Metro
600 NE Grand Ave.
Portland, OR 97232-2736

Council work session agenda

Tuesday, October 2, 2018	**2:00 PM**	**Metro Regional Center, Room 370 A&B**

2:00 Call to Order and Roll Call

2:05 Chief Operating Officer Communication

Work Session Topics:

2:10 2019 Legislative Agenda 18-5089

Presenter(s): Randy Tucker, Metro

Attachments:
- Work session Worksheet
- Disaster Debris Management Sites
- Producer Responsibility for Household Hazardous Waste
- Industrial Site Readiness
- Levee Ready Columbia
- Qualification-Based Selection
- May 2018 Letter to Governor
- Tax Supervising and Conservation Commission (TSCC) budget cap
- Metro Council 2019 Legislative Principles Draft
- Recapitalization of Brownfields Redevelopment Fund Letter
- 2019 Brownfield Legislation

3:00 Councilor Communication

3:10 Adjourn

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February 2017

2019 State Legislative Agenda

Work Session Topics

Metro Council Work Session
Tuesday, October 2, 2018
Metro Regional Center, Council Chamber

METRO COUNCIL

Work Session Worksheet

PRESENTATION DATE: October 2, 2018 **TIME:** 2:00 PM **LENGTH:** 45 minutes

PRESENTATION TITLE: 2019 State Legislative Agenda

DEPARTMENT: Government Affairs and Policy Development

PRESENTER(s): Randy Tucker, (503) 797-1512, randy.tucker@oregonmetro.gov

WORK SESSION PURPOSE & DESIRED OUTCOMES

- **Purpose:** This work session is the first opportunity to discuss the Metro Council's objectives for the 2018 legislative session. Proposed legislative principles and concepts will be presented; additional concepts will be presented at subsequent work sessions.

- **Outcome:** The Council may wish to discuss specific legislative concepts or principles or direct staff to develop additional concepts.

TOPIC BACKGROUND & FRAMING THE WORK SESSION DISCUSSION

Preparations are under way for the 2019 legislative session, which convenes in January and will run for approximately five months. Among these preparations are meetings of a new Joint Committee on Carbon Reduction, chaired by the House Speaker and the Senate President, to discuss a possible climate "cap and invest" bill. Meanwhile, staff have been preparing to advance a handful of issues on which the Council has previously taken clear positions.

QUESTIONS FOR COUNCIL CONSIDERATION

- Does the Council wish to endorse the concepts to be presented today?
- Are there other topics on which the Council would like to adopt legislative positions?
- Does the Council wish to make changes to the Legislative Principles that guide the actions of staff on issues that may arise during the 2018 session?

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? Legislative issue sheets, principles, coalition letters of support for specific items

METRO
2019 LEGISLATIVE ISSUE IDENTIFICATION

Department: GAPD/PES **Date:** August 20, 2018

Person completing form: Daniel Nibouar **Phone:** x1848

ISSUE: Disaster Debris Management Sites

BACKGROUND: In the aftermath of a large-scale and catastrophic disaster like the expected Cascadia seismic event, the volume of debris will overwhelm the solid waste infrastructure. Debris management sites (DMSs) will be required to temporarily stage and process debris. Identifying potential DMSs prior to a disaster will help to expedite debris removal and disposal.

Many criteria are used to select a DMS, but the greatest need is for large parcels (20 acres or more) that are easily accessible, as level as possible, and located outside of environmentally sensitive areas. Generally, areas inside the urban growth boundary and non-resource lands (rural residential exception areas) do not include parcels or tracts of land large enough to accommodate a DMS. Outside the UGB, the most likely sites for debris management, whether publicly or privately owned, are more likely to be in natural resource zones such as Exclusive Farm Use (EFU), Agriculture / Forest (AG/F) and Timber (TBR).

Land uses in EFU, AG/F and TBR zoning districts are expressly limited by state statute (ORS 215.213 and 215.283) and rule (OAR 660 Division 006). The statutes and rules do not allow debris management sites permanently or on a limited or temporary basis unless a goal exception to the Statewide Planning Goals is approved by the governing body. An exception will typically require a minimum of 5-6 months to process. In addition, an exception would be required for each individual debris management site. Any delay in opening a DMS will delay debris removal efforts and make debris more difficult to process.

Clackamas County is working on a legislative concept to help expedite the permitting and opening of a DMS following a disaster. They are proposing a path that would provide a quasi-supersiting authority which authorizes counties to provide DMSs on lands zoned EFU, AG/F and TBR.

One option for a proposed legislative concept for authorizing debris management sites in natural resource zones is:

1. Amend ORS 215.213 and 215.283 (EFU Statute) and OAR 660 Division 006 (OAR regulating land uses on forest land) to allow Debris Management Sites as an outright permitted use upon declaration of certain emergencies and;
2. Authorize immediate operation of an identified Debris Management Site in a Debris Management Plan upon a declaration of a natural disaster by FEMA, the county, DEQ or the Governor.

This concept was proposed during the April 2018 meeting of the Regional Disaster Preparedness Organization's Policy Committee. Metro had the opportunity to preview the concept before the meeting and made the following recommendation at the meeting.

