

MINUTES OF THE METRO COUNCIL WORK SESSION

March 7, 1996

Metro Regional Headquarters, Room 501

Councilors Present: Presiding Officer Jon Kvistad, Deputy Presiding Officer Susan McLain, Councilor Rod Monroe, Councilor Ed Washington, Councilor Don Morissette, Councilor Ruth McFarland

Councilors Absent: Councilor Patricia McCaig

The Metro Council Work Session of March 7, 1996 was called to order by Presiding Officer Jon Kvistad at 2:30 PM in Room 501 of Metro Regional Headquarters.

1. **2040 Means Business Surveys.** Executive Officer Mike Burton discussed the results of the polls commissioned by the 2040 Means Business group. The 2040 Framework Plan calls for the executive department to do surveys of implementation barriers and attitudes. One of the discoveries, in the transportation area, is that a dichotomy exists between what people want in the level of services and their interest in supporting those levels of services in terms of both taxes and behavior attitudes. The polls revealed that there is a surprising lack of knowledge among the voting public in terms of how roads are financed.

Adam Davis of Davis and Hibbits, 921 SW Morrison, Portland OR 97204 spoke about the results of the two surveys his firm was commissioned to do by Metro. The first was a scientifically-conducted random sample survey of 600 residents of the metropolitan area. This was followed by a second survey employing a scale comparisons technique. In this study, people were given items to trade off against each other. This survey was done to validate some of the findings from the first study. The project is incomplete at this point. The third part of the study will be to conduct focus groups, the purpose of which is to provide some elaboration on the findings from the first two surveys.

Key results from the two surveys were discussed by Mr. Davis. Respondents were queried about population growth. Overwhelmingly respondents felt that population growth in our area is inevitable. In response to a question regarding whether or not population growth could be stopped, 84% of the respondents answered in the negative. Of that 84%, when asked whether population growth could be slowed, 54% of those people answered in the negative and 40% answered in the affirmative.

Mr. Davis stated that he was surprised by the finding that the surveys showed that 67% of respondents believed that economic growth (desirable) can occur without population growth (undesirable).

Respondents were questioned regarding their opinions about housing costs. It would seem that having an Urban Growth Boundary does not, in their opinion, make a difference as to whether or not housing costs are going to escalate. This question was asked of the respondents both negatively and positively and the percentages were demonstrably similar. Respondents were then asked questions about the issue of housing trends. This study demonstrated that the

respondents tend to see future housing units in terms of apartments over garages and multi-family housing dwellings. There seems to be almost an inevitability regarding this finding.

In response to a question from Councilor Rod Monroe, Mr. Davis stated that all respondents were asked the preceding questions but that answers differed most demonstrably by the county in which the respondent lives. Neighborhoods would represent units too small to accurately reflect the sample in this context.

People view as inevitable the concept of living, shopping and working in the same area. When asked about the desirability of this mixed use concept, a majority of respondents found this desirable.

Questions regarding travel and transit elicited a 64% majority who believe that it would be somewhat desirable to very desirable for public transit to replace the automobile as a primary means of transportation. Respondents also stated that this option would be preferable to spending tax dollars on more freeways.

Respondents were given a seven-point scale relating to the orderly management of growth. One end of this scale stated that future growth should be concentrated in already developed areas through infill and other, similar techniques while the other end of the scale stated that growth should be accommodated by building in currently undeveloped areas. The findings in this area reflected a majority (52%) of the respondents who believed that growth should take place in already developed areas and another 14% of the respondents being neutral. 25% of the sample stated took one pole feeling that growth should be concentrated in developed areas and 13% believing growth should go into undeveloped areas.

Councilor Susan McLain asked whether the respondents were thinking about city centers, corridors or light rail lines. Mr. Davis responded that people were given a description of filling vacant lots and high-density developments in already-developed areas but not much more detail was given. He also stated that further analysis would be completed when the focus groups had finished their work.

Mr. Davis concluded his presentation by stating that, from the second survey, respondents were given a number of items to trade off against each other. Some of these items included: historic site preservation, home site with yard and privacy, greater household income, lower property taxes, easy access to the coast and mountains, forest and farmland preservation, neighborhood shopping opportunities, etc. Fourteen specific items were identified. Each respondent got a different listing of trade-offs to make. The top four items were:

- 1) Forest and farmland preservation;
- 2) Lower property taxes;
- 3) Areas protected for wildlife;
- 4) Greater household income;
- 5) Lower cost of housing.

This, more than any other survey question, reveals what the respondents perceive the problem to be. People are definitely looking at livability issues as being as important as economic and financial considerations.

