



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

Council meeting agenda

Thursday, May 7, 2026

10:00 AM

Metro Regional Center, Council chamber;
<https://zoom.us/j/615079992> (Webinar ID:
615079992) or 253-205-0468 (toll free),
[https://www.youtube.com/watch?
v=0FQnk8-Wrfc](https://www.youtube.com/watch?v=0FQnk8-Wrfc)

This meeting will be held electronically and in person at the Metro Regional Center Council Chamber. You can join the meeting on your computer or other device by using this link: <https://zoom.us/j/615079992> (Webinar ID: 615 079 992); <https://www.youtube.com/@OregonMetro/streams>

1. Call to Order and Roll Call
2. Public Communication

Public comment may be submitted in writing. It will also be heard in person and by electronic communication (video conference or telephone). Written comments should be submitted electronically by emailing legislativecoordinator@oregonmetro.gov. Written comments received by 4:00 p.m. the day before the meeting will be provided to the council prior to the meeting.

Those wishing to testify orally are encouraged to sign up in advance by either: (a) contacting the legislative coordinator by phone at 503-813-7591 and providing your name and the agenda item on which you wish to testify; or (b) registering by email by sending your name and the agenda item on which you wish to testify to legislativecoordinator@oregonmetro.gov. Those wishing to testify in person should fill out a blue card found in the back of the Council Chamber. Those requesting to comment virtually during the meeting can do so by using the "Raise Hand" feature in Zoom or emailing the legislative coordinator at legislativecoordinator@oregonmetro.gov. Individuals will have three minutes to testify unless otherwise stated at the meeting.

3. Consent Agenda

- 3.1 Resolution No. 26-5609 For the Purpose of Changing Certain Council Committee Assignments for 2026
Materials expected May 6.

RES 26-5609

4. Presentations

- 4.1 2026 Economic Development Activities Roadmap

[26-6534](#)

Presenter(s): Eryn Kehe, Urban Policy and Development Manager,
Planning, Development and Research

Anneliese Koehler, Legislative Affairs Manager, Government Affairs and Policy Development
David Tetrick (he/him), Economic Development Planner, Planning, Development and Research
Jaye Cromwell, Strategic Initiatives Policy Advisor, Planning, Development and Research

Attachments: [2026 Economic Activities Roadmap Worksheet](#)
[Attachment 1 - 2026 Job Ready Lands Workplan](#)

5. Resolutions

5.1 Resolution No. 26-5608 For the Purpose of Adopting the Metro Investment Policy for Fiscal Year 2025-2026 [RES 26-5608](#)

Presenter(s): Brian Kennedy (he/him), Chief Financial Officer

Attachments: [Resolution No. 26-5608](#)
[Exhibit A](#)
[Staff Report](#)

6. Ordinances

6.1 Ordinance No. 26-1542 For the Purpose of Amending Metro Code Section 7.05.150 (Deficiencies and Refunds) to Extend Tax Refund Filing Deadlines for Tax Years 2021 and 2022 Under Certain Circumstances [ORD 26-1542](#)

Presenter(s): Justin Laubscher (he/him), Tax Compliance Program Manager

Attachments: [Ordinance No. 26-1542](#)
[Exhibit A](#)
[Staff Report](#)

6.1.1 Public Hearing on Ordinance No. 26-1542

7. Chief Operating Officer Communication

8. Councilor Communication

8.1 RWAC Update

8. Adjourn

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ការគោរពសិទ្ធិពលរដ្ឋរបស់ ១ សំរាប់ព័ត៌មានអំពីកម្មវិធីសិទ្ធិពលរដ្ឋរបស់ Metro ឬដើម្បីទទួលបានការបណ្តឹងរើសអើងសូមចូលទស្សនាគេហទំព័រ www.oregonmetro.gov/civilrights។ បើលោកអ្នកត្រូវការអ្នកបកប្រែភាសានៅពេលអង្គប្រជុំសាធារណៈ សូមទូរស័ព្ទមកលេខ 503-797-1700 (ម៉ោង 8 ព្រឹកដល់ម៉ោង 5 ល្ងាច ថ្ងៃធ្វើការ) ប្រាំពីរថ្ងៃ ថ្ងៃធ្វើការ មុនថ្ងៃប្រជុំដើម្បីអាចឱ្យគេបកប្រែសម្រាប់លោកអ្នក ។

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File #: 26-6534

Agenda Date: 5/7/2026

2026 Economic Development Activities Roadmap

Eryn Kehe, Urban Policy and Development Manager, Planning, Development and Research
Anneliese Koehler, Legislative Affairs Manager, Government Affairs and Policy Development
David Tetrick (he/him), Economic Development Planner, Planning, Development and Research
Jaye Cromwell, Strategic Initiatives Policy Advisor, Planning, Development and Research

2026 ECONOMIC DEVELOPMENT ACTIVITIES ROADMAP

Date: 04/24/26
Department: Planning, Development and Research; Government Affairs
Meeting Date: 05/07/2026

Prepared by: Jaye Cromwell,
jaye.cromwell@oregonmetro.gov
Presenters: Eryn Kehe, Anneliese Koehler,
David Tetrick, Jaye Cromwell
Length: 60 minutes

ISSUE STATEMENT

On March 10, 2026 the Metro Council passed Resolution 26-5570, *For the purpose of demonstrating Metro's support for shared prosperity through a strong regional economy and creating a Job Ready Lands program*. The resolution directed staff to develop a work plan with specific actions to advance shared economic growth across the greater Portland region. These actions include:

- establishing a Job Ready Lands program in alignment with Metro's economic development, racial equity & climate goals;
- continuing coordination with Greater Portland Inc. (GPI) and other regional partners to complete the required update to the region's Comprehensive Economic Development Strategy (CEDS), including a regional targeted industries strategy; and
- maintaining a focus on integrating economic development priorities and activities into Metro's ongoing work and regional leadership efforts

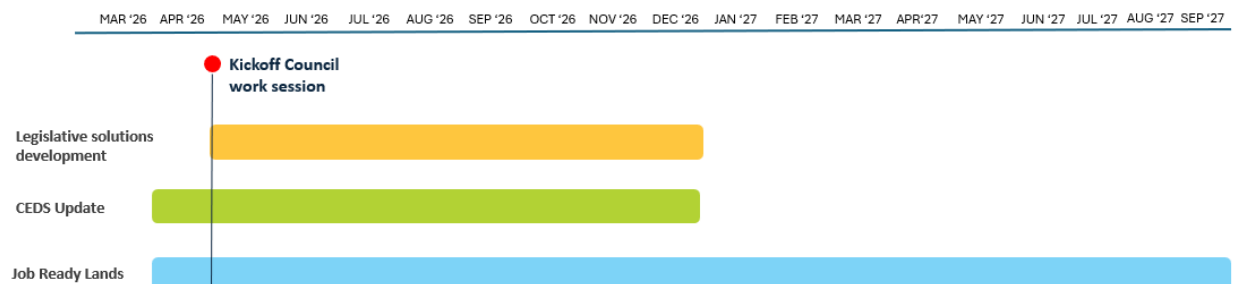
The 2026 Economic Development Roadmap, presented below, contains three streams of work to fulfill the requirements of Resolution 26-5570:

1. Job Ready Lands workplan
2. CEDS Update
3. State Legislative priorities development

These three programs have separate deliverables and timelines and will be coordinated to make the best use of Council time. Work begins now and will continue through the calendar/fiscal year.

2026 Economic Development Roadmap

Shared workplan for PDR and GAPD, in consultation with DEI



1. State Legislative priorities development

Over the past several years, concerns have increased that Oregon lacks an adequate supply of development-ready industrial land of the types and sizes needed to support expansion by existing employers and to attract new businesses to the state. Most recently, both the Oregon Semiconductor Competitiveness Task Force and the Oregon Clean Technology Task Force identified the shortage of shovel ready industrial sites as a significant barrier to growth and competitiveness for these priority industries.

In response, the Oregon Legislature has considered a number of adjustments to the state's land use framework to better position Oregon for industrial development. These actions have included

- time-limited gubernatorial “super siting” authority,
- bringing land directly into Metro’s urban growth boundary,
- redesignating rural reserves as urban reserves in Washington County, and
- providing additional funding for industrial site readiness and brownfield redevelopment.

We anticipate that industrial land supply and Oregon’s land use system will be a focus during the 2027 legislative session. To prepare for that discussion, we propose a series of Council work sessions over the summer and into the fall to support informed engagement in anticipated regional and legislative conversations. Proposed topics include:

- an overview of existing racial and other economic inequities in Oregon;
- a detailed examination of the region’s business recruitment strategies and the relationship between successful recruitment and industrial land availability;
- an analysis of how industrial land within Metro’s urban growth boundary has been utilized; and
- focused discussions about specific industries such as data centers and agriculture

The purpose of these work sessions is twofold: first, to ensure that Council is grounded in current information regarding industrial land issues facing the region and the state; and second, to provide an opportunity for Council to share perspectives and priorities that can help inform and shape potential legislative solutions.

