

Council meeting agenda

Thursday, November 29, 2018

2:00 PM

Metro Regional Center, Council chamber

REVISED 11/29

1. Call to Order and Roll Call

2. Public Communication

3. Presentations

- 3.1 First Quarterly Finance Report [18-5123](#)

Presenter(s): Tim Collier, Metro

Attachments: [FY 2018-19 First Quarter Financial Report](#)

4. Consent Agenda

- 4.1 Resolution No. 18-4927, For the Purpose of Authorizing [RES 18-4927](#)

the Chief Operating Officer to Issue a Renewed
Non-System License to FCA US LLC. - Mopar PDC for
Transport and Disposal of Non-Recoverable Solid Waste,
Including Putrescible Waste at Covanta Waste-To-Energy
Facility Located in Brooks, Oregon

Attachments: [Resolution No. 18-4927](#)
[Exhibit A to Resolution No. 18-4927](#)
[Staff Report](#)

- 4.2 Resolution No. 18-4928, For the Purpose of Authorizing [RES 18-4928](#)

the Chief Operating Officer to Issue a Renewed
Non-System License to Willamette Resources, Inc. and
Republic Services Of Clackamas and Washington Counties
for Transport and Disposal of Putrescible Waste at the
Covanta Waste-To-Energy Facility Located in Brooks,
Oregon

Attachments: [Resolution No. 18-4928](#)
[Exhibit A to Resolution No. 18-4928](#)
[Staff Report](#)

- 4.3 Resolution No. 18-4929, For the Purpose of Authorizing the Chief Operating Officer to Issue a Renewed Non-System License to Fujifilm North America Corporation for Transport and Disposal of Non-Recoverable Solid Waste, Including Putrescible Waste at the Covanta Waste-To-Energy Facility Located in Brooks, Oregon [RES 18-4929](#)
- Attachments: [Resolution No. 18-4929](#)
[Attachement A to Resolution No. 18-4929](#)
[Staff Report](#)
- 4.4 Resolution No. 18-4930, For the Purpose of Authorizing the Chief Operating Officer to Issue a Renewed Non-System License to Epson Portland, Inc. for Transport and Disposal Non-Recoverable Solid Waste, Including Putrescible Waste at the Covanta Waste-To-Energy Facility Located in Brooks, Oregon [RES 18-4930](#)
- Attachments: [Resolution No. 18-4930](#)
[Attachmant A to Resolution No. 18-4930](#)
[Staff Report](#)
- 4.5 Resolution No. 18-4931, For the Purpose of Authorizing the Chief Operating Officer to Issue a Renewed Non-System License to Eaton Portland Power Center for Transport and Disposal of Non-Recoverable Solid Waste, Including Putrescible Waste At The Covanta Waste-To-Energy Facility Located in Brooks, Oregon [RES 18-4931](#)
- Attachments: [Resolution No. 18-4931](#)
[Exhibit A to Resolution No. 18-4931](#)
[Staff Report](#)
- 4.6 Resolution No. 18-4932, For the Purpose of Authorizing the Chief Operating Officer to Issue a Renewed Non-System License To Daimler Trucks North America for Transport and Disposal of Non-Recoverable Solid Waste, Including Putrescible and Special Waste at the Covanta Waste-To-Energy Facility in Brooks, Oregon [RES 18-4932](#)
- Attachments: [Resolution No. 18-4932](#)
[Exhibit A to Resolution No. 18-4932](#)
[Staff Report](#)
-

- 4.7 Consideration of November 15, 2018 Minutes **18-5128**

5. Resolutions

- 5.1 Resolution No. 18-4916, For the Purpose of Approving the Policy and Investment Framework for the 2040 Planning and Development Grant Program in 2019 [RES 18-4916](#)

Presenter(s): Lisa Miles, Metro
Roger Alfred, Metro

Attachments: [Resolution No. 18-4916](#)
[Staff Report to Ordinance No.18-1425 and Resolution No. 18-4916](#)

6. Ordinances (First Reading and Public Hearing)

- 6.1 Ordinance No. 18-1425, For the Purpose of Removing the Sunset Provision of the Metro Construction Excise Tax That Funds the 2040 Planning and Development Grant Program and Making Other Amendments to Chapter 7.04 of the Metro Code [ORD 18-1425](#)

Presenter(s): Roger Alfred, Metro
Lisa Miles, Metro

Attachments: [Ordinance No. 18-1425](#)
[Exhibit A to Ordinance No. 18-1425](#)
[Staff Report](#)

- 6.1.1 Public Hearing for Ordinance No. 18-1425

- 6.2 Ordinance No. 18-1428, For the Purpose of Annexing to the Metro District Boundary Approximately 42.09 Acres Located at the Corner of SW Boeckman Road and SW Stafford Road in Wilsonville [ORD 18-1428](#)

Presenter(s): Tim O'Brien, Metro

Attachments: [Ordinance No. 18-1428](#)
[Exhibit A to Ordinance No. 18-1428](#)
[Staff Report](#)
[Attachment 1 to Staff Report](#)

- 6.2.1 Public Hearing for Ordinance No. 18-1428

7. Ordinances (Second Reading)

- 7.1 Ordinance No. 18-1426, For the Purpose of Amending
Metro Code Title V Chapters 5.00, 5.01 and 5.05 to
Establish a Framework for Allocating Putrescible Solid
Waste Tonnage to Private Transfer Stations Beginning in
2020

[ORD 18-1426](#)

Presenter(s): Roy Bower, Metro
Molly Vogt, Metro

Attachments: [Ordinance No. 18-1426](#)
[Exhibit A to Ordinance No. 18-1426](#)
[Exhibit B to Ordinance No. 18-1426](#)
[Exhibit C to Ordinance No. 18-1426](#)
[Staff Report](#)
[Attachment 1 to Staff Report](#)
[Attachment 2 to Staff Report](#)

8. Chief Operating Officer Communication**9. Councilor Communication****10. Adjourn**

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

إشعار بعدم التمييز من Metro

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

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Metro txoj kev ntxub ntxaug daim ntawv ceeb toom

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Gresham Channel 30 - MCTV <i>Web site:</i> www.metroeast.org <i>Ph:</i> 503-491-7636 Call or visit web site for program times.	Washington County and West Linn Channel 30– TVC TV <i>Web site:</i> www.tvctv.org <i>Ph:</i> 503-629-8534 Call or visit web site for program times.
Oregon City and Gladstone Channel 28 – Willamette Falls Television <i>Web site:</i> http://www.wftvmedia.org/ <i>Ph:</i> 503-650-0275 Call or visit web site for program times.	

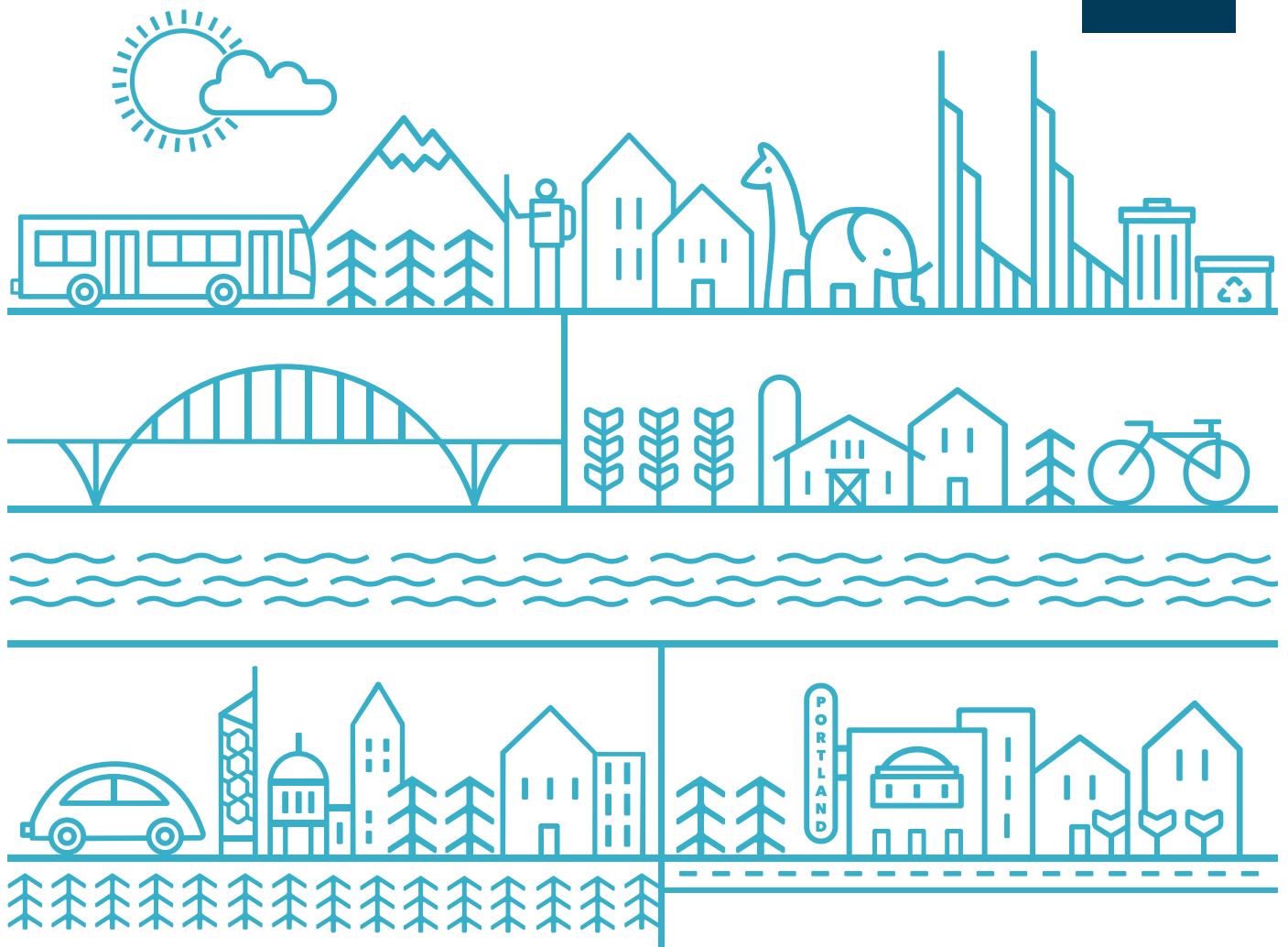
PLEASE NOTE: Show times are tentative and in some cases the entire meeting may not be shown due to length. Call or check your community access station web site to confirm program times. Agenda items may not be considered in the exact order. For questions about the agenda, call the Metro Council Office at 503-797-1540. Public hearings are held on all ordinances second read. Documents for the record must be submitted to the Regional Engagement and Legislative Coordinator to be included in the meeting record. Documents can be submitted by e-mail, fax or mail or in person to the Regional Engagement and Legislative Coordinator. For additional information about testifying before the Metro Council please go to the Metro web site www.oregonmetro.gov and click on public comment opportunities.

Agenda Item No. 3.1

First Quarterly Finance Report

Presentations

Metro Council Meeting
Thursday, November 29, 2018
Metro Regional Center, Council Chamber



Quarterly financial report

FY 2018-19 | July to September



If you picnic at Blue Lake or take your kids to the Oregon Zoo, enjoy symphonies at the Schnitz or auto shows at the convention center, put out your trash or drive your car – we’ve already crossed paths.

So, hello. We’re Metro – nice to meet you.

In a metropolitan area as big as Portland, we can do a lot of things better together. Join us to help the region prepare for a happy, healthy future.

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Metro Council President

Tom Hughes

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Shirley Craddick, District 1

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Craig Dirksen, District 3

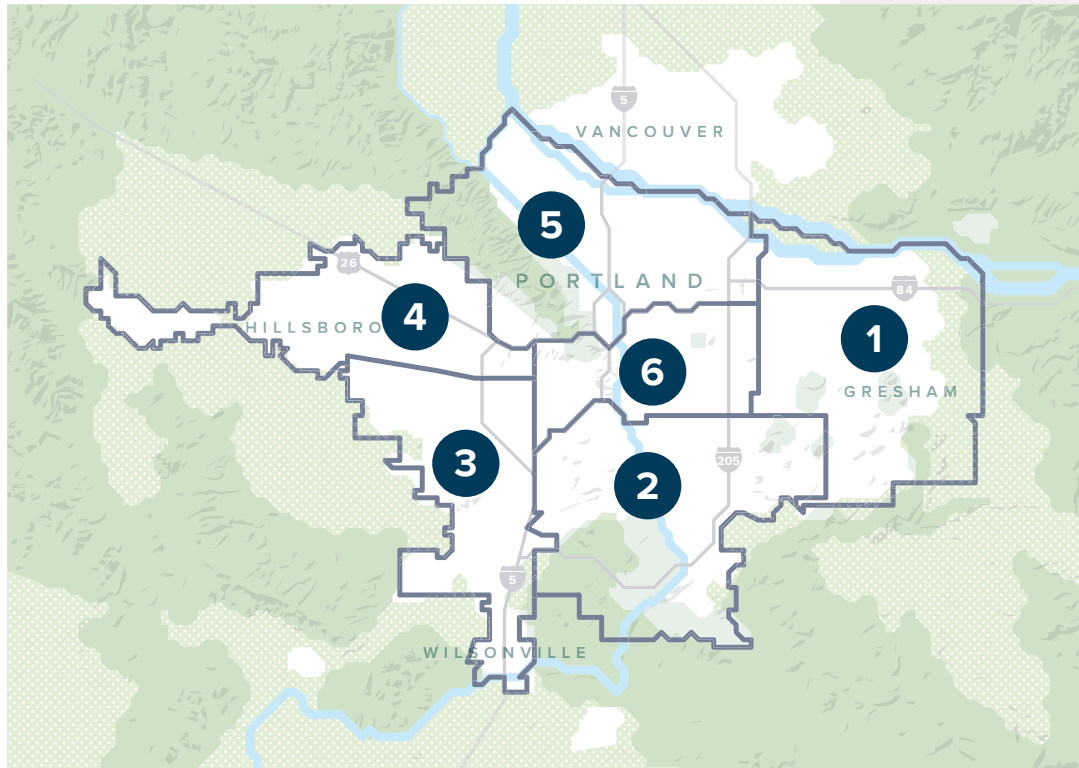
Kathryn Harrington, District 4

Sam Chase, District 5

Bob Stacey, District 6

Auditor

Brian Evans



FY 2018-19 Quarterly Report

First Quarter

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November 29, 2018

Dear President Hughes and Members of the Metro Council:

On behalf of the Finance Team I am today delivering Metro's First Quarter Financial Report. This report is based upon the unaudited closing of Metro's financial records as of September 30, 2018. As is typical in the first quarter, our actual expenditures and revenues are projected to be fairly close to our targets as laid out in the budget plan developed during the 2018-19 budget process. As the year progresses the picture will become clearer.

All Revenue	Budget	Actual YTD	YTD % of Budget	Year-end Projection	Projected % of Budget	3-Yr Average
Program Revenues	\$218,654,544	\$50,077,538	22.9%	\$219,595,106	100.4%	105.2%
General Revenues	100,693,627	7,603,523	7.6%	102,688,292	102.0%	103.7%
Other Financing Sources	525,000	35,256	6.7%	350,256	66.7%	78.4%
All Revenue	\$319,873,171	\$57,716,317	18.0%	\$322,633,654	100.9%	96.1%

Expenditures	Budget	Actual YTD	YTD % of Budget	Year-end Projection	Projected % of Budget	3-Year Average
Personal Services	\$113,630,871	\$24,623,983	21.7%	\$110,517,882	97.3%	95.0%
Materials and Services	187,082,848	26,762,465	14.3%	183,117,185	97.9%	92.9%
Total Operating Expenditures	300,713,719	51,386,448	17.1%	293,635,068	97.6%	93.8%
Total Capital Outlay	59,640,157	3,741,793	6.3%	40,479,304	67.9%	47.3%
Total Renewal and Replacement	11,695,154	721,881	6.2%	10,758,302	92.0%	29.2%
Total Expenditures	\$372,049,030	\$55,850,122	15.0%	\$344,872,674	92.7%	85.0%

Revenues look positive

Revenues from the MERC venues are projected to come in over budget. Transient lodging tax receipts continue to come in on budget, helping fund the long-term capital programs for the OCC and Expo.

Currently, Oregon Zoo attendance is down slightly over the prior year, with revenues tracking to come in below budget. We are expecting attendance to pick up with a strong Zoo Lights this year.

Property and Environmental Services revenues are tracking close to budget and are expected to end the year on target.

Revenue growth in the general fund (excise and property taxes in particular) continue at a modest pace year over year and are projected to end the year slightly above budget.

Operating expenditures are on track with budget

Operating expenditures continue to track budget, with the exception of the zoo which we are projecting to come in below budget. This is fairly typical of first quarter projections. We will continue to monitor as the year progresses and will have a better idea of any further necessary adjustments when second quarter closes.

Construction Excise Tax

Construction Excise Taxes continue to be strong, but are 107,000 lower than first quarter last year (867k versus 974k). The full CET report is included in appendix C.

First quarter results: On track

First quarter results continue to be on track with budget projections, with the exception of the zoo. We will continue to monitor budgeted revenues and expenditures as we progress throughout the year.

How will this affect future years?

As we continue to go through the year, our performance on how well we projected revenues versus expenditures will in part dictate the level of resources we have for the FY 2018-19 budget year. Beginning next month the Chief Operating Officer will have conversations about the FY 2019-20 budget. General Fund revenues continue to increase at a pace matching CPI, but we do not foresee much more growth than that. We will continue to monitor the financial situation to help make sure that we have solid base for next year's budget.

Sincerely,

A handwritten signature in black ink, appearing to read "Tim Collier", with a stylized flourish at the end.

Tim Collier, CPA, MBA

Director of Finance and Regulatory Services



METRO OPERATING REVENUES

	Budget	Actual YTD	YTD % of Budget	Year-end Projection	Year-end % of Budget	3-Year Average
All Revenue						
Program Revenues	\$218,654,544	50,077,538	22.9%	\$219,595,106	100.4%	105.4%
General Revenues	100,693,627	7,603,523	7.6%	102,688,292	102.0%	103.7%
Special Items	0	0	0%	0	0.0%	0.0%
Extraordinary Items	0	0	0%	0	0.0%	0.0%
Other Financing Sources	525,000	35,256	6.7%	350,256	66.7%	78.4%
All Revenue	\$319,873,171	\$57,716,317	18.0%	\$322,633,654	100.9%	96.3%

Year-to-date (YTD) program and general revenues for the agency came to \$57 million (18 percent) of the annual budget, through the first quarter of fiscal year (FY) 2018-19. Other financing sources includes the sale of capital assets in Parks and Nature and in Property and Environmental Services.

PROGRAM REVENUE BREAKDOWN

	Budget	Actual YTD	YTD % of Budget	Year-end Projection	Year-end % of Budget	3-Year Average
Program Revenues						
Charges for Services Revenue	\$162,877,396	43,421,751	26.7%	\$162,894,901	100.0%	104.7%
Internal Charges for Svcs-Rev	2,546,043	585,278	23.0%	204,933	8.0%	66.2%
Licenses and Permits	629,124	123,395	19.6%	629,124	100.0%	115.1%
Miscellaneous Revenue	1,690,730	527,850	31.2%	1,956,260	115.7%	187.4%
Grants	12,927,538	15,200	0.1%	12,779,577	98.9%	88.8%
Intergovernmental Revenue	27,667,915	4,585,145	16.6%	25,626,719	92.6%	124.1%
Contributions from Governments	4,381,592	0	0.0%	8,976,887	204.9%	86.3%
Contributions - Private Source	1,671,705	411,920	24.6%	1,764,205	105.5%	207.4%
Capital Grants	4,262,501	407,001	9.5%	4,762,500	111.7%	302.6%
Program Revenues	\$218,654,544	\$50,077,538	22.9%	\$219,595,106	100.4%	105.4%

**FY 2018-19
program
revenues
projected to
exceed budget**

Contractors' Business License revenues through the first quarter came to 20 percent of budget. Program revenues are expected to come in on budget across the agency and drivers of annual revenue are likely to emerge as the year goes on. Light fall weather for outdoor venues, and expected grant revenues in Planning, may push revenues beyond original estimates.

GENERAL REVENUES BREAKDOWN

	Budget	Actual YTD	YTD % of Budget	Year-end Projection	Year-end % of Budget	3-Year Average
Real Property Taxes	\$76,746,738	1,654,450	2.2%	\$76,746,738	100.0%	101.4%
Excise Taxes	17,774,022	3,878,189	21.8%	19,389,467	109.1%	102.9%
Construction Excise Tax	3,742,000	867,108	23.2%	3,742,000	100.0%	123.2%
Other Derived Tax Revenues	46,000	8,929	19.4%	43,429	94.4%	102.4%
Interest Earnings	2,384,867	1,194,847	50.1%	2,766,658	116.0%	163.2%
General Revenue	\$100,693,627	\$7,603,523	7.6%	\$102,688,292	102.0%	103.7%

Property Tax - are at 2 percent through the first quarter (the majority of property taxes come in during the second quarter of the fiscal year).