RECOMMENDATION:
Support a legislative concept to pre-identify potential debris sites provided conditions and safeguards are included in the legislation that do not allow site use for purposes other than for temporary debris management. As proposed, the authority proposed by this legislative concept is fairly sweeping. As we are aware, farm and forestry land in Oregon are highly valued. Any discussion of the legislation should bring a range of interests to the table, including farm and forestry advocacy groups and state agencies responsible for agriculture and forestry to ensure that a reasonable framework can be established and that the legislation has general support once it is introduced.

Assist in the development of the legislation for further consideration by the Policy Committee. Staff also suggests considerations of other conditions:

- Clarify that sites can only be used for debris management in a state- or federally-declared disaster;
- Clarify the temporary and limited nature of the sites; and
- Include concurrence of the local Solid Waste Authority.

LEGISLATIVE HISTORY: None on this particular topic. Adding outright permitted uses to resource lands can be contentious, especially uses that are considered urban. However, the nature of this specific need (response to a catastrophic natural disaster) may mitigate some concerns if proper sideboards are included.

OTHER INTERESTED PARTIES: All counties and cities within the UGB are interested in order to pre-identify adequate numbers and locations of DMSs. Metro's recently approved disaster debris management plan puts Metro in a significant role in the identification and operation of DMSs. Other interested parties include land use interest groups like the Oregon Farm Bureau and 1000 Friends of Oregon.

IMPACT IF PROPOSED ACTION OCCURS: Metro and its jurisdictional partners will have more flexibility in the process for identifying and operating DMSs of adequate size and number. The region will be able to expedite removal of debris from transportation routes and other critical areas into DMSs for storage and processing before final disposal.

METRO
2019 LEGISLATIVE ISSUE IDENTIFICATION

Department: Property & Environmental Services **Date:** August 6, 2018

Person completing form: Jim Quinn, Scott Klag **Phone:** x1665

ISSUE: Producer Responsibility for Household Hazardous Waste

BACKGROUND: Household hazardous waste (HHW) is a term applied to products many of us have sitting in our garages, basements or other storage areas that need special handling and disposal. Examples include flammable products including solvents; home and garden products containing herbicides or pesticides; and highly corrosive or reactive products like oven cleaners and pool chemicals. If these products are not properly managed, they pose risks to children from poisonings, to solid waste workers on collection routes and at disposal facilities from chemical reactions or releases, and to the environment from spills or through other pathways.

State policy (ORS 459.411) finds that "it is in the interest of public health, safety and the environment" to provide safe and environmentally sound alternatives to disposing of such wastes in the solid waste stream or sewage facilities, and that individuals and small businesses should have more opportunities and options for collection of their hazardous wastes.

Across the state, local governments and the State of Oregon have developed and funded collection services to help their residents properly dispose of these wastes. However, resources are limited and not all wastes are being collected. The financial burden on solid waste ratepayers to provide these services is already significant; expanding service levels is not really an option. Some portions of the state have very little collection service.

Since 2015, Metro has been pursuing legislation to establish a statewide producer responsibility program for household hazardous waste (HHW). Between the 2015 and 2017 sessions, Metro undertook a broad-based stakeholder process to discuss and improve this proposal. Under a producer responsibility program, the makers of products share in taking responsibility for their products' leftovers to prevent harm to human health and to protect the environment. This is a market-based approach whereby the life-cycle costs of a product are internalized into its price rather than being forced onto the general public. Producer responsibility programs in Oregon for electronic waste and paint have been very beneficial for Oregon residents.

Metro and many other state and local governments have shown that providing convenient access to HHW services is an essential element of HHW collection. It is easy to buy these products and it should be convenient to properly dispose of them. A producer responsibility program for HHW will make it easier for people to do the right thing.

RECOMMENDATION: Advance legislation requiring producers who sell HHW products into the state to ensure there is a program for their products' end-of-life collection and environmentally sound management. Covered products would include the more hazardous and toxic products that are most appropriately collected at DEQ permitted facilities and HHW collection events of the sort Metro provides. The legislation would not cover products that can be safely collected at retail locations (e.g., household batteries; compact fluorescent lamps; pharmaceuticals; sharps).

The legislation would establish collection convenience and performance standards for the stewardship programs, building on existing facility and collection services already being provided by local governments and the state. Unlike the paint program, there would not be a state "fee assessment" that may be visible on a consumer's receipt; manufacturers' costs under the program would be included like other costs of doing business in the price paid for the product by the consumer.

LEGISLATIVE HISTORY: The 2017 bill (HB 3105) was a revised version of a concept bill first presented to legislators for informational purposes during the 2015 session, and subsequently discussed with stakeholders. The 2017 bill passed out of its policy committee, and was sitting in Ways and Means at session's end. The same thing happened with HB 4126 in 2018, though this time the bill had bipartisan sponsorship and bipartisan support in its policy committee.

Oregon was the first to consider stewardship to cover HHW in the United States. Other states are watching Oregon's proposal with great interest. Multiple programs like this are operating in Canada, including in British Columbia, Manitoba and Ontario.

OTHER INTERESTED PARTIES: Staff who run hazardous waste programs for other local governments in the state testified in support of HB 3105 in 2017 and HB 4126 in 2018. The bill also garnered the support of additional legislators as it moved forward. Rep. Susan McLain has offered to sponsor the bill again in 2019 and additional co-sponsors are expected. We will also re-engage with environmental and public health advocates and agencies to support the bill. While we have made some changes to the bill based on the concerns of a number of manufacturer and trade groups (e.g., American Chemistry Council, Oregonians for Food and Shelter, Consumer Specialty Products Association), they opposed the bill last session and are expected to continue to do so.

