



600 NE Grand Ave.  
Portland, OR 97232-2736

## Council work session agenda

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Tuesday, January 28, 2020

2:00 PM

Metro Regional Center, Council Chamber

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Revised 01/23

**2:00 Call to Order and Roll Call**

**2:05 Safety Briefing**

**Work Session Topics:**

2:10 Committee on Racial Equity Committee Next Steps [18-5336](#)

Presenter(s): Raahi Reddy, Metro

Attachments: [Draft Ordinance No. 20-XXXX](#)  
[Draft Exhibit A to Ordinance No. 20-XXXX](#)  
[Work Session Worksheet](#)

2:25 FY 2021 Budget Discussion: Parks and Nature [18-5349](#)

Presenter(s): Jon Blasher, Metro

Attachments: [Work Session Worksheet](#)

2:55 Regional Investment Strategy: Transportation Investment Measure [18-5337](#)

Presenter(s): Andy Shaw, Metro

Attachments: [Work Session Worksheet](#)

**3:55 Chief Operating Officer Communication**

**4:00 Councilor Communication**

**4:05 Adjourn**

# Metro respects civil rights

Metro fully complies with Title VI of the Civil Rights Act of 1964 and related statutes that ban discrimination. If any person believes they have been discriminated against regarding the receipt of benefits or services because of race, color, national origin, sex, age or disability, they have the right to file a complaint with Metro. For information on Metro’s civil rights program, or to obtain a discrimination complaint form, visit [www.oregonmetro.gov/civilrights](http://www.oregonmetro.gov/civilrights) or call 503-797-1536. Metro provides services or accommodations upon request to persons with disabilities and people who need an interpreter at public meetings. If you need a sign language interpreter, communication aid or language assistance, call 503-797-1700 or TDD/TTY 503-797-1804 (8 a.m. to 5 p.m. weekdays) 5 business days before the meeting. All Metro meetings are wheelchair accessible. For up-to-date public transportation information, visit TriMet’s website at [www.trimet.org](http://www.trimet.org).

### Thông báo về sự Metro không kỳ thị của

Metro tôn trọng dân quyền. Muốn biết thêm thông tin về chương trình dân quyền của Metro, hoặc muốn lấy đơn khiếu nại về sự kỳ thị, xin xem trong [www.oregonmetro.gov/civilrights](http://www.oregonmetro.gov/civilrights). Nếu quý vị cần thông dịch viên ra dấu bằng tay, trợ giúp về tiếp xúc hay ngôn ngữ, xin gọi số 503-797-1700 (từ 8 giờ sáng đến 5 giờ chiều vào những ngày thường) trước buổi họp 5 ngày làm việc.

### Повідомлення Metro про заборону дискримінації

Metro з повагою ставиться до громадянських прав. Для отримання інформації про програму Metro із захисту громадянських прав або форми скарги про дискримінацію відвідайте сайт [www.oregonmetro.gov/civilrights](http://www.oregonmetro.gov/civilrights). або Якщо вам потрібен перекладач на зборах, для задоволення вашого запиту зателефонуйте за номером 503-797-1700 з 8.00 до 17.00 у робочі дні за п'ять робочих днів до зборів.

### Metro 的不歧視公告

尊重民權。欲瞭解Metro民權計畫的詳情，或獲取歧視投訴表，請瀏覽網站 [www.oregonmetro.gov/civilrights](http://www.oregonmetro.gov/civilrights)。如果您需要口譯方可參加公共會議，請在會議召開前5個營業日撥打503-797-1700（工作日上午8點至下午5點），以便我們滿足您的要求。

### Ogeysiiska takooris la'aanta ee Metro

Metro waxay ixtiraamtaa xuquuqda madaniga. Si aad u heshid macluumaad ku saabsan barnaamijka xuquuqda madaniga ee Metro, ama aad u heshid warqadda ka cabashada takoorista, booqo [www.oregonmetro.gov/civilrights](http://www.oregonmetro.gov/civilrights). Haddii aad u baahin tahay turjubaan si aad uga qaybqaadatid kullanka dadweynaha, wac 503-797-1700 (8 gallinka hore illaa 5 gallinka dambe maalmaha shaqada) shan maalmo shaqo ka hor kullanka si loo tixgaliyo codsashadaada.

### Metro의 차별 금지 관련 통지서

Metro의 시민권 프로그램에 대한 정보 또는 차별 항의서 양식을 얻으려면, 또는 차별에 대한 불만을 신고 할 수 [www.oregonmetro.gov/civilrights](http://www.oregonmetro.gov/civilrights). 당신의 언어 지원이 필요한 경우, 회의에 앞서 5 영업일 (오후 5시 주중에 오전 8시) 503-797-1700를 호출합니다.

### Metroの差別禁止通知

Metroでは公民権を尊重しています。Metroの公民権プログラムに関する情報について、または差別苦情フォームを入手するには、[www.oregonmetro.gov/civilrights](http://www.oregonmetro.gov/civilrights)。までお電話ください。公開会議で言語通訳を必要とされる方は、Metroがご要請に対応できるよう、公開会議の5営業日前までに503-797-1700（平日午前8時～午後5時）までお電話ください。

### សេចក្តីជូនដំណឹងអំពីការមិនរើសអើងរបស់ Metro

ការគោរពសិទ្ធិពលរដ្ឋរបស់ ។ សំរាប់ព័ត៌មានអំពីកម្មវិធីសិទ្ធិពលរដ្ឋរបស់ Metro ឬស៊ើម្បីទទួលបានកម្មប្រព័ន្ធរើសអើងសូមចុះលេខស្សនាគោលដៅ [www.oregonmetro.gov/civilrights](http://www.oregonmetro.gov/civilrights)។ បើលោកអ្នកត្រូវការអ្នកបកប្រែភាសានៅពេលអង្គប្រជុំសាធារណៈ សូមទូរស័ព្ទលេខ 503-797-1700 (ម៉ោង 8 ព្រឹកដល់ម៉ោង 5 ល្ងាច ថ្ងៃធ្វើការ) ប្រាំពីរថ្ងៃ ថ្ងៃធ្វើការ មុនថ្ងៃប្រជុំស៊ើម្បីអាចឲ្យគេសម្រួលតាមសំណើរបស់លោកអ្នក ។

### إشعار بعدم التمييز من Metro

تحتزم Metro الحقوق المدنية. للمزيد من المعلومات حول برنامج Metro للحقوق المدنية أو لإيداع شكوى ضد التمييز، يُرجى زيارة الموقع الإلكتروني [www.oregonmetro.gov/civilrights](http://www.oregonmetro.gov/civilrights). إن كنت بحاجة إلى مساعدة في اللغة، يجب عليك الاتصال مقدماً برقم الهاتف 503-797-1700 (من الساعة 8 صباحاً حتى الساعة 5 مساءً، أيام الاثنين إلى الجمعة) قبل خمسة (5) أيام عمل من موعد الاجتماع.

### Paunawa ng Metro sa kawalan ng diskriminasyon

Iginagalang ng Metro ang mga karapatang sibil. Para sa impormasyon tungkol sa programa ng Metro sa mga karapatang sibil, o upang makakuha ng porma ng reklamo sa diskriminasyon, bisitahin ang [www.oregonmetro.gov/civilrights](http://www.oregonmetro.gov/civilrights). Kung kailangan ninyo ng interpreter ng wika sa isang pampublikong pulong, tumawag sa 503-797-1700 (8 a.m. hanggang 5 p.m. Lunes hanggang Biyernes) lima araw ng trabaho bago ang pulong upang mapagbigyan ang inyong kahilingan.

### Notificación de no discriminación de Metro

Metro respeta los derechos civiles. Para obtener información sobre el programa de derechos civiles de Metro o para obtener un formulario de reclamo por discriminación, ingrese a [www.oregonmetro.gov/civilrights](http://www.oregonmetro.gov/civilrights). Si necesita asistencia con el idioma, llame al 503-797-1700 (de 8:00 a. m. a 5:00 p. m. los días de semana) 5 días laborales antes de la asamblea.

### Уведомление о недопущении дискриминации от Metro

Metro уважает гражданские права. Узнать о программе Metro по соблюдению гражданских прав и получить форму жалобы о дискриминации можно на веб-сайте [www.oregonmetro.gov/civilrights](http://www.oregonmetro.gov/civilrights). Если вам нужен переводчик на общественном собрании, оставьте свой запрос, позвонив по номеру 503-797-1700 в рабочие дни с 8:00 до 17:00 и за пять рабочих дней до даты собрания.

### Avizul Metro privind nediscriminarea

Metro respectă drepturile civile. Pentru informații cu privire la programul Metro pentru drepturi civile sau pentru a obține un formular de reclamație împotriva discriminării, vizitați [www.oregonmetro.gov/civilrights](http://www.oregonmetro.gov/civilrights). Dacă aveți nevoie de un interpret de limbă la o ședință publică, sunați la 503-797-1700 (între orele 8 și 5, în timpul zilelor lucrătoare) cu cinci zile lucrătoare înainte de ședință, pentru a putea să vă răspunde în mod favorabil la cerere.

### Metro txoj kev ntxub ntxaug daim ntawv ceeb toom

Metro tributes cai. Rau cov lus qhia txog Metro txoj cai kev pab, los yog kom sau ib daim ntawv tsis txaus siab, mus saib [www.oregonmetro.gov/civilrights](http://www.oregonmetro.gov/civilrights). Yog hais tias koj xav tau lus kev pab, hu rau 503-797-1700 (8 teev sawv ntxov txog 5 teev tsaus ntuj weekdays) 5 hnub ua hauj lwm ua ntej ntwam lub rooj sib tham.

**Committee on Racial Equity Committee Next Steps**

*Work Session Topics*

Metro Council Work Session  
Tuesday, January 28, 2020  
Metro Regional Center, Council Chamber

BEFORE THE METRO COUNCIL

FOR THE PURPOSE OF AMENDING METRO ) ORDINANCE NO. 20-XXXX  
CODE CHAPTER 2.19, METRO ADVISORY )  
COMMITTEES, TO ESTABLISH THE ) Introduced by Acting Chief Operating Officer  
COMMITTEE ON RACIAL EQUITY ) Andrew Scott in concurrence with Council  
President Lynn Peterson

WHEREAS, the Metro Council adopted equity as one of the region’s desired outcomes in 2010 and acts pursuant to its constitutional, statutory, and charter authority in implementing a framework that incorporates equity into all Metro decisions; and

WHEREAS, in Resolution No. 16-4708, the Metro Council adopted the Strategic Plan to Advance Racial Equity, Diversity and Inclusion, which serves to improve equity outcomes for communities of color in the greater Portland region by incorporating equity into Metro’s policy, decision-making and programs; and

WHEREAS, in Resolution No. 17-4775, the Metro Council created the Committee on Racial Equity (CORE) to provide the Metro Council and staff guidance on the implementation of the Strategic Plan to Advance Racial Equity, Diversity, and Inclusion through committee and community oversight on legislative and administrative actions related to plan implementation; and

WHEREAS, Metro Code Section 2.19.060 requires that Advisory Committees that continue for more than three years be codified by a duly adopted ordinance and the Metro Council desires that the CORE continue in its role providing guidance to the Metro Council and Metro staff on the implementation of the Strategic Plan to Advance Racial Equity, Diversity and Inclusion: now therefore,

THE METRO COUNCIL ORDAINS AS FOLLOWS:

- 1. The Metro Code is hereby amended to add Section 2.19.270 “Committee on Racial Equity” in the form attached to this Ordinance as Exhibit A.
- 2. The provisions of this ordinance will be effective ninety (90) days after the date below.

ADOPTED by the Metro Council this \_\_\_\_ day of \_\_\_\_\_ 2020.

\_\_\_\_\_  
Lynn Peterson, Council President

Attest:

Approved as to Form:

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

\_\_\_\_\_  
Carrie MacLaren, Metro Attorney

**CHAPTER 2.19**  
**METRO ADVISORY COMMITTEES**

- 2.19.010 Purpose and Intent
- 2.19.020 Definitions
- 2.19.030 Membership of the Advisory Committees
- 2.19.040 Advisory Committee Purpose and Authority
- 2.19.050 Advisory Committee Bylaws
- 2.19.060 Task Forces
- 2.19.070 Status of All Advisory Committees
- 2.19.080 Metro Policy Advisory Committee (MPAC)
- 2.19.090 Joint Policy Advisory Committee on Transportation (JPACT)
- 2.19.100 Public Engagement Review Committee (PERC)
- 2.19.110 Metro 401K Employee Salary Savings Plan Advisory Committee (401K ESSPAC)
- 2.19.120 Metro Central Station Community Enhancement Committee (MCSCE)
- 2.19.130 Metro Solid Waste Alternatives Advisory Committee (SWAAC)
- 2.19.140 North Portland Rehabilitation and Enhancement Committee (NPREC)
- 2.19.150 Investment Advisory Board (IAB)
- 2.19.180 Transportation Policy Alternatives Committee (TPAC)
- 2.19.190 Water Resources Policy Advisory Committee (WRPAC)
- 2.19.200 Tax Study Committee
- 2.19.210 Recycling Business Assistance Advisory Committee (RBAAC)
- 2.19.220 Natural Areas Program Performance Oversight Committee
- 2.19.240 Oregon Zoo Bond Citizens' Oversight Committee
- 2.19.250 Audit Committee (eff. 05/12/10)
- 2.19.260 Affordable Housing Bond Community Oversight Committee (eff. 01/31/19)
- 2.19.270 Committee on Racial Equity (CORE)**

**Repealed**

- 02.19.160 Greenspaces Policy Advisory Committee (GPAC)  
[Repealed Ord. 07-1157, Sec. 2]
- 02.19.170 Rate Review Committee (RRC)  
[Repealed Ord. 09-1223, Sec. 2]
- 02.19.230 Nature in Neighborhoods Capital Grants Review Committee  
[Repealed Ord. 17-1399]

### **2.19.010 Purpose and Intent**

It is the purpose of this chapter to set forth general terms, conditions, functions and responsibility for all advisory committees (Advisory Committees) that have been created by action of the Metro Council or are required pursuant to applicable provisions of the 1992 Metro Charter or Oregon or federal law. In general, this chapter applies to all Advisory Committees of Metro that are public bodies subject to Oregon's Public Meetings (ORS 192.610 et. seq.), whether or not the specific Advisory Committee is mentioned herein. It is not the intent to govern or adopt requirements for committees that are appointed by or report solely to individual Metro officers and which are therefore not subject to Oregon Public Meeting Law. In addition, this chapter does not apply to committees created by the Metro Council that consist solely of members of the Council or to any Metro Commission which exercises administrative functions. It is also not the intent of this chapter to amend any existing agreement with other governmental bodies, which have provisions for the creation and utilization of jointly appointed Advisory Committees. [Ord. 00-860A, Sec. 1; Ord. 02-955A, Sec. 1.]

### **2.19.020 Definitions**

For the purposes of this chapter, unless the context requires otherwise, the following terms shall have the meanings indicated:

**Advisory Committee.** Any committee, task force or group, created by an official action of the Metro Council or Charter, including but not limited to, any public body or advisory group described in this chapter.

**Appointment.** The formal selection of a person to serve as a member of an Advisory Committee.

**Appointment authority.** The Council President or other entity specifically authorized to appoint an Advisory Committee member.

**Confirmation.** The process by which the Metro Council approves the appointment of a member of an Advisory Committee.

**CORE. Committee on Racial Equity**

**JPACT.** Joint Policy Advisory Committee on Transportation.

**PERC.** Public Engagement Review Committee.

**MCSCE.** Metro Central Station Community Enhancement Committee.

**MPAC.** Metro Policy Advisory Committee.

**Nomination.** The formal submission to an appointing authority of a candidate for appointment to an Advisory Committee.

**NPREC.** North Portland Rehabilitation and Enhancement Committee.

**RBAAC.** Recycling Business Assistance Advisory Committee.

**SWAAC.** Solid Waste Alternatives Advisory Committee.

**Task Force.** Any public body created by resolution or any official action of the Metro Council, which is not specifically defined in this chapter or any provision of the Metro Code.

**Tax Study Committee.** Before considering the imposition of any new tax or taxes, which do not require prior voter approval under the Metro Charter, the Tax Study Committee shall consult with and advise the Metro Council regarding adoption of these taxes.

**TPAC.** Transportation Policy Alternatives Committee.

**WRPAC.** Water Resources Policy Advisory Committee.

**401K ESSPAC.** Metro 401K Employee Salary Savings Plan Advisory Committee. [Ord. 00-860A, Sec. 1; Ord. 02-955A, Sec. 1; Ord. 12-1275A, Sec. 3; Ord. 14-1342.]

## **2.19.030 Membership of the Advisory Committees**

### **(a) Membership in General.**

- (1)** The Council President shall ensure that the recruitment and selection process for appointments to vacant positions is open to all segments of the community and ensures a broad representation and diversity of membership. It is the policy of Metro not to discriminate with regard to race, color, religion, natural origin, sex, age, disability, sexual orientation, or mental or familial status in making appointments to Advisory Committees.
- (2)** The Council President is encouraged to streamline and standardize the recruitment and selection process, to a reasonable extent, and to facilitate a standing pool of volunteer candidates across the agency.
- (3)** Advisory committees may submit names to the Council President for inclusion in a list of interested and qualified candidates but nomination by an Advisory Committee may not be a requirement for appointment.

### **(b) Appointments and Confirmations.**

- (1)** Except as it is specifically provided for membership of MPAC and JPACT, or for certain positions specified for elected officials, as set forth in this chapter, all members of all Advisory Committees shall be appointed by the Council President. All persons appointed by the Council President shall be subject to confirmation by the Council. A minimum of four (4) votes in favor of a specific appointment shall be necessary to confirm the appointment. Any person whose confirmation is defeated by four (4) or more votes in opposition, shall not be eligible for appointment to the

same Advisory Committee during the succeeding twelve (12) months. The appointing authority may remove appointed members.

- (2) Appointments of members to individual Advisory Committees may be subject to nominations made by specified entities to the appointing authority. Under no circumstance shall any Advisory Committee have the authority to nominate members to serve on the committee itself.
  - (3) Appointments and confirmation to Advisory Committees may be made with relevant geographical expertise or other criteria in mind. As a general rule, however, recruitment, appointment and confirmation of committee members will be conducted in a manner that attempts to reflect the demographic profile of the region as a whole.
  - (4) Alternate Members. Alternates may vote only in the absence of a specific regular member. Appointment and confirmation of alternates shall be subject to the same requirements that apply to regular members.
- (c) Terms.
- (1) All appointments made by the Council President shall be for a term of two (2) years or to fill a vacancy in the remaining portion of a term not to exceed two (2) years.
  - (2) No person may be appointed to serve more than two (2) consecutive full two (2) year terms on the same committee nor may any person be appointed to fill more than one partial term on any one committee.
  - (3) The limitations on terms set forth in subsection (2) shall not apply to:
    - (A) Employees of public agencies serving as the representative of their public employer; or
    - (B) Representatives of associations, cooperatives, or other non-profit groups, provided such group continues to renominate the designated representative every two years.
  - (4) Members shall continue to serve until their successor is appointed and confirmed. [Ord. 00-860A, Sec. 1; Ord. 02-960; Ord. 02-955A, Sec. 1.]

#### **2.19.040 Advisory Committee Purpose and Authority**

The purpose and authority of each Advisory Committee shall be limited to matters specified in the action creating the committee and other matters specifically authorized by action of the Metro Council or other provisions of applicable law. [Ord. 00-860A, Sec. 1.]



### **2.19.050 Advisory Committee Bylaws**

Each Advisory Committee may adopt bylaws governing the Advisory Committee's functions and procedures. Bylaws may not govern the membership or authority of any Advisory Committee. Unless specifically authorized by the Council for any specific Advisory Committee, Advisory Committees shall function as committees of the whole and may not appoint sub-committees or otherwise create any advisory body that constitutes a public body pursuant to Oregon Public Meeting law. However, sub-committees of limited duration may be created as provided in Section 2.19.070(d). [Ord. 00-860A, Sec. 1; Ord. 02-955A, Sec. 1.]

### **2.19.060 Task Forces**

Task Forces are all Advisory Committees created by Metro Council action that have not been specifically provided for in a provision of the Metro Code. All Task Forces are of limited duration and the existence of any Task Force shall terminate one (1) year after its creation, unless specifically renewed and re-authorized by Metro Council action. However, in no circumstance, may a Task Force be continued for more than three (3) years unless authorized by a duly adopted ordinance, which shall be codified. [Ord. 00-860A, Sec. 1.]

### **2.19.070 Status of All Advisory Committees**

- (a) MPAC, JPACT, and PERC are Advisory Committees that have permanent and continuing existence. They shall report directly to the Council and the Council President. MPAC and PERC were created by the Metro Charter. JPACT was created pursuant to federal law and Executive Order of the Governor of Oregon. The Metro Council shall provide for these committees in the annual budget. The Chief Operating Officer shall provide reasonable staff support for these three (3) committees from any legally available and budgeted resources.
- (b) All other Advisory Committees authorized by this chapter or other provisions of Metro Code shall continue in active status only so long as the Metro Council specifically provides budgeted resources to support the committee's functions. All committees shall operate on a fiscal year basis, July 1 to June 30. In any fiscal year that Metro Council fails to authorize budgeted resources for any committee, that committee shall be in inactive status and shall not meet.
- (c) Task Forces may be created by Metro Council adopted resolutions, but shall be of limited duration and shall not meet unless the Metro Council has identified specific resources for support within the fiscal year budget at the time the Task Force is created and for any subsequent fiscal year. No Task Force may be re-authorized or continued without the Metro Council identifying resources necessary to support its function. The purpose of the Task Force shall be clearly defined in the authorizing resolution.

- (d) Subcommittees may be created by specific action of Advisory Committees provided that the authorization for any subcommittee may not extend beyond the end of any fiscal year. Any Advisory Committee authorizing or re-authorizing any subcommittee shall identify how the subcommittee will function within the limitation of the budget resources provided to the committee.
- (e) This chapter does not apply to the Smith and Bybee Lakes Management Committee, the Portland Center for Performing Arts Advisory Committee or any other Advisory Committee created or authorized by an agreement between Metro and another government. [Ord. 00-860A, Sec. 1; Ord. 02-955A, Sec. 1; Ord. 12-1275A, Sec. 4.]

