three years of the agreement. This indicates the first financial objective was met. We calculated net income as gross revenues minus operating expenses. Operating expenses included ongoing maintenance and repair projects completed by Metro.

Although the average during the first three years was positive, net income varied widely between years. Income in 2015 was more than twice what was generated in 2013. In 2014, operating expenses were larger than revenue due to higher operating costs.

**Exhibit 5:** Net income varied during the first three years of the agreement and totaled about \$600,000

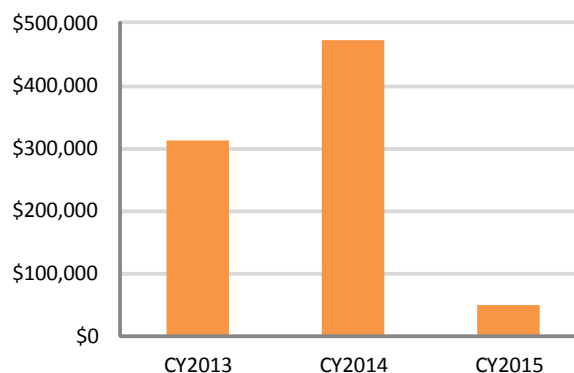


Source: Auditor's Office analysis of PeopleSoft data (adjusted for inflation)

The second financial objective, to generate enough net income to make capital improvements, was not met. On average, Metro spent about \$277,000 per year on capital improvements. This was more than the average net income (\$200,000).

Capital investments varied during the first three years. Most capital expenditures were made in 2013 and 2014. Lower capital investments and higher net income in 2015 brought Metro closer to reaching the second financial goal.

**Exhibit 6:** Metro spent about \$833,000 on new capital improvements during the first three years of the agreement



Source: Auditor's Office analysis of PeopleSoft data (adjusted for inflation)

## Improved financial planning needed to guide future investments

Improved planning would help Metro meet its financial goals. Long-term financial planning is the process of aligning financial capacity with long-term service objectives. Best practices from the Government Finance Officers Association (GFOA) state that long-term financial planning should look five-to-ten years in the future, and forecast revenue and expenditures under different future scenarios.

Metro used the operating agreement and the operator's annual plan to guide decisions about Glendoveer. Neither provided a long-term outlook or complete financial overview of the property. The annual plan only forecasted revenue and operating expenditures for the coming year. It did not include Metro's expenses for ongoing maintenance projects or new capital projects. The operating agreement was not specific enough to determine when, or the extent to which, the financial goals were expected to be achieved.

The annual plan did not consider future scenarios such as the possibility that golf could decline in popularity. Following a trend in the golf industry, the number of rounds of golf played at Glendoveer dropped by over half since the 1990's. Some publically-owned golf courses have operated at significant losses. This was due in part to the declining popularity of the sport.

Establishing more specific financial goals would help guide long-term planning for Glendoveer. Clackamas County's municipal golf course, Stone Creek, had clear financial goals for its operator. One goal was to generate enough operating income to cover 20% of its parks budget. It also established a goal of contributing \$100,000 per year for capital improvements. Specific goals make it easier for decision-makers to gauge progress and results.

Prior to the new operator taking over, Metro was unsure about how Glendoveer would perform financially. Under the previous lease agreement, Metro received an average of about \$800,000 in revenue per year since the mid-1990s. At that time, the operator was responsible for all maintenance and capital improvements. Expecting the same level of operating income may not be reasonable given an apparent backlog of maintenance and other capital improvements. More than three years into the current agreement, Metro has financial information to project net income and capital needs for the next five-to-ten years.

## Weaknesses in capital planning should be addressed

Metro's Capital Asset Management Policy establishes a framework to plan for future investments at Glendoveer. The policy could help guide long-term planning, but it was not always followed. The policy requires Metro to annually prepare a Capital Improvement Plan (CIP). The CIP should identify all new capital and maintenance projects with a budget over \$100,000 to be constructed for the next five years. The CIP includes an aggregate total for capital projects under \$100,000.

Metro has identified about \$362,000 worth of new capital and maintenance projects for the next five years at Glendoveer. However, our review of the past CIPs shows that figure may not accurately reflect long-term capital investments at Glendoveer. Each of the following issues limited the value of using the CIP for long-term planning.

**Planning for projects below \$100,000 was unclear.** For projects estimated to cost under \$100,000, Metro policy allows managers the discretion to initiate new or defer planned projects. This means that the projects listed in the CIP may not be the ones that were completed. We reviewed the list of projects under \$100,000 and found that at least 20 projects had not been included. The total cost of these projects was about \$935,000. Flexibility to change projects reduced clarity about long-term capital needs.

**Some projects had inaccurate cost estimates.** Four Glendoveer projects had cost estimates totaling \$61,500, but final costs totaled about \$193,000. For example, one project was budgeted for \$14,000, but the final cost was just over \$100,000. Some project costs were less than expected too, but those savings were smaller than the projects that were over budget.

**There was incomplete information about future maintenance.** Inventories of buildings and equipment were required by Metro's policy to plan for maintenance of these assets. Metro and the operator provided three different lists. Metro's equipment lists did not include tag numbers that were required for each piece of equipment. One of the lists did not include the recently-built golf cart building, which cost about \$421,000.

We also found that information about maintenance needs had not been established. Metro policy requires departments to determine the level of ongoing maintenance on a scale of low to high. The scale can be used to plan for maintenance costs. A low level of maintenance indicates that costs will be minimal. In contrast, a high level of maintenance indicates costs are likely to be more significant and may need to be planned well in advance.

**Metro and the operator have identified different future investments for the next five years.** The operator's 2016 annual plan identified nearly \$3 million in capital improvements. In contrast, Metro's five-year plan only included about \$362,000 in capital improvements. It was not clear how the different plans would be reconciled. Both Metro staff and the operator stated that the responsibility for identifying future investments was shared.

## Opportunities exist to increase net revenue

Metro's ability to increase revenue and control costs will determine if it meets its financial goals in the future. The following approaches could help increase net revenue:

- create incentives for efficient operations;
- assess the cost of the point of sale system; and
- develop controls to better monitor complimentary rounds of golf.

## Agreement does not incentivize efficiency

Under the agreement, Metro paid the operator in three ways. It reimbursed direct costs. It paid fixed fees for accounting, website support and general management. There was an incentive fee paid if gross revenue exceeded certain thresholds.