Construction Excise Tax is at 23 percent through the first quarter.

Interest - Total interest earnings through the first quarter came in at 50 percent of budget.

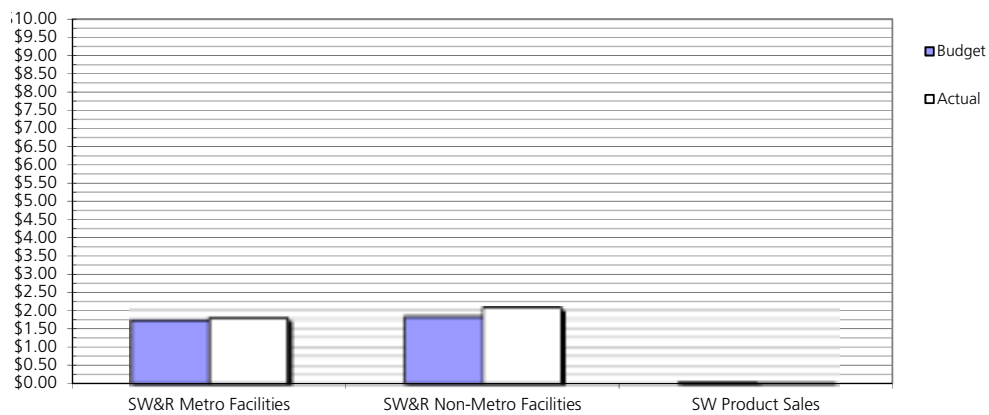
The first Transient Lodging Tax (TLT) excise tax payment of the fiscal year was received in October, and was \$1.8 million higher than the prior year, an 86 percent increase. This large increase is due to the timing of receipts, and offsets the \$1.3 million decrease from prior year on the September payment.

TLT excise tax supports OCC and Portland's operations and capital projects at OCC and Expo. OCC operations support will be \$11.6 million and Portland's operations support will be \$1.4 million. Pooled capital is forecasted to be \$6.5 million, however it is funded last and the amount is not known until the end of the fiscal year.

EXCISE TAX

Excise Tax Received Through September 30, 2018 - Budget vs. Actual

shown in millions



Excise Taxes
above budget

Overall excise tax revenues came in above budget for the first quarter. Solid waste excise tax was 2 percent above budget, driven by revenues at non-Metro facilities. Non-tonnage excise tax was below budget by 9 percent. For more information, see the Property and Environmental Services revenues narrative (in the Departments section), or refer to the Excise Tax Appendix.

METRO OPERATING EXPENDITURES

Expenditures	Budget	Actual YTD	YTD % of Budget	Year-end Projection	Year-end % of Budget	3-Year Average
Personal Services	\$92,574,705	\$20,042,413	21.6%	\$90,729,992	98.0%	95.5%
Materials and Services	174,211,351	24,157,726	13.9%	172,216,126	98.9%	94.9%
Total Operating Expenditures	266,786,056	44,200,139	16.6%	262,946,118	98.6%	95.1%
Total Debt Service	0	0	0%	0	0.0%	0.0%
Total Capital Outlay	48,615,192	3,019,912	6.3%	30,391,191	67.5%	45.5%
Total Renewal and Replacement	10,374,965	721,881	7.0%	9,438,113	91.0%	25.1%
Total Expenditures	\$336,151,178	\$48,663,813	14.5%	\$312,213,535	92.9%	82.8%

METRO SUPPORT SERVICES EXPENDITURES

	Budget	Actual YTD	YTD % of Budget	Year-end Projection	Year-end % of Budget	3-Year Average
Personal Services	\$20,932,962	4,542,299	21.7%	\$19,630,805	93.8%	93.3%
Materials and Services	8,653,439	1,995,968	23.1%	7,698,652	89.0%	81.2%
Total Operating Expenditures	29,586,401	6,538,267	22.1%	27,329,457	92.4%	89.1%
Total Capital Outlay	650,000	0	0.0%	650,000	100.0%	38.5%
Total Renewal and Replacement	1,320,189	0	0.0%	1,320,189		
Total Expenditures	\$31,556,590	\$6,538,267	20.7%	\$29,299,646	92.8%	87.3%

DEPARTMENTS

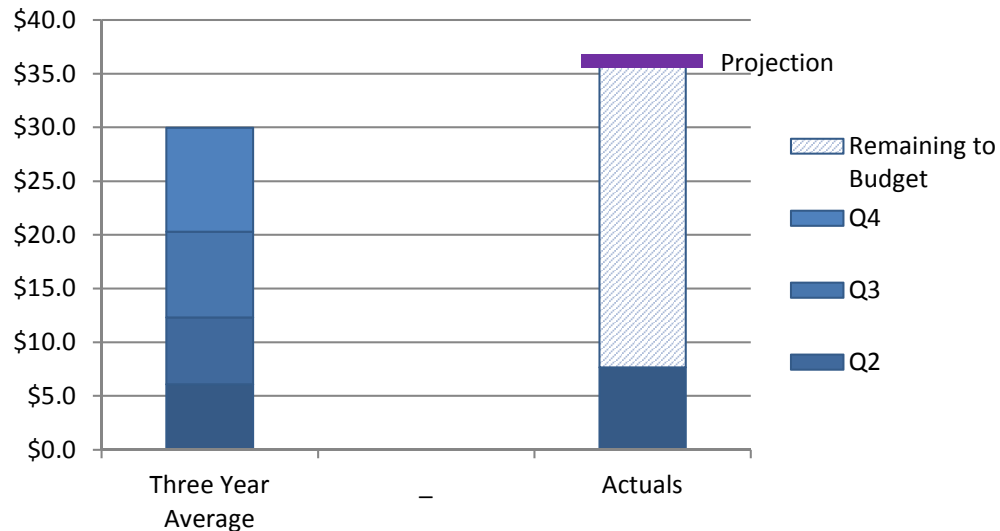
METROPOLITAN EXPOSITION RECREATION CENTER

Revenues	Budget	Actual YTD	YTD % of Budget	Year-end Projection	Year-end % of Budget	3-Year Average
Program Revenues	\$82,257,695	\$15,364,114	18.7%	\$85,532,968	104.0%	117.8%
General Revenues	690,798	245,885	35.6%	882,914	127.8%	322.4%
Special Items	0	0	0.0%	0	0.0%	0.0%
Extraordinary Items	0	0	0.0%	0	0.0%	0.0%
Other Financing Sources	0	0	0.0%	0	0.0%	0.0%
Total Revenue	\$82,948,493	\$15,609,999	18.8%	\$86,415,882	104.2%	118.3%

Expenditures	Budget	Actual YTD	YTD % of Budget	Year-end Projection	Year-end % of Budget	3-Year Average
Personal Services	\$23,928,875	\$4,795,586	20.0%	\$23,928,875	100.0%	96.8%
Materials and Services	78,808,475	8,653,983	11.0%	78,994,415	100.2%	110.4%
Total Operating Expenditures	102,737,350	13,449,569	13.1%	102,923,290	100.2%	105.1%
Total New Capital	6,460,000	1,070,419	16.6%	6,460,000	100.0%	33.6%
Total Expenditures	\$109,197,350	\$14,519,988	13.3%	\$109,383,290	100.2%	92.0%

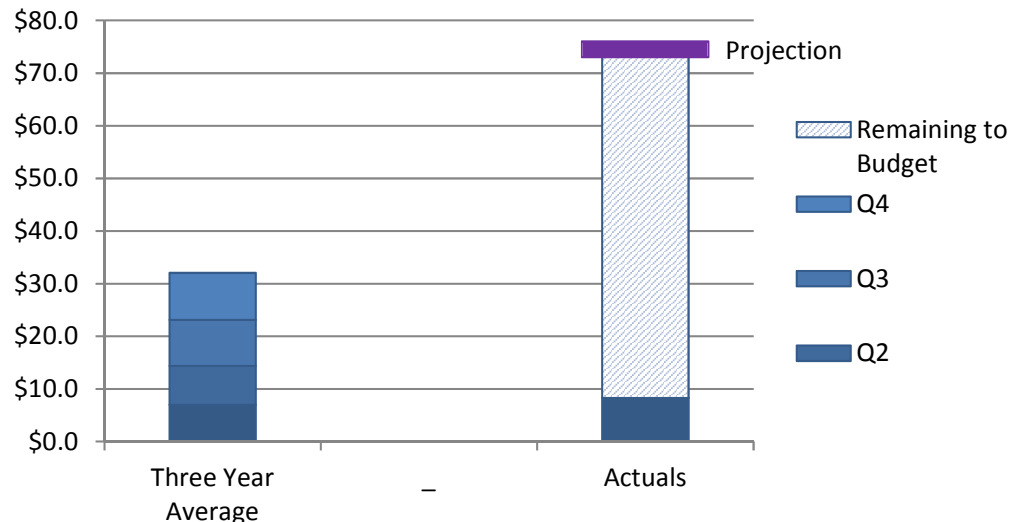
Oregon Convention Center- Program Revenues by Month

shown in millions



Oregon Convention Center- Expenditures by Month

shown in millions



OCC

The first quarter at the Oregon Convention Center has seen event revenues and food and beverage margin that are significantly higher in than in the prior two years. First quarter event-related revenues are at 26 percent of the annual budget.

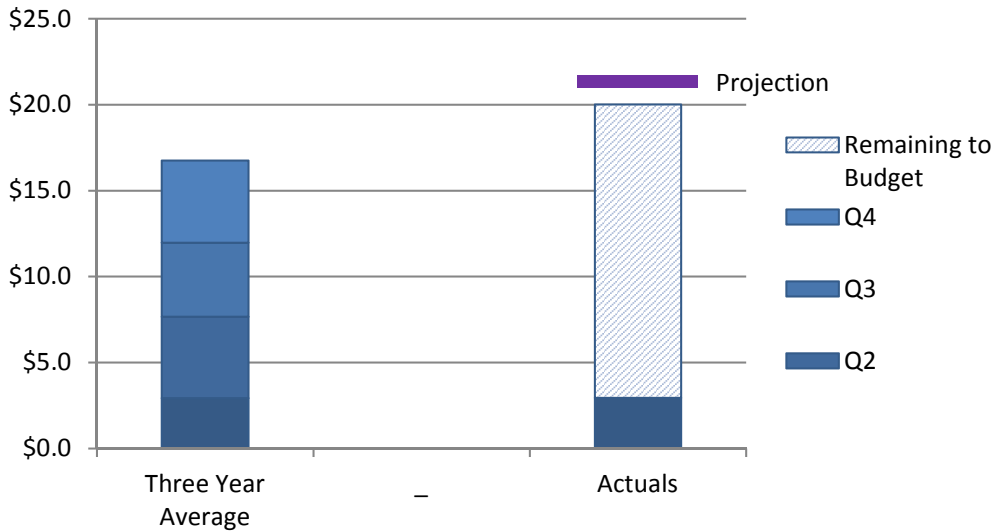
Significant events in the first quarter include the IEEE Power & Energy Society General Meeting, Medicaid Enterprise Systems Conference, and OSCON (Open Source Convention). The food and beverage margin is at 32 percent, well above the budget of 21 percent.

Operating expenses are currently at 21 percent of annual budget, slightly below the first quarter projection. The major renovation at the Center has begun, and the team is managing the construction around the event schedule. In addition to that project, the Center is also preparing for a lighting control upgrade and a partial cooling system replacement in the current year.

Major renovation at OCC has begun in earnest

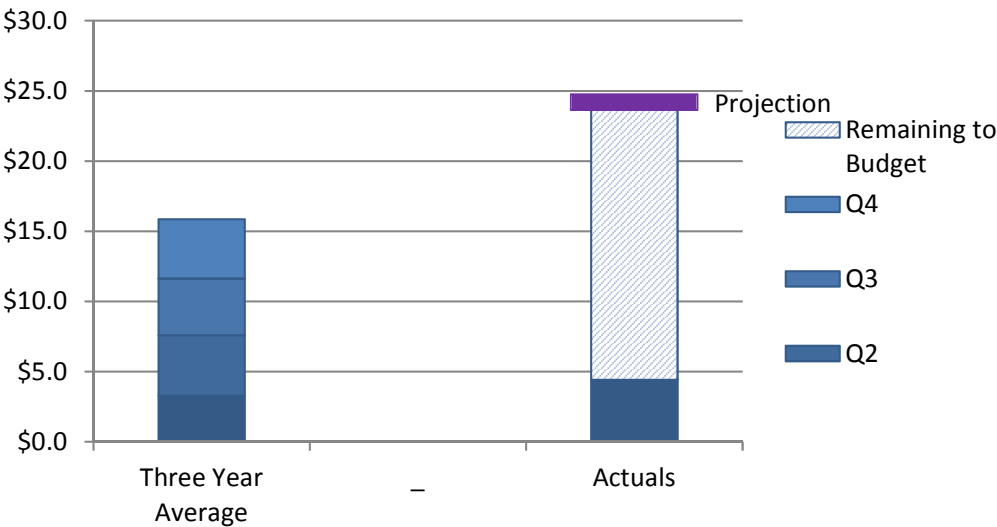
Portland’s Centers for the Arts- Program Revenues by Month

shown in millions



Portland’s Centers for the Arts- Expenditures by Month

shown in millions



Portland'5

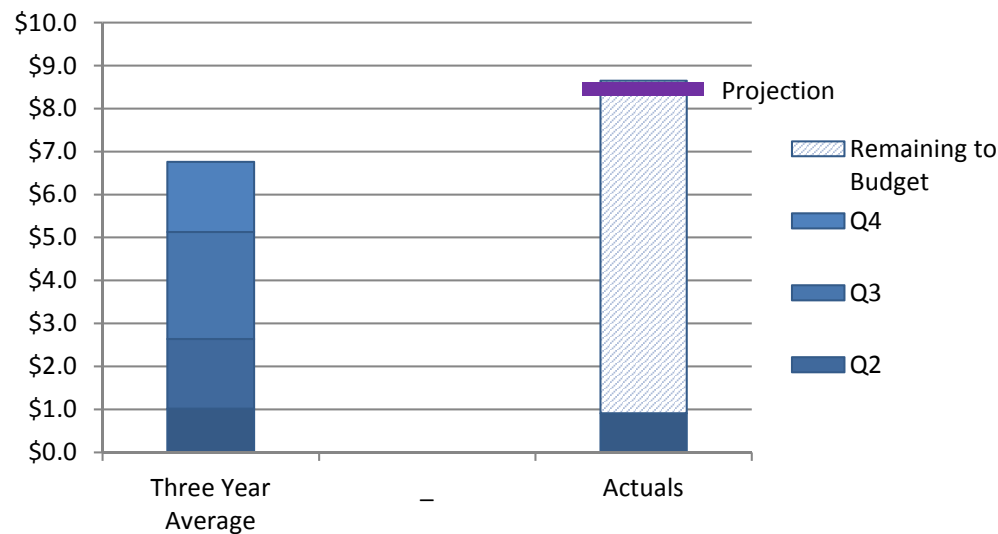
The first quarter at Portland'5 Centers for the Arts has been strong for event revenues and food and beverage sales. Broadway plays a significant role, and this year ran for three weeks in the first quarter, out of nine weeks this fiscal year. Portland'5 Presents anticipates booking a total of 40 events this year, and is off to a great start with strong performance in the first few shows of the year. The food and beverage margin is at 22 percent, just below the budget of 23 percent.

Additional funding for the Arlene Schnitzer Concert Hall acoustical shell project is projected, including \$2 million from the Visitor Facility Trust Account, \$1 million from the P5 Foundation and \$500,000 from the City of Portland.

Operating expenses are higher than in prior years, however the spending rate is comparable at 20 percent of annual budget. The increase in the operating budget is primarily due to new positions and one time maintenance projects. Portland'5 completed an overhaul of elevators at the Arlene Schnitzer Concert Hall this summer, and is in construction on an electrical infrastructure upgrade at the Keller Theater.

Portland Expo Center- Program Revenues by Month

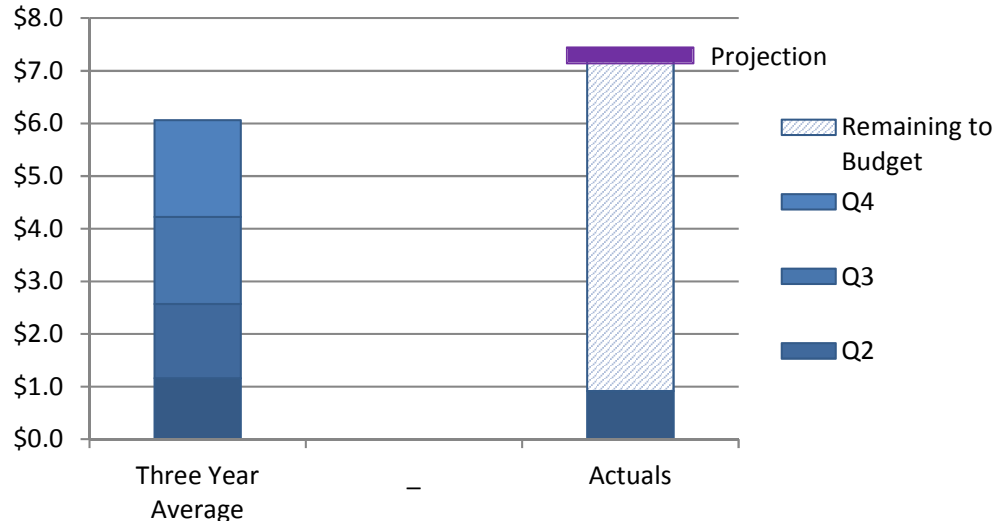
shown in millions



Portland'5 Presents projects 40 events in FY 2018-19

Portland Expo Center- Expenditures by Month

shown in millions



Expo

The Portland Expo Center's first quarter event revenues are lower this year than the prior year, due to Cirque du Soleil's performances last year. The food and beverage margin is flat as revenues have not surpassed the breakeven point; this is comparable to prior years and is projected to pick up in the busy third quarter.

Operating expenses are also lower than the prior year, at only 17 percent of annual budget. Much of Expo's expense hits in the third quarter when large events are scheduled. Expo has substantially completed the Greenwall Plaza project, which brings new opportunities for food and beverage offerings.

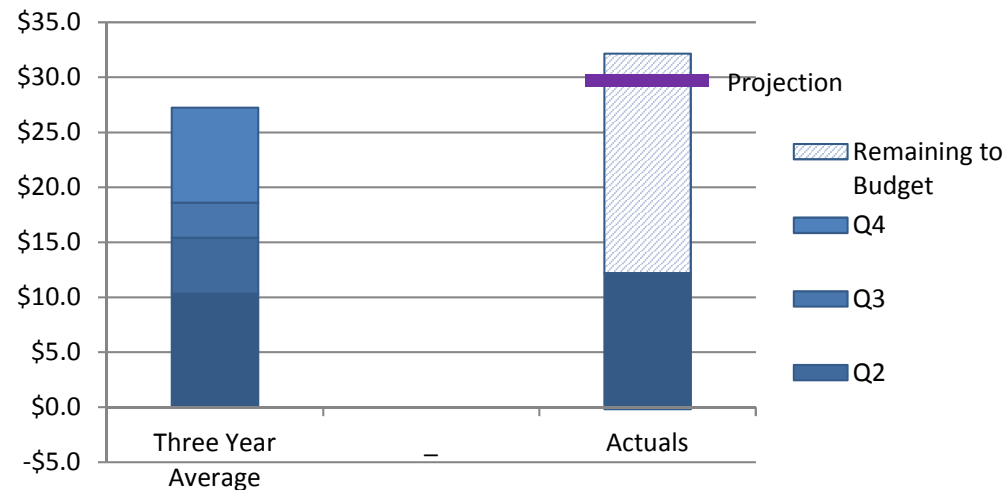
Expo completed Greenwall Plaza Project

OREGON ZOO

Revenues	Budget	Actual YTD	YTD % of Budget	Year-end Projection	Year-end % of Budget	3-Year Average
Program Revenues	\$32,084,451	\$12,590,374	39.2%	\$29,713,599	92.6%	98.7%
General Revenues	340,000	254,315	74.8%	54,117	15.9%	140.4%
Special Items	0	0	0.0%	0	0.0%	0.0%
Extraordinary Items	0	0	0.0%	0	0.0%	0.0%
Other Financing Sources	0	0	0.0%	-	0.0%	83.7%
Total Revenue	\$32,424,451	\$12,844,689	39.6%	\$29,767,716	91.8%	95.9%
Expenditures	Budget	Actual YTD	YTD % of Budget	Year-end Projection	Year-end % of Budget	3-Year Average
Personal Services	\$24,222,128	\$5,668,466	23.4%	\$23,911,425	98.7%	95.7%
Materials and Services	15,845,615	4,615,235	29.1%	\$13,906,858	87.8%	100.9%
Total Operating Expenditures	40,067,743	10,283,701	25.7%	37,818,283	94.4%	97.7%
Total Debt Service	0	0	0.0%	0	0.0%	0.0%
Total New Capital	3,387,241	38,199	1.1%	175,000	5.2%	46.1%
Total Renewal and Replacement	1,750,000	8,929	0.5%	1,750,000	100.0%	36.9%
Total Expenditures	\$45,204,984	\$10,330,829	22.9%	\$39,743,283	87.9%	89.4%

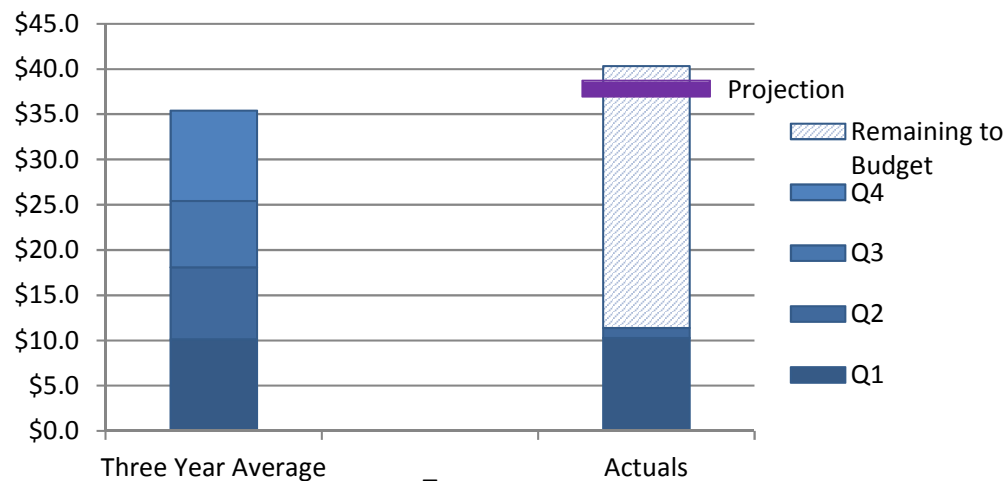
Oregon Zoo- Program Revenues by Month

shown in millions



Oregon Zoo- Expenditures by Month (excluding Zoo Bond)

shown in millions



Revenues

First quarter attendance suffered due to the heat and smoke in July and August. September attendance was strong and offset some of the earlier losses. Overall there were 523,452 visitors down from 539,612 in the prior year and 6 percent below the three year average. The summer concert series offered fourteen concerts, including the second year of the Oregon Symphony partnership, and revenues exceeded expectations. The animal encounter program, launched in March, continues to be popular. The giraffe feeding platform should be opening in the next quarter, however the budget did assume an earlier opening date and \$132,000 in revenues for the summer months.