2. Job Ready Lands workplan

As the steward of the region’s Urban Growth Boundary (UGB) Metro plays a central role in ensuring that the region maintains an adequate supply of employment land to support future economic growth. Current economic conditions present challenges for Metro and public-sector partners, underscoring the need to critically evaluate industrial site readiness to align land supply with business needs.

Addressing these issues is essential to supporting the retention and expansion of existing employers while also attracting new, high-quality jobs to the region. The proposed Job Ready Lands program will involve a broad range of stakeholders including local elected

officials, environmental and community organizations, business representatives and government partners. The program is designed to advance the following objectives:

1. Update and release the employment land inventory
2. Recommend a short list (three to six) of regionally significant sites for development; and
3. Identify a Readiness Plan outlining the actions, investments and partnerships needed to prepare these prioritized sites for development and occupancy by employers.

Job Ready Lands Phases

	Phase 1 Research	Phase 2 Evaluation & Prioritization	Phase 3 Partner Endorsements	Phase 4 Implementation & Marketing
When	Spring- Fall 2026	Fall 2026-Spring 2027	Spring-Summer 2027	Summer 2027 and beyond
Who	Metro staff	Consultants; Job Ready Land work group	Metro Council, committees and partners	Partners, state agencies, local partners
What	Compile initial research inputs; release updated employment land inventory	Generate an initial site list; use criteria to assess and refine list; Identify three to six sites to prioritize; create Readiness Plan	MTAC, MPAC, and Metro Council action to endorse; partner jurisdictions to endorse	Implement readiness actions on land; market sites

3. CEDS Update

The Greater Portland Economic Development District (GPEDD) is the federally recognized economic development district for the four-county region of Clackamas, Multnomah, and Washington counties in Oregon and Clark County in Washington. GPEDD is responsible for the development and implementation of the Comprehensive Economic Development Strategy (CEDS) on a five-year cycle. GPEDD is housed within and staffed by Greater Portland Inc (GPI), which has developed the project scope and selected a consultant to develop the next CEDS.

The updated CEDS is scheduled for completion by December 1, 2026. Federally required components of the CEDS include:

- an assessment of current regional economic conditions;
- an analysis of regional strengths, weaknesses, opportunities and threats;
- a strategic direction or action plan;

- and an evaluation framework to measure implementation and impact on the regional economy.

The previous CEDS supported regional investments to advance the Mass Timber Coalition and other initiatives aimed at job creation, industry development and fostering a more equitable and resilient regional economy. Council has directed staff to coordinate with GPI to inform the identification of priority target industries for the region.

Planning, Development & Research Deputy Director Malu Wilkinson serves on the GPEDD Board that governs the CEDS effort, and Senior Economic Development Planner David Tetrick is supporting GPI staff with project management and technical assistance for this work.

Activities Overview

Green= Metro Council

Blue= Metro staff deliverable

Orange= Committee or partner

Date	Who	What	Lead staff
March 10 th	Metro Council Business meeting	Resolution 26-5570 Adoption	PDR
March and April	Staff deliverable	Work plan development	PDR
Late April	Councilor briefings	Brief Councilors on work program and planned activities	PDR & GAPD
May 7 th	Metro Council work session	Review 2026 Roadmap activities to support regional economy with Metro Council	PDR & GAPD
May 27 th	MPAC	Governor's Prosperity Council update	GAPD
May 2026	Staff deliverable	Workforce Gap analysis report	PDR (CEDS)
June 9 th	Metro Council work session	Disparities by the numbers: Understanding inequities in Oregon's economy	GAPD
June 24 th	MPAC	Metro 2026 Economic Development Roadmap	PDR
July 7 th	Metro Council work session	Region's business recruitment: How it works?	GAPD
July 28 th	Metro Council work session	Traded sector industrial land supply statewide	GAPD
July 2026	Staff deliverable	EOA report summary	PDR (JRL)
August 2026	Staff deliverable	Local interviews with cities and counties	PDR (JRL)

Date	Who	What	Lead staff
		- Qualitative analysis of site priorities	
September 2026	Staff deliverable	Initial Target industries list	PDR (CEDS)
September 2026	Staff deliverable	Onboard consultant; begin initial site list criteria development	PDR (JRL)
September 9 th	Metro Council work session	How has industrial land been utilized in Metro's UGB?	GAPD & PDR
September 2026	MTAC	CEDS update - Update on SWOT Discussion of strategic vision and input	GPI/PDR (CEDS)
September 2026	MPAC	CEDS update - Update on SWOT - Discussion of strategic vision and input	GPI/PDR (CEDS)
Fall 2026	Metro Council work session	CEDS update - Update on SWOT - Discussion of strategic vision and input	GPI/PDR (CEDS)
October 2026	Staff deliverable	Updated Employment Land inventory released to public	PDR (JRL)
October 2026	Job Ready Land work group convenes	Review draft criteria	PDR (JRL)
October 6 th	Metro Council work session	Data Centers 101 and Tribes	GAPD
October 20 th	Metro Council work session	Overview of agriculture industry within three-county area: challenges and opportunities	GAPD
October 2026	Job Ready Land work group	Review draft criteria	PDR (JRL)
Fall 2026	Metro Council work session	Update/ discussion on Job Ready lands criteria	PDR (JRL)
Fall 2026	MTAC	Draft CEDS report - Discuss outcomes and regional accountability	GPI/PDR (CEDS)
Fall 2026	MPAC	Draft CEDS report - Discuss outcomes and regional accountability	GPI/PDR (CEDS)
Fall 2026	Metro Council work session	Draft CEDS report - Discuss outcomes and regional accountability	GPI/PDR (CEDS)

Date	Who	What	Lead staff
December 2026	Job Ready Land work group	Develop prioritized site list	PDR (JRL)
December 2026	Metro Council work session	Update/discussion on Job Ready Land prioritized site list	PDR (JRL)
Q1 2027	MTAC	Recommendation of Job Ready Lands prioritized site list to MPAC	PDR (JRL)
Q1 2027	MPAC	Recommendation of Job Ready Lands prioritized site list to Metro Council	PDR (JRL)
Q1 2027	Metro Council work session	Endorsement of Job ready lands prioritized site list	PDR (JRL)
Q1 2027	Council meeting	Possible adoption of CEDS as regional economic strategy	GPI/PDR (CEDS)
Q1/Q2 2027	Various Jurisdictions and committees	Endorse Job Ready Lands prioritized site list and develop readiness plan	PDR (JRL)

ACTION REQUESTED

N/A

STRATEGIC CONTEXT & FRAMING COUNCIL DISCUSSION

On March 10, 2026 the Metro Council passed Resolution 26-5570, for the purpose of demonstrating Metro’s support for shared prosperity through a strong regional economy and creating a Job Ready Lands program. This resolution directed staff to establish a work plan that includes the following actions to support economic growth within the greater Portland region by June 30th, 2026:

1. Create and implement a Job Ready Lands program that engages local partners, leaders and organizations that represent a range of sectors including economic development, business, labor, environment, agriculture, housing and workforce development to set the stage for business growth and expansion by developing a vacant land inventory and prioritizing areas for investment in consultation with Council.

2. Continue to collaborate with local partners to create an updated Comprehensive Economic Development Strategy (CEDS) that includes a coordinated regional strategy for targeted industries that supports racial equity, economic mobility, and shared prosperity for all.

3. Integrate a strategic economic development focus into Metro's ongoing work, including land use and transportation planning work, venues and tourism, and key Metro functions.

4. Prioritize Councilor and staff participation and leadership in regional and state organizations focused on supporting our region's economy and shared prosperity.

5. Conduct this work in alignment with Metro's racial equity and climate goals.

ATTACHMENTS

1. Job Ready Lands workplan

2026 Job Ready Lands workplan

Overview

Outcome desired: Quality employers come to/expand into the Greater Portland region, creating living wage jobs for all

Overall strategy: Work in collaboration with key stakeholders including local elected officials, environmental and community groups, business entities and government partners, to:

1. Update and release the employment land inventory
2. Recommend a short list (three to six) of regionally significant sites prioritized for development; and
3. Identify a Readiness Plan outlining the actions, investments and partnerships needed to prepare these prioritized sites for development and occupancy by employers.

Deliverables:

This program will result in several tangible outcomes including a publicly accessible, regional, industrial land inventory, evaluation criteria for prioritizing investments and ultimately a set of three to six prioritized sites for regional investment and a plan for how to make those sites ready for future development.