IMPACT IF PROPOSED ACTION OCCURS: Existing producer responsibility legislation for the most common product brought to our HHW services – paint – is saving Metro ratepayers over $1 million annually. Staff estimates that up to another $2 million might be saved annually with a producer responsibility program that covers the broader range of other HHW products we receive at our facilities. Other impacts:

- Supports the Metro Council's legislative principles and the Regional Solid Waste Management Plan's promotion of product stewardship to shift responsibility for managing product costs and impacts "upstream" to manufacturers.
- Assists Metro in preserving natural resources and protecting the environment.
- Help finance the cost of managing HHW at Metro facilities.
- Provides an opportunity to promote greater equity in the provision of HHW across the region and state.

METRO
2019 LEGISLATIVE ISSUE IDENTIFICATION

Department: GAPD **Date:** August 3, 2018

Person completing form: Randy Tucker **Phone:** x1512

ISSUE: Industrial Site Readiness

BACKGROUND: In 2011, Metro joined with public and private sector partners to complete a comprehensive review of the market-readiness of the Portland region's inventory of industrial sites of 25 acres or more. The goal of this project was to better understand and identify the challenges to the development of larger industrial sites in our region and the costs of making these sites ready to provide traded-sector jobs.

The study found that our region has many places where high-paying manufacturing and other traded-sector jobs can grow, but these sites often require investment to make them ready for new employers to develop. These investments and actions include regulatory approvals (permitting, mitigation), infrastructure (sewer, water, transportation, fill), site aggregation, brownfield cleanup, and state/local actions (land division, rezoning, annexation).

Another key finding was that the biggest public beneficiary when these lands are brought into productive traded-sector use is the state general fund, through increased personal income tax revenues. This finding suggested that the state has an interest in providing up-front financing for site preparation when landowners and local governments are otherwise unable to address the constraints that prevent the land from being market-ready.

This study became the impetus for the passage in 2013 of Senate Bill 246, which authorized Business Oregon to provide either reimbursement or partially forgivable loans to local project sponsors to support investments that could overcome constraints and make industrial sites market ready. However, funding was not provided to implement SB 246 (beyond rulemaking).

The coalition that supported SB 246 tried again in 2015 to obtain funding and was again unsuccessful. Following that session, we began to meet with coalition partners and Business Oregon to identify barriers and next steps. The result of those meetings was an understanding that certain flaws in SB 246 needed to be rectified before the next funding request. Working with that coalition, we passed SB 333 in 2017 to streamline the eligibility for participation in the program, ease reporting and other requirements on employers without undermining the program's intent, and clean up definitions and needless complexity.

RECOMMENDATION:
Now that the statute has been made more workable, funding is needed for the Oregon Industrial Site Readiness Program to support the partially forgivable loans described above. Business Oregon has requested $5 million for this purpose and the coalition has submitted a

letter of support urging the Governor to include it in her recommended budget. $5 million will not go far but should be enough to provide proof of concept, enabling us to request more in the future.

LEGISLATIVE HISTORY:
See above. There have been many previous efforts over the last decade to address various issues related to the availability and readiness of industrial land; the most recent was SB 766 from 2011, which established a state program for identifying regionally significant industrial areas and streamlining the permitting process for those areas. Other past efforts include legislation promoted unsuccessfully by the City of Gresham (and supported by Metro) to establish a revolving loan fund to provide up-front financing for infrastructure needed to make land ready for development.

OTHER INTERESTED PARTIES:
The original project partners for the 2011 survey of large sites in the region were the Portland Business Alliance, the Port of Portland, the Oregon chapter of NAIOP, and Business Oregon. Other interested parties include business groups like the Oregon Business Council and the Oregon Economic Development Association; local jurisdictions; land use interest groups like 1000 Friends of Oregon; and the usual stakeholders in this arena.

IMPACT IF PROPOSED ACTION OCCURS:
Reduction in the cost and risk to property owners and local jurisdictions of making large industrial sites market ready. Efficient use of industrial land within the urban growth boundary. Creation of traded-sector jobs, which pay better on average than jobs serving the local market. Positive impact on Metro finances via increased property tax revenues. (All of these impacts assume that investments in site readiness lead to successful recruitment of traded-sector firms.)

METRO
2019 LEGISLATIVE ISSUE IDENTIFICATION

Department: COO **Date:** September 15, 2018
Person completing form: Andy Cotugno **Phone:** (503) 334-5286

ISSUE: Levee Ready Columbia

BACKGROUND: There are four separate drainage districts along the Columbia Corridor, stretching from the railroad berm on the west to the Sandy River on the east:

- Peninsula Drainage District #1 (which includes the Expo Center)
- Peninsula Drainage District #2
- Multnomah County Drainage District (which includes Blue Lake Park, Gleason Boat Ramp and Chinook Landing)
- Sandy River Drainage Improvement Company

Each drainage district is an independent entity with its own governing board and authority to collect fees. The Multnomah County Drainage District is the largest and the only one with staff and, as such, it provides services to the other three districts on a contract basis. It is the responsibility of these districts to maintain and improve the system of levees and pumps in place to provide flood protection at times of high water on the Columbia River.