The current year's budget assumes 1.5M guests. Early fiscal year projections predict hitting this target. A more accurate picture will be available in the second quarter; ZooLights has become a significant driver of off season attendance. Construction on the final bond projects has commenced and staff continue to mitigate any guest impacts. In fact, with a good view from the boardwalk as well as some viewing windows along the fence line the visitors can stop to watch the demolition.

Expenditures

Materials and Services are in line with prior year spending levels with no significant variances to note. Personnel Services is lower than the prior year due to several key positions remaining vacant including the Deputy Director of Operations and General Curator. Several new Education Specialist positions and Guest Service Worker positions were also slower to hire than expected.

The capital budget for the fiscal year is primarily focused on technology and equipment. These include a conversion to VOIP, a ticketing software replacement, website redesign, an x-ray machine, and animal cameras. All of these projects are currently underway.

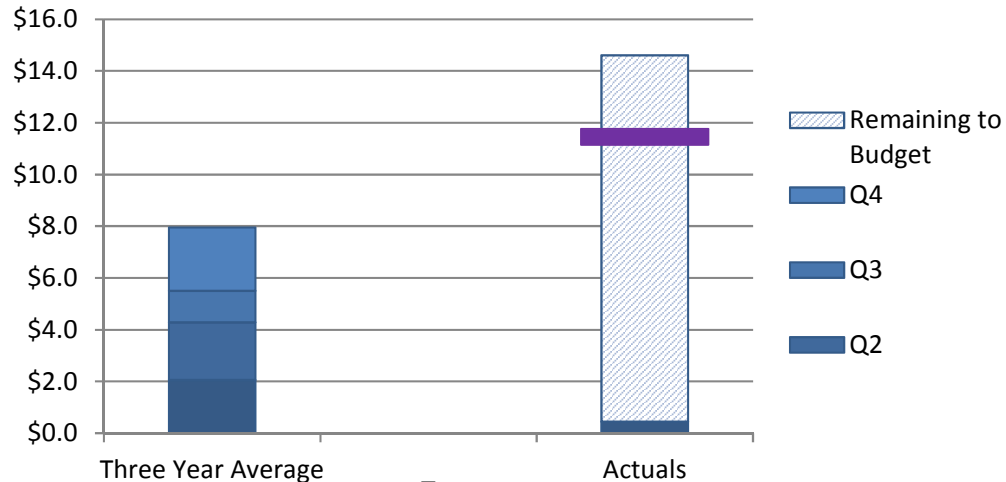
1st quarter attendance is down

OREGON ZOO INFRASTRUCTURE AND ANIMAL WELFARE BOND

Expenditures	Budget	Actual YTD	YTD % of Budget	Year-end Projection	Year-end % of Budget	3-Year Average
Personal Services	\$722,658	\$85,469	11.8%	\$494,833	68.5%	88.3%
Materials and Services	15,000	37,542	250.3%	150,167	1001.1%	1259.4%
Total Operating Expenditures	737,658	123,011	16.7%	645,000	87.4%	116.1%
Total Debt Service	0	0	0%	0	0.0%	0.0%
Total Capital Outlay	13,867,429	323,855	2.3%	10,800,000	77.9%	55.5%
Total Expenditures	\$14,605,087	\$446,866	3.1%	\$11,445,000	78.4%	59.9%

Oregon Zoo Infrastructure and Animal Welfare Bond- Expenditures by Month

shown in millions



Spending on the zoo bond program is substantially below the three-year average while design work for the combined Polar Passage, Primate Forest, and rhino habitat projects is completed. Given the current market conditions for construction in the region and potential tariffs on construction materials, the cost of construction continues to increase. Bids on the combined project are expected in the second quarter. The Portland region's construction cost escalation over the past year is the second highest in the country behind San Francisco. This continues to challenge the Polar Passage and Primate Forest project budget. Early work, consisting primarily of demolition and site work, began in the late spring and will bring a corresponding increase in capital outlay. The bond program is also funding the replacement of a critical backup generator that will be installed in the late fall. Expenditures will increase substantially in the next fiscal year as construction activities intensify.

PARKS AND NATURE

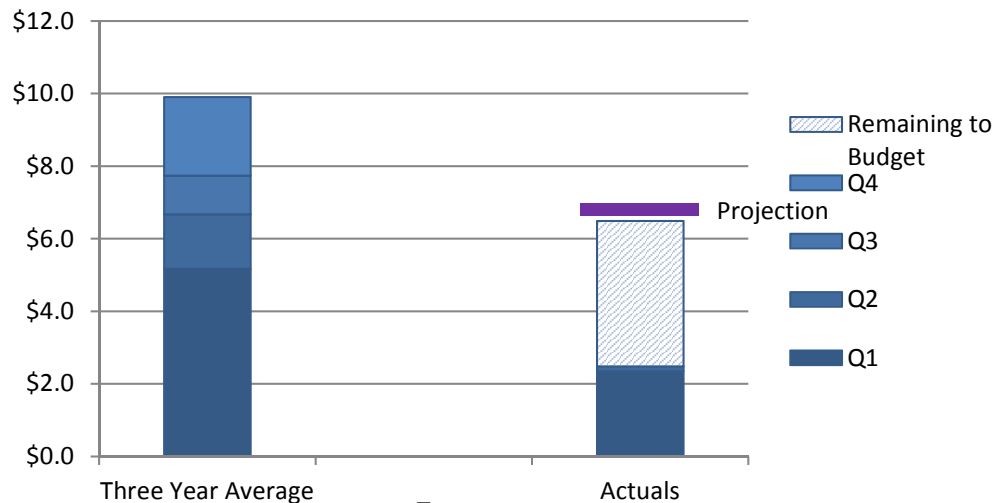
Revenues	Budget	Actual YTD	YTD % of Budget	Year-end Projection	Year-end % of Budget	3-Year Average
Program Revenues	\$6,494,100	\$2,347,623	36.2%	\$6,798,766	104.7%	148.1%
General Revenues	15,404,246	470,197	3.1%	15,595,134	101.2%	102.6%
Special Items	0	0	0.0%	0	0.0%	0.0%
Extraordinary Items	0	0	0.0%	0	0.0%	0.0%
Other Financing Sources	525,000	13,760	2.6%	328,760	62.6%	0.0%
Total Revenue	\$22,423,346	\$2,831,579	12.6%	\$22,722,660	101.3%	168.6%

Expenditures	Budget	Actual YTD	YTD % of Budget	Year-end Projection	Year-end % of Budget	3-Year Average
Personal Services	\$13,644,597	\$3,034,483	22.2%	\$13,469,712	98.7%	94.7%
Materials and Services	15,784,233	1,682,519	10.7%	15,254,571	96.6%	90.4%
Total Operating Expenditures	29,428,830	4,717,002	16.0%	28,724,283	97.6%	91.7%
Debt Service	-	-	0.0%	0	0.0%	0.0%
Capital Outlay	23,747,787	2,203,905	9.3%	14,782,294	62.2%	47.2%
Renewal and Replacement	914,534	195,755	21.4%	899,886	98.4%	30.4%
Total Expenditures	\$54,091,151	\$7,116,662	13.2%	\$44,406,462	82.1%	71.3%

	Budget	YTD	YTD % of Budget	Year-End Projection	% of Budget
General Fund	\$9,710,215	\$1,767,416	18.2%	\$9,552,950	98.4%
Natural Areas Fund	\$15,451,657	\$1,311,619	8.5%	\$13,292,046	86.0%
Local Option Levy Fund	\$15,444,385	\$2,954,015	19.1%	\$15,047,470	97.4%
Glendoveer Subfund	\$2,898,450	\$794,899	27.4%	\$2,968,737	102.4%

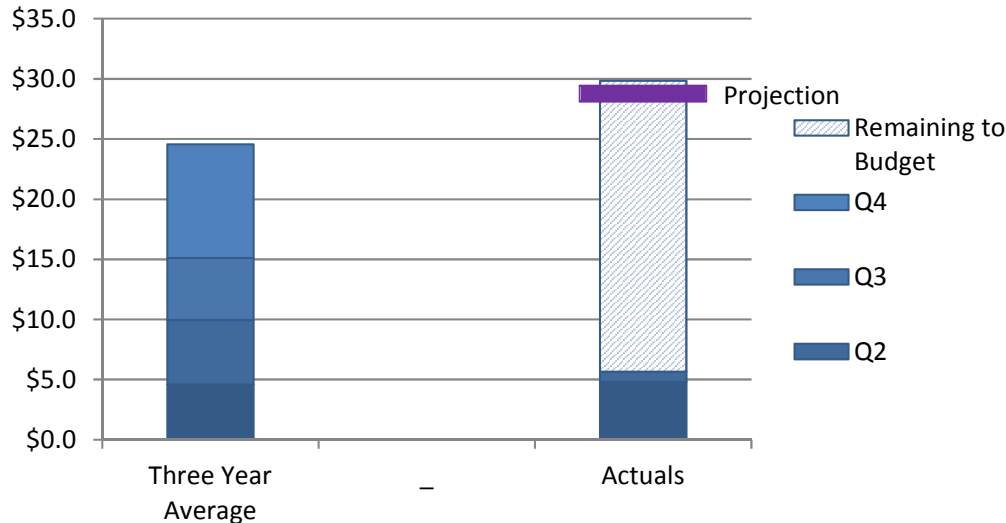
Parks and Nature- Program Revenues by Month

shown in millions



Parks and Nature- Expenditures by Month

shown in millions



Revenues

The majority of the Department's revenues and expenses occur between April and September. The Department's seasonal program revenue has been typical for the summer of 2018, which has revenue projected to come in just above budget by 2 percent (\$89,000). The three-year average is augmented by an unusual prior year (FY2017-18) when the Department receives a large sum of State funds for the Willamette Falls Legacy project (\$7,500,000). This skews the comparison of fall season revenue patterns.

The General Fund's most significant operational program revenue streams, excluding Glendoveer, are RV Fees, Boat Launch Fees and Admission Fees and are expected to come in above budget by 6 percent (\$75,000) due to an extended fall season.

Glendoveer's revenue is expected to come in on budget and continue to trend above the three-year historical average. Golf revenue is very sensitive to seasonal weather patterns and with the mild fall the region is having, fall golf revenue is expected to continue through October. Budgeted revenues were based on a combination of prior year results and improvements of equipment and facilities.

Cemetery Program revenue is expected to come in slightly above expectations by 2 percent (\$8,000). Conservation Program revenues are primarily space and building rentals, which are expected to come in at budget.

The Natural Areas Bond Fund sold the remaining bonds in FY 2017-18 and doesn't expect much additional resources in the future, with the exception of interest revenue. With that said, the Bond fund is expected to receive a grant (\$262,000) from the Clackamas River Basin Council this fall to help with some stabilization. The Local Option Levy tax is expected to come in at budget.

The Willamette Falls Capital Fund received a cash infusion from the State of Oregon to help with the demolition and construction of the Willamette Falls Legacy Project in FY 2017-18, as noted above. No large resources are expected in this fiscal year and the only source of revenue should be interest.

Revenue generated from investments, interest income, and both realized and unrealized gains and losses, are expected to come in higher than expectations by 57 percent (\$191,000) due to rising interest rates.

Expenditures

Parks and Nature Departmental operating expenses through the end of September 2018 were at 16 percent of budget (\$4,824,000), which is slightly less than expected for this point in the year. The three-year average expense history shows approximately 20 percent of the total spending is done by the end of the first quarter, as highlighted in the expenditure graph. Total Parks and Nature operational expenditures are projected to come in at 4 percent below budget.

The Natural Areas Bond's operational activities are expected to come in below budget by 11 percent. This underspend is due to grants and contributions to other governments. These costs are paid based off of reimbursement requests and vary due to timing. Natural Areas capital spending is also expected to come under budget by 15 percent. Capital spending is for land acquisitions and depends on availability of properties for purchase. The budget is set high to take advantage of opportunities when they arise. Natural Area's oversight committee has had improved success with land acquisitions and capital construction investments over the last few years and overall has spent more money on land acquisitions than originally allocated due to additional resources received from bond premiums, grants and other sources.

The Local Option Levy's operational and capital activities are expected to come within 98 percent of budget. Natural area restoration and maintenance projects under the Levy Program are progressing as planned but projects have been reprioritized and moved around the schedule due to intergovernmental agreements, personnel capacity and the timing of planting seasons. The continued approach for the Department is to accomplish projects as lined out in the system plan.

The Parks Operations program operating spend in the General Fund is a little behind the regular seasonal spend for the first quarter. This underspend is due to a key Director vacancy and timing of some significant utility billings. Operations still expects to come in at budget.

The Cemetery Program expenditures are tracking historical expenditure patterns and year-end expenditures came in at budget.

Parks and Nature spent 10 percent of its total capital budget in the first quarter. This light spending is in part driven by a stalled Willamette Falls Legacy Project through most of the prior fiscal year, which has now picked up steam and will move to the design phase. The total capital budget for this fiscal year for the Legacy project is \$7.0 million. These dollars are not expected to be spent in the current year. Excluding Willamette Falls, the Department has spent 13 percent of its capital budget in the first quarter. As stated earlier, lighter spending is partially due to Natural Areas Fund's land acquisition budget approach. Another important target of spending in the first quarter is the Oxbow Welcome Center, which is under construction and expected to be completed by November 2018. The largest billing for the building's construction was not received in the first quarter but will be paid in full by the end of the calendar year. The Department expects to spend approximately 89 percent of its capital budget by the end of the year (excluding Willamette Falls Legacy Project).

PLANNING AND DEVELOPMENT

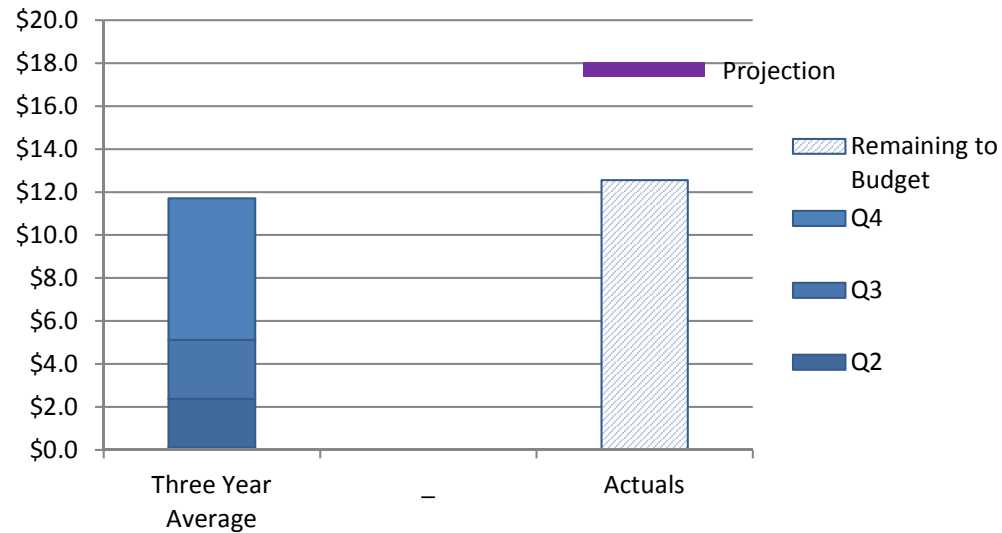
Revenues	Budget	Actual YTD	YTD % of Budget	Year-end Projection	Year-end % of Budget	3-Year Average
Program Revenues	\$12,562,621	\$340	0.0%	\$17,348,131	138.1%	95.3%
General Revenues	0	27,761	0.0%	340,000	0.0%	0.0%
Special Items	0	0	0.0%	0	0.0%	0.0%
Extraordinary Items	0	0	0.0%	0	0.0%	0.0%
Other Financing Sources	0	0	0.0%	0	0.0%	0.0%
All Revenue	\$12,562,621	\$28,101	0.2%	\$17,688,131	140.8%	96.8%

Expenditures	Budget	Actual YTD	YTD % of Budget	Year-end Projection	Year-end % of Budget	3-Year Average
Personal Services	\$7,849,577	\$1,728,314	22.0%	\$7,595,000	96.8%	95.6%
Materials and Services	10,565,120	120,991	1.1%	12,498,536	118.3%	57.2%
Total Expenditures	\$18,414,697	\$1,849,304	10.0%	\$20,093,536	109.1%	72.1%

**New
agreements
with TriMet
increase
revenue by
\$4.3 million**

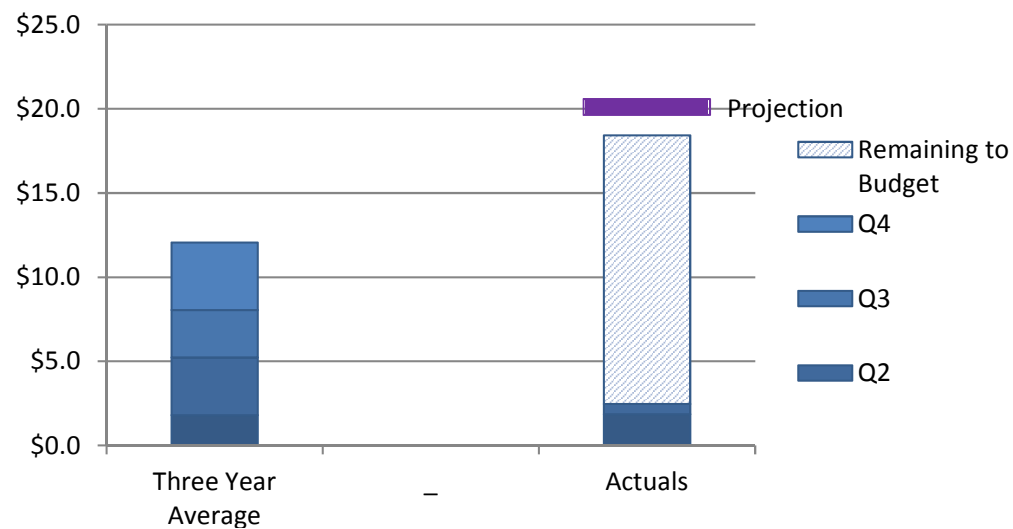
Planning and Development- Program Revenues by Month

shown in millions



Planning and Development- Expenditures by Month

shown in millions



Revenues

Planning revenues for the fiscal year ending June 30, 2019 are projected at \$17.7 million, or 141 percent of the \$12.6 million budget. Operating revenues are made up primarily of grant revenue and government contributions (\$17.3 million forecasted). This includes the ODOT/TriMet MPO funding, the annual TriMet support of the TOD program, and the TriMet funding of the SW Corridor, Regional Flexible Fund Allocation (RFFA), and Active Transportation/SRTS programs. Two new TriMet agreements will expand budgeted revenues by \$4.3 million. \$2.3 million (of the \$4.3 million) will go to local jurisdictions for capital improvement projects and the remaining \$2 million will be granted to local agencies for project development activities in Active Transportation/Safe Routes Projects.