1. Employment land inventory

- Inventory of industrial/employment lands inside the Metro UGB
- Interactive/ searchable map that will be hosted and updated on Metro's website

2. Prioritized sites

- Prioritized list of lands that could meet the needs of target industries with investment
 - Initial site list- Results from a crosswalk of the employment land inventory, initial target industries strategy, EOA summary, the Workforce Gap Analysis and interviews with city and county planning staff
 - Refined site list- Consultants and staff will assess and score the initial list of sites to create a refined list for prioritization
- Prioritized site list- Members on the work group, a subcommittee of Metro's Technical Advisory Committee (MTAC), collaborate to evaluate sites and recommend priority sites to Metro's Policy Advisory Committee (MPAC)

- MPAC prioritizes three to six sites and recommends them to Metro Council as regional priorities for future investment

3. Readiness Plan

- Identified actions, funding, and investments needed to make prioritized sites ready for development
- Reviewed by MTAC and MPAC to recommend to Metro Council

Process

Job Ready Lands Phases

	Phase 1 Research	Phase 2 Evaluation & Prioritization	Phase 3 Partner Endorsements	Phase 4 Implementation & Marketing
When	Spring- Fall 2026	Fall 2026-Spring 2027	Spring-Summer 2027	Summer 2027 and beyond
Who	Metro staff	Consultants; JRL work group	Metro Council, committees and partners	Partners, state agencies, local partners
What	Compile initial research inputs; release updated employment land inventory	Generate an initial site list; use criteria to assess and refine list; Identify 3-6 sites to prioritize; create Readiness Plan	MTAC, MPAC, and Metro Council action to endorse; partner jurisdictions to endorse	Implement readiness actions on land; market sites

Phase 1- Research (Spring- Fall 2026)

During Phase 1, staff will create a publicly accessible, online industrial land inventory that allows users to sort sites based on various characteristics, including parcel size, slope, proximity to highways, and other relevant attributes.

Staff will also collect and summarize local Economic Opportunities Analyses (EOAs) from jurisdictions across the region to identify commonalities and differences in the types of industries communities are seeking to retain or expand. In addition, staff will meet with local planning staff to gather up-to-date information on industrial growth opportunities and local economic development goals.

The recently completed Workforce Gap Analysis will also inform this phase of work, helping to align industrial land considerations with regional workforce needs.

Phase 2- Evaluation & Prioritization (Fall-Spring 2026)

During this phase, a consultant will support staff in developing evaluation criteria to identify a limited number of sites that are most appropriate for prioritized investment. This work will include robust engagement with local subject-matter experts and jurisdictional staff to refine the criteria and apply them consistently across candidate sites. The Metro Technical Advisory Committee (MTAC) and a work group of that committee will be where that coordination occurs.

The phase will culminate in the identification of a prioritized set of sites and the development of a draft readiness plan that outlines the actions, infrastructure improvements, and public and private investments needed to prepare the prioritized sites for future industrial development.

Phase 3- Endorsement (Spring-Summer 2027)

This phase focuses on building local support and formal commitment around the recommended list of prioritized sites (three to six) to align and concentrate regional efforts. The process will begin with review and recommendations from the Metro Technical Advisory Committee (MTAC) and the Metro Policy Advisory Committee (MPAC) and is intended to culminate in formal endorsement by the Metro Council, participating local jurisdictions and organizations. These endorsements will position the program to advance into Phase 4 implementation.

Phase 4- Implementation & Marketing (Summer 2027 and beyond)

The final phase focuses on securing funding and other resources necessary to implement the readiness plan for the endorsed sites. As infrastructure improvements and site preparations are advanced, coordinated efforts will be undertaken to market the prioritized sites at a national level. These efforts are intended to support business recruitment and expansion and to strengthen the region's long-term employment base. The majority of this work will be lead by Metro's partners.

Roles

Metro staff

- Compiles initial research, conducts qualitative interviews, supports work group and committee participation (MTAC, MPAC, Council)

Consultant

DRAFT Job ready Lands Workplan- Council
Updated 04.29.26

- Uses initial staff research to establish a draft set of evaluation criteria
- Coordinates edits
- Evaluates sites to support prioritization
- Recommends site readiness needs

Job Ready Lands work group

- Subcommittee of MTAC
- Engages with Metro staff and the consultant on criteria and the evaluation of sites
- Shares draft materials with MTAC

MTAC

- Reviews technical work
- Makes a recommendation to MPAC

MPAC

- Reviews MTAC recommendation
- Makes a recommendation to Metro Council on priority sites

Metro Council

- Gives informal approval of the work plan
- Receives regular (quarterly) updates
- Endorses final site prioritization list and the readiness plan
- Seeks partner endorsements



Metro

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Agenda #: 5.1

File #: RES 26-5608

Agenda Date:5/7/2026

Resolution No. 26-5608 For the Purpose of Adopting the Metro Investment Policy for Fiscal Year 2025-2026

Brian Kennedy (he/him), Chief Financial Officer

BEFORE THE METRO COUNCIL

FOR THE PURPOSE OF ADOPTING THE) RESOLUTION NO. 26-5608
METRO INVESTMENT POLICY FOR FISCAL)
YEAR 2025-2026) Introduced by Chief Operating Officer
Marissa Madrigal in concurrence with Acting
Council President Duncan Hwang

WHEREAS, in order to make investments having a maturity longer than 18 months, Metro is required by ORS 294.135(a) to annually adopt an Investment Policy; and

WHEREAS, Metro’s current Investment Policy was adopted by Resolution 25-5487 on May 8, 2025; and

WHEREAS, Metro’s Investment Advisory Board annually reviews, recommends, and submits the Investment Policy to the Metro Council for its approval; and

BE IT RESOLVED that the Metro Council adopts the Investment Policy for Fiscal Year 2025-2026 attached hereto as Exhibit A, and authorizes the investment of Metro funds in accordance with the provisions of the Investment Policy.

ADOPTED by the Metro Council this 7th day of May 2026.

Duncan Hwang, Acting Council President

Approved as to Form:

Carrie MacLaren, Metro Attorney

EXHIBIT A

INVESTMENT POLICY

- 1.0 Scope and Governing Authority
- 2.0 General Objectives
- 3.0 Standards of Care
- 4.0 Transaction Counterparties, Investment Advisors and Depositories
- 5.0 Safekeeping and Custody
- 6.0 Suitable and Authorized Investments
- 7.0 Investment Parameters
- 8.0 Prohibited Investments
- 9.0 Investment of Proceeds from Debt Issuance
- 10.0 Investment Reserve or Capital Improvements
- 11.0 Reporting
- 12.0 Policy Adoption and Re-Adoption
- 13.0 List of Documents Used in Conjunction with this Policy
- 14.0 Definitions

1.0 Scope and Governing Authority

These investment policies apply to all cash-related assets included within the scope of Metro's audited financial statements and held directly by Metro.

Funds held and invested by trustees or fiscal agents are excluded from these policies; however, such funds are subject to the regulations established by the state of Oregon.

Funds of Metro will be invested in compliance with the provisions of ORS Chapter 294 and other applicable statutes. Investments will be in accordance with these policies and written administrative procedures. Investment of any tax-exempt borrowing proceeds and of any debt service funds will comply with the Internal Revenue Code of 1986 provisions and any subsequent amendments thereto.

2.0 General Objectives

Due to Metro's fiduciary responsibility, safety of capital and availability of funds to meet payment requirements are the overriding objectives of the investment program. Investment return targets are secondary.

- (a) Safety. Safety of principal is the foremost objective of the investment program. Investments shall be undertaken in a manner that seeks to ensure the preservation of principal in the overall portfolio and security of funds and investments. The objective will be to mitigate credit risk and interest rate risk.
- (b) Liquidity. The investment officer shall assure that funds are constantly available to meet immediate payment requirements, including payroll, accounts payable and debt service. Furthermore, the portfolio should consist largely of securities with active secondary or resale markets. A portion of the portfolio also may be placed in the Oregon Short Term Fund which offers next-day liquidity. Where possible and prudent, the portfolio should be structured so that investments mature consistent with anticipated demands.
- (c) Return on Investment. The investment portfolio shall be designed with the objective of attaining a market rate of return throughout budgetary and economic cycles, taking into consideration the safety and liquidity needs of the portfolio.

Although securities are purchased with the intent to hold to maturity, securities may be sold prior to their maturity in order to improve the quality, net yield, or maturity characteristic of the portfolio.

- (d) Legality. Funds will be deposited and invested in accordance with statutes, ordinances and policies governing Metro.

- (e) Responsibility. The intent of the investment program is to achieve long-term market returns to create added resources to advance Metro’s strategic goals and objectives. Consideration of responsible investing practices, including, not limited to advancing racial equity and climate resilience, may be applied when aligned with the objectives of safety, liquidity and return.