**2.19.080 Metro Policy Advisory Committee (MPAC)**

- (a) Purpose. The purpose of MPAC is to advise the Metro Council and perform the duties assigned to it by the Metro Charter and to perform other duties that the Metro Council shall prescribe.
- (b) Membership. The members of MPAC include:

(1) Voting Members:

Multnomah County Commission	1
Second Largest City in Multnomah County	1
Other Cities in Multnomah County	1
Special Districts in Multnomah County	1
Citizen of Multnomah County	1
City of Portland	2
Clackamas County Commission	1
Largest City in Clackamas County	1
Second Largest City in Clackamas County	1
Other Cities in Clackamas County	1
Special Districts in Clackamas County	1
Citizen of Clackamas County	1
Washington County Commission	1
Largest City in Washington County	1
Second Largest City in Washington County	1
Other Cities in Washington County	1
Special Districts in Washington County	1
Citizen of Washington County	1
Tri-Met	1
Governing body of a school district	1
TOTAL	21

(2) Non-voting Members:

Oregon Dept. of Land Conservation and Development	1
Clark County	1
City of Vancouver	1
Port of Portland	1
City in Clackamas County outside UGB	1
City in Washington County outside UGB	1
<u>TOTAL</u>	<u>6</u>

- (c) MPAC may provide in its bylaws for the creation of a Technical Advisory Committee, which may make recommendations to MPAC.
- (d) A vote of both a majority of the MPAC members and a majority of all councilors may change the composition of MPAC at any time. The Council action shall be in the form of an ordinance and shall amend this code section. The MPAC bylaws shall govern the terms of its members. [Ord. 00-860A, Sec. 1; Ord. 02-955A, Sec. 1; Ord. 07-1151, Sec. 1.]

**2.19.090 Joint Policy Advisory Committee on Transportation (JPACT)**

- (a) Purpose. The purpose of JPACT is to advise the Metro Council and perform the duties assigned to it by Oregon and federal law and the Metro Charter and to perform other duties that the Metro Council shall prescribe.
- (b) Membership. The members of JPACT include representatives of the following jurisdictions and agencies:

City of Portland	1
Multnomah County	1
Washington County	1
Clackamas County	1
Cities of Multnomah County	1
Cities of Washington County	1
Cities of Clackamas County	1
Oregon Department of Transportation	1
Tri-Met	1
Port of Portland	1
Department of Environmental Quality	1
Metropolitan Service District (Metro)	3
State of Washington	3
<u>TOTAL</u>	<u>17</u>

- (c) The composition, authority and duties of JPACT and JPACT's bylaws may only be changed as provided by applicable law. [Ord. 00-860A, Sec. 1; Ord. 02-955A, Sec. 1.]

### **2.19.100 Public Engagement Review Committee (PERC)**

- (a) Purpose. The purpose of the PERC is to advise the Metro Council on the development and maintenance of programs and procedures to aid communication between the public and the Metro Council. PERC will advise the Office of Citizen Involvement (OCI) and the Metro Council, and perform the duties assigned to it by the Metro Charter and other related duties that the Metro Council may prescribe.
- (b) Membership. The PERC consists of at least nine (9) members as follows:
  - (1) At least three (3) at large representatives from the region, each of whom may be appointed for either a one, two or three year term, subject to the limitations in Chapter 2.19.030(c)(2) on serving more than two (2) consecutive terms.
  - (2) At least three (3) representatives appointed from nominees of community associations, cooperatives, or other nonprofit groups in the region, each of whom may be appointed for either a one, two or three year term. Notwithstanding Chapter 2.19.030(c)(3)(B), representatives appointed from these groups shall be subject to the limitations on serving more than two (2) consecutive terms as provided in Chapter 2.19.030(c)(2).
  - (3) One (1) representative who is a county employee from each of Clackamas, Multnomah, and Washington Counties (for a total of three (3)), for term lengths determined by the appointing jurisdiction. Each county will nominate an employee whose duties with the county are in a public engagement capacity. A county may alternatively nominate an employee of a local government entity (such as a city or special district) within such county whose duties with such entity are in a public engagement capacity, with the consent of the entity's administrator. [Ord. 00-860A, Sec. 1; Ord. 02-947A; Ord. 02-955A, Sec. 1; Ord. 12-1275A, Sec. 5; Ord. 12-1294, Sec. 1.]

### **2.19.110 Metro 401K Employee Salary Savings Plan Advisory Committee (401K ESSPAC)**

- (a) Purpose. Metro established a Salary Savings Plan and Trust ("Plan") effective July 1, 1985. The purpose of Metro's 401K ESSPAC is to give instructions to the nondiscretionary Trustee, with respect to all matters concerning the Plan.
- (b) Membership. The 401K ESSPAC consists of a five-person advisory/administrative committee. [Ord. 00-860A, Sec. 1; Ord. 02-955A, Sec. 1.]

### **2.19.120 Metro Central Station Community Enhancement Committee (MCSCE)**

- (a) Purpose. It is the policy of the district to support a community enhancement program in the area of Metro Central Station, 6161 N.W. 61<sup>st</sup> Avenue, in Portland, Oregon.
- (b) Membership. MCSCE consists of seven members to be appointed and serve terms as follows:
  - (1) Six members to be appointed by the Council President subject to confirmation by the council. The Council President shall make appointments as follows:
    - (A) One member shall be appointed from a list of nominees submitted by the Forest Park Neighborhood Association.
    - (B) One member shall be appointed from a list of nominees submitted by the Friends of Cathedral Park.
    - (C) One member shall be appointed from a list of nominees submitted by the Linnton Neighborhood Association.
    - (D) One member shall be appointed from a list of nominees submitted by the Northwest District Neighborhood Association.
    - (E) One member shall be appointed from a list of nominees submitted by the Northwest Industrial Neighborhood Association.
    - (F) One member shall be appointed from a list or lists of nominees submitted by environmental organizations that have or will have an interest in the enhancement area.
  - (2) MCSCE shall be chaired by the Metro Councilor representing the Council district in which the Metro Central Station is located.
  - (3) In the case of a vacancy in a non-council position on the committee, the Council President shall solicit nominations from the same organizations that were eligible to submit nominations for the original appointment.
  - (4) In all instances, the Council President may reject all nominations for a non-council position on the committee, and request that new nominations be submitted by the affected group. [Ord. 00-860A, Sec. 1; Ord. 02-955A, Sec. 1.]

### **2.19.130 Metro Solid Waste Alternatives Advisory Committee (SWAAC)**

- (a) Purpose. The purpose of the Metro Solid Waste Alternatives Advisory Committee (SWAAC) is to develop policy options that, if implemented, would serve the public interest by reducing the amount and toxicity of waste generated and disposed, or enhancing the effectiveness and sustainability of the

system through which the region’s solid waste is managed. For the purpose of this Section, the term sustainability is as defined in Metro Council Resolution No. 08-3931.

(b) Membership. Members are categorized as follows:

(1) Regular Voting Members:

Jurisdictions with a population under 50,000	3
Jurisdictions with a population between 50,000 and 500,000	3
Jurisdictions with a population over 500,000	1
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Total Local Government Members:	7

(2) Non-Voting Members:

Oregon Department of Environmental Quality	1
Non-Governmental	1
Solid Waste Industry	3
Chair, Metro	1
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Total Non-Voting Members:	6
TOTAL MEMBERS	13

(c) Appointment of Members.

- (1) Local government members shall be nominated by a jurisdiction’s presiding executive, appointed by the Metro Council President, and subject to confirmation by the Metro Council. In making the local government appointments, the Metro Council President will seek members directly involved in solid waste regulation or oversight and those involved in resource conservation.
- (2) The Oregon Department of Environmental Quality (DEQ) member shall be nominated by DEQ’s presiding executive, appointed by the Metro Council President, and subject to confirmation by the Metro Council.
- (3) The Metro member shall be nominated by the Chief Operating Officer, appointed by the Metro Council President, and subject to confirmation by the Metro Council. The Chief Operating Officer also shall nominate an alternate Metro member who can serve when the confirmed member is unavailable.

- (4) The remaining non-voting members shall be nominated through a public application process, appointed by the Metro Council President, and subject to confirmation by the Metro Council.
- (d) Membership.
- (1) Terms of Office.
    - (A) The local government members shall serve for a term of two (2) years. A member may be reappointed for additional terms through the process set forth above.
    - (B) The DEQ member shall serve until a replacement is nominated by the DEQ executive.
    - (C) The Metro member shall serve until a replacement is nominated by the Chief Operating Officer.
    - (D) The remaining non-voting members shall serve for a term of two (2) years. A non-voting member in this category may serve for a second consecutive two (2) year term.
  - (2) Meetings. SWAAC shall meet on a schedule determined by the Chairperson, with no fewer than two meetings per calendar year. The Chairperson shall schedule additional meetings as needed to respond to requests from the Metro Council for analysis of particular issues.
  - (3) Attendance. Members should be present at and participate in all regular meetings. Members who are absent for more than one regular meeting in a calendar year may be asked by the Council President to resign.
  - (4) Local government. For the members from jurisdictions with a population under 50,000, the Metro Council shall confirm at least one member each from a community west and east of the Willamette River. A County's population includes only those residents of the County's unincorporated areas.
  - (5) Solid Waste Industry. Solid Waste Industry members shall include persons involved in the collection, transfer, processing, disposal, or recycling of Solid Waste generated in the Metro Region.
  - (6) Non-Governmental. The Non-Governmental member shall be from a non-profit organization whose mission related to advancing sustainability in the Metro Region.
- (e) Chair. The Chairperson of SWAAC shall be the Metro member or, in the Metro's member's absence, the Metro alternate member.

- (f) Reports to Council. SWAAC shall include a summary of the minority opinions of voting and non-voting members when describing the policy options that it recommends to the Metro Council for consideration.
- (g) Subcommittees. SWAAC may establish subcommittees of a limited and defined duration. Membership composition shall be determined by SWAAC and may include individuals who are not members of the Committee. All such subcommittees shall report to SWAAC. [Ord. 00-860A, Sec. 1; Ord. 02-960; Ord. 02-955A, Sec. 1; ORD. 09-1222A; Ord. 14-1342; and Ord. 14-1342.]

#### **2.19.140 North Portland Rehabilitation and Enhancement Committee (NPREC)**

- (a) Purpose. The purpose of the North Portland Rehabilitation and Enhancement Committee (NPREC) is to make recommendations to the Metro Council regarding policies and the administration of the rehabilitation and enhancement program for the North Portland Area to include as follows:
  - (1) Specify the boundaries of the area to be rehabilitated and enhanced;
  - (2) Criteria for determining how funds will be used for rehabilitation and enhancement; and
  - (3) Continuing public involvement and recommending projects for funding.
- (b) Membership. The NPREC shall be composed of 8 members:
  - (1) One (1) member shall be the Metro Councilor, whose district includes the site of the former St. Johns Landfill.
  - (2) Seven (7) members appointed by the Council President. One member each shall reside within the following neighborhood boundaries, which neighborhood boundaries are determined by the City of Portland:
    - (A) St. Johns
    - (B) Cathedral Park
    - (C) Portsmouth
    - (D) Overlook
    - (E) Arbor Lodge
    - (F) Kenton
    - (G) University Park [Ord. 00-860A, Sec. 1; Ord. 02-955A, Sec. 1.]

#### **2.19.150 Investment Advisory Board (IAB)**

- (a) Purpose. An Investment Advisory Board is required by Oregon law. The IAB's purpose, membership and duties are provided for in Metro Code Section



7.03.030(d). These provisions are subject to annual re-adoption by the Council and therefore the provisions of this chapter do not apply to the IAB. [Ord. 00-860A, Sec. 1.]

### **2.19.180 Transportation Policy Alternatives Committee (TPAC)**

- (a) Purpose. The purpose of the Transportation Policy Alternatives Committee (TPAC) is to provide technical and policy input to JPACT and the Metro Council with the following responsibilities:
- (1) Review the Unified Work Program (UWP) and prospectus for transportation planning.
  - (2) Monitor and provide advice concerning the transportation planning process to ensure adequate consideration of regional values such as land use, economic development, and other social, economic and environmental factors in plan development.
  - (3) Advise on the development of the Regional Transportation Plan in accordance with the Intermodal Surface Transportation Efficiency Act (ISTEA), the L.C.D.C. Transportation Planning Rule, the Metro Charter and the adopted 2040 Growth Concept.
  - (4) Advise on the development of the Transportation Improvement Program (TIP) in accordance with ISTEA.
  - (5) Review projects and plans affecting regional transportation.
  - (6) Advise on the compliance of the regional transportation planning process with all applicable federal requirements for maintaining certification.
  - (7) Develop alternative transportation policies for consideration by JPACT and the Metro Council.
  - (8) Review local comprehensive plans for their transportation impacts and consistency with the Regional Transportation Plan.
  - (9) Recommend needs and opportunities for involving citizens in transportation matters.
  - (10) The responsibilities of TPAC with respect to air quality planning are:
    - (A) Review and recommend project funding for controlling mobile sources of particulates, CO, HC and NO<sub>x</sub>.
    - (B) Review the analysis of travel, social, economic and environmental impacts of proposed transportation control measures.

- (C) Review and provide advice (critique) on the proposed plan for meeting particulate standards as they relate to mobile sources.
- (D) Review and recommend action on transportation and parking elements necessary to meet federal and state clean air requirements.

(b) Membership. Notwithstanding the provisions of Section 2.19.030, memberships and appointments to TPAC are controlled by these provisions:

(1) Representatives from local jurisdictions, implementing agencies and citizens as follows:

City of Portland	1
Clackamas County	1
Multnomah County	1
Washington County	1
Clackamas County Cities	1
Multnomah County Cities	1
Washington County Cities	1
Oregon Department of Transportation	1
Washington State Department of Transportation	1
Southwest Washington Regional Transportation Council	1
Port of Portland	1
Tri-Met	1
Oregon Department of Environmental Quality	1
Metro (Non-Voting)	2
Citizens	6
<hr/>	
TOTAL	21

In addition, the City of Vancouver, Clark County, C-TRAN, Federal Highway Administration, Federal Aviation Administration (FAA), Federal Transit Administration (FTA), and Washington Department of Ecology may appoint an associate member without a vote. Additional associate members without vote may serve on the Committee at the pleasure of the Committee.

- (2) Each member shall serve until removed by the appointing agency. Citizen members shall serve for two years and can be re-appointed.
- (3) Alternates may be appointed to serve in the absence of the regular member.
- (4) Representatives (and alternatives if desired) of the Counties and the City of Portland shall be appointed by the presiding executive of their jurisdiction/agency.
- (5) Representatives (and alternates if desired) of Cities within a County shall be appointed by means of a consensus of the Mayors of those cities. It

shall be the responsibility of the representative to coordinate with the cities within his/her county.

- (6) Citizen representatives and their alternates will be nominated through a public application process, Metro representatives (non-voting) appointed by the Council President, and subject to confirmation by the Metro Council.
- (7) Each member or alternate of the Committee, except associate members, shall be entitled to one vote on all issues presented at regular and special meetings at which the member or alternate is present.
- (8) The Chairperson shall have no vote. [Ord. 00-860A, Sec. 1; Ord. 02-955A, Sec. 1.]

### **2.19.190 Water Resources Policy Advisory Committee (WRPAC)**

- (a) Purpose. The purpose of the Water Resources Policy Advisory Committee (WRPAC) shall be to advise the Metro Council and the Chief Operating Officer on policy and technical matters related to multi-objective watershed management. These policies will strive to manage watersheds to protect, restore and ensure, to the maximum extent practicable, the integrity of streams, wetlands and floodplains and their multiple biological physical and social values. Specific responsibilities include:
  - (1) Assist Metro Council in the development of water resource policies and plans and their periodic review.
  - (2) Provide guidance to the Chief Operating Officer on the conduct of Metro's water resources planning program.
  - (3) Coordinating, facilitating and supporting water resource planning and management activities of local, regional, state and federal agencies.
  - (4) Periodic review of the "208" Plans.
  - (5) Ensuring adequate citizen participation in the water resources planning and management process.
  - (6) Provide guidance to the Metro Council and Chief Operating Officer in the development of water resources policies, plans and technical documents related to growth management planning, including the Regional 2040 program and the Regional Framework Plan.
- (b) Membership. The Committee shall consist of representatives of the following jurisdictions and agencies:
  - (1) Voting Members.
    - (A) Metro Councilor Chair

(B) Management Agencies (One vote each):

	<b>Tualatin Watershed</b>	<b>Clackamas Watershed</b>	<b>Lower Willamette Watershed</b>
<b>Water Supply</b>	TVWD	Clackamas River Water District	Portland Water Bureau
<b>Wastewater</b>	Clean Water Services*	Oak Lodge	Gresham
<b>Surface Water</b>			
• <b>Urban</b>	Clean Water Services*	Clackamas County	Portland BES
• <b>Agriculture</b>	Washington SWCD	Clackamas County SWCD	East Multnomah SWCD
			West Multnomah SWCD

\*Clean Water Services has only one vote

(C) Special Interests (One Vote Each):

Environmental:

Oregon Environmental Council  
 Portland Audubon Society  
 Environmental Member-At-Large  
 Fishery Interest

Additional Cities:

One city for Clackamas County  
 One city for Washington County

Metro Greenspaces Advisory Committee:

Chair

Industrial Organization:

Homebuilders Association  
 High Tech Business  
 Nursery Operator Business

Citizens:

Tualatin Watershed  
 Clackamas Watershed  
 Lower Willamette Watershed  
 Developer

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Total Voting Members:

(2) Non-Voting Members:

Dept. of Land Conservation and Development  
 US Army Corp of Engineers  
 Port of Portland  
 Environmental Protection Agency  
 Portland General Electric  
 National Estuary Program  
 Oregon Dept. of Environmental Quality  
 Oregon Water Resources Dept.  
 Oregon Dept. of Agriculture  
 Oregon Dept. of Forestry  
 Oregon Dept. of Fish and Wildlife  
 US Fish & Wildlife Service  
 Natural Resources Conservation Seat

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Total Non-Voting Members: 13

(c) Appointment and Tenure.

(1) Each jurisdiction or agency shall nominate a representative and an alternate who will serve in the absence of the representative. In the case of representatives of multiple jurisdictions or agencies the nominations will be made by a poll of those represented.

(A) When action is about to take place to fill a pending vacancy, the vacancy will be listed as WRPAC agenda item, prior to solicitation of nominees.

(B) All representatives and their alternatives must be appointed by the Council President and are subject to confirmation by Metro Council.

(C) Upon absence from three (3) consecutive, regularly scheduled meetings, the nominating jurisdiction or agency shall be requested to nominate a new representative. Attendance by an alternate shall not be grounds for waiver of this requirement.

(D) Each representative and alternate is responsible for informing and networking with the entities they represent in order to fully inform all parties and solicit their input on matters pertaining to committee work and decisions. [Ord. 00-860A, Sec. 1; Ord. 02-955A, Sec. 1.]

**2.19.200 Tax Study Committee**

(a) Creation and Purpose. Before considering the imposition of any new tax or taxes, which do not require prior voter approval under the Charter, the Council shall create a tax study committee by adoption of a resolution. The purpose of a

tax study committee shall be to consult with and advise the Council regarding adoption of these taxes. The resolution shall state the purpose for the creation of the committee, shall include a scope of work, the members of the committee, the staffing arrangement for the committee, and the length of time for the committee to complete its work.

- (b) **Committee Composition and Size.** A committee shall consist of no more than 11 appointed members, plus the Council President and Chief Operating Officer as ex-officio non-voting members. The membership of the committee shall be representatives of the general population, and from any businesses and the governments of cities and counties, special districts and school districts within the Metro Area.
- (c) **Appointments.** The Council President shall appoint members of the committee subject to confirmation by the Council in the creating resolution. The Council President shall designate the chair and vice-chair of the committee at the time of appointment. If a vacancy occurs during the time a study committee is functioning, the position shall be filled in the same manner as the original appointment and confirmation.
- (d) **Final Report.** Upon completion of the scope of work, a committee shall submit a final report to the Council on the activities and recommendations of the committee. The Council may, upon request of the committee, extend the time of that committee to submit its final report. In no event shall the time be extended longer than six months from the original termination date of the committee. If a committee is unable to agree on a final report, then the chair of the committee shall inform the Council in writing of that conclusion. [Ord. 00-860A, Sec. 1; Ord. 02-955A, Sec. 1.]

#### **2.19.210 Recycling Business Assistance Advisory Committee (RBAAC)**

- (a) **Purpose.** The purpose of the Recycling Business Assistance Advisory Committee is to advise the Chief Operating Officer regarding administration of the Recycling Business Assistance Program pursuant to Metro Code Chapter 5.04.
- (b) **Membership.** The committee shall be composed of seven members as follows:
  - (1) An employee of Regional Environmental Management Department, who shall serve as committee chair;
  - (2) A member of the Metro Council, who shall serve as vice-chair;
  - (3) Two persons who have knowledge and experience in recycling principles, practices, and markets or end-uses for recyclable materials;
  - (4) One person who has knowledge and experience managing a business;
  - (5) One person who has knowledge of lending principles and practices and who is currently active in the private lending industry; and

- (6) One person who has knowledge of lending or grant-making principles and practices.
- (c) Appointments. The Metro councilor serving on the committee shall be appointed by the Council President. [Ord. 02-937A, Sec. 9-10.]

### **2.19.220 Natural Areas Program Performance Oversight Committee**

- (a) Purpose and Authority. The purpose and authority of the Natural Areas and Capital Program Performance Oversight Committee is to annually review whether the program is meeting the goals and objectives established for the program by the Metro Council ("program performance"). The Committee shall annually report to the Metro Council regarding program performance. The annual report shall provide the Committee's recommendations to improve program performance, if any. The Committee's program performance review and report to Council:
  - (1) Shall assess the program's progress in implementing the strategies, goals and objectives approved by the Metro Council for the Natural Areas Program including:
    - (A) Property acquisition and protection in each of the 27 target areas, as described in Council-approved refinement plans;
    - (B) Local share projects; and
    - (C) Awards of Nature in Neighborhoods Capital Grants.
  - (2) May include recommendations regarding the Natural Areas Program Work Plan to improve program efficiency, administration, and performance.
  - (3) Shall review expenditures of Metro's 2016 local option levy for compliance with program requirements.
- (b) Membership. The Committee shall be composed of no fewer than 9 and no more than 17 members, all appointed by the Metro Council President subject to Council confirmation. The Council President shall designate one (1) member to serve as Chair. Committee members shall include professionals with experience in real estate, finance, auditing, public budgeting, banking, general business, and realty law. Additionally, the Committee may include members with backgrounds and experience in natural area land management, habitat restoration, park planning, design and construction, philanthropy, or community engagement. Notwithstanding Metro Code Section 2.19.030, Committee members may serve up to three (3) two-year terms.
- (c) Meetings. The Committee shall meet no fewer than two times per year.

- (d) Dissolution. The Committee shall be dissolved on July 1, 2023, or upon the issuance of a final report by the Committee after all funds authorized by the 2006 bond measure and all 2016 local option levy capital project funds have been spent, whichever is earlier. [Ord. 07-1155A, Sec. 1.; Ord. 17-1399.]