The incentive fee was based on gross revenue rather than net revenue, which meant costs were not considered. As a result, Metro could be required to pay an incentive fee even if the operator spent more than it brought in. This has not occurred, but the operator's direct costs have increased by about 19% during the first three years while revenues have only increased by 13%. Metro paid just over \$100,000 in incentive payments during the first three years of the agreement.

Metro did not measure the operator's financial efficiency. The annual plan included information on the gross revenue per round but this measure does not consider costs. Another local municipal golf course used efficiency measures such as the net revenue per round and utilization rate of available tee times. The municipality created targets for each of these performance measures and tracked them over time.

Based on data from Metro's accounting system, the operator's net revenue per round decreased by about 30% since 2013. During that same time, gross revenue and the number of rounds of golf played increased. These trends show the importance of including expenditures when evaluating the operator's performance.

One local municipal golf course, Stone Creek, based its incentive fee on net revenue generated by the operator. Any net revenue that exceeded \$600,000 during each year was split between the local government and the operator. The municipality received 70% of the excess and the operator received the remaining 30%. An incentive fee structure similar to this one could help ensure more efficient operations because it considers both revenues and expenses.

If Metro decides to structure the incentive fee in a similar way, it will need to evaluate what costs should be included in the calculation, and develop a way to ensure the financial information provided by the operator is accurate. During the first three years of the agreement, Metro paid some costs that were not counted as direct costs for the operator. These costs were primarily credit card fees, which totaled about \$156,000 during that period. Ensuring that these costs are reflected as operator's expenses would help Metro accurately calculate net revenue.

We also found differences between the operating expenses in the operator's annual plan and in its audited financial statements. There may be legitimate reasons for the discrepancies, but neither Metro nor the operator could explain the difference. The size of the discrepancy grew over the last three years. Having complete and accurate financial information will be critical when the contract is up for renewal at the end of 2017.

## **Metro has not assessed the cost of its point of sale system**

Glendoveer uses a point of sale (POS) system that tracks all retail transactions and reservations at Glendoveer. To pay for the system, Glendoveer trades eight rounds of golf, including carts, per day to a company that sells those tee times to the public. We calculated that if the company sold the eight rounds of golf and cart rental at the lowest rate advertised, Metro may have forgone at least \$70,000 per year in revenue to pay for the system.

We found that other local golf courses used similar arrangements to pay for their POS system. However, staff from two local golf courses said they evaluated their arrangements and made changes to get a better deal.

Metro indicated they were going to review the arrangement prior to it being renewed in 2015, but the review was not done. During the first three years of operation, Metro could have spent at least \$210,000 for its POS system without evaluating whether the arrangement was cost effective.

## **Better controls needed for complimentary rounds of golf**

Most golf courses offer free or complimentary (comp) rounds of golf. There may be business reasons for using comp rounds such as marketing and employee retention. The operator provided comp rounds to employees, golf instructors, charities and others. We calculated that at least \$45,000 in revenue may have been foregone in 2015 for comp rounds unrelated to the POS system.

Best practices recommended that municipalities review the use of comp rounds. For example, the operator should track the types of comps used and report on a monthly basis to the municipality the reasons for them. The municipality should periodically review this information for reasonableness and to identify possible abuses.

Metro had no policy in place to control comp rounds and the reports did not clearly indicate who received comp rounds and an explanation of why they were given. The General Manager and one other employee at Glendoveer had the ability to approve comp rounds. Without a policy to control comp rounds, Metro may be unnecessarily foregoing revenue.

## **Several environmental sustainability goals accomplished, but one remains**

Metro's investments, combined with the operator's management practices accomplished several of the environmental sustainability goals in the agreement. For example, Metro's purchase of better irrigation controls allowed the operator to use less water to maintain the golf courses. Estimates of how much less water was used varied. Similarly, a switch from gas-powered golf carts to electric carts contributed to an overall decrease in energy consumption. We estimate that reduction to be about 10%. The operator increased the recycling rate as well.

Glendoveer made progress, but has not attained SalmonSafe certification. The certification was a stated goal for the course and referred to in the operating agreement. The certification would provide additional assurance that Glendoveer's management practices minimized negative impacts on fish habitat. It would also be a potential marketing opportunity, since few golf courses in the Northwest appear to have the certification.



In 2009, Metro hired SalmonSafe to evaluate Glendoveer for certification. SalmonSafe reported that certain practices and projects needed to be implemented prior to certification. Progress was made in some of these areas. For instance, the operator developed an Integrated Pest Management Plan aimed, in part, at minimizing pesticide use. To help ensure safe and effective chemical application, the operator also kept detailed information about chemical use and licenses with the Oregon Department of Agriculture.

Despite progress, it was not clear how much work remained to become certified or what the expected timeline was for certification. We were told nearly all SalmonSafe recommendations had been accomplished, but neither Metro nor the operator kept track of the progress. One remaining project was repaving and improving the drainage around the maintenance yard. The operator estimated the cost of the project to be \$65,000.

## Most community goals met, but some issues remain

Most of the community benefits outlined in the operating agreement were achieved. Golf customers were generally satisfied. Glendoveer hosted a national youth cross-country race drawing thousands of participants and spectators. Prices for tennis and golf were in line with comparable facilities. Glendoveer hosted other recreation opportunities such as holiday events and free movie nights in summer.

**Exhibit 7:** National youth cross country event at Glendoveer



*Source: Metro Parks and Nature Department*

A few areas related to community benefits needed additional attention. The operator had a comprehensive way to assess golf quality, but it did not collect information about tennis. A Metro review of Glendoveer in 2014 recommended the secret shopper and customer comment card programs used for golf be expanded to include tennis. The operator told us they tried to collect comment cards, but no customers filled them out. If comment cards were not effective, secret shoppers could be used to gather feedback about the quality of the tennis facility.

Agenda Item No. 4.0

Furniture Store (82<sup>nd</sup> Avenue and Division)  
Redevelopment Update

*Presentations*

Metro Council Meeting  
Thursday, September 1, 2016  
Metro Regional Center, Council Chamber



## METRO COUNCIL

### Presentation Worksheet

**PRESENTATION DATE:** September 15, 2016

**LENGTH:** 20 minutes

**PRESENTATION TITLE:** Furniture Store (82<sup>nd</sup> Avenue and Division) Redevelopment Update

**DEPARTMENT:** Planning and Development

**PRESENTER(S):** Jonathan Williams, Transit Oriented Development Program  
Elissa Gertler, Planning and Development Director

#### PRESENTATION PURPOSE & DESIRED OUTCOMES

Purpose: To update Metro Council on two key milestones in the redevelopment of the Furniture Store property.