Expenditures

Planning and Development spending for the fiscal year is projected at 109 percent of the \$18.4 million budget, or \$20.1 million. Budget amendments are being processed to add the necessary appropriation authority to cover the additional expenditures.

PROPERTY AND ENVIRONMENTAL SERVICES

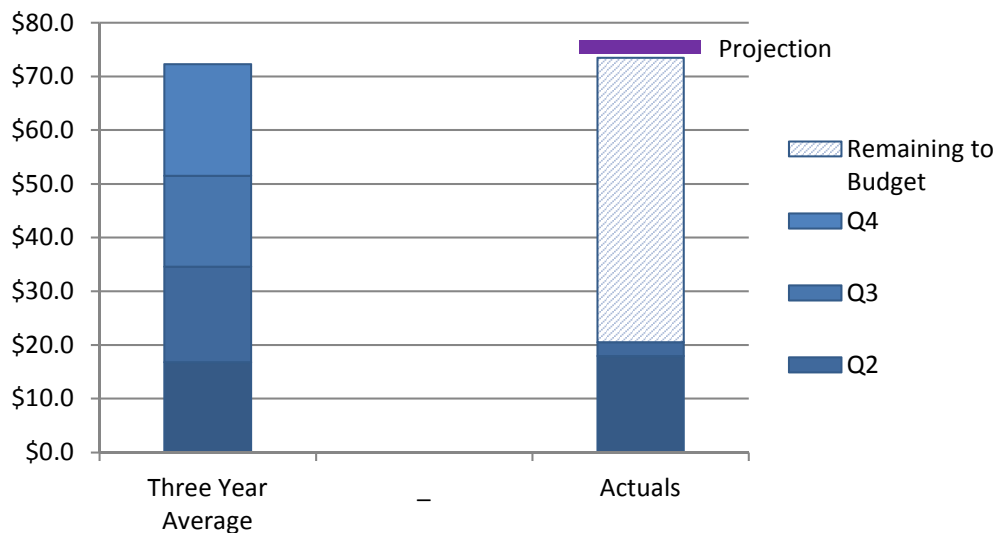
Revenues	Budget	YTD Actuals	YTD % of Budget	Year-end Projection	Year-end % of Budget	3-Year Average
Program Revenues	\$73,477,798	\$17,984,246	24.5%	75,275,194	102.4%	101.8%
General Revenues	402,300	189,005	47.0%	490,730	122.0%	131.1%
Special Items	0	0	0.0%	0	0.0%	0.0%
Extraordinary Items	0	0	0.0%	0	0.0%	0.0%
Other Financing Sources	0	21,496	0.0%	21,496	0.0%	0.0%
Total Revenue	\$73,880,098	\$18,194,748	24.6%	\$75,787,420	102.6%	101.9%

Expenditures	Budget	YTD Actuals	YTD % of Budget	Year-End Projection	Year-end % of Budget	3-year Average
Personal Services	\$18,198,185	\$3,910,751	21.5%	\$17,560,147	96.5%	94.8%
Materials and Services	52,012,840	8,797,101	16.9%	50,266,706	96.6%	93.7%
Total Operating Expenditures	70,211,025	12,707,852	18.1%	67,826,853	96.6%	93.9%
Debt Service	-	-	0.0%	0	0.0%	0.0%
Capital Outlay	11,527,700	105,415	0.9%	7,612,010	66.0%	43.5%
Renewal and Replacement	7,710,431	517,197	6.7%	6,788,228	88.0%	
Total Expenditures	\$89,449,156	\$13,330,464	14.9%	\$82,227,090	91.9%	89.3%

	Budget	YTD Actuals	YTD % of Budget	Year-End Projection	% of Budget
General Fund	\$2,747,207	558,573	20.3%	\$2,708,630	98.6%
Solid Waste Revenue Fund	\$77,643,790	12,248,292	15.8%	\$72,423,379	93.3%
General Asset Management Fund	\$7,710,431	517,197	6.7%	\$6,788,228	88.0%

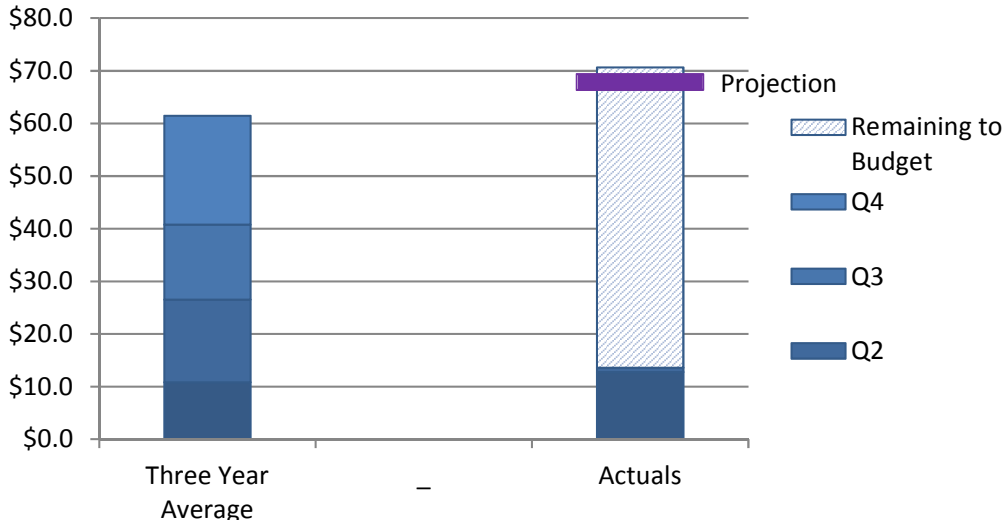
Property and Environmental Services- Program Revenues by Month

shown in millions



Property and Environmental Services- Expenditures by Month

shown in millions



**PES program
revenues to
finish above
projections**

Revenues

Program revenues are projected to end the year slightly over budget 3 percent (\$1.9M). Most program revenue is driven by tonnage processed at both Metro and non-Metro facilities. At the end of the first quarter, total regional tonnage is projected to come in 2 percent over the forecast. In budgeting tonnage revenue for the fiscal year, the approach was to be a bit more conservative and thoughtful. However, the Portland area has a financially healthy economic outlook, from the construction industry and population growth, and revenues are still steadily increasing.

Despite the rosy economic outlook, residential organic tonnage is expected to come in about 6.5 percent (\$211,000) below budget. Residential organics has been low due to tonnage diversions to other regions and a dry summer, which creates less overall debris. In addition, there still remains a limited market for raw wood, and all other wood (painted, treated and engineered wood), must now be managed as garbage at Metro's two transfer stations.

Latex Paint sales are trending about 4 percent (\$127,000) below budget and right at the three-year average.

The Community and Enhancement Fund fee revenue are expecting to come in 3 percent (\$7,000) above budget and Host fees are project to come in below expectations by 4 percent (\$31,000). Host fees are set high in the budget to act as a contingency in case tonnage is higher than expected.

Parking fee revenue generated from Metro Regional Center is expected to come in at budget and is higher than the three-year average by 13 percent (\$127,000) due to new leasing arrangements made in the prior fiscal year.

Expenditures

Based on first quarterly results, Property and Environmental Services Department year-end projections for Personnel Services and Materials and Services are trending toward 97 and 96 percent of budget, respectively. These actual to budget percentages are just above the three-year historical trends. This was expected, as increased program and operational costs grow slightly along with the economic environment and rising Personal Service costs from the recent operational reorganization.

Tonnage-related expenses are trending above budget by 3 percent (\$1.1 million). The cost trend is reflecting pricing changes to our contracts with waste disposal and transport vendors and the larger tonnage numbers than expected (see tonnage discussion under revenue above). If costs continue to trend above budget expectations over the next few months, the Department will consider budget adjustments in March if other savings are not realized.

Operating expenditures in the General Fund largely driven by Metro Building Operations and the Construction Project Management Office Programs are projected to come under budget by 1 percent (\$39,000).

Community Enhancement fund's expenditures are expected to come in under budget by 9 percent (\$125,000). The Department aggressively budgets the total amount of monies expected to be received to be either granted or passed through to the host during the fiscal year to ensure that monies are available for the agreements made with the Department partners.

The Department spent less than 5 percent of its capital budget during the first quarter of FY 2018-19. Capital spending during the first quarter is usually modest as capital projects are going through needs assessment or are in the scoping phase. Additionally, the capital budget for the Department is unusually high due to funds set aside for land purchases (\$3.0 million) and carried over funds for compactors that were actually installed in the prior year (\$2.6 million). About 61 percent of the capital budget is related to Solid Waste Operations. The Department expects unusually high spending this winter due to the installation of the remaining two new compactors which are budgeted at \$1.8 million each. Capital projects

budgeted and planned for the Metro Regional Center Building in the renewal and replacement fund are expected to progress as planned and come in on budget. These projects have a tight timeline (they are expected to be substantially complete within three years) due to the restrictions of resources from the Full Faith and Credit Bond.

RESEARCH CENTER

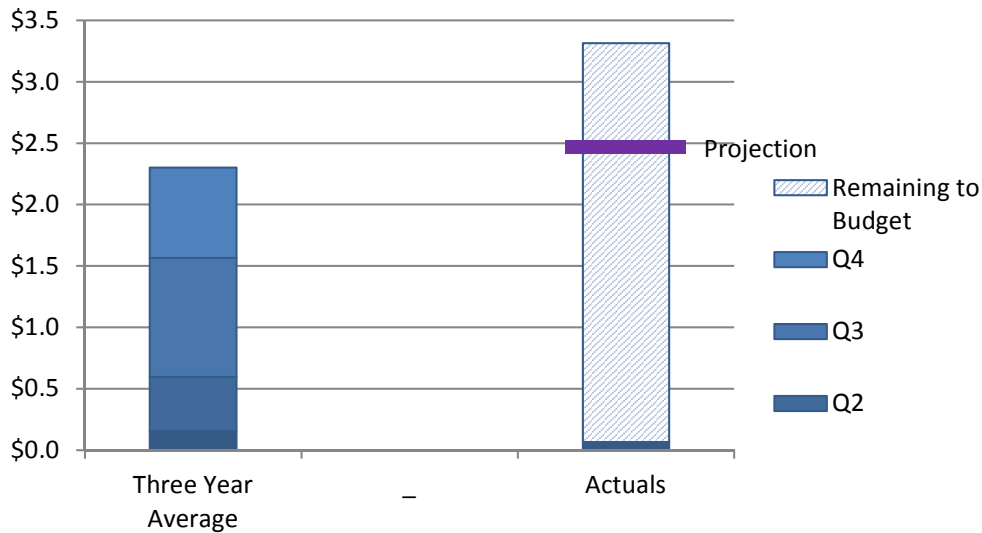
Revenues	Budget	Actual YTD	YTD % of Budget	Year-end Projection	Year-end % of Budget	3-Year Average
Program Revenues	\$3,315,260	\$66,165	2.0%	\$2,467,800	74.4%	77.2%
General Revenues	0	0	0.0%	0	0.0%	0.0%
Special Items	0	0	0.0%	0	0.0%	0.0%
Extraordinary Items	0	0	0.0%	0	0.0%	0.0%
Other Financing Sources	0	0	0.0%	0	0.0%	0.0%
Total Revenues	\$3,315,260	\$66,165	2.0%	\$2,467,800	74.4%	77.2%

Expenditures	Budget	Actual YTD	YTD % of Budget	Year-end Projection	Year-end % of Budget	3-Year Average
Personal Services	\$4,008,685	\$819,343	20.4%	\$3,770,000	94.0%	92.4%
Materials and Services	1,180,068	250,356	21.2%	1,144,874	97.0%	64.4%
Total Expenditures	\$5,188,753	\$1,069,700	20.6%	\$4,914,874	94.7%	85.8%

MRC capital bond projects begin in earnest

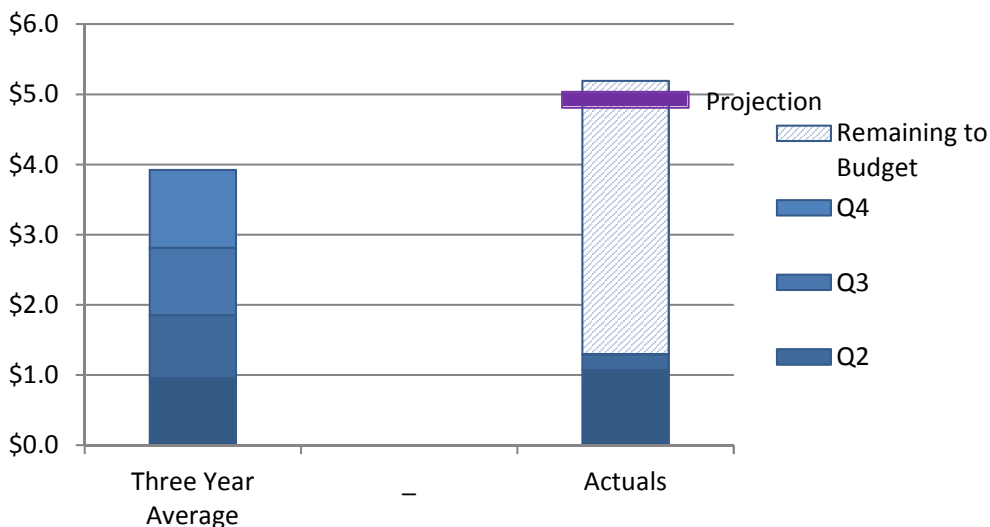
Research Center- Program Revenues by Month

shown in millions



Research Center- Expenditures by Month

shown in millions



Revenues

Research Center revenues for the fiscal year ending June 30, 2019 are projected at \$2.5 million, or 74 percent of the \$3.3 million budget. Program revenues are primarily made up of the ODOT/TriMet MPO funding and the Charges for Services category, the latter of which includes sales and contract revenue, the RLIS subscription revenue, and the aerial photo consortium billings.

Expenditures

Research Center spending for the fiscal year is forecasted at 95 percent of the \$5.2 million budget. Research Center programs include maintenance of the Travel Model, the MetroScope Model, and the Socio-Economic Forecasting Model, as well as maintaining the RLIS Live database of GIS information and coordination of the regional Aerial Photo Consortium. These products are used to support policy making and general program operations in areas ranging from the Urban Growth Report, to the Regional Transportation Plan, to PES and Solid Waste support, and external client services.

SUPPORT DEPARTMENTS EXPENDITURES

COUNCIL

Expenditures	Budget	Actual YTD	YTD % of Budget	Year-end Projection	Year-end % of Budget	3-Year Average
Personal Services	\$4,424,849	\$942,118	21.3%	\$3,717,120	84.0%	91.7%
Materials and Services	838,967	138,617	16.5%	463,967	55.3%	66.9%
Total Expenditures	\$5,263,816	\$1,080,735	20.5%	\$4,181,087	79.4%	87.0%

AUDITOR

Expenditures	Budget	Actual YTD	YTD % of Budget	Year-end Projection	Year-end % of Budget	3-Year Average
Personal Services	\$707,647	\$152,631	21.6%	\$610,500	86.3%	85.0%
Materials and Services	56,500	2,198	3.9%	25,000	44.2%	61.0%
Total Expenditures	\$764,147	\$154,829	20.3%	\$635,500	83.2%	83.8%

OFFICE OF METRO ATTORNEY

Expenditures	Budget	Actual YTD	YTD % of Budget	Year-end Projection	Year-end % of Budget	3-Year Average
Personal Services	\$2,658,142	\$647,098	24.3%	\$2,651,936	99.8%	97.2%
Materials and Services	75,327	7,497	10.0%	57,232	76.0%	81.3%
Total Expenditures	\$2,733,469	\$654,594	23.9%	\$2,709,169	99.1%	96.7%

COMMUNICATIONS

Expenditures	Budget	Actual YTD	YTD % of Budget	Year-end Projection	Year-end % of Budget	3-Year Average
Personal Services	\$1,734,112	\$352,475	20.3%	\$1,655,208	95.4%	94.0%
Materials and Services	338,691	20,121	5.9%	276,191	81.5%	89.1%
Total Expenditures	\$2,072,803	\$372,596	18.0%	\$1,931,399	93.2%	92.5%

FINANCE AND REGULATORY SERVICES

	Budget	Actual YTD	YTD % of Budget	Year-end Projection	Year-end % of Budget	3-Year Average
Personal Services	4,508,716	1,012,493	22.5%	4,299,423	95.4%	93.6%
Materials and Services	4,661,468	1,166,307	25.0%	4,505,939	96.7%	85.9%
Total Operating Expenditures	9,170,184	2,178,800	23.8%	8,805,363	96.0%	87.4%
Total New Capital	400,000	0	0.0%	400,000	100.0%	0.0%
Total Renewal and Replacement	0	0	0%	0	0.0%	0.0%
Total Expenditures	\$9,570,184	\$2,178,800	22.8%	\$9,205,363	96.2%	87.8%

HUMAN RESOURCES

Expenditures	Budget	Actual YTD	YTD % of Budget	Year-end Projection	Year-end % of Budget	3-Year Average
Personal Services	\$2,842,363	\$604,472	21.3%	\$2,786,578	98.0%	89.9%
Materials and Services	490,310	67,304	13.7%	489,440	99.8%	102.8%
Total Expenditures	\$3,332,673	\$671,776	20.2%	\$3,276,018	98.3%	91.9%

INFORMATION SERVICES

	Budget	Actual YTD	YTD % of Budget	Year-end Projection	Year-end % of Budget	3-Year Average
Personal Services	4,057,133	831,013	20.5%	3,910,039	96.4%	96.2%
Materials and Services	2,192,176	593,925	27.1%	1,880,883	85.8%	78.3%
Total Operating Expenditures	6,249,309	1,424,937	22.8%	5,790,922	92.7%	90.8%
Total New Capital	250,000	62,329	24.9%	250,000	100.0%	40.1%
Total Renewal and Replacement	1,320,189	0	0.0%	1,320,189	100.0%	43.0%
Total Expenditures	\$7,819,498	\$1,487,266	19.0%	\$7,361,111	94.1%	81.7%

NON-DEPARTMENTAL EXPENDITURES

	Budget	Actual YTD	YTD % of Budget	Year-end Projection	Year-end % of Budget	3-Year Average
Personal Services	\$123,204	\$39,271	31.9%	\$157,086	127.5%	107.3%
Materials and Services	4,218,058	608,771	14.4%	3,202,407	75.9%	62.5%
Total Operating Expenditures	4,341,262	648,042	14.9%	3,359,493	77.4%	62.8%
Total Debt Service	55,263,767	1,339,759	2.4%	54,121,600	97.9%	103.3%
Total Capital Outlay	0	0	0%	0	0%	40.9%
Total Expenditures	\$59,605,029	\$1,987,801	3.3%	\$57,481,093	96.4%	99.0%

Non-Dept: Special Appropriations spending through the first quarter:

- \$245,915 to Construction Excise Tax payments
- \$84,458 for spending on all sponsorships, includes:
 - \$25,000 for the Regional Arts and Culture Council
 - \$50,000 for Greater Portland, Inc.
- \$9,458 to the general Metro sponsorship account through the first quarter

APPENDIX A – Fund Tables, year to year comparison

General Fund (consolidated), as of September 30, 2018

	Adopted Budget	YTD Actuals	YTD % of Budget	Prior YTD % of Budget	Year-end Projection	Year-end % Budget	3-Year Average
Resources							
Beginning Fund Balance	\$41,432,348	\$43,888,651			\$43,888,651		
Program Revenues	27,688,878	3,724,459	13.5%	7.4%	29,347,545	106.0%	94.0%
General Revenues	37,288,612	5,262,843	14.1%	10.4%	39,274,457	105.3%	104.1%
Transfers	41,019,334	12,131,132	29.6%	24.4%	37,519,134	91.5%	91.5%
Special Items	0	0	0.0%	0.0%	0	0.0%	0.0%
Extraordinary Items	0	0	0.0%	0.0%	0	0.0%	0.0%
Other Financing Sources	0	13,760	0.0%	0.0%	13,760	0.0%	0.0%
Subtotal Current Revenues	105,996,824	21,132,193	19.9%	15.0%	106,154,897	100.1%	96.5%
Total Resources	\$147,429,172	\$65,020,844			\$150,043,548		
Requirements							
Operating Expenditures	\$69,005,873	\$12,080,804	17.5%	18.6%	\$65,005,553	94.2%	84.4%
Debt Service	2,090,587	0	0.0%	0.0%	0	0.0%	100.0%
Capital Outlay	180,000	81,270	45.2%	2.8%	201,250	111.8%	56.3%
Interfund Transfers	19,096,795	5,985,743	31.3%	30.2%	19,058,063	99.8%	99.8%
Intrafund Transfers	20,070,949	6,457,665	32.2%	25.9%	16,926,327	84.3%	84.3%
Contingency	2,636,146	0	0.0%	0.0%	0	0.0%	0.0%
Subtotal Current Expenditures	113,080,350	24,605,482	21.8%	21.2%	101,191,194	89.5%	84.4%
Unappropriated Balance	34,348,822	40,415,362			48,852,354		
Total Requirements	\$147,429,172	\$65,020,844			\$150,043,548		