#### **2.19.240 Oregon Zoo Bond Citizens' Oversight Committee**

- (a) Purpose and Authority. The purpose and authority of the Oregon Zoo Bond Citizens' Oversight Committee is to convene periodically to review progress on the project improvements, monitor spending ("Program Progress"), and consider and recommend project modifications if inflationary increases in construction costs exceed current budget estimates. The Committee shall report annually to the Metro Council regarding such Program Progress, which report shall set forth the Committee's recommendations for project modifications, if any. The Committee's Program Progress review and report to the Metro Council:
  - (1) Shall assess Oregon Zoo's Program Progress in implementing the Oregon Zoo Bond Measure 26-96 project improvements.
  - (2) Shall report on project spending trends and current cost projections, and review and report upon the annual independent financial audit of spending.
  - (3) May recommend project modifications intended to account for increases in construction costs in excess of budget estimates, to ensure that the purpose and promise of the Oregon Zoo Bond Measure 26-96 is fully realized.
- (b) Membership. The Committee shall be composed of no fewer than 13 and no more than 19 members, to be appointed by the Metro Council President subject to Metro Council confirmation. The Committee's members shall primarily be professionals with experience in construction, sustainability, finance, auditing, public budgeting, banking and general business. The Metro Council President shall designate one (1) member to serve as Chairperson of the Committee. Nine (9) of the initial Committee members shall be appointed to serve a one (1) year term, and may be reappointed for up to two (2) additional 2-year terms as provided in Metro Code Section 2.19.030.
- (c) Meetings. The Committee shall meet no fewer than two times per year.
- (d) The Committee shall be dissolved on July 1, 2025 or upon the issuance of a final report by the Committee after all funds authorized by the Oregon Zoo Bond Measure 26-96 have been spent, whichever is earlier. [Ord. 10-1232, Sec. 1.]



### 2.19.250 Audit Committee

- (a) Committee Established. There is established an Audit Committee to serve as a liaison between the Metro Council, the independent external auditor, the Metro Auditor and management, as their duties relate to financial accounting, reporting, and internal controls and compliance.
- (b) Duties. The Committee assists the Metro Council in reviewing Metro Council accounting policies and reporting practices as they relate to the Metro Council's Comprehensive Annual Financial Report. The Committee is the Metro Council's agent in assuring the independence of the Council's external auditors, the integrity of management, and the adequacy of disclosures to the public.
- (c) Meetings. The Committee meets at least twice annually and as many times as it deems necessary to:
  - (1) Review, prior to the annual audit, the scope and general extent of the external auditor's planned examination, including their engagement letter.
  - (2) Review with management, the Metro Auditor and the external auditor, upon completion of their audit, financial results for the year prior to the presentation to the Metro Council. This review should encompass:
    - (A) The Metro Council's Comprehensive Annual Financial Report and Supplemental Disclosures required by General Accepted Accounting Principles (GAAP).
    - (B) Significant transactions not a normal part of the Metro Council's operations.
    - (C) Selection of and changes, if any during the year, in the Metro Council's accounting principles or their application.
    - (D) Significant adjustment proposed by the external auditor.
    - (E) Any disagreements between the external auditor and management about matters that could be significant to the Metro Council's financial statement or the Metro Auditor's report.
    - (F) Difficulties encountered in performance of the audit.
    - (G) Violation of federal and state law, Metro Council ordinance, and contractual agreements reported by the external auditor.
  - (3) Request comments from management regarding the responsiveness of the external auditor to the Metro Council's needs. Inquire of the Metro Auditor whether there have been any disagreements with management that, if not satisfactorily resolved, would have caused them to issue a nonstandard report on the Metro Council's financial statements.

- (4) Review with the external auditor the performance of the Metro Council's financial and accounting personnel and any recommendations that the external auditor may have. Topics to be considered during this discussion include improving internal financial controls, controls over compliance, the selection of accounting principles, and financial reporting systems.
  - (5) Review written responses of management to "letter of comments and commendations" from the external auditor and discuss with management the status of implementation of prior period recommendations and corrective action plans.
  - (6) Ensure the final report is presented to the Metro Council within 90 days of completion of the audit. Upon presentation to the Metro Council, the audit will be considered complete.
  - (7) Recommend to the Metro Council revisions that should be made to the Metro Council's financial policies or internal controls.
  - (8) Recommend to the Metro Council appropriate extensions or changes in the duties of the Committee.
  - (9) Assist with external auditor selection:
    - (A) The selection of the external auditor by the Metro Auditor shall be made according to Oregon Revised Statutes (ORS) and Metro procurement procedures, rules and regulations concerning proper selection procedures.
    - (B) The Metro Auditor shall, after consultation with the Committee, procure a request for proposals for the external auditor at least every five (5) years for the Metro Council's Comprehensive Annual Financial Report.
    - (C) The Committee will review the responses to the requests for proposals and make a recommendation to the Metro Auditor on the selection of the external auditor.
  - (10) Adopt rules or bylaws consistent with this section and all state and federal laws for its operation.
- (d) Membership. The Committee is composed of:
- (A) A Metro Councilor.
  - (B) A MERC Commissioner.
  - (C) The Metro Auditor (Non-Voting Capacity).
  - (D) Four (4) citizens recommended by the Metro Auditor.

- (E) Metro's head finance staff person as designated by the Metro Chief Operating Officer (Non-Voting Capacity).
- (e) Appointments. Appointments of voting members shall be made by the Metro Council President subject to confirmation by the Metro Council.
- (f) Selection. Selection of the Audit Committee will be designed to ensure the maximum degree of independence for the audit management process. At least two (2) of the four (4) independent citizen members should have financial expertise. Voting members must reside in the jurisdictional Metro Area in the counties of Multnomah, Clackamas and Washington. The citizen members shall serve four (4) year terms, with the terms of the initial members being staggered so that in any one year only one term expires. In the event of a vacancy, the appointment shall be only for the remainder of the term.
- (g) Members of the Committee must have no monetary or investment interest in any matters concerning the selection of the external auditor.
- (h) Metro employees and employees of any organization providing or competing for audit contract services to Metro are not eligible for membership on the Committee.
- (i) The Committee elects or appoints a chairperson to preside at all meetings. The chairperson's duties rotate annually, with no chairperson presiding for more than one year in any term. The Committee designates a person as chair-elect to preside as vice-chair.
- (j) The Office of Metro Auditor provides technical and clerical support to the Committee and arranges meetings for the Committee. [Ord. 10-1233, Sec. 2.]

#### **2.19.260 Affordable Housing Bond Community Oversight Committee**

- (a) Purpose and Authority. The purpose and authority of the Affordable Housing Bond Community Oversight Committee is to:
  - (1) Evaluate implementation strategies and recommend changes as necessary to achieve unit production targets and incorporate guiding principles.
  - (2) Monitor financial aspects of program administration, including review of program expenditures.
  - (3) Provide an annual report and presentation to Metro Council assessing Program performance, challenges and outcomes.
- (b) Membership. The Committee will be composed of no fewer than 7 and no more than 15 members, to be appointed by the Metro Council President subject to Metro Council confirmation. The Committee's members must represent a diversity of perspectives, geographic familiarity, demographics, and technical

expertise, including finance, housing development, housing policy, and experience working with impacted communities. The Metro Council President will designate at least one (1) member to serve as Chairperson of the Committee or may elect to designate two (2) members to serve as co-Chairpersons of the Committee. Five (5) of the initial Committee members will be appointed to serve a one (1) year term, and may be reappointed to serve up to two (2) additional 2-year terms as provided in Metro Code Section 2.19.030.

- (c) Meetings. The Committee will meet no fewer than 4 times per year.
- (d) The Committee will be dissolved on July 1, 2028 or upon the issuance of a final report by the Committee after all funds authorized by the Affordable Housing Bond Measure 26-199 have been spent, whichever is earlier. [Ord. 19-1430, Sec. 1.]

### **2.19.270 Committee on Racial Equity**

- (a) **Purpose and Authority.** The purpose and authority of the Committee on Racial Equity is to provide input and support to Metro Council and staff to further advance Metro's Strategic Plan. The Committee shall deliver input and advice to the Metro Chief Operating Officer, Senior Leadership Team members, and Diversity, Equity and Inclusion Program staff through Council members who will serve as non-voting members of the Committee and through CORE meetings. The Committee shall make at least one annual presentation to the Metro Council. The Committee shall also provide written and oral reports to Metro Council regarding:
  - (1) Implementation of Metro-wide Strategic Plan to Advance Racial Equity, Diversity, and Inclusion (Strategic Plan) goals, objectives and action items.
  - (2) Successes, challenges and adjustments in the implementation of the Strategic Plan and department-and venue-specific action plans.
  - (3) Development and implementation of evaluation measures for the Strategic Plan at the goal, objective and action item levels.
- (b) **Membership.** The Committee shall be composed of no more than 15 volunteer members, two (2) non-voting Metro Council liaisons, and one (1) non-voting Metropolitan Exposition Recreation Commission liaison to the Committee. Voting Committee members shall be appointed by the Metro Council President subject to Metro Council confirmation. The Metro Council President shall designate two (2) initial Co-Chairs, who will preside over meetings. At the first regular meeting after the one-year anniversary of the Committee, regular Committee members will elect the next two (2) Co-Chairs by majority vote. The Co-Chairs shall serve a one-year term and can be reelected as many times as

possible while they are members of the CORE. CORE members will be appointed to a two-year term and are eligible for reappointment to a second term of one or two year, but may not serve any additional consecutive terms. Members serve on the Committee as individuals, not as representatives of their respective agency, organization or company.

- (c) Meetings. The Committee shall have general meetings every other month, with subcommittee meetings during the non-general meeting months.
- (d) The Committee shall continue its work indefinitely.

DRAFT

## COMMITTEE ON RACIAL EQUITY ADDITION TO METRO CODE AS ADVISORY COMMITTEE

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Date: January 22, 2020  
Department: Diversity, Equity and  
Inclusion  
Meeting Date: January 28, 2020

Prepared by: Sebrina Owens-Wilson  
Presenter(s) (if applicable): Raahi Reddy  
Length: 15 mins

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### **ISSUE STATEMENT**

Since the Committee on Racial Equity was created and chartered by the Metro Council in 2017, it has played a critical advisory role in advancing of Metro's racial equity goals. As the committee enters its third year, the Metro Code requires that Committees that continue for more than three years be codified in the Metro Code by a duly adopted ordinance.

### **ACTION REQUESTED**

The purpose of coming to work session is to discuss with Metro Council the appropriate steps to ensure CORE is an ongoing and permanent committee. Under Metro Code Section 2.19.060 all Advisory Committees created by the Metro Council are considered Task Forces unless provided for in a provision of the Metro Code. It further provides that "in no circumstance, may a Task Force be continued for more than three (3) years unless authorized by a duly adopted ordinance, which shall be codified." Accordingly, since CORE has existed for three years, provides significant value in providing a racial equity lens for the Agency and Metro intends to have CORE continue indefinitely into the future, staff requests that the Metro Council adopt an ordinance that places the CORE into Metro Code in Chapter 2.19.

### **IDENTIFIED POLICY OUTCOMES**

- What is Metro Council's vision for CORE ongoing role in advancing the agency's racial equity goals?
- What steps does Metro Council want to take in order to secure CORE's role?

### **STAFF RECOMMENDATIONS**

Staff recommends that the Metro Council adopt an ordinance adding the CORE into Metro Code Chapter 2.19 Metro Advisory Committees.

### **STRATEGIC CONTEXT & FRAMING COUNCIL DISCUSSION**

The Committee on Racial Equity plays an increasingly important role in advancing Metro's Strategic Plan to Advance Racial Equity, Diversity and Inclusion (Strategic Plan). Highlights of CORE's work from the previous year include:

- Multiple points of engagement on the Parks & Nature bond resulting in the identification of specific strategies for how the bond will advance racial equity goals;
- Ongoing engagement with PES on the Regional Waste Plan and specifically the siting of new transfer stations;

- Recruitment and appointment of seven new committee members representing the diversity of the region; and
- Strengthening internal systems and guidelines for engagement with Metro's programs and policies.

Ensuring CORE has an ongoing and permanent role will support Metro's goals by:

- Demonstrating Metro's long term commitment to advancing racial equity goals;
- Capturing the opportunity to meaningfully engage powerful community advocates;
- Providing a concrete mechanism for accountability in advancing racial equity; and
- Maintaining ongoing relationships and building trust with communities of color.

## **BACKGROUND**

The CORE is a committee that was created and chartered by the Metro Council in 2017 to advise the Council and staff in advancing racial equity to fulfill the purpose of good government, which is to serve all people effectively and create greater opportunities for people of color to thrive in the region. The CORE is an ongoing, standing Metro committee, whose main purpose is to:

- Provide input and advice for the successful implementation of the Strategic Plan to Advance Racial Equity, Diversity and Inclusion (Strategic Plan),
- Provide community oversight and opportunities for Metro to have greater accountability to the community on the implementation of the Strategic Plan
- Communicate Metro's progress in implementing the Strategic Plan, and
- Assist Metro staff in the creation and implementation of the Strategic Plan evaluation.

## **ATTACHMENTS**

- Is legislation required for Council action?  Yes    • No
- If yes, is draft legislation attached?  Yes    • No
- What other materials are you presenting today?
  - Draft Ordinance Amending Metro Code Chapter 2.19, Metro Advisory Committees, to Establish the Committee on Racial Equity
  - Draft Exhibit A: Metro Code Chapter 2.19 Metro Advisory Committees

**FY 2021 Budget Discussion: Parks and Nature**

*Work Session Topics*

Metro Council Work Session  
Tuesday, January 28, 2020  
Metro Regional Center, Council Chamber



## **STAFF REPORT**

### **PARKS AND NATURE PRESENTATION OF 2020-21 BUDGET AND MODIFICATION REQUESTS WITH AN EMPHASIS ON HOW PROGRAMS ALIGN WITH COUNCIL PRIORITIES**

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Date: January 14, 2020  
Department: Parks and Nature  
Meeting Date: January 28, 2020

Prepared by: Lisa Houghton, x1829,  
lisa.houghton@oregonmetro.gov  
Presenter: Jon Blasher  
Length: 30 minutes

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#### **ISSUE STATEMENT**

Metro's Chief Operating Officer, acting as Metro's Budget Officer, will present the FY 2020-21 Proposed Budget and Budget Message to Council on April 16, 2020.

This work session will provide Council the opportunity to hear how the Parks and Nature FY 2020-21 base budget and modification requests align with Council priorities. Information shared at the work session will help guide development of the FY 2020-21 Proposed Budget.

#### **ACTION REQUESTED**

Council discussion and feedback on the base budget and modification requests submitted by the department.

#### **IDENTIFIED POLICY OUTCOMES**

Development of a FY 2020-21 budget that aligns with Council priorities.

#### **POLICY QUESTION(S)**

What are the policy implications and tradeoffs that will result from the department's base budget and any approved modification requests? Specific factors for Council consideration may include:

- How well do the department's programs align with Council priorities?
  - Does the base budget represent a good investment in Council priorities?
  - Do proposed modification requests advance Council priorities?
- Has the department demonstrated sufficient planning to successfully implement any new programs or projects?
- Will the department need additional General Fund support to implement their new programs or projects?
  - If yes; how high a priority are the programs compared to others that also require General Fund support?

#### **POLICY OPTIONS FOR COUNCIL TO CONSIDER**

Each department's modification requests may be considered for support and inclusion in the FY 2020-21 Proposed Budget. Some, none or all of the department's individual items may be supported by Council.

#### **STAFF RECOMMENDATIONS**

The Chief Operating Officer and Chief Financial Officer recommend Council hear all the department presentations prior to determining their support for departments' modification requests.

## **STRATEGIC CONTEXT & FRAMING COUNCIL DISCUSSION**

Each department's FY 2020-21 base budget was developed following the Chief Financial Officer's budget instructions released in early December. The base budgets allow the departments to continue existing programs and projects as adjusted for various factors such as inflation, COLAs, etc.

New programs, projects, additional appropriations and FTE are requested through the department's modification requests. Once approved the modification requests are built into the Proposed Budget scheduled for presentation to Council on April 16<sup>th</sup>.

Historically modification requests that require General Fund support far exceed the amount of support that can be provided.

- **Legal Antecedents**

The preparation, review and adoption of Metro's annual budget is subject to the requirements of Oregon Budget Law, ORS Chapter 294. The Chief Financial Officer, acting in their capacity as the designated Budget Officer, is required to present a balanced budget to Council, acting in their capacity as our Budget Committee.

## **BACKGROUND**

Each department will provide information pertaining to their base budget and modification requests.

## **ATTACHMENTS**

None.

- Is legislation required for Council action? No, not at this work session
- What other materials are you presenting today? None.

**Regional Investment Strategy; Transportation  
Investment Measure**

*Work Session Topics*

Metro Council Work Session  
Tuesday, January 28, 2020  
Metro Regional Center, Council Chamber

## REGIONAL INVESTMENT STRATEGY: TRANSPORTATION INVESTMENT MEASURE

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Date: 1/15/2020

Department: GAPD

Work session dates: Jan. 28, 2020

Prepared by: Craig Beebe,  
[craig.beebe@oregonmetro.gov](mailto:craig.beebe@oregonmetro.gov)

Presenter: Andy Shaw  
[andy.shaw@oregonmetro.gov](mailto:andy.shaw@oregonmetro.gov);

Length: 60 min.

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### **ISSUE STATEMENT**

People in the greater Portland region are increasingly concerned about growing traffic and unsafe arterial roads across the region. The Metro Council has directed staff to work with community and partners on a potential 2020 transportation investment measure.

### **ACTION REQUESTED**

Provide direction on potential revenue mechanisms to continue exploring for a potential regional transportation investment measure.

### **IDENTIFIED POLICY OUTCOMES**

The Metro Council has directed that a potential measure advance the Regional Transportation Plan, Strategic Plan to Advance Racial Equity, and Climate Smart Strategy; engage diverse partners and community members; and leverage regional and local investments in affordable housing and parks and nature.

The Metro Council approved specific policy outcomes for the potential transportation measure and appointed a Transportation Funding Task Force in early 2019.

In order to advance its desired policy outcomes, the Council has directed staff to develop a measure that focuses investments in key regional travel corridors and also includes regionwide investment programs to spread benefits throughout the region. Council direction on the measure structure is further described in the “Background” section below.

### **POLICY QUESTION**

Considering Metro’s authority, revenue-raising potential and possible support from voters and stakeholders, what revenue mechanism options should continue to be explored for a potential measure?

### **POLICY OPTIONS FOR COUNCIL TO CONSIDER**

In late 2019, Metro contracted with ECONorthwest to conduct an analysis of 10 possible revenue mechanism options. This analysis covered such topics as revenue generation potential, Metro’s authority, limitations and high-level legal issues associated with each option. Metro conducted also public opinion research to gauge voter preferences for potential mechanisms, including possible combinations of mechanisms that could raise sufficient revenue for current expectations about the scope of measure investment.

The Transportation Funding Task Force discussed these analyses on Dec. 11 and Jan. 15. With members representing a cross-section of communities across the region, the Task Force provided valuable feedback to help inform the Council's direction on this issue.

At this work session, staff will present several revenue options that appear to be most feasible based on current understanding of the measure's potential scope, Council and Task Force values, revenue generation potential, and initial stakeholder conversations. Staff will ask Council's direction to proceed with exploring the potential and limitations of these options through continuing research and engagement. Staff will also recommend a few options be removed from further consideration at this time.

### **STRATEGIC CONTEXT & FRAMING COUNCIL DISCUSSION**

Greater Portland is growing quickly. It's fundamental to our future to have a variety of safe, affordable and reliable options for people to get where they need to go – whether they are driving, riding a bus or train, biking or walking.

Metro has been working since early 2018 to lay the foundation of a collaborative, comprehensive investment plan that makes getting around safer, faster and more affordable for everyone. The Metro Council has directed that this plan include investments throughout the region, supporting the many ways people travel. The council has directed that this work must place advancing racial equity and addressing climate change at its core. The council has also directed staff to engage a wide range of community members, partners and leaders to identify smart solutions supported by a broad coalition.

Greater Portland voters' decisive approval of the regional affordable housing bond in 2018 and regional Parks and Nature bond renewal in 2019 demonstrates their eagerness to address the critical issues we face across the region. The Metro Council is now working with jurisdictional partners, housing providers and the community to create needed affordable homes through the bond, and will soon begin a refinement process for implementing the new parks and nature bond. As greater Portland faces the future, a regional transportation measure in 2020 represents a significant opportunity to continue connecting these priorities to make meaningful, strategic investments that improve lives and increase opportunities throughout the region.

### **BACKGROUND**

In December 2018, the Metro Council adopted a Regional Transportation Plan update, following years of engagement that included more than 19,000 engagements with residents, community and business leaders, and regional partners. Through the extensive engagement that shaped the plan, Metro heard clear desires for safe, smart, reliable and affordable transportation options for everyone and every type of trip. The 2018 Regional Transportation Plan is therefore built on key values of equity, climate, safety, and congestion relief.

At work sessions in January 2019, the Metro Council provided guidance on key outcomes, principles and the structure of a potential investment measure to help advance these

values. The council also approved a charge for a diverse and regionally inclusive Regional Transportation Funding Task Force. Co-chaired by Commissioners Jessica Vega Pederson and Pam Treece, the Task Force has met 16 times. To date, the Task Force has reviewed Metro Council direction and policy applying to the regional investment measure, identified additional desired outcomes, provided input to Council on priority corridors and regionwide programs, discussed possible revenue mechanisms, and made recommendations on potential Tier 1 investments.

In June, informed by input from the Task Force and an online survey completed by approximately 3,500 area residents, the Metro Council directed staff to move 13 “Tier 1” corridors into further project identification, development and engagement. The council also identified 16 “Tier 2” corridors to be considered for funding if there is revenue capacity. The Task Force will begin discussion of options in these corridors at its Feb. 19 meeting.

Following a summer of in-depth engagement with community-based Local Investment Teams and project development with jurisdictional partners, Metro staff released a Tier 1 corridor projects and regionwide programs recommendation to the Force in October. After discussing staff’s recommendations and proposed amendments at several meetings, the Task Force voted on Tier 1 corridor recommendations on Dec. 18, achieving unanimous consensus on almost the entire package. In summary, the Task Force recommendations constitute roughly \$3.81 billion in measure investments in Tier 1 corridors, leveraging approximately \$2.22 billion in expected federal and local funds, for a total of approximately \$6.03 billion in recommended Tier 1 corridor investments.

The Metro Council discussed the Task Force recommendations at work sessions on Jan. 7 and 14, providing direction to staff to proceed with project development as well as continue to explore questions and options for several specific investments.

In September 2019, informed by input from community forums in the spring and Task Force discussions in the summer, the Metro Council provided direction on nine regionwide programs to continue developing for potential inclusion in the measure; these programs would advance Council outcomes and meet community needs beyond the priority corridors identified in the measure. The programs are expected to include approximately \$50 million in total annual investment for 20 years. At the Metro Council’s direction, staff are also continuing to develop a community stability program that would support the development of community-based anti-displacement strategies in corridors funded through the measure. Staff plan to bring a refined program recommendation to the Metro Council in April.

The Metro Council will continue to direct staff in future iterative policy discussions over the next several months. The council could consider referral to voters in late spring.

- Is legislation required for Council action? **Legislation will be required for referral, but staff are not proposing legislation for direction on revenue mechanisms at this time.**

Materials following this page were distributed at the meeting.



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# Parks and Nature budget proposal

Fiscal year 2020-21



# Mission and DEI outcomes

Metro Parks and Nature protects water quality, fish and wildlife habitat, and creates opportunities to enjoy nature close to home through a connected system of parks, trails and natural areas.