3.0 Standards of Care

- (a) Prudence. The standard of prudence to be applied by the investment officer shall be the “prudent person” rule: “Investments shall be made with judgment and care, under circumstances then prevailing, which persons of prudence, discretion and intelligence exercise in the management of their own affairs, not for speculation, but for investment, considering the probable safety of their capital as well as the probable income to be derived.” The prudent person rule shall be applied in the context of managing the overall portfolio.
- (b) Ethics and Conflicts of Interest. Officers and employees involved in the investment process shall refrain from personal activity that could conflict with the proper execution and management of the investment program, or that could impair their ability to make impartial decisions. Employees and investment officials shall disclose any material interests in financial institutions with which they conduct business. Disclosure shall be made to the governing body. They shall further disclose any personal financial/investment positions that could be related to the performance of the investment portfolio. Employees and officers shall refrain from undertaking personal investment transactions with the same individual with whom business is conducted on behalf of Metro. Officers and employees shall, at all times, comply with the State of Oregon Government Standards and Practices code of ethics set forth in ORS Chapter 244.
- (c) Delegation of Authority. The Chief Operating Officer is the investment officer of Metro. The authority for investing Metro funds is vested with the investment officer, who, in turn, designates the investment manager to manage the day-to-day operations of Metro’s investment portfolio, place purchase orders and sell orders with dealers and financial institutions, and prepare reports as required.
- (d) Investment Advisory Board (IAB). There shall be an investment advisory board composed of five (5) members.
 - (1) Terms of Service. The term of service for citizens appointed to the IAB shall be subject to the provisions of Metro Code 2.19.030.
 - (2) Appointment. The investment officer shall recommend to the Council for confirmation the names of persons for appointment to the IAB.

- (3) Duties. The IAB shall meet quarterly. The IAB will serve as a forum for discussion and act in an advisory capacity for investment strategies, banking relationships, the legality and probity of investment activities and the establishment of written procedures for the investment operations.
- (e) Monitoring the Portfolio. The investment manager will routinely monitor the contents of the portfolio comparing the holdings to the markets, relative values of competing instruments, changes in credit quality, responsible investing and benchmarks. If there are advantageous transactions, the portfolio may be adjusted accordingly.
- (f) Indemnity Clause. Metro shall indemnify the investment officer, chief financial officer, investment manager, staff and the IAB members from personal liability for losses that might occur pursuant to administering this investment policy. The investment officer, acting in accordance with written procedures and exercising due diligence, shall not be held personally responsible for a specific security's credit risk or market price changes, provided that these deviations are reported to the council as soon as practicable.
- (g) Internal Controls. The investment officer shall maintain a system of written internal controls, which shall be reviewed annually by the IAB and the independent auditor. The controls shall be designed to prevent loss of public funds due to fraud, error, misrepresentation or imprudent actions. Metro's independent auditor at least annually shall audit investments according to generally accepted auditing standards and this ordinance.

The internal controls shall address the following points at a minimum:

- (1) Compliance with Investment Policy
- (2) Detection of collusion
- (3) Separation of transaction authority from accounting and record keeping
- (4) Custodial safekeeping
- (5) Avoidance of physical delivery of securities whenever possible and address control requirements for physical delivery where necessary
- (6) Clear delegation of and limits on authority given to subordinate staff members
- (7) Confirmation of transactions for investments and wire transfers in written or digitally verifiable electronic form
- (8) Dual authorizations of wire and automated clearing house (ACH) transfers
- (9) Staff training
- (10) Review, maintenance and monitoring of security procedures both manual and automated

4.0 Transaction Counterparties, Investment Advisors and Depositories

- (a) Broker Dealers. The Investment Officer shall determine which broker/dealer firms and registered representatives are authorized for the purposes of investing funds within the scope of this investment policy. A list will be maintained of approved broker/dealer firms and affiliated registered representatives.

The following minimum criteria must be met prior to authorizing investment transactions. The Investment Officer may impose more stringent criteria.

Broker dealers must meet the following minimum criteria

- (1) Be registered with the Securities and Exchange Commission (SEC);
- (2) Be registered with the Financial Industry Regulatory Authority (FINRA);
- (3) Provide most recent audited financials;
- (4) Provide FINRA Focus Report filings.

A periodic (at least annual) review of all authorized broker/dealers will be conducted by the Investment Officer.

If Metro's investment advisor is contracted to provide securities transactions on behalf of Metro, the advisor's broker dealer list must be provided to the Investment Officer for approval. The Investment Officer can assign the responsibility of the broker dealer due diligence process to the Advisor, and all licensing information on the counterparties will be maintained by the Advisor and available upon request.

The Advisors must provide Metro with any changes to the list prior to transacting on behalf of Metro.

- (b) Investment Advisors. The Investment Officer may engage the services of one or more external investment advisors to assist in the management of Metro's investment portfolio in a manner consistent with this investment policy. If Metro hires an investment advisor to provide investment management services, the advisor is authorized to transact with its direct dealer relationships on behalf of Metro.

Approved investment advisor firms must be registered with the Securities and Exchange Commission (SEC) or licensed by the state of Oregon; (Note: Investment advisor firms with assets under management > \$100 million must be registered with the SEC, otherwise the firm must be licensed by the state of Oregon).

A periodic (at least annual) review of all authorized investment advisors under contract will be conducted by the Investment Officer to determine their continued eligibility within the portfolio guidelines. The Investment Advisor must notify Metro immediately if any of the following issues arise while serving under a Metro contract:

1. Pending investigations by securities regulators
2. Significant changes in net capital
3. Pending customer arbitration cases
4. Regulatory enforcement actions

- (c) Depositories. All financial institutions who desire to become depositories must be qualified Oregon Depositories pursuant to ORS Chapter 295.
- (d) Competitive Transactions. The Investment Officer shall obtain and document competitive bid information on all investments purchased or sold in the secondary market. Competitive bids or offers should be obtained, when possible, from at least three separate brokers/financial institutions or through the use of a nationally recognized trading platform. In the instance of a security for which there is no readily available competitive bid or offering on the same specific issue, then the Investment Officer shall document quotations for comparable or alternative securities. When purchasing original issue instrumentality securities, no competitive offerings will be required as all dealers in the selling group offer those securities as the same original issue price. However, the Investment Officer is encouraged to document quotations on comparable securities. If an investment advisor provides investment management services, the advisor must retain documentation of competitive pricing execution on each transaction and provide upon request.

5.0 Safekeeping and Custody

- (a) Delivery vs. Payment. All trades of marketable securities will be executed (cleared and settled) by delivery vs. payment (DVP) to ensure that securities are deposited in Metro's safekeeping institution prior to the release of funds. Metro will have online access through the safekeeping bank for verification of the account holdings and transactions. Delivery vs. payment will also be required for all repurchase transactions and with the collateral priced and limited in maturity in compliance with ORS 294.035(2)(j).

Notwithstanding the preceding, an exception to the delivery versus payment policy is made when purchasing State and Local Government Series Securities (SLGS) from the United States Treasury's Bureau of Public Debt to satisfy arbitrage yield restriction requirements of the Internal Revenue Code for tax-exempt bond issues.

- (b) Custody/Safekeeping. Securities purchased by Metro shall be held in a segregated account for Metro's benefit at a third-party trustee as safekeeping agent. All securities will be receipted and recorded based on the terms in the custodial contract. Upon request, the safekeeping institution shall make available a copy of its Statement on Standards for Attestation Engagements (SSAE) No. 16. The approved broker dealer or the investment advisor shall provide Metro with a confirmation ticket listing the specific instrument, issuer, coupon, maturity, CUSIP number, purchase or sale price, transaction date, and other pertinent information.

6.0 Suitable and Authorized Investments

(Definitions of terms and applicable authorizing statutes are listed in the "Summary of Investments Available to Municipalities" provided by the State Treasurer).

- (a) Investment Types. The following investments are permitted by this policy and ORS 294.035 and 294.810.
- (1) Lawfully issued general obligations of the United States, the agencies and instrumentalities of the United States or enterprises sponsored by the United States Government and obligations whose payment is guaranteed by the United States, the agencies and instrumentalities of the United States or enterprises sponsored by the United States Government. Maximum percent of portfolio allocation is 100%. No more than 40% of the portfolio in any one agency, instrumentality, or sponsored enterprise.
 - (2) Certificates of Deposit (CD) from commercial banks in Oregon and insured by the Federal Deposit Insurance Corporation (FDIC). Maximum percent of portfolio allocation is 25%. Investments in Certificates of Deposit invested in any one institution shall not exceed 5% of the total available funds and 15% of the equity of the financial institution.
 - (3) Repurchase Agreements (Repo's) purchased from any qualified institution provided the master repurchase agreement is effective and the safekeeping requirements are met. The repurchase agreement must be in writing and executed in advance of the initial purchase of the securities that are the subject of the repurchase agreement.
 - (A) ORS 294.035 (3)(j) requires repurchase agreement collateral to be limited in maturity to three years and priced according to percentages prescribed by written policy of the Oregon Investment Council or the Oregon Short-Term Fund Board.

- (B) ORS 294.135 (2) limits the maximum term of any repurchase agreement to 90 days.
- (C) Acceptable collateral:
 - (i) US Treasury Securities: 102%
 - (ii) US Agency Discount and Coupon Securities: 102%

Maximum percent of portfolio allocation is 25% and issuer constraint is 10%. The investment officer shall not enter into any reverse repurchase agreements.