Councilor Susan McLain asked about the usefulness of this survey information. Executive Officer Mike Burton suggested that 2040 Means Business, the very people who are actively involved in building and financing in the Metro region, focused on three areas:

- A) What are the realities of the market in the Metro region;

- B) Government regulations;
- C) Attitudes of people living in the area.

All of the data collected helps answer these three primary questions, according to Executive Officer Burton. The lesson to be learned here is that Metro needs to work closely with the community in order to help change attitudes.

Councilor McLain responded by stating her issue is that helping people understand that they must work within the mandate and, even more importantly, helping constituents realize and understand just what that mandate is.

Executive Officer Burton stated that the data would be most useful in helping people understand what the barriers are and to make recommendations on what can be done to overcome them. Many developers can, for example, outline steps that can be taken in order to help moderate the population's attitudes and help encourage the successful adoption of the mandates.

Councilor Don Morissette stated this study represented, to him, some of the diverse dynamics that he continually hears from his constituents. Councilor Morissette believes that the difficult part is how to equate 500,000 projected new residents and project that into the number of new housing units needed. Within this contingency, he cited the example of SE Portland, an area whose residents have stated that they don't want to move the Urban Growth Boundary but would rather contribute to infill density.

There are approximately 1000 lots yielding a total of approximately 5500 square feet each according to his best estimate in all of southeast Portland. Short of a large group of 'granny flats' that represents only a three-month supply of buildable land at the rate we consume land. Most of his constituents would opt to preserve the Urban Growth Boundary as it currently stands and take a little more density. He fears that 500,000 people and 224,000 housing units of a mixed range amounts to a great deal more density. The sheer volume of 224,000 housing units with 30% to 45% in multi-family units and considering the topography constraints, is going to make the matter of fulfilling this increase exceedingly difficult. This is contrary to what the press has been saying.

Executive Officer Mike Burton responded that local jurisdictions have been sent the predictions and targets and have been asked what *they* wish to accomplish under these guidelines. This kind of data should be returned by the local jurisdictions by April 4, 1996. The tools and good will are presently in place, stated the Executive Officer.

Mr. Davis told Councilor Morissette that David Bell, Chair of the Community/Public Acceptance Subcommittee, stated that it is necessary to take the kind of information the surveys produced visually to people and give them a true idea of what kind of degrees could be involved in terms of densities and see how they react. Mr. Bell's recommendation was that the focus groups take on the task of what could be done in their individual neighborhoods to accommodate some of the things necessary to take on such a population increase. Additionally, it is necessary to give these focus groups some examples.

Councilor Morissette stated that some of the area's most attractive neighborhoods come at a very high price to taxpayers. Murray Hills, for example, developed by PGE, lost millions of dollars. Additionally the Waterhouse Project as well as Water Front Project in downtown Portland also lost millions of dollars. Executive Officer Mike Burton stated that no public groups or large private utilities are doing any land assembly which is a key factor. Without a tax base to pay back these losses, they would not survive. Nearly all of the high-profile projects cost millions.

2. **Multnomah County Transfer Negotiations.** Executive Officer Mike Burton and Councilor Ruth McFarland have been involved closely in most of the direct negotiations. This sessions work was noted to be for informational purposes only stated Presiding Officer Jon Kvistad.

Executive Officer Mike Burton brought the Metro Council to speed regarding the facilities transfer negotiations with Multnomah County. The major issue raised to date has involved the identification of some means of sharing responsibilities as two public bodies.

Councilor McFarland had questions regarding Phase I of the agreement. It is true that even in Phase I, Metro agreed that Multnomah County would be held responsible for any pollution related expenses only during the time it was actually owned by Multnomah County?

Dan Cooper, Chief Counsel responded to Councilor McFarland's question by stating that the Phase I agreement, approved by Metro Council in December, 1993, required Multnomah County to indemnify Metro for any environmental pollution that occurred before January 1, 1994 or resultant from something that done before January 1, 1994. Multnomah County agreed in the Phase I agreement to protect Metro from any liability no matter whose fault it was so long as it arose from something that happened prior to Metro's taking over the property.

Councilor McFarland stated her concern that \$50,000 is but 'an eyedropper-full' compared to what it would cost to clean up some major source of pollution from that property. The decision at this point, according to Councilor McFarland, is whether or not for Metro to accept the responsibility that goes along with the decision to take over the property. Dan Cooper, Chief Counsel pointed out that the County has agreed to protect Metro in this case. Executive Officer Mike Burton read from a letter the environmental consultants for the Expo site. PDS read the DEQ record to show that it does not appear that these sites pose a significant threat to the environmental condition of the Expo Center property.