Outcome: Metro Council has an up to date understanding of the current status of the Furniture Store property, the anticipated development program, and next steps in the redevelopment process.

#### TOPIC BACKGROUND & FRAMING THE PRESENTATION DISCUSSION

This presentation is intended to update Council on progress in redeveloping the Furniture Store site at 82<sup>nd</sup> Avenue and Division Street in Portland including two recent milestones achieved: 1) Execution of an Exclusive Negotiating Agreement with ROSE Community Development Corporation (“ROSE”); and 2) TOD Steering Committee endorsement of a development concept for ROSE’s application for Low Income Housing Tax Credit financing.

On June 16, the TOD Steering Committee recommended that Metro enter into an Exclusive Negotiating Agreement (“ENA”) with ROSE CDC. The ENA will give ROSE exclusive rights to negotiate a Disposition and Development Agreement with Metro to develop a mixed-use affordable housing project at the Furniture Store site located on the southwest corner of 82<sup>nd</sup> Avenue and Division Street in Portland. The ENA will be effective until September 1, 2018, with an option to extend its duration for an additional 120 days. This term is intended to allow the developer time to secure financing and, specifically, to apply in two consecutive rounds (if needed) for competitive 9% Low Income Housing Tax credits and, if unsuccessful, pursue a less ambitious project utilizing 4% Low Income Housing Tax Credits.

On August 11, the TOD Steering Committee endorsed ROSE CDC’s development program for use in its 2016 application for Low Income Housing Tax Credits. The application will reflect a development program consisting of 48 units (including 47 units at 30% of AMI to 60% of AMI and one unregulated manager’s unit), 15 parking spaces, and approximately 5,070 square feet of ground floor space which will be separately owned by Asian Pacific American Network of Oregon (APANO). APANO, which manages the Jade District Neighborhood Prosperity Initiative, intends to use the space as its new offices while hosting community classes, after school programs, and events. The ground floor space will also be designed to accommodate future retail uses.

While the ENA and tax credit applications represent important milestones in this project, much remains to be done. Once the project receives a commitment for Low Income Housing Tax Credits, the developer will go forward with further design refinement, community outreach, and finalization of the development program. The final design and development program will be memorialized in a Disposition and Development Agreement (“DDA”) which will describe the project’s design, establish the final development program (including unit count, affordability restrictions, parking ratio, and community or retail space), provide for the conveyance of the property from Metro to Rose, and set forth the Metro Transit Oriented Development Program’s financial contribution to the project. The DDA will be subject to approval by the TOD Steering Committee and Metro Council.

#### **QUESTIONS FOR COUNCIL CONSIDERATION**

Does the Council require additional information today?

Prior to staff returning to the Council for Approval of the DDA, does the Council anticipate desiring interim briefings?

#### **PACKET MATERIALS**

- Would legislation be required for Council action ☐Yes ☒No
- If yes, is draft legislation attached? ☐Yes ☐No
- What other materials are you presenting today? PowerPoint presentation

Agenda Item No. 5.1

Consideration of Council Meeting Minutes for September 1,  
2016

*Consent Agenda*

Metro Council Meeting  
Thursday, September 1, 2016  
Metro Regional Center, Council Chamber

Agenda Item No. 6.1

**Ordinance No. 16-1380**, For the Purpose of Annexing to the Metro District Boundary Approximately 19.63 Acres Located at 17300 and 17400 NW Brugger Road in the North Bethany Area of Washington County

*Ordinances (First Read)*

Metro Council Meeting  
Thursday, September 1, 2016  
Metro Regional Center, Council Chamber

BEFORE THE METRO COUNCIL

FOR THE PURPOSE OF ANNEXING TO THE	)	ORDINANCE NO. 16-1380
METRO DISTRICT BOUNDARY	)	
APPROXIMATELY 19.63 ACRES LOCATED AT	)	Introduced by Chief Operating Officer
17300 AND 17400 NW BRUGGER ROAD IN THE	)	Martha J. Bennett with the Concurrence of
NORTH BETHANY AREA OF WASHINGTON	)	Council President Tom Hughes
COUNTY	)	

WHEREAS, CTH Investments has submitted complete applications for annexation of a combined 19.63 acres ("the territory") located at 17300 and 17400 NW Brugger Road in the North Bethany area to the Metro District; and

WHEREAS, the Metro Council added the North Bethany area to the UGB, including the territory, by Ordinance No. 02-987A on December 5, 2002; and

WHEREAS, Title 11 (Planning for New Urban Areas) of the Urban Growth Management Functional Plan requires annexation to the district prior to application of land use regulations intended to allow urbanization of the territory; and

WHEREAS, Metro has received consent to the annexation from the owners of the land in the territory; and

WHEREAS, the proposed annexation complies with Metro Code 3.09.070; and

WHEREAS, the Council held a public hearing on the proposed amendment on September \_\_\_\_, 2016; now, therefore,

THE METRO COUNCIL ORDAINS AS FOLLOWS:

1. The Metro District Boundary Map is hereby amended, as indicated in Exhibit A, attached and incorporated into this ordinance.
2. The proposed annexation meets the criteria in section 3.09.070 of the Metro Code, as demonstrated in the Staff Report dated August 18, 2016, attached and incorporated into this ordinance.

ADOPTED by the Metro Council this \_\_\_\_ day of September 2016.