**Economic Equity**

**Environmental Equity**

**Cultural Equity**

# Guiding policies and plans

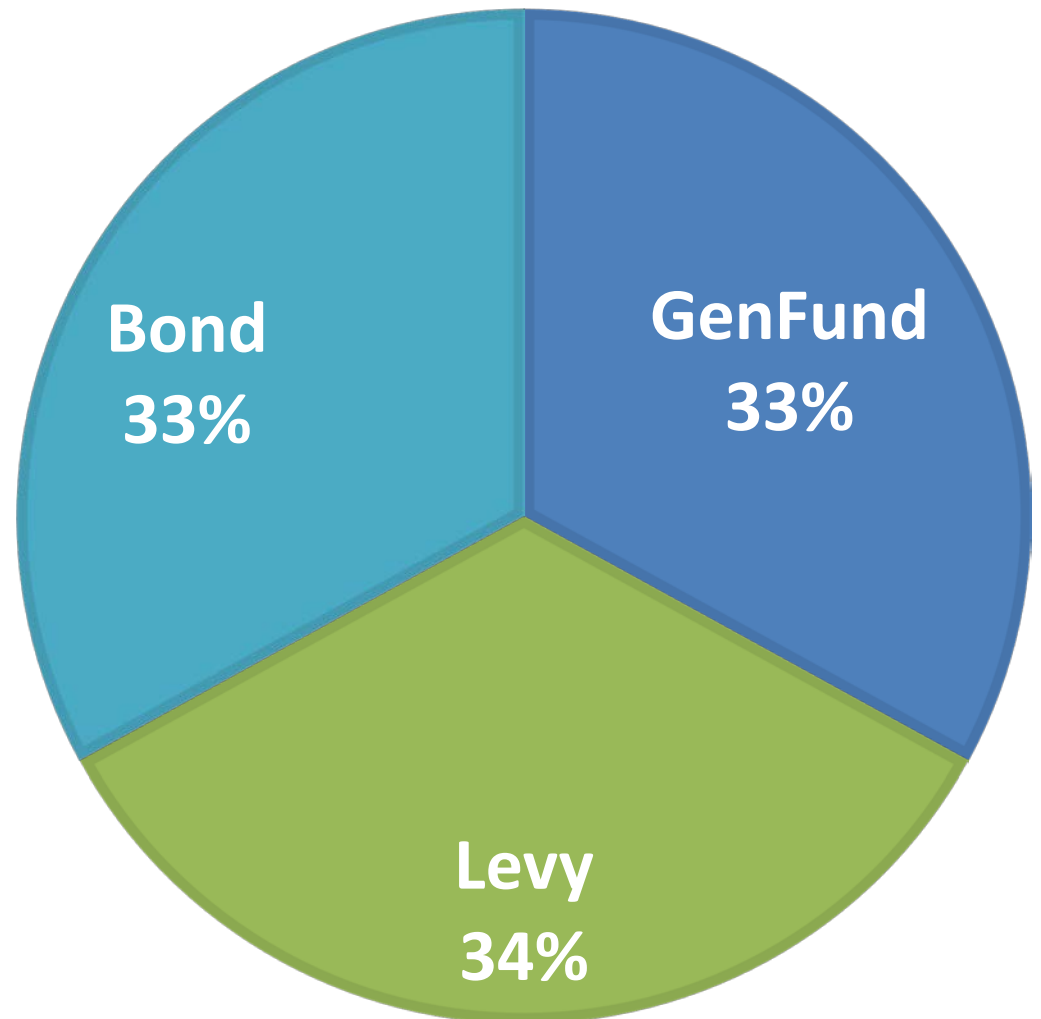
- Metropolitan Greenspaces Master Plan
- Metro Urban Growth Management Plan
  - Title 13: Nature in Neighborhoods
- Regional Framework Plan
  - Ch 3: Nature in Neighborhoods
  - Ch 4: Watershed Health & Water Quality
- Parks and Nature System Plan
- Strategic Plan to Advance Racial Equity, Diversity and Inclusion

# Primary funding sources

General Fund

Levy

Bond



# Previous fiscal years

	<u>FY18</u>	<u>FY19</u>	<u>FY20</u>
Personnel Services	11,915,049	13,745,621	14,532,925
Materials & Services	13,881,363	16,054,813	13,886,680
Capital Outlay	8,093,287	25,373,579	11,670,378
<b>TOTAL</b>	<b>33,889,699</b>	<b>55,174,013</b>	<b>40,089,983</b>
FTE	103.95	112.1	113.2



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**What's new this year?**  
**Streamline funding sources**



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**What's new this year?**

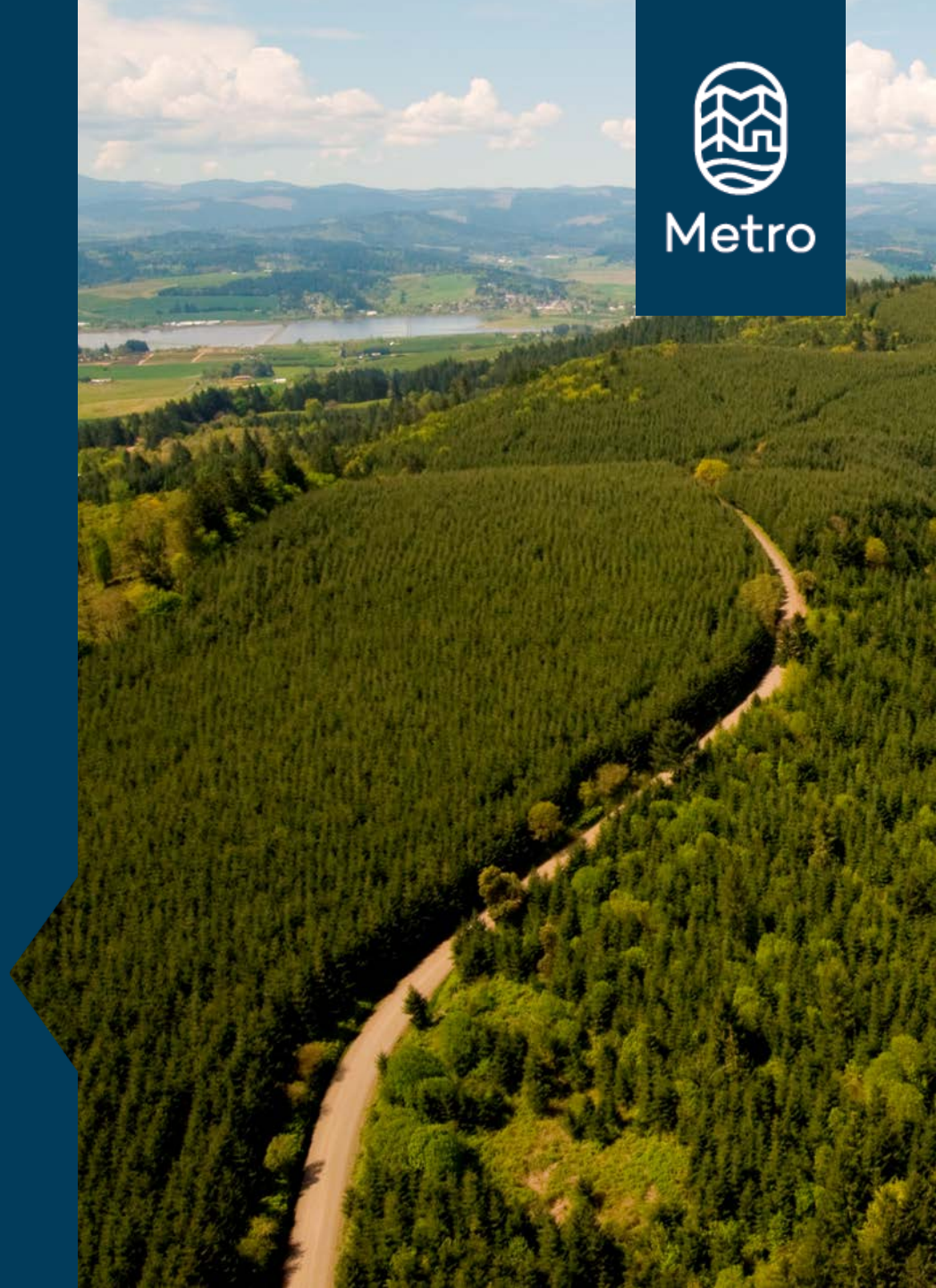
**Begin investing 2019 bond measure**



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\$25 million in  
bond spending  
during FY 20-21

16 new positions





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Bond-specific  
budget  
modifications

Protect and  
restore land, care  
for Metro parks,  
build trails





Additional  
budget  
modifications

Protect and  
restore land, care  
for Metro parks,  
complete trail  
construction



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What's new this year?  
Seeking space for our growing team

# Budget modifications

Agency-wide DEI: \$50,000

Climate change mitigation:  
\$10,000

Research Center: \$200,000

Special projects team:  
\$134,500

Newell Creek Canyon: \$40,000



# Shifts within existing budget

Training and staff  
development: \$50,000

Land management:  
\$100,000

Renewal and replacement:  
\$800,000



# Trade-offs & policy implications

- Timing: projects and programs
- Service levels: nature and people
- Future portfolio: growth and mix



**oregonmetro.gov**



# Budget modifications - details

Bond funds will support the six positions that Parks and Nature requested this month, as well as 10 additional positions we are requesting in this budget proposal:

- 2 natural resource specialists
- 2 assistant scientists
- 2 real estate negotiators
- 1 working lands coordinator
- 2 natural areas rangers
- 1 ADA construction coordinator

# Budget modifications – (non-bond) details

In addition to the 16 positions planned to advance the bond measure, we are proposing five additional budget modifications of staff positions to support our growing park system.

- **1 overnight ranger** to address safety concerns at Oxbow while campers are in the park
- **1 maintenance worker** to support the ongoing repair needs for our park sites, as well as carry out scheduled maintenance
- **1 administrative specialist** to support the park operations team with administrative tasks and software upkeep
- **1 guest services coordinator** at Oxbow to cover increased activity at the Oxbow Welcome Center, as well as address changes to the camping check-in process.
- **1 guest services/administrative supervisor** to oversee the off-site members of the admin team at Oxbow and Blue Lake



# Transportation Funding Measure: Revenue mechanisms

Metro Council  
Work Session  
Jan. 28, 2020



Metro



# Today's agenda

Update on  
#GetMoving  
communications &  
outreach

Revenue  
mechanisms:  
What's available,  
what's possible

Staff analysis

Council direction



# Update: Comms & engagement

## Listening to community

Programs Community workshops

Online Programs survey

Stakeholder conversations

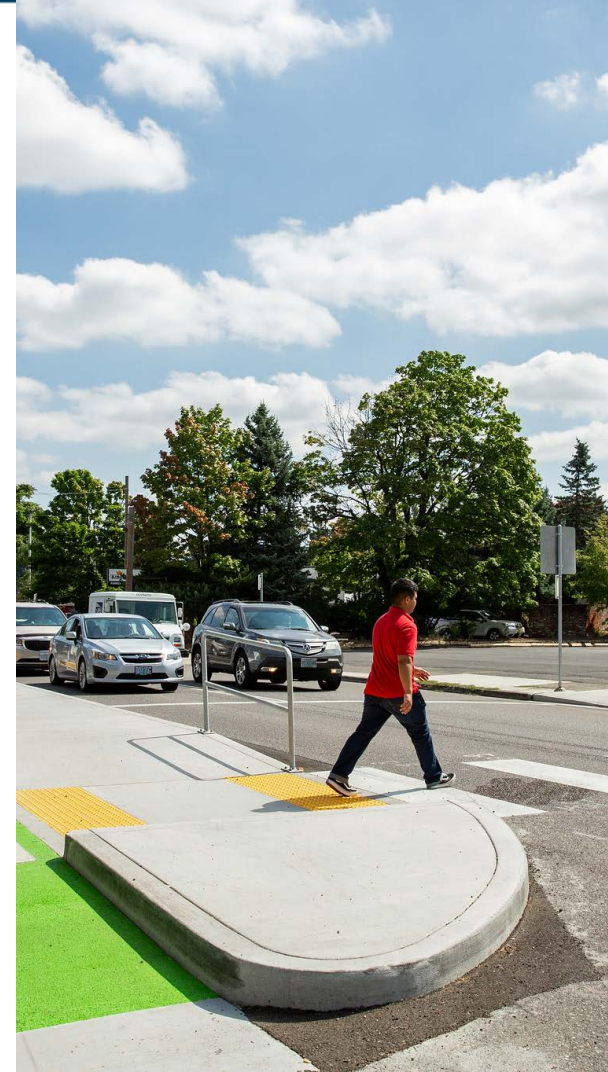
Community Partners

## Telling the story

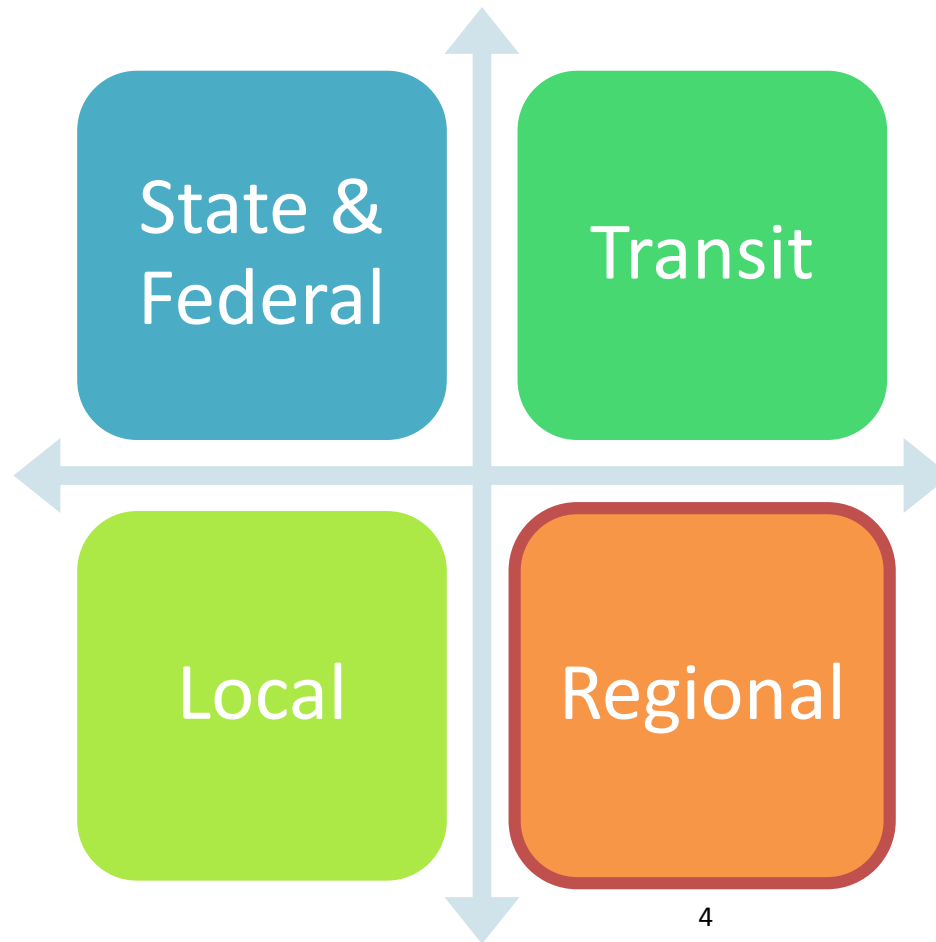
[Getmoving2020.org](https://www.getmoving2020.org)

Fact sheets & materials

Presentation support



# Pieces of the funding puzzle



# Federal funding in the region

Regional Flexible Funds

Major transit projects

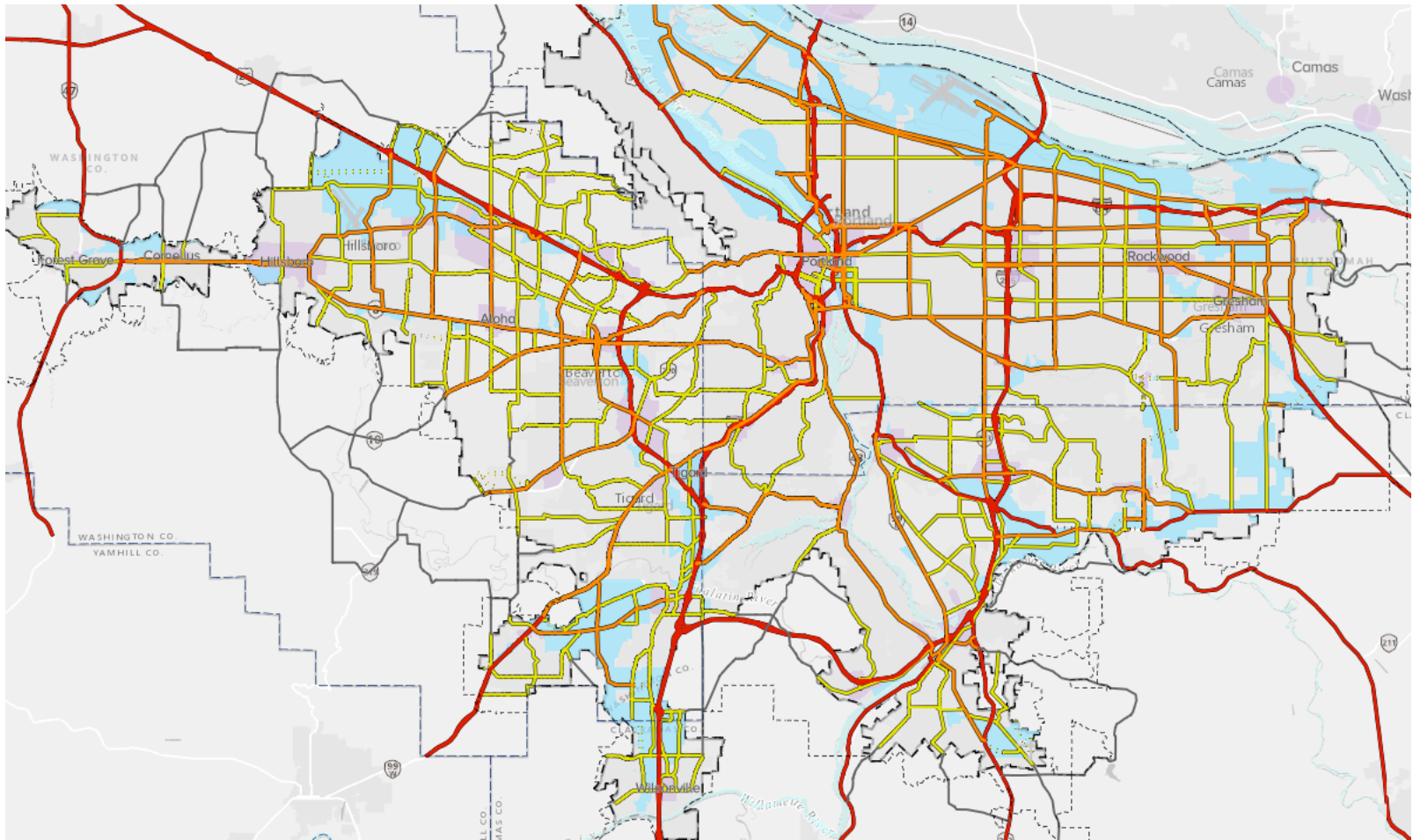
Part of ODOT's budget

Other grant programs

Limitations: Unreliable,  
shrinking, complex



# State funds: The state's system



# Transportation Investments

## Roads & Bridges



Most of ODOT's funding will go to road maintenance and preservation for lasting fixes that keep Oregon's roads and bridges in good condition today and for future generations.

## Local Control



Half of road funding will go to cities and counties to complete local communities' top priority road maintenance and improvements.

## Reducing Congestion



Relieving congestion bottlenecks will help people get where they want to go

quickly and reliably. New lanes on I-5 at the Rose Quarter will save motorists 2.5 million hours wasted in gridlock each year, and widening sections of OR 217 and I-205 in Portland will improve reliability.

## Better Public Transportation



Rural and urban bus service will provide choices to help people get around, while reducing air pollution and greenhouse gas emissions.

## Safe Biking & Walking Options



Sidewalks, bike lanes, and crossings near schools will help kids get to school safely. Funding from a new bike tax will build

off-road paths that separate bikes and walkers from auto traffic.

## Moving Freight



Improvements to rail and ports will get products from Oregon's farms, forests, and factories to markets across the world. New intermodal rail facilities will shift freight from truck to train, freeing up space on crowded freeways.

## Electric Vehicle Incentives

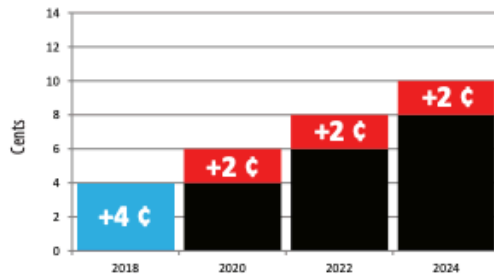


Rebates for zero emission vehicle purchases will help Oregon transition to a sustainable transportation system.

# HB 2017 Funding sources

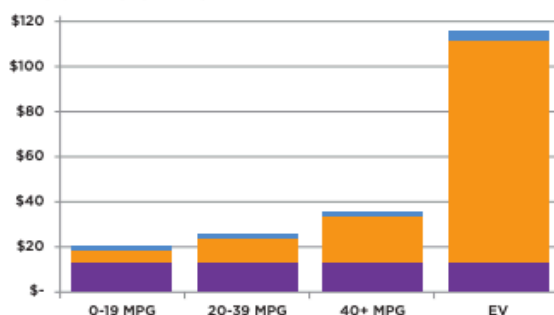
## Gas tax, vehicle registration & title fees

Gas tax will increase 10 cents in four steps—with the last three increases conditioned on meeting accountability requirements.



Registration and title fees increase in three steps. Surcharges for electric vehicles and hybrids that pay little in gas tax ensure they pay their fair share for roads.

Light registration and title fees stepped and tiered  
Passenger registration annual increase (current rate \$43)



## Bicycle Tax

\$15 fee on new adult bicycles that cost \$200 or more will generate \$1.2 million a year for separated biking and walking paths.



## New Light Vehicle Dealer Privilege Tax

0.5% dealer privilege tax on new light vehicles dedicated to electric vehicle rebates and multimodal transportation projects.



