 **Metro | Agenda**

Meeting: Metro Policy Advisory Committee (MPAC)
Date: Wednesday, February 25, 2015
Time: 5 to 7 p.m.
Place: Metro, Council Chamber

5 PM	1.	CALL TO ORDER	Peter Truax, Chair
5:02 PM	2.	SELF INTRODUCTIONS & COMMUNICATIONS	Peter Truax, Chair
5:05 PM	3.	CITIZEN COMMUNICATIONS ON NON-AGENDA ITEMS	
5:10 PM	4.	COUNCIL UPDATE	Metro Council
5:15 PM	5.	CONSENT AGENDA:	
	*	• Consideration of February 11, 2015 minutes	
	6.	ACTION ITEMS	
5:20 PM	6.1	Community Planning and Development Grant Administrative Rules: Recommendation to Metro Council	John Williams, Metro Gerry Uba, Metro
	7.	INFORMATION/DISCUSSION ITEMS	
5:45 PM	7.1	* Urban Growth Management Decision: Revised Work Program for 2015	John Williams, Metro Ted Reid, Metro
6:30 PM	8.	MPAC MEMBER COMMUNICATION	
6:45 PM	9.	ADJOURN	Peter Truax, Chair

* Material included in the packet.

** Material will be provided at the meeting.

Upcoming MPAC Meetings:

- Wednesday, March 25, 2015
- Wednesday, April 8, 2015
- Wednesday, April 22, 2015

For agenda and schedule information, please contact Alexandra Eldridge at
503-797-1916 or Alexandra.Eldridge@oregonmetro.gov.
To check on closure or cancellations during inclement weather please call 503-797-1700.

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 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 503-797-1890 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.

Thông báo về sự Metro không kỳ thị của

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

Повідомлення Metro про заборону дискримінації

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

Metro 的不歧视公告

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

Ogeysiiska takooris la'aanta ee Metro

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

Metro의 차별 금지 관련 통지서

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

Metroの差別禁止通知

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

សេចក្តីជូនដំណឹងអំពីការមិនរើសអើងរបស់ Metro

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

إشعار بعدم التمييز من Metro

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

Paunawa ng Metro sa kawalan ng diskriminasyon

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

Notificación de no discriminación de Metro

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

Уведомление о недопущении дискриминации от Metro

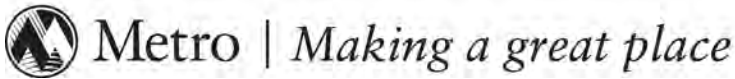
Metro уважает гражданские права. Узнать о программе Metro по соблюдению гражданских прав и получить форму жалобы о дискриминации можно на веб-сайте www.oregonmetro.gov/civilrights. Если вам нужен переводчик на общественном собрании, оставьте свой запрос, позвонив по номеру 503-797-1890 в рабочие дни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

Avizul Metro privind nediscriminarea

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

Metro txoj kev ntxub ntxaug daim ntawv ceeb toom

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



2015 MPAC Work Program

As of 02/18/15

*Items in italics are tentative; **bold** denotes required items*

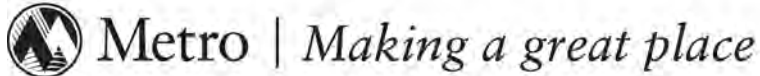
<p><u>Wednesday, February 25, 2015</u></p> <ul style="list-style-type: none"> • Community Planning and Development Grant Administrative Rules - <u>Recommendation to Metro COO and Council</u> (25 minutes, Gerry Uba/John Williams) • Urban Growth Management Decision: Revised Work Program for 2015 – <u>Information/Discussion</u> (Ted Reid/John Williams; 45 min) 	<p><u>Wednesday, March 11, 2015 - Cancelled</u></p> <ul style="list-style-type: none"> • <i>National League of Cities Congressional City Conference in Washington D.C (March 7th – 11th)</i>
<p><u>Wednesday, March 25, 2015</u></p> <ul style="list-style-type: none"> • Update on Climate Smart Communities submittal to Land Conservation and Development Commission (15 minutes, Kim Ellis/John Williams) • <i>2015 Urban Growth Management Decision: Residential preferences & needs - <u>Information/Discussion</u> (John Williams/Ted Reid)</i> <ul style="list-style-type: none"> ○ <i>Additional analysis of preference study results and home sales prices</i> ○ <i>Balancing residential preference with other considerations</i> • Community Planning and Development Grants timeline update – <u>Information/Discussion</u> (Gerry Uba) 	<p><u>Wednesday, April 8, 2015</u></p> <ul style="list-style-type: none"> • 2015 Solid Waste Roadmap Work Plan – <u>Information/Discussion</u> (25 min, Tom Chaimov/Paul Slyman) • <i>2015 Urban Growth Management Decision - <u>Information/Discussion</u> (John Williams/Ted Reid)</i> <ul style="list-style-type: none"> ○ <i>Preliminary analysis of UGB candidate areas</i> ○ <i>Status of new urban areas added to UGB from 1998 onward</i> ○ <i>Damascus update</i> • <i>Draft 2018 Regional Transportation Plan work program - <u>Information/Discussion</u> (Kim Ellis)</i>
<p><u>Wednesday, April 22, 2015</u></p> <ul style="list-style-type: none"> • <i>Metro Enterprising Places program - <u>Information/Discussion</u></i> • <i>Powell-Division Corridor project - <u>Information/Discussion</u></i> 	<p><u>Wednesday, May 13, 2015</u></p> <ul style="list-style-type: none"> • <i>2015 Urban Growth Management Decision: Development in Portland – <u>Discussion</u> and tour?</i>
<p><u>Wednesday, May 27, 2015</u></p> <p><i>2015 Urban Growth Management Decision: Important investments for successful housing & community development in downtowns and main streets – <u>Discussion</u> (John Williams/Ted Reid)</i></p>	<p><u>Wednesday, June 10, 2015</u></p> <ul style="list-style-type: none"> • <i>2015 Urban Growth Management Decision: Community planning activities updates and tours, of Wilsonville and Sherwood including updates on concept planning work</i>

<p><u>Wednesday, June 24, 2015</u></p> <ul style="list-style-type: none"> • 2015 Urban Growth Management Decision: • Regional housing needs and tools to address, including urban growth boundary expansion - <u>Discussion of what regional housing needs are not addressed by lands within the current UGB and existing plan (John Williams/Ted Reid)</u> 	<p><u>Wednesday, July 8, 2015</u></p> <ul style="list-style-type: none"> • Possible Tour Date, if desired by MPAC, or cancel
<p><u>Wednesday, July 22, 2015</u></p> <ul style="list-style-type: none"> • Possible Tour Date, if desired by MPAC, or cancel 	<p><u>Wednesday, August 12, 2015</u></p> <ul style="list-style-type: none"> • Proposed for cancellation – Metro Council summer recess
<p><u>Wednesday, August 26, 2015</u></p> <ul style="list-style-type: none"> • Community Planning and Development Grants update – <u>Information/Discussion (Gerry Uba)</u> • 2015 Urban Growth Management Decision: <ul style="list-style-type: none"> ○ How much household and job growth should the region plan for within the range forecast? - <u>Discussion leading to November recommendation to Metro Council (John Williams/Ted Reid)</u> • New policy or efficiency measures to ensure best utilization of lands currently within the UGB - <u>Discussion leading to November recommendation to Metro Council (John Williams/Ted Reid)</u> 	<p><u>Wednesday, September 9, 2015</u></p> <ul style="list-style-type: none"> • 2015 Urban Growth Management Decision: • Metro Chief Operating Officer Recommendation to Council - <u>Information/Discussion (John Williams/Ted Reid)</u>
<p><u>Wednesday, September 23, 2015</u></p>	<p><u>Wednesday, October 14, 2015</u></p> <ul style="list-style-type: none"> • 2015 Urban Growth Management Decision: <i>Is there a regional need for a UGB expansion in 2015? What are the regional housing needs not otherwise addressed by existing lands and plans? - <u>Discussion leading to November recommendation to Metro Council (John Williams/Ted Reid)</u></i>
<p><u>Wednesday, October 28, 2015</u></p> <ul style="list-style-type: none"> • 2015 Urban Growth Management Decision: <ul style="list-style-type: none"> ○ If there is a regional need for additional lands within the UGB, which areas best satisfy that need, satisfy the locational requirements of state law and lead to achievement of the region’s adopted six desired outcomes? - <u>Discussion leading to November recommendation to Metro Council (John Williams/Ted Reid)</u> 	<p><u>Wednesday, November 11, 2015</u></p> <ul style="list-style-type: none"> • 2015 Urban Growth Management Decision: <u>Recommendation to Metro Council including recommendations on:</u> <ul style="list-style-type: none"> ○ Adoption of final Urban Growth Report, including point in the range forecast ○ Adoption of new policy/efficiency measures, if any ○ Adoption of UGB expansions, if any

<u>Wednesday, November 25, 2015 - Cancelled</u>	<u>Wednesday, December 9, 2015</u>
<u>Wednesday, December 23, 2015 - Cancelled</u>	

Parking Lot:

- Presentation on health & land use featuring local projects from around the region
- Affordable Housing opportunities, tools and strategies
- Greater Portland, Inc. update
- “Unsettling Profiles” presentation by Coalition of Communities of Color



METRO POLICY ADVISORY COMMITTEE (MPAC)

Meeting Minutes

February 11, 2015

Metro Regional Center, Council Chamber

MEMBERS PRESENT

Carlotta Collette
Tim Clark, *1st Vice Chair*
Andy Duyck
Mark Gamba
Jeff Gudman
Jerry Hinton
Dick Jones
Anne McEnerny-Ogle
Marilyn McWilliams
Wilda Parks
Martha Schrader, *2nd Vice Chair*
Peter Truax, *Chair*
Jerry Willey

AFFILIATION

Metro Council
City of Wood Village, Multnomah Co. Other Cities
Washington County
City of Milwaukie, Clackamas Co. Other Cities
City of Lake Oswego, Clackamas Co. Largest City
City of Gresham, Multnomah Co. 2nd Largest City
Oak Lodge Water District, Clackamas Co. Special Districts
City of Vancouver
Tualatin Valley Water District, Washington Co. Special Districts
Clackamas County Citizen
Clackamas County
City of Forest Grove, Washington Co. Other Cities
City of Hillsboro, Washington Co. Largest City

MEMBERS EXCUSED

Ruth Adkins

AFFILIATION

PPS, Governing Body of School Districts

ALTERNATES PRESENT

Jennifer Donnelly
Carrie MacLaren
Brenda Perry
Marc San Soucie

AFFILIATION

Oregon Department of Land Conservation and Development
Oregon Department of Land Conservation and Development
City of West Linn, Clackamas Co. Other Cities
City of Beaverton, Washington Co. 2nd Largest City

OTHERS PRESENT: Tom Armstrong, Adam Barber, Dan Chandler, Chris Deffebach, Kay Durtschi, Craig Gibons, Eric Hesse, Emily Klepper, Zoe Monahan, Bill Peterson

STAFF: Roger Alfred, Nick Christensen, Alexandra Eldridge, Kathryn Harrington, Nellie Papsdorf, Ramona Perrault, Ted Reid, Gerry Uba, John Williams

1. CALL TO ORDER AND DECLARATION OF A QUORUM

MPAC Chair Peter Truax called the meeting to order and declared a quorum at 5:06 p.m.

2. SELF INTRODUCTIONS & COMMUNICATIONS

All attendees introduced themselves.

Chair Truax introduced the following new MPAC members and alternates for 2015: Commissioner Jim Bernard who will serve as the alternate for Clackamas County, Lake Oswego Councilor Karen Bowerman who will serve as the alternate for Clackamas County Largest City, and Milwaukie Councilor Mark Gamba and West Linn Councilor Brenda Perry who will serve as the member and alternate for Clackamas County Other Cities. Chair Truax also alerted members to a number of vacancies on the 2015 MPAC roster and asked that members work to fill the various positions.

3. CITIZEN COMMUNICATION ON NON-AGENDA ITEMS

There were none.

4. COUNCIL UPDATE

Councilor Carlotta Collette notified MPAC members of the following items:

- There is a project underway to improve safety in Metro's Killin Wetlands Natural Area by opening up public access to a portion of the site while also restoring habitat and continuing to allow farming on another portion of the property. The project is intended to make small-scale safety improvements for the many birdwatchers that visit the area and set up viewing scopes on Northwest Cedar Canyon Road. A stakeholder advisory committee met on January 15 to discuss possibilities. Representatives from the Tualatin River Watershed Council, the city of Banks, the Bicycle Transportation Alliance, neighboring communities and the bird-watching community shared their ideas and concerns. A community open house is scheduled to provide feedback on February 18 at Banks Fire District 13.
- An update on the Willamette Falls Legacy Project: Metro is moving forward with the request for proposal (RFP) process for the development of the Willamette Falls Riverwalk. Architecture firms from around the world responded to the request and there seems to be great interest in the project. Tours of the area were conducted on February 5 and 6 for contractors interested in bidding and a contractor should be selected to start working by early summer 2015.
- Periodically Metro offers committee 101 training for newly elected officials and planning commissioners. In the upcoming weeks, there will be one training held in each county. Once they are scheduled, dates will be shared with members and alternates of JPACT, MPAC, and MTAC.

5. CONSENT AGENDA

5.1 Consideration of January 28, 2015 Minutes

MOTION: Jeff Gudman moved and Wilda Parks seconded, to approve the January 28, 2015 minutes.

ACTION: With all in favor, the motion passed.

6. INFORMATION/DISCUSSION ITEMS

6.1 Community Planning and Development Grant Administrative Rules: Discussion of MTAC recommendation

Chair Peter Truax introduced the presentation and discussion of MTAC's recommendations on revisions to Metro's Administrative Rules for implementation of the construction excise tax (CET) and Community Planning and Development Grants (CPDG). In June 2014, the Metro Council extended the construction excise tax to December 2020. In October 2014, the Council directed staff to take the Administrative Rules to MTAC for review and MTAC released its recommendations that December.

John Williams, Deputy Director of Planning and Development at Metro and Chair of MTAC, gave an overview of the Community Planning and Development Grants. He explained that the grants are a key source of funding for planning and development projects and a main source of revenue for the region to fund local jurisdiction work within the communities. He noted that cities and counties are the only eligible applicants. He added that the funding goes back a number of years and that with each extension of the program, it has been adjusted to best suit the needs of the region.

Mr. Williams then gave an overview of the proposed changes. He explained that there were no amendments proposed in terms of collecting revenue and that most of the proposed changes relate to grant criteria and applications. He explained that ECONorthwest had been consulted to look over the grant program and that they found that there was a lack of clarity in terms of what Metro was trying to achieve with the grant program. They recommended that Metro use new language to articulate more clearly the categories of work being done across the region and the program's goals. The proposed recommendations outlined in the new administrative rules are the result of that effort.

Mr. Williams explained that the new rules also aim to improve oversight of funding by outlining different ways of checking communities' track records at implementing other projects in their communities, including the outcomes of previous CDPG grants. Mr. Williams noted that the recommendation also improves grant oversight by evaluating how projects will be conducted and how the results will be shared.

Mr. Williams emphasized that the staff on MTAC worked on the recommendations extensively and asked that MPAC consider recommending the revised administrative rules to the Metro Council.

Member discussion included:

Members discussed where CET revenue was generated according to jurisdiction and discussed how these revenue streams correlated with population and grant distribution.

John Williams explained that a financial analysis had been provided to the Metro Council and MTAC and could be made available to MPAC at the next meeting. He noted that there was a desire among councilors to not view the grants as transactional, as a significant part of funding comes from places experiencing large amounts of development, and the program seeks to also serve areas that might be experiencing a lack of growth. Councilor Collette added that a transactional system doesn't fit with Metro's regional perspective and emphasized that through CDPG, successful areas can provide support to areas that might need more help. Gerry Uba, Program Manager for Community Planning and Development Funds, noted that with one exception, all jurisdictions that have applied for the grant have received funding.

Members discussed grant criteria and asked about the role of Metro's recently adopted Climate Smart Strategy and upcoming Equity Strategy in the grant framework.

Members discussed the CPDG Screening Committee and recent changes to criteria for its members. John Williams noted that grant applications are initially screened by an external steering committee made up of local jurisdiction and community representatives, subject area experts, and others. The group then makes a recommendation to Metro's Chief Operating Officer Martha Bennett who then makes a recommendation to the Metro Council.

Mayor Jerry Willey expressed his appreciation for the program and said that he believed the program has worked exceptionally well. He noted that Metro does a good job distributing funds across the region.

6.2 Continued Discussion of 2015 Work Program, Potential Agenda Topics and Tours

Chair Truax began the discussion by noting that on December 4, 2014, the Metro Council adopted a resolution accepting the draft Urban Growth Report (UGR) as a basis for discussion in 2015 about how to manage anticipated population and employment growth. He explained that a few things changed over the last week regarding the urban growth management (UGM) decision and gave the floor to Metro's John Williams and Ted Reid to provide an update on these changes.