\_\_\_\_\_  
Tom Hughes, Council President

Attest:





Approved as to form:

\_\_\_\_\_  
Nellie Papsdorf, Recording Secretary

\_\_\_\_\_  
Alison R. Kean, Metro Attorney



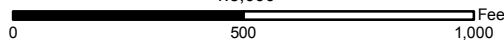
Research Center  
600 NE Grand Ave  
Portland, OR 97232-2736  
(503) 797-1742  
<http://www.oregonmetro.gov/drc>

-  Area to be annexed  
 Taxlots  
 Urban growth boundary  
 Metro District Boundary

## Proposal No. AN-0716 Metro District Boundary



1:5.000



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## STAFF REPORT

IN CONSIDERATION OF ORDINANCE NO. 16-1380, FOR THE PURPOSE OF ANNEXING TO THE METRO BOUNDARY APPROXIMATELY 19.63 ACRES LOCATED AT 17300 AND 17400 NW BRUGGER ROAD IN THE NORTH BETHANY AREA OF WASHINGTON COUNTY

---

Date: August 18, 2016

Prepared by: Tim O'Brien  
Principal Regional Planner

### BACKGROUND

CASE: AN-0716, Annexation to Metro District Boundary

PETITIONERS: CTH Investments  
1800 SW 167<sup>th</sup> Place, Suite 150  
Beaverton, OR 97006

PROPOSAL: CTH Investments proposes to annex two parcels located at 17300 and 17400 NW Brugger Road totaling 19.63 acres to the Metro Jurisdictional Boundary. The applicant is in the process of annexing the subject properties to the necessary service districts in Washington County.

LOCATION: The parcels are located at 17300 and 17400 NW Brugger Road. A map of the proposed annexation area can be found in Attachment 1.

ZONING: The properties are zoned for residential use (R6 NB) by Washington County.

The land was added to the UGB in 2002 and is part of the North Bethany Subarea Plan that was adopted by Washington County. The land must be annexed into the Metro District for urbanization to occur.

### APPLICABLE REVIEW CRITERIA

The criteria for an expedited annexation to the Metro District Boundary are contained in Metro Code Section 3.09.070.

#### *3.09.070 Changes to Metro's Boundary*

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

*1. The affected territory lies within the UGB;*

#### Staff Response:

The subject parcels were brought into the UGB in 2002 through the Metro Council's adoption of Ordinance No. 02-987A.

*2. The territory is subject to measures that prevent urbanization until the territory is annexed to a city or to service districts that will provide necessary urban services; and*

Staff Response:

The conditions of approval for Ordinance No. 02-987A include a requirement that Washington County apply interim protection measures for areas added to the UGB as outlined in Urban Growth Management Functional Plan Title 11: Planning for New Urban Areas. Title 11 requires that new urban areas be annexed into the Metro District Boundary prior to urbanization of the area. Washington County also requires the land to be annexed into the appropriate sanitary sewer, water, park and road service districts prior to urbanization occurring, which the applicant is in the process of completing. These measures ensured that urbanization would occur only after annexation to the necessary service districts is completed.

3. *The proposed change is consistent with any applicable cooperative or urban service agreements adopted pursuant to ORS Chapter 195 and any concept plan.*

Staff Response:

The property proposed for annexation is part of Washington County's North Bethany County Service District, established by the County Board of Commissioners on June 7, 2011. The proposed annexation is consistent with that agreement and is required by Washington County as part of a land use application. The inclusion of the property within the Metro District is consistent with all applicable plans.

## ANALYSIS/INFORMATION

**Known Opposition:** There is no known opposition to this application.

**Legal Antecedents:** Metro Code 3.09.070 allows for annexation to the Metro District boundary.

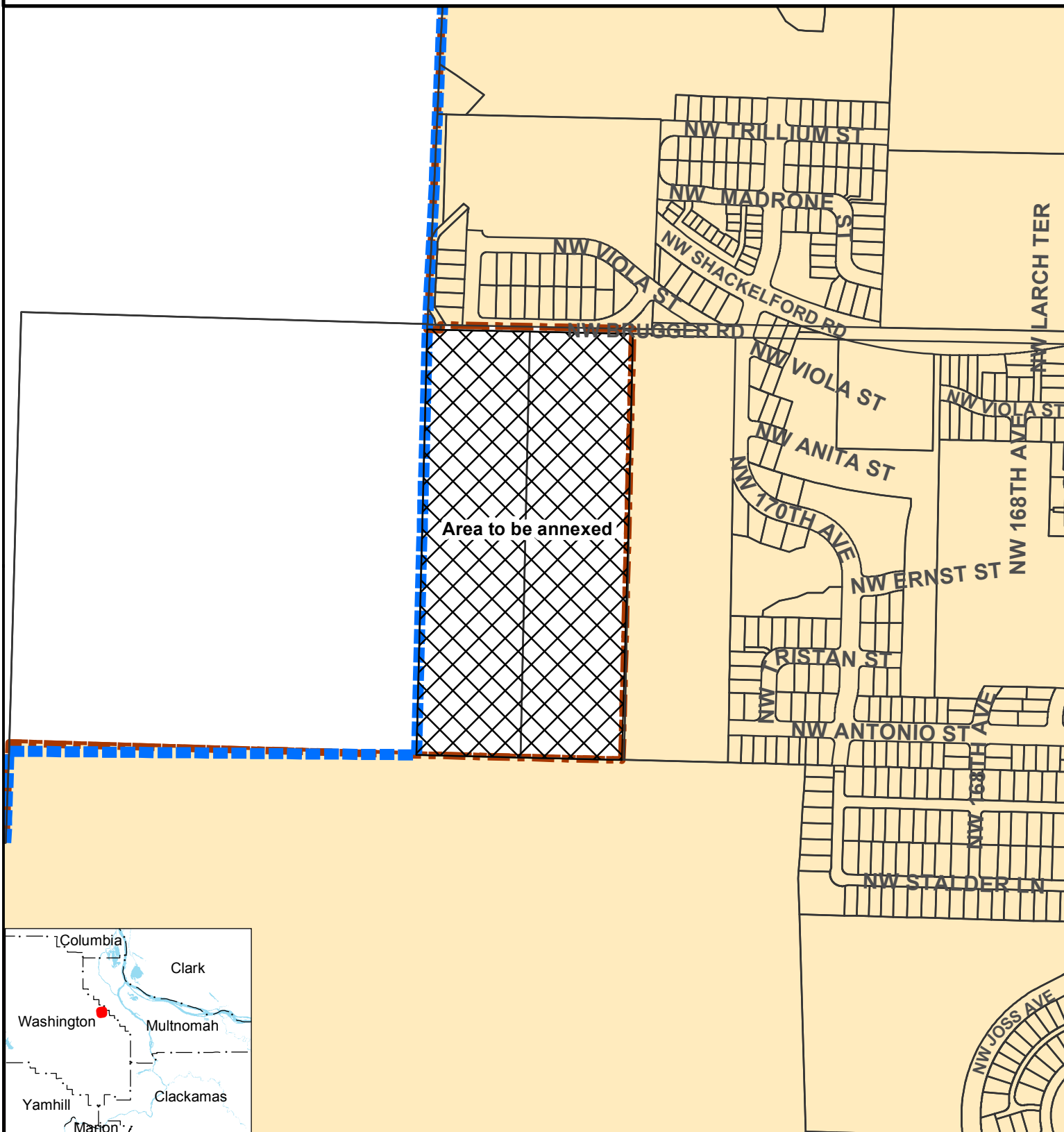
**Anticipated Effects:** This amendment will add approximately 19.63 acres to the Metro District. The land is currently within the UGB in unincorporated Washington County. Approval of this request will allow for the urbanization of the parcels to occur consistent with the North Bethany Subarea Plan.