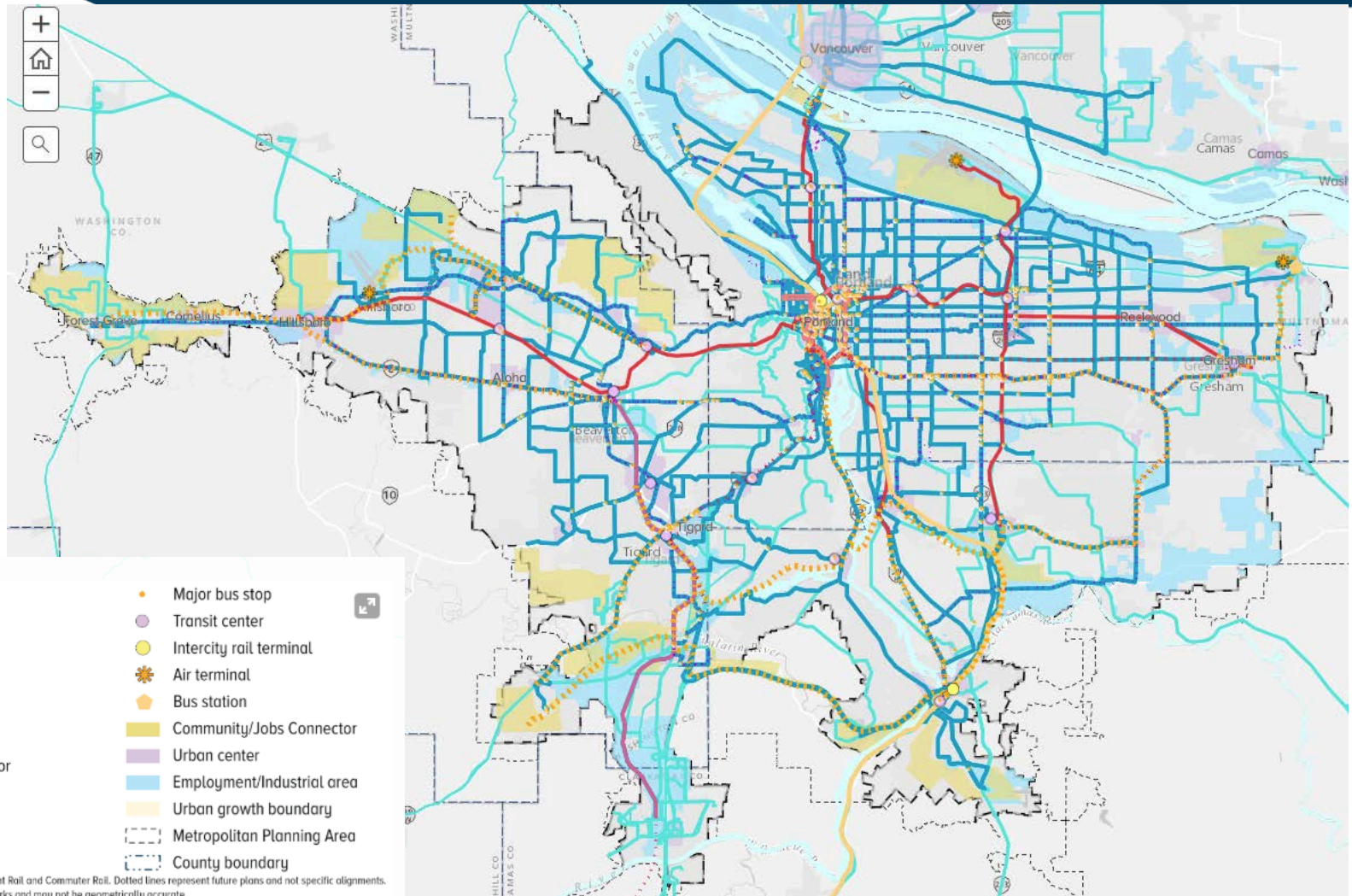
## Public Transportation Payroll Tax

Less than \$1 a week for the average worker from a 1/10 of 1% tax on wages will generate \$115 million a year for better public transportation.





# Transit



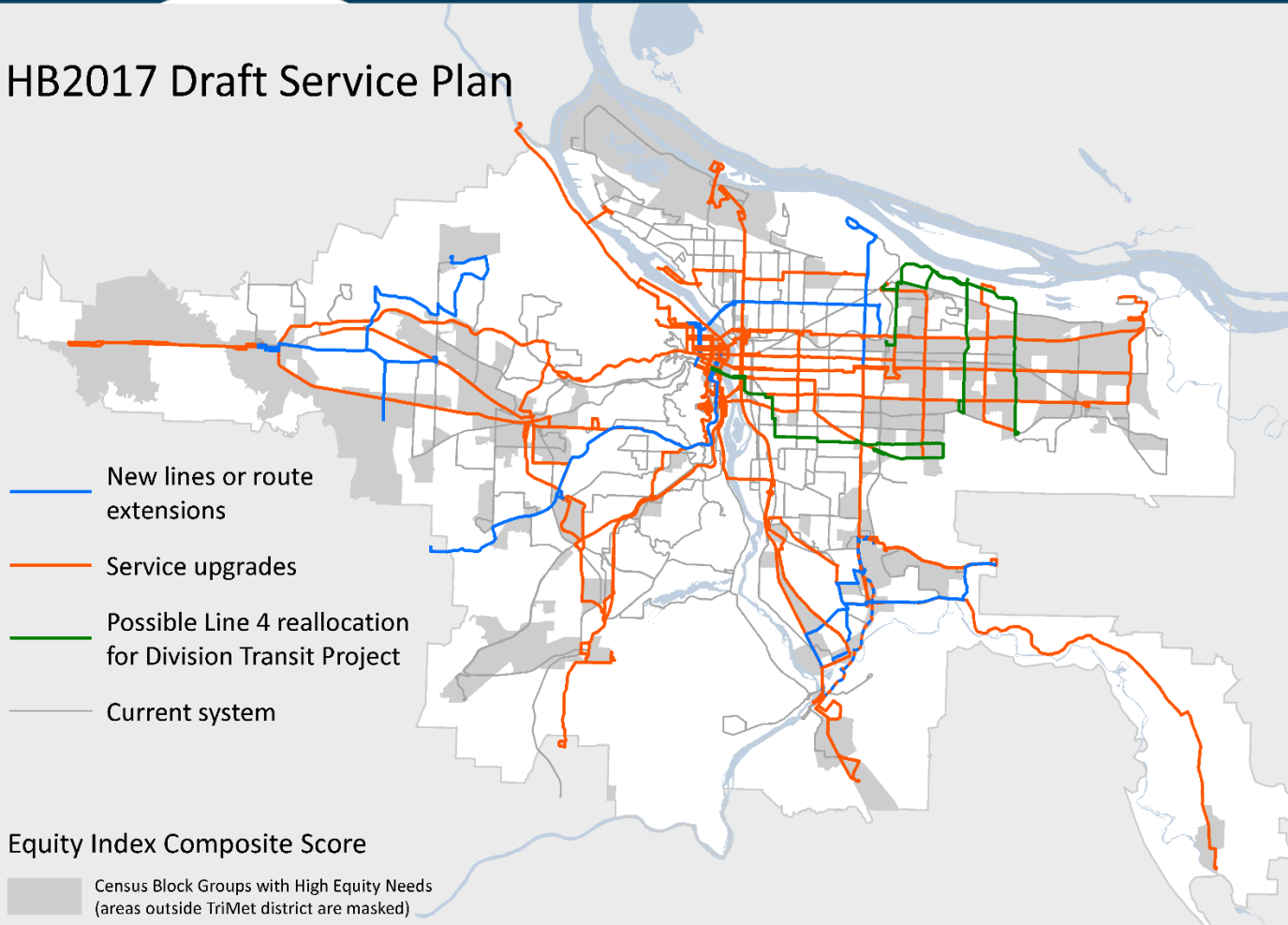
- Light rail transit
- Commuter Rail
- Streetcar
- HCT in progress
- Future HCT\*
- Intercity high speed rail
- Enhanced transit connector
- Frequent Bus
- Regional Bus
- Bus service outside MPA

- Major bus stop
- Transit center
- Intercity rail terminal
- Air terminal
- Bus station
- Community/ Jobs Connector
- Urban center
- Employment/Industrial area
- Urban growth boundary
- Metropolitan Planning Area
- County boundary

\*Includes Bus Rapid Transit, Rapid Streetcar, Light Rail and Commuter Rail. Dotted lines represent future plans and not specific alignments. Bus route geometry is based on modeled networks and may not be geometrically accurate.

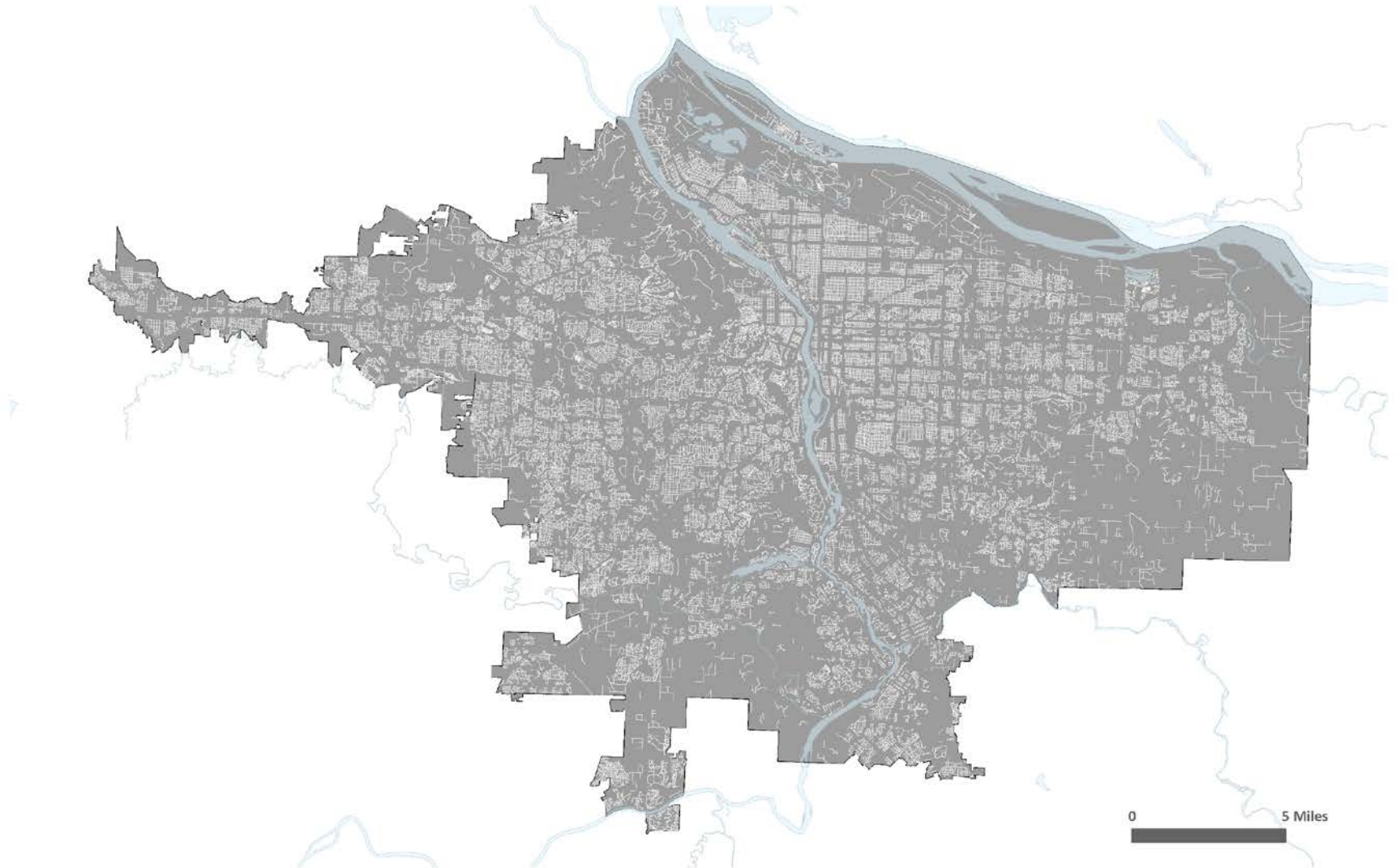
# Making transit better: HB 2017 service improvements

## HB2017 Draft Service Plan



Improvements
5 new bus lines
3 weekend improvements
7 route extensions or route changes
10 frequency upgrades
8 early/late/midday improvements
2 24-hr. service additions
5 new 15-min. Frequent Service Lines
4 Frequent Service Lines upgraded to 12 min. service

# The local network



# Local funding examples



Other local gas taxes: Milwaukie, Tigard, Troutdale, Multnomah County, Washington County



**MSTIP**

MAJOR STREETS TRANSPORTATION IMPROVEMENT PROGRAM

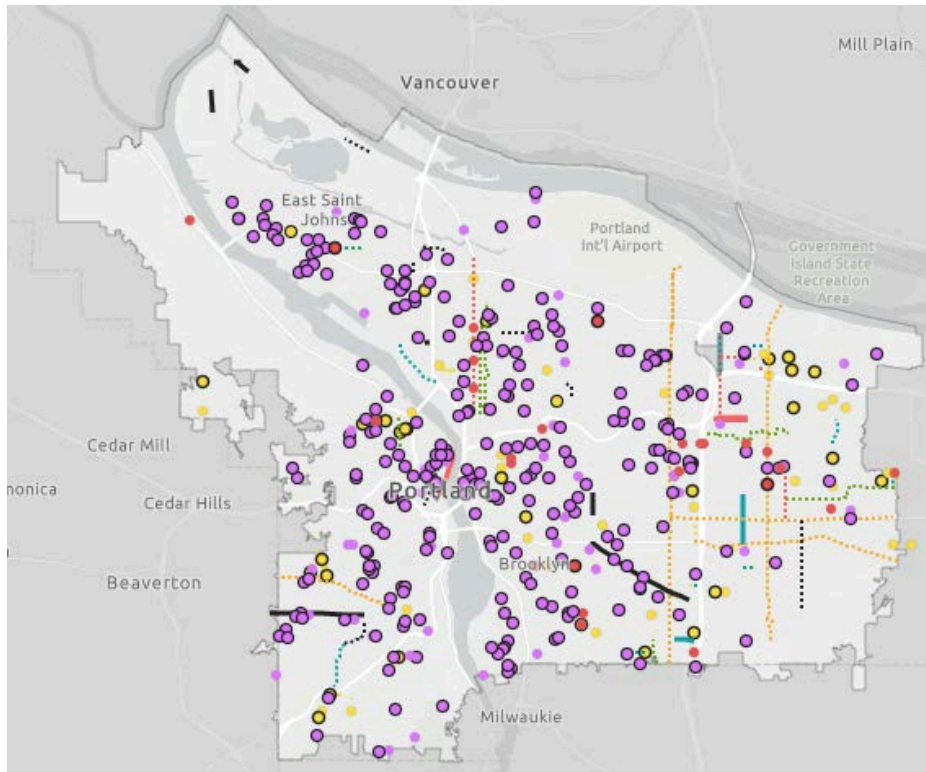
Property Taxes (Wash. County)

County vehicle registration fees

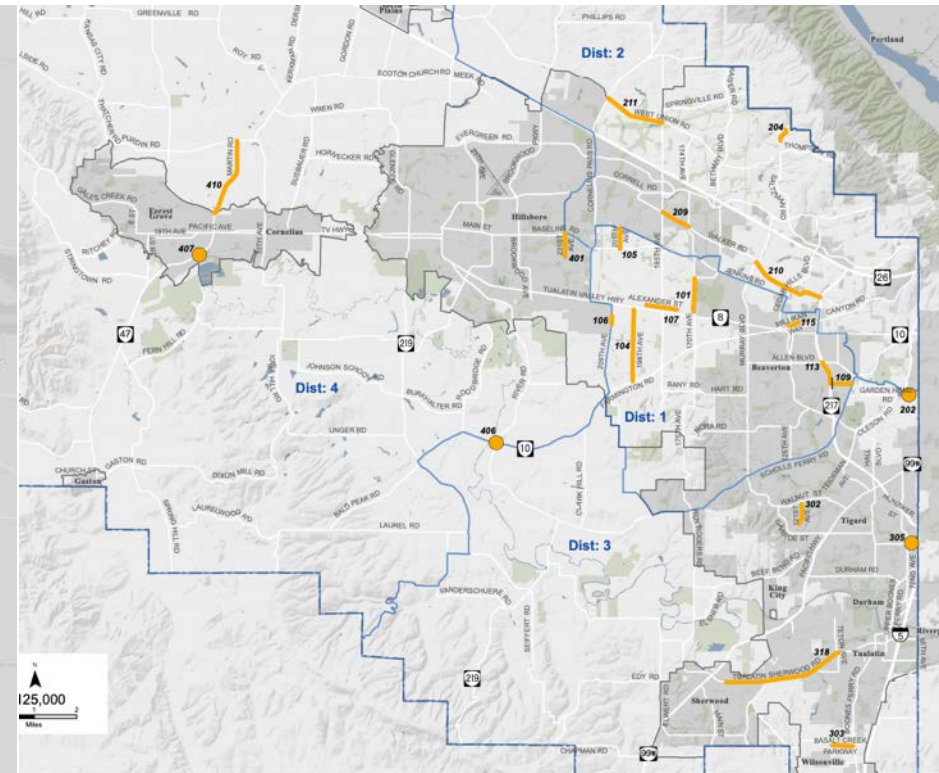
Local street utility fees: Hillsboro, Lake Oswego, Milwaukie, Oregon City, Tigard, Tualatin, Wilsonville

Pairing with development (SDCs)