John Williams gave an overview of the changes made regarding the urban growth management decision timeline, explaining that conflicts in the state legislature had created issues with the proposed UGM timeline that could make the work program more complicated than expected. He noted that policy direction from the Metro Council has been that urban reserves need to be available in order to use them as a toolkit for an eventual UGM decision, in case a need for expansion is found. Because there will be no urban reserves available for expansion in Multnomah or Clackamas County in 2015 due to ongoing legislative deliberations, discussing the upcoming UGM decision has become more difficult. Mr. Williams asked committee members for their feedback on how the timeline should evolve with these changes in mind.

Member discussion included:

Mayor Jerry Willey reported that Metro Council President Tom Hughes had presented this issue at a recent meeting with the region's mayors. He noted that President Hughes had outlined three options going forward. One, finish the UGM cycle in 2015 with no changes to the urban growth boundary. Two, delay the current UGM cycle until the remand is resolved. Three, finish the UGM cycle in 2015 and return before 2020 for an early UGM cycle.

Members discussed the three possible options and their experiences with the UGM decision in the past. Members expressed concern about the length of the process in relation to the recent complications and discussed possible timelines for an eventual UGM decision.

Councilor Jeff Gudman noted that each of the three choices mean that the region will not be able to expand for at least three years, and expressed frustration with the length of that process. He added that any of these changes would also impact MPAC's work schedule moving forward.

Councilor Collette explained that if the Metro Council decided to end the current UGM cycle and return for an early cycle before 2020, new data would be available that might provide useful insights. She added that there was also potential for MPAC to keep some of the proposed work program in place, in order to better understand if the proposed data concerning growth in Portland and Damascus was realistic. She noted that much of the work program would still be useful for their discussions, keeping in mind that there are urban reserves in Washington County where growth

could potentially occur.

Members discussed the areas in Washington County open for expansion.

Commissioner Martha Scharder noted that there was a need for more industrial land in Clackamas County.

Chair Truax added that Metro needs to be equitable across the region, in terms of both housing and employment, and a final UGM decision should be delayed until all the reserves are acknowledged.

Commissioner Andy Duyck expressed interest in ending the current UGM cycle and beginning a new cycle early. He explained that starting a new process with post-recession data and all reserves from the three counties available would make the most sense going forward. He also questioned the criteria that Metro uses to develop the UGB and asked to consider improving it in the future, possibly while the reserves issue gets resolved.

John Williams noted that the Metro Council will have a work session of February 17 to discuss these issues further and that Metro staff will be working on options to discuss there. He added that the councilors hope to decide whether or not the urban growth boundary needs to be expanded before moving forward.

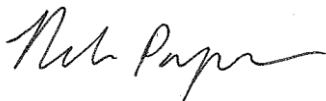
7. MPAC MEMBER COMMUNICATION

There were none.

8. ADJOURN

MPAC Chair Peter Truax adjourned the meeting at 6:20 p.m.

Respectfully Submitted,



Nellie Papsdorf
Recording Secretary

ATTACHMENTS TO THE PUBLIC RECORD FOR THE MEETING OF FEB. 11, 2015

ITEM	DOCUMENT TYPE	DOC DATE	DOCUMENT DESCRIPTION	DOCUMENT No.
4.0	Memo	02/02/15	Updated 2015 MPAC Meeting Schedule	021115m-01
6.1	Handout	02/10/15	Updated Schedule for Revision of Administrative Rules for CET and CPDG	021115m-02
8.0	Handout	02/05/15	Metro Hotsheet, Project Updates February 2015	021115m-03

MPAC Worksheet

Agenda Item Title: Urban growth management decision: revised work program for 2015

Presenter: Ted Reid, Principal Regional Planner, Metro Planning and Development

Contact for this worksheet/presentation: Ted Reid, ted.reid@oregonmetro.gov, 503-797-1768

Council Liaison Sponsor: none

Purpose of this item (check no more than 2):

Information _____
Update x
Discussion x
Action _____

MPAC Target Meeting Date: February 25, 2015

Amount of time needed for:

Presentation 10
Discussion 10

Purpose/Objective:

Provide MPAC with an overview of the revised urban growth management work program for 2015.

Action Requested/Outcome:

No MPAC action requested at this time.

Background and context:

The draft Urban Growth Report (UGR), accepted by the Metro Council in December 2014, provides the Council and others with an opportunity to review challenges and opportunities associated with implementing regional and local plans. A core element of the UGR is to assess whether the urban growth boundary (UGB) has enough space for housing and job growth. The draft 2014 UGR finds that adopted city and county plans can accommodate expected housing and job growth inside the existing UGB.

The Metro Council and MPAC have indicated that they wish to have a continued dialogue about a number of topics highlighted by the draft UGR. Those topics were to provide the structure for a work program leading to an urban growth management decision in December 2015. As described at the February 11 MPAC meeting, the recent remand of urban reserves has prompted Metro to revise its urban growth management work program for 2015.

What has changed since MPAC last considered this issue/item?

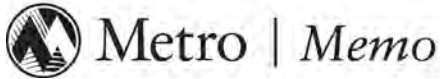
On February 11, Metro staff described to MPAC some of the implications of the urban reserves remand for the 2015 urban growth management decision. On February 17, 2015, the Metro Council discussed a revised 2015 work program at a work session. At that work session, Council directed staff to proceed with the work program as outlined in the February 12, 2015 memo that is included in MPAC's packet.

What packet material do you plan to include?

February 12, 2015 memo from John Williams and Ted Reid to the Metro Council

What is the schedule for future consideration of item?

Please refer to the attached memo for a general description of the discussion topics that will come to MPAC in 2015. Now that the Metro Council has directed staff to proceed with the revised work program, the schedule for MPAC's discussion of these topics will be arranged and will be provided to MPAC in the near future.



Date: February 12, 2015
To: Metro Council
From: John Williams and Ted Reid, Planning and Development Department
Re: Staff proposal for structuring urban growth management discussions in light of the remand of urban reserves

Introduction

At its February 3, 2015 retreat, the Metro Council discussed the legal status of urban and rural reserves and implications for the Council's next urban growth management decision. This memo follows up on Council direction at the retreat and proposes a work plan leading to a Metro Council decision in the fall of 2015 on which of two general process options to pursue. Staff will provide Council with additional policy, legal, and budgetary considerations on each option as the fall 2015 decision approaches.

Option 1: conclude the urban growth management decision in 2015, prior to resolution of the urban reserves in Clackamas and Multnomah counties.¹

Option 2: request an extension from the state for the urban growth management decision to wait for the resolution of urban reserves and to allow for additional discussion of housing needs.

This proposed framework is guided by Council's direction that it wishes to discuss several policy topics, and support regional discussion of these topics, before deciding which growth management option best achieves the region's desired outcomes. This proposed framework also reflects the fact that the draft Urban Growth Report (UGR) provides a substantial information base for informing policy discussions. Following Council's direction, staff's primary effort in 2015 will be to focus discussions on how to support implementation of existing community plans and how those plans interact in a regional context, rather than focusing on new data analysis.

Background notes

The draft 2014 UGR accepted by the Council finds that adopted city and county plans can accommodate expected housing and job growth inside the existing urban growth boundary (UGB). Council and MPAC have indicated a desire to continue discussing a number of topics, some of which may have implications for the draft UGR's conclusions regarding housing needs. However, without

¹ The Council could also choose to initiate a new growth management decision cycle before the next state-mandated urban growth report would be due.

new policy direction, the UGR's conclusion will likely hold true for the near future, including if a new UGR were developed in the next two to three years.

The draft UGR assumes that, because of market factors, only a portion of the region's zoned capacity may develop over the next 20 years. Some stakeholders have asserted that zoned capacity should be discounted further. Others assert that too many discounts have been applied or have questioned whether it is legally permissible to apply market discounts at all. As far as staff is aware, Metro's approach to applying market factors is untested in the courts.

The Metro Council and the region have adopted an outcomes-based approach to growth management, meaning that it intends to consider housing needs in light of practical and feasible outcomes on the ground. Two cities, Wilsonville and Sherwood, are working to complete residential concept plans for areas they would like the Council to consider for UGB expansion. However, if the Council determines that there is a regional need for additional growth capacity, the recent remand of urban reserves means that the Council cannot rely on urban reserves for expanding the UGB in 2015.

Proposed framework for 2015 work program

In order to inform the Council's decision-making on which growth management process option to pursue in fall 2015, staff proposes to focus policy discussions in spring of 2015 on the following three questions related to regional housing needs:

1. Residential development potential in Damascus
How much residential development should be assumed is likely in the City of Damascus? If less than what is forecast in the draft UGR is likely, where might that development occur instead? Or, should the region plan for a lower point in the range forecast?
2. Residential development potential in centers such as Portland
How much residential development should be assumed is likely in the region's centers and corridors, including those in Portland? If less than what is forecast in the draft UGR is likely, where might that development occur instead? Or, should the region plan for a lower point in the range forecast?
3. Choosing a point in the range forecast
Should the region plan for the midpoint of the forecast range, which has the highest probability, or should the region plan for higher or lower growth? Why? What new policies would be implemented to achieve higher or lower growth?

Staff proposes that other topics of interest that do not directly impact the determination of whether there is a regional need for land for residential growth be discussed separately, and perhaps after the growth management process option is chosen, since they cannot be resolved by a single growth management decision. Examples of these topics include regional housing affordability, regional infrastructure costs, and regional housing mix.


Note that the draft UGR forecasts the mix of housing that will result from adopted city and county plans. Establishing a markedly different share of single-family or multifamily housing in the region is not as simple as making a technical change to the draft UGR. It would require a larger discussion

of how the region intends to grow, including a discussion of the amendments to state, regional, and local policies and investment programs that would be required to achieve a different housing mix.

Proposed timeline for work program in 2015

February	Discussion of framework for proposed work program.
March – July	MPAC and Council initial discussions of the three topics related to regional housing needs.
September	Metro COO recommendation on the three topics and next steps for growth management decision-making. Release of inaugural report on regional readiness for addressing future opportunities and challenges, including some of the other topics of interest to Council and MPAC.
Fall	MPAC recommendation to Council on next steps for growth management decision-making.
By December or sooner	Metro Council decision on next steps for growth management: <ol style="list-style-type: none"> 1. Does the Council choose to conclude the urban growth management decision at this time or request an extension? 2. Does the Council direct staff to conduct a new UGR before its next scheduled 6-year review? If so, what direction would Council like to provide staff regarding the three topics related to regional housing needs or other issues?

Materials following this page were distributed at the meeting.

 **Metro | Agenda**

Meeting: Metro Policy Advisory Committee (MPAC)
Date: Wednesday, February 25, 2015
Time: 5 to 7 p.m.
Place: Metro, Council Chamber

REVISED 2/23/15

5 PM	1.	CALL TO ORDER	Peter Truax, Chair
5:02 PM	2.	SELF INTRODUCTIONS & COMMUNICATIONS	Peter Truax, Chair
5:05 PM	3.	CITIZEN COMMUNICATIONS ON NON-AGENDA ITEMS	
5:10 PM	4.	COUNCIL UPDATE	Metro Council
5:15 PM	5.	CONSENT AGENDA:	
	*	• Consideration of February 11, 2015 minutes	
	6.	ACTION ITEMS	
5:20 PM	6.1	Community Planning and Development Grant Administrative Rules: Recommendation to Metro Council	Gerry Uba, Metro Ted Leybold, Metro
	7.	INFORMATION/DISCUSSION ITEMS	
5:45 PM	7.1	* Urban Growth Management Decision: Revised Work Program for 2015	Ted Reid, Metro Elissa Gertler, Metro
6:30 PM	8.	MPAC MEMBER COMMUNICATION	
6:45 PM	9.	ADJOURN	Peter Truax, Chair

* Material included in the packet.

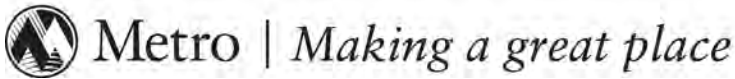
** Material will be provided at the meeting.

Upcoming MPAC Meetings:

- Wednesday, March 25, 2015
- Wednesday, April 8, 2015
- Wednesday, April 22, 2015

For agenda and schedule information, please contact Alexandra Eldridge at
503-797-1916 or Alexandra.Eldridge@oregonmetro.gov.

To check on closure or cancellations during inclement weather please call 503-797-1700.



2015 MPAC Work Program

As of 02/25/15

*Items in italics are tentative; **bold** denotes required items*

<p><u>Wednesday, February 25, 2015</u></p> <ul style="list-style-type: none"> • Community Planning and Development Grant Administrative Rules - <u>Recommendation to Metro COO and Council</u> (25 minutes, Gerry Uba/Ted Leybold) • Urban Growth Management Decision: Revised Work Program for 2015 – <u>Information/Discussion</u> (Ted Reid/Elissa Gertler; 45 min) 	<p><u>Wednesday, March 11, 2015 - Cancelled</u></p> <ul style="list-style-type: none"> • <i>National League of Cities Congressional City Conference in Washington D.C (March 7th – 11th)</i>
<p><u>Wednesday, March 25, 2015</u></p> <ul style="list-style-type: none"> • Update on Climate Smart Communities submittal to Land Conservation and Development Commission (15 minutes, Kim Ellis/John Williams) • <i>Community Planning and Development Grants timeline update – <u>Information/Discussion</u> (Gerry Uba)</i> 	<p><u>Wednesday, April 8, 2015</u></p> <ul style="list-style-type: none"> • 2015 Solid Waste Roadmap Work Plan – <u>Information/Discussion</u> (25 min, Tom Chaimov/Paul Slyman) • <i>2015 Urban Growth Management Decision: Portland's Comprehensive Plan Update - <u>Information/Discussion</u> (Ted Reid, Portland staff TBD)</i> • <i>Draft 2018 Regional Transportation Plan work program - <u>Information/Discussion</u> (Kim Ellis)</i>
<p><u>Wednesday, April 22, 2015</u></p> <ul style="list-style-type: none"> • <i>2015 Urban Growth Management Decision: Likelihood of development in urban centers such as Portland – <u>Information/Discussion</u> (Ted Reid, Portland staff & developers TBD)</i> • <i>Powell-Division Corridor project - <u>Information/Discussion</u></i> 	<p><u>Wednesday, May 13, 2015</u></p> <ul style="list-style-type: none"> •
<p><u>Wednesday, May 27, 2015</u></p> <p><i>2015 Urban Growth Management Decision: Development trends in past UGB expansion areas such as Damascus (Ted Reid, Damascus staff TBD)</i></p>	<p><u>Wednesday, June 10, 2015</u></p> <ul style="list-style-type: none"> • <i>2015 Urban Growth Management Decision: Tour of new developments in the City of Portland – information/discussion (Ted Reid, Portland staff & developers TBD)</i>
<p><u>Wednesday, June 24, 2015</u></p> <ul style="list-style-type: none"> • <i>2015 Urban Growth Management Decision: Planning within a range forecast for population & employment growth (Ted Reid)</i> 	<p><u>Wednesday, July 8, 2015</u></p> <ul style="list-style-type: none"> • <i>Possible Tour Date, if desired by MPAC, or cancel</i>

<p><u>Wednesday, July 22, 2015</u></p> <ul style="list-style-type: none"> • Possible Tour Date, if desired by MPAC, or cancel 	<p><u>Wednesday, August 12, 2015</u></p> <ul style="list-style-type: none"> • Proposed for cancellation – Metro Council summer recess
<p><u>Wednesday, August 26, 2015</u></p> <ul style="list-style-type: none"> • Community Planning and Development Grants update – <u>Information/Discussion</u> (Gerry Uba) 	<p><u>Wednesday, September 9, 2015</u></p> <ul style="list-style-type: none"> • Metro Enterprising Places program - <u>Information/Discussion</u>
<p><u>Wednesday, September 23, 2015</u></p> <ul style="list-style-type: none"> • 2015 Urban Growth Management Decision: Metro Chief Operating Officer Recommendation to Council - <u>Information/Discussion</u> (John Williams, Ted Reid) • Discuss Regional Readiness Report (John Williams, Ted Reid) 	<p><u>Wednesday, October 14, 2015</u></p> <ul style="list-style-type: none"> • 2015 Urban Growth Management Decision: <u>Recommendation to Metro Council</u>
<p><u>Wednesday, October 28, 2015</u></p>	<p><u>Wednesday, November 11, 2015</u> – Cancel for holiday?</p>
<p><u>Wednesday, November 25, 2015</u> - Cancelled</p>	<p><u>Wednesday, December 9, 2015</u></p>
<p><u>Wednesday, December 23, 2015</u> - Cancelled</p>	

Parking Lot:

- Presentation on health & land use featuring local projects from around the region
- Affordable Housing opportunities, tools and strategies
- Greater Portland, Inc. update
- “Unsettling Profiles” presentation by Coalition of Communities of Color

Ready to
bring your
storefront
to life?



Time to
transform
your
district?

Clean air and clean water do not stop at city limits or county lines. Neither does the need for jobs, a thriving economy, and sustainable transportation and living choices for people and businesses in the region. Voters have asked Metro to help with the challenges and opportunities that affect the 25 cities and three counties in the Portland metropolitan area.