**Budget Impacts:** The applicants were required to file an application fee to cover all costs of processing this annexation request, thus there is no budget impact.

## RECOMMENDED ACTION

Staff recommends adoption of Ordinance No. 16-1380.





Research Center  
600 NE Grand Ave  
Portland, OR 97232-2736  
(503) 797-1742  
<http://www.oregonmetro.gov/drc>



Area to be annexed



## Taxlots



Urban growth boundary

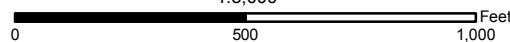


Metro District Boundary

## Proposal No. AN-0716 Metro District Boundary



1:5.000



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Materials following this page were distributed at the meeting.



Metro



# Council Update: Furniture Store Redevelopment Transit Oriented Development Program

September 15, 2016

# Outline for Today

- Why the Furniture Store?
- Current Project Status
- Developer Selection
- Community Outreach
- Preliminary Development Concept
- Next Steps



# Why the Furniture Store Site?

Exceptional opportunity to advance equitable transit oriented development

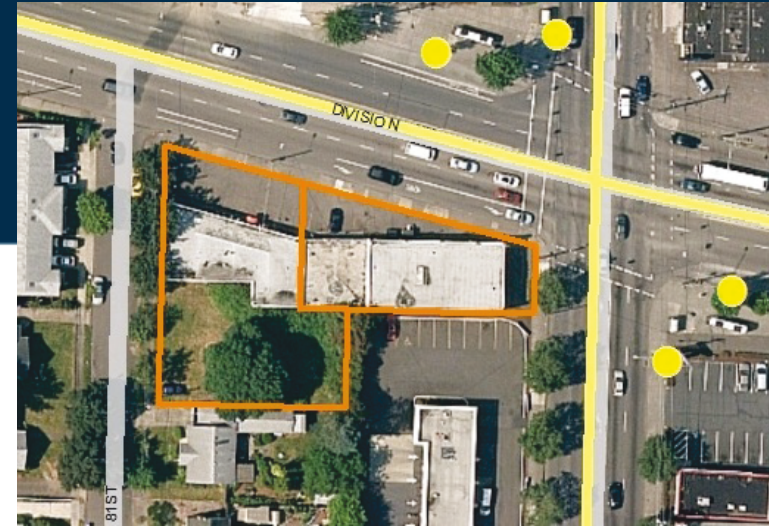
- Diverse neighborhood with rising housing costs
- Future Bus Rapid Transit station location
- Existing #72 and #4 Frequent Service bus lines
- Complementary efforts:
  - Jade District Neighborhood Prosperity Initiative
  - 82<sup>nd</sup> Avenue Improvement Project
  - City of Portland's Powell-Division Action Plan
  - PCC Southeast Campus expansion





# Project Status

- Acquired in December 2014 for \$685,000 for redevelopment as a mixed use building with affordable units
- Currently leased on short term basis to APANO since April 2015
- September 1, 2016, entered into Exclusive Negotiating Agreement with ROSE CDC; provides two-years to secure financing and design project



# Developer Selection

- Advisory Panel formed May 2015:
  - Jade District
  - South Tabor Neighborhood Association
  - Portland Community College
  - Portland Housing Bureau
  - Portland Development Commission
  - TriMet
  - Affordable housing expert
- RFQ issued October 2016
- Recommendation made in January 2016
- Selection endorsed by TOD Steering Committee in June 2016

## **Selection Criteria:**

### **What?**

- *Provide long term affordability*
- *Fully utilize site*
- *Satisfy TOD program criteria (design and financial)*

### **Who?**

- *Team with capacity and experience developing similar projects*
- *Track record of meaningful community engagement*

### **How?**

- *Meaningful community engagement in design*
- *Commitment to MWSBE contracting*
- *Pursuit of neighborhood partnerships*
- *Outreach to local renters*

# Development Team

- ROSE CDC
- Housing Development Center
- SERA Architects
- O'Neil/Walsh Community Builders, LLC





# Community Outreach

- June 2016 community kick off meeting
- July targeted meetings with immediate neighbors and low income renters
- Feedback resulted in:
  - Adding three-bedroom units
  - Stepping down from four to three stories on southwest portion of site
  - Ground floor residential units on 81<sup>st</sup> Ave
  - Reconfigured driveway and three additional parking spaces
- Commitment to future community meetings at 50% and 90% design



# Preliminary Development Concept

- Four-story mixed use building
- 48 affordable residential units at 30% to 60% AMI
- 5,070 of ground floor space to be sold to APANO and used as non-profit office and community space with potential retail.
- Plaza on Division Street