# Local funding: Focus on local fixes

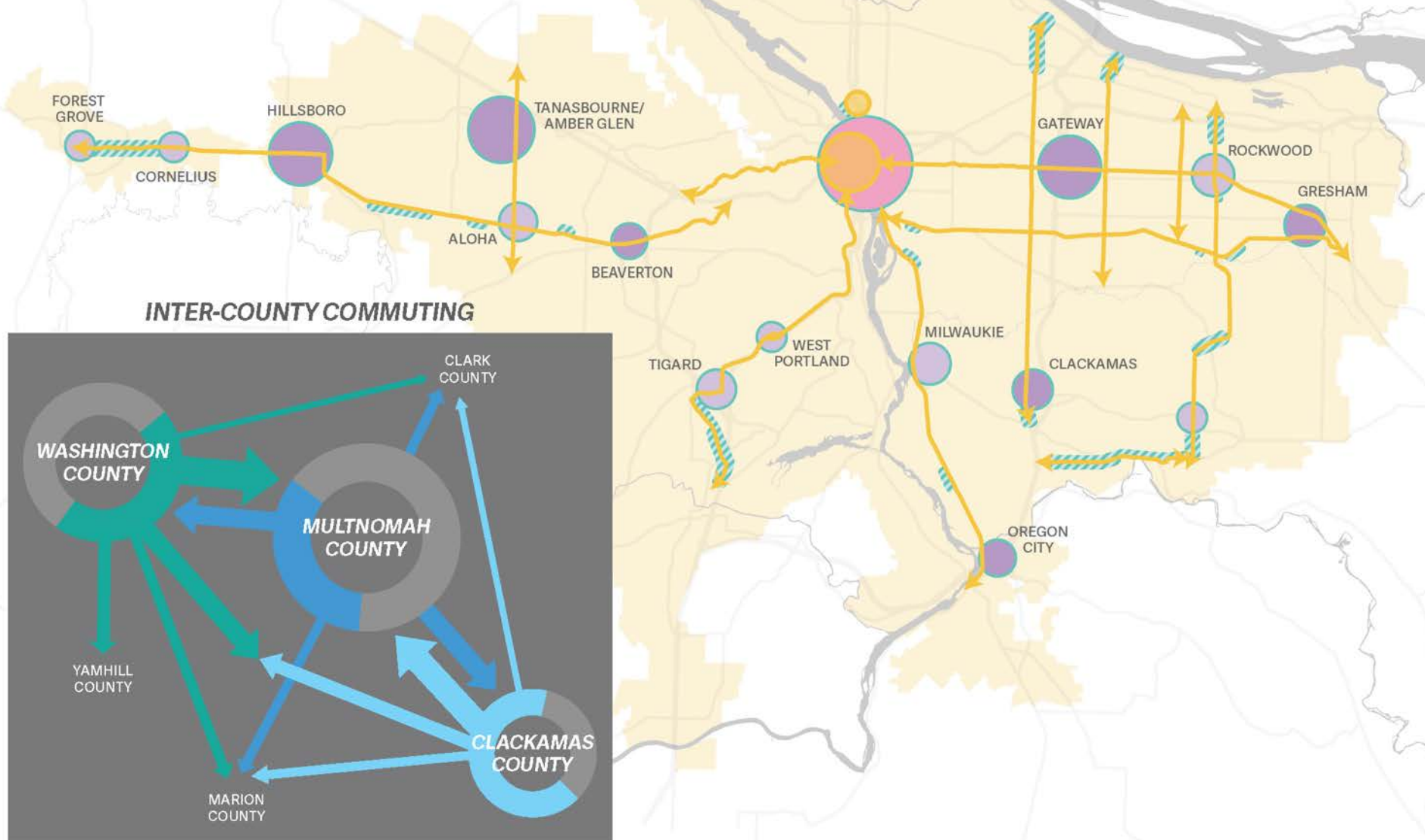


PBOT: Fixing our Streets projects



Washington County MSTIP projects

# Regional corridors: Connecting a regional system

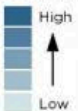


# Regional programs: Potential to meet regional needs

## Metro Regional Safe Routes to School Strategy

### Regional School Site Analysis

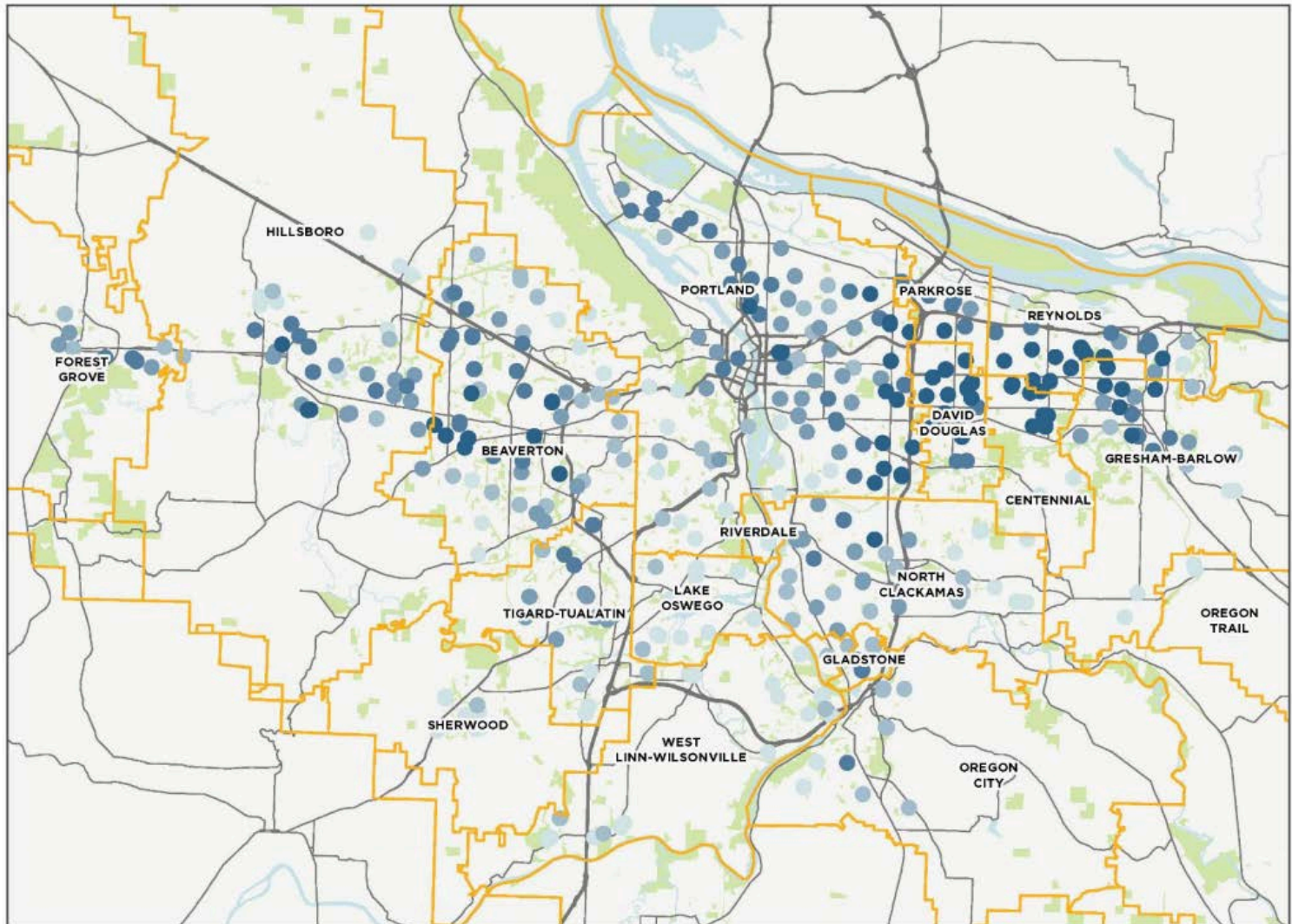
#### OVERALL SCORE



School District Boundaries

#### INPUTS

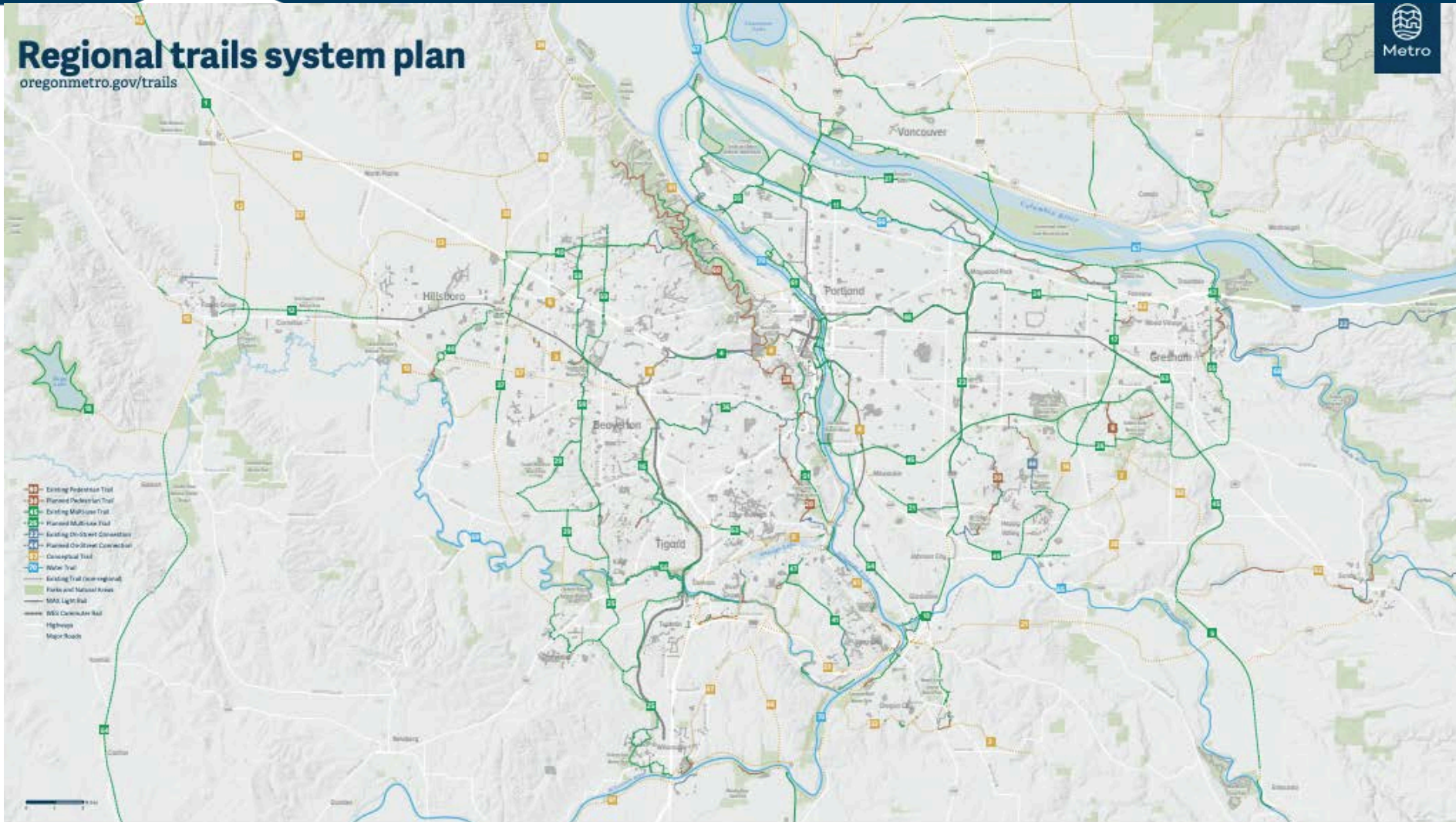
- Household Income
- Students Eligible for Free or Reduced Lunch
- Non-white Student Percentage
- Pedestrian and Bicycle Crashes
- Sidewalk Coverage
- Barriers to Walking and Biking
- Youth Population
- Density of Local Street Network
- Enrollment



0 1.5 3 MILES  
Data Source: Metro's 2011, 2007, 2002, and ACS  
Map produced October 2015.



# Regional programs: Making regional connections





# Overview: Is an option feasible?

Can Metro use it?

Can it be collected easily?

Does it help raise enough?

Could voters and key stakeholders support it?



# Considering options: Property Tax

**How could we raise \$100M per year?**

\$0.552 per \$1000/assessed value: \$100M

*Would raise Metro's total to \$1.225/\$1000*

**Advantages:** Well understood, relatively easy administration, familiar, very stable

**Constraints:** Inequities in Oregon taxing system; Bonds limited to capital spending

# Considering options: Vehicle Registration Fee

**How could we raise \$100M per year?**

Max rate (\$56 for cars): Only raises \$65M

**Advantages:** Well understood, stable, easy to collect, clear user tax

**Constraints:** Spending restrictions, rate cap, limited revenue raised, likely flat rate

# Considering options: Vehicle Privilege Tax

**How could we raise \$100M per year?**

2.6% dealer tax on sales = \$100M

**Advantages:** Relatively easy administration,  
clear user tax

**Constraints:** Requires change to state law

# Considering options: Regional Gas Tax

**How could we raise \$100M per year?**

Gas only: \$0.16 per gallon

Gas + Diesel combined: \$0.13 per gallon

**Advantages:** Well understood, easy to collect, stability, clear user tax

**Constraints:** Spending restrictions, flat rate

# Considering options: Employer Payroll Tax

**How could we raise \$100M per year?**

0.21% employer/self-employment payroll tax

**Advantages:** Well understood, easy to collect,  
relative stability

# Considering options: Corporate Activities Tax

**How could we raise \$100M per year?**

0.1% gross receipts tax = \$100M

**Advantages:** Substantial revenue, stability

**Constraints:** Would require change in state law

# Considering options: Business Income Tax

**How could we raise \$100M per year?**

0.8% business income tax = \$100M

**Advantages:** Relatively easy  
administration

**Constraints:** Volatile, 1% rate cap



# Considering options: Personal Income Tax

**How could we raise \$100M per year?**

0.2% flat income tax = \$100M

Alternative: Tiered income tax

**Advantages:** Tax rises with income,  
familiar, relatively easy administration

**Constraints:** Volatile, 1% rate cap

# Considering options: General Sales Tax

**How could we raise \$100M per year?**

0.18% to 0.25% sales tax = \$100M

**Advantages:** Relatively stable, substantial revenue potential

**Constraints:** Everyone pays the same rate; no collection system in place

# Considering options: Prepared Food/Beverage Sales Tax

**How could we raise \$100M per year?**

1.3 to 1.8% food/bev sales tax = \$100M

**Advantages:** No spending restrictions,  
relatively stable

**Constraints:** Everyone pays the same rate;  
Administration challenges; no collection  
system in place

# What do we need to raise?

## Corridors

Task Force Recommendations  
Tier 1 Measure investments

**\$3.81B**

Leveraged FTA & Local  
Investments

**\$2.22B**

Total Tier 1  
Corridor Investments

**\$6.03B**

## Programs

\$50 million/year for 20 years

**\$1B**

**Total Investments \$7.03B**

**Total revenue stream needed**

**\$350-\$450 million annually for 20 years**

# What do voters think?

*FM3 Research survey of likely voters, Dec. 1-5, 2019, n=962*

## More favorable regional funding options

Payroll & business taxes

Vehicle registration fees

Vehicle privilege tax

## Less favorable regional funding options

Property tax

Gas tax

Sales tax

# Possible combinations for raising sufficient revenue

*FM3 Research survey of likely voters, Dec. 1-5, 2019, n=962*

## **Strongest support**

Vehicle registration fee (\$50) +  
Personal income tax (1% over \$100,000) +  
Employer payroll tax (0.6%)

Vehicle registration fee (\$50) +  
Business income tax (1%)

## **Weak support**

Vehicle registration fee (\$50) +  
Property tax (40 cents/\$1,000 assessed value) +  
Employer payroll tax (0.6%)

# Task Force discussion themes: 12/11 & 1/15

Reflect/advance racial equity goals

Avoid disproportionate burden on people with lower incomes

Engage business community & other stakeholders early

Support for blending mechanisms:  
Everyone contributes



# Staff analysis: Feasibility

## More feasible options:

- Employer payroll tax
- Vehicle registration fee
- Business income tax
- Personal income tax

**Not recommended at this time:** Property tax

## Not feasible at this time:

- Sales tax
- Regional gas tax
- Vehicle privilege tax
- Corporate activity tax





# Council discussion

Does Council support narrowing revenue options under consideration?

Does Council have questions for staff to explore?



# Timeline update: Highlights

February

Engagement:  
Program  
community  
workshops &  
survey

**Council:**  
Outcomes update  
& Tier 1  
Questions

**Task Force:**  
Tier 2 corridor  
discussion

March

**Council:**  
Expenditure Plan,  
measure  
structure  
discussions

**Task Force:** Tier 2  
Recommendation  
Programs,  
Oversight &  
Accountability

April

Staff Programs  
Recommendation

**Council:**  
Tier 2 direction,  
Programs  
direction,  
Reconciliation

**Task Force:**  
Oversight &  
Accountability,  
Reconciliation

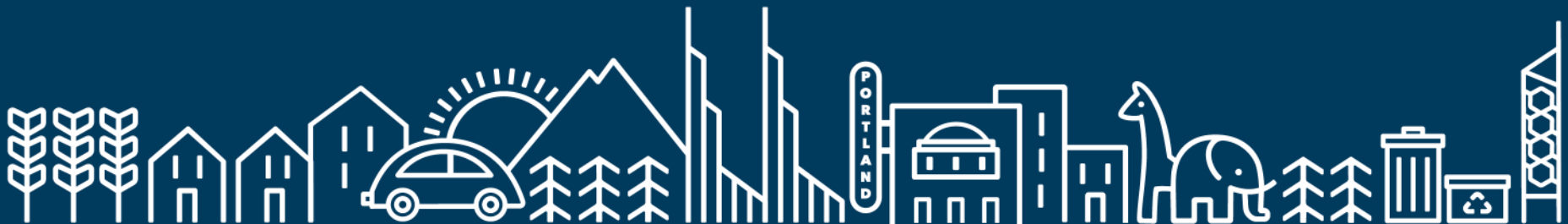
May

**Council:**  
Finalizing  
measure,  
oversight &  
accountability

**Late May:**  
Council referral  
decision

# #getmoving2020

[getmoving2020.org](http://getmoving2020.org)



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# Metro Transportation Revenue Tool Analysis and Evaluation

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December 2019

**FINAL ANALYSIS**

**ECONorthwest**

ECONOMICS • FINANCE • PLANNING

KOIN Center  
222 SW Columbia Street  
Suite 1600  
Portland, OR 97201  
503.222.6060

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## Introduction

Metro is considering instruments (revenue tools) to pay for future transportation investments. This summary, a compilation of research by ECONorthwest, the City of Portland, and Metro, presents a purely technical review of the tools identified below. It includes an initial assessment of near-term revenue potential. The tools under consideration include:

- Property Tax
- Vehicle Registration Fee (flat and tiered)
- Vehicle Privilege/Purchase Tax
- Regional Gas Tax
- Payroll Tax
- Corporate Activities Tax
- Business Income Tax
- Personal Income Tax (flat and progressive)
- General Sales Tax
- Targeted Sales Tax on Prepared Food and Beverage

This analysis explores the following key questions:

1. What rate(s) are required to raise \$10 million, \$50 million, and \$100 million annually from each instrument?
2. What are the important considerations associated with collection costs or logistical barriers to collection (e.g., constitutional or statutory limitations, need for IGAs with other entities, etc.) for each instrument?
3. What are the known, obvious legal issues associated with each instrument? Note: Metro will also conduct a separate legal analysis.