ENTERPRISING PLACES invests to build the thriving downtowns and main streets envisioned in the Portland metropolitan region's long-range plan. Metro grants leverage local investments to make great places that endure for generations to come.

Questions? Call 503.797.1877 or email enterprisingplaces@oregonmetro.gov

 **Metro** | *Making a great place*

Discover how a grant from
Metro can help your business
and community thrive





PLACES ENTERPRISING

Enterprising Places grants help emerging commercial districts across the region fulfill their promise as treasured destinations and economic engines.



Bring us your ideas for transforming your local business, commercial property, downtown or neighborhood Main Street. For complete details and eligible locations visit oregonmetro.gov/enterprisingplaces

DYNAMIC DISTRICTS COMMUNITIES THAT PROSPER

STOREFRONT IMPROVEMENT

Considering some upgrades to your storefront? We offer matching grants of up to \$50,000 to help property and business owners to:

- Enhance storefronts to boost visibility and welcome customers
- Renovate building facades to attract and retain strong tenants
- Upgrade business signs and lighting
- Build community pride, vitality and prosperity

DISTRICT TRANSFORMATION

Want to help create a brighter outlook for your district? We offer grants of up to \$10,000 to:

- Recruit and cultivate successful retail businesses
- Position commercial districts to attract new visitors and customers
- Fund transformational improvements that make your district distinctive
- Fill vacant storefronts or bring dead urban spaces to life
- Provide specialized training to help businesses and property owners invest strategically
- Support local groups and individuals implementing positive change



MPAC Worksheet

February 25, 2015

Agenda Item Title: Revised Administrative Rules for Construction Excise Tax and Community Planning and Development Grants Implementation

Presenter: -Martha Bennett, Chief Operating Officer, 503-797-1541
-John Williams, Deputy Director, Planning and Development, 503-797-1635
-Gerry Uba, Community Planning and Development Grants project manager, 503-797-1737

Purpose/Objective

Provide additional comments of the Metro Technical Advisory Committee (MTAC) to the Metro Policy Advisory Committee (MPAC) and Chief Operating Officer (COO), on the revisions to the Administrative Rules for implementation of the Construction Excise Tax (CET) and Community Planning and Development Grants (CPDG).

Action Requested/Outcome

Provide recommendation to the Metro Council on the proposed revisions in the Administrative Rules for CET and CPDG.

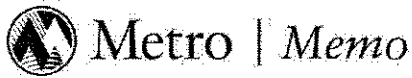
What has changed since MPAC last considered this issue/item?

On January 20, 2015, the Metro Council discussed the relationship of the CPDG program and Title 6 of Metro's Urban Growth Management Functional Plan. The Metro Council is seeking MTAC and MPAC input on how the CPDG program could be used to advance the planning activities for Centers, Corridors, Station Communities and Main Streets areas identified in Title 6 of the Metro Urban Growth Management Functional Plan, and whether some or all of CPDG should be considered "regional investment" for the purpose of Title 6.

MTAC discussed the linkage between CPDG program and Title 6 on February 18, 2015 and has provided comments to MPAC, summarized in the memo to MPAC and Metro COO from John Williams, MTAC Chair.

What packet material do you plan to include?

1. John Williams' (MTAC Chair) memo to MPAC and Metro COO
2. Strikethrough version of Administrative Rules (Metro Code Chapter 7.04) for Construction Excise Tax to fund Community Planning and Development Gants
3. Clean version of Administrative Rules (Metro Code Chapter 7.04) for Construction Excise Tax to fund Community Planning and Development Gants
4. Schedule



Date: February 20, 20145
To: Metropolitan Policy Advisory Committee (MPAC)
Martha Bennett, Metro Chief Operating Officer
From: John Williams, Planning and Development Deputy Director and MTAC Chair
CC: MTAC
Subject: MTAC's additional comments on revisions to the Administrative Rules

At the February 11, 2015 meeting, staff presented MTAC's recommendations on the revisions to the Administrative Rules for implementation of construction excise tax (CET) and Community Planning and Development Grants (CPDG). The revisions to the Administrative Rules were referred to MTAC and MPAC by the Metro Council.

Staff also informed MPAC that MTAC is discussing additional revision to a small portion of the Administrative Rules which was referred to MTAC and MPAC by the Metro Council for further consideration. The additional revision is related to the linkage between the CPDG program and Title 6 of the Metro's Urban Growth Management Functional Plan UGMFP). Specifically, the Metro Council seeks input on whether some or all of Community Development Grants should be considered "regional investment" for the purpose of meeting the goals of Title 6. MTAC comments have been included in the updated Administrative Rules for discussion at the February 25, 2015 meeting.

During the discussion, MPAC directed staff to provide information on the revenue from the CET and CPDG awards by jurisdiction. The information will be distributed at the meeting.

Attached for the February 25th meeting are:

1. Strikethrough version of proposed Administrative Rules (Metro Code Chapter 7.04) for Construction Excise Tax to fund Community Planning and Development Gants
2. Clean version of proposed Administrative Rules (Metro Code Chapter 7.04) for Construction Excise Tax to fund Community Planning and Development Gants
3. MTAC comments on the linkage between the CPDG program and of Title 6 of the UGMFP
4. Schedule

ATTACHMENT

MTAC Comments on the linkage between the CPDG program and of Title 6 of the UGMFP

1. Need better guidance on what it takes to achieve Title 6 of the UGMFP. No guidance has been provided. For example, are boundaries adopted by local governments in 1999 still valid, or should the boundaries be reestablished for a local government to be currently in compliance with the requirements of Title 6? There is a need for consensus on how to implement Title 6.
2. Use the CPDG to encourage planning in Title 6 areas that will lead ultimately to achieving the goals of Title 6
3. Making Title 6 a requirement for CPDG projects is a bad idea that could discourage planning in those areas
4. Use both the Administrative Rules and Application Handbook to show how applications for projects proposed in Title 6 areas will be prioritized with more points for meeting specific Title 6 planning objectives, while maintaining the ability to fund strong projects in industrial and employment areas
5. Provide summary of the CPDG funding for planning in Title 6 and non-Title 6 areas to quantify the changes in awards to these areas between funding cycles. The trend in proposed projects in Title 6 areas should be monitored to inform how to balance funding projects between Title 6 related and non-Title 6 areas in future grant cycles.

ADMINISTRATIVE RULES: METRO CODE CHAPTER 7.04
[Revised February 2015]
(MTAC RECOMMENDATIONS / COMMENTS -- DECEMBER 2014, FEBRUARY 2015)
(METRO COUNCIL COMMENTS -- JANUARY 2015)

Deleted: December

Deleted: 2

Effective July 1, 2006, and extended through December 31, 2020, Metro has established as Metro Code Chapter 7.04 a Construction Excise Tax ("CET") to fund Community Planning and Development Grants ("CPDG"). These Administrative Rules establish the procedures for administering this tax as mandated in Metro Code Section 7.04.050 and Metro Code Section 7.04.060. For ease of reference a copy of Metro Code Chapter 7.04 is attached to these administrative rules.

Deleted: September 30, 2014

I. Metro Administrative Matters.

- A. Definitions. These administrative rules incorporate the definitions as set forth in Metro Code Section 7.04.030 of Chapter 7.04, Construction Excise Tax, and Chapter 3.07, the Urban Growth Management Functional Plan.
- B. Designated Representatives (Metro Code Section 7.04.060). The Metro Chief Operating Officer ("COO") is responsible for the administration and enforcement of the Metro Code Chapter 7.04 and these administrative rules.
1. The COO may delegate his authority in administration and enforcement of the Code chapter and these administrative rules as he determines and as set forth herein.
 2. The COO shall appoint a Hearings Officer(s), which appointment shall be confirmed by the Metro Council. The Hearings Officer(s) shall have the authority to order refunds or rebates of the Construction Excise Tax or waive penalties as a result of the hearings process. Upon appointing a Hearings Officer, the Chief Operating Officer shall delegate authority to the Hearings Officer to administer oaths, certify to all official acts, to subpoena and require attendance of witnesses at hearings to determine compliance with this chapter, rules and regulations, to require production of relevant documents at public hearings, to swear witnesses, to take testimony of any Person by deposition, and perform all other acts necessary to adjudicate appeals of Construction Excise Tax matters.
- C. Internal Flow of Funds. Funds will be accounted for in a Construction Excise Tax account that will be created by the effective date of Metro Code Chapter 7.04.
- D. Rate Stabilization Reserves. Metro Code Chapter 7.04.200 states that the Council will, each year, as part of the Budget process, create reserves from revenues generated by the CET. These reserves are to even out collections thereby stabilizing the funds needed to support the applicable programs despite industry building activity fluctuation. These reserves can only be drawn on to support the specific budgeted activities as discussed in Section I.E. of these administrative rules. Due to their restricted nature, these reserves shall be reported as designations of fund balance in Metro's General Fund.
- E. Dedication of Revenues. Revenues derived from the imposition of this tax, netted after deduction of authorized local jurisdiction costs of collection and administration will be solely dedicated to grant funding of the regional and local planning that is required to make land ready for development after inclusion in the Urban Growth Boundary.
- F. Rule Amendment. The Chief Operating Officer retains the authority to amend these administrative rules as necessary for the administration of the Construction Excise Tax, after consultation with Metro Council.

II. Construction Excise Tax Administration.

A. Imposition of Tax (Metro Code Section 7.04.070).

1. The CET is imposed on every Person who engages in Construction within the Metro jurisdiction, unless an Exemption applies as set forth herein.
2. The tax shall be due and payable at the time of the issuance of any building permit, or installation permit in the case of a manufactured dwelling, by any building authority, unless an Exemption applies as set forth herein.
3. The CET shall be calculated and assessed as of the application date for the building permit. Persons obtaining building permits based on applications that were submitted prior to July 1, 2006 shall not be required to pay the CET, unless the building permit issuer normally imposes fees based on the date the building permit is issued.
4. If no permit is issued, then the CET is due at the time the first activity occurs that would require issuance of a building permit under the State of Oregon Building Code.

B. Calculation of Tax (Metro Code Section 7.04.080). The CET is calculated by multiplying the Value of New Construction by the tax rate of 0.12%

(0.0012 x Value of New Construction)

- a. In the case of a Manufactured Dwelling for which no Exemption is applicable, and for which there is no building code determination of valuation of the Manufactured Dwelling, the applicant's good faith estimate of the Value of New Construction for the Manufactured Dwelling shall be used.

C. Exemptions (Metro Code Section 7.04.040).

1. Eligibility for Exemption. No obligation to pay the CET is imposed upon any Person who establishes, as set forth below, that one or more of the following Exemptions apply:
 - a. The Value of New Construction is less than or equal to One Hundred Thousand Dollars (\$100,000); or
 - b. The Person who would be liable for the tax is a corporation exempt from federal income taxation pursuant to 42 U.S.C. 501(c)(3), or a limited partnership the sole general partner of which is a corporation exempt from federal income taxation pursuant to 42 U.S.C. 501(c)(3), the Construction is used for residential purposes AND the property is restricted to being occupied by Persons with incomes less than fifty percent (50%) of the median income for a period of 30 years or longer; or
 - c. The Person who would be liable for the tax is exempt from federal income taxation pursuant to 42 U.S.C. 501(c)(3) AND the Construction is dedicated for use for the purpose of providing charitable services to Persons with income less than fifty

percent (50%) of the median income.

2. Procedures for Establishing and Obtaining an Exemption; Exemption Certificates:

- a. For exemption (a) above, the exemption will be established at the building permit counter where the Value of New Construction as determined in the building permit is less than or equal to One Hundred Thousand Dollars (\$100,000).
- b. For exemptions (b) and (c) above, prior to applying for a building permit a Person claiming an exemption may apply to Metro for a Metro CET Exemption Certificate, by presenting the appropriate documentation for the exemption as set forth herein, and upon receiving a Metro CET Exemption Certificate the Person may present the certificate to the building permit issuer to receive an exemption from paying the CET; or
- c. For exemptions (b) and (c) above, instead of going to Metro to obtain a Metro CET Exemption Certificate, a Person claiming an exemption from the CET when applying for a building permit may submit to the building permit issuer Metro's CET Exemption Certificate application form. Upon receiving a Person's Metro CET Exemption Certificate application, the building permit issuer shall preliminarily authorize the exemption and shall not collect the CET. The building permit issuer shall forward the Person's Metro CET Exemption Certificate application to Metro along with the quarterly CET report. It shall be Metro's responsibility to determine the validity of the exemption and to institute collection procedures to obtain payment of the CET, as well as any other remedy Metro may have under law, if the Person was not entitled to the exemption;
- d. To receive a Metro CET Exemption Certificate from Metro, or to substantiate to Metro the validity of an exemption received from a local building permit issuer, an applicant must provide the following:
 - i. IRS tax status determination letter evidencing that the Person seeking the building permit is exempt from federal income taxation pursuant to 42 U.S.C. 501(c)(3); and
 - ii. In the case of residential property, proof that the property is to be restricted to low income persons, as defined, for at least 30 years. Proof can be in the form of loan covenants; rental agreements or grant restrictions; a certification from the entity's corporate officer attesting that the exemption is applicable; or any other information that may allow the exemption determination to be made; and
 - iii. In the case of a qualified tax-exempt entity providing services to Persons with incomes less than 50 percent of the median income, the applicant must provide information that will allow such tax exempt status to be verified, and proof that the property will be restricted to such uses. Proof can be in the form of loan covenants; rental agreements or grant restrictions; certification from the entity's corporate officer attesting that the exemption is applicable; or any other information that may allow the exemption determination to be made; and

- iv. In the case of a limited partnership with a tax-exempt sole general partner corporation, verification from the partnership's attorney of that status is required; and
- v. Authorization to audit the records to verify the legal status and compliance with Metro qualifications of all entities claiming exempt status.
- e. Partial Applicability of Exemption. If an exemption is applicable to only part of the Construction, then only that portion shall be exempt from the CET, and CET shall be payable for the remainder of the Construction that is not eligible for an exemption, on a pro-rata basis. It shall be the responsibility of the Person seeking the partial exemption to fill out a Metro CET Exemption Certificate application for the partial exemption, declaring on that application the proportion of the Construction qualifies for the exemption. Upon receiving a Person's Metro CET Exemption Certificate application claiming a partial exemption, the building permit issuer shall preliminarily authorize the partial exemption and shall only collect the pro-rata CET as declared by the applicant. The building permit issuer shall forward the Person's Metro CET Exemption Certificate application to Metro along with the quarterly CET report. It shall be Metro's responsibility to determine the validity of the partial exemption and to institute collection procedures to obtain payment of the remainder of the CET, as well as any other remedy Metro may have under law, if the Person was not entitled to the partial exemption.

D. Ceiling (Metro Code Section 7.04.045).

- 1. If the CET imposed would be greater than \$12,000.00 (Twelve Thousand Dollars) as measured by the Value of New Construction that would generate that amount of tax, then the CET imposed for that Construction is capped at a Ceiling of \$12,000.00 (Twelve Thousand Dollars).
- 2. The Ceiling applies on a single structure basis, and not necessarily on a single building permit basis. For example:
 - a. If a single building permit is issued where the Value of New Construction is greater than or equal to Ten Million Dollars (\$10,000,000), then the CET for that building permit is capped at Twelve Thousand Dollars (\$12,000.00).
 - b. If Construction in a single structure will require multiple building permits during the pendency of the CET program, and the total CET that would be imposed for those building permits would add up to more than Twelve Thousand Dollars (\$12,000.00), then the total CET for those building permits within the same structure during the pendency of the CET program is capped at Twelve Thousand Dollars (\$12,000.00). Once a total of \$12,000.00 has been paid in CET for a particular structure, then no additional CET will be collected for that structure during the pendency of the CET program.

E. Rebates (Metro Code Section 7.04.120). If a CET has been collected and a CET Exemption or the CET Ceiling was applicable, a rebate for the CET may be obtained from Metro.

1. Procedures for obtaining rebate are:

- a. Within thirty (30) days of paying the CET, the Person who believes that the CET was not applicable due to a CET exemption or CET Ceiling, shall apply for a rebate in writing to Metro and provide verification that the exemption eligibility provisions of Metro Code Section 7.04.040, or that the CET Ceiling provisions of Metro Code Section 7.04.045, have been met. Failure to seek a rebate within the thirty (30) day time limit will terminate a Person's right to seek a rebate.
- b. Applicant shall provide proof that the CET was paid, in the form of a paid receipt from the building permit issuer showing the tax was paid. All supporting documentation for the exemption or ceiling shall be submitted at the time of the rebate claim. The rebate will only be made to the name that is listed on the receipt unless the applicant has a written assignment of rebate.
- c. A rebate or a letter of denial shall be issued by Metro within thirty (30) days of receipt of a written request for rebate provided that the request includes all required information. The rebate will be calculated based upon the paid receipt, less the five percent (5%) administrative fee already retained by the building permit issuer and the five percent (5%) Metro administration fee.

Deleted: two-and-a-half

Deleted: 2

F. Refunds (Metro Code Section 7.04.150). If a CET has been collected and the Construction was not commenced and the building permit was cancelled, a refund for the CET may be obtained from Metro.