- (4) Banker's Acceptances (BA) that are (i) guaranteed by, and carried on the books of, a qualified financial institution, (ii) eligible for discount by the Federal Reserve System, and (iii) issued by a qualified financial institution whose short-term letter of credit rating is rated in the highest category (A-1, P-1, F-1) by one or more nationally recognized statistical rating organization.

Qualified institution means a financial institution that is located and licensed to do banking business in the state of Oregon; or a financial institution located in the states of California, Idaho, or Washington that is wholly owned by a bank holding company that owns a financial institution that is located and licensed to do banking business in the state of Oregon.

Maximum percent of portfolio allocation is 25%. Investments in Bankers' Acceptances invested in any one institution shall not exceed 5% of the total available funds and 15% of the equity of the financial institution.

- (5) Corporate indebtedness subject to a valid registration statement on file with the Securities and Exchange Commission or issued under the authority of section 3(a)(2) or 3(a)(3) of the Securities Act of 1933, as amended. Must be issued by a commercial, industrial or utility business enterprise, or by or on behalf of a financial institution, including a holding company owning a majority interest in a qualified financial institution. The combined total invested in corporate indebtedness may not exceed 35%. No more than 5% of the total portfolio with any one corporate entity.
 - (A) Commercial Paper (CP) rated on the trade date P-1 or better by Moody's Investors Service or A-1 or better by Standard & Poor's Corporation or equivalent rating by any nationally recognized statistical rating organization.
 - (B) Corporate indebtedness must be rated on trade date in a rating category of "Aa-" or better by Moody's Investors Service or a rating

category of "AA" or better by Standard & Poor's Corporation or equivalent by any nationally recognized statistical rating organization.

(C) Notwithstanding subparagraph (a) and (b) of this paragraph, the corporate indebtedness must be rated on the trade date P-2 or in a rating category of "A" or better by Moody's Investors Service or A-2 or in a rating category of "A" or better by Standard & Poor's Corporation or equivalent rating by any nationally recognized statistical rating organization when the corporate indebtedness is:

(i) Issued by a business enterprise that has its headquarters in Oregon, employs more than 50 percent of its permanent workforce in Oregon or has more than 50 percent of its tangible assets in Oregon; or

(ii) Issued by a holding company owning not less than a majority interest in a qualified financial institution, as defined by ORS 294.035, located and licensed to do banking business in Oregon or by a holding company owning not less than a majority interest in a business enterprise described in subparagraph (i) of this subparagraph.

(6) Lawfully issued debt obligations of the agencies and instrumentalities of the State of Oregon or its political subdivisions with a long-term rating in a rating category of "A" or an equivalent rating or better or the highest category for short term municipal debt.

Lawfully issued debt obligations of the States of California, Idaho or Washington or their political subdivisions with a long-term rating in a rating category of "AA" or an equivalent rating or better or the highest category for short term municipal debt.

Maximum percent of portfolio allocation is 25%. No more than 5% of the total portfolio in any one issuing entity.

Such obligations may be purchased only if there has been no default in payment of either the principal of or the interest on the obligations of the issuing county, port, school district or city, for a period of five years next preceding the date of the investment, per ORS 294.040.

(7) State of Oregon Investment Pool. Maximum allowed per ORS 294.810, with the exception of pass-through funds (in and out within 10 days). A thorough

investigation of the pool/fund is required prior to investing, and on a continual basis. Metro shall perform a periodic review of:

- (A) Pool's investment policy and objectives
- (B) Interest calculations and how it is distributed
- (C) How the securities are safeguarded
- (D) How often the securities are priced

- (8) Time Deposits, Market Interest Accounts and Checking Accounts. Metro shall maintain necessary allocation needed for daily cash management efficiency.

Any financial institutions that hold funds in excess of FDIC insurance must qualify and meet requirements under ORS chapter 295, Public Funds Collateralization Program. (PFCP).

Time Deposits and savings accounts in insured institutions as defined in ORS Section 706.008, in credit unions as defined in ORS Section 723.006, or in federal credit unions, if the institution or credit union maintains a head office or a branch in this state [ORS Section 294.035(3)(d)].

Summary of Permitted Investments.

Investment Type	Maximum Maturity	Maximum Portfolio Allocation	Maximum Allocation Per Issuer	Minimum Rating
U.S. Treasuries	5.25 years	100%	100%	-
Federal Agencies	5.25 years	100%	40%	-
Time Certificates of Deposit	5.25 years	25%	5%	FDIC insured
Repurchase Agreements	90 days	25%	10%	Collateralized
Bankers Acceptances	180 days	25%	5%	A-1
Corporate notes	5.25 years	35%	5%	AA- A- if OR
Commercial Paper	270 days			A-1 A-2 if OR
OR munis	5.25 years	25%	5% (per issuing entity)	A-
ID, CA, WA munis	5.25 years		5% (per issuing entity)	AA-
OSTF	-	Amount established by ORS 294.810	-	-
Time Deposits Market interest and checking accounts	-	Amount necessary for daily cash mgmt	-	-

7.0 Investment Parameters

- (a) Credit Risk. Metro will minimize credit risk, the risk of loss due to the financial failure of the security issuer or backer, by:
- Limiting exposure to poor credits and concentrating the investments in the safest types of securities.
 - Pre-qualifying the financial institutions, broker/dealers, and advisors with which Metro will do business.
 - Diversifying the investment portfolio so that potential losses on individual securities will be minimized. For securities not backed by the full faith and credit of the federal government, diversification is required in order that potential losses on individual securities would not exceed the income generated from the remainder of the portfolio.
 - Actively monitoring the investment portfolio holdings for ratings changes, changing economic/market conditions, etc.
- (b) Diversification by Maturity. Only investments which can be held to maturity shall be purchased. Investments shall not be planned or made predicated upon selling the security prior to maturity. This restriction does not prohibit the use of repurchase agreements under ORS 294.135(2). Funds will be invested to coincide with projected cash needs or with the following serial maturity:

(c)

Maturity Constraints	Minimum % of Total Portfolio
Under 90 days	10%
Under 1.5 years	25%
Under 5.25 years	100%
Maturity Constraints	Maximum of Total Portfolio
Weighted Average Maturity	2.5 years
Security Structure Constraint	Maximum % of Total Portfolio
Callable Agency Securities	25%

At all times, Metro will maintain a minimum amount of funds to meet liquidity needs for the next three months, which can be through a combination of cash and investments. The weighted average maturity of Metro's portfolio shall not exceed 2.5 years.

Investments may not exceed five (5.25) years. Investment maturities beyond 18 months may be made when supported by cash flow projections which reasonably demonstrate that liquidity requirements will be met.

- (d) Diversification by Investment. The investment officer will diversify the portfolio to avoid incurring unreasonable risks inherent in over-investing in specific instruments, individual financial institutions, or maturities.
- (e) Collateralization. Deposit-type securities (i.e., Certificates of Deposit) and all bank deposits for any amount exceeding FDIC coverage shall be collateralized through the Public Funds Collateralization Program as required by ORS Chapter 295. ORS Chapter 295 governs the collateralization of Oregon public funds and provides the statutory requirements for the Public Funds Collateralization Program. Bank depositories are required to pledge collateral against any public funds deposits in excess of deposit insurance amounts. ORS 295 sets the specific value of the collateral, as well as the types of collateral that are acceptable.
- (f) Adherence to Investment Diversification. Diversification requirements must be met on the day an investment transaction is executed. If due to unanticipated cash needs, investment maturities or marking the portfolio to market, the investment in any security type, financial issuer or maturity spectrum later exceeds the limitations in the policy, the investment officer is responsible for bringing the investment portfolio back into compliance as soon as is practical.

8.0 Prohibited Investments

- (a) Private Placement or 144A Securities. Private placement or “144A” securities are not allowed. “144A” securities include commercial paper issued under section 4(2)144A (also known as “4(2)A”) of the Securities Act of 1933.
- (b) Mortgage-backed Securities are not allowed.
- (c) Securities Lending. Metro shall not lend securities nor directly participate in a securities lending program.
- (d) Fossil Fuel Companies - Metro shall not invest directly in fossil fuel securities.
- (e) Total Prohibitions. The investment officer may not make a commitment to invest funds or sell securities more than 14 business days prior to the anticipated date of settlement of the purchase or sale transaction and may not agree to invest funds or sell securities for a fee other than interest. Purchase of standby or forward commitments of any sort are specifically prohibited.

9.0 Investment of Proceeds from Debt Issuance

Investments of bond proceeds are restricted under bond covenants that may be more restrictive than the investment parameters included in this policy. The investments will be made in a manner to match cash flow expectations based on managed disbursement schedules.

Funds from bond proceeds and amounts held in a bond payment reserve or proceeds fund may be invested pursuant to ORS 294.052. Investments of bond proceeds are typically not invested for resale and are maturity matched with outflows. Consequently, funds within the scope of ORS 294.052 are not subject to this policy's liquidity risk constraints.

Information will be maintained for arbitrage rebate calculations.