Ref	Funding Tool and Description	Rates required to raise \$10m, \$50m, and \$100m in 2020	Considerations											
			Legal	Logistical	Economic	Equity								
1	<p><b>Property Tax</b></p> <p>A tax levied on the assessed value of property and improvements.</p> <p>Measure 5 and 50 limit jurisdictions' ability to increase their permanent property tax rates. Other funding tools, that rely on <i>temporary</i> property tax increases, are legally allowed in Oregon and may be levied at a regional level:</p> <ul style="list-style-type: none"> <li>General Obligation Bonds</li> <li>Local Option Levy</li> </ul>	<p><b>Rate per \$1,000 taxable assessed value<sup>i</sup></b></p> <table border="1"> <thead> <tr> <th>Rate per \$1,000 TAV</th> <th>Est. Rev.</th> </tr> </thead> <tbody> <tr> <td>\$0.055</td> <td>\$10m</td> </tr> <tr> <td>\$0.276</td> <td>\$50m</td> </tr> <tr> <td>\$0.552</td> <td>\$100m</td> </tr> </tbody> </table> <p><b>Summary</b> When combined with Metro's existing property tax levy, to meet Metro's revenue targets, rates would total \$0.728, \$0.949, and \$1.225.</p>	Rate per \$1,000 TAV	Est. Rev.	\$0.055	\$10m	\$0.276	\$50m	\$0.552	\$100m	<p>Per ORS 268.315, Metro may levy an ad valorem tax on all taxable property within its boundaries not to exceed in any one year one-half of 1% (i.e. 0.005) of the real market value of all taxable property within the boundaries of the district.</p> <p>Note: Metro's current property tax rate is \$0.6732 per \$1,000 of taxable assessed value.<sup>ii</sup></p>	<p><b>Administrative Ease:</b> Collection mechanisms are already in place for property taxes, so administrative burden is relatively low.</p> <p><b>Uses of Funds:</b> Contingent on the funding tool. General obligation bonds are restricted to capital costs. Local option levies may be used for capital costs or operations and maintenance costs. Both tools require that funds be spent on predetermined purposes.</p> <p><b>Public Vote:</b> Required</p> <p><b>Intergovernmental Agreement:</b> Not Required</p>	<p>Potential market distortions are lower to the extent that taxed properties experience tax compression (not relevant for general obligation bonds).</p> <p><b>Avoidance:</b> Property taxes are difficult to avoid and easy to enforce, making the tax relatively efficient. Although, at the margins, increases affect the feasibility of development and increase the desirability of development in areas with lower property tax.</p> <p><b>Volatility:</b> Property taxes are among the most stable funding sources available. Property tax revenue in Oregon is protected to some extent from volatility in the real estate market by provisions implemented with Measures 5 and 50.</p>	<p>Property tax increases may or may not have a direct connection to transportation system users, depending on how the funds are used.</p> <p>In Oregon's property taxation system, rising home values do not directly result in higher property taxes. Except in limited circumstances, property taxes grow at a statutorily limited rate of 3%, regardless of changes in the larger housing market. Homeowners certainly do experience predatory purchasing practices and other financial challenges with housing cost, but once they have a mortgage in place, rising home prices in the market, and associated property taxes, are not likely to directly lead to displacement. In that, "some evidence that property tax pressure can trigger involuntary moves by homeowners [exists], but no evidence that such displacement is more common in gentrifying neighborhoods than elsewhere, nor that property tax limitation protects long-term homeowners in gentrifying neighborhoods."<sup>iii</sup></p> <p>Property taxes are technically regressive because households are taxed at the same rate (and pay the same amount of tax on similar valued homes), regardless of their incomes. In practice, property taxes are based on Taxable Assessed Value (AV), and higher-income earners typically, but not always, live in higher-valued homes. At present, there is no clear consensus on whether the tax is progressive, regressive, or proportional.</p>
Rate per \$1,000 TAV	Est. Rev.													
\$0.055	\$10m													
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Ref	Funding Tool and Description	Rates required to raise \$10m, \$50m, and \$100m in 2020	Considerations																												
			Legal	Logistical	Economic	Equity																									
2	<p><b>Vehicle Registration Fee (VRF)</b></p> <p>The VRF is a recurring charge on individuals that own cars, trucks, and other vehicles. Metro may impose a flat rate, or a tiered rate based on vehicle type.</p>	<p>This section displays two different rate structures:</p> <p><b>Annual Flat Rate<sup>iv</sup></b></p> <table border="1"> <thead> <tr> <th>Rate on All Registered Vehicles</th> <th>Rate on All Passenger Vehicles</th> <th>Est. Rev.</th> </tr> </thead> <tbody> <tr> <td>\$6.26</td> <td>\$7.80</td> <td>\$10m</td> </tr> <tr> <td>\$31.29</td> <td>\$38.99</td> <td>\$50m</td> </tr> <tr> <td>—</td> <td>\$56.00</td> <td>\$72m</td> </tr> <tr> <td>\$62.59</td> <td>\$77.98</td> <td>\$100m</td> </tr> </tbody> </table> <p><b>Annual Tiered Rate at statutory maximum<sup>v</sup></b></p> <table border="1"> <thead> <tr> <th>Vehicle Class</th> <th>Max. Rate</th> <th>Est. Rev.</th> </tr> </thead> <tbody> <tr> <td>Passenger</td> <td>\$56.00</td> <td rowspan="3">\$65m</td> </tr> <tr> <td>Utility/Light Trailer</td> <td>\$63.00</td> </tr> <tr> <td>Mopeds / Motorcycles</td> <td>\$44.00</td> </tr> </tbody> </table> <p><b>Summary:</b> Using either methodology, Metro would not be able to reach its \$100m revenue target with a VRF.</p> <p>* Cells shaded in red indicate rates that would surpass the allowed maximum rate. Note that rates must ultimately be imposed as whole dollar amounts.</p>	Rate on All Registered Vehicles	Rate on All Passenger Vehicles	Est. Rev.	\$6.26	\$7.80	\$10m	\$31.29	\$38.99	\$50m	—	\$56.00	\$72m	\$62.59	\$77.98	\$100m	Vehicle Class	Max. Rate	Est. Rev.	Passenger	\$56.00	\$65m	Utility/Light Trailer	\$63.00	Mopeds / Motorcycles	\$44.00	<p>Metro may legally impose a VRF by ordinance per ORS 801.040.<sup>vi</sup> The fee would apply to all vehicles registered at a residence or business address within the district.</p> <p>VRF rates are statutorily limited per ORS 803.420<sup>vii</sup> and ORS 803.442.<sup>viii</sup> Fees are currently limited to \$56 per year per passenger vehicle.</p>	<p><b>Administrative Ease:</b> A mechanism is already in place to collect statewide vehicle registration fees, which could be used to collect Metro's fees.</p> <p><b>Uses of Funds:</b> VRF may be used to fund investments in the road right-of-way. If Metro raises revenues for highways, roads, streets, and roadside rest areas, Metro shall establish a Regional Arterial Fund to deposit all VRF revenues.</p> <p><b>Public Vote:</b> Required. Per ORS 801.042, to establish a VRF ordinance, Metro must submit the VRF proposal to the electors of the district for approval.</p> <p><b>Intergovernmental Agreements:</b> If the VRF is voter approved, Metro will enter into an IGA with all counties, other districts, and cities (with 300,000+ population) that overlap with Metro. The IGA must state the fee rates and, if applicable, the revenue apportionment among the counties and other districts. Before Counties can enter into the IGA, they shall consult with the cities in their jurisdiction.</p> <p>Once an ordinance is established, Metro shall enter into an IGA with the Department of Transportation who will collect the fees and distribute the revenue back to Metro.</p>	<p><b>Avoidance:</b> Vehicle registration fees could be avoided by a vehicular owner registering their vehicle at an address that is outside of Metro's taxing jurisdiction.</p> <p><b>Volatility:</b> Vehicle registration fees tend to be a fairly stable and predictable source of revenue.</p> <p>The number of registered vehicles in the three counties comprising Metro has grown by about 56,600 vehicles over the 2016–2018 period. Growth in registered vehicles is, however, slowing. The rate of total registered vehicles grew by 1.62% from 2016–2018, and 2.16% from 2014–2016. The rate of total registered passenger vehicles grew by 1.66% from 2016–2018, and 2.98% from 2014–2016.<sup>ix</sup></p>	<p>Vehicle registration fees are only paid by individuals and businesses that own automobiles, which is somewhat fair, as this is a rough approximation of the population that will use the transportation system. However, there is no direct ratio of vehicles owned and registered to the amount of benefits received from the transportation system.</p> <p>Vehicle registration fees are regressive. To make the fee less regressive, Metro could evaluate the legal and administrative feasibility of structuring a tax exemption for lower valued vehicles or a tiered rate based on vehicle value.</p> <p><b>Impact on the Individual:</b> Oregon, Clackamas County, Multnomah County, and Washington County impose a VRF. If Metro imposes a VRF at \$56 per year (for example), passenger vehicle-owner who registered their vehicle under the new schedule would pay \$142 in Clackamas County, \$131 in Multnomah County, and \$142 in Washington County (annually):<sup>x</sup></p>
Rate on All Registered Vehicles	Rate on All Passenger Vehicles	Est. Rev.																													
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			Legal	Logistical	Economic	Equity																
3	<p><b>Vehicle Privilege / Purchase Tax</b></p> <p>A vehicle privilege tax is a tax for the privilege of selling a vehicle in a taxing jurisdiction. The vehicle dealer is responsible for paying the tax, but the dealer may pass on the tax amount onto the buyer.</p> <p>A vehicle purchase tax is a tax on vehicles which are purchased from dealers <i>outside</i> of the taxing jurisdictions, and then registered/titled in the taxing jurisdiction.</p> <p>Dealers in Oregon are responsible for collecting/remitting the tax; out-of-state dealers have the option of collecting/remitting the tax for motor vehicles.<sup>xi</sup></p>	<p>Limitations<sup>xiii</sup> in the data provided by the Department of Revenue suggest that rates to meet the revenue targets could be lower.</p> <p>For both taxes, the rate is applied to the retail sales price of the vehicle (ORS 320).</p> <p><b>Vehicle Privilege:</b><sup>xiii</sup></p> <table border="1"> <thead> <tr> <th>Rate</th> <th>Est. Rev.</th> </tr> </thead> <tbody> <tr> <td>0.3%</td> <td>\$10m</td> </tr> <tr> <td>1.3%</td> <td>\$50m</td> </tr> <tr> <td>2.6%</td> <td>\$100m</td> </tr> </tbody> </table> <p><b>Vehicle Purchase (Use):</b><sup>xiv</sup></p> <table border="1"> <thead> <tr> <th>Rate</th> <th>Est. Rev.</th> </tr> </thead> <tbody> <tr> <td>0.7%</td> <td>\$10m</td> </tr> <tr> <td>3.5%</td> <td>\$50m</td> </tr> <tr> <td>7.5%</td> <td>\$100m</td> </tr> </tbody> </table>	Rate	Est. Rev.	0.3%	\$10m	1.3%	\$50m	2.6%	\$100m	Rate	Est. Rev.	0.7%	\$10m	3.5%	\$50m	7.5%	\$100m	<p>ORS 320.490 precludes local governments from levying a vehicle privilege / purchase tax, unless authorized by statute or unless it was in effect on or before October 6, 2017. While Metro is not necessarily considered a “local government”, legal review is needed to determine whether Metro may levy these taxes. ORS 320 does not define “local government.”</p> <p>ORS 320.405 and 320.410, outlines Oregon’s privilege / purchase taxes rate of 0.5% of the retail sales price of the taxable motor vehicle<sup>xv</sup> and an excise tax of \$15 on the sale of a taxable bicycle.</p> <p>A “taxable vehicle” is either a “taxable bicycle” or a “taxable motor vehicle.” A “taxable bicycle” is a bicycle that is at least 26 inches with a retail sales price of \$200 or more. A “taxable motor vehicle” is a vehicle with a gross weight rating of 10,000 to 26,000 pounds (further defined in ORS 320.400.<sup>xvi</sup></p>	<p><b>Administrative Ease:</b> The State of Oregon already imposes vehicle privilege / purchase (use) taxes. Metro could use the state’s existing collection mechanism.</p> <p><b>Uses of Funds:</b> Per an Oregon Supreme Court ruling,<sup>xvii</sup> the use of vehicle privilege / purchase tax funds is unrestricted (unlike gas taxes or vehicle title and registration fees which must be allocated to the State Highway Trust Fund.</p> <p><b>Public Vote:</b> Required.</p> <p><b>Intergovernmental Agreement:</b> Metro may enter into an IGA with the State who could collect the taxes and distribute the revenues back to Metro.</p>	<p><b>Avoidance:</b> Unless the intent was tax evasion, there is little existing research on the risk of vehicle privilege / purchase tax avoidance.</p> <p><b>Volatility:</b> Vehicle purchases declined by 40% over a period of 12 months in response to the last recession,<sup>xviii</sup> indicating that revenue generated by a tax tied to new purchases could follow economic cycles.</p> <p>Vehicles tend to be more elastic in urban areas, as there are more alternative modes of transportation (e.g. compared to more rural areas). A 1997 study found that price elasticity for vehicles was 1.2 to 1.5 in the short-run and 0.2 in the long-run.<sup>xix</sup> A 2009 study found that the price elasticity for a new vehicle was 1.311, implying that “consumers are somewhat sensitive to changes in price.”<sup>xx</sup></p>	<p>Vehicle Privilege / Purchase taxes are regressive because they have a larger impact on low-income residents than on those with higher incomes.</p> <p>Additional legal review would be needed to determine the extent to which Metro could reduce or waive the tax for vehicles with lower retail values in an attempt to make the taxes more progressive. ORS 320 does not outright preclude this as a tiered rate structure option.</p>
Rate	Est. Rev.																					
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4	<p><b>Regional Gas Tax</b></p> <p>A fuel tax is a tax typically levied as a fixed dollar amount per gallon, charged on the sale of gasoline and other fuels.</p>	<p><b>Flat Rate per Gallon of Gasoline only<sup>xxi</sup></b></p> <table border="1"> <thead> <tr> <th>Rate</th> <th>Est. Rev.</th> </tr> </thead> <tbody> <tr> <td>\$0.02</td> <td>\$10m</td> </tr> <tr> <td>\$0.08</td> <td>\$50m</td> </tr> <tr> <td>\$0.16</td> <td>\$100m</td> </tr> </tbody> </table> <p><b>Flat Rate per Gallon of Fuel (Gasoline and Diesel)</b></p> <table border="1"> <thead> <tr> <th>Rate</th> <th>Est. Rev.</th> </tr> </thead> <tbody> <tr> <td>\$0.01</td> <td>\$10m</td> </tr> <tr> <td>\$0.06</td> <td>\$50m</td> </tr> <tr> <td>\$0.13</td> <td>\$100m</td> </tr> </tbody> </table>	Rate	Est. Rev.	\$0.02	\$10m	\$0.08	\$50m	\$0.16	\$100m	Rate	Est. Rev.	\$0.01	\$10m	\$0.06	\$50m	\$0.13	\$100m	<p>Nothing in ORS 319<sup>xxii</sup> precludes a regional government from levying a regional gas tax.</p>	<p><b>Administrative Ease:</b> A collection mechanism is already in place.</p> <p><b>Uses of Funds:</b> Fuel tax revenue can be used flexibly for transportation projects (capital, operations, and maintenance). Funds may be used for roads, bike/pedestrian pathways, sidewalks, and other investments within the road right of way.</p> <p><b>Public Vote:</b> Required</p> <p><b>Intergovernmental Agreement:</b> Metro may enter into an IGA with the State who could collect taxes for and remit revenues to Metro.</p>	<p><b>Avoidance:</b> Because the tax is added to the sale of gasoline, it is not likely that an individual could avoid the tax if purchasing fuel in the taxing jurisdiction. The individual could, however, avoid the tax by purchasing fuel outside the limits of the taxing jurisdiction.</p> <p><b>Volatility:</b> Depending on total population, expected population growth, and the extent of tourism, fuel tax could provide a highly stable revenue source over long time horizon. That said, revenue expectations from fuel taxes could drop as the popularity in fuel efficient and fuel alternative vehicles increases over time.</p> <p>Purchased fuel in the three counties comprising Metro has grown by about 53.8 million gallons over the 2016–2018 period (6% change).<sup>xxiii</sup> About 93% of this growth is due to the purchase of diesel fuel, rather than gasoline.<sup>xxiv</sup></p> <p>In a 2012 study, US evidence suggested that consumer demand for vehicle fuel falls more when fuel taxes rise, rather than when pre-tax prices rise.<sup>xxv</sup></p> <p>Per a 2014 study, “the price elasticity of motor gasoline is currently estimated to be in the range of -0.02 to -0.04 in the short term, meaning it takes a 25% to 50% decrease in the price of gasoline to raise automobile travel 1%.”<sup>xxvi</sup> A study reviewing elasticity of gasoline between 2007 and 2014 found that “households did not dramatically change their behavior in response to changes in gasoline prices.”<sup>xxvii</sup></p> <p>Per a 2018 study, the decline in new auto sales after the last recession was not associated with a substantial decline in vehicle miles travelled.”<sup>xxviii</sup></p>	<p>Fuel taxes are regressive because gasoline expenditures account for a larger share of income from lower income households; moreover, members of those households often drive older, less fuel-efficient vehicles.</p> <p>Metro’s tax would apply in addition to state (\$0.34 per gallon, or \$0.36 effective January 2020) and federal (\$0.184 per gallon) rates.<sup>xxix</sup> In addition, some local municipalities with Metro’s UGB (including Multnomah and Washington Counties and the City of Portland) levy a gas tax.</p> <p>A fuel tax has benefits because it reduces the externalities associated with automobile travel (e.g., congestion, pollution) and induce drivers to use vehicles that are more fuel-efficient. Using fuel taxes to fund transportation can improve mobility for lower income households.</p>
Rate	Est. Rev.																					
\$0.02	\$10m																					
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5	<p><b>Payroll Tax</b></p> <p>A payroll tax is a tax on wages and salaries paid by employers or by employees as a payroll deduction. A payroll tax generates revenue from people who work inside an area, even if they live outside of the area in which the tax is applied.</p> <p>Employers, including those out-of-state, are required to pay a payroll tax on employees who work in the area, including telecommuters.</p>	<p><b>Employer and Self-employment payroll tax<sup>xxx</sup></b></p> <table border="1"> <thead> <tr> <th>Rate</th> <th>Est. Rev.</th> </tr> </thead> <tbody> <tr> <td>0.02%</td> <td>\$10m</td> </tr> <tr> <td>0.11%</td> <td>\$50m</td> </tr> <tr> <td>0.21%</td> <td>\$100m</td> </tr> </tbody> </table> <p>As a point of reference, the TriMet regional payroll tax rate will be 0.7737% in 2020.</p>	Rate	Est. Rev.	0.02%	\$10m	0.11%	\$50m	0.21%	\$100m	<p>Payroll tax may be imposed by ordinance by a mass transit district established under ORS 267.010 to 267.390. Legal review is needed to determine whether Metro could levy a payroll tax under ORS 268.310.<sup>xxxi</sup></p> <p>Preliminary legal review by Metro attorney identified no legal barrier to Metro imposing a payroll tax.</p>	<p><b>Administrative Ease:</b> Depending on how the tax is implemented, administration costs could be fairly low as employers are required to withhold and report payroll tax.</p> <p><b>Uses of Funds:</b> No restrictions on the use of funds were identified. If Metro is legally allowed to impose a payroll tax, additional legal review may be needed to determine the full extent of how funds may be used.</p> <p><b>Public Vote:</b> Likely required – legal review needed</p> <p><b>Intergovernmental Agreement:</b> Legal review needed</p>	<p>Because payroll taxes are broad-based, low tax rates (&lt;1%) have potential to generate substantial levels of revenue.</p> <p><b>Avoidance:</b> Though illegal, cash income can be underreported, reducing an individual’s tax liability. For example, the IRS estimated that 10% of 2006 tips by employees went unreported.<sup>xxxii</sup></p> <p><b>Volatility:</b> Though dependent upon larger economic trends, payroll taxes are relatively stable.</p>	<p>Payroll tax progressivity can be increased by exempting wages below a certain threshold or imposing a tiered rate structure.</p> <p>In addition, the statutory incidence of the tax (i.e., whether the employer or the employee is responsible for payment) could affect the economic burden on an individual, at least in the short run.</p>
Rate	Est. Rev.													
0.02%	\$10m													
0.11%	\$50m													
0.21%	\$100m													
6	<p><b>Corporate Activities Tax</b></p> <p>A corporate activities tax is a gross receipts tax, which is a tax on the total gross revenue of a company, regardless of its source.</p>	<p><b>Corporate Activities Tax<sup>xxxiii</sup></b></p> <table border="1"> <thead> <tr> <th>Rate</th> <th>Est. Rev.</th> </tr> </thead> <tbody> <tr> <td>0.01%</td> <td>\$10m</td> </tr> <tr> <td>0.05%</td> <td>\$50m</td> </tr> <tr> <td>0.10%</td> <td>\$100m</td> </tr> </tbody> </table>	Rate	Est. Rev.	0.01%	\$10m	0.05%	\$50m	0.10%	\$100m	<p>Per Section 67 of Enrolled House Bill 3427, “a city, county, district or other political subdivision or municipal corporation of this state may not impose, by ordinance or other law, a tax upon commercial activity or upon receipts from grocery sales.”<sup>xxxiv</sup> Jurisdictions are not preempted if the tax was in effect and operative as of April 1, 2019 (or was adopted prior to March 1, 2019).</p>	<p><b>Administrative Ease:</b> Metro is preempted from levying this tax. The administrative burden would fall on lobbying the state to reverse the preemption for districts or make an exception for Metro.</p> <p><b>Use of Funds:</b> Funds from the newly passed corporate activity tax will be transferred to the Fund for Student Success and will be used for education spending. Though there are no restrictions on spending of revenue from additional gross receipts tax.</p> <p><b>Public Vote:</b> A public vote would ultimately be required. In 2016, Oregon asked voters to approve a 2.5% gross receipts tax on C corporations whose sales exceeded \$25m (Measure 97). Voters opposed the measure 59% to 41%.</p>	<p>Because gross receipts taxes are broad-based, low tax rates (&lt;1%) have potential to generate substantial levels of revenue.</p> <p><b>Avoidance:</b> If the tax is perceived to be too costly to small-scale businesses or start-ups, they could choose to locate elsewhere. While it would reduce overall revenues, the tax could be structured similar to the City of Portland’s tax by exempting small businesses.</p> <p><b>Volatility:</b> Gross receipts taxes are also relatively stable and track well with broader economic trends.</p>	<p>A gross receipts tax would face opposition from the business community; public outreach would be necessary to frame the value proposition appropriately.</p> <p>The tax is functionally a sales tax, and regressive, to the extent firms are able to pass the tax on in the form of higher prices.</p> <p>Some also argue the tax is regressive if it leads to lower employee wages. As wealthier individuals often have substantial income from wages and business capital, others argue the tax falls proportionally higher on business owners and is therefore progressive.</p> <p>The current Portland gross receipts tax only applies to large retailers and was partly implemented to support the City of Portland’s Climate Action Plan.</p>
Rate	Est. Rev.													
0.01%	\$10m													
0.05%	\$50m													
0.10%	\$100m													

Ref	Funding Tool and Description	Rates required to raise \$10m, \$50m, and \$100m in 2020	Considerations											
			Legal	Logistical	Economic	Equity								
7	<p><b>Business Income Tax</b></p> <p>A business income tax (also known as a corporate income tax) is a tax levied on business income. The tax applies to the taxable income derived from sources within a jurisdiction.</p>	<table border="1"> <thead> <tr> <th>Rate</th> <th>Est. Rev.</th> </tr> </thead> <tbody> <tr> <td>0.1%</td> <td>\$10m</td> </tr> <tr> <td>0.4%</td> <td>\$50m</td> </tr> <tr> <td>0.8%</td> <td>\$100m</td> </tr> </tbody> </table> <p><b>Summary</b> Metro could meet each of its three revenue targets, while implementing a tax rate under the legal limit of 1%.</p>	Rate	Est. Rev.	0.1%	\$10m	0.4%	\$50m	0.8%	\$100m	<p>ORS 268.505<sup>xxxv</sup> allows Metro to impose a tax (which may not exceed 1%), by ordinance, on or measured by the net income of a mercantile, manufacturing, business, financial, centrally assessed, investment, insurance, or other corporation/entity that is subject to the tax under ORS chapter 317 or 318.</p> <p>Legal barriers to implementation may still exist due to the passage of HB 3427<sup>xxxvi</sup> which preempted commercial activity taxes. Legal review is needed to determine the extent to which a business income tax is preempted as a subset of the commercial activity tax.</p>	<p><b>Administrative Ease:</b> Oregon already levies a progressive business income tax. Existing infrastructure would make administering additional taxes relatively easy.</p> <p><b>Public Vote:</b> Required</p> <p><b>Uses of Funds:</b> No restrictions</p> <p><b>Intergovernmental Agreement:</b> Metro may enter into an IGA with the State who could collect the taxes and distribute the revenues back to Metro.</p>	<p>A 1% tax on all business income would generate substantial annual revenue.</p> <p><b>Avoidance:</b> Implementing this tax could increase appeal of Clark County, relative to Portland, as a business location. Businesses with more than one location or a home office located outside the taxing district could list the non-taxable address as the principle place of business.</p> <p><b>Volatility:</b> Corporate or business income taxes tend “to be the most volatile source of tax revenue” because they are sensitive to variations in business cycles.<sup>xxxvii</sup></p>	<p>Some argue the tax is regressive if it leads to lower employee wages. As wealthier individuals often have substantial income from wages and business capital, others argue the tax falls proportionally higher on business owners and is therefore progressive.</p>
Rate	Est. Rev.													
0.1%	\$10m													
0.4%	\$50m													
0.8%	\$100m													
8	<p><b>Personal Income Tax</b></p> <p>A personal income tax is a tax paid on an individual's personal income. The tax may be levied as a percentage of the individual's personal income, or as a flat fee.</p>	<p>Based on information provided by the City of Portland<sup>xxxviii</sup></p> <table border="1"> <thead> <tr> <th>Single rate</th> <th>Est. Rev.</th> </tr> </thead> <tbody> <tr> <td>0.02%</td> <td>\$10m</td> </tr> <tr> <td>0.1%</td> <td>\$50m</td> </tr> <tr> <td>0.2%</td> <td>\$100m</td> </tr> </tbody> </table> <p><b>See addendum for analysis of a tiered income tax</b></p>	Single rate	Est. Rev.	0.02%	\$10m	0.1%	\$50m	0.2%	\$100m	<p>ORS 268.505<sup>xxxix</sup> allows Metro to impose a tax, by ordinance, on the entire taxable income of every resident of the district who is subject to the tax under ORS chapter 316.</p> <p>The personal income tax rate may not exceed 1%.</p>	<p><b>Administrative Ease:</b> Oregon already levies a personal income tax. Existing tax collection infrastructure would make administering additional taxes relatively easy.</p> <p><b>Public Vote:</b> Required</p> <p><b>Uses of Funds:</b> No restrictions</p> <p><b>Intergovernmental Agreement:</b> Metro may enter into an IGA with the State who could collect the taxes and distribute the revenues back to Metro.</p>	<p>Personal income taxes are one of the state's largest income sources and can generate substantial amounts of revenue.</p> <p><b>Avoidance:</b> Raising income tax could decrease the appeal of living or working within the taxing district. Partial avoidance could be achieved through choosing not to increase income or maximizing deductions and credits. At the extreme, individuals not working would avoid the tax entirely.</p> <p><b>Volatility:</b> Personal income taxes are highly volatile, but less volatile than the business income tax.<sup>xl</sup> The taxes “ups and downs are directly tied to a state's economic condition through employment. Taxable income falls during recessions... [and] surges during expansions.”<sup>xli</sup></p>	<p>Personal income taxes can be implemented in a variety of ways and each would affect equity differently.</p>
Single rate	Est. Rev.													
0.02%	\$10m													
0.1%	\$50m													
0.2%	\$100m													

Ref	Funding Tool and Description	Rates required to raise \$10m, \$50m, and \$100m in 2020	Considerations											
			Legal	Logistical	Economic	Equity								
9	<p><b>General Sales Tax</b></p> <p>A general sales tax is a consumption tax on the sale of all goods and services.</p> <p>The tax is usually levied at the time of transaction and collected by the seller who passes it on to the government.</p>	<p>Based on information provided by the City of Portland<sup>xiii</sup></p> <table border="1"> <thead> <tr> <th>Rate</th> <th>Est. Rev.</th> </tr> </thead> <tbody> <tr> <td>0.02%</td> <td>\$10m</td> </tr> <tr> <td>0.07% to 0.14%</td> <td>\$50m</td> </tr> <tr> <td>0.18% to 0.25%</td> <td>\$100m</td> </tr> </tbody> </table>	Rate	Est. Rev.	0.02%	\$10m	0.07% to 0.14%	\$50m	0.18% to 0.25%	\$100m	<p>ORS 305.620 enables any state agency or department to enter into agreement with a political subdivision to collect, enforce, administer or distribute local taxes, including <i>local</i> sales taxes.<sup>xiii</sup> Additional legal review should determine the extent to which Metro could levy a <i>regional</i> sales tax.</p>	<p><b>Administrative Ease:</b> A general sales tax would require new staff to oversee implementation and administration (monthly reporting, enforcement, etc.). Businesses that collect sales tax would also need to adjust their accounting procedures.</p> <p><b>Uses of Funds:</b> No restrictions</p> <p><b>Public Vote:</b> Required. Sales taxes are unpopular in Oregon and numerous proposals have been defeated by wide margins. Ontario was the first city in Oregon to approve a general sales tax in 2017, but it was overturned through a referendum.</p> <p><b>Intergovernmental Agreement:</b> Not required; an agreement could be considered to outline revenue sharing.</p>	<p>The broad array of goods and services taxed would easily generate substantial revenue.</p> <p><b>Avoidance:</b> A general sales tax could be avoided by shipping online purchases to an address or PO Box outside of taxing boundary. Based on “purchase decisions of approximately 25,000 online users... people living in high sales taxes locations are significantly more likely to buy online.”<sup>xiv</sup></p> <p><b>Volatility:</b> General sales tax revenue would be relatively stable over time, tracking well with broader economic trends, but with less volatility than an income tax.</p>	<p>A general sales tax is considered regressive because low-income people pay a higher share of their income. Exemptions (e.g., for basic necessities such as groceries) would increase progressivity.</p> <p>Because there are so many goods and services taxed there may be a weak connection between the tax users pay and the benefits they receive.</p> <p>Visiting non-residents (e.g., tourists), who also use the transportation system, will bear a portion of the tax burden imposed by a general sales tax.</p>
Rate	Est. Rev.													
0.02%	\$10m													
0.07% to 0.14%	\$50m													
0.18% to 0.25%	\$100m													
10	<p><b>Targeted Sales Tax on Prepared Food and Beverages</b></p> <p>A targeted sales tax on food and beverages is a consumption tax on prepared food and beverages.</p> <p>The tax is usually levied at the time of the transaction and collected by the seller who passes it onto the government.</p>	<p>Based on information provided by the City of Portland<sup>xv</sup></p> <table border="1"> <thead> <tr> <th>Rate</th> <th>Est. Rev.</th> </tr> </thead> <tbody> <tr> <td>0.1% to 0.2%</td> <td>\$10m</td> </tr> <tr> <td>0.7% to 0.8%</td> <td>\$50m</td> </tr> <tr> <td>1.3% to 1.8%</td> <td>\$100m</td> </tr> </tbody> </table>	Rate	Est. Rev.	0.1% to 0.2%	\$10m	0.7% to 0.8%	\$50m	1.3% to 1.8%	\$100m	<p>ORS 305.620 enables any state agency or department to enter into agreement with a political subdivision to collect, enforce, administer or distribute local taxes, including <i>local</i> sales taxes.<sup>xvi</sup> Additional legal review should determine the extent to which Metro could levy a <i>regional, targeted</i> sales tax.</p>	<p><b>Administrative Ease:</b> A targeted sales tax would require new staff to oversee implementation. For example, in 2008 the City of Ashland (2017 pop: 20,733) had one employee who managed their food and beverage tax and room tax. Given Metro’s size, more than one staff member may be necessary to administer the tax program.<sup>xvii</sup></p> <p>Note: a targeted sales tax on food and beverage may be challenging for the businesses, particularly small businesses, that collect the tax.<sup>xviii</sup></p> <p><b>Public Vote:</b> Required. Only two Oregon cities have a prepared food and non-alcoholic beverage tax: Ashland (since 1993; 5%) and Yachats (since 2007; 5%). The widespread unpopularity of this tax will make the tool difficult to implement.</p> <p><b>Uses of Funds:</b> No restrictions</p> <p><b>Intergovernmental Agreement:</b> Not required; an agreement could be considered to outline revenue sharing parameters</p>	<p>While not as broad as a general sales tax, a <i>targeted</i> food and beverage sales, levied across the Metro area, would generate a substantial revenue.</p> <p><b>Avoidance:</b> A targeted tax may impact purchases. For example, in Philadelphia a sugar-sweetened beverage tax of 1 cent per ounce decreased household purchases by 27.7%.<sup>xix</sup> Additionally, people living near the jurisdictional border may choose to travel further to purchase food and beverages, which would decrease purchases and tax revenue.</p> <p><b>Volatility:</b> A food and beverage sales tax would be relatively stable and predictable over time. It would track broader economic trends, but with less volatility than an income tax.</p>	<p>A prepared food and beverage sales tax would likely be regressive because lower-income people would pay a higher share of their income on the tax. Implementation details will affect progressivity (e.g., exempting food prepared and sold at grocery stores or fast food restaurants could increase progressivity but would also lower revenue potential).</p> <p>Because this tax only targets prepared food and beverages, there is a weak connection between the tax and the benefits to the transportation system. A targeted sales tax on other kinds of goods (e.g. tires, auto parts, etc.) may have a stronger connection with the transportation. (For example, The State of Kansas imposes a \$0.25 excise tax on tires sold. While technically a fee, the City of Chicago and State of Nebraska impose a \$1 fee per (qualified) tire sold.)</p> <p>A general sales tax will export some of the tax burden onto visiting non-residents (including tourists), who also use the transportation system.</p>
Rate	Est. Rev.													
0.1% to 0.2%	\$10m													
0.7% to 0.8%	\$50m													
1.3% to 1.8%	\$100m													