General Asset Management Fund, as of September 30, 2018

	Adopted Budget	YTD Actuals	YTD % of Budget	Prior YTD % of Budget	Year-end Projection	Year-end % Budget	3-Year Average
Resources							
Beginning Fund Balance	\$19,569,814	\$22,964,406			\$22,964,406		
Program Revenues	16,209	2,177	13.4%	20852.5%	16,209	100.0%	7088.7%
General Revenues	397,350	114,328	28.8%	129.3%	397,350	100.0%	541.0%
Transfers	19,595,995	15,927,175	81.3%	12.4%	19,595,995	100.0%	95.6%
Special Items	0	0	0.0%	0.0%	0	0.0%	0.0%
Extraordinary Items	0	0	0.0%	0.0%	0	0.0%	0.0%
Other Financing Sources	525,000	0	0.0%	0.0%	525,000	100.0%	0.0%
Subtotal Current Revenues	20,534,554	16,043,681	78.1%	236.5%	20,534,554	100.0%	179.6%
Total Resources	\$40,104,368	\$39,008,086			\$43,498,960		
Requirements							
Operating Expenditures	\$2,240,896	\$276,968	12.4%	5.8%	\$1,762,278	78.6%	63.1%
Debt Service	0	0	0.0%	0.0%	0	0.0%	0.0%
Capital Outlay	17,298,228	591,269	3.4%	0.5%	6,667,012	38.5%	27.2%
Interfund Transfers	382,000	0	0.0%	0.0%	382,000	100.0%	100.0%
Intrafund Transfers	362,500	0	0.0%	0.0%	362,500	100.0%	100.0%
Contingency	11,042,539	0	0.0%	0.0%	11,042,539	100.0%	0.0%
Subtotal Current Expenditures	31,326,163	868,237	2.8%	1.2%	20,216,329	64.5%	26.8%
Unappropriated Balance	8,778,205	38,139,849			23,282,631		
Total Requirements	\$40,104,368	\$39,008,086			\$43,498,960		

MERC Fund, as of September 30, 2018

	Adopted Budget	YTD Actuals	YTD % of Budget	Prior YTD % of Budget	Year-end Projection	Year-end % Budget	3-Year Average
Resources							
Beginning Fund Balance	\$55,647,914	\$61,813,068			\$61,813,068		
Program Revenues	82,257,695	15,364,114	18.7%	15.1%	85,532,968	104.0%	117.8%
General Revenues	690,798	245,885	35.6%	24.5%	882,914	127.8%	322.4%
Transfers	1,280,389	320,096	25.0%	23.4%	1,280,389	100.0%	92.4%
Special Items	0	0	0.0%	0.0%	0	0.0%	0.0%
Extraordinary Items	0	0	0.0%	0.0%	0	0.0%	0.0%
Other Financing Sources	0	0	0.0%	0.0%	0	0.0%	0.0%
Subtotal Current Revenues	84,228,882	15,930,095	18.9%	15.2%	87,696,271	104.1%	117.8%
Total Resources	\$139,876,796	\$77,743,163			\$149,509,339		
Requirements							
Operating Expenditures	\$102,737,350	\$13,449,569	13.1%	20.1%	\$102,923,290	100.2%	105.1%
Debt Service	0	0	0.0%	0.0%	0	0.0%	0.0%
Capital Outlay	6,460,000	1,070,419	16.6%	10.4%	6,460,000	100.0%	33.6%
Interfund Transfers	6,725,855	1,959,669	29.1%	19.9%	6,725,855	100.0%	100.0%
Intrafund Transfers	880,389	220,097	25.0%	0.0%	880,389	100.0%	0.0%
Contingency	23,073,202	0			23,073,202	100.0%	
Subtotal Current Expenditures	139,876,796	16,699,754	11.9%	11.0%	140,062,736	100.1%	62.8%
Unappropriated Balance	0	61,043,409			9,446,603		
Total Requirements	\$139,876,796	\$77,743,163			\$149,509,339		

Natural Areas Fund, as of September 30, 2018

	Adopted Budget	YTD Actuals	YTD % of Budget	Prior YTD % of Budget	Year-end Projection	Year-end % Budget	3-Year Average
Resources							
Beginning Fund Balance	\$31,946,208	\$33,689,769			\$33,689,769		
Program Revenues	0	57,920	0.0%	0.0%	318,920	0.0%	634.0%
General Revenues	175,000	187,315	107.0%	0	318,565	182.0%	74.6%
Transfers	0	0	0.0%	0.0%	0	0.0%	0.0%
Special Items	0	0	0.0%	0.0%	0	0.0%	0.0%
Extraordinary Items	0	0	0.0%	0.0%	0	0.0%	0.0%
Other Financing Sources	0	0	0.0%	0.0%	0	0.0%	0.0%
Subtotal Current Revenue	175,000	245,235	140.1%	0	637,485	364.3%	3177.2%
Total Resources	\$32,121,208	\$33,935,004			\$34,327,254		
Requirements							
Operating Expenditures	\$5,651,657	\$28,875	0.5%	0	\$5,028,267	89.0%	104.3%
Debt Service	0	0	0.0%	0.0%	0	0.0%	0.0%
Capital Outlay	9,800,000	1,282,744	13.1%	0	8,263,779	84.3%	51.9%
Interfund Transfers	3,227,582	533,357	16.5%	0	3,227,582	100.0%	98.9%
Intrafund Transfers	0	0	0.0%	0.0%	0	0.0%	0.0%
Contingency	3,810,284	3,810,284			3,810,284	100.0%	
Subtotal Current Expendi	22,489,523	5,655,261	25.1%	0	20,329,912	90.4%	53.6%
Unappropriated Balance	9,631,685	32,090,027			13,997,342		
Total Requirements	\$32,121,208	\$33,935,004			\$34,327,254		

Oregon Zoo Asset Management Fund, as of September 30, 2018

	Adopted Budget	YTD Actuals	YTD % of Budget	Prior YTD % of Budget	Year-end Projection	Year-end % Budget	3-Year Average
Resources							
Beginning Fund Balance	\$4,574,189	\$5,263,159			\$5,263,159		
Program Revenues	400,000	407,557	101.9%	6.0%	400,000	100.0%	148.0%
General Revenues	35,000	18,734	53.5%	72.7%	35,000	100.0%	371.8%
Transfers	941,249	169,062	18.0%	14.2%	941,249	100.0%	98.4%
Special Items	0	0	0.0%	0.0%	0	0.0%	0.0%
Extraordinary Items	0	0	0.0%	0.0%	0	0.0%	0.0%
Other Financing Sources	0	0	0.0%	0.0%	0	0.0%	0.0%
Subtotal Current Revenues	1,376,249	595,352	43.3%	10.7%	1,376,249	100.0%	113.3%
Total Resources	\$5,950,438	\$5,858,511			\$6,639,408		
Requirements							
Operating Expenditures	\$260,000	\$9,289	3.6%	6.3%	\$260,000	100.0%	46.4%
Debt Service	0	0	0.0%	0.0%	0	0.0%	0.0%
Capital Outlay	4,797,241	37,839	0.8%	2.2%	4,797,241	100.0%	41.9%
Interfund Transfers	0	0	0.0%	0.0%	0	0.0%	100.0%
Intrafund Transfers	0	0	0.0%	0.0%	0	0.0%	0.0%
Contingency	893,197	0			0	0.0%	
Subtotal Current Expenditures	5,950,438	47,128	0.8%	2.7%	5,057,241	85.0%	38.7%
Unappropriated Balance	0	5,811,383			1,582,167		
Total Requirements	\$5,950,438	\$5,858,511			\$6,639,408		

Oregon Zoo Infrastructure and Animal Welfare Bond Fund, as of September 30, 2018

	Adopted Budget	YTD Actuals	YTD % of Budget	Prior YTD % of Budget	Year-end Projection	Year-end % Budget	3-Year Average
Resources							
Beginning Fund Balance	\$ 40,375,000	\$ 43,448,114			\$ 43,448,114		
Program Revenues	0	0	0.0%	0.0%	0	0.0%	0.0%
General Revenues	300,000	216,394	72.1%	42.7%	425,000	141.7%	184.6%
Transfers	0	0	0.0%	0.0%	0	0.0%	100.0%
Special Items	0	0	0.0%	0.0%	0	0.0%	0.0%
Extraordinary Items	0	0	0.0%	0.0%	0	0.0%	0.0%
Other Financing Sources	0	0	0.0%	0.0%	0	0.0%	83.7%
Subtotal Current Revenues	300,000	216,394	72.1%	25.5%	425,000	141.7%	1261.2%
Total Resources	\$ 40,675,000	\$ 43,664,508			\$ 43,873,114		
Requirements							
Operating Expenditures	\$ 737,658	\$ 123,011	16.7%	17.4%	\$ 645,000	87.4%	116.1%
Debt Service	0	0	0.0%	0.0%	0	0.0%	0.0%
Capital Outlay	13,867,429	323,855	2.3%	3.0%	10,800,000	77.9%	55.5%
Interfund Transfers	446,647	111,663	25.0%	25.0%	446,647	100.0%	100.0%
Intrafund Transfers	0	0	0.0%	0.0%	0	0.0%	0.0%
Contingency	2,500,000	0			0	0.0%	
Subtotal Current Expenditures	17,551,734	558,529	3.2%	3.9%	11,891,647	67.8%	48.1%
Unappropriated Balance	23,123,266	43,105,979			31,981,467		
Total Requirements	\$ 40,675,000	\$ 43,664,508			\$43,873,114		

Oregon Zoo Operating Fund, as of September 30, 2018

	Adopted Budget	YTD Actuals	YTD % of Budget	Prior YTD % of Budget	Year-end Projection	Year-end % Budget	3-Year Average
Resources							
Beginning Fund Balance	\$ 1,435,154	\$ 4,092,773			\$ 4,092,773		
Program Revenues	31,984,451	12,182,817	38.1%	39.5%	29,613,599	92.6%	101.4%
General Revenues	15,000	25,882	172.5%	57.6%	29,117	194.1%	320.6%
Transfers	13,070,000	3,261,249	25.0%	24.6%	13,070,000	100.0%	100.0%
Special Items	0	0	0.0%	0.0%	0	0.0%	0.0%
Extraordinary Items	0	0	0.0%	0.0%	0	0.0%	0.0%
Other Financing Sources	0	0	0.0%	0.0%	0	0.0%	0.0%
Subtotal Current Revenues	45,069,451	15,469,948	34.3%	34.8%	42,712,716	94.8%	101.1%
Total Resources	\$ 46,504,605	\$ 19,562,720			\$ 46,805,489		
Requirements							
Operating Expenditures	\$ 40,067,743	\$ 10,283,701	25.7%	28.2%	\$ 37,818,283	94.4%	97.8%
Debt Service	0	0	0.0%	0.0%	0	0.0%	0.0%
Capital Outlay	80,000	0	0.0%	0.0%	80,000	100.0%	403.5%
Interfund Transfers	4,656,862	970,749	20.8%	19.1%	4,656,862	100.0%	98.8%
Intrafund Transfers	0	0	0.0%	0.0%	0	0.0%	0.0%
Contingency	1,700,000	0			0	0.0%	
Subtotal Current Expenditures	46,504,605	11,254,450	24.2%	26.9%	42,555,145	91.5%	96.2%
Unappropriated Balance	0	8,308,270			4,250,344		
Total Requirements	\$ 46,504,605	\$ 19,562,720			\$46,805,489		

Parks and Natural Areas Local Option Levy, as of September 30, 2018

	Adopted Budget	YTD Actuals	YTD % of Budget	Prior YTD % of Budget	Year-end Projection	Year-end % Budget	3-Year Average
Resources							
Beginning Fund Balance	\$ 7,777,043	\$ 5,853,585			\$ 5,853,585		
Program Revenues	300,000	0	0.0%	-	225,000	75.0%	128.0%
General Revenues	15,027,595	209,346	1.4%	0	15,048,735	100.1%	102.7%
Transfers	280,000	0	0.0%	-	280,000	100.0%	100.0%
Special Items	0	0	0.0%	0.0%	0	0.0%	0.0%
Extraordinary Items	0	0	0.0%	0.0%	0	0.0%	0.0%
Other Financing Sources	0	0	0.0%	0.0%	0	0.0%	0.0%
Subtotal Current Revenues	15,607,595	209,346	1.3%	0	15,553,735	99.7%	102.9%
Total Resources	\$ 23,384,638	\$ 6,062,930			\$ 21,407,320		
Requirements							
Operating Expenditures	\$ 10,604,045	\$ 2,202,030	20.8%	0	\$ 10,506,172	99.1%	82.2%
Debt Service	0	0	0.0%	0.0%	0	0.0%	0.0%
Capital Outlay	6,070,340	839,891	13.8%	0	5,771,298	95.1%	45.9%
Interfund Transfers	4,111,333	1,017,599	24.8%	0	4,111,333	100.0%	98.9%
Intrafund Transfers	0	0	0.0%	0.0%	0	0.0%	0.0%
Contingency	2,598,920	0			2,128,920	81.9%	
Subtotal Current Expenditures	23,384,638	4,059,520	17.4%	0	22,517,723	96.3%	70.4%
Unappropriated Balance	0	2,003,410			(1,110,403)		
Total Requirements	\$ 23,384,638	\$ 6,062,930			\$ 21,407,320		

Risk Management Fund, as of September 30, 2018

	Adopted Budget	YTD Actuals	YTD % of Budget	Prior YTD % of Budget	Year-end Projection	Year-end % Budget	3-Year Average
Resources							
Beginning Fund Balance	\$ 1,816,176	\$ 3,213,860			\$ 3,213,860		
Program Revenues	264,933	5,729	2.2%	0.0%	428,831	161.9%	133.6%
General Revenues	10,000	10,591	105.9%	40.4%	21,183	211.8%	260.9%
Transfers	2,416,375	604,101	25.0%	25.0%	2,416,375	100.0%	100.0%
Special Items	0	0	0.0%	0.0%	0	0.0%	0.0%
Extraordinary Items	0	0	0.0%	0.0%	0	0.0%	0.0%
Other Financing Sources	0	0	0.0%	0.0%	0	0.0%	0.0%
Subtotal Current Revenues	2,691,308	620,421	23.1%	22.0%	2,866,389	106.5%	106.8%
Total Resources	\$ 4,507,484	\$ 3,834,281			\$ 6,080,249		
Requirements							
Operating Expenditures	\$ 3,701,112	\$ 1,064,127	28.8%	19.3%	\$ 3,650,962	98.6%	84.1%
Debt Service	0	0	0.0%	0.0%	0	0.0%	0.0%
Capital Outlay	0	0	0.0%	0.0%	0	0.0%	0.0%
Interfund Transfers	0	0	0.0%	0.0%	0	0.0%	33.3%
Intrafund Transfers	0	0	0.0%	0.0%	0	0.0%	0.0%
Contingency	760,855	0			760,855	100.0%	
Subtotal Current Expenditures	4,461,967	1,064,127	23.8%	17.9%	4,411,817	98.9%	75.4%
Unappropriated Balance	45,517	2,770,154			1,668,432		
Total Requirements	\$ 4,507,484	\$ 3,834,281			\$6,080,249		

Solid Waste Revenue Fund, as of September 30, 2018

	Adopted Budget	YTD Actuals	YTD % of Budget	Prior YTD % of Budget	Year-end Projection	Year-end % Budget	3-Year Average
Resources							
Beginning Fund Balance	\$ 59,784,264	\$ 55,917,627			\$ 55,917,627		
Program Revenues	71,297,610	17,529,463	24.6%	23.0%	73,222,787	102.7%	101.8%
General Revenues	391,600	186,069	47.5%	25.0%	479,769	122.5%	130.4%
Transfers	5,894,905	46,392	0.8%	2.8%	6,635,905	112.6%	95.4%
Special Items	0	0	0.0%	0.0%	0	0.0%	0.0%
Extraordinary Items	0	0	0.0%	0.0%	0	0.0%	0.0%
Other Financing Sources	0	21,496	0.0%	0.0%	21,496	0.0%	0.0%
Subtotal Current Revenues	77,584,115	17,783,420	22.9%	22.8%	80,359,957	103.6%	101.9%
Total Resources	\$ 137,368,379	\$ 73,701,047			\$ 136,277,584		
Requirements							
Operating Expenditures	\$ 66,116,090	\$ 12,142,877	18.4%	16.9%	\$ 64,811,369	98.0%	94.6%
Debt Service	0	0	0.0%	0.0%	0	0.0%	0.0%
Capital Outlay	11,527,700	105,415	0.9%	0.2%	7,612,010	66.0%	54.3%
Interfund Transfers	6,322,306	1,542,423	24.4%	21.6%	6,322,306	100.0%	98.7%
Intrafund Transfers	5,000,000	0	0.0%	0.0%	5,000,000	100.0%	0.0%
Contingency	17,797,220	0			17,797,220	100.0%	
Subtotal Current Expenditures	106,763,316	13,790,716	12.9%	13.4%	101,542,905	95.1%	76.4%
Unappropriated Balance	30,605,063	59,910,332			34,734,679		
Total Requirements	\$ 137,368,379	\$ 73,701,047			\$ 136,277,584		

APPENDIX B – Excise Tax Annual Forecast, as of September 30, 2018

Total Excise Tax Collections

7.5% Excise Tax

Facility/Function	Current-year Budget	Revised Annual Forecast	Difference	% Difference
SW Product Sales	268,174	243,612	(24,562)	-9.16%
Total	\$268,174	\$243,612	(\$24,562)	-9.16%

Solid Waste Per Ton Excise Tax

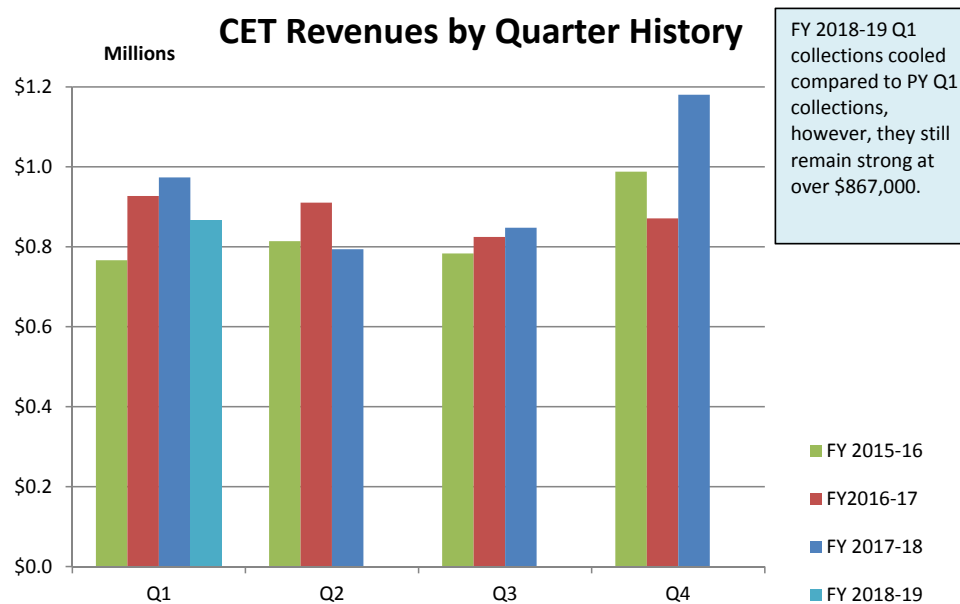
	Current-year Budget	Revised Annual Forecast	Difference	% Difference
Solid Waste and Recycling Metro Facilities	\$6,799,836	\$6,863,557	\$63,721	0.94%
Solid Waste and Recycling Non Metro Facilities	10,706,012	10,942,273	236,261	2.21%
Total Solid Waste Per Ton Excise Tax	\$17,505,848	\$17,805,830	299,982	1.71%
Grand Total Excise Tax	\$17,774,022	\$18,049,442	\$275,420	1.55%
Solid Waste General by Code	\$14,206,924	\$14,206,924		
SW Net Surplus/(Deficit)	\$3,298,924	\$3,598,906		

APPENDIX C – Construction Excise Tax

CET Revenues

For the first quarter (Q1) of FY 2018-2019, Construction Excise Tax collections from local jurisdictions were approximately \$867,000. This is a lower Q1 than the previous two years, which have averaged \$950,000. Of the total collections, Metro retains 5 percent of this revenue to recover a portion of its costs in administering the program. The total admin fees for Q1 equals approximately \$43,000.