The flood protection system must maintain compliance with the requirements of the Federal Emergency Management Agency (FEMA) in order to maintain certification and accreditation in FEMA's National Flood Insurance Program. As long as the levee system remains accredited, FEMA classifies the area behind the levees as <u>not</u> being in a 100-year floodplain and therefore <u>not</u> required to build to flood standards. With accreditation, FEMA provides low-cost flood insurance to the properties protected by the levees. In addition, the system must maintain compliance with the Corps of Engineers Rehabilitation and Inspection Program which would assist in flood fighting and repairs in the event of a flood. As a result of new safety standards put into place for levees after Hurricane Katrina in 2005 and Superstorm Sandy in 2012, FEMA certification has expired in all four districts, which could lead to FEMA remapping the area as a 100-year floodplain at any time. So far, however, FEMA and USACE have agreed that as long as demonstrable progress is being made to address the deficiencies within the levee system, accreditation will not be revoked.

Levee Ready Columbia is a partnership created to address these deficiencies in the levee system. It is comprised of Metro, the Port of Portland, Multnomah County, the four cities along the Columbia Corridor, the four drainage districts and many interested stakeholders. Through intergovernmental agreements with the funding partners (including Metro), the partners are now completing the planning process, including an engineering assessment of the system, and are in the process of defining needed repairs.

In addition to physical deficiencies, there is a need to address governance and funding. Each district was originally established around 1917 to maintain adequate drainage for local agricultural and industrial interests. Continuing to operate with four independent agencies today is very inefficient. Additionally, a large proportion of the districts' budgets are spent managing stormwater coming from outside the districts. It is highly inequitable to continue to expect property owners in the districts to pay for the management of influent water generated outside of the floodplain.

Furthermore, the fee collection system is administered through the Multnomah County property tax system and is subject to the effects of compression on the level of fees collected. Unlike other taxing districts, the drainage districts have the authority to raise their fees to compensate for the revenue loss due to compression. The effect of this system is significant inequities in the amounts paid by like properties. This inequity grows as fees are increased, causing more properties to be subject to compression and magnifying the amount collected on those not under compression.

To date, aside from occasional assistance from the Corps of Engineers, all costs have been borne by the properties within the four districts. The properties located within the districts represent $16 billion of economic activity providing economic benefit to a much broader area (in fact, statewide). These properties host 48,000 jobs, include a substantial share of the region's vacant industrial lands, and provide access to Portland International Airport (PDX) for cargo and passengers, to services from the many businesses in the corridor, to Oregon's second largest source of drinking water and to many social and environmental resources. A more equitable funding structure is needed that provides for a funding contribution commensurate with the benefit received from areas outside the districts.

While the Levee Ready Columbia planning processes have been under way for several years, the Corps of Engineers recently designated the levee system for a "New Start Feasibility Study" recognizing the national significance of the area protected by the levees. Depending on the conclusions of their analysis, this could lead to federal financial participation for current and future repairs at a level of up to 65%.

As these recommendations are finalized, the partners are pursuing an intergovernmental agreement to take the process through the implementation of the recommended governance and funding structure and the improvements needed to regain accreditation.

RECOMMENDATION:

Support from the Oregon Legislature is needed in 2019 for the following elements:

1. Continue to fund and modify the Levee Assistance Fund within Business Oregon's Infrastructure Finance Authority, which was established in 2015 to help finance levee certification and accreditation projects statewide. Provide for greater allowance of grants rather than loans, thereby making the fund more accessible to applicants.

Currently projects are limited to a single $50,000 grant per biennium with the rest provided for as loans. Under this provision, Levee Ready Columbia has borrowed approximately $3.5 million, but there has been very little borrowing in other parts of the state due to inability to repay the loans[1].

2. Establish a dedicated staff person in a state agency to provide technical assistance and coordination of flood protection statewide. Outside the Portland region, there is very little capacity to address these highly technical issues.

3. Establish a new flood protection district in urban Multnomah County that would:

    a. consolidate the existing four districts,

    b. allow for a shift in fees for operations and maintenance from the current property tax system to a utility fee system (much like existing stormwater fees collected by the cities),

    c. allow for collection of fees from properties outside the current four districts that contribute stormwater inflow that must be managed by the districts, and

    d. allow for voter-approved general obligation bonds in urban Multnomah County to contribute to the cost of repair commensurate with the economic benefit received.

LEGISLATIVE HISTORY: The existing four districts are authorized by statute, necessitating legislative action for a change in structure. In addition, the most significant asset in the area is PDX, which is owned and operated by the Port of Portland, which in turn was established by the Oregon Legislature. Finally, the technical investigation and assessments completed by Levee Ready Columbia have been in part facilitated by the Business Oregon Infrastructure Finance Authority's Levee Assistance Fund, also created by the Legislature.

OTHER INTERESTED PARTIES:

- City of Portland, Bureaus of Environmental Services, Water Bureau, Parks Bureau, Bureau of Transportation, Bureau of Planning and Sustainability
- City of Gresham
- City of Troutdale
- City of Fairview
- Port of Portland
- Multnomah County
- The four drainage districts
- Columbia Corridor Association
- Audubon Society of Portland
- Bridgeton Neighborhood Association

- East Columbia Neighborhood Association
- Jubitz

IMPACT IF PROPOSED ACTION OCCURS: Passage would provide a modern and efficient organization to take over responsibility for the vital task of flood protection and drainage along the Columbia River with the capability and financial capacity to carry out the task.