10.0 Investment of Reserve or Capital Improvements

Pursuant to ORS 294.135(1)(b), reserve or capital improvement project monies may be invested in securities exceeding five and a quarter (5.25) years when the funds in question are being accumulated for an anticipated use that will occur more than 18 months after the funds are invested, then, upon the approval of Metro Council, the maturity of the investment or investments made with the funds may occur when the funds are expected to be used.

11.0 Reporting

- (a) Methods. A transaction report shall be prepared by the investment manager not later than one business day after the transaction, unless a trustee, operating under a trust agreement, has executed the transaction. The trustee agreement shall provide for a report of transactions to be submitted by the trustee on a monthly basis.
- (b) Compliance. Quarterly reports shall be prepared for each regular meeting of the IAB to present historical information for the past 12-month period and that allows the IAB to ascertain whether investment activities during the reporting period have conformed to the investment policy. Copies shall be provided to the Chief Operating Officer and the Metro Council. At each quarterly meeting, a report reflecting the status of the portfolio will be submitted for review and comment by at least three (3) members of the IAB. Discussion and comment on the report will be noted in minutes of the meeting. If concurrence is not obtained, notification will be given to the investment officer, including comments by the IAB.
- (c) Performance Standards. The overall performance of Metro's investment program is evaluated quarterly by the IAB using the objectives outlined in this policy. The quarterly report which confirms adherence to this policy shall be provided to the Metro Council as soon as practicable.

The pooled investment portfolio will be managed in accordance with the parameters specified within this policy. The portfolio should obtain a market average rate of return during a market/economic environment of stable interest rates. The primary benchmark of the portfolio will be either the ICE Bank of America Merrill Lynch 0-3 Year US Treasury Index or the ICE Bank of America Merrill Lynch 0-5 Year US Treasury Index. The Investment Officer may use other appropriate benchmarks including the Local Government Investment Pool's monthly average yield or a series of appropriate benchmarks consistent with Metro's investment objectives for additional analysis. Metro will use these benchmarks to determine the effectiveness of the investment strategy and return relative to market. The Investment Officer, IAB, and the Investment Advisor will review benchmarks annually for appropriateness and consistency with Metro's investment objectives.

- (d) Accounting Method. Metro shall comply with all required legal provisions and Generally Accepted Accounting Principles (GAAP). The accounting principles are those contained in the pronouncements of authoritative bodies, including, but not necessarily limited to, the American Institute of Certified Public Accountants (AICPA); the Financial Accounting Standards Board (FASB); and the Government Accounting Standards Board (GASB).

12.0 Policy Adoption and Re-adoption

- (a) The investment policy must be reviewed by the IAB and the Oregon Short-Term Fund Board prior to adoption by the Metro Council. Adoption of this policy supersedes any other previous Council action or policy regarding Metro's investment management practices.
- (b) This policy shall be subject to review and re-adoption annually by the Metro Council in accordance with ORS 294.135.

13.0 List of Documents Used in Conjunction with this Policy

The following documents are used in conjunction with this policy and are available from the investment manager upon request:

- List of Authorized Brokers and Dealers
- List of Primary Dealers
- Calendar of Federal Reserve System Holidays
- Calendar of Local Government Investment Pool Holidays
- Broker/Dealer Request for Information
- Oregon State Treasury's Summary of Liquid Investments Available to Local Governments for Short-Term Fund Investment

- Oregon State Treasury's U.S. Government and Agency Securities for Local Government Investment Under ORS 294.035 and 294.040
- Oregon State Treasury's List of Qualified Depositories for Public Funds
- Attorney General's letter of advice: Certificates of Deposit, ORS 294.035 and ORS Chapter 295
- Oregon Revised Statute Chapter 294 – County and Municipal Financial Administration
- Oregon Revised Statute Chapter 295 – Depositories of Public Funds and Securities
- Government Finance Officers Association Glossary of Cash Management Terms

14.0 Definitions

Accrued Interest means interest earned but which has not yet been paid or received.

Benchmark Notes/Bonds mean Benchmark Notes and Bonds are a series of FNMA “bullet” maturities (non-callable) issued according to a pre-announced calendar. Under its Benchmark Notes/Bonds program, 2, 3, 5, 10 and 30-year maturities are issued each quarter. Each Benchmark Notes new issue has a minimum size of \$4 billion, 30-year new issues having a minimum size of \$1 billion, with re-openings based on investor demand to further enhance liquidity. The amount of non-callable issuance has allowed FNMA to build a yield curve in Benchmark Notes and Bonds in maturities ranging from 2 to 30 years. The liquidity emanating from these large size issues has facilitated favorable financing opportunities through the development of a liquid overnight and term repo market. Issues under the Benchmark program constitute the same credit standing as other FNMA issues; they simply add organization and liquidity to the intermediate- and long-term Agency market.

Book Value means the value at which a debt security is reflected on the holder's records at any point in time. Book value is also called “amortized cost” as it represents the original cost of an investment adjusted for amortization of premium or accretion of discount. Also called “carrying value.” Book value can vary over time as an investment approaches maturity and differs from “market value” in that it is not affected by changes in market interest rates.

Bullet Notes/Bonds mean notes or bonds that have a single maturity date and are non-callable.

Callable Bonds/Notes mean securities which contain an imbedded call option giving the issuer the right to redeem the securities prior to maturity at a predetermined price and time.

Certificate of Deposit Account Registry Service (CDARS) means a private service that breaks up large deposits (from individuals, companies, nonprofits, public funds, etc.) and places them across a network of banks and savings associations around the United States. Allows depositors to deal with a single bank that participates in CDARS but avoid having funds above the FDIC deposit insurance limits in any one bank.

Commercial Paper means a short term unsecured promissory note issued by a company or financial institution. Issued at a discount and matures for par or face value. Usually a maximum maturity of 270 days, and given a short-term debt rating by one or more NRSROs.

Coupon Rate means the annual rate of interest on a debt security, expressed as a percentage of the bond's face value.

Discount Notes mean unsecured general obligations issued by Federal Agencies at a discount. Discount notes mature at par and can range in maturity from overnight to one year.

Federal Agency Security means a security issued by a federal agency or certain federally chartered entities (often referred to as government-sponsored enterprises or GSEs). Agency securities typically are not guaranteed by the federal government, particularly those of GSEs.

Federal Farm Credit Banks Funding Corporation (FFCB) means one of the large Federal Agencies. A Government Sponsored Enterprise (GSE) system that is a network of cooperatively-owned lending institutions that provide credit services to farmers, agricultural cooperatives and rural utilities. The FFCBs act as financial intermediaries that borrow money in the capital markets and use the proceeds to make loans and provide other assistance to farmers and farm-affiliated businesses. Consists of the consolidated operations of the Banks for Cooperatives, Federal Intermediate Credit Banks, and Federal Land Banks. Frequent issuer of discount notes, agency notes and callable agency securities. FFCB debt is not an obligation of, nor is it guaranteed by the U.S. government, although it is considered to have minimal credit risk due to its importance to the U.S. financial system and agricultural industry.

Federal Home Loan Bank System (FHLB) means one of the large Federal Agencies. A Government Sponsored Enterprise (GSE) system, consisting of wholesale banks (currently twelve district banks) owned by their member banks, which provides correspondent banking services and credit to various financial institutions, financed by the issuance of securities. The principal purpose of the FHLB is to add liquidity to the mortgage markets. Although FHLB does not directly fund mortgages, it provides a stable supply of credit to thrift institutions that make new mortgage loans. FHLB debt is not an obligation of, nor is it guaranteed by the U.S. government, although it is considered to have minimal credit risk due to its importance to the U.S. financial system and housing market. Frequent issuer of discount notes, agency notes and callable agency securities. Also issues notes under its "global note" and "TAP" programs.

Federal Home Loan Mortgage Corporation (FHLMC or "Freddie Mac") means one of the large Federal Agencies. A government sponsored public corporation (GSE) that provides stability and assistance to the secondary market for home mortgages by purchasing first mortgages financed by the sale of debt and guaranteed mortgage backed securities. FHLMC debt is not an obligation of, nor is it guaranteed by the U.S. government, although it is considered to have minimal credit risk due to its importance to the U.S.

financial system and housing market. Frequent issuer of discount notes, agency notes, callable agency securities and MBS. Also issues notes under its “reference note” program.

Federal National Mortgage Association (FNMA or "Fannie Mae") means one of the large Federal Agencies. A government sponsored public corporation (GSE) that provides liquidity to the residential mortgage market by purchasing mortgage loans from lenders, financed by the issuance of debt securities and MBS (pools of mortgages packaged together as a security). FNMA debt is not an obligation of, nor is it guaranteed by the U.S. government, although it is considered to have minimal credit risk due to its importance to the U.S. financial system and housing market. Frequent issuer of discount notes, agency notes, callable agency securities and MBS. Also issues notes under its “benchmark note” program.

Federal Reserve Bank means one of the 12 distinct banks of the Federal Reserve System.