Revenues	YTD Q1 Actuals	PY Q1 Actuals	2-Year Q1 Average	% of PY Actuals	% of 2-Year Average
Construction Excise Tax	823,752	924,931	902,872	89.1%	91.2%
CET Admin Fee	43,355	48,681	47,520		
Total Collections YTD	867,108	973,612	950,391		



Top Producing Jurisdictions

During Q1 Portland, Gresham and Washington County were the three top-producing jurisdictions. Collections from the city of Tigard rank fourth, making it the only jurisdiction with a population less than 75k to be among the top producers. Overall Q1 collections fall short of PY Q1 however Gresham and Tigard saw increases over PY Q1.

Jurisdiction	YTD Q1 Receipts	YTD Q1 % of Total	PY Q1 Actuals	Variance from PY Q1
Portland	\$319,684	37%	\$477,894	(\$158,210)
Washington County	\$63,865	7%	\$83,363	(\$19,498)
Hillsboro	\$40,289	5%	\$53,365	(\$13,077)
Gresham	\$112,086	13%	\$33,713	\$78,372
Beaverton	\$48,107	6%	\$60,964	(\$12,858)
Clackamas County	\$0	0%	\$39,855	(\$39,855)
Cities, population 25-75k*	\$140,971	16%	\$98,079	\$42,892
Cities, population < 25k	\$142,106	16%	\$126,379	\$15,727
	<u>\$867,108</u>	<u>100%</u>	<u>\$973,612</u>	<u>(\$106,504)</u>
Tigard	\$50,128		\$26,043	\$24,084

*Includes City of Tigard totals, which are also broken out separately for visual comparison

Over \$24 million awarded to local jurisdictions since inception

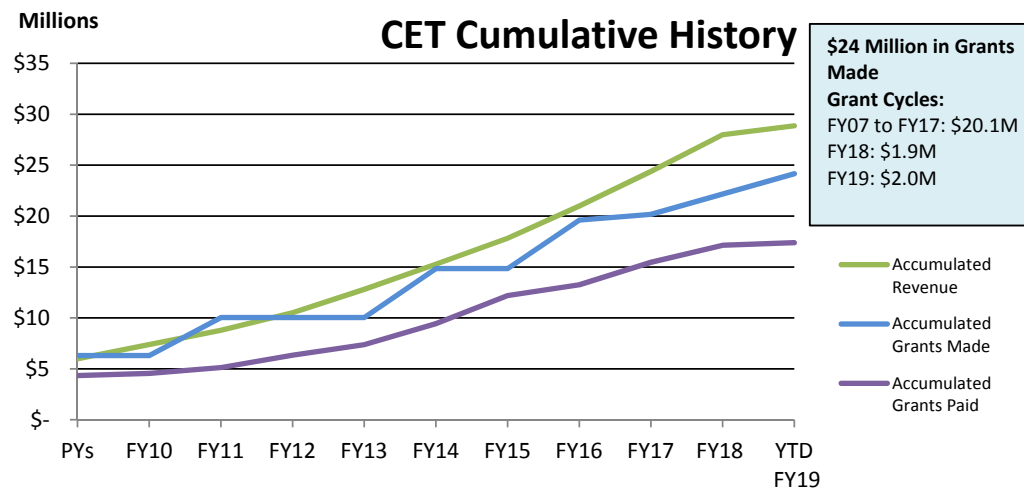
\$2 million in grants have already been awarded in FY 2018-19. The grants awarded during Q1 were focused on equitable development, facilitating infill development within UGB, and new urban area planning.

Award detail of grants is on Metro's website at www.oregonmetro.gov.

Jurisdiction	Grants prior to 2017	FY18 Awards	YTD FY19 Awards	Total	% of Total Awarded
Portland	\$4,269,928	\$237,500	\$745,000	\$5,252,428	21.7%
Washington County	3,266,678		520,000	\$3,786,678	15.7%
Gresham	2,386,057			\$2,386,057	9.9%
Hillsboro	1,092,500			\$1,092,500	4.5%
Clackamas County	1,003,701	394,000	220,000	\$1,617,701	6.7%
Beaverton	860,697	150,000		\$1,010,697	4.2%
Multnomah County	277,500			\$277,500	1.1%
Cities, population 25-75k	4,360,129	340,246	510,000	\$5,210,375	21.6%
Cities, population < 25k	2,655,503	715,000		\$3,370,503	14.0%
"Portland/Mult. Co. Joint Office of Homeless Services"		150,000		\$150,000	0.6%
	\$20,172,693	\$1,986,746	\$1,995,000	\$24,154,439	100.0%

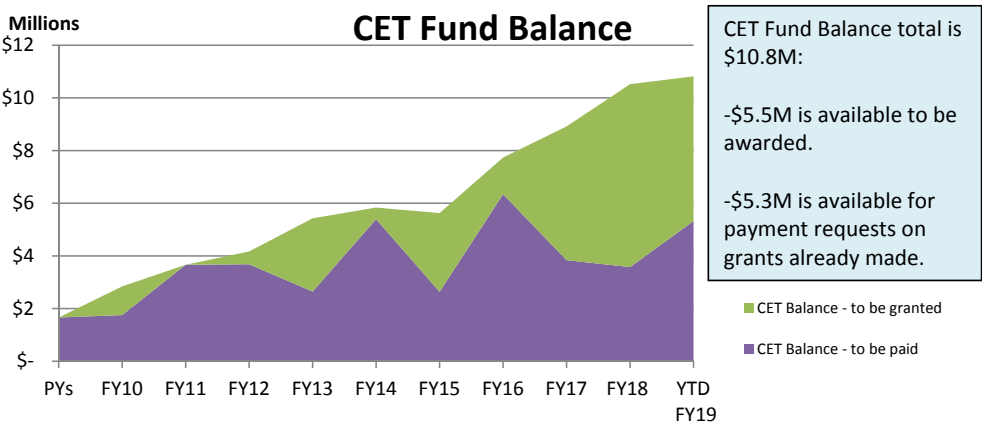
Cumulative collections

Metro grants the awards on a reimbursement basis, and thus maintains a balance to make payments as requested. From inception, the Construction Excise Tax has earned \$28.8 million in revenue and granted \$24 million to local jurisdictions. Of that \$24 million, approximately \$17.4 million has been paid out.



Funds available to be awarded

Metro restricts unpaid CET funds in Ending Fund Balance, which is currently \$10.8 million. Of that amount, \$5.3 million is available for payment requests on grants already awarded, and \$5.5 million is available to be awarded in the next round of grants.



Construction Excise Tax Cycle 1

Jurisdiction	Project	Total Contract	Balance	
Beaverton	Scholls Ferry/Loon Drive (portion of Area 64)	\$ 3,750	\$ -	Planning project completed
Cornelius	East Baseline Project	\$ 7,500	\$ -	Planning project completed
Cornelius	City of Damascus	\$ 18,000	\$ -	Planning project completed
Forest Grove	Forest Grove Swap Project	\$ 8,422	\$ -	Planning project completed
Gresham	Springwater Project	\$ 977,129	\$ -	Planning project completed
Gresham	Kelly Creek Headwaters (Area13)	\$ 90,000	\$ -	Planning project completed
Happy Valley	Damascus/Boring Concept Plan	\$ 168,631	\$ -	Planning project completed
Hillsboro	South Hillsboro Community Plan Project (Areas 69 and 71)	\$ 157,500	\$ -	Planning project completed
Hillsboro	Helvetia & Evergreen Project	\$ 345,000	\$ -	Planning project completed
Hillsboro	Shute Road Concept Plan	\$ 30,000	\$ -	Planning project completed
Oregon City	Beavercreek	\$ 117,000	\$ -	Planning project completed
Oregon City	Park Place	\$ 292,500	\$ -	Planning project completed
Oregon City	South End	\$ 292,500	\$ -	Planning project completed
Sherwood	Brookman Road Project	\$ 168,524	\$ -	Planning project completed
Sherwood	Area 48 (Tonquin Employment Area) Concept Plan	\$ 208,440	\$ -	Planning project completed
Tualatin	NW/SW Concept Plans	\$ 52,194	\$ -	Planning project completed
Tualatin	Tualatin Southwest Concept Plan Implementation Project	\$ 30,908	\$ -	Planning project completed
Tualatin	Basalt Creek (South Tualatin/North Wilsonville)	\$ 365,277	\$ 295,000	Adjusted milestones due dates. Expected completion date is June 2018
Clackamas County	Damascus-Boring Concept Plan	\$ 202,701	\$ -	Planning project completed
Washington County	N. Bethany Project	\$ 1,170,000	\$ -	Planning project completed
Washington County	West Bull Mountain Concept Plan	\$ 670,500	\$ 74,100	Planning project completed
Washington Cty/Beaverton	Area 67 (Cooper Mtn)	\$ 191,700	\$ -	Planning project completed
Multnomah County	Bonny Slope West Concept Plan	\$ 202,500	\$ -	Planning project completed
Damascus	City of Damascus	\$ 524,724	\$ 131,181	Contract Canceled
		\$ 6,295,400	\$ 500,281	

Construction Excise Tax Cycle 2

Jurisdiction	Project	Total Contract	Balance	
Cornelius	Holladay Industrial Park Planning	\$ 79,000	\$ -	Planning project completed
Forest Grove	Redevelopment Planning	\$ 85,000	\$ 12,000	Planning project completed
Gresham	TriMet Site Redevelopment Plan	\$ 70,000	\$ 5,180	Planning project completed
Happy Valley	Industrial Pre-Certification Study	\$ 32,600	\$ -	Planning project completed
Hillsboro	Tanasbourne/AmberGlen Regional Center Implementation	\$ 275,000	\$ 90,000	Planning project completed
Hillsboro	Old Town Hillsboro Refinement Plan	\$ 90,000	\$ 15,000	Planning project completed
Lake Oswego	Foothills District Framework Plan	\$ 295,000	\$ 93,650	Planning project completed
Lake Oswego	Funding Strategy to Implement the LGVC Plan	\$ 50,000	\$ -	Planning project completed
Milwaukie	Town Center Urban Renewal Plan	\$ 224,000	\$ 42,560	Planning project completed
Portland	Portland-Milwaukie LRT Project: E-TOD Plan	\$ 485,000	\$ -	Planning project completed
Portland	Foster Lents Integration Partnership	\$ 250,000	\$ -	Planning project completed
Portland	Portland Brownfield Redevelopment Assessment	\$ 150,000	\$ -	Planning project completed
Portland	South Waterfront: South Portal Partnership Plan	\$ 250,000	\$ 100	Planning project completed
Portland	Barbur Corridor Concept Plan	\$ 700,000	\$ -	Planning project completed
Tualatin	Southwest Urban Renewal Plan	\$ 70,000	\$ 70,000	City notified Metro in June 2015 that it is unable to move forward with this project.
Tualatin	Highway 99W Corridor Plan	\$ 181,000	\$ 400	Planning project completed
Washington County	Aloha-Reedville Study	\$ 442,000	\$ -	Planning project completed. (Note: Metro funded portion of the Aloha-Reedville Livable Community Plan)
		\$ 3,728,600	\$ 328,890	

Construction Excise Tax Cycle 3*

*Green means no IGA

Jurisdiction	Project	Total Contract	Balance	
Beaverton	South Cooper Mtn. Concept and Community Plan	\$ 469,397	\$ -	Planning project completed
Beaverton	Area 67 (Cooper Mtn)	\$ 191,700	\$ 31,950	Planning project completed
Cornelius	Urban Reserves Concept Plan	\$ 83,000	\$ 6,000	Planning project completed
Forest Grove	Westside Planning Program	\$ 133,000	\$ -	Planning project completed
Gresham	Vista Business Park Eco-Industrial Strategies	\$ 100,000	\$ -	Expected date of completion is December 2016
Gresham & Portland - Joint project	Powell-Division Transit and Development Project	\$ 362,290	\$ -	Planning project completed
Gresham & Portland - Joint project	Powell-Division Transit and Development Project	\$ 450,000	\$ -	Portland completed its portion of this joint planning project
Happy Valley	Rock Creek Empl Center Infrastructure Funding Plan	\$ 53,100	\$ 48,100	Planning project completed
King City	Town Center Action Plan	\$ 75,000	\$ -	Planning project completed
Lake Oswego	Southwest Employment Area Plan	\$ 80,000	\$ -	Planning project completed
Oregon City	Willamette Falls Legacy Project	\$ 300,000	\$ -	Planning project completed
Portland	Mixed-use Zoning Project	\$ 425,500	\$ -	Planning project completed
Sherwood	West Sherwood Concept Plan	\$ 221,139	\$ -	Planning project completed
Sherwood & Washington Co -Joint Project	Tonquin Empl Area Impl Plan and Washington Co Industrial Land Analysis	\$ 371,446	\$ -	Planning project completed
Sherwood & Washington Co -Joint Project	Tonquin Empl Area Impl Plan and Washington Co Industrial Land Analysis	County portion of above \$255,000 to be determined		Planning project completed
Tigard	River Terrace Community Plan Implementation	\$ 245,000	\$ -	Planning project completed
Tigard	Downtown Tigard Mixed-Use Development Projects	\$ 100,000	\$ -	Planning project completed
West Linn	Arch Bridge / Bolton Center	\$ 220,000	\$ -	Planning project completed
Wilsonville	Frog Pond / Advance Road Concept Plan	\$ 341,000	\$ -	Planning project completed
Clackamas County	Strategically Significant Employment Lands Project	\$ 221,000	\$ -	Planning project completed
Clackamas County	Performance Measures and Multimodal Mixed Use Area Project	\$ 160,000	\$ -	Planning project completed
Washington County	Concept Planning of Area 93	\$ 205,105	\$ -	Planning project completed
		\$ 4,807,677	\$ 86,050	

Construction Excise Tax Cycle 4*

*Green means no IGA

Jurisdiction	Project	Total Contract	Balance	
Clackamas County	Stafford Area Transportation Assessment	\$ 170,000	\$ 170,000	IGA Extended to 06/30/2019
Cornelius	Cornelius EOA and Decision Ready Project	\$ 40,000	\$ -	Planning project completed
Fairview	Halsey Corridor Economic Development Study	\$ 112,000	\$ 5,159	Planning project completed
Gladstone	Gladstone Downtown Revitalization Plan	\$ 162,700	\$ -	Planning project completed
Hillsboro	Jackson Areas School Employment Subarea	\$ 195,000	\$ 95,000	
Oregon City	Willamette Falls Legacy Project	\$ 550,000	\$ 295,000	IGA Extended to 12/31/2018
Portland	Improving Multi-Dwelling Development – New Standards and Regulatory Improvement	\$ 310,500	\$ 15,520	IGA Extended to 10/2018
Portland #2 & Gresham	Building Healthy Connected Communities along the Powell Division Corridor	\$ 1,485,566	\$ 833,737	Gresham IGA Closed 05/29/2018; Portland IGA extended to 12/31/2018
Portland	82nd Avenue Study Understanding Barriers to Development	\$ 200,000	\$ 10,000	IGA Extended to 12/31/2018
Portland	N/NE Community Development – Pathway 1000 Initiative	\$ 250,000	\$ -	Planning project completed
Tigard	Downtown Tigard Urban Lofts Development Project	\$ 100,000	\$ 5,000	Planning project completed
Tigard	Tigard Triangle Walkable Suburban Development	\$ 145,250	\$ -	Planning project completed
Wilsonville	Wilsonville Town Center Master Plan	\$ 320,000	\$ 100,000	IGA extended to 02/28/2019
Clackamas County	North Milwaukie Industrial Redevelopment Plan	\$ 250,000	\$ -	Planning project completed
Multnomah County	Moving to Permanent Housing	\$ 75,000	\$ 75,000	Project Withdrawn 07/01/2016
Washington County	Aloha Town Center / TV Highway TOD Plan	\$ 400,000	\$ -	Planning project completed
		<u>\$ 4,766,016</u>	<u>\$ 1,604,416</u>	

Construction Excise Tax Cycle 4H - Equitable Housing*

*Green means no IGA

Jurisdiction	Project	Total Contract	Balance	
Beaverton	Anti-displacement Strategy	\$ 100,000	\$ 100,000	IGA extended to 10/31/2018
Milwaukie	Cottage Cluster Housing	\$ 65,000	\$ 65,000	IGA extended to 06/30/2019
Oregon City	Code Barriers for Missing Middle	\$ 100,000	\$ 100,000	IGA extended to 11/30/2018
Portland	SW Corridor Equitable Housing	\$ 100,000	\$ 55,000	IGA extended to 09/30/2018
Tigard	SW Corridor Opportunity Sites	\$ 50,000	\$ 50,000	Negotiating Deliverables
Washington County	Site Identification and Predevelopment	\$ 97,500	\$ -	Planning project completed
Wilsonville	Equitable Housing Strategic Plan	\$ 62,500	\$ 62,500	
		<u>\$ 575,000</u>	<u>\$ 432,500</u>	

Construction Excise Tax Cycle 5*

*Green means no IGA

Jurisdiction	Project	Total Contract	Balance	
Beaverton	Downtown Development	\$ 150,000	\$ 108,000	
Happy Valley	Pleasant Valley/North Carver Comprehensive Plan	\$ 400,000	\$ 400,000	
Portland	Expanding Opportunities for Affordable Housing in Faith Communities	\$ 125,000	\$ 125,000	
Portland	Rossi Farms Development Plan	\$ 112,500	\$ 112,500	
Clackamas Co	Hillside Master Plan for Housing Opportunity	\$ 214,000	\$ 214,000	
Multnomah Co	Tri-County Equitable Housing Strategy to Expand Permanent Supportive Housing for People Experiencing Chronic Homelessness	\$ 150,000	\$ 150,000	
City of Cornelius	Urban Renewal	\$ 315,000	\$ 315,000	
City of Tigard	Tigard Triangle	\$ 340,246	\$ 340,246	
Clackamas Co	Park Avenue Development & Design Standards	\$ 180,000	\$ 180,000	
		\$ 1,986,746	\$ 1,944,746	



APPENDIX D – Capital Budget, FY 2017-18

SUMMARY

The following pages present the status of all projects with anticipated spending of greater than \$100,000, including a comparison of budgeted capital projects with activity and expenditures through June 30, 2018.

This year's capital improvement plan included 125 capital projects greater than \$100,000. Natural Areas land acquisitions came to a total of \$3.4 Million for the fiscal year, including \$1.8 million on the Mallory property and \$500,000 for the Starr property. Through June 30, 2018, 10 projects were completed and two projects were cancelled. 22 projects were funded but not started.

The remaining projects are on track or are longer term projects that are budgeted over several years.