[1] IFA Loans/Grants awarded to-date:

- PEN1, PEN 2, MCDD, SDIC (LRC: $5.068 m. including $300,000 grants)
- Scappoose Drainage Improvement Company ($280k incl. $50k grant)
- Sauvie Island (through Mult Co.: $382.8k incl. $50k grant)
- Reedsport ($100k incl. $50k grant)
- Harney County ($50k grant)
- Turner ($50k grant)
- Columbia County (100k incl. $50k grant)

METRO
2019 LEGISLATIVE ISSUE IDENTIFICATION

Department: FRS/GAPD **Date:** 3 August 2018

Person completing form: Randy Tucker **Phone:** x1512

ISSUE: Qualification-Based Selection (QBS)

BACKGROUND: Qualification-based selection is a procurement process for the selection of firms providing certain professional services for public projects. Under QBS, the public agency posts a Request for Qualifications (RFQ) or Request for Proposals (RFP) and selects a firm, and only after that does the agency negotiate a price for the service with the selected firm (as well as schedule, budget, etc). If no agreement can be reached, the agency can move to the next qualified firm and begin negotiating again.

Prior to 2012, QBS requirements only applied to state agencies and to local governments who received state funding for projects that exceeded $900,000. Covered services included architectural, engineering and land surveying "and related services." However, the 2011 Legislature extended the QBS requirement to local projects exceeding $100,000 irrespective of whether they included state funding. HB 3316 also added transportation planning and photogrammetric mapping to the list of services for which QBS was required.

The problem with QBS as currently prescribed is that it removes price as a factor that can be considered at the appropriate point of the process when selecting certain types of contractors, thereby undermining the ability of public agencies to get the best value for public dollars. Separating the selection of contractors from discussions of cost can also lead to delays in contracting. While it is important to hire qualified contractors for public projects, and factors other than price are also important in selecting providers of professional services, there are other ways to ensure quality work that use both public time and public dollars more efficiently.

The League of Oregon Cities and the City of Hillsboro have taken the lead on developing legislation that offers an alternative to the current statutory QBS process. Under this proposal, a contracting agency could either use the current process or opt instead for a process whereby it selects a handful of qualified contractors who then submit pricing information. This would allow the public agency to consider price before selecting a contractor rather than after.

RECOMMENDATION: Support legislation providing an alternative approach to the current statutory QBS requirements.

LEGISLATIVE HISTORY: The current requirements were enacted in HB 3316 (2011). Metro joined with a coalition of local governments in the short 2018 session to support HB 4127, which would have created an optional alternative to the current QBS requirements. HB 4127 did not pass but legislators are expected to revisit the issue in 2019; an interim work group is currently hashing out details.

OTHER INTERESTED PARTIES: Local governments broadly support this legislation. The primary opposition is likely to come from the American Council of Engineering Companies (ACEC), which supported the 2011 legislation and opposed HB 4127.

IMPACT IF PROPOSED ACTION OCCURS: Metro would have more flexibility in its process for selecting key contractors on larger projects and would be able to more efficiently deploy public dollars to complete those projects. Because we coordinate a consortium of public agencies who jointly contract for photogrammetry services, this would be especially helpful to Metro.

May 17, 2018

Governor Kate Brown
Oregon State Capitol
900 Court Street, Suite 254
Salem, OR 97301-4047

Dear Governor Brown:

Since 2013, a broad coalition of interests in the public, private and nonprofit sectors has been advocating for legislation and funding to help build a competitive supply of market-ready industrial sites statewide. The availability of such industrial sites is a key asset for areas hoping to expand or attract traded-sector businesses that create family wage jobs and provide critical tax base for public services.

However, many regions of the state lack an adequate supply of such sites. Even when land is zoned, planned and designated for future industrial jobs, significant capital investments (e.g., infrastructure, brownfield cleanup, wetland mitigation and site aggregation) may be required to make it market ready. Many local jurisdictions are unable to afford these investments or are not in a position to incur significant up-front costs by themselves.

The Legislature addressed this problem in 2013 by creating the Oregon Industrial Site Readiness Program. Senate Bill 246 authorized Business Oregon to offer partially forgivable loans or reimbursement of project costs to help public sector sponsors remove constraints to market readiness on regionally significant industrial sites in exchange for job creation commitments. These loans and reimbursements would be funded by a portion of the income taxes generated by new employment made possible by the project. Unfortunately, the program has not been fully implemented, primarily due to a lack of startup funding for the loan program.

It is our understanding that Business Oregon is requesting $5 million to capitalize the Oregon Industrial Site Readiness Program loan fund in the 2019 legislative session. The department has also proposed three narrow statutory changes to increase access to the program in all parts of Oregon, but most notably in rural communities. Taken together, these proposals can help build a competitive supply of market-ready industrial lands needed to drive Oregon's economic growth over the next 20 years.

We urge you to include Business Oregon's funding request for the Oregon Industrial Site Readiness Program in your recommended budget and to support the proposed statutory refinements to the program.

The potential economic benefit from successful traded-sector development (direct and indirect jobs, income and property tax revenues) that remains unrealized due to site constraints is significant. Growth in income tax revenues would make the state's general fund the largest beneficiary from an increase in traded-sector industrial jobs. By helping to reduce barriers to traded-sector industrial development, the Oregon Industrial Site Readiness Program should provide significant return on investment to both the state and local governments.