# Alignment with Transit Oriented Development Program Goals

## ☐ Transit Ridership

- ✓ Increased ridership worth approximately \$1.3 million over 30 years

## ☐ Pedestrian environment

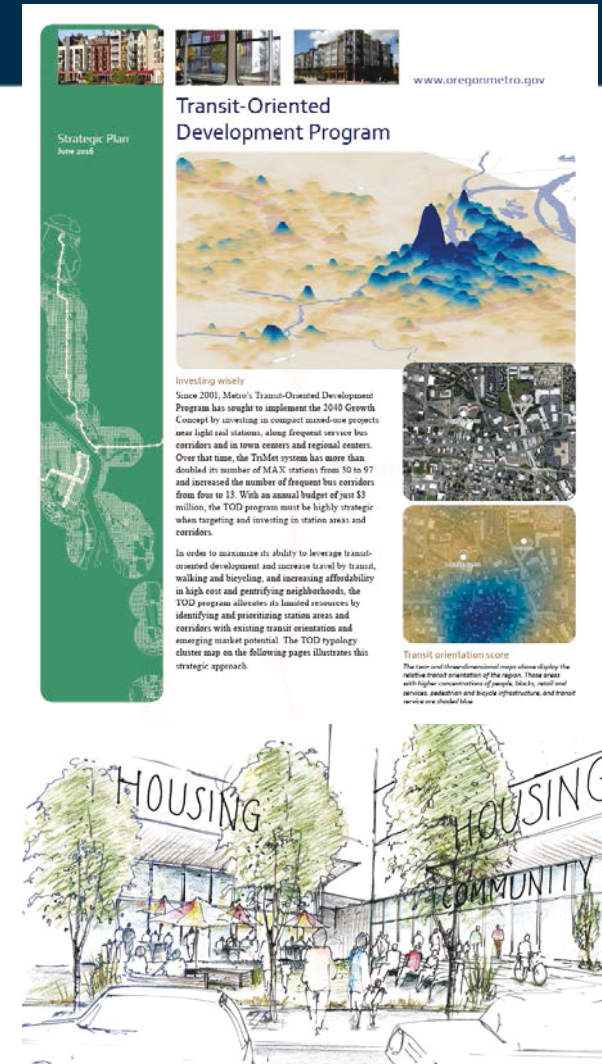
- ✓ Plaza on Division Street
- ✓ Active ground floor uses

## ☐ Equity and diversity

- ✓ Permanent affordability in a diverse and changing neighborhood
- ✓ 20% MWSBE contracting
- ✓ Outreach to existing neighborhood renters at risk of displacement

## ☐ Partnerships

- ✓ Anchor investment by APANO



# Next Steps



We are here:

MILESTONE	DATE
Site Acquisition	December 2014
APANO Lease	April 2015
Developer Selection Advisory Committee	June 2015
Developer Recommendation	January 2016
Community Kickoff Meeting #1	April 2016
Steering Committee ENA approval	June 2016
Steering Committee Concept Endorsement	August 2016
9% Tax Credit Application- First Attempt	September 2016
Award announcement	December 2016*
9% Tax Credit Application- Second Attempt (if needed)	Fall 2017 (if needed)
50% Design Community Meeting and Steering Committee Review	As early as Spring 2017*
90% Design Community Meeting and Steering Committee Review	As early as Fall 2017*
<u>Disposition and Development Agreement – METRO COUNCIL ACTION or 7-Day Notice</u>	As early as Late Fall 2017*
Start of Construction	As early as January 2018*
Opening !	As early as January 2019 *

\*contingent on successful 9% Tax Credit Application

# Discussion

Questions?