## Addendum

	Low	High
<b>\$10,000,000</b>		
Income up to \$50K (\$100K for joint filers)	0.01%	0.01%
Income from \$50K to \$100K (\$100K to \$200K for joint filers)	0.02%	0.02%
Income from \$100K to \$250K (\$200K to \$500K for joint filers)	0.03%	0.03%
Income above \$250K (above \$500K for joint filers)	0.04%	0.05%
<b>\$50,000,000</b>		
Income up to \$50K (\$100K for joint filers)	0.06%	0.07%
Income from \$50K to \$100K (\$100K to \$200K for joint filers)	0.09%	0.10%
Income from \$100K to \$250K (\$200K to \$500K for joint filers)	0.13%	0.16%
Income above \$250K (above \$500K for joint filers)	0.21%	0.24%
<b>\$100,000,000</b>		
Income up to \$50K (\$100K for joint filers)	0.12%	0.15%
Income from \$50K to \$100K (\$100K to \$200K for joint filers)	0.18%	0.21%
Income from \$100K to \$250K (\$200K to \$500K for joint filers)	0.27%	0.33%
Income above \$250K (above \$500K for joint filers)	0.42%	0.48%

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## End Notes

<sup>i</sup> Calculated by Metro. The calculation assumed that collections would start on 7/1/2021, that assessed value increased 3% annually from the current fiscal year, and that the collection rate was 96.5%. If a local option levy, the rate would need to be higher because of compression.

<sup>ii</sup> Metro. Adopted Budget, Fiscal Year 2019-2020, page C-12. <https://www.oregonmetro.gov/sites/default/files/2019/09/10/FY2019-20-adopted-budget-09102019.pdf>

<sup>iii</sup> Isaac William Martin and Beck, Kevin. (2016). Gentrification, Property Tax Limitation, and Displacement. *Urban Affairs Review*, Vol. 54(1) 33-73.

<sup>iv</sup> Rates were informed through break even analyses using these assumptions and methods: Using DMV records by county for 2018 (growth factor of 1.3% applied), ECONorthwest performed a goal seek analyses that multiplied “Total Registered Vehicles,” for the tri-county area *inside* Metro’s UGB\* by tax rate (and “Passenger” Vehicles, for the tri-county area *inside* Metro’s UGB\* by tax rate). [https://www.oregon.gov/ODOT/DMV/Pages/News/vehicle\\_stats.aspx](https://www.oregon.gov/ODOT/DMV/Pages/News/vehicle_stats.aspx)

\* To determine registered vehicles *inside* Metro’s UGB, ECONorthwest multiplied “Total Registered Vehicles” / “Passenger Vehicles” in the tri-county area (Clackamas, Multnomah, and Washington County) by population factors provided by Metro’s economist. The percent of the county population within the Metro UGB was 68-69% in Clackamas County, 98-99% in Multnomah County, and 92-93% in Washington County. ECONorthwest used the low-end of each range to determine registered vehicles *inside* Metro’s UGB.

<sup>v</sup> Rates were informed through break even analyses using these assumptions and methods: Using DMV records by county for 2018 (growth factor of 1.3% applied), ECONorthwest performed a goal seek analysis that multiplied a ‘share total registered vehicles’ (see note below), for the tri-county area *inside* Metro’s UGB,\* by tax rates. [https://www.oregon.gov/ODOT/DMV/Pages/News/vehicle\\_stats.aspx](https://www.oregon.gov/ODOT/DMV/Pages/News/vehicle_stats.aspx)

\* To determine registered vehicles *inside* Metro’s UGB, ECONorthwest multiplied “Total Registered Vehicles” / “Passenger” Vehicles in tri-county area (Clackamas, Multnomah, and Washington County) by population factor provided by Metro’s economist. The percent of the county population within the Metro UGB was 68-69% in Clackamas County, 98-99% in Multnomah County, and 92-93% in Washington County. ECONorthwest used the low-end of each range to determine registered vehicles *inside* Metro’s UGB.

Note: A ‘share of total registered vehicles’ excludes all fields except those listed as “Passenger,” “Light Trailer,” and “Motorcycle.”

<sup>vi</sup> **ORS 801.042** Terms and conditions for imposition of registration fee by district; rules. [https://www.oregonlegislature.gov/bills\\_laws/ors/ors801.html](https://www.oregonlegislature.gov/bills_laws/ors/ors801.html)

<sup>vii</sup> **ORS 803.420** Registration fees. [https://www.oregonlegislature.gov/bills\\_laws/ors/ors803.html](https://www.oregonlegislature.gov/bills_laws/ors/ors803.html)

<sup>viii</sup> **ORS 803.422** Registration fees based on miles per gallon.

(3) Except as provided in ORS 319.890 (3), in addition to the registration fees prescribed under ORS 803.420 (6)(a), during the period beginning on January 1, 2018, and ending on December 31, 2019, there shall be paid for each year of the registration period an additional amount of \$13.

(4) Except as provided in ORS 319.890 (3), in addition to the registration fees prescribed under ORS 803.420 (6)(a), during the period beginning on January 1, 2020, and ending on December 31, 2021, there shall be paid for each year of the registration period, an additional amount as follows:

- (a) For vehicles that have a rating of 0-19 MPG, \$18.
- (b) For vehicles that have a rating of 20-39 MPG, \$23.
- (c) For vehicles that have a rating of 40 MPG or greater, \$33.
- (d) For electric vehicles, \$110.

<sup>ix</sup> Vehicle registration records: [https://www.oregon.gov/ODOT/DMV/Pages/News/vehicle\\_stats.aspx](https://www.oregon.gov/ODOT/DMV/Pages/News/vehicle_stats.aspx)

<sup>x</sup> Oregon’s imposes a \$112 biennial VRF (\$56/year). Clackamas County imposes a \$60 biennial VRF which applies to cars, pick-up trucks, vans and other passenger vehicles (\$30/year); the fee for motorcycles is \$30 biennially (\$15/year). Multnomah County imposes a \$38 biennial VRF (\$19/year). Washington County imposes a \$60 biennial VRF (\$30/year); the fee for motorcycles/mopeds is \$34 biennially (\$17/year).

- Oregon: <https://content.govdelivery.com/accounts/ORDOT/bulletins/1c003c9>
- Clackamas County: <https://www.clackamas.us/news/2019-02-21/vehicle-registration-fee-approved-by-clackamas-county-board-will-help-meet-local-transportation-needs>
- Multnomah County: <https://multco.us/bridges/about-county-vehicle-fee>

- 
- Washington County: <https://www.co.washington.or.us/LUT/News/vrf-in-effect-070118.cfm>

<sup>xi</sup> More information about vehicle privilege / vehicle purchase taxes (descriptive): <https://www.oregon.gov/DOR/programs/businesses/Pages/Vehicle-privilege-and-use-taxes.aspx>; HB 4059 Enrolled (amendments to definitions): <https://olis.leg.state.or.us/liz/2018R1/Downloads/MeasureDocument/HB4059/Enrolled>

<sup>xii</sup> The estimates assume 1.3 percent annual growth in value of car sales between 2018 and 2020 and a conservative price elasticity of demand of 1.5 (see “Economic”).

The following information describes the data limitations for the Department of Revenue (DOR) data informing the Vehicle Privilege and Vehicle Purchase tax projections. The implications of the data limitations are that the revenue estimates are conservative—or that the tax rates may be lower to reach the revenue targets.

Vehicle Privilege: Data is not tracked at the county level (and the DOR only receives reports for total retail sales and not the number of vehicles sold). The DOR aggregated retail sales data for all cities within the Metro UGB, meaning retail sales within an unincorporated area within Metro’s UGB were not included.

Vehicle Purchase: The Department of Motor Vehicles cannot title or register a taxable vehicle without a certificate from the DOR showing that the tax was paid—and the tax can be paid in two ways: (1) The purchaser can pay the tax *directly to the dealer* or (2) the purchaser can pay the tax *directly to the DOR*. If the tax was paid directly to the dealer, the dealer must request the certificate from DOR. In this case, the dealer does not provide information on the city or county of the purchaser to the DOR; the dealer simply records that the purchaser is an Oregon resident. Accordingly, the data provided by the DOR *only* encompasses aggregated taxable retail sales for cities with the Metro UGB (excluding unincorporated areas) when the purchaser pays the tax *directly to the DOR*. In addition, the DOR does not verify whether an address provided by the purchaser is their *actual* residence. The result of all this is that information on the purchase tax could be inaccurate, either to a small or large extent.

<sup>xiii</sup> Rates were informed through break even analyses using these assumptions and methods: Inflate 2018 DOR data (sum of gross sales, less exemptions) for cities within Metro’s UGB using CPI. Perform a goal seek analysis that multiplied the sum of gross sales (less exemptions) by a tax rate.

<sup>xiv</sup> Rates were informed through break even analyses using these assumptions and methods: Inflate 2018 DOR data (sum of taxable sales amount) for cities within Metro’s UGB using CPI. Perform a goal seek analysis that multiplied the sum of taxable sales by a tax rate.

<sup>xv</sup> **ORS 320.405** Tax for privilege of engaging in business of selling motor vehicles at retail; collection of privilege tax from purchaser. [https://www.oregonlegislature.gov/bills\\_laws/ors/ors320.html](https://www.oregonlegislature.gov/bills_laws/ors/ors320.html)

<sup>xvi</sup> **ORS 320.400** Definitions for ORS 320.400 to 320.490 and 803.203. [https://www.oregonlegislature.gov/bills\\_laws/ors/ors320.html](https://www.oregonlegislature.gov/bills_laws/ors/ors320.html)

<sup>xvii</sup> Supreme Court Of The State Of Oregon. AAA Oregon/ Idaho Auto Source, LLC v. State Of Oregon. [http://media.oregonlive.com/roadreport\\_impact/other/p17027coll3\\_6822.pdf](http://media.oregonlive.com/roadreport_impact/other/p17027coll3_6822.pdf)

<sup>xviii</sup> Dupor, William. (May 2018). “Last Recession Effect: New Car Buyers Hold Cars Longer.” Federal Reserve Bank of St. Louis. <https://www.stlouisfed.org/on-the-economy/2018/may/great-recession-effect-new-car-buyers-hold-cars-longer>

<sup>xix</sup> Patrick L Anderson; McLellan, Richard; Overton, Joseph; Dr Wolfram, Gary L. (1997). Price Elasticity of Demand, Harvard University. [https://scholar.harvard.edu/files/alada/files/price\\_elasticity\\_of\\_demand\\_handout.pdf](https://scholar.harvard.edu/files/alada/files/price_elasticity_of_demand_handout.pdf)

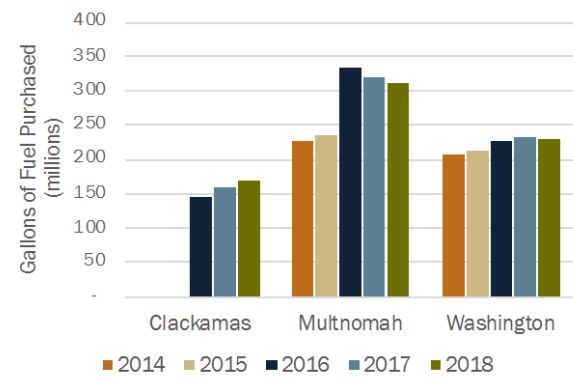
<sup>xx</sup> Copeland, Adam. (September 2009). The Dynamics of Automobile Expenditures. Federal Reserve Bank of New York Staff Reports. Staff Report no. 394. [https://www.newyorkfed.org/medialibrary/media/research/staff\\_reports/sr394.html](https://www.newyorkfed.org/medialibrary/media/research/staff_reports/sr394.html)

<sup>xxi</sup> To estimate revenue, ECONorthwest performed a goal seek analysis based on fuel consumption (gallons) (i.e. gallons of fuel sold multiplied by a rate). Fuel consumption data (gasoline and diesel) was provided by ODOT for the tri-county area (Clackamas, Multnomah, and Washington County). Gallons of gasoline was based on tax paid sales in the counties, as reported to ODOT by their licensed Motor Vehicle Fuel Dealers. Diesel gallons was based on fuel received in the counties by ODOT’s licensed Use Fuel Sellers. Fuel consumption for each county was multiplied by a population factor to estimate volume of fuel sold within Metro UGB (which is not contiguous with the tri-county area). Population factors were provided by Metro’s economist. The percent of the county population within the Metro UGB was 68-69% in Clackamas County, 98-99% in Multnomah County, and 92-93% in Washington County. The estimates assume no net increase in fuel consumption, consistent with recent volume data and small estimates of the price elasticity of demand for fuel.

<sup>xxii</sup> **ORS Chapter 319** — Motor Vehicle and Aircraft Fuel Taxes. [https://www.oregonlegislature.gov/bills\\_laws/ors/ors319.html](https://www.oregonlegislature.gov/bills_laws/ors/ors319.html)

<sup>xxiii</sup> **Purchased Gasoline (millions of gallons), Tri-County Area, 2014-2018**  
Source: ECONorthwest using data from ODOT.





xxiv Gasoline and Diesel fuel volume data derived from ODOT for the tri-county area. Data was provided for 2014 through 2018, however, some gaps in the data exist: ODOT did not have gasoline or diesel fuel volume data for Clackamas County in 2014 and 2015; ODOT did not have diesel fuel volume data for Multnomah and Washington Counties for 2014 and 2015.

xxv Institute for Fiscal Studies. (July 2012). Tax and Benefits Policy: insights from behavioural economics. <https://www.ucl.ac.uk/~uctpimr/research/IFScomm125.pdf>

xxvi U.S. Energy Information Administration. (2014). Gasoline prices tend to have little effect on demand for car travel, based on data from the Federal Reserve Bank of St. Louis. <https://www.eia.gov/todayinenergy/detail.php?id=19191>

xxvii United States Department of Labor. (March 2016). Using gasoline data to explain inelasticity, Bureau of Labor Statistics. Written by Eliana Eitches and Vera Crain. <https://www.bls.gov/opub/btn/volume-5/using-gasoline-data-to-explain-inelasticity.htm>

xxviii Dupor, William. (May 2018). “Last Recession Effect: New Car Buyers Hold Cars Longer.” Federal Reserve Bank of St. Louis. <https://www.stlouisfed.org/on-the-economy/2018/may/great-recession-effect-new-car-buyers-hold-cars-longer>

xxix State and federal gas tax rates, on the sale of gasoline: <https://www.oregon.gov/ODOT/FTG/Pages/Current%20Fuel%20Tax%20Rates.aspx>; <https://www.oregon.gov/odot/ftg/pages/index.aspx>  
Local gas tax rates, on the sale of gasoline: [https://www.oregon.gov/ODOT/FTG/Pages/Current%20Fuel%20Tax%20Rates.aspx?wp9904=p:1#g\\_c4d3c385\\_c495\\_4c4b\\_8fa2\\_0c771edc16e5](https://www.oregon.gov/ODOT/FTG/Pages/Current%20Fuel%20Tax%20Rates.aspx?wp9904=p:1#g_c4d3c385_c495_4c4b_8fa2_0c771edc16e5)

xxx Estimates are based on output for calendar year 2020 from ECONorthwest’s models of the regional economy and TriMet payroll tax collections. Estimate assumes collection of state revenue in lieu of payroll taxes that is proportionate TriMet in lieu collections (about 0.5% of total collections in recent years), and that the Metro payroll tax increment is otherwise identical in terms of effects on the economy and taxpayer behavior.

xxxi **ORS 268.310** Powers of district. [https://www.oregonlegislature.gov/bills\\_laws/ors/ors268.html](https://www.oregonlegislature.gov/bills_laws/ors/ors268.html)

xxxii U.S. Treasury Inspector General for Tax Administration. (September 2018). “Billions in Tip-Related Tax Noncompliance Are Not Fully Addressed and Tip Agreements Are Generally Not Enforced.” <https://www.treasury.gov/tigta/auditreports/2018reports/201830081fr.pdf>

xxxiii Estimate based on LRO’s revenue impact statement for HB 3427 and Metro region’s assumed share of statewide economic activity.

xxxiv Enrolled House Bill 3427-A. Local Tax Preemption, page 36. <https://olis.leg.state.or.us/liz/2019R1/Downloads/MeasureDocument/HB3427>

xxxv **ORS 268.505** Income tax; rate limitation; elector approval required. [https://www.oregonlegislature.gov/bills\\_laws/ors/ors268.html](https://www.oregonlegislature.gov/bills_laws/ors/ors268.html)

xxxvi <https://olis.leg.state.or.us/liz/2019R1/Downloads/MeasureDocument/HB3427/Enrolled>

xxxvii Kim Rueben and Randall, Megan. (November 2017). “Revenue Volatility: How States Manage Uncertainty.” Urban Institute, Tax Policy Center. [https://www.taxpolicycenter.org/sites/default/files/publication/149171/revenue-volatility\\_1.pdf](https://www.taxpolicycenter.org/sites/default/files/publication/149171/revenue-volatility_1.pdf)

xxxviii ECONorthwest extrapolated City of Portland estimates for the City to the Metro region based primarily on population and county-level personal income.

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<sup>xxxix</sup> **ORS 268.505** Income tax; rate limitation; elector approval required. [https://www.oregonlegislature.gov/bills\\_laws/ors/ors268.html](https://www.oregonlegislature.gov/bills_laws/ors/ors268.html)

<sup>xi</sup> Kim Rueben and Randall, Megan. (November 2017). "Revenue Volatility: How States Manage Uncertainty." Urban Institute, Tax Policy Center. [https://www.taxpolicycenter.org/sites/default/files/publication/149171/revenue-volatility\\_1.pdf](https://www.taxpolicycenter.org/sites/default/files/publication/149171/revenue-volatility_1.pdf)

<sup>xii</sup> Mary Murphy; Zhang, Alexandria; and Iyengar, Akshay. (October 2017). "State's Tax Portfolios Drive Differences in Revenue Volatility: What different tax types mean for fiscal stability." The Pew Charitable Trusts. <https://www.pewtrusts.org/en/research-and-analysis/articles/2017/10/16/states-tax-portfolios-drive-differences-in-revenue-volatility>

<sup>xiii</sup> Modeled as a retail sales tax based on Washington's sales tax. ECONorthwest extrapolated City of Portland estimates for the City to the Metro region based primarily on the City's share of retail sales in the tri-county region.

<sup>xiii</sup> **ORS 305.620** Collection and distribution of local taxes on income and sales; costs; court review of determinations and orders; appeals. [https://www.oregonlegislature.gov/bills\\_laws/ors/ors305.html](https://www.oregonlegislature.gov/bills_laws/ors/ors305.html)

<sup>xiv</sup> Goolsbee, Austan (May 2000). "In a World Without Borders: The Impact of Taxes on Internet Commerce." The Quarterly Journal of Economics, Volume 115, Issue 2.

<sup>xv</sup> Modeled as a tax based on Ashland's food and beverage tax. ECONorthwest extrapolated City of Portland estimates for the City to the Metro region based primarily on the City's share of total sales at food and beverage establishments.

<sup>xvi</sup> **ORS 305.620** Collection and distribution of local taxes on income and sales; costs; court review of determinations and orders; appeals. [https://www.oregonlegislature.gov/bills\\_laws/ors/ors305.html](https://www.oregonlegislature.gov/bills_laws/ors/ors305.html)

<sup>xvii</sup> <https://www.bendbulletin.com/entertainment/restaurants/1457291-151/sales-tax-islands>

<sup>xviii</sup> Friedman LLP. (June 16, 2016). "Challenges with Sales Tax Compliance." Insights.

A point on defining food and beverages for tax purposes: "In certain jurisdictions a bagel is itself not taxable, yet when cream cheese is spread on the bagel it becomes subject to tax. Another difficulty in identifying sales tax application is when taxable and nontaxable items are sold together - so called bundled transactions. Typically, in situations where two items, one taxable and one exempt, are bundled together, the entire transaction becomes taxable unless the taxable and nontaxable items are separately delineated on the invoice."

<sup>xix</sup> Cawley, John, David Frisvold, and David Jones. (October 2019). The Impact of Sugar-Sweetened Beverage Taxes on Purchases: Evidence from Four City-Level Taxes in the U.S. The National Bureau of Economic Research, NBER Working Paper No. 26393.

<sup>1</sup> Nebraska: <http://www.revenue.nebraska.gov/info/1-103.pdf>; Kansas: <https://www.ksrevenue.org/pdf/pub1530.pdf>; City of Chicago: [https://www.chicago.gov/city/en/depts/fin/supp\\_info/revenue/tax\\_list/tire\\_fee.html](https://www.chicago.gov/city/en/depts/fin/supp_info/revenue/tax_list/tire_fee.html)