Executive Officer Mike Burton suggested that Dan Cooper, Chief Counsel, draft an amendment which would deal specifically with the indemnification question. Especially important are things that might be discovered that are of an unknown quality relating to sources of pollution.

Councilor McLain stated that she has become involved specifically because of the amount of 'hullabaloo' that has been centered around this controversy recently. She stated that the facilities under question are really no longer Multnomah County facilities but are rather the very cornerstone of Metro's Green Spaces Program. Blue Lake and Oxbow Park are truly regional facilities and meet Metro's definition of what constitutes 'regionally significant' as defined in Ordinance 93-520, copies of which were obtained for her by Council Recorder David Aeschliman. Councilor McLain stated that she did not vote for this Ordinance because she thought Metro would do a nice thing for Multnomah County but rather because significant regional resources were included in that package insofar as the Green Spaces program.

According to Councilor McLain, the philosophical question is when, in the process of transfer of facilities between Multnomah County, does the responsibility for management become Metro's and how much of the responsibility is Metro's? This question must be answered before any of Metro's staff begins work on language drafts or possible amendment drafts.

Executive Officer Mike Burton replied that he had engaged in a dialogue with Commissioner Sharon Kelly who informed him that she was insulted by the fact that Metro would be asking the kinds of questions we have been asking. Executive Officer Burton pointed out to her that Metro is a governmental agency without a general fund. There is no doubt that these are regional facilities and must be operated in the public's best interests. They belong under the aegis of Metro secondary to the fact that Multnomah County, as a government, chose to get out of the business.

Another question that must be answered is what kind of resources do we have over the next several years and what is the manageability of these facilities in real time.

Councilor McLain stated that Metro Council has definitely not yet reached consensus on what the answers to these questions might be.

Councilor Morissette asked how Metro would pay for an environmental clean up should one be required with the transfer of these facilities. Executive Officer Mike Burton stated that should Metro scratch the surface out at the Expo site and find a great cesspool of unclean stuff, a number of options would be available to Metro in order to get funds to effect a cleanup. Councilor Morissette stated that Metro would not be required to assume liability if we do not wish to assume this liability. He continued that the reason he had not supported this transfer throughout the process is that he believes that regional facilities should be in each and every one of Metro's districts. Councilor Morissette suggested that if there is some regionality to the package, it would probably be the Exposition Center. He stated his concern that regional moneys be spent regionally for facilities that are truly regional.

Presiding Officer Jon Kvistad suggested that each councilor, in turn, respond to the following questions:

- 1) Does Metro wish to proceed with the parks acquisition?
 - A) Councilor McFarland stated that unless Metro acts with a certain amount of haste, the region stands to lose the Smithsonian Exhibition.
 - B) Councilor McLain stated that she wished to progress in a forward direction regarding the acquisition.
 - C) Presiding Officer Jon Kvistad stated that he is in favor of forward motion regarding the acquisition issue.
 - D) Councilor Washington stated that he gives his approval to moving ahead with the acquisition. He also stated that he feels that the process has been moving ahead under the direction of Councilor McFarland and Executive Officer Mike Burton.
 - E) Councilor Monroe stated that the Smithsonian project is a marvelous opportunity for the region. We need to do everything with reason to ensure its display in Portland.
 - F) Councilor McCaig stated that she was interested in why this discussion was not held earlier in the publicized meeting earlier this afternoon. She stated that it would have been more appropriate to have the meeting in the public setting.
- 2) In the negotiations, what are the specifics Metro ought to deal with?
 - A) Councilor McFarland felt that both Multnomah County and Metro should work out a shared responsibility in financial matters dealing with the Expo Center.
 - B) Regarding the indemnification issue, Councilor McLain stated that we need to work together with Multnomah County regarding this issue. She believes that responsibilities lie on both sides of this matter.

- C) Presiding Officer Jon Kvistad stated that his opinion regarding the liability issue needs to be worked out in partnership with Multnomah County; that it should be shared and that it can be terribly expensive.
- D) Councilor Washington stated that the liability issues should be shared.
- E) Councilor Monroe stated that the indemnification issue on unknown "bad stuff" that might be in the ground at the Expo Center. The most rational way to deal with that issue is to tell Multnomah County - if you'll accept liability for any spills that occurred on that land during the time you had ownership, then we will accept liability for any other spills - and if it didn't happen on our watch, we will go after the City of Portland or private individuals or companies and try to get them to pay for the clean up efforts.

Dan Cooper, Chief Counsel stated that some holes had been drilled at the site of the Expo Center and mostly had turned up sawdust and manure from the years of its use as a stockyard, etc. Perhaps a level II study should be done later on in the negotiation process.