- Project
- Process
- Council role and participation

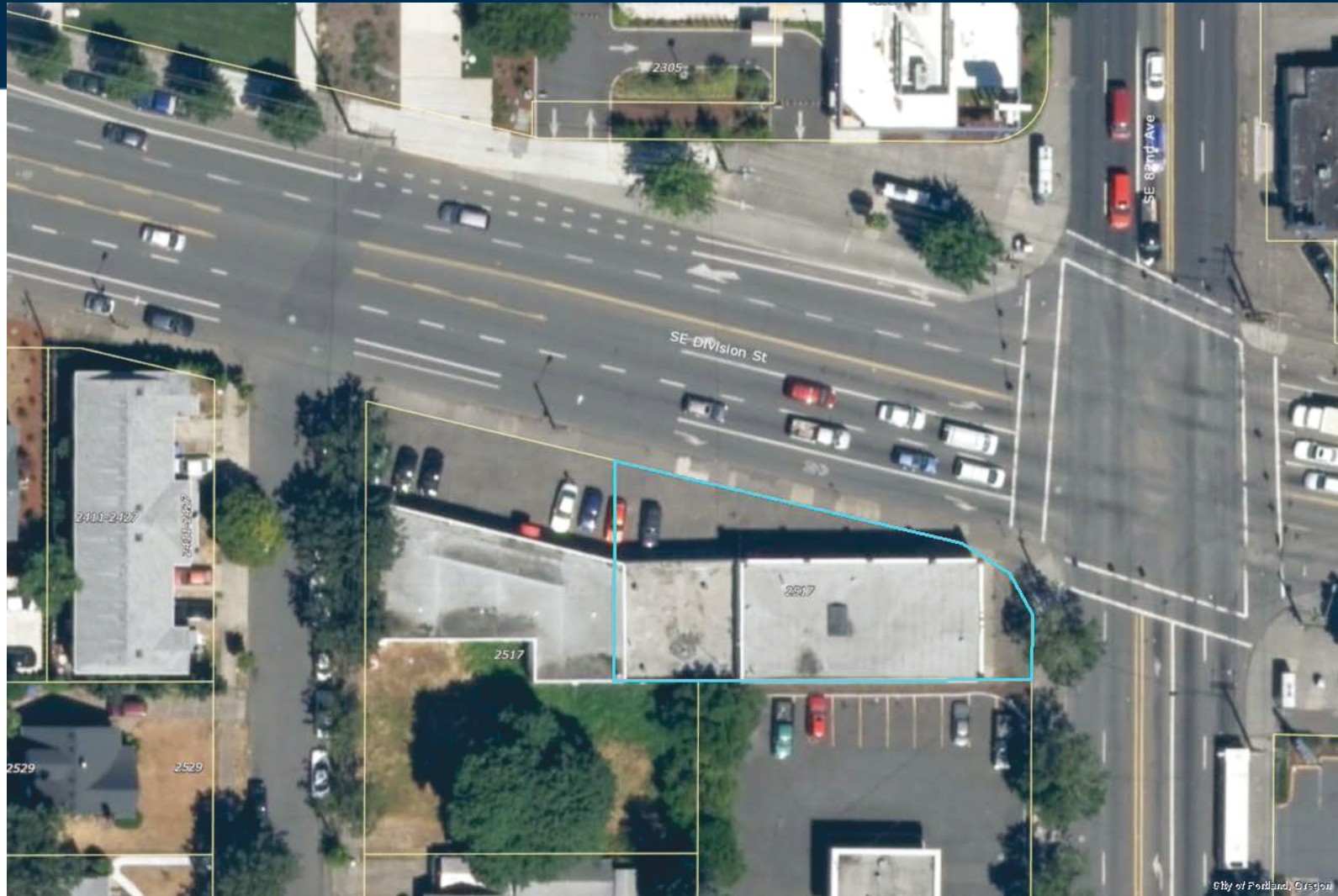


*Thank you!*

**oregonmetro.gov**



# Aerial



# Current Unit Mix Details

## RESIDENTIAL RENTS & INCOME

Unit	Type	Number	Sq ft	Total SF	Net rents	% MFI	Income
Studio	LIHTC	2	507	1,014	573	50%	13,752
1 Bedroom	LIHTC/Section 8	1	564	564	733	60%	8,796
1 Bedroom	LIHTC/HF	3	564	1,693	320	30%	11,520
1 Bedroom	LIHTC	22	564	12,419	596	50%	157,344
1 Bedroom	LIHTC	5	564	2,822	664	55%	39,840
2 Bedroom	LIHTC/Section 8	8	818	6,546	876	60%	84,096
2 Bedroom	LIHTC	3	818	2,455	711	50%	25,596
3 Bedroom	LIHTC/Section 8	3	1,000	3,000	1,006	60%	36,216
2 Bedroom	Manager's	1	821	821	-	0%	-
<b>Total Units</b>		48		31,334		<b>Gross Residential Income</b>	<b>377,160</b>
			Common area	8,984		Other Income	23,112
				40,318		Interest Income	



# Preliminary Financial Structure

## **Preliminary Budget**

LIHTC Equity	\$9,758,274	60.7%
State of Oregon GHAP	\$400,000	2.5%
Weatherization Grant	\$103,834	0.6%
Permanent Loan	\$2,097,881	13.1%
<b>Metro Land Contribution (Purchase price)</b>	<b>\$685,000</b>	<b>4.3%</b>
<b>Metro TOD Easement (Estimate)</b>	<b>\$450,000</b>	<b>2.8%</b>
Portland Housing Bureau	\$390,000	2.4%
Deferred Developer Fee	\$230,000	1.4%
SDC Waivers	\$237,085	1.5%
APANO Purchase of Ground Floor Space	\$1,714,010	10.7%
<b>TOTAL</b>	<b>\$16,066,084</b>	



**METRO COUNCIL MEETING**  
Meeting Minutes  
September 1, 2016  
Metro Regional Center, Council Chamber

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

Councilors Excused: None

**1. CALL TO ORDER AND ROLL CALL**

Council President Tom Hughes called the regular Council meeting to order at 2:03 pm.

**2. CITIZEN COMMUNICATION**

There was none.

**3. CONSENT AGENDA**

Motion:	Councilor Shirley Craddick moved to adopt items on the consent agenda.
Second:	Councilor Kathryn Harrington seconded the motion.

Vote:	Council President Hughes, and Councilors Dirksen, Craddick, Chase, Collette, Harrington, and Stacey voted in support of the motion. The vote was 7 ayes, the motion <u>passed</u> .
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**4. RESOLUTIONS**

**4.1 Resolution No. 16-4728, For the Purpose of Supporting the Designation of the Tualatin River Water Trail as a National Water Trail**

Motion:	Councilor Kathryn Harrington moved to approve Resolution No. 16-4728.
Second:	Councilor Carlotta Collette seconded the motion.

Council President Hughes called on Ms. Kathleen Brennan-Hunter, Metro staff, for a brief presentation. Ms. Brennan-Hunter provided an overview of the Tualatin River Water Trail project and the role it would play in the regions parks and nature sites. She explained that the Tualatin River Water Trail is an outstanding resource for recreation and a keystone in nature-based tourism. She explained that the designation would provide opportunities to promote clean water in natural areas as well as advancements for equity in the region.

Council President Hughes opened the floor for any public testimony on the resolution.

Mr. Mike Skuja, Tualatin: Mr. Skuja expressed support of Resolution No. 16-4728. He explained as an affiliate of Tualatin Riverkeepers that such efforts will highlight Metro's commitment to clean air and water in the region and will promote environmental quality and livability in our region.

***Council discussion:***

Councilors expressed support for the National Water Trail designation and for the level of engagement used to make significant planning designations. Councilor Harrington highlighted her support of the National Water Trail designation for its ability to promote visibility and prestige of a vital natural area in our region. Councilor Dirksen expressed his support of the designation and recounted on the coordinated work between Metro and its stakeholders in its development. Council President Hughes spoke on the importance of such designation and conveyed information about the changing perceptions of the Tualatin River over time.

Vote:

Council President Hughes, and Councilors Dirksen, Craddick, Chase, Collette, Harrington, and Stacey voted in support of the motion. The vote was 7 ayes, the motion <u>passed</u> .
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**5. ORDINANCES (SECOND READ)**

- 4.1 **Ordinance No. 16-1378**, For the Purpose of Annexing to the Metro District Boundary Approximately 27.25 Acres Located in the River Terrace Area of Tigard and 17.27 Acres Located in the North Bethany Area of Washington County

Motion:	Councilor Craig Dirksen moved to approve Ordinance No. 16-1378.
Second:	Councilor Kathryn Harrington seconded the motion.

Council President Hughes stated that the first reading and public hearing for Ordinance No. 16-1378 took place on Thursday, August 11, 2016. He stated that Tim O'Brien, Metro staff, was available for questions by Council.

***Council discussion:***

There was none.

Vote:

Council President Hughes, and Councilors Dirksen, Craddick, Chase, Collette, Harrington, and Stacey voted in support of the motion. The vote was 7 ayes, the motion <u>passed</u> .
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- 4.2 **Ordinance No. 16-1379**, For the Purpose of Annexing to the Metro District Boundary Approximately 29.17 Acres Located at 25505 and 25805 NW Evergreen Road in Hillsboro

Motion:	Councilor Kathryn Harrington moved to approve Ordinance No. 16-1379.
Second:	Councilor Shirley Craddick seconded the motion.

Council President Hughes stated that the first reading and public hearing for Ordinance No. 16-1379 took place on Thursday, August 11, 2016. He stated that Tim O'Brien, Metro staff, was available for questions by Council.

***Council discussion:***

There was none.