Completed Projects:

EXPO:

- Hall D Roof Repairs/Replacement
- Hall Shore Power Install

MRC:

- Building Envelope Repairs
- MRC Remodel- 2nd Floor-PES/SW

OCC:

- EST-3 Fire Alarm Notification Upgrades

PORTLAND 5:

- Newmark / Winningstad Lighting Overhaul
- ASCH Portland Sign-assessment: re-paint, re-light
- Keller - Roof and Drains Replacement

ZOO:

- Life Support System
- Living Collection Siding

CIP Summary
Q4 FY 2018

Project	ID	Current Year				
		FY 2018	YTD Actual	Balance	Total Spend	Project Status
Information Services						
VOIP Phone System Upgrade Phase II	65701C	996,898	506,724	490,174	658,585	Funded-Active
MERC Venues POS Replacement	85110	562,000	21,362	540,638	136,901	Funded-Active
PCI-Network Remediation	01570	481,033	24,149	456,884	43,116	Funded-Active
IMS - Network Management	65200	325,144	72,605	252,539	441,561	Funded-Active
VOIP Phone System Upgrade	65701B	305,700	114,487	191,213	303,743	Funded-Active
PeopleSoft LMS	ISTBD13	185,141	-	185,141	-	Funded-Not Started
Zoo Roadmap	ISTBD06	164,000	-	164,000	-	Funded-Not Started
PeopleSoft Upgrades	01521	113,111	17,987	95,124	92,343	Funded-Active
PeopleSoft Supplier Contract Management Module	65612A	100,000	-	100,000	-	Funded-Not Started
Printer Consolidation - Acquisition	65110	42,750	-	42,750	74,703	Funded-Active
KRONOS Timeclocks	65630B	40,344	-	40,344	-	Funded-Not Started
Customer Relationship Software	65675A	29,340	16,210	(36,409)	283,259	Funded-Active
Property and Environmental Services						
MRC: HVAC & BAS Replacement	MRC001	1,641,234	-	1,641,234	-	Funded-Not Started
MCS Trash Compactor #3	SMC002	1,550,000	1,539,285	10,715	1,539,959	Funded-Active
Metro South: Compactor #1	SMS001	1,550,000	1,543,085	6,915	1,543,085	Funded-Active
MRC Roof Rplcmnt-Phase 2	01320A	535,389	525,676	9,713	702,248	Funded-Active
SJLF Flare Replacement	77002	490,000	387,419	102,581	524,848	Funded-Active
Fleet: Solid Waste	70001S	360,333	386,688	(26,355)	407,053	Funded-Active
MRC Daycare Improvements	MRC003	285,000	2,940	282,060	2,940	Funded-Active
MRC - Building Envelope Repairs	01325	217,000	-	217,000	182,449	Complete
St. Johns Landfill - Remediation	76995	210,000	-	210,000	103	Funded-Active
Metro Central Camera Expansion	77106	178,000	173,037	4,963	185,021	Funded-Active
MRC Security System	01503	120,000	23,378	96,622	106,967	Funded-Active
Table 6 Tenant Improvements	MRC002	100,000	63,937	36,063	63,937	Funded-Active
Crusher Can / Aerosol Crusher - MSS	77126	100,000	90,514	9,486	90,514	Funded-Active
MRC Remodel- 2nd Floor-PES/SW	01329	90,000	28,928	61,072	532,904	Complete
MSS Pit Wall Refurbishment	77111	90,000	44,567	45,433	66,807	Funded-Active
MSS Exterior Renovations	SMS003	65,000	115,548	(50,548)	197,884	Funded-Active
MRC Furniture Reconfiguration	MRC005	50,000	16,146	33,854	16,146	Funded-Active
MSS Annual Concrete Maintenance	77124	50,000	-	50,000	-	Funded-Not Started
Metro Central - Annual Concrete Repair	77125	50,000	(19,945)	69,945	34,681	Funded-Active
Visitor Venues - Oregon Zoo						
Polar Bear/Primate/Rhino Habitats	ZIP004	2,500,000	2,530,167	(30,167)	3,765,202	Funded-Active
Primate & Rhino Habitat	ZIP005	2,500,000	-	2,500,000	0	Funded-Active
Zoo Electrical Infrastructure	ZOOTBD04	1,000,000	-	1,000,000	-	Funded-Active
Giraffe Feeding Station	ZOO66	700,000	466,061	233,939	513,981	Funded-Active
Roof Replacement Project	ZOOTBD07	673,000	-	673,000	-	Funded-Active
Railroad Rolling Stock Replacement	ZRW193	350,000	-	350,000	-	Funded-Not Started
Campus and Habitat Interpretive Design	ZIP013	250,733	5,170	245,563	2,067,466	Funded-Active
TBD ZOO R&R Projects	ZOOTBD25	186,973	-	186,973	-	Funded-Not Started
Ampitheatre Tier Remodel	ZOO77	175,000	-	175,000	-	Funded-Not Started
Fleet: ZOO	70001Z	165,386	166,640	(1,254)	179,655	Funded-Active
Life Support Systems	ZRW194	150,000	26,900	123,100	26,900	Complete
Zoo New Capital < \$100K	ZOOTBD22	130,000	-	130,000	-	Funded-Not Started
Cart, Endoscopy	ZRW180	120,000	-	120,000	-	Funded-Not Started
Cascade Crest Elevator	ZVS20	115,000	-	115,000	-	Funded-Not Started
Animal Area Cameras	ZOO78	100,000	100,328	(328)	100,328	Funded-Active
Living Collection Siding	ZOO74	85,046	82,533	2,513	107,113	Complete
One-Percent for Art Design and Installation	ZIP012	80,000	125,726	(45,726)	666,651	Funded-Active
Website Redesign	ZRW196	50,000	-	50,000	-	Funded-Not Started

CIP Summary
Q4 FY 2018

Project	ID	Current Year				
		FY 2018	YTD Actual	Balance	Total Spend	Project Status
Parks and Nature						
Natural Areas Acquisition	TEMP98	7,500,000	3,403,597	7,500,000	112,301,090	Funded-Active
WF Construction	WF013	1,650,000	-	1,650,000	-	Funded-Not Started
Columbia Blvd Bridge Crossing	BA010	1,450,000	-	1,450,000	51,354	Funded-Active
Marine Drive Trail	BA020	1,200,000	-	1,200,000	-	Funded-Not Started
Oxbow Welcome Center	LI005	1,110,333	854,327	256,006	1,176,672	Funded-Active
WF Conceptual Design	WF011	1,090,582	500,710	589,872	2,064,182	Funded-Active
Chehalem Ridge Comp Plan	LA110	720,000	57,276	662,724	197,820	Funded-Active
North Tualatin Mountains Nature Park	LA120	702,000	51,546	650,454	134,285	Funded-Active
Killin Wetland Access/Site Evaluation	LA300	595,000	568,769	26,231	906,022	Funded-Active
Newell Creek Canyon Nature Park	LA250	581,500	85,616	495,884	210,690	Funded-Active
Oxbow Play Area Renovations	LI003	520,106	56,789	463,317	119,763	Funded-Active
Smith and Bybee Wetlands Water Management	LR403	500,000	650,578	(150,578)	828,722	Funded-Active
Fleet : PARKS	70001P	396,583	161,536	235,047	278,885	Funded-Active
Ambleside Aquatic Restoration	LR1602	360,000	208,620	151,380	706,769	Funded-Active
Gabbert Hill Access Improvements	LA200	345,000	59,880	285,120	84,160	Funded-Active
Oxbow Park Stream Restoration	LR240	325,000	398,657	(73,657)	915,629	Funded-Active
Borland Infrastructure Phase 2	LR751	325,000	1,390	323,610	1,640	Funded-Active
Oxbow Campground Improvements	LI007	280,000	82,617	197,383	82,940	Funded-Active
Oxbow: Trail System Assessment	POX004	252,404	4,077	248,327	4,077	Funded-Active
Trails: St Johns Prairie	PTR001	250,000	-	250,000	-	Funded-Not Started
Levy Terramet Database Improvement	LS010	230,000	226,874	3,126	660,432	Funded-Active
Willamett Falls Legacy Project	WF040	195,000	94,636	100,364	256,836	Funded-Active
Blue Lake Infrastructure Improvements - Water System	LI212	191,250	25,238	166,012	38,427	Funded-Active
Willamette Falls Riverwalk	WF010	165,859	414,949	(249,090)	1,923,480	Funded-Active
SB WCS upgrades&repairs	LR408	160,000	266,243	(106,243)	309,593	Funded-Active
OPRC - Quitclaim - Springwater	G24010	150,310	3,398	146,912	1,041,950	Funded-Active
Howell House Siding Replacement	LI603	150,000	91,266	58,734	91,266	Funded-Active
Columbia Cemetery Fence Replacement	LI613	138,392	58,142	80,250	58,142	Funded-Active
River Island Restoration	BA030	130,000	131,859	(1,859)	5,658,708	Funded-Active
Chinook: Floats & Gangway	PCK001	115,830	723	115,107	723	Funded-Active
Bottler Mausoleum Restoration	PKSTBD14	100,000	-	100,000	-	Unfunded
Oxbow Park Sanitary System Replacement	LI011	100,000	-	100,000	-	Funded-Not Started
Glendoveer Facility Condition Assessment	GF121	75,000	-	75,000	15,390	Funded-Active
Chinook Landing Improvements	RPRR07	75,000	-	75,000	-	Cancelled
Richardson Creek Restoration Project	LR031	50,000	230,181	(180,181)	816,092	Funded-Active
Lone Fir Cultural Heritage Garden	PKSTBD17	50,000	-	50,000	-	Unfunded
Blue Lake Office Renovation	LI213	50,000	-	50,000	32,560	Funded-Active
Glendoveer Equipment	GF154	50,000	-	50,000	-	Funded-Not Started
Blue Lake: Fencing	PBL002	45,851	-	45,851	-	Funded-Not Started
Tigard: Fanno Creek Trail	BA040	35,000	30,634	4,366	310,761	Funded-Active
Visitor Venues - Oregon Convention Center						
OCC - Master Plan Renovation	8R082	4,640,000	3,297,048	1,342,952	3,871,283	Funded-Active
OCC Breakroom Rennovation	8R191	644,000	653,504	(9,504)	675,605	Funded-Active
OCC - CCTV Replacement	8R032	450,000	-	450,000	444,741	Funded-Active
OCC Lding Dock Imprvmnts	8R189	360,000	405,916	(45,916)	414,474	Funded-Active
OCC - Integrated Door Access Controls	8N025	300,000	-	300,000	22,288	Funded-Active
OCC - Lighting Control System	88174	275,000	73,010	201,990	96,040	Funded-Active
OCC - Movable Partition Refurbishment	8R190	180,000	128,044	51,957	128,044	Funded-Active
OCC - Building Envelope	8R187	150,000	85,825	64,175	85,825	Funded-Active
OCC - A/V Equipment (NBS)	8R118	150,000	159,955	(9,955)	447,385	Funded-Active
OCC Cooling System Rplcmnt	8R188	80,000	51,894	28,106	56,268	Funded-Active
OCC - Alerton Gbl Cntrlr Upgrd	8R166	70,000	68,179	1,821	143,233	Funded-Active
OCC - EST-3 Fire Alarm Notification Upgrades	8R163	41,000	48,258	(7,258)	326,271	Complete

CIP Summary
Q4 FY 2018

Project	ID	Current Year				
		FY 2018	YTD Actual	Balance	Total Spend	Project Status
Visitor Venues - Portland'5 Centers for the Arts						
Schnitzer Orchestra Shell Replacement	8R092	1,455,000	442,121	1,012,879	462,092	Funded-Active
P'5 - AHH Newmark Lighting System Overhaul	8R089	946,613	555,735	390,878	571,595	Complete
P5 ASCH Backstage Dressing Tower Elevator Overhaul	8R204	320,000	216,970	103,030	271,106	Funded-Active
Keller Electrical Infrastructure Update	8R155	300,000	36,731	263,269	47,531	Funded-Active
P5 ASCH FOH Elevators Overhaul	8R205	240,000	151,499	88,501	193,671	Funded-Active
P5 AHH/ASCH/Keller Access Control/CCTV replacement	8R178	200,000	221,348	(21,348)	221,348	Funded-Active
P5 AHH Roof	8R179	150,000	99,841	50,159	100,029	Funded-Active
ASCH Portland Sign-assessment: re-paint, re-light (CF)	8R099	150,000	147,905	2,095	567,176	Complete
Keller - Roof and Drains Replacement	8R098	90,000	50,921	39,079	1,444,688	Complete
P5 ArtBar Bar Rplcmnt	85108	75,000	-	75,000	-	Cancelled
P5 ASCH Chamber Lighting	8R177	25,000	29,836	(4,836)	29,836	Funded-Active
ASCH - Cooling System Replacement	8R120	10,000	-	10,000	37,688	Funded-Active
Visitor Venues - Expo Center						
Expo - Hall D Roof Repairs/Replacement	8R136	1,744,689	1,290,022	454,667	2,193,584	Complete
Expo - Connector Glass Door	85106	225,000	112,874	112,126	162,870	Funded-Active
Expo Hall Shore Power Install	8R170	220,000	219,777	223	288,315	Complete
Expo - Parking Lot Asphalt Maintenance / Replacement	8R040	135,000	-	135,000	180,657	Funded-Active
Expo PGE Upgrades	8R202	100,000	-	100,000	-	Funded-Not Started
Expo - Security Cameras / Access Controls	8R212	82,138	-	82,138	1,625	Funded-Active
Expo - WiFi - Telecommunications Upgrade	8R139	80,000	5,044	74,956	17,709	Funded-Active
Expo - Roof Repair - Halls ABC Minor Repairs	8R135	80,000	47,225	32,775	57,894	Funded-Active
Expo - Water Efficiency Upgrades	8R151	80,000	-	80,000	39,984	Funded-Active
Expo - Electronic Reader Board	8N011	47,548	52,499	(4,951)	311,599	Funded-Active
Expo - Hall C Refurbishment	8R172	35,000	31,407	3,593	31,407	Funded-Active
Expo - Lighting Control review and install - Halls ABCDE	8R169	20,000	-	20,000	-	Funded-Not Started

Resolution No. 18-4927, For the Purpose of Authorizing the Chief Operating Officer to Issue a Renewed Non-System License to FCA US LLC. – Mopar PDC for Transport and Disposal of Non-Recoverable Solid Waste, Including Putrescible Waste at Covanta Waste-To-Energy Facility Located in Brooks, Oregon

Consent Agenda

Metro Council Meeting
Thursday, November 29, 2018
Metro Regional Center, Council Chamber

BEFORE THE METRO COUNCIL

FOR THE PURPOSE OF AUTHORIZING THE CHIEF) RESOLUTION NO. 18-4927
OPERATING OFFICER TO ISSUE A RENEWED NON-SYSTEM)
LICENSE TO FCA US LLC. – MOPAR PDC FOR TRANSPORT) Introduced by Chief Operating
AND DISPOSAL OF NON-RECOVERABLE SOLID WASTE,) Officer Martha Bennett in
INCLUDING PUTRESCIBLE WASTE AT THE COVANTA) concurrence of Council President
WASTE-TO-ENERGY FACILITY LOCATED IN BROOKS,) Tom Hughes
OREGON.

WHEREAS, the Metro Code requires a non-system license of any person that delivers solid waste generated from within the Metro Region to a non-system disposal facility; and

WHEREAS, FCA US LLC. – Mopar PDC (“FCA”) holds Metro Solid Waste Facility Non-System License No. N-171-16, which expires on December 31, 2018; and

WHEREAS, FCA has filed a complete application seeking renewal of the non-system license to transport non-recoverable solid waste including putrescible waste to the Covanta Waste-to-Energy facility for disposal under the provisions of Metro Code Chapter 5.05, “Solid Waste Flow Control;” and

WHEREAS, Metro Code Chapter 5.05 provides that the Chief Operating Officer will review an application for a non-system license to transport putrescible waste and that Metro Council has authority to approve or deny the application; and

WHEREAS, the Chief Operating Officer has analyzed the application and considered the relevant factors under the Metro Code; and

WHEREAS, the Chief Operating Officer recommends that Metro issue a renewed non-system license with specific conditions as provided in Exhibit A to this Resolution; now therefore,

THE METRO COUNCIL RESOLVES AS FOLLOWS:

1. The non-system license application of FCA is approved subject to the terms, conditions, and limitations contained in Exhibit A to this Resolution.
2. The Chief Operating Officer is authorized to issue to FCA a non-system license substantially similar to the one attached as Exhibit A.

ADOPTED by the Metro Council this ____ day of _____, 2018.

Tom Hughes, Council President

Approved as to Form:

Nathan A. S. Sykes, Metro Attorney



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

METRO SOLID WASTE FACILITY NON-SYSTEM LICENSE

No. N-171-19

LICENSEE:
FCA US LLC – Mopar PDC 10030 SW Allan Blvd. Beaverton, OR 97005
CONTACT PERSON:
Michael Tarter Phone: (503) 526-5579 E-mail: michael.tarter@fcagroup.com
MAILING ADDRESS:
FCA US LLC – Mopar PDC 10030 SW Allen Blvd. Beaverton, OR 97005

ISSUED BY METRO:

Martha J. Bennett, Metro Chief Operating Officer

Date

1	NATURE OF WASTE COVERED BY LICENSE
	Non- recoverable, non-putrescible waste commingled with putrescible waste generated at the FCA US LLC – Mopar PDC site located at 10030 SW Allen Blvd. in Beaverton, Oregon.
2	CALENDAR YEAR TONNAGE LIMITATION
	Licensee is authorized to transport to the non-system facility described in Section 3 up to 35 tons per calendar year of the waste described in Section 1 of this license.
3	NON-SYSTEM FACILITY
	<p>The Licensee is authorized to transport the waste described above in Section 1 only to the following non-system facility:</p> <p style="text-align: center;">Covanta Waste-to-Energy Facility 4850 Brooklake Road, NE Brooks, OR 97305</p> <p>This license is issued on condition that the non-system facility named in this section is authorized to accept the type of waste described in Section 1. If Metro receives notice from the Oregon Department of Environmental Quality that this non-system facility is not authorized to accept such waste, Metro may immediately revoke this license pursuant to Section 7 of this license.</p>
4	TERM OF LICENSE
	The term of this license will commence on January 1, 2019 and expire on December 31, 2020, unless terminated sooner under Section 7 of this license.
5	REPORTING OF ACCIDENTS AND CITATIONS
	Licensee must report to Metro any significant incidents (such as fires), accidents, and citations involving vehicles of its transportation carrier during the loading and transporting of the solid waste on behalf of the Licensee.

6	RECORD KEEPING AND REPORTING
	<p>(a) The Licensee must keep and maintain accurate records of the amount of all waste that the Licensee transports to the non-system facility described in Section 3 of this license. These records include the information specified in <u>Reporting Requirements and Data Standards for Metro Solid Waste Licensees, Franchisees, and Parties to Designated Facility Agreements</u>.</p> <p>(b) No later than the 15th day of each month, beginning with the first month following the commencement date of this license, Licensee must:</p> <ul style="list-style-type: none"> i. Transmit to Metro in the electronic format prescribed by Metro the records required under Section 6(a) above; ii. Submit to Metro a Regional System Fee and Excise Tax Report, that applied to the preceding month; and iii. Remit to Metro the requisite Regional System Fees and Excise Tax in accordance with the Metro Code provisions applicable to the collection, payment, and accounting of such fees and taxes. <p>(c) Licensee must make all records from which Sections 6(a) and 6(b) above are derived available to Metro (or Metro’s designated agent) for its inspection or copying, as long as Metro provides no less than three (3) business days written notice of an intent to inspect or copy documents. In addition, the Licensee must sign or otherwise provide to Metro any consent or waiver necessary for Metro to obtain information or data from a third party, including the non-system facility named in Section.</p> <p>(d) If the licensee fails to submit the records or payments to Metro by the timeline set forth in Section 6 of this license, each day by which the licensee exceeds the due date may constitute a separate violation subject to a penalty of up to \$500 per violation.</p>

7	ADDITIONAL LICENSE CONDITIONS
	<p>This license is subject to the following conditions:</p> <p>(a) The permissive transfer of solid waste to the non-system facility, listed in Section 3, authorized by this license will be subordinate to any subsequent decision by Metro to direct the solid waste described in this license to any other facility.</p> <p>(b) This license is subject to amendment, modification, or revocation by Metro’s Chief Operating Officer (the “COO”) in the event that the COO determines that:</p> <ul style="list-style-type: none"> i. There has been sufficient change in any circumstances under which Metro issued this license; ii. The provisions of this license are actually or potentially in conflict with any provision in Metro’s disposal contract with Oregon Waste Systems, Inc.; or

	<p>iii. Metro’s solid waste system or the public will benefit from, and will be better served by, an order directing that the waste described in Section 1 of this license be transferred to, and disposed of at, a facility other than the facility listed in Section 3.</p> <p>(c) This license is, in addition to subsections (b)(i) through (b)(iii), above, subject to amendment, suspension, or revocation pursuant to the Metro Code.</p> <p>(d) The Licensee may not transfer or assign any right or interest in this license without prior written notification to, and approval of, Metro.</p> <p>(e) This license will terminate upon the execution of a designated facility agreement with the facility listed in Section 3 that authorizes the facility to accept the waste described in Section 1 of this license.</p> <p>(f) This license authorizes the transport of putrescible waste to the facility listed in Section 3 of this license. Licensee is prohibited from transporting waste generated from within the Metro boundary to any non-system facility other than that specified in this license unless authorized by Metro in writing.</p> <p>(g) The COO may require the Licensee to redirect the waste covered by this non-system license to Metro Central Transfer Station or Metro South Transfer Station. Metro will provide the Licensee with at least 24 hours written notice of any redirection requirement. The notice will include the date and time that the redirection will take effect.</p> <p>(h) If the Licensee exceeds the calendar year limitation set forth in Section 2, each ton or portion thereof by which the Licensee exceeds the limitation constitutes a separate violation subject to a penalty of up to \$500.</p>
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8	COMPLIANCE WITH LAW
	<p>Licensee must fully comply with all applicable local, regional, state and federal laws, rules, regulations, ordinances, orders, and permits pertaining in any manner to this license, including all applicable Metro Code provisions and administrative procedures adopted pursuant to Chapter 5.05 whether or not those provisions have been specifically mentioned or cited herein. All conditions imposed on the collection and hauling of the Licensee’s putrescible waste by federal, state, regional or local governments or agencies having jurisdiction over the waste generated by the Licensee will be deemed part of this license as if specifically set forth herein.</p>

9	INDEMNIFICATION
	<p>Licensee must defend, indemnify and hold harmless Metro, its elected officials, officers, employees, agents and representatives from any and all claims, demands, damages, causes of action, or losses and expenses arising out of or related in any way to the issuance or administration of this non-system license or the transport and disposal of the solid waste covered by this license. Expenses include, but are not</p>

	limited to all attorneys' fees, whether incurred before any litigation is commenced, during any litigation or on appeal.
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WE

STAFF REPORT

IN CONSIDERATION OF RESOLUTION NO. 18-4927 AUTHORIZING THE CHIEF OPERATING OFFICER TO ISSUE A RENEWED NON-SYSTEM LICENSE TO FCA US LLC – MOPAR PDC FOR TRANSPORT AND DISPOSAL OF NON-RECOVERABLE SOLID WASTE, INCLUDING PUTRESCIBLE WASTE AT THE COVANTA WASTE-TO-ENERGY FACILITY LOCATED IN BROOKS, OREGON

November 1, 2018

Prepared by: Will Ennis
503-797-1667

Approval of Resolution No. 18-4927 will authorize the Chief Operating Officer (COO) to issue a renewed non-system license (NSL), to FCA US LLC – Mopar PDC (FCA). The proposed NSL will authorize FCA to transport up to 35 tons per calendar year of non-recoverable solid waste, including putrescible solid waste, from its facility within the Metro region to the Covanta Waste-to-Energy Facility (Covanta) located in Brooks, OR. The proposed NSL is a renewal of an existing NSL that is set to expire on December 31, 2018.¹

BACKGROUND

The applicant FCA, is part of a family of companies in North America that manufactures vehicles under the Chrysler, Jeep, Dodge, Ram and FIAT brands. The Metro area facility is located in Beaverton at 10030 SW Allen Boulevard (Metro District 3). FCA also functions as a distribution center that ships automotive parts and accessories to dealers and customers. The company routinely generates miscellaneous non-recoverable waste at its facility such as wax backed paper, miscellaneous wood scraps, non-recyclable plastics, food and general waste, miscellaneous metals pieces and rubber.