Thank you very much for your consideration of this request.

Sincerely,

NAIOP Commercial Real Estate Development Association Oregon Chapter

Metro

Port of Portland – Possibility. In every direction.™

EDCO – Move Start Grow

League of Oregon Cities

Clackamas County

Wilsonville Oregon

City of Portland, Oregon 1851

1000 friends of Oregon

Portland Business Alliance – Commerce · Community · Prosperity

Oregon Economic Development Association

soredi – to help business prosper

AOC Association of Oregon Counties

Oregon Public Ports Association

Oregon Business & Industry OBI

PGE

PacifiCorp – Powering Your Greatness

Columbia Pacific Building Trades Council

METRO
2019 LEGISLATIVE ISSUE IDENTIFICATION

Department: GAPD/FRS **Date:** August 3, 2018

Person completing form: Randy Tucker **Phone:** x1512

ISSUE: Tax Supervising and Conservation Commission (TSCC) budget cap

BACKGROUND: The Tax Supervising and Conservation Commission was created almost 100 years ago to monitor the financial affairs of local governments in Multnomah County. TSCC conducts procedural and substantive financial reviews of the budgets of all local governments within its jurisdiction, including Metro.

As of 2009, TSCC's budget was capped at $280,000 plus an annual growth factor of 3%. Since then, TSCC has stayed below the cap but its budget, 92% of which consists of personnel costs, has been rising faster than the 3% allowance, and is likely to hit the cap by 2020. TSCC is included in the Multnomah County personnel services system and costs track with the County's; much of the anticipated increase is driven by accelerating costs of PERS.

The cost of operating TSCC is paid for by the member jurisdictions. Multnomah County pays for half of the costs of operating TSCC ($137,468 in FY17) and provides office space. The other jurisdictions pay the remainder of the costs on a pro-rata basis. Those costs range from $250 annually for small districts to $47,035 in FY17 for the City of Portland. Metro's FY17 TSCC dues were $4,764.

TSCC intends to pursue a statutory change to reset their budget cap to $410,000 and increase the growth factor to 4%. At $410,000, the cap would exceed forecast expenditures by the same amount as it did after the passage of the 2009 legislation. TSCC also plans to seek revenue raising authority that would enable them to provide services for a fee to non-members or new members.

RECOMMENDATION: TSCC provides oversight of Metro's budget process. Staff views the services TSCC provides as cost-effective and responsible. If TSCC did not exist, state law would require Metro to establish a citizen budget committee.

To maintain TSCC's viability over the long term, Metro should support legislation to increase its budget cap and growth factor as described above. Because the question of revenue-raising authority for TSCC does not appear to affect Metro, we should remain neutral on this element of the proposed legislation.

LEGISLATIVE HISTORY: The most recent statutory change to TSCC's budget cap took place in 2009, when HB 2074 established the 3% growth factor.

OTHER INTERESTED PARTIES: Numerous local governments located completely or partly within Multnomah County have a stake in TSCC's continued viability.

IMPACT IF PROPOSED ACTION OCCURS: TSCC continues to provide budget oversight and advice on local budget law. Metro continues to have the option of using TSCC's services instead of appointing a budget committee.

METRO COUNCIL ~~2018~~ 2019 LEGISLATIVE PRINCIPLES[1]

LOCAL AUTHORITY

1. **Pre-emption:** With respect to issues related to solid waste management, land use, transportation planning and other matters of regional concern, Metro's authority should not be pre-empted or eroded.
2. **Funding:** To ensure a prosperous economy, a clean and healthy environment, and a high quality of life for all of their citizens, Metro and the region's counties, cities, and other service providers must have the financial resources to provide sustainable, quality public services. Accordingly, the Legislature should remove existing restrictions on local and regional revenue-raising authority and avoid enacting new limitations or pre-emptions, and all state mandates should be accompanied by funding.

EQUITY

3. **Racial Diversity, Equity and Inclusion:** Metro envisions a region and state where a person's race, ethnicity or zip code does not predict their future prospects and where all residents can enjoy economic opportunity and quality of life. Metro therefore supports legislation that acknowledges past discrimination, addresses current disparities and promotes inclusion in public programs, services, facilities and policies.

LAND USE AND URBAN GROWTH MANAGEMENT:

4. **Local Authority:** The Legislature should take no actions that reduce or compromise Metro's land use and urban growth management authority.
5. **Oregon's Land Use System:** Oregon's land use planning system provides an important foundation for the prosperity, sustainability and livability of our region; this system reflects the values of Oregonians and enjoys strong public support.[2] The Legislature should exercise restraint and care when considering changes to Oregon's land use system.
6. **Successful Communities:** Metro supports legislation that facilitates the achievement of the six desired outcomes for successful communities that have been agreed upon by the region: vibrant, walkable communities; economic competitiveness and prosperity; safe and reliable transportation choices; leadership in minimizing contributions to global warming; clean air, clean water and healthy ecosystems; and equitable distribution of the burdens and benefits of growth and change.[3]
7. **Local Land Use Decisions:** Management of the urban growth boundary is a complex undertaking that involves extensive analysis, public input, and a balancing of many factors. Urban growth management decisions have profound impacts not just on land at the boundary, but on communities within the boundary and on farms and other rural lands outside the boundary. For these reasons, the Legislature should establish the process and policy framework for local land use decisions and should affirm the authority of local governments, including Metro, to make specific decisions on local land use matters.
8. **Efficiency:** Land within the urban growth boundary should be used efficiently before the boundary is expanded.[4]
9. **Need:** The UGB should not be expanded in the absence of demonstrated need.[5]
10. **Affordable Housing:** Metro supports efforts to ensure that housing choices are available to people of all incomes in every community in our region, and to reduce the number of

households that must spend more than 50 percent of their income on housing plus transportation.[6]