1. Eligibility is determined by the absence of Construction and cancellation of the building permit.

2. Procedures for obtaining refund:

- a. Apply in writing to Metro within thirty (30) days of permit cancellation.
- b. Provide copy of canceled permit.
- c. Provide proof of payment of the tax in the form of the paid receipt.
- d. A refund or a letter of denial shall be issued by Metro within thirty (30) days of receipt of the written request for refund provided that the request includes all required information. The refund will be calculated based upon the paid receipt, less the five percent (5%) administrative fee already retained by the building permit issuer and the five percent (5%) Metro administration fee.
- e. Failure to seek a rebate within the thirty (30) day time limit will terminate a Person's right to receive a refund.

Deleted: two-and-a-half

Deleted: 2

G. Appeals. The Hearings Officer shall conduct hearings related to enforcement or appeals of the CET. The appeal to the Hearings Officer must be:

1. In writing;
2. Made within ten (10) calendar days of denial of a refund, rebate, or exemption request. Notice of denial to the party denied, is deemed to have occurred three days after the mailing of the certified denial letter from Metro;
3. Tax must be paid prior to appeal;
4. Directed to the Office of Metro Attorney, who will contact the Hearings Officer to schedule a hearing upon receipt of a written appeal. The Hearings Officer will at that time provide further information as to what documentation to bring to the hearing.

H. Review. Review of any action of the Chief Operating Officer or Hearings Officer, taken pursuant to the Construction Excise Tax Ordinance, or the rules and regulations adopted by the Chief Operating Officer, shall be taken solely and exclusively by writ of review in the manner set forth in ORS 34.010 through 34.100, provided, however, that any aggrieved Person may demand such relief by writ of review.

I. CET Sunset (Metro Code Section 7.04.230).

1. The CET shall not be imposed on and no person shall be liable to pay any tax for any Construction activity that is commenced pursuant to a building permit issued on or after, December 31, 2020.
2. Local governments collecting CETs shall remit the CETs to Metro on a quarterly or monthly basis, based on the jurisdiction's CET Collection IGAs with Metro. Each quarter, within thirty days of receiving CET remittances from all collecting local jurisdictions, Metro will issue a written statement of the total CET that Metro has received that quarter and cumulatively.
3. CET remittance to Metro shall be net of the local government's administrative expenses in collecting the CET, up to five percent (5%) of the CET collected by the local government as set forth in the Metro CET Collection IGA. This net amount of CET remitted to Metro shall be the basis for Metro's calculations of CET cumulative totals.
4. The CET shall cease to be imposed by local governments on December 31, 2020, and shall be remitted by the local governments to Metro as soon thereafter as possible.

Deleted: September 30, 2014

Deleted: and for the calculation of when the \$6.3 million CET has been reached

Deleted:

Deleted: September 30, 2014

Deleted:

III. CET Collection Procedures.

A. Local Government CET Collection and Remittance Via Intergovernmental Agreements (Metro Code Section 7.04.110). For those local governments collecting the CET pursuant to Intergovernmental Agreements with Metro, the following procedures shall apply:

1. CET Report Information Required. Each quarter (unless a local government prefers to report monthly), along with its CET remittance to Metro, the local government shall prepare and submit to the Metro Chief Operating Officer a report of the CETs and building permits issued for the previous quarter's construction activities. The report shall include: the number of building permits issued that quarter; the aggregate value of construction; the number of building permits for which CET exemptions were given; the aggregate value of

construction for the exempted construction; the aggregate amount of CET paid; and the amount of CET administrative fee retained by the local government pursuant to this CET Collection IGA.

2. CET Remittance to Metro. Local governments collecting CET via IGAs with Metro shall remit the collected CET to Metro. Remittance shall be quarterly, unless a jurisdiction prefers to remit the CET monthly, by the 30th of the month following the quarter (or month) ending. Quarters end on September 30, December 31, March 31 and June 30 of each year. CET remittance and the CET Report shall be sent to Metro, attn Construction Excise Tax Accounting Specialist, 600 NE Grand, Portland, Oregon 97232.
3. Remuneration to Local Government for Collecting CET. As consideration for collecting the CET, each local government collecting the CET shall retain no more than five percent (5%) of the tax collected by that local government. This payment is intended to be a reimbursement of costs incurred. Prior to submitting the CET to Metro, the local government shall deduct the remuneration agreed upon directly from the collected tax, and the amounts deducted and retained shall be identified on the report submitted to Metro.
4. Metro Administrative Fee. To partially reimburse Metro for its costs in implementing and administering the CET program, Metro will retain five percent (5%) of the net CET funds remitted by local governments to Metro.
5. Audit and Control Features. Each local government shall allow the Chief Operating Officer, or any person authorized in writing by the Chief Operating Officer, to examine the books, papers, building permits, and accounting records relating to any collection and payment of the tax, during normal business hours, and may investigate the accuracy of reporting to ascertain and determine the amount of CET required to be paid.
6. Failure to Pay. Upon a Person's refusal to or failure to pay the CET when due, the local government administering that Person's building permit shall notify Metro in writing within five (5) business days of such failure, with information adequate for Metro to begin collection procedures against that Person, including the Person's name, address, phone numbers, Value of New Construction, Construction Project, and building permit number. Upon a Person's refusal or failure to pay the CET, it shall be Metro's responsibility to institute collection procedures to obtain payment of the CET as well as any other remedy Metro may have under law.

Deleted: two-and-a-half

Deleted: 2.

B. Metro Collection Procedures in Event of Non-payment. The CET is due and payable upon issuance of a building permit. It is unlawful for any Person to whom the CET is applicable to fail to pay all or any portion of the CET. If the tax is not paid when due, Metro will send a letter notifying the non-payer of his obligation to pay the CET along with the following information:

1. Penalty. In addition to any other fine or penalty provided by Chapter 7.04 of the Metro Code, penalty for non-payment will be added to the original tax outstanding. That penalty is equal to fifty dollars (\$50.00) or the amount of the tax owed, whichever is greater.
2. Misdemeanor. In addition to any other civil enforcement, non-payment of the CET is a misdemeanor and shall be punishable, upon conviction, by a fine of not more than five hundred dollars (\$500.00). This fine shall be charged to any officer, director, partner or other Person having direction or control over any Person not paying the tax as due.

3. Enforcement by Civil Action. If the tax is not paid, Metro will proceed with collection procedures allowable by law to collect the unpaid tax, penalties assessed and fines due, including attorney fees.

IV. Revenue Distribution (Metro Code Section 7.04.220).

A. Grant Cycles. CET funds collected pursuant to the 2014 extension of the CET shall be allocated in three new application assessment cycles (Cycle 4, Cycle 5 and Cycle 6).

1. The Cycle 1 fund distribution took place in March 2006, which allocated up to \$6.3 million in grants. Grant requests in this cycle were made for planning only in new areas that were brought into the Urban Growth Boundary (UGB) between 2002 and 2005.

2. The Cycle 2 grant allocation through the Community Planning and Development Grant program (CPDG) took place in June 2010, which allocated up to \$3.57 million in CET Grants revenue. Grant requests in this cycle were made for planning in all areas that are in the Urban Growth Boundary (UGB) as of December 2009.

3. The Cycle 3 grant allocation took place in August 2013, which allocated \$4.5 million in grants. Grant requests in this cycle were made for planning in all areas that are in the UGB as of December 2009, plus areas added to the UGB since 2009 and Urban Reserves. This cycle earmarked fifty percent (50%) of projected CET revenues for planning in areas added to the UGB since 2009 and Urban Reserves, and required that if the amount of qualified Grant Requests for areas added to the UGB since 2009 and Urban Reserves does not equal or exceed the earmarked amounts, the remainder of funds may be allocated to Grant Requests for planning in other areas.

4. The Cycle 4 grant allocation shall take place in 2015-2016 for planning in all areas that are in the UGB and Urban Reserves. This grant allocation shall earmark seventy percent to seventy five percent (70% to 75%) of projected revenue for planning within the existing UGB, and earmark twenty five percent to thirty percent (25% to 30%) of projected revenue for concept planning and comprehensive planning for urban reserves and new urban areas, and require that if the amount of qualified Grant Requests for areas added to the UGB since 2009 and Urban Reserves does not equal or exceed the earmarked amounts, the remainder of funds may be allocated to Grant Requests for planning in other areas.

5. The Cycle 5 grant allocation shall take place in 2017-2018 for planning in all areas that are in the UGB and Urban Reserves. This grant allocation shall earmark seventy percent to seventy five percent (70% to 75%) of projected revenue for planning within the existing UGB, and earmark twenty five percent to thirty percent (25% to 30%) of projected revenue for concept planning and comprehensive planning for urban reserves and new urban areas, and require that if the amount of qualified Grant Requests for areas added to the UGB since 2009 and Urban Reserves does not equal or exceed the earmarked amounts, the remainder of funds may be allocated to Grant Requests for planning in other areas.

6. The Cycle 6 grant allocation shall take place in 2019-2020 for planning in all areas that are in the UGB and Urban Reserves. This grant allocation shall earmark seventy percent to seventy five percent (70% to 75%) of projected revenue for planning within the existing UGB, and earmark twenty five percent to thirty percent (25% to 30%) of projected revenue for concept planning and comprehensive planning for urban reserves and new urban areas, and require that if the amount of qualified Grant Requests for areas added to the UGB since 2009 and Urban Reserves does not equal

~~Deleted: 09~~
~~Deleted: two~~
~~Deleted: 2~~
~~Deleted: and~~
~~Deleted: 3~~

~~Deleted: 1~~
~~Deleted: FY~~
~~Deleted: 2009-2010~~
~~Deleted: R~~
~~Deleted: may be~~
~~Deleted: 2~~
~~Deleted: shall take~~
~~Deleted: FY 2012-~~
~~Deleted: and shall allocate the remainder of the expected CET collections for this cycle. Grant Requests in this cycle may be made~~

~~Deleted: 3. The Cycle 3 grant allocation shall earmark fifty percent (50%) of projected CET revenues for planning in areas added to the UGB since 2009 and Urban Reserves. If the amount of qualified Grant Requests for New Urban Areas and Urban Reserves does not equal or exceed the earmarked amounts, the remainder of funds shall be allocated to Grant Requests for planning in other areas.~~

or exceed the earmarked amounts, the remainder of funds may be allocated to Grant Requests for planning in other areas.

7. These cycles may be delayed or amounts reduced if the actual CET receipts remitted by the local governments are not as high as projected, or if CET revenue projections are modified due to market conditions, or if required by Metro's spending cap limitations.

8. Metro may conduct additional allocation cycles if the Metro Chief Operating Officer finds that CET receipts are projected to exceed the grant amounts awarded in Cycle 4 and Cycle 5 and Cycle 6?

- Deleted: 5
- Deleted: 2
- Deleted: 3

B. CPDG Screening Committee ("Committee")

- Deleted: CET
- Deleted: Grant
- Deleted: CET Grant

1. Role. A CPDG Screening Committee ("the Committee") shall be created, which Committee shall review Grant Requests submitted by local governments. The Committee shall advise and recommend to the Metro Chief Operating Officer ("COO") the ranking and recommended grant amounts, and whether to grant full, partial, or no awards, in accordance with the grant Evaluation Criteria set forth below. The COO shall review the Committee's recommendations and shall forward her/his own grant recommendations, along with the recommendations of the CPDG Screening Committee, to the Metro Council. The Metro Council shall make final grant decisions in a public hearing. A new CPDG Screening Committee shall be established for Cycle 4, Cycle 5 and Cycle 6 grants, but may include members from the previous Committees.

- Deleted: CET G
- Deleted: CET Grant
- Deleted: Grant
- Deleted: 3
- Deleted: Cycle 2

2. CPDG Screening Committee Members. The COO shall appoint six to nine members to the Committee, including the Committee Chair. Skill sets to be represented will be composed of the following expertise:

- Deleted: CET
- Deleted: Grant
- Deleted: , will be selected by the Metro COO

- Economic development;
- Urban planning;
- Real estate and finance;
- Infrastructure finance relating to development or redevelopment;
- Local government;
- Urban renewal and redevelopment;
- Business and commerce;
- Neighborhood Association or Community Planning Commission with an understanding of community livability issues; and
- Environmental sustainability relating to development or redevelopment.
- Social equity relating to community development and redevelopment planning.

- Deleted: In appointing Committee members, the Metro COO shall make every effort so that no one jurisdiction or geographic location is disproportionately represented on the Committee. The Committee will be composed of nine individuals representing a variety of expertise from public and private interests as set forth below, plus one non-voting Metro Councilor to serve as a Metro Council liaison. A committee member may have more than one expertise. The nine-member Committee shall include:
- Deleted: One member with expertise in e
- Deleted: One member with expertise in u
- Deleted: At least one member with expertise in r
- Deleted: One member with expertise in i
- Deleted: One member with expertise in l
- Deleted: One member with expertise in u
- Deleted: One member with expertise in b
- Deleted: One member from a
- Deleted: One member with expertise in e
- Deleted: -

C. CPDG Screening Committee Review of Grant Requests.

1. Metro staff shall forward the letters of intent and Grant Requests to the members of the Screening Committee, and will provide staff assistance to the Committee.
2. The Screening Committee shall then review the Grant Requests and evaluate them based on the CPDG Evaluation Criteria set forth below. The Screening Committee shall use the criteria as guidelines for evaluating applications. The Committee may consult with the proponent of the Grant Request or any others in reviewing the request.
3. After analyzing the Grant Requests, the Committee shall forward to the Metro COO the Committee's recommended ranking and grant amounts for each of the Grant Requests.

- Deleted: Grant
- Deleted: Grant
- Deleted: CET Grant
- Deleted: CET
- Deleted: Grant

4. The Metro COO shall review the Committee's recommendations and shall forward her/his own grant recommendations, based on the CPDG Requests Evaluation Criteria set forth below, along with the recommendations of the Screening Committee, to the Metro Council. The Metro Council shall decide, in a public hearing, whether or not to approve funding of any grants, and the amount of each grant.

~~Deleted: CET Grant~~
~~Deleted: above~~
~~Deleted: CET Grant~~

D. Metro Council Grant Approval. The Metro Chief Operating Officer ("Metro COO") shall review the Committee's recommendations and shall forward her/his own grant recommendations, along with the recommendations of the Screening Committee, to the Metro Council. The Metro Council shall make final grant decisions in a public hearing.

~~Deleted: CET Grant~~

E. Procedures for Distribution

1. **Step One: Pre-Grant-Letter of Intent**. Prior to making a request to Metro for CPDG funds, each Grant Applicant that anticipates requesting CPDG funds in Cycle 4, Cycle 5 and Cycle 6 shall submit electronic Letter of Intent to the Metro Chief Operating Officer.

~~Deleted: written~~
~~Deleted: CET~~
~~Deleted: grant~~
~~Deleted: CET grant~~
~~Deleted: 2~~
~~Deleted: 3~~
~~Deleted: a written and~~
~~Deleted: CET Grant~~
~~Deleted: CET Grant~~

a. Grant Applicant. CPDG applicants shall be cities or counties within the Metro boundary. Other local governments, as defined in ORS 174.116, may apply for a CPDG only in partnership with a city or county within the Metro boundary.

b. Letter of Intent Content. The Letter of Intent shall set forth the local government's proposed planning project, the requested grant amount, how the project will address the CPDG Request Evaluation Criteria, and proposed milestones for grant payments. Metro staff and the grant applications Screening Committee shall review the Letter of Intent and Metro staff will send comments to the local governments.

~~Deleted: b. Letter of Intent Submission Date. For Grant Requests in Cycle 2, Letters of Intent shall be submitted to Metro within three (3) months of the effective date of the extension to the CET program, i.e., by December 9th, 2009, unless a different date is mutually agreed upon by Metro and the local government. For Grant Requests in Cycle 3, Letters of Intent shall be submitted to Metro by within three (3) months of the update to this administrative rule.~~

2. **Step Two: Grant Request**. After submitting the Letter of Intent, and after working with Metro staff and Screening Committee if necessary, to revise the proposal, Grant Applicants shall submit an electronic Grant Request to the Metro Chief Operating Officer. The grant request shall include support of the governing body and matching fund commitment with allocation of fund and/or staff resources for the proposed project.

~~Deleted: c~~
~~Deleted: CET Grant~~
~~Deleted: work with the proposer, if necessary, to revise the proposal if additional information is needed for the Grant Request.~~

A. Grant Request Evaluation Criteria for Proposed Projects within the current UGB. For proposed projects within the UGB, the Grant Request shall specifically address how the proposed grant achieves, does not achieve, or is not relevant to, the following criteria ("CPDG Grant Evaluation Criteria"), based on the intent in the Urban Growth Management Functional Plan.

~~Deleted: Grant~~
~~Deleted: seeking distribution of CET expected revenues~~
~~Deleted: a written and~~
~~Deleted: CET~~
~~Deleted: drawn from~~
~~Deleted: how the~~
~~Deleted: will increase ability to achieve on-the-ground development/redevelopment outcomes~~

1) Expected Development Outcomes: Explain what planning activities are, proposed to be undertaken with the planning and development grant, and how those activities will identify and reduce the barriers to developing complete communities. Address:

a) Identification of opportunity site/s within the boundary of the proposed project area with catalyst potential that focus on jobs growth and/or housing. Explain the characteristics of the site/s and how the proposed project will lead to a catalytic investment strategy with private and public sector support.

b) Clearly articulated and realistic desired outcomes from the planning grant that increase community readiness for development.