Executive Officer Mike Burton stated that the Level II study would need to be completed and the indemnification issue along with the property ownership questions settled before the Smithsonian exhibition issue could be settled.

Presiding Officer Jon Kvistad summarized the discussion by stating that this issue needed to go to Regional Facilities Committee but since Regional Facilities did not meet next week, it could be discussed instead at the Full Council meeting. He instructed Councilor McFarland, Executive Officer Burton and Dan Cooper, Chief Counsel look over the documents and report at that Council meeting with points of agreement and disagreements.

Councilor Morissette stated that Executive Officer Burton should hold firm to the original language that Multnomah County is responsible for the period of their ownership of the site. Councilor McLain stated that she felt that, with regard to the indemnification issues, Metro still had responsibilities in this area. Presiding Officer Jon Kvistad asserted that Metro should not become too superficial about the indemnification issue.

Dan Cooper, Chief Counsel reported that there could possibly several levels of contaminants that would need to be cleaned up. For example, if someone drained the oil of an automobile crankcase, that could be cleaned for significantly fewer dollars than, say, a situation in which a solvent-based product that has seeped into the water table.

3. Expo: The Development Of The Project To Date: Doug Butler, Director of Administrative Services brought the Council members up to speed in terms of physical development and physical construction at the Expo site. Architects have been hired and are going full speed and have the basic design in place. Applications for conditional use permits are about ready to be submitted for approval. Interviews will be conducted tomorrow for contractors. There are no major problem that have surfaced at this point. Financing is moving ahead very well. The County will need to approve the transfer of \$9 million from the Convention Center reserves for use. The other would be the use of a \$1 million from the Expo reserves. Good progress is being made in the finalization of the details of a revenue bond which would be privately for an additional \$2.5 million. Interim financing with a bank line of credit is presently being negotiated. This was handled yesterday by Finance Committee. Cash flow has been researched. The Smithsonian has en route to Metro a draft letter of commitment that is much

more than any previous communications. Smithsonian personnel are aware of the risks involved in coming to Portland. The Los Angeles Smithsonian exhibit had only one problem: It was much more successful than they had ever imagined and consequently long lines for tickets, etc. contributed some problematic situations. Intel is going to be a major national sponsor of this event. They are shaping up to be influential local players as well.

4. Greenspaces: Presiding Officer Jon Kvistad stated that he had had many telephone calls regarding the Green Spaces Acquisition Program. Numerous questions he had fielded dealt with the policy specifics of how Greenspaces are targeted in terms of site selection and also questions on siting of such within and without the Urban Growth Boundary. Members of the Greenspaces Acquisition Team discussed these matters as well as general policy matters.

The Greenspaces Masterplan created the foundation from which the bond measure was derived. The public process was multi-faceted. The Team evaluated and selected what everyone believed to be the most important projects to be included in the bond measure. The bond measure identified fourteen specific regional target areas and five regional trail areas. There are a number of ways properties could be acquired based on the work plan:

A) Early acquisition opportunities. The early acquisition process could take place in situations where refinement has not been completed and adopted by Metro Council. An acquisition committee would have to determine that the property met certain criteria before coming to Council and presenting a staff report and recommendation. An example of this process is the Clear Creek Canyon parcel which came to the Council as an early acquisition opportunity and the Council agreed and went forward with negotiations. Location within or without the Urban Growth Boundary is not a criteria that is considered in the refinement process.

Councilor McCaig stated her concern that perhaps Metro would be unable, because of escalating land prices, to deliver the 6000 acres promised voters when they approved the bond issue, particular if such lands were located inside the current Urban Growth Boundary. Mr. Ciecko stated that it would most likely be possible to do so secondary to increased interest on the funds available and some low-cost land acquisitions. He agreed with Councilor McCaig that should the lands fall within the current Urban Growth Boundary, the 6000 acres probably would not be possible.

Councilor McCaig maintained that Metro needs to keep in mind, with the land acquisitions, the proposals that the voters accepted when they approved the bond measure: Public access, connected trails, and connected systems.

Presiding Officer Jon Kvistad stated that this was a good time, since Metro is now several months into acquisitions, to discuss where Metro is in the process and where the Council would like Metro to go in the future in this process.

Mr. Ciecko explained in some detail the process through Metro and the property owner must process when acquiring land for the Green Spaces program. He stressed that the land owner is usually urged to sell at the appraised value as set by an outside appraiser and as reviewed and approved by Metro's review appraisers.

With no further business to come before the Metro Council Work Session on this date, the meeting was adjourned by Presiding Officer Jon Kvistad at 4:32 PM.

Prepared by

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Clerk