Vote:

Council President Hughes, and Councilors Dirksen, Craddick, Chase, Collette, Harrington, and Stacey voted in support of the motion. The vote was 7 ayes, the motion <u>passed</u> .
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**6. CHIEF OPERATING OFFICER COMMUNICATION**

Metro Chief Operating Officer Martha Bennett provided an update on the following events or items: A reminder on Chehalem Ridge Nature Park Community Event where park planners will share information on trail alignment options and access opportunities for the future park, as well as a sneak peek nature walk and tour of Chehalem Ridge led by community partner Centro Cultural in both English and Spanish. Ms. Bennett also mentioned the success of *Produced by Her* premiere which Metro was a major sponsor. Ms. Bennett's final topic was to highlight Metro's RID patrol media coverage on positive efforts to assist residents dealing with issues related to illegal dumping.

**7. COUNCILOR COMMUNICATION**

Councilor Collette provided an update on the Willamette Falls Film Project as well as the Rediscover the Falls inter-governmental agreement (IGA). Councilor Chase spoke about his work with Portland State University, Department of Metropolitan Studies, on issues of homelessness, economic development, advancements of equity as well as inclusionary zoning with the City of Portland. Councilor Dirksen mentioned work done by the Westside Economic Summit and its role in the economy primarily in Washington County. Councilor Harrington spoke positively on Oregon Zoo efforts in streaming videos on animal exhibits for those with barriers to zoo access. Council President Hughes discussed changes in solid waste and Title V code, an invitation to the Durham-Toronto area to view their work on waste-to-energy, and a letter of support to the Oregon Department of Fish & Wildlife (ODFW) on condor recovery.

**8. ADJOURN**

There being no further business, Council President Hughes adjourned the regular meeting at 2:46 p.m. The Metro Council will convene at the next regular council meeting on Thursday, September 15, 2016 at 2 p.m. in the council chamber at the Metro Regional Center.

Respectfully submitted,



Christopher Spencer, Council Policy Assistant

**ATTACHMENTS TO THE PUBLIC RECORD FOR THE MEETING OF SEPTEMBER 1, 2016**

<b>Item</b>	<b>Topic</b>	<b>Doc. Date</b>	<b>Document Description</b>	<b>Doc. Number</b>
3.3	Minutes	09/01/2016	Council Meeting Minutes from August 11, 2016	090116c-01

**Tim O'Brien**

---

**From:** Anand Koppal [krecmech@gmail.com]  
**Sent:** Wednesday, September 14, 2016 1:18 PM  
**To:** Tim O'Brien  
**Cc:** ggankit@gmail.com; naveen.kasam@gmail.com; Russell Johnson; shashank sheni shetti; Suchethan Swaroop; cv suman  
**Subject:** Area Annexation - North Bethany

Tim,

This is with reference to tomorrow council meeting at 2 PM regarding "Area Annexation". I spoke with you last week on the same issue.

**Issues:**

1 - Urban Standards - I don't know the urban standard here in Portland. But our community has more homes and less park or open space for kids. Most of the green space left by builders is mainly due to wet land or power line or area that can't be used for construction. There is just one small play structure from the builder and probably 4-5 kids can play for 100s of homes here.

2 - Tree Views: Sale records of homes sold mention about the tree views/landscape. But with more tress cutting down, there will hardly be any tree or the views. Recently lot of big trees were cut near 170th Ave and Antonio St near Springville School to expand the area. With this new area annexation we will be losing more trees.

All we are asking for new area that will be developed to have some kind of restriction to have open place for the community kids to use. Is this possible?

Let me know what you want from us? I can get this on letter and signed by the homeowners living in this community.

I am also copying some of homeowners on this email.

Please raise these issue in your tomorrow's meeting.

Regards

Anand [AbbeyCreek Community]  
682-597-2278

**Tim O'Brien**

---

**From:** Matt Wellner [Matt@crandallgroup.com]  
**Sent:** Wednesday, September 14, 2016 5:10 PM  
**To:** Tim O'Brien  
**Subject:** Fw: Area Annexation - North Bethany

Hi Tim,

Please share this with the Council, I will be there tomorrow to respond in the event that they have any questions.

Thanks,

Matt

Matt Wellner  
E: [matt@crandallgroup.com](mailto:matt@crandallgroup.com)  
C: 503.970.5699  
[www.crandallgroup.com](http://www.crandallgroup.com)

NOTICE: This communication may contain privileged or other confidential information. If you have received it in error, please advise the sender by reply email and immediately delete the message and any attachments without copying or disclosing the contents. Thank you.

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**From:** Matt Wellner - Crandall Group  
**Sent:** Wednesday, September 14, 2016 5:07 PM  
**To:** [krecmech@gmail.com](mailto:krecmech@gmail.com)

Hello Anand,

Tim O'Brien at Metro forwarded me the message that you had sent to him. It occurred to me that the builder you purchased from may not have given you any background on the North Bethany planning area, where you now live. I have been working in North Bethany for the better part of a decade. There is quite a bit of information that I could share with you if you are interested. For example, there are a number of parks, open spaces and trails planned for the area that have not yet been established. I can fill you in and provide you with maps showing these planned areas. Also, there is a small commercial area, significant road improvements, etc. that will develop over time.

If you would like to meet, that's great. I think that you might find it informative. If you would like to include those that you have copied on your email, I would be happy to meet with them as well.

My contact information is below. I look forward to hearing from you.

Best regards,

Matt

Matt Wellner

E: [matt@crandallgroup.com](mailto:matt@crandallgroup.com)

C: 503.970.5699

[www.crandallgroup.com](http://www.crandallgroup.com)

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**From:** Tim O'Brien

**Sent:** Wednesday, September 14, 2016 4:33 PM

**To:** Matt Wellner - Crandall Group

Matt – per my voicemail

I received the email below from one of the new homeowners in North Bethany who received notification. As you can see his concerns do not address the criteria in the annexation code. However he did request that I raise these issues so I will provide the Council with a copy of the email and address it at the hearing.

Tim

---

**From:** Anand Koppal [<mailto:krecmech@gmail.com>]

**Sent:** Wednesday, September 14, 2016 1:18 PM

**To:** Tim O'Brien

**Cc:** [ggankit@gmail.com](mailto:ggankit@gmail.com); [naveen.kasam@gmail.com](mailto:naveen.kasam@gmail.com); Russell Johnson; shashank sheni shetti; Suchethan Swaroop; cv suman

**Subject:** Area Annexation - North Bethany

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Anand [AbbeyCreek Community]  
682-597-2278