- c) ~~.....~~
- c) The level of community readiness and local commitment to the predicted development outcomes; considerations include:

Deleted: ¶
Deleted: The expected probability that due to this planning and development grant, development permits will be issued within two years;

1. Track record of successful implementation of community development projects and / or past CPDG plan implementation
2. Development sites of adequate scale to generate critical mass of activity;
3. Existing and proposed transportation infrastructure to support future development;
4. Existing urban form provides strong redevelopment opportunities;
5. Sound relationship to adjacent residential and employment areas;
6. Compelling vision and long-term prospects;

- d) Describe the roles and responsibilities of the applicant and county or city, and relevant service providers for accomplishing the goals of the proposed project.

2) Regionally Significant: Clearly identify how the proposed planning grant will benefit the region in achieving established regional development goals and outcomes, including sustainability practices, expressed in the 2040 Growth Concept and the six Desired Outcomes, adopted by the region to guide future planning, which include:

Deleted:

- a. People live and work in vibrant communities where their everyday needs are easily accessible;
- b. Current and future residents benefit from the region's sustained economic competitiveness and prosperity;
- c. People have safe and reliable transportation choices that enhance their quality of life;

Deleted: they can choose to walk for pleasure and to meet

*Refer to the Application Handbook for information for how to address this sub-criteria.

- d. The region is a leader in minimizing contributions to climate change;

*Refer to the Application Handbook for information for how to address this sub-criteria.

- e. Current and future generations enjoy clean air, clean water and healthy ecosystems;

- f. The benefits and burdens of growth and change are distributed equitably*
*Refer to the Application Handbook for information for how to address this sub-criteria.

Deleted:

3) Centers, Corridors, Station Communities and Main Streets shown in these 2040 Growth Concept areas in the Metro Regional Framework Plan have been recognized as the principal centers of urban life in the region. Each of these areas in the region has its own character and at different stages of development. For planning projects proposed for, or within these areas, address how the planning work elements identified in Title 6 of the Metro Urban Growth Management Functional Plan have been previously addressed or will be addressed as part of the proposed application. This includes establishing an area

Deleted: ¶

boundary, performing assessment of the areas, and adopting a plan of actions and investments.

*Refer to the Application Handbook for additional information on how to address the 2040 Growth Concept are criteria.

4) Other locations: Discuss whether and how the proposed planning grant facilitates development or redevelopment of:

- a. Employment & Industrial Areas;
- b. Areas recently brought into the UGB where concept planning has been completed but where additional planning and implementation work is needed in order to make these areas development ready; and/or,
- c. Areas with concentration of underserved or underrepresented groups for applications that articulate how planning activities for development and redevelopment will address the needs of these groups,

5) Best Practices Model. Consideration will also be given to applications that can be easily replicated in other locations and demonstrate best practices. Discuss also how lessons learned from the planning project will be shared with other communities in the region.

6) Leverage: Discuss whether and how the proposed planning grant will leverage outcomes across jurisdictions and service providers, or create opportunities for additional private/public investment. Investments can take the form of public or private in-kind or cash contributions to the overall planning activity.

7) Matching Fund/Potential: A ten percent (10%) local match is required either as direct financial contribution or in-kind contribution. Discuss whether any portion of the total project cost will be incurred by the applicant and/or its partners. Explain specific portions of the work scope the match money would fund.

8) Growth Absorption: Discuss how this project will create opportunities to, to accommodate expected population and employment growth consistent with local planning.

*Refer to the Application Handbook for information for how to address this sub-criteria.

9) Public Involvement: Discuss whether and how the public, including neighbors to the project, businesses, property owners and other key stakeholders, and disadvantaged communities including low income and minority populations, will be involved in the, and how their input will be used to strengthen the project outcomes and increase likelihood to be implemented.

10) Governing Body: Describe the role of the governing body in relation to:

- a. Type of action to be taken to implement the final product
- b. When and where applicable, how public voting requirements for annexation and transit improvements will be addressed so that the outcome of proposed planning projects can be realized.

Deleted: 3

Deleted: L

Deleted: <#>Centers, .

! <#>Corridors/Main Streets, .

! <#>Station Centers;

Deleted: <#>and/or

Deleted: <#>

!

Deleted: .

Deleted: .

Deleted: 4

Deleted: 5

Deleted: 6

Deleted: 7

Deleted: address the

Deleted:

Deleted: ion of

Deleted: in this region and the needs of high growth areas. Equity: Discuss whether and how the proposed planning grant will further the equitable distribution of funds, based on collections of revenues, past funding, and planning resource needs.

Deleted: 8

Deleted: formed o

Deleted: progress of the project

11) Capacity of applicant: Describe the skill set needed and the qualifications of the staff and/or proposed consulting teams to carry out the planning project.

B. Grant Request Evaluation Criteria for Proposed Projects within areas added to the UGB since 2009 and Urban Reserves.

The grant request for proposed projects in both areas added to the UGB since 2009 and Urban Reserves shall specifically address how the proposed grant achieves, does not achieve, or is not relevant to the following criteria, drawn from the Urban Growth Management Functional Plan (UGMFP). While the UGMFP's Title 11 (Planning for New Urban Areas) calls for completion of a concept plan prior to Council decision to add the area to the UGB, Metro Council award of grants for concept planning in urban reserves should not be interpreted as a commitment by the Council to add the rest of the area to the UGB in the next cycle. Applications should note whether the planning project includes an Urban Reserve area. The Screening Committee shall emphasize using available funds to spur development.

Deleted: and the Regional Transportation Functional Plan.

Deleted: currently being appealed in the Court of Appeals or other venues

1) Address Title 11 requirements for concept plan or comprehensive plan. Clearly describe how the proposed planning grant will address the requirements for either a concept plan or comprehensive plan or both as described in Title 11.

Deleted: s

- a. If not proposing to complete a full plan, describe how the portion proposed will result in an action that secures financial and governance commitment that facilitates the next steps in the planning process.
- b. If not proposing a planning grant for the full Urban Reserve area, describe how the proposal would address the intent for complete communities as described in the urban reserve legislative intent, urban and rural reserve intergovernmental agreements between Metro and counties, and Title 11.

Deleted: or

2) Regionally Significant: Unless addressed in criteria # 1, describe how the proposed planning grant will benefit the region in achieving established regional development goals and outcomes, including sustainability practices, expressed in the 2040 Growth Concept and the six Desired Outcomes, adopted by the region to guide future planning, which include:

- a. People live and work in vibrant communities where their everyday needs are easily accessible;
- b. Current and future residents benefit from the region's sustained economic competitiveness and prosperity;
- c. People have safe and reliable transportation choices that enhance their quality of life*;

*Refer to the Application Handbook for information for how to address this sub-criteria.

d. The region is a leader in minimizing contributions to climate change*;

*Refer to the Application Handbook for information for how to address this sub-criteria.

e. Current and future generations enjoy clean air, clean water and healthy ecosystems.

f. The benefits and burdens of growth and change are distributed equitably*.

*Refer to the Application Handbook for information about how to address this sub-criteria.

- 3) Addresses how the proposed projects will meet local needs and also contribute solutions to regional needs.
Describe whether and how the proposal will meet a variety of community needs, including land uses such as mixed use development and/or large lot industrial sites which are anticipated to continue to be regional needs.
- 4) Demonstrates jurisdictional and service provider commitments necessary for a successful planning and adoption process.
Applications should reflect commitment by county, city and relevant service providers to participate in the planning effort and describe how governance issues will be resolved through or prior to the planning process. Describe the roles and responsibilities of the county, city and relevant service providers for accomplishing the commitments.
- 5) Address readiness of land for development in areas added to the UGB since 2009 and Urban Reserves.
For applications in areas added to the UGB since 2009, demonstrate that market conditions would be ready to support development and efficient use of land or define the steps that the project would undertake to influence market conditions.
- 6) Best Practices Model. Consideration will also be given to applications that can be easily replicated in other locations and demonstrate best practices. Discuss also how lessons learned from the planning project will be shared with other communities in the region.
- 7) Leverage: Discuss whether and how the proposed planning grant will leverage outcomes across jurisdictions and service providers, or create opportunities for additional private/public investment. Investments can take the form of public or private in-kind or cash contributions to the overall planning activity.
- 8) Matching Fund/Potential: A ten percent (10%) local match is required either as direct financial contribution or in-kind contribution. Discuss whether any portion of the total project cost will be incurred by the applicant and/or its partners. Explain specific portions of the work scope the match money would fund.
- 9) Growth Absorption: Explain how this project will create opportunities to accommodate expected population and employment growth consistent with local planning.

*Refer to the Application Handbook for information for how to address this sub-criteria.

- 10) Public Involvement: Discuss whether and how the public, including neighbors to the project, businesses, property owners and other key stakeholders, and disadvantaged communities including low income and minority populations,

Deleted: ¶
¶

Deleted: Equity: Discuss whether and how the proposed planning grant will further the equitable distribution of funds, based on collections of revenues, past funding, and planning resource needs

will be involved in the progress of the project and how their input will be used to strengthen the project outcomes and increase likelihood to be implemented.

- Deleted: formed on
- Deleted:
- Deleted: as
- Deleted: of being

10) Governing Body: Describe the role of the governing body in relation to:

- a. Type of action to be taken to implement the final product
- b. When and where applicable, how public voting requirements for annexation and transit improvements will be addressed so that the outcome of proposed planning projects can be realized.

12) Capacity of applicant: Describe the skill set needed and the qualifications of the staff or proposed consulting teams to carry out the planning project.

C. Proposed Scope of Work, Milestones and Budget. The Grant Request shall include a proposed scope of work and budget, setting forth the expected completion dates and costs for achieving the milestones proposed in the Grant Request. The Grant Request shall include also outcome measures specific to the project and source of data and information for Metro's use for evaluation of the progress of the CPDG program. Milestones and grant payment allocations should follow the following general guidelines:

Deleted: Urban Growth Management Functional Plan

- 1) Execution of the CPDG IGA
- 2) Grant Applicant staff's draft or proposed plan, report, code change, zoning change, redevelopment plan, Urban Growth Diagram, Concept Plan, urban services delivery plan, or other plan or agreement consistent with the CPDG;
- 3) Grant Applicant staff's final recommended plan, report, code change, redevelopment plan, zoning change, Comprehensive Plan or Comprehensive Plan amendment, development agreement, urban services delivery plan, or other plan or agreement consistent with the CPDG award, addressing compliance with the Urban Growth Management Functional Plan, the applicable conditions of the CPDG award, and applicable state laws and regulations; and
- 4) Grant Applicant's action on final plan, report, code change, redevelopment plan, zoning change, Comprehensive Plan or Comprehensive Plan amendment, urban services delivery plan, or other plan or agreement consistent with the CPDG award, consistent with the Functional Plan, the applicable conditions of the CPDG award, and applicable state law. The governing body of the applicant shall authorize the action on the final products.
- 5) Grant Applicant's proposed outcome measures specific for the project and source of data and information for Metro's use for evaluation of the progress of this grant program.

Deleted: CET Grant

Deleted: CET Grant

Deleted: CET Grant

Deleted: CET Grant

Deleted: adoption of

Deleted: CET Grant

Deleted: CET Grant

Deleted: ¶
<#-Grant Screening Committee Review of Grant Request. ¶
The Screening Committee shall recognize the intent of the grants to lead to on-the-ground development and prioritize projects with broad public and private sector support. The Grant Screening Committee shall review and advise the COO as to the Committee's grant recommendations as set forth in Section IV C above.¶

Deleted: Grant

Deleted: Grant

Deleted: or, at the Grant Applicant's request, the Metro Chief Operating Officer shall issue a Grant Letter, for the grant amount determined by the Metro Council.

Deleted: or Grant Letter

Deleted: expected milestone

3. Step Three: Grant Intergovernmental Agreement ("IGA"). Upon the award of a grant, the Metro Chief Operating Officer shall issue a Grant Letter for the grant amount determined by the Metro Council. Metro and the Grant Applicant shall enter into a Grant Intergovernmental Agreement ("IGA"). The governing body of the Grant applicant jurisdiction shall authorize the approval of the IGA. The IGA shall set forth an agreed-upon scope of work and budget, completion dates of expected milestones and deliverables, and Grant payment dates and payment amount for each milestone. The

scope of work in the grant application and guidelines above in Section IV.E.2.C as modified by any condition in Metro Council grant award shall be the basis for Metro and grantee to negotiate the IGA.

a) Deadline for Signing IGA: If the IGA has not been signed by Metro and grantee within six months of grant award, the COO shall exercise the authority to cancel the grant award.

b) Grant Payments: The grant payment amount and marching fund shall be stated in the IGA. Grant payments shall be made upon the completion of those milestones set forth in the IGA, as determined by Metro in accordance with the requirements of the Metro Code and the IGA. In general, a portion of the Grant funds shall be distributed upon execution of a IGA with Metro, with the remainder of the Grant being paid out as progress payments upon completion of the milestones in the IGA. Grantees shall submit progress reports to Metro documenting the milestone and the completed deliverables for grant payment.

c) Eligible Expenses.

1. The following expenses shall be considered Eligible Expenses for CPDG consideration for eligible direct costs, which will have priority for funding over indirect costs:
 - i. Materials directly related to project;
 - ii. Consultants' work on project;
 - iii. Grant Applicant staff support directly related to project; and
 - iv. Overhead directly attributable to project;
2. Grant requests to reimburse local governments for planning work already completed shall not be considered.
3. If the total Grant Requests from participating Grant Applicants exceed the total CET actual revenues, Metro shall first consider awarding funds for eligible direct costs, which will have priority for funding over indirect costs.

c) Metro staff liaison: Grantees shall work closely with the Metro staff liaison, and include them in the appropriate advisory committee for the project.

d) Completion of grant project: The COO shall retain the right to terminate a CPDG award if the milestones set forth in the IGA are not met within the timeframes set forth in the IGA.

4. **Application Handbook:** Before soliciting applications for the planning and development grants, Metro shall publish a handbook with details on how to submit applications, prepare a project budget linked to expected outcomes and milestones, and deadlines for applicants to submit letters of intent and full applications.

Deleted: The COO shall retain the right to terminate a CET Grant if the milestones set forth in the Grant IGA are not met within the timeframes set forth in the Grant IGA.

Deleted: a .

Deleted:

Deleted: Grant Agreements

Deleted: Grant Agreement

Deleted: Grant Agreement

Deleted: set forth above and

Deleted: Grant Agreement

Deleted: b .

Deleted: CET Grant

ADMINISTRATIVE RULES: METRO CODE CHAPTER 7.04
[Revised February ____ 2015]
(MTAC RECOMMENDATIONS / COMMENTS-- DECEMBER 2014, FEBRUARY 2015)
(METRO COUNCIL COMMENTS -- JANUARY 2015)

Effective July 1, 2006, and extended through December 31, 2020, Metro has established as Metro Code Chapter 7.04 a Construction Excise Tax ("CET") to fund Community Planning and Development Grants ("CPDG"). These Administrative Rules establish the procedures for administering this tax as mandated in Metro Code Section 7.04.050 and Metro Code Section 7.04.060. For ease of reference a copy of Metro Code Chapter 7.04 is attached to these administrative rules.

I. Metro Administrative Matters.

- A. Definitions. These administrative rules incorporate the definitions as set forth in Metro Code Section 7.04.030 of Chapter 7.04, Construction Excise Tax, and Chapter 3.07, the Urban Growth Management Functional Plan.
- B. Designated Representatives (Metro Code Section 7.04.060). The Metro Chief Operating Officer ("COO") is responsible for the administration and enforcement of the Metro Code Chapter 7.04 and these administrative rules.
1. The COO may delegate his authority in administration and enforcement of the Code chapter and these administrative rules as he determines and as set forth herein.
 2. The COO shall appoint a Hearings Officer(s), which appointment shall be confirmed by the Metro Council. The Hearings Officer(s) shall have the authority to order refunds or rebates of the Construction Excise Tax or waive penalties as a result of the hearings process. Upon appointing a Hearings Officer, the Chief Operating Officer shall delegate authority to the Hearings Officer to administer oaths, certify to all official acts, to subpoena and require attendance of witnesses at hearings to determine compliance with this chapter, rules and regulations, to require production of relevant documents at public hearings, to swear witnesses, to take testimony of any Person by deposition, and perform all other acts necessary to adjudicate appeals of Construction Excise Tax matters.
- C. Internal Flow of Funds. Funds will be accounted for in a Construction Excise Tax account that will be created by the effective date of Metro Code Chapter 7.04.
- D. Rate Stabilization Reserves. Metro Code Chapter 7.04.200 states that the Council will, each year, as part of the Budget process, create reserves from revenues generated by the CET. These reserves are to even out collections thereby stabilizing the funds needed to support the applicable programs despite industry building activity fluctuation. These reserves can only be drawn on to support the specific budgeted activities as discussed in Section I.E. of these administrative rules. Due to their restricted nature, these reserves shall be reported as designations of fund balance in Metro's General Fund.
- E. Dedication of Revenues. Revenues derived from the imposition of this tax, netted after deduction of authorized local jurisdiction costs of collection and administration will be solely dedicated to grant funding of the regional and local planning that is required to make land ready for development after inclusion in the Urban Growth Boundary.
- F. Rule Amendment. The Chief Operating Officer retains the authority to amend these administrative rules as necessary for the administration of the Construction Excise Tax, after consultation with Metro Council.