11. **Transportation:** Land use and transportation planning should be coordinated so land uses do not undermine the efficiency and reliability of the transportation system and transportation investments do not lead to unintended or inefficient land uses.[7]
12. **Annexation:** Cities are the preferred governing structure for providing public services to urban areas, and Metro supports reforms that will facilitate, or reduce barriers to, orderly annexation and incorporation.
13. **Rules/Statutes:** Administrative rules should not be adopted into statute.
14. **Non-Regulatory Tools:** State efforts at regulatory streamlining should include funding to support development of non-regulatory tools for achieving desired land use outcomes.[8]
15. **Fiscal Responsibility:** Funding to support urban development should be generated at least in part by fees on those who directly benefit from that development.

SOLID WASTE:

16. **Product Stewardship:** Metro supports efforts to minimize the health, safety, environmental, economic and social risks throughout all lifecycle stages of a product and its packaging, and believes that the producer of the product has the greatest ability, and therefore the greatest responsibility, to minimize those adverse impacts.

TRANSPORTATION:

17. **Transportation Governance:** The Legislature should take no actions that reduce or compromise Metro's or JPACT's authority in the areas of transportation policy and funding.
18. **Transportation Funding:** Providing adequate funding for all transportation modes that move people and freight supports economic prosperity, community livability, public health and environmental quality. For these reasons, Metro supports an increase in overall transportation funding, investments in a safe and balanced multimodal transportation system that addresses the needs of all users, and flexibility in the system to provide for local solutions to transportation problems.

PARKS AND NATURAL AREAS:

19. **Parks and Natural Areas:** Our region has invested heavily in protecting water quality and wildlife habitat and providing residents with access to nature and outdoor activity. Parks and natural areas are regional assets that support public health, environmental quality, strong property values and economic prosperity. For these reasons, Metro supports measures to increase local and regional authority to raise revenues to support parks and natural areas and to increase the level of state funding distributed to local governments for acquisition, capital improvements, and park operations.

SUSTAINABILITY:

20. **Climate Change:** Metro supports efforts to combat and adapt to climate change and to meet the state's goals for reducing greenhouse gas emissions. Metro and its regional partners are committed to the Climate Smart Strategy, which includes actions needed to achieve state targets for reducing greenhouse gas emissions from transportation. The state should provide financial support for implementation of the Climate Smart Strategy.

21. Species Conservation: Metro supports efforts to protect and restore wildlife habitat, to recover threatened and endangered species, and to create a better future for wildlife, both in Oregon and globally.

22. Conservation Education: Metro supports efforts to provide stable and reliable funding to conservation education.

ECONOMIC PROSPERITY:

23. Infrastructure Finance: Metro supports measures, including funding or revenue measures, which facilitate state, regional or local investments in the public structures needed to accommodate population and economic growth in a way that helps the region achieve its six desired outcomes for successful communities.

24. Metro Venues: Because the Oregon Convention Center, Expo Center, Portland'5 Centers for the Arts and Oregon Zoo are assets that contribute millions of dollars to the state and regional economies, Metro supports legislative measures that facilitate the success of these venues in attracting visitors and enhancing the quality of their experiences.

AGENCY OPERATIONS:

25. Firearms and Public Facilities: Metro supports legislation that increases Metro's authority to regulate the carrying of firearms on Metro properties and public venues, and opposes legislation that limits or reduces that authority.

26. Disaster Preparedness: Metro supports legislative efforts to improve community disaster preparedness and resilience, with the goal of enabling the Portland region to provide for the immediate needs of its residents and businesses after a catastrophic event and facilitating the region's short- and long-term recovery.

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[1] Unless otherwise noted, endnotes refer to applicable policy statements in Metro's Regional Framework Plan (RFP).

[2] See http://oregonvaluesproject.org/findings/top-findings/ (specifically item 5, Natural Resource Protections for Future Generations)

[3] RFP Chapter 1 (Land Use).

[4] RFP Policy 1.1 (Compact Urban Form).

[5] RFP Policy 1.9 (Urban Growth Boundary).

[6] RFP Policy 1.3 (Housing Choices and Opportunities).

[7] RFP Policy 1.3.13 (Housing Choices and Opportunities); Transportation Goal 1 (Foster Vibrant Communities and Efficient Urban Form).

[8] RFP Policy 1.1 (Compact Urban Form); Policy 1.2 (Centers, Corridors, Station Communities and Main Streets).

September 7, 2018

Governor Kate Brown
Oregon State Capitol
Salem, Oregon

[Via electronic mail]

Re: Recapitalization of Brownfields Redevelopment Fund

Dear Governor Brown:

Thousands of properties around Oregon are vacant or underutilized because of known or perceived environmental contamination. More than half of these so-called brownfields are located in economically distressed communities. These properties, which can be found in virtually every city and county in the state, are failing to contribute to Oregon's economic recovery and are undermining the livability of communities statewide.