Global Notes means notes designed to qualify for immediate trading in both the domestic U.S. capital market and in foreign markets around the globe. Usually large issues that are sold to investors worldwide and therefore have excellent liquidity. Despite their global sales, global notes sold in the U.S. are typically denominated in U.S. dollars.

Government National Mortgage Association (GNMA or "Ginnie Mae") mean one of the large Federal Agencies. Government-owned Federal Agency that acquires, packages, and resells mortgages and mortgage purchase commitments in the form of mortgage-backed securities. Largest issuer of mortgage pass-through securities. GNMA debt is guaranteed by the full faith and credit of the U.S. government (one of the few agencies that is actually full faith and credit of the U.S.).

Government Sponsored Enterprise (GSE) means a privately owned entity subject to federal regulation and supervision, created by the U.S. Congress to reduce the cost of capital for certain borrowing sectors of the economy such as students, farmers, and homeowners. GSEs carry the implicit backing of the U.S. Government, but they are not direct obligations of the U.S. Government. For this reason, these securities will offer a yield premium over Treasuries. Examples of GSEs include: FHLB, FHLMC, and FNMA.

Market Value means the fair market value of a security or commodity. The price at which a willing buyer and seller would pay for a security.

Mortgage Backed Security (MBS) means a type of asset-backed security that is secured by a mortgage or collection of mortgages. These securities must also be grouped in one of the top two ratings as determined by an accredited credit rating agency, and usually pay periodic payments that are similar to coupon payments. Furthermore, the mortgage must have originated from a regulated and authorized financial institution.

Nationally Recognized Statistical Rating Organization (NRSRO) means a designated rating organization that the SEC has deemed a strong national presence in the U.S. NRSROs provide credit ratings on corporate and bank debt issues. Only ratings of a NRSRO may be used for the regulatory purposes of rating. Includes Moody's, Standard and Poor's, Fitch and Duff & Phelps.

Par Value means face value, stated value or maturity value of a security.

Primary Dealer means any of a group of designated government securities dealers designated by to the Federal Reserve Bank of New York. Primary dealers can buy and sell government securities directly with the Fed. Primary dealers also submit daily reports of market activity and security positions held to the Fed and are subject to its informal oversight. Primary dealers are considered the largest players in the U.S. Treasury securities market.

Primary Market means the market for new issues of securities, as distinguished from the Secondary Market, where previously issued securities are bought and sold. A market is primary if the proceeds of sales go to the issuer of the securities sold. The term also applies to government securities auctions.

Secondary Market means markets for the purchase and sale of any previously issued financial instrument.

TAP program. Launched in 6/99 as a refinement to the FHLB bullet bond auction process. In a break from the FHLB's traditional practice of bringing numerous small issues to market with similar maturities, the TAP Issue Program uses the four most common maturities and reopens them up regularly through a competitive auction. These maturities (2,3,5 and 10 year) will remain open for the calendar quarter, after which they will be closed and a new series of TAP issues will be opened to replace them. This reduces the number of separate bullet bonds issued, but generates enhanced awareness and liquidity in the marketplace through increased issue size and secondary market volume.

Tennessee Valley Authority (TVA) means a federally owned corporation in the United States created by congressional charter in May 1933 to provide navigation, flood control, electricity generation, fertilizer manufacturing, and economic development in the Tennessee Valley, a region particularly impacted by the Great Depression. The enterprise was a result of the efforts of Senator George W. Norris of Nebraska. TVA was envisioned not only as a provider, but also as a regional economic development agency that would use federal experts and electricity to rapidly modernize the region's economy and society.

Treasury Bills (T-Bills) mean short-term direct obligations of the United States Government issued with an original term of one year or less. Treasury bills are sold at a discount from face value and do not pay interest before maturity. The difference between the purchase price of the bill and the maturity value is the interest earned on the bill. Currently, the U.S. Treasury issues 4-week, 13-week and 26-week T-Bills

Treasury Bonds mean long-term interest-bearing debt securities backed by the U.S. Government and issued with maturities of ten years and longer by the U.S. Department of the Treasury.

Treasury Notes mean intermediate interest-bearing debt securities backed by the U.S. Government and issued with maturities ranging from one to ten years by the U.S. Department of the Treasury. The Treasury currently issues 2-year, 3-year, 5-year, 7-year and 10-year Treasury Notes.

U.S. Government Backed Securities mean FDIC-guaranteed corporate debt issued under the Temporary Liquidity Guarantee Program (TLGP) and backed by the full faith and credit of the United States Government with a maximum final maturity of five years.

Yield to Maturity (YTM) at Cost means the percentage rate of return paid if the security is held to its maturity date at the original time of purchase. The calculation is based on the coupon rate, length of time to maturity, and original price. It assumes that coupon interest paid over the life of the security is reinvested at the same rate. The Yield at Cost on a security remains the same while held as an investment.

IN CONSIDERATION OF RESOLUTION NO. 26-5608, FOR THE PURPOSE OF
ADOPTING THE METRO INVESTMENT POLICY FOR FISCAL YEAR 2025-26

Date: 4/23/2026
Department: Finance
Meeting Date: 5/7/2026

Prepared by: Brian Kennedy, 503-797-1913
Presenter(s) (if applicable): Brian Kennedy (he/him)
Length: 10 minutes

ISSUE STATEMENT

Oregon Revised Statute 294 requires the Metro Council annually review and re-adopt the Investment Policy.

ACTION REQUESTED

The Metro Council reviews and adopts the Investment Policy by approving Resolution No. 26-5608.

IDENTIFIED POLICY OUTCOMES

Due to Metro's fiduciary responsibility, safety of capital and availability of funds to meet payment requirements are the overriding objectives of the investment program. Investment return targets are secondary.

POLICY QUESTION(S)

Does Metro Council wish to re-adopt the Investment Policy?

POLICY OPTIONS FOR COUNCIL TO CONSIDER

Metro Council could review and re-adopt the Investment Policy as presented.

Metro Council could recommend modifications to the Investment Policy. Any changes to the policy in its current form would then be reviewed by both Metro's Investment Advisory Board and the Oregon Short-Term Fund Board prior to being presented to council as an ordinance.

STAFF RECOMMENDATIONS

Staff recommends the review and re-adoption of the Investment Policy by approving Resolution 26-5608

STRATEGIC CONTEXT & FRAMING COUNCIL DISCUSSION

The Investment Policy provides a framework for staff to invest all cash-related assets held by Metro. The primary focus is to ensure the safety of capital and availability of funds to meet the payment requirements of the agency. Through prudent investment of assets,

Finance and Regulatory Services can meet this primary focus, while generating additional resources for programmatic use.

The Metro Council appointed a five-member citizen group, the Investment Advisory Board (IAB), to act in an advisory capacity for investment strategies and banking relationships, examine the legality and probity of investment activities, and establish written procedures for investment operations. The IAB previously recommended Metro Council review and re-adopt the Investment Policy in its current form.

ORS 294 restricts the types and maturities of investments made by local governments. However, it provides additional flexibility when a written investment policy is adopted. ORS 294.135 restricts investment maturities to 18 months, but longer maturities are allowed for Metro due to our adopted policy and are contingent on annual review and re-adoption by Metro Council. Also prescribed by ORS 294.135, Metro's investment policy must be reviewed by the Oregon Short-Term Fund Board; the policy has previously been approved in its current form.

The proposed Investment Policy does not include any changes.

BACKGROUND

The Metro Council last re-adopted the investment policy in May 2025.



Metro

600 NE Grand Ave.
Portland, OR 97232-2736
oregonmetro.gov

Agenda #: 6.1

File #: ORD 26-1542

Agenda Date:5/7/2026

Ordinance No. 26-1542 For the Purpose of Amending Metro Code Section 7.05.150 (Deficiencies and Refunds) to Extend Tax Refund Filing Deadlines for Tax Years 2021 and 2022 Under Certain Circumstances

Justin Laubscher (he/him), Tax Compliance Program Manager

BEFORE THE METRO COUNCIL

FOR THE PURPOSE OF AMENDING METRO)	ORDINANCE NO. 26-1542
CODE SECTION 7.05.150 (DEFICIENCIES AND)	
REFUNDS) TO EXTEND TAX REFUND FILING)	Introduced by Chief Operating Officer
DEADLINES FOR TAX YEARS 2021 AND 2022)	Marissa Madrigal in concurrence with Acting
UNDER CERTAIN CIRCUMSTANCES)	Council President Duncan Hwang

WHEREAS, Metro Code Chapter 7.05 (Income Tax Administration for Personal Income and Business Taxes) administers Metro’s Supportive Housing Services (SHS) business and personal income taxes; and

WHEREAS, consistent with state law (ORS Chapter 314), the Metro Code authorizes a three-year statute of limitations to seek a tax refund from the date the taxfiler filed the original tax return, or two years from the date in which the tax was paid if no return was filed; and