II. Construction Excise Tax Administration.

A. Imposition of Tax (Metro Code Section 7.04.070).

1. The CET is imposed on every Person who engages in Construction within the Metro jurisdiction, unless an Exemption applies as set forth herein.
2. The tax shall be due and payable at the time of the issuance of any building permit, or installation permit in the case of a manufactured dwelling, by any building authority, unless an Exemption applies as set forth herein.
3. The CET shall be calculated and assessed as of the application date for the building permit. Persons obtaining building permits based on applications that were submitted prior to July 1, 2006 shall not be required to pay the CET, unless the building permit issuer normally imposes fees based on the date the building permit is issued.
4. If no permit is issued, then the CET is due at the time the first activity occurs that would require issuance of a building permit under the State of Oregon Building Code.

B. Calculation of Tax (Metro Code Section 7.04.080). The CET is calculated by multiplying the Value of New Construction by the tax rate of 0.12%

(0.0012 x Value of New Construction)

- a. In the case of a Manufactured Dwelling for which no Exemption is applicable, and for which there is no building code determination of valuation of the Manufactured Dwelling, the applicant's good faith estimate of the Value of New Construction for the Manufactured Dwelling shall be used.

C. Exemptions (Metro Code Section 7.04.040).

1. Eligibility for Exemption. No obligation to pay the CET is imposed upon any Person who establishes, as set forth below, that one or more of the following Exemptions apply:
 - a. The Value of New Construction is less than or equal to One Hundred Thousand Dollars (\$100,000); or
 - b. The Person who would be liable for the tax is a corporation exempt from federal income taxation pursuant to 42 U.S.C. 501(c)(3), or a limited partnership the sole general partner of which is a corporation exempt from federal income taxation pursuant to 42 U.S.C. 501(c)(3), the Construction is used for residential purposes AND the property is restricted to being occupied by Persons with incomes less than fifty percent (50%) of the median income for a period of 30 years or longer; or
 - c. The Person who would be liable for the tax is exempt from federal income taxation pursuant to 42 U.S.C. 501(c)(3) AND the Construction is dedicated for use for the purpose of providing charitable services to Persons with income less than fifty

percent (50%) of the median income.

2. Procedures for Establishing and Obtaining an Exemption; Exemption Certificates:

- a. For exemption (a) above, the exemption will be established at the building permit counter where the Value of New Construction as determined in the building permit is less than or equal to One Hundred Thousand Dollars (\$100,000).
- b. For exemptions (b) and (c) above, prior to applying for a building permit a Person claiming an exemption may apply to Metro for a Metro CET Exemption Certificate, by presenting the appropriate documentation for the exemption as set forth herein, and upon receiving a Metro CET Exemption Certificate the Person may present the certificate to the building permit issuer to receive an exemption from paying the CET; or
- c. For exemptions (b) and (c) above, instead of going to Metro to obtain a Metro CET Exemption Certificate, a Person claiming an exemption from the CET when applying for a building permit may submit to the building permit issuer Metro's CET Exemption Certificate application form. Upon receiving a Person's Metro CET Exemption Certificate application, the building permit issuer shall preliminarily authorize the exemption and shall not collect the CET. The building permit issuer shall forward the Person's Metro CET Exemption Certificate application to Metro along with the quarterly CET report. It shall be Metro's responsibility to determine the validity of the exemption and to institute collection procedures to obtain payment of the CET, as well as any other remedy Metro may have under law, if the Person was not entitled to the exemption;
- d. To receive a Metro CET Exemption Certificate from Metro, or to substantiate to Metro the validity of an exemption received from a local building permit issuer, an applicant must provide the following:
 - i. IRS tax status determination letter evidencing that the Person seeking the building permit is exempt from federal income taxation pursuant to 42 U.S.C. 501(c)(3); and
 - ii. In the case of residential property, proof that the property is to be restricted to low income persons, as defined, for at least 30 years. Proof can be in the form of loan covenants; rental agreements or grant restrictions; a certification from the entity's corporate officer attesting that the exemption is applicable; or any other information that may allow the exemption determination to be made; and
 - iii. In the case of a qualified tax-exempt entity providing services to Persons with incomes less than 50 percent of the median income, the applicant must provide information that will allow such tax exempt status to be verified, and proof that the property will be restricted to such uses. Proof can be in the form of loan covenants; rental agreements or grant restrictions; certification from the entity's corporate officer attesting that the exemption is applicable; or any other information that may allow the exemption determination to be made; and

- iv. In the case of a limited partnership with a tax-exempt sole general partner corporation, verification from the partnership's attorney of that status is required; and
 - v. Authorization to audit the records to verify the legal status and compliance with Metro qualifications of all entities claiming exempt status.
- e. Partial Applicability of Exemption. If an exemption is applicable to only part of the Construction, then only that portion shall be exempt from the CET, and CET shall be payable for the remainder of the Construction that is not eligible for an exemption, on a pro-rata basis. It shall be the responsibility of the Person seeking the partial exemption to fill out a Metro CET Exemption Certificate application for the partial exemption, declaring on that application the proportion of the Construction qualifies for the exemption. Upon receiving a Person's Metro CET Exemption Certificate application claiming a partial exemption, the building permit issuer shall preliminarily authorize the partial exemption and shall only collect the pro-rata CET as declared by the applicant. The building permit issuer shall forward the Person's Metro CET Exemption Certificate application to Metro along with the quarterly CET report. It shall be Metro's responsibility to determine the validity of the partial exemption and to institute collection procedures to obtain payment of the remainder of the CET, as well as any other remedy Metro may have under law, if the Person was not entitled to the partial exemption.

D. Ceiling (Metro Code Section 7.04.045).

- 1. If the CET imposed would be greater than \$12,000.00 (Twelve Thousand Dollars) as measured by the Value of New Construction that would generate that amount of tax, then the CET imposed for that Construction is capped at a Ceiling of \$12,000.00 (Twelve Thousand Dollars).
- 2. The Ceiling applies on a single structure basis, and not necessarily on a single building permit basis. For example:
 - a. If a single building permit is issued where the Value of New Construction is greater than or equal to Ten Million Dollars (\$10,000,000), then the CET for that building permit is capped at Twelve Thousand Dollars (\$12,000.00).
 - b. If Construction in a single structure will require multiple building permits during the pendency of the CET program, and the total CET that would be imposed for those building permits would add up to more than Twelve Thousand Dollars (\$12,000.00), then the total CET for those building permits within the same structure during the pendency of the CET program is capped at Twelve Thousand Dollars (\$12,000.00). Once a total of \$12,000.00 has been paid in CET for a particular structure, then no additional CET will be collected for that structure during the pendency of the CET program.

E. Rebates (Metro Code Section 7.04.120). If a CET has been collected and a CET Exemption or the CET Ceiling was applicable, a rebate for the CET may be obtained from Metro.

1. Procedures for obtaining rebate are:

- a. Within thirty (30) days of paying the CET, the Person who believes that the CET was not applicable due to a CET exemption or CET Ceiling, shall apply for a rebate in writing to Metro and provide verification that the exemption eligibility provisions of Metro Code Section 7.04.040, or that the CET Ceiling provisions of Metro Code Section 7.04.045, have been met. Failure to seek a rebate within the thirty (30) day time limit will terminate a Person's right to seek a rebate.
- b. Applicant shall provide proof that the CET was paid, in the form of a paid receipt from the building permit issuer showing the tax was paid. All supporting documentation for the exemption or ceiling shall be submitted at the time of the rebate claim. The rebate will only be made to the name that is listed on the receipt unless the applicant has a written assignment of rebate.
- c. A rebate or a letter of denial shall be issued by Metro within thirty (30) days of receipt of a written request for rebate provided that the request includes all required information. The rebate will be calculated based upon the paid receipt, less the five percent (5%) administrative fee already retained by the building permit issuer and the five percent (5%) Metro administration fee.

F. Refunds (Metro Code Section 7.04.150). If a CET has been collected and the Construction was not commenced and the building permit was cancelled, a refund for the CET may be obtained from Metro.

1. Eligibility is determined by the absence of Construction and cancellation of the building permit.
2. Procedures for obtaining refund:
 - a. Apply in writing to Metro within thirty (30) days of permit cancellation.
 - b. Provide copy of canceled permit.
 - c. Provide proof of payment of the tax in the form of the paid receipt.
 - d. A refund or a letter of denial shall be issued by Metro within thirty (30) days of receipt of the written request for refund provided that the request includes all required information. The refund will be calculated based upon the paid receipt, less the five percent (5%) administrative fee already retained by the building permit issuer and the five percent (5%) Metro administration fee.
 - e. Failure to seek a rebate within the thirty (30) day time limit will terminate a Person's right to receive a refund.

G. Appeals. The Hearings Officer shall conduct hearings related to enforcement or appeals of the CET. The appeal to the Hearings Officer must be:

1. In writing;
2. Made within ten (10) calendar days of denial of a refund, rebate, or exemption request. Notice of denial to the party denied, is deemed to have occurred three days after the mailing of the certified denial letter from Metro;
3. Tax must be paid prior to appeal;
4. Directed to the Office of Metro Attorney, who will contact the Hearings Officer to schedule a hearing upon receipt of a written appeal. The Hearings Officer will at that time provide further information as to what documentation to bring to the hearing.

H. Review. Review of any action of the Chief Operating Officer or Hearings Officer, taken pursuant to the Construction Excise Tax Ordinance, or the rules and regulations adopted by the Chief Operating Officer, shall be taken solely and exclusively by writ of review in the manner set forth in ORS 34.010 through 34.100, provided, however, that any aggrieved Person may demand such relief by writ of review.

I. CET Sunset (Metro Code Section 7.04.230).

1. The CET shall not be imposed on and no person shall be liable to pay any tax for any Construction activity that is commenced pursuant to a building permit issued on or after December 31, 2020.
2. Local governments collecting CETs shall remit the CETs to Metro on a quarterly or monthly basis, based on the jurisdiction's CET Collection IGAs with Metro. Each quarter, within thirty days of receiving CET remittances from all collecting local jurisdictions, Metro will issue a written statement of the total CET that Metro has received that quarter and cumulatively.
3. CET remittance to Metro shall be net of the local government's administrative expenses in collecting the CET, up to five percent (5%) of the CET collected by the local government as set forth in the Metro CET Collection IGA. This net amount of CET remitted to Metro shall be the basis for Metro's calculations of CET cumulative totals .
4. The CET shall cease to be imposed by local governments on December 31, 2020, and shall be remitted by the local governments to Metro as soon thereafter as possible.

III. **CET Collection Procedures.**

A. Local Government CET Collection and Remittance Via Intergovernmental Agreements (Metro Code Section 7.04.110). For those local governments collecting the CET pursuant to Intergovernmental Agreements with Metro, the following procedures shall apply:

1. CET Report; Information Required. Each quarter (unless a local government prefers to report monthly), along with its CET remittance to Metro, the local government shall prepare and submit to the Metro Chief Operating Officer a report of the CETs and building permits issued for the previous quarter's construction activities. The report shall include: the number of building permits issued that quarter; the aggregate value of construction; the number of building permits for which CET exemptions were given; the aggregate value of

construction for the exempted construction; the aggregate amount of CET paid; and the amount of CET administrative fee retained by the local government pursuant to this CET Collection IGA.

2. CET Remittance to Metro. Local governments collecting CET via IGAs with Metro shall remit the collected CET to Metro. Remittance shall be quarterly, unless a jurisdiction prefers to remit the CET monthly, by the 30th of the month following the quarter (or month) ending. Quarters end on September 30, December 31, March 31 and June 30 of each year. CET remittance and the CET Report shall be sent to Metro, attn Construction Excise Tax Accounting Specialist, 600 NE Grand, Portland, Oregon 97232.
 3. Remuneration to Local Government for Collecting CET. As consideration for collecting the CET, each local government collecting the CET shall retain no more than five percent (5%) of the tax collected by that local government. This payment is intended to be a reimbursement of costs incurred. Prior to submitting the CET to Metro, the local government shall deduct the remuneration agreed upon directly from the collected tax, and the amounts deducted and retained shall be identified on the report submitted to Metro.
 4. Metro Administrative Fee. To partially reimburse Metro for its costs in implementing and administering the CET program, Metro will retain five percent (5%) of the net CET funds remitted by local governments to Metro.
 5. Audit and Control Features. Each local government shall allow the Chief Operating Officer, or any person authorized in writing by the Chief Operating Officer, to examine the books, papers, building permits, and accounting records relating to any collection and payment of the tax, during normal business hours, and may investigate the accuracy of reporting to ascertain and determine the amount of CET required to be paid.
 6. Failure to Pay. Upon a Person's refusal to or failure to pay the CET when due, the local government administering that Person's building permit shall notify Metro in writing within five (5) business days of such failure, with information adequate for Metro to begin collection procedures against that Person, including the Person's name, address, phone numbers, Value of New Construction, Construction Project, and building permit number. Upon a Person's refusal or failure to pay the CET, it shall be Metro's responsibility to institute collection procedures to obtain payment of the CET as well as any other remedy Metro may have under law.
- B. Metro Collection Procedures in Event of Non-payment. The CET is due and payable upon issuance of a building permit. It is unlawful for any Person to whom the CET is applicable to fail to pay all or any portion of the CET. If the tax is not paid when due, Metro will send a letter notifying the non-payer of his obligation to pay the CET along with the following information:
1. Penalty. In addition to any other fine or penalty provided by Chapter 7.04 of the Metro Code, penalty for non-payment will be added to the original tax outstanding. That penalty is equal to fifty dollars (\$50.00) or the amount of the tax owed, whichever is greater.
 2. Misdemeanor. In addition to any other civil enforcement, non-payment of the CET is a misdemeanor and shall be punishable, upon conviction, by a fine of not more than five hundred dollars (\$500.00). This fine shall be charged to any officer, director, partner or other Person having direction or control over any Person not paying the tax as due.

3. Enforcement by Civil Action. If the tax is not paid, Metro will proceed with collection procedures allowable by law to collect the unpaid tax, penalties assessed and fines due, including attorney fees.

IV. Revenue Distribution (Metro Code Section 7.04.220).

A. Grant Cycles. CET funds collected pursuant to the 2014 extension of the CET shall be allocated in three new application assessment cycles (Cycle 4, Cycle 5 and Cycle 6).

1. The Cycle 1 fund distribution took place in March 2006, which allocated up to \$6.3 million in grants. Grant requests in this cycle were made for planning only in new areas that were brought into the Urban Growth Boundary (UGB) between 2002 and 2005.

2. The Cycle 2 grant allocation through the Community Planning and Development Grant program (CPDG) took place in June 2010, which allocated up to \$3.57 million in CET Grants revenue. Grant requests in this cycle were made for planning in all areas that are in the Urban Growth Boundary (UGB) as of December 2009.

3. The Cycle 3 grant allocation took place in August 2013, which allocated \$4.5 million in grants. Grant requests in this cycle were made for planning in all areas that are in the UGB as of December 2009, plus areas added to the UGB since 2009 and Urban Reserves. This cycle earmarked fifty percent (50%) of projected CET revenues for planning in areas added to the UGB since 2009 and Urban Reserves, and required that if the amount of qualified Grant Requests for areas added to the UGB since 2009 and Urban Reserves does not equal or exceed the earmarked amounts, the remainder of funds may be allocated to Grant Requests for planning in other areas.

4. The Cycle 4 grant allocation shall take place in 2015-2016 for planning in all areas that are in the UGB and Urban Reserves. This grant allocation shall earmark seventy percent to seventy five percent (70% to 75%) of projected revenue for planning within the existing UGB, and earmark twenty five percent to thirty percent (25% to 30%) of projected revenue for concept planning and comprehensive planning for urban reserves and new urban areas, and require that if the amount of qualified Grant Requests for areas added to the UGB since 2009 and Urban Reserves does not equal or exceed the earmarked amounts, the remainder of funds may be allocated to Grant Requests for planning in other areas.

5. The Cycle 5 grant allocation shall take place in 2017-2018 for planning in all areas that are in the UGB and Urban Reserves. This grant allocation shall earmark seventy percent to seventy five percent (70% to 75%) of projected revenue for planning within the existing UGB, and earmark twenty five percent to thirty percent (25% to 30%) of projected revenue for concept planning and comprehensive planning for urban reserves and new urban areas, and require that if the amount of qualified Grant Requests for areas added to the UGB since 2009 and Urban Reserves does not equal or exceed the earmarked amounts, the remainder of funds may be allocated to Grant Requests for planning in other areas.