Studies conducted by local governments across Oregon – including in the Rogue Valley, Ontario, Lincoln City, The Dalles, Tigard and Portland – have identified the local potential for cleanup and redevelopment of these vacant, blighted, and/or underutilized sites. A 2014 ECONorthwest analysis found that each dollar the state invests in brownfield redevelopment programs leverages an additional $116 toward redevelopment.

In 2014, a new statewide coalition came together to address this opportunity by supporting both existing and new policy and funding tools that can facilitate brownfield cleanup and redevelopment. Beginning in the 2015 legislative session, the Oregon Brownfield Coalition has been instrumental in the passage of legislation and funding to support this goal.

One existing tool that plays a key role in brownfield cleanup is the state's Brownfields Redevelopment Fund (BRF), administered by Business Oregon. The BRF, which provides both grants and loans to address contaminated sites statewide, has supported brownfield redevelopment projects in communities located in 33 Oregon counties. It was last recapitalized with $7 million from lottery bonds authorized by the 2015 Legislature with the support of the Oregon Brownfield Coalition.

Due to increasing demand for brownfields financing assistance, Business Oregon anticipates that the BRF will need to be recapitalized again by the end of the 2019-2021 biennium. We understand that the agency has submitted a request for $10 million in lottery bond proceeds to recapitalize this Fund. The undersigned organizations support this request and ask that you include $10 million for the recapitalization of the Brownfields Redevelopment Fund in your recommended 2019-2021 budget.

Thank you very much for your consideration of this request.

Sincerely,

METRO
2019 LEGISLATIVE ISSUE IDENTIFICATION

Department: GAPD **Date:** August 3, 2018

Person completing form: Randy Tucker **Phone:** **x**1512

ISSUE: 2019 Brownfield legislation

BACKGROUND: Thousands of properties around Oregon are vacant or underutilized because of known or perceived environmental contamination. These brownfield properties can be found in virtually every city and county but are disproportionately located in the Portland region. They constitute unrealized assets with the potential to help communities meet multiple goals relating to livability, economic development, environmental protection, equity, and efficient use of land and existing infrastructure. At the local level, these vacant and underutilized properties undermine neighborhood livability and can threaten human health and environmental quality. Redeveloping these sites enables local governments to generate greater tax revenues due to the increased value of the redeveloped and neighboring properties.

In 2014, Metro led the creation of the Brownfields Coalition, a group that has grown to include over 50 public, private and community organizations seeking solutions to the problems associated with brownfields. The coalition adopted a four-part legislative agenda for 2015 that included recapitalization of the state's Brownfield Redevelopment Fund (BRF), the establishment of a state brownfields tax credit, and legislation authorizing the creation of local brownfield land banks and local property tax incentives for brownfield cleanup and redevelopment. By the end of the 2016 session, the Legislature had enacted all of the Coalition's initial objectives except for the brownfields tax credit.

Even though earlier modeling suggested that a brownfields tax credit would have a very positive return on investment for the state, coalition members were aware from the start that enacting a tax credit was a big political lift, given that it requires state resources and given the difficult environment for tax credits in general. We introduced a brownfields tax credit bill (HB 2289) in 2015 and were able to air the issues, but focused most of our efforts that year on the other agenda items that were easier to pass. Then one of our legislative champions asked the Legislative Revenue Office to study a brownfields tax credit during the interim after the 2016 session. That work provided useful background for our subsequent efforts.

The Brownfields Coalition's legislative committee has been working to refine the bill we introduced in 2015 and expects to make a more concerted and sustained effort to pass it in 2019. We are also contracting for an updated, statewide return on investment study since the data we have is several years old and focused on the greater Portland region. This and other ongoing work will help make the case for this legislation.

In addition, Business Oregon is requesting that the BRF be recapitalized once again in 2019 since demand and cleanup costs have both increased. Members of the Oregon Brownfields Coalition are submitting a letter of support urging the Governor to include this request in her recommended budget and plan to support the request in the Legislature as well.

RECOMMENDATION: Support the creation of a state tax credit for brownfield cleanup and redevelopment. Support recapitalization of the state's Brownfield Redevelopment Fund.

LEGISLATIVE HISTORY: As noted above, the Brownfields Coalition has been working to advance legislation on these topics since 2015.

OTHER INTERESTED PARTIES: Members of the Brownfields Coalition, who include business organizations, local governments, and environmental and community groups. Because a tax credit reduces state income tax revenues, we may encounter concerns from groups that watchdog the state budget and from advocates for other tax credits that compete for the same scarce resource.

IMPACT IF PROPOSED ACTION OCCURS: A brownfields tax credit would provide incentives for the cleanup and redevelopment of brownfield properties, which in turn will lead to job creation and increased tax revenues at the local and state levels, in addition to the environmental and social benefits of eliminating contamination. In the Portland metropolitan region, brownfield cleanup can result in more land with existing infrastructure being available for productive urban uses within the existing urban growth boundary. Reports produced for Metro and Portland have shown that a brownfields tax credit is likely to generate positive financial return on public investment within a short time frame (1-5 years). (As noted above, an updated, geographically broader analysis is under way.)