WHEREAS, Metro staff recently learned that several thousand individuals had taxes withheld by their employers during Tax Years 2021 and 2022, but these individuals did not ultimately meet the income threshold necessary to owe Metro’s Supportive Housing Services personal income tax (SHS Personal Income Tax); and

WHEREAS, these individuals may not have been aware that they could seek a refund of overpaid income tax amounts withheld by their employers, and yet the time for seeking a refund under current Metro Code has expired for Tax Years 2021 and 2022; and

WHEREAS, Metro’s tax administrator is proactively monitoring similar situations for tax years after 2022 to ensure that individuals are aware of refund opportunities of withheld taxes if they are not ultimately required to pay the SHS Personal Income Tax due to not meeting the income thresholds; and

WHEREAS, it is the public interest that Metro amend its SHS Income Tax Code to authorize an extended statute of limitations to allow an individual to seek a refund for tax years 2021 and 2022 if the individual: (1) had the tax withheld from wages, (2) did not otherwise owe the SHS Income Tax, and (3) may have been unaware of the individual’s ability to seek a refund; and

WHEREAS, this extended statute of limitations only applies to a subset of individuals for tax years 2021 and 2022. Namely, those that: had SHS Income Tax withheld by their employers, ultimately did not meet the income threshold required to owe the SHS Income Tax, failed to file a tax return or seek a timely refund, and proactively file a refund request no later than April 15, 2027; and

WHEREAS, upon this Ordinance’s adoption, Metro’s tax administrator will begin notifying all affected individuals that they may seek a refund for these overpayments by filing an original tax return and refund request no later than April 15, 2027; and

WHEREAS, the Metro Council has previously acknowledged that externally facing regulatory Metro Code chapters—primarily the solid waste and income tax code chapters—require more frequent code updates to ensure ongoing regulatory clarity, align with state and federal law changes, and maintain best practices (Resolution No. 22-5293); and

WHEREAS, pursuant to Resolution No. 22-5293, the Office of Metro Attorney reviewed Metro Code Section 7.05.150 to consider whether any plain language revisions were necessary and determined that no additional changes were needed; now therefore,

THE METRO COUNCIL ORDAINS AS FOLLOWS:

SECTION 1. Metro Code Section 7.05.150 (Deficiencies and Refunds) is amended as set forth in the attached as Exhibit A, with inserted language in underlined text and deleted language in strikethrough text.

SECTION 2. The amendment to Metro Code Section 7.05.150 made by Section 1 of this Ordinance is repealed on May 1, 2027.

SECTION 3. The Chief Operating Officer may, if necessary, adopt new administrative rules or amend existing income tax administrative rules without a public comment process to ensure conformity with the Metro Code amendments adopted by this ordinance.

SECTION 4. That this ordinance being necessary for the immediate preservation of public health, safety or welfare, an emergency is declared to exist, and this ordinance takes effect immediately upon adoption pursuant to Metro Charter Section 38(1). The Council finds that an immediate ordinance effective date is necessary to ensure timely and appropriate refunds to individuals that paid Metro's SHS Income Tax but did not meet the necessary income tax thresholds upon which the tax is imposed and therefore did not owe the tax.

SECTION 5. If a court of competent jurisdiction finds that any portion of this ordinance is invalid or unenforceable as a matter of law, that finding does not invalidate or render unenforceable any other provisions of this ordinance.

ADOPTED by the Metro Council this 14th day of May 2026.

Duncan Hwang, Acting Council President

Attest:

Approved as to Form:

Georgia Langer, Recording Secretary

Carrie MacLaren, Metro Attorney

Metro Code Subsection 7.05.150 is amended as follows, with underlined text representing inserted text and ~~striketrough~~ representing deleted text.

7.05.150. Deficiencies and Refunds.

- (a) The Administrator may assess deficiencies and grant refunds any time within the periods set forth for deficiencies or refunds under ORS Chapter 314. The Administrator may by agreement with the taxfiler extend the time periods to the same extent as provided by statute.
- (b) When no tax return has been filed, there is no time limit for a notice of deficiency or the assessment of taxes, penalty and interest due.
- (c) Notwithstanding subsections (a) and (b), the Administrator is not required to accept any tax return for any tax period from a taxfiler if:
 - (1) The Administrator obtains a money judgment against the taxfiler for failure to pay an unpaid account balance due; and
 - (2) The Administrator or its designee lawfully served the taxfiler with the lawsuit pursuant to the Oregon Rules of Civil Procedure; and
 - (3) The tax return is for a taxable year that is the subject of the general money judgment; and
 - (4) The Administrator gave written notice stating that the taxfiler had an outstanding balance due at least 30 days before the Administrator (or its designee) filed a lawsuit for those particular taxable years.
- (d) Notwithstanding subsection (a), the Administrator may issue a personal income tax refund beyond the periods set forth for refunds under ORS Chapter 314 for an overpayment that resulted from employer withholding for Tax Years 2021 and 2022, provided that:
 - (1) The individual claims a refund of the overpayment on an original personal income tax return; and
 - (2) The individual files the return no later than April 15, 2027.

IN CONSIDERATION OF ORDINANCE NO. 26-1542, AMENDING METRO CODE SECTION 7.05.150 (DEFICIENCIES AND REFUNDS) TO EXTEND TAX REFUND FILING DEADLINES FOR TAX YEARS 2021 AND 2022 UNDER CERTAIN CIRCUMSTANCES

Date: April 20, 2026

Departments: Council Office,
Revenue and Analytics Division

Meeting Date: May 7, 2026

Prepared by: Justin Laubscher

Presenter: Justin Laubscher, Tax
Compliance Program Manager
justin.laubscher@oregonmetro.gov

Length: 10 min

ISSUE STATEMENT

Metro Code currently limits the timeframe in which taxpayers may claim refunds for the Supportive Housing Services (SHS) personal income tax. Metro's statute of limitations for seeking a refund aligns with State law. Some taxpayers overpaid taxes for 2021 and 2022 due to automatic withholding of wages, even though they were ultimately not liable for Metro's SHS Personal Income Tax because they did not meet the income threshold and may not be aware that they can seek a refund. They have not filed returns and are unable to claim refunds under existing timelines.

ACTION REQUESTED

Hear public comments and discuss potential adoption of Ordinance No. 26-1542 at an expected second read on May 14, 2026.

IDENTIFIED POLICY OUTCOMES

- Provide a limited opportunity for taxpayers to claim refunds for tax years 2021 and 2022.
- Increase voluntary compliance with SHS tax filing requirements.
- Improve administrative clarity and consistency in refund processing.

POLICY OPTIONS FOR COUNCIL TO CONSIDER

- Adopt Ordinance No. 26-1542 as proposed. Allows refunds for 2021 and 2022 tax years if returns are filed by April 15, 2027.
- Amend Ordinance No. 26-1542 to refine timing or language.
- Do not adopt Ordinance No. 26-1542. Modify the eligible tax years or filing deadline prior to adoption.

STAFF RECOMMENDATION

Staff recommends adoption of Ordinance 26-1542 as drafted.

STRATEGIC CONTEXT & FRAMING COUNCIL DISCUSSION

This ordinance supports Metro’s goals of equitable tax administration and improved compliance with the Supportive Housing Services tax. By providing a defined, time-limited opportunity to claim refunds, the policy balances fairness to taxpayers with administrative efficiency and program integrity.

Known Opposition/Support/Community Feedback

None known at this time.

Legal Antecedents

- Measure 26-210 (2020) established the Supportive Housing Services personal and business income taxes.
- Metro Code Chapter 7.05 (Supportive Housing Services Personal Income Tax)

Anticipated Effects

If adopted:

- Increased filing of tax returns for 2021 and 2022.
- Additional refund claims processed within the specified timeframe.
- Improved taxpayer compliance and engagement.

Financial Implications

The ordinance may result in additional refund payments for tax years 2021 and 2022. These impacts are expected to be limited and can be managed within existing program resources. No significant new administrative costs are anticipated.

BACKGROUND

The Supportive Housing Services personal income tax requires eligible taxpayers to file annual returns. Some taxpayers have not yet filed returns for the 2021 and 2022 tax years, including those who may have overpaid through employer withholding.

Metro staff recently learned that several thousand individuals had taxes withheld by their employers during Tax Years 2021 and 2022, but these individuals did not ultimately meet the income threshold necessary to owe Metro’s Supportive Housing Services personal income tax. These individuals may not be aware that they could seek a refund of overpaid income tax amounts withheld by their employers, and yet the time for seeking a refund under current Metro Code has expired for Tax Years 2021 and 2022.

Metro’s tax administrator is proactively monitoring similar situations for tax years after 2022 to ensure that individuals are aware of refund opportunities of employer withheld taxes if they are not ultimately required to pay the SHS Personal Income Tax due to not meeting the income thresholds. This ordinance extends the statute of limitations to seek a refund under limited circumstances and establishes a deadline of April 15, 2027, for filing original returns to claim refunds for those years, providing a clear, limited pathway for compliance.

ATTACHMENTS

None