6. The Cycle 6 grant allocation shall take place in 2019-2020 for planning in all areas that are in the UGB and Urban Reserves. This grant allocation shall earmark seventy percent to seventy five percent (70% to 75%) of projected revenue for planning within the existing UGB, and earmark twenty five percent to thirty percent (25% to 30%) of projected revenue for concept planning and comprehensive planning for urban reserves and new urban areas, and require that if the amount of qualified Grant Requests for areas added to the UGB since 2009 and Urban Reserves does not equal

or exceed the earmarked amounts, the remainder of funds may be allocated to Grant Requests for planning in other areas.

7. These cycles may be delayed or amounts reduced if the actual CET receipts remitted by the local governments are not as high as projected, or if CET revenue projections are modified due to market conditions, or if required by Metro's spending cap limitations.

8. Metro may conduct additional allocation cycles if the Metro Chief Operating Officer finds that CET receipts are projected to exceed the grant amounts awarded in Cycle 4 and Cycle 5 and Cycle 6?

B. CPDG Screening Committee ("Committee").

1. Role. A CPGD Screening Committee ("the Committee") shall be created, which Committee shall review Grant Requests submitted by local governments. The Committee shall advise and recommend to the Metro Chief Operating Officer ("COO") the ranking and recommended grant amounts, and whether to grant full, partial, or no awards, in accordance with the grant Evaluation Criteria set forth below. The COO shall review the Committee's recommendations and shall forward her/his own grant recommendations, along with the recommendations of the CPGD Screening Committee, to the Metro Council. The Metro Council shall make final grant decisions in a public hearing. A new CPGD Screening Committee shall be established for Cycle 4, Cycle 5 and Cycle 6 grants, but may include members from the previous Committees.

2. CPDG Screening Committee Members. The COO shall appoint six to nine members to the Committee, including the Committee Chair. Skill sets to be represented will be composed of the following expertise:

- Economic development;
- Urban planning;
- Real estate and finance;
- Infrastructure finance relating to development or redevelopment;
- Local government;
- Urban renewal and redevelopment;
- Business and commerce;
- Neighborhood Association or Community Planning Commission with an understanding of community livability issues; and
- Environmental sustainability relating to development or redevelopment.
- Social equity relating to community development and redevelopment planning

C. CPDG Screening Committee Review of Grant Requests.

1. Metro staff shall forward the letters of intent and Grant Requests to the members of the Screening Committee, and will provide staff assistance to the Committee.
2. The Screening Committee shall then review the Grant Requests and evaluate them based on the CPGD Evaluation Criteria set forth below. The Screening Committee shall use the criteria as guidelines for evaluating applications. The Committee may consult with the proponent of the Grant Request or any others in reviewing the request.
3. After analyzing the Grant Requests, the Committee shall forward to the Metro COO the Committee's recommended ranking and grant amounts for each of the Grant Requests.

4. The Metro COO shall review the Committee's recommendations and shall forward her/his own grant recommendations, based on the CPDG Requests Evaluation Criteria set forth below, along with the recommendations of the Screening Committee, to the Metro Council. The Metro Council shall decide, in a public hearing, whether or not to approve funding of any grants, and the amount of each grant.

D. Metro Council Grant Approval. The Metro Chief Operating Officer ("Metro COO") shall review the Committee's recommendations and shall forward her/his own grant recommendations, along with the recommendations of the Screening Committee, to the Metro Council. The Metro Council shall make final grant decisions in a public hearing.

E. Procedures for Distribution.

1. **Step One: Pre-Grant-Letter of Intent.** Prior to making a request to Metro for CPDG funds, each Grant Applicant that anticipates requesting CPDG funds in Cycle 4, Cycle 5 and Cycle 6 shall submit electronic Letter of Intent to the Metro Chief Operating Officer.

- a. Grant Applicant. CPDG applicants shall be cities or counties within the Metro boundary. Other local governments, as defined in ORS 174.116, may apply for a CPDG only in partnership with a city or county within the Metro boundary.

- b. Letter of Intent Content. The Letter of Intent shall set forth the local government's proposed planning project, the requested grant amount, how the project will address the CPDG Request Evaluation Criteria, and proposed milestones for grant payments. Metro staff and the grant applications Screening Committee shall review the Letter of Intent and Metro staff will send comments to the local governments.

2. **Step Two: Grant Request.** After submitting the Letter of Intent, and after working with Metro staff and Screening Committee if necessary, to revise the proposal, Grant Applicants shall submit an electronic Grant Request to the Metro Chief Operating Officer. The grant request shall include support of the governing body and matching fund commitment with allocation of fund and/or staff resources for the proposed project.

A. Grant Request Evaluation Criteria for Proposed Projects within the current UGB. For proposed projects within the UGB, the Grant Request shall specifically address how the proposed grant achieves, does not achieve, or is not relevant to, the following criteria ("CPDG Grant Evaluation Criteria"), based on the intent in the Urban Growth Management Functional Plan.

- 1) Expected Development Outcomes: Explain what planning activities are proposed to be undertaken with the planning and development grant, and how those activities will identify and reduce the barriers to developing complete communities. Address:
 - a) Identification of opportunity site/s within the boundary of the proposed project area with catalyst potential that focus on jobs growth and/or housing. Explain the characteristics of the site/s and how the proposed project will lead to a catalytic investment strategy with private and public sector support.
 - b) Clearly articulated and realistic desired outcomes from the planning grant that increase community readiness for development.

c)

c) The level of community readiness and local commitment to the predicted development outcomes; considerations include:

1. Track record of successful implementation of community development projects and / or past CPDG plan implementation
2. Development sites of adequate scale to generate critical mass of activity;
3. Existing and proposed transportation infrastructure to support future development;
4. Existing urban form provides strong redevelopment opportunities;
5. Sound relationship to adjacent residential and employment areas;
6. Compelling vision and long-term prospects;

d) Describe the roles and responsibilities of the applicant and county or city, and relevant service providers for accomplishing the goals of the proposed project.

2) Regionally Significant: Clearly identify how the proposed planning grant will benefit the region in achieving established regional development goals and outcomes, including sustainability practices, expressed in the 2040 Growth Concept and the six Desired Outcomes, adopted by the region to guide future planning, which include:

- a. People live and work in vibrant communities where their everyday needs are easily accessible;
- b. Current and future residents benefit from the region's sustained economic competitiveness and prosperity;
- c. People have safe and reliable transportation choices that enhance their quality of life;

*Refer to the Application Handbook for information for how to address this sub-criteria.

- d. The region is a leader in minimizing contributions to climate change;

*Refer to the Application Handbook for information for how to address this sub-criteria.

- e. Current and future generations enjoy clean air, clean water and healthy ecosystems;

- f. The benefits and burdens of growth and change are distributed equitably*.

*Refer to the Application Handbook for information for how to address this sub-criteria.

3) Centers, Corridors, Station Communities and Main Streets shown in these 2040 Growth Concept areas in the Metro Regional Framework Plan have been recognized as the principal centers of urban life in the region. Each of these areas in the region has its own character and at different stages of development. For planning projects proposed for, or within these areas, address how the planning work elements identified in Title 6 of the Metro Urban Growth Management Functional Plan have been previously addressed or will be addressed as part of the proposed application. This includes establishing an area

boundary, performing assessment of the areas, and adopting a plan of actions and investments.

*Refer to the Application Handbook for additional information on how to address the 2040 Growth Concept are criteria.

4) Other locations: Discuss whether and how the proposed planning grant facilitates development or redevelopment of:

- a. Employment & Industrial Areas;
- b. Areas recently brought into the UGB where concept planning has been completed but where additional planning and implementation work is needed in order to make these areas development ready; and/or
- c. Areas with concentration of underserved or underrepresented groups for applications that articulate how planning activities for development and redevelopment will address the needs of these groups.

5) Best Practices Model. Consideration will also be given to applications that can be easily replicated in other locations and demonstrate best practices. Discuss also how lessons learned from the planning project will be shared with other communities in the region.

6) Leverage: Discuss whether and how the proposed planning grant will leverage outcomes across jurisdictions and service providers, or create opportunities for additional private/public investment. Investments can take the form of public or private in-kind or cash contributions to the overall planning activity.

7) Matching Fund/Potential: A ten percent (10%) local match is required either as direct financial contribution or in-kind contribution. Discuss whether any portion of the total project cost will be incurred by the applicant and/or its partners. Explain specific portions of the work scope the match money would fund.

8) Growth Absorption: Discuss how this project will create opportunities to to accommodate expected population and employment growth consistent with local planning

*Refer to the Application Handbook for information for how to address this sub-criteria.

9) Public Involvement: Discuss whether and how the public, including neighbors to the project, businesses, property owners and other key stakeholders, and disadvantaged communities including low income and minority populations, will be involved in the and how their input will be used to strengthen the project outcomes and increase likelihood to be implemented.

10) Governing Body: Describe the role of the governing body in relation to:

- a. Type of action to be taken to implement the final product
- b. When and where applicable, how public voting requirements for annexation and transit improvements will be addressed so that the outcome of proposed planning projects can be realized.

- 11) Capacity of applicant: Describe the skill set needed and the qualifications of the staff and/or proposed consulting teams to carry out the planning project.

B. Grant Request Evaluation Criteria for Proposed Projects within areas added to the UGB since 2009 and Urban Reserves.

The grant request for proposed projects in both areas added to the UGB since 2009 and Urban Reserves shall specifically address how the proposed grant achieves, does not achieve, or is not relevant to the following criteria, drawn from the Urban Growth Management Functional Plan (UGMFP). While the UGMFP's Title 11 (Planning for New Urban Areas) calls for completion of a concept plan prior to Council decision to add the area to the UGB, Metro Council award of grants for concept planning in urban reserves should not be interpreted as a commitment by the Council to add the rest of the area to the UGB in the next cycle. Applications should note whether the planning project includes an Urban Reserve area.. The Screening Committee shall emphasize using available funds to spur development.

- 1) Address Title 11 requirements for concept plan or comprehensive plan. Clearly describe how the proposed planning grant will address the requirements for either a concept plan or comprehensive plan or both as described in Title 11.
 - a. If not proposing to complete a full plan, describe how the portion proposed will result in an action that secures financial and governance commitment that facilitates the next steps in the planning process.
 - b. If not proposing a planning grant for the full Urban Reserve area, describe how the proposal would address the intent for complete communities as described in the urban reserve legislative intent, urban and rural reserve intergovernmental agreements between Metro and counties, and Title 11.
- 2) Regionally Significant: Unless addressed in criteria # 1, describe how the proposed planning grant will benefit the region in achieving established regional development goals and outcomes, including sustainability practices, expressed in the 2040 Growth Concept and the six Desired Outcomes, adopted by the region to guide future planning, which include:
 - a. People live and work in vibrant communities where their everyday needs are easily accessible;
 - b. Current and future residents benefit from the region's sustained economic competitiveness and prosperity;
 - c. People have safe and reliable transportation choices that enhance their quality of life*;

*Refer to the Application Handbook for information for how to address this sub-criteria.
 - d. The region is a leader in minimizing contributions to climate change*;

*Refer to the Application Handbook for information for how to address this sub-criteria.

- e. Current and future generations enjoy clean air, clean water and healthy ecosystems;
- f. The benefits and burdens of growth and change are distributed equitably*.

*Refer to the Application Handbook for information about how to address this sub-criteria.

- 3) Addresses how the proposed projects will meet local needs and also contribute solutions to regional needs.
Describe whether and how the proposal will meet a variety of community needs, including land uses such as mixed use development and/or large lot industrial sites which are anticipated to continue to be regional needs.
- 4) Demonstrates jurisdictional and service provider commitments necessary for a successful planning and adoption process.
Applications should reflect commitment by county, city and relevant service providers to participate in the planning effort and describe how governance issues will be resolved through or prior to the planning process. Describe the roles and responsibilities of the county, city and relevant service providers for accomplishing the commitments.
- 5) Address readiness of land for development in areas added to the UGB since 2009 and Urban Reserves.
For applications in areas added to the UGB since 2009, demonstrate that market conditions would be ready to support development and efficient use of land or define the steps that the project would undertake to influence market conditions.
- 6) Best Practices Model. Consideration will also be given to applications that can be easily replicated in other locations and demonstrate best practices. Discuss also how lessons learned from the planning project will be shared with other communities in the region.
- 7) Leverage: Discuss whether and how the proposed planning grant will leverage outcomes across jurisdictions and service providers, or create opportunities for additional private/public investment. Investments can take the form of public or private in-kind or cash contributions to the overall planning activity.
- 8) Matching Fund/Potential: A ten percent (10%) local match is required either as direct financial contribution or in-kind contribution. Discuss whether any portion of the total project cost will be incurred by the applicant and/or its partners. Explain specific portions of the work scope the match money would fund.
- 9) .
Growth Absorption: Explain how this project will create opportunities to accommodate expected population and employment growth consistent with local planning.

*Refer to the Application Handbook for information for how to address this sub-criteria.

- 10) Public Involvement: Discuss whether and how the public, including neighbors to the project, businesses, property owners and other key stakeholders, and disadvantaged communities including low income and minority populations,

will be involved in the progress of the project and how their input will be used to strengthen the project outcomes and increase likelihood to be implemented.

- 10) Governing Body: Describe the role of the governing body in relation to:
 - a. Type of action to be taken to implement the final product.
 - b. When and where applicable, how public voting requirements for annexation and transit improvements will be addressed so that the outcome of proposed planning projects can be realized.

- 12) Capacity of applicant: Describe the skill set needed and the qualifications of the staff or proposed consulting teams to carry out the planning project.

C. Proposed Scope of Work, Milestones and Budget. The Grant Request shall include a proposed scope of work and budget, setting forth the expected completion dates and costs for achieving the milestones proposed in the Grant Request. The Grant Request shall include also outcome measures specific to the project and source of data and information for Metro's use for evaluation of the progress of the CPDG program. Milestones and grant payment allocations should follow the following general guidelines:

- 1) Execution of the CPDG IGA
- 2) Grant Applicant staff's draft or proposed plan, report, code change, zoning change, redevelopment plan, Urban Growth Diagram, Concept Plan, urban services delivery plan, or other plan or agreement consistent with the CPDG;
- 3) Grant Applicant staff's final recommended plan, report, code change, redevelopment plan, zoning change, Comprehensive Plan or Comprehensive Plan amendment, development agreement, urban services delivery plan, or other plan or agreement consistent with the CPDG award, addressing compliance with the Urban Growth Management Functional Plan, the applicable conditions of the CPDG award, and applicable state laws and regulations; and
- 4) Grant Applicant's action on final plan, report, code change, redevelopment plan, zoning change, Comprehensive Plan or Comprehensive Plan amendment, urban services delivery plan, or other plan or agreement consistent with the CPDG award, consistent with the Functional Plan, the applicable conditions of the CPDG award, and applicable state law. The governing body of the applicant shall authorize the action on the final products.
- 5) Grant Applicant's proposed outcome measures specific for the project and source of data and information for Metro's use for evaluation of the progress of this grant program.

3. **Step Three: Grant Intergovernmental Agreement ("IGA").** Upon the award of a grant, the Metro Chief Operating Officer shall issue a Grant Letter for the grant amount determined by the Metro Council. Metro and the Grant Applicant shall enter into a Grant Intergovernmental Agreement ("IGA") The governing body of the Grant applicant jurisdiction shall authorize the approval of the IGA. The IGA shall set forth an agreed-upon scope of work and budget, completion dates of expected milestones and deliverables, and Grant payment dates and payment amount for each milestone. The

scope of work in the grant application and guidelines above in Section IV.E.2.C as modified by any condition in Metro Council grant award shall be the basis for Metro and grantee to negotiate the IGA.

- a) **Deadline for Signing IGA:** If the IGA has not been signed by Metro and grantee within six months of grant award, the COO shall exercise the authority to cancel the grant award.
 - b) **Grant Payments:** The grant payment amount and marching fund shall be stated in the IGA. Grant payments shall be made upon the completion of those milestones set forth in the IGA, as determined by Metro in accordance with the requirements of the Metro Code and the IGA. In general, a portion of the Grant funds shall be distributed upon execution of a IGA with Metro, with the remainder of the Grant being paid out as progress payments upon completion of the milestones in the IGA. Grantees shall submit progress reports to Metro documenting the milestone and the completed deliverables for grant payment.
 - c) **Eligible Expenses.**
 1. The following expenses shall be considered Eligible Expenses for CPDG consideration for eligible direct costs, which will have priority for funding over indirect costs:
 - i. Materials directly related to project;
 - ii. Consultants' work on project;
 - iii. Grant Applicant staff support directly related to project; and
 - iv. Overhead directly attributable to project;
 2. Grant requests to reimburse local governments for planning work already completed shall not be considered.
 3. If the total Grant Requests from participating Grant Applicants exceed the total CET actual revenues, Metro shall first consider awarding funds for eligible direct costs, which will have priority for funding over indirect costs.
 - c) **Metro staff liaison:** Grantees shall work closely with the Metro staff liaison, and include them in the appropriate advisory committee for the project.
 - d) **Completion of grant project:** The COO shall retain the right to terminate a CPDG award if the milestones set forth in the IGA are not met within the timeframes set forth in the IGA.
4. **Application Handbook:** Before soliciting applications for the planning and development grants, Metro shall publish a handbook with details on how to submit applications, prepare a project budget linked to expected outcomes and milestones, and deadlines for applicants to submit letters of intent and full applications.

For MPAC

**DRAFT: Schedule for Revision of CET Administrative Rules and for
Cycle 4 of Community Planning and Development Grants**

February 2, 2015

	TASK	DEADLINE
1	Metro Council extension of the construction excise tax (CET)	June 19, 2014
2	Metro Council direction on proposed changes to the Administrative Rules	October 7, 2014
3	Metro Technical Advisory Committee (MTAC) meetings on revision of Administrative Rules and recommendations to MPAC and Metro Chief Operating Officer (COO)	October 15 th to December 3 rd
4	Council Work Session to review and discuss MTAC and COO recommendations	January 8, 2015
5	MTAC review of CPDG / Title 6 linkage	February 4
6	MPAC review and discussion of MTAC recommendations on revisions to the Administrative Rules	February 11
7	MPAC recommendations on revisions to the Administrative Rules	February 25
8	Metro Council work session discussion of MPAC recommendations on revisions to the Administrative Rules	March 10
9	Metro Council approval of revisions to the Administrative Rules	March 19
10	COO appoint Grant Applications Screening Committee members	March 20
11	Pre-application meeting with potential applicants for Cycle 4 grants application process	March 25
12	Letters of intent (LOI) due to Metro	April 16
13	Screening Committee review of LOIs	April 25
14	Metro respond to LOIs	April 30
15	Grant Applications due to Metro	June 1
16	Screening Committee evaluate applications and submit recommendations to COO	June - July
17	COO's recommendations submitted to Metro Council along with the recommendations of the Screening Committee	Early August
18	Metro Council award of Cycle 4 grants	Mid August
19	Negotiation of intergovernmental agreements	Fall and beyond

TITLE 6: CENTERS, CORRIDORS, STATION COMMUNITIES AND MAIN STREETS

3.07.610 Purpose

The Regional Framework Plan identifies Centers, Corridors, Main Streets and Station Communities throughout the region and recognizes them as the principal centers of urban life in the region. Title 6 calls for actions and investments by cities and counties, complemented by regional investments, to enhance this role. A regional investment is an investment in a new high-capacity transit line or designated a regional investment in a grant or funding program administered by Metro or subject to Metro's approval.

(Ordinance No. 97-715B, Sec. 1. Amended by Ordinance No. 98-721A, Sec. 1; Ordinance No. 02-969B, Sec. 7; and Ordinance No. 10-1244B, Sec. 5).

3.07.620 Actions and Investments in Centers, Corridors, Station Communities and Main Streets

- A. In order to be eligible for a regional investment in a Center, Corridor, Station Community or Main Street, or a portion thereof, a city or county shall take the following actions:
1. Establish a boundary for the Center, Corridor, Station Community or Main Street, or portion thereof, pursuant to subsection B;
 2. Perform an assessment of the Center, Corridor, Station Community or Main Street, or portion thereof, pursuant to subsection C; and
 3. Adopt a plan of actions and investments to enhance the Center, Corridor, Station Community or Main Street, or portion thereof, pursuant to subsection D.
- B. The boundary of a Center, Corridor, Station Community or Main Street, or portion thereof, shall:
1. Be consistent with the general location shown in the RFP except, for a proposed new Station Community, be consistent with Metro's land use final order for a light rail transit project;
 2. For a Corridor with existing high-capacity transit service, include at least those segments of the Corridor that pass through a Regional Center or Town Center;

3. For a Corridor designated for future high-capacity transit in the RTP, include the area identified during the system expansion planning process in the RTP; and
 4. Be adopted and may be revised by the city council or county board following notice of the proposed boundary action to the Oregon Department of Transportation and to Metro in the manner set forth in subsection A of section 3.07.820 of this chapter.
- C. An assessment of a Center, Corridor, Station Community or Main Street, or portion thereof, shall analyze the following:
1. Physical and market conditions in the area;
 2. Physical and regulatory barriers to mixed-use, pedestrian-friendly and transit-supportive development in the area;
 3. The city or county development code that applies to the area to determine how the code might be revised to encourage mixed-use, pedestrian-friendly and transit-supportive development;
 4. Existing and potential incentives to encourage mixed-use pedestrian-friendly and transit-supportive development in the area; and
 5. For Corridors and Station Communities in areas shown as Industrial Area or Regionally Significant Industrial Area under Title 4 of this chapter, barriers to a mix and intensity of uses sufficient to support public transportation at the level prescribed in the RTP.
- D. A plan of actions and investments to enhance the Center, Corridor, Station Community or Main Street shall consider the assessment completed under subsection C and include at least the following elements:
1. Actions to eliminate, overcome or reduce regulatory and other barriers to mixed-use, pedestrian-friendly and transit-supportive development;
 2. Revisions to its comprehensive plan and land use regulations, if necessary, to allow:
 - a. In Regional Centers, Town Centers, Station Communities and Main Streets, the mix and intensity of uses specified in section 3.07.640; and

- b. In Corridors and those Station Communities in areas shown as Industrial Area or Regionally Significant Industrial Area in Title 4 of this chapter, a mix and intensity of uses sufficient to support public transportation at the level prescribed in the RTP;
 - 3. Public investments and incentives to support mixed-use pedestrian-friendly and transit-supportive development; and
 - 4. A plan to achieve the non-SOV mode share targets, adopted by the city or county pursuant to subsections 3.08.230A and B of the RTP, that includes:
 - a. The transportation system designs for streets, transit, bicycles and pedestrians consistent with Title 1 of the RTP;
 - b. A transportation system or demand management plan consistent with section 3.08.160 of the RTP; and
 - c. A parking management program for the Center, Corridor, Station Community or Main Street, or portion thereof, consistent with section 3.08.410 of the RTP.
- E. A city or county that has completed all or some of the requirements of subsections B, C and D may seek recognition of that compliance from Metro by written request to the COO.
- F. Compliance with the requirements of this section is not a prerequisite to:
 - 1. Investments in Centers, Corridors, Station Communities or Main Streets that are not regional investments; or
 - 2. Investments in areas other than Centers, Corridors, Station Communities and Main Streets.

(Ordinance No. 97-715B, Sec. 1. Amended by Ordinance No. 98-721A, Sec. 1; Ordinance No. 02-969B, Sec. 7; and Ordinance No. 10-1244B, Sec. 5).

3.07.630 Eligibility Actions for Lower Mobility Standards and Trip Generation Rates

- A. A city or county is eligible to use the higher volume-to-capacity standards in Table 7 of the 1999 Oregon Highway Plan when considering an amendment to its comprehensive plan or land use regulations in a Center, Corridor, Station Community or Main Street, or portion thereof, if it has taken the following actions:

1. Established a boundary pursuant to subsection B of section 3.07.620; and
 2. Adopted land use regulations to allow the mix and intensity of uses specified in section 3.07.640.
- B. A city or county is eligible for an automatic reduction of 30 percent below the vehicular trip generation rates reported by the Institute of Traffic Engineers when analyzing the traffic impacts, pursuant to OAR 660-012-0060, of a plan amendment in a Center, Corridor, Main Street or Station Community, or portion thereof, if it has taken the following actions:
1. Established a boundary pursuant to subsection B of section 3.07.620;
 2. Revised its comprehensive plan and land use regulations, if necessary, to allow the mix and intensity of uses specified in section 3.07.640 and to prohibit new auto-dependent uses that rely principally on auto trips, such as gas stations, car washes and auto sales lots; and
 3. Adopted a plan to achieve the non-SOV mode share targets adopted by the city or county pursuant to subsections 3.08.230A and B of the RTFP, that includes:
 - a. Transportation system designs for streets, transit, bicycles and pedestrians consistent with Title 1 of the RTFP;
 - b. A transportation system or demand management plan consistent with section 3.08.160 of the RTFP; and
 - c. A parking management program for the Center, Corridor, Station Community or Main Street, or portion thereof, consistent with section 3.08.410 of the RTFP.

(Ordinance No. 97-715B, Sec. 1. Amended by Ordinance No. 98-721A, Sec. 1; Ordinance No. 02-969B, Sec. 7; and Ordinance No. 10-1244B, Sec. 5).

3.07.640 Activity Levels for Centers, Corridors, Station Communities and Main Streets

- A. A Centers, Corridors, Station Communities and Main Streets need a critical number of residents and workers to be vibrant and successful. The following average number of residents and workers per acre is recommended for each:
1. Central City - 250 persons

2. Regional Centers - 60 persons
3. Station Communities - 45 persons
4. Corridors - 45 persons
5. Town Centers - 40 persons
6. Main Streets - 39 persons

B. Centers, Corridors, Station Communities and Main Streets need a mix of uses to be vibrant and walkable. The following mix of uses is recommended for each:

1. The land uses listed in *State of the Centers: Investing in Our Communities*, January, 2009, such as grocery stores and restaurants;
2. Institutional uses, including schools, colleges, universities, hospitals, medical offices and facilities;
3. Civic uses, including government offices open to and serving the general public, libraries, city halls and public spaces.

C. Centers, Corridors, Station Communities and Main Streets need a mix of housings types to be vibrant and successful. The following mix of housing types is recommended for each:

1. The types of housing listed in the "needed housing" statute, ORS 197.303(1);
2. The types of housing identified in the city's or county's housing need analysis done pursuant to ORS 197.296 or statewide planning Goal 10 (Housing); and
3. Accessory dwellings pursuant to section 3.07.120 of this chapter.

(Ordinance No. 97-715B, Sec. 1. Amended by Ordinance No. 98-721A, Sec. 1; Ordinance No. 02-969B, Sec. 7; and Ordinance No. 10-1244B, Sec. 5).

3.07.650 Centers, Corridors, Station Communities and Main Streets Map

- A. The Centers, Corridors, Station Communities and Main Streets Map is incorporated in this title and is Metro's official depiction of their boundaries. The map shows the boundaries established pursuant to this title.
- B. A city or county may revise the boundary of a Center, Corridor, Station Community or Main Street so long as the boundary is consistent with the general location on the 2040 Growth Concept Map in the RFP. The city or county shall

provide notice of its proposed revision as prescribed in subsection B of section 3.07.620.

C. The COO shall revise the Centers, Corridors, Station Communities and Main Streets Map by order to conform the map to establishment or revision of a boundary under this title.

(Ordinance No. 02-969B, Sec. 7. Amended by Ordinance No. 10-1244B, Sec. 5; and Ordinance No. 11-1264B, Sec. 1.).

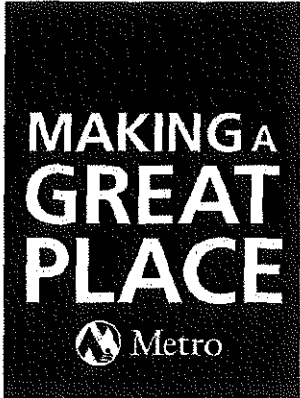
Title 6 Centers, Corridors, Station Communities and Main Streets Map as of January 18, 2012 Pending LCDC Acknowledgment

Metro Construction Excise Tax Collections and Community Planning and Development Grant Awards

Collections through second quarter of FY 2013-2014 --- presented to MPAC, May 14, 2014

(Source: Metro Finance and Regulatory Services)

JURISDICTION	CYCLE 1 COLLECTION	PERCENT	CYCLE 1 GRANT AWARD	PERCENT	CYCLES 2 AND 3 COLLECTION	PERCENT	CYCLES 2 AND 3 GRANT AWARD	PERCENT	JURISDICTION
Beaverton	\$379,564	5%	\$195,450	3%	\$407,772	6%	\$469,397	6%	Beaverton
Clackamas Co.	\$557,739	8%	\$202,701	3%	\$279,221	4%	\$360,000	5%	Clackamas Co.
Cornelius	\$34,565	0%	\$25,500	0%	\$5,847	0%	\$152,000	2%	Cornelius
Damascus	\$0	0%	\$524,724	8%	\$0	0%	\$0	0%	Damascus
Durham	\$2,144	0%	\$0	0%	\$20,652	0%	\$0	0%	Durham
Fairview	\$33,063	0%	\$0	0%	\$8,850	0%	\$0	0%	Fairview
Forest Grove	\$131,263	2%	\$8,400	0%	\$165,490	3%	\$208,000	3%	Forest Grove
Gresham	\$372,789	5%	\$1,067,129	17%	\$231,264	4%	\$473,599	6%	Gresham
Happy Valley	\$210,953	3%	\$168,631	3%	\$247,305	4%	\$85,700	1%	Happy Valley
Hillsboro	\$831,354	11%	\$532,500	8%	\$705,004	11%	\$365,000	5%	Hillsboro
King City	\$34,177	0%	\$0	0%	\$61,956	1%	\$75,000	1%	King City
Lake Oswego	\$178,499	2%	\$0	0%	\$187,968	3%	\$425,000	5%	Lake Oswego
Milwaukie	\$28,722	0%	\$0	0%	\$24,288	0%	\$224,000	3%	Milwaukie
Multnomah Co.	\$0	0%	\$120,000	2%	\$0	0%	\$0	0%	Multnomah Co.
Oregon City	\$233,486	3%	\$702,000	11%	\$187,411	3%	\$300,000	4%	Oregon City
Portland	\$2,735,167	37%	\$0	0%	\$2,442,944	38%	\$2,593,160	33%	Portland
Sherwood	\$114,034	2%	\$376,964	6%	\$58,702	1%	\$323,139	4%	Sherwood
Tigard	\$232,132	3%	\$134,100	2%	\$230,197	4%	\$345,000	4%	Tigard
Troutdale	\$77,179	1%	\$0	0%	\$15,531	0%	\$0	0%	Troutdale
Tualatin	\$209,049	3%	\$448,378	7%	\$139,899	2%	\$251,000	3%	Tualatin
Washington Co.	\$675,047	9%	\$1,788,900	28%	\$544,593	9%	\$717,605	9%	Washington Co.
West Linn	\$136,878	2%	\$0	0%	\$124,047	2%	\$220,000	3%	West Linn
Wilsonville	\$192,513	3%	\$0	0%	\$294,977	5%	\$341,000	4%	Wilsonville
Wood Village	\$14,472	0%	\$0	0%	\$2,923	0%	\$0	0%	Wood Village
TOTAL	\$7,414,787	100%	\$6,295,377	100%	\$6,386,840	100%	\$7,928,600	100%	



SAVE THE DATE: Pre-Application Meeting for Cycle 4 of Community Planning and Development Grants

About Metro

Clean air and clean water do not stop at city limits or county lines. Neither does the need for jobs, a thriving economy, and sustainable transportation and living choices for people and businesses in the region. Voters have asked Metro to help with the challenges and opportunities that affect the 25 cities and three counties in the Portland metropolitan area.

A regional approach simply makes sense when it comes to providing services, operating venues and making decisions about how the region grows. Metro works with communities to support a resilient economy, keep nature close by and respond to a changing climate. Together we're making a great place, now and for generations to come.

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

oregonmetro.gov

ATTEND THE PRE-APPLICATION MEETING

March 25, 2015 – Tentative*

Wednesday

9:30 a.m. to 11:00 a.m.

Council Chamber, Metro Regional Center, Portland

The pre-application meeting is voluntary. Interested proposers are encouraged to attend to learn about the Letter of Intent (LOI) and full application grant process.

QUESTIONS?

Please e-mail Planning & Development staff at paulette.copperstone@oregonmetro.gov or call 503-797-1562 for further information.

***Note: March 25, 2015 Pre-Application meeting date is tentative and subject to change.**



February 24, 2015

Peter Truax, Chair
Metro Policy Advisory Committee

RE: Community Planning & Development Grant Administrative Rules

Dear Chair Truax:

Please excuse our absence from the February 25, 2015 Metro Policy Advisory Committee ("MPAC") meeting. Unfortunately, both of our Cities have conflicting meetings preventing us and our alternates have from attending.

We want to express our position as to agenda item 6.1 "Community Planning and Development Grant Administrative Rules: Recommendation to Metro Council." For the following reasons, we would urge that MPAC recommend that Metro *not* include reference (by incentives or otherwise) to Title 6 for Cycle 4 grants:

- There were major revisions to Title 6 during the last urban growth decision (Metro Ordinance No. 10-1244). In response to questions about how Metro would review for Compliance with the revised language, Metro indicated that it would develop a handbook addressing compliance with Title 6. Until such a handbook is produced with opportunity for review and comment by jurisdictional partners and the public, it is inappropriate to use compliance with Title 6 as a consideration for a grant application.
- It is unclear how Metro will give incentive to and prioritize applications addressing Title 6 without penalizing applications outside of our Centers and Corridors (such as Title 4 Regionally Significant Industrial Lands).

In short, there is not enough time or information available to adequately address how compliance with Title 6 should be considered in the Cycle 4 grant awards.

Thank you for your consideration.

Sincerely,

CITY OF HILLSBORO

CITY OF GRESHAM

Jerry W. Willey
Mayor

Shane Bemis
Mayor

cc: Tom Hughes, President and Metro Councilors