FCA seeks to divert its non-recoverable waste to energy recovery facilities as the preferred method of waste disposal instead of landfills. The facility currently has a recycling infrastructure in place for various materials including metal, cardboard, film plastic and wood. The company seeks to renew its NSL to further its internal initiative to reduce landfill disposal.

In December 2016, FCA was issued a new NSL authorizing the transport of up to 35 tons per calendar year of miscellaneous non-recoverable waste, including putrescible solid waste, generated at its facility to Covanta. The NSL is set to expire on December 31, 2018. In 2017, FCA transported approximately 23 tons of waste to Covanta under the NSL in and transported about 18 tons between January 1 and September 30, 2018.

On August 23, 2018, FCA filed a complete application seeking a renewed NSL to continue transporting up to 35 tons per calendar year of non-recoverable waste, including wet waste, generated at its facility to Covanta. The proposed license is subject to approval or denial by the Metro Council because, in addition to non-putrescible waste, it also authorizes the delivery of putrescible waste to a non-system facility.²

¹ Metro Solid Waste Facility Non-System License No. N-171-16

² Metro Code Section 5.05.110(c)

ANALYSIS/INFORMATION

1. Known Opposition

There is no known opposition to the proposed renewed license.

Legal Antecedents

Metro Code Section 5.05.110 prohibits any person from utilizing non-system facilities without an appropriate license from Metro. Additionally, Metro Code Section 5.05.140 provides that, when determining whether or not to approve an NSL application, the Metro Council will consider the following factors to the extent relevant to determine whether to issue a non-system license:

- (1) *The degree to which prior users of the non-system facility and waste types accepted at the non-system facility are known and the degree to which those wastes pose a future risk of environmental contamination;*

The proposed disposal site is a waste-to-energy facility rather than a landfill and thus does not pose the same potential environmental risk from waste delivered from prior users. Air emissions from the facility are controlled through the use of high efficiency combustion within the furnace/boiler as well as by selective non-catalytic reduction, spray dryer absorbers, fabric filter baghouses and an activated carbon injection system. The ash generated at the facility is then delivered to a disposal facility permitted by the Oregon Department of Environmental Quality (DEQ).

- (2) *The non-system facility's owner's and operator's regulatory compliance record with federal, state and local requirement, including but not limited to public health, safety and environmental regulations;*

Covanta is permitted by the DEQ. Metro staff received verbal confirmation from the DEQ and Marion County that Covanta is in compliance with federal, state, and local requirements. Staff has also received confirmation that Covanta has a good compliance record with respect to public health, safety and environmental rules and regulations.

- (3) *The adequacy of the non-system facility's operational practices and management controls;*

Covanta screens incoming waste for hazardous, radioactive, and other unacceptable materials and has a state-of-the-art emissions control system to minimize the risk of future environmental contamination. In addition, Covanta uses operational practices and management controls that are considered by the DEQ to be appropriate for the protection of health, safety, and the environment.

- (4) *The expected impact on the region's recycling and waste reduction efforts;*

FCA maintains an extensive internal recycling program and seeks to deliver only its non-recoverable waste, including wet waste, to a waste-to-energy facility instead of a landfill.

The Metro-area waste that is delivered to Covanta is considered to be disposal and does not count toward recovery in Metro's recovery rate calculation because state statute³ stipulates that only those wastesheds that burn mixed solid waste for energy recovery within their wasteshed boundaries may count a portion of it towards their DEQ recovery rate calculation. Marion County is the only wasteshed within Oregon that hosts a waste-to-energy facility within its boundaries; therefore, it is the only wasteshed that is currently allowed to include a portion of the in-county waste that is delivered to Covanta in its recovery rate. Approval of the proposed NSL is not expected to impact the Metro region's recycling and waste reduction efforts.

(5) The proposed non-system license's effect with Metro's existing contractual arrangements;

Until the end of 2019 Metro has a contractual obligation to deliver a minimum of 90 percent of the region's putrescible waste that is delivered to general purpose landfills during the calendar year, to landfills owned by Waste Management. The waste subject to this proposed license will not be disposed at a general-purpose landfill. Thus, approval of the proposed license will not conflict with Metro's disposal contract.

(6) The applicant's record regarding compliance with Metro ordinances and agreements or assistance to Metro in Metro ordinance enforcement and with federal, state and local requirements, including but not limited to public health, safety and environmental regulations; and

During the period of the current NSL, FCA was late in remitting the required Metro Regional System Fee and Excise Tax payments 4 of the 8 times that they were due for waste disposed at Covanta. A condition has been added to the proposed NSL that subjects FCA to a civil penalty for each day by which the reporting timeline is exceeded. Staff will continue to monitor this matter. Other than this issue, the applicant generally has a good record of compliance with regard to Metro regulations.

(7) Any other factor the Chief Operating Officer considers appropriate.

Covanta is the primary disposal site for solid waste generated within Marion County. Marion County generally supports the Metro-authorized flow of solid waste to Covanta but has expressed concerns about capacity to accept new customers.

2. Anticipated Effects

The effect of Resolution No. 18-4927 will be to issue a renewed NSL authorizing FCA to transport up to 35 tons per calendar year of non-recoverable waste, including putrescible waste, to Covanta. The proposed license will commence on January 1, 2019, and expire on December 31, 2020.

3. Budget/Rate Impacts

The waste covered under the proposed NSL will be transported to Covanta. Covanta is not a general-purpose landfill and the proposed tonnage will not impact Metro's obligations under its current disposal

³ ORS 465A.010(4)(f)(B)

contract. The regional system fee and excise tax will continue to be collected on the waste covered by this license. The proposed NSL is a renewal of an existing authorization and the financial impact of this NSL has already been factored into the budget.

RECOMMENDED ACTION

The COO recommends approval of Resolution 18-4927, finding that the license satisfies the requirements of Metro Code Chapter 5.05, and issuance of an NSL substantially similar to the NSL attached to the resolution as Exhibit A.

WE

Agenda Item No. 4.2

Resolution No. 18-4928, For the Purpose of Authorizing the Chief Operating Officer to Issue a Renewed Non-System License to Willamette Resources, Inc. and Republic Services Of Clackamas and Washington Counties for Transport and Disposal of Putrescible Waste at the Covanta Waste-To-Energy Facility Located in Brooks, Oregon

Consent Agenda

Metro Council Meeting
Thursday, November 29, 2018
Metro Regional Center, Council Chamber

BEFORE THE METRO COUNCIL

FOR THE PURPOSE OF AUTHORIZING THE CHIEF	)	RESOLUTION NO. 18-4928
OPERATING OFFICER TO ISSUE A RENEWED NON-SYSTEM)	
LICENSE TO WILLAMETTE RESOURCES, INC. AND REPUBLIC	)	Introduced by Martha Bennett,
SERVICES OF CLACKAMAS AND WASHINGTON COUNTIES	)	Chief Operating Officer, with the
FOR TRANSPORT AND DISPOSAL OF PUTRESCIBLE WASTE	)	concurrence of Tom Hughes,
AT THE COVANTA WASTE-TO-ENERGY FACILITY LOCATED	)	Council President
IN BROOKS, OREGON.)	

WHEREAS, the Metro Code requires a non-system license of any person that transports solid waste generated from within the Metro Region to a non-system disposal facility; and

WHEREAS, Willamette Resources, Inc. ("WRI") and Republic Services of Clackamas and Washington Counties ("Republic") hold Metro Solid Waste Facility Non-System License No. N-005-17(2), which expires on December 31, 2018; and

WHEREAS, WRI and Republic have filed a complete application seeking renewal of the non-system license to transport putrescible waste to the Covanta Waste-To-Energy facility under the provisions of Metro Code Chapter 5.05, "Solid Waste Flow Control;" and

WHEREAS, Metro Code Chapter 5.05 provides that the Chief Operating Officer will review an application for a non-system license to transport putrescible waste and that Metro Council has authority to approve or deny the application; and

WHEREAS, the Chief Operating Officer has analyzed the application and considered the relevant factors under the Metro Code; and

WHEREAS, the Chief Operating Officer recommends that the non-system license be renewed together with specific conditions as provided in Exhibit A to this Resolution; now therefore,

THE METRO COUNCIL RESOLVES AS FOLLOWS:

1. The non-system license renewal application of WRI and Republic is approved subject to the terms, conditions, and limitations contained in Exhibit A to this Resolution.
2. The Chief Operating Officer is authorized to issue to WRI and Republic a renewed Solid Waste Facility Non-System License substantially similar to the one attached as Exhibit A.

ADOPTED by the Metro Council this ____ day of _____, 2018.

Tom Hughes, Council President

Approved as to Form:

Nathan A. S. Sykes, Metro Attorney



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

METRO SOLID WASTE FACILITY NON-SYSTEM LICENSE

No. N-005-19(2)

LICENSEE:

Willamette Resources, Inc.
10295 SW Ridder Road
Wilsonville, OR 97070

Republic Services of Clackamas
and Washington Counties
10295 SW Ridder Road
Wilsonville, OR 97070

CONTACT PERSON:

Contact: Jason Jordan
Phone: (503) 404-4180
E-mail: Jason.jordan@republicservices.com

MAILING ADDRESS:

Willamette Resources, Inc.
10295 SW Ridder Road
Wilsonville, OR 97070

Republic Services of Clackamas and
Washington Counties
10295 SW Ridder Road
Wilsonville, OR 97070

ISSUED BY METRO:

Martha J. Bennett, Metro Chief Operating Officer

Date

1	NATURE OF WASTE COVERED BY LICENSE
	<p>(a) Putrescible solid waste generated within the Metro boundary and received at Willamette Resources, Inc. in accordance with Metro Solid Waste Facility Franchise No. F-005-08I; and</p> <p>(b) Confidential records of customers generated within the Metro boundary and collected by Republic Services of Clackamas and Washington Counties and delivered directly to the non-system facility described in Section 3 of this license.</p>
2	CALENDAR YEAR TONNAGE LIMITATION
	<p>Licensee is jointly authorized to transport to the non-system facility described in Section 3 of this license up to 5,500 tons per calendar year of the waste described in Section 1 of this license. This license does not increase the total tonnage that the Licensee is authorized to accept under Metro Solid Waste Facility Franchise No. F-005-08I.</p>
3	NON-SYSTEM FACILITY
	<p>The Licensee is authorized to transport the waste described above in Section 1 only to the following non-system facility:</p> <p style="padding-left: 40px;">Covanta Waste-to-Energy Facility 4850 Brooklake Road, NE Brooks, OR 97305</p> <p>This license is issued on condition that the non-system facility named in this section is authorized to accept the type of waste described in Section 1. If Metro receives notice from the Oregon Department of Environmental Quality that this non-system facility is not authorized to accept such waste, Metro may immediately terminate this license pursuant to Section 7 of this license.</p>
4	TERM OF LICENSE
	<p>The term of this license will commence on January 1, 2019 and expire on December 31, 2020, unless terminated sooner under Section 7 of this license.</p>

5	REPORTING OF ACCIDENTS AND CITATIONS
	Licensee must report to Metro any significant incidents (such as fires), accidents, and citations involving vehicles transporting the solid waste authorized by this license.

6	RECORD KEEPING AND REPORTING
	<p>(a) The Licensee must keep and maintain accurate records of the amount of all waste that the Licensee transports to the non-system facility described in Section 3 of this license. These records include the information specified in <u>Reporting Requirements and Data Standards for Metro Solid Waste Licensees, Franchisees, and Parties to Designated Facility Agreements</u>.</p> <p>(b) No later than the fifteenth (15th) day of each month, beginning with the first month following the commencement date of this license, Licensee must:</p> <ul style="list-style-type: none"> i. Transmit the records required under Section 6(a) above to Metro in an electronic format prescribed by Metro; ii. Submit to Metro a Regional System Fee and Excise Tax Report, that covers the preceding month; and iii. Remit to Metro the requisite Regional System Fees and Excise Tax in accordance with the Metro Code provisions applicable to the collection, payment, and accounting of such fees and taxes. <p>(c) Licensee must make all records from which Sections 6(a) and 6(b) above are derived available to Metro (or Metro's designated agent) for its inspection or copying, as long as Metro provides no less than three (3) business days written notice of an intent to inspect or copy documents. Licensee must, in addition, sign or otherwise provide to Metro any consent or waiver necessary for Metro to obtain information or data from a third party, including the non-system facility named in Section 3, above.</p>

7	ADDITIONAL LICENSE CONDITIONS
	<p>This license is subject to the following conditions:</p> <p>(a) The permissive transport of solid waste to the non-system facility, listed in Section 3, authorized by this license is subordinate to any subsequent decision by Metro to direct the solid waste described in this license to any other facility.</p> <p>(b) This license is subject to amendment, modification, or termination by Metro's Chief Operating Officer (the "COO") in the event that the COO determines that:</p> <ul style="list-style-type: none"> i. There has been sufficient change in any circumstances under which Metro issued this license;

	<ul style="list-style-type: none"> ii. The provisions of this license are actually or potentially in conflict with any provision in Metro's disposal contract with Oregon Waste Systems, Inc.; or iii. Metro's solid waste system or the public will benefit from, and will be better served by, an order directing that the waste described in Section 1 of this license be transferred to, and disposed of at, a facility other than the facility listed in Section 3. <ul style="list-style-type: none"> (c) This license, in addition to subsections (b)(i) through (b)(iii), above, is subject to amendment, modification, suspension, or termination pursuant to the Metro Code. (d) The Licensee cannot not transfer or assign any right or interest in this license without prior written notification to, and approval of, Metro. (e) This license will terminate upon the execution of a designated facility agreement with the facility listed in Section 3 that authorizes the facility to accept the waste described in Section 1 of this license. (f) This license authorizes the transport of solid waste to the facility listed in Section 3. Transport of waste generated from within the Metro boundary to any non-system facility other than that specified in this license is prohibited unless authorized in writing by Metro.
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8	COMPLIANCE WITH LAW
	<p>Licensee must fully comply with all applicable local, regional, state and federal laws, rules, regulations, ordinances, orders, and permits pertaining in any manner to this license, including all applicable Metro Code provisions and administrative procedures adopted pursuant to Chapter 5.05 whether or not those provisions have been specifically mentioned or cited herein. All conditions imposed on the collection and hauling of the Licensee's solid waste by federal, state, regional or local governments or agencies having jurisdiction over solid waste generated by the Licensee are deemed part of this license as if specifically set forth herein.</p>

9	INDEMNIFICATION
	<p>Licensee must defend, indemnify and hold harmless Metro, its elected officials, officers, employees, agents and representatives from any and all claims, demands, damages, causes of action, or losses and expenses, or including all attorneys' fees, whether incurred before any litigation is commenced, during any litigation or on appeal, arising out of or related in any way to the issuance or administration of this non-system license or the transport and disposal of the solid waste covered by this license.</p>

STAFF REPORT

IN CONSIDERATION OF RESOLUTION NO. 18-4928 AUTHORIZING THE CHIEF OPERATING OFFICER TO ISSUE A RENEWED NON-SYSTEM LICENSE TO WILLAMETTE RESOURCES, INC. AND REPUBLIC SERVICES OF CLACKAMAS AND WASHINGTON COUNTIES FOR TRANSPORT AND DISPOSAL OF PUTRESCIBLE WASTE AT THE COVANTA WASTE-TO-ENERGY FACILITY IN BROOKS, OREGON

November 1, 2018

Prepared by: Will Ennis
(503) 797-1667

Approval of Resolution No. 18-4928 will authorize the Chief Operating Officer (COO) to issue a renewed non-system license (NSL) to Willamette Resources, Inc. (WRI) and Republic Services of Clackamas and Washington Counties (Republic) to annually transport up to 5,500 tons of putrescible waste and certain confidential records from the Metro region to the Covanta Waste-to-Energy Facility (Covanta) in Brooks, Oregon. The proposed NSL is a renewal of an existing NSL that is set to expire on December 31, 2018.¹

BACKGROUND

WRI is a Metro-franchised transfer station located at 10295 SW Ridder Road in Wilsonville (Metro Council District 3). The applicants are owned and operated by Republic Services, Inc. headquartered in Phoenix, Arizona.

In December 2016, WRI and Republic were jointly granted an NSL to transport a maximum of 5,500 tons per calendar year of putrescible waste, generated within the Metro region and received at WRI, and certain confidential records collected by Republic to Covanta. The term of this NSL commenced on January 1, 2017 and is set to expire on December 31, 2018. The applicants transported approximately 394 tons of solid waste to Covanta under authority of the NSL during calendar year 2017 and have transported no waste between January 1 and September 30, 2018. The current NSL is set to expire on December 31, 2018.

In addition to the above-mentioned NSL for Covanta, WRI currently holds three other NSLs that authorize the delivery of putrescible waste to different disposal sites.

- NSL No. N-005-16C authorizing the annual delivery of up to 79,880 tons per calendar year of putrescible solid waste to Columbia Ridge and Coffin Butte Landfills;²
- NSL No. N-005-17(4) authorizing the annual delivery of up to 20,000 tons of commercial food waste to Pacific Region Compost;³ and
- NSL No. N-005017(5)A authorizing the annual delivery of up to 10,000 tons of commercial and residential food waste to Recology Organics Aumsville.⁴

WRI has obtained these NSLs to provide its facility with flexibility with regard to its disposal options. These NSLs do not increase the total tonnage that WRI is authorized to accept under Metro Solid Waste Facility Franchise No. F-005-08I (79,880 tons per year).

¹ Metro Solid Waste Facility Non-System License No. N-005-17(2)

² NSL No. N-005-16C expires on December 31, 2018 and is in the process of being renewed.

³ NSL No. N-005-17(4) expires on December 31, 2019.

⁴ NSL No. N-005017(5)A expires on December 31, 2019.

On August 14, 2018, WRI and Republic submitted to Metro an application requesting that Metro renew this NSL with a tonnage authorization of 5,500 tons per calendar year. This is the same annual tonnage limit that the applicants are currently authorized to transport under the existing NSL. The proposed license renews the existing authorization that WRI and Republic have held under NSLs since 1999. The proposed renewed license is subject to approval or denial by the Metro Council because, it authorizes the transport of putrescible waste to a non-system facility.⁵

ANALYSIS/INFORMATION

1. Known Opposition

There is no known opposition to the proposed NSL.

2. Legal Antecedents

Metro Code Section 5.05.110 prohibits any person from utilizing non-system facilities without an appropriate license from Metro. Additionally, Metro Code Section 5.05.140 provides that, when determining whether or not to approve an NSL application, the Metro Council will consider the following factors to the extent relevant to determine whether to issue a non-system license:

- (1) The degree to which prior users of the non-system facility and waste types accepted at the non-system facility are known and the degree to which those wastes pose a future risk of environmental contamination;*

The proposed disposal site is a waste-to-energy facility rather than a landfill and thus does not pose the same potential environmental risk from waste delivered from prior users. Air emissions from the facility are controlled through the use of high efficiency combustion within the furnace/boiler as well as by selective non-catalytic reduction, spray dryer absorbers, fabric filter baghouses and an activated carbon injection system. The ash generated at the facility is then delivered to a disposal facility permitted by the Oregon Department of Environmental Quality (DEQ).

- (2) The non-system facility's owner and operator's regulatory compliance record with federal, state and local requirements including but not limited to public health, safety and environmental regulations;*

Covanta is permitted by DEQ. Metro staff received verbal confirmation from DEQ and Marion County that Covanta is in compliance with federal, state, and local requirements. Staff has also received confirmation that Covanta has a good compliance record with respect to public health, safety and environmental rules and regulations.

- (3) The adequacy of the non-system facility's operational practices and management controls;*

Covanta screens incoming waste for hazardous, radioactive, and other unacceptable materials and has a state-of-the-art emissions control system to minimize the risk of future environmental contamination.

⁵ Metro Code Section 5.05.110(c)

In addition, Covanta uses operational practices and management controls that are considered by the DEQ to be appropriate for the protection of health, safety, and the environment.

(4) The expected impact on the region's recycling and waste reduction efforts;

The proposed license covers putrescible solid waste, which has little recovery potential, and confidential records that require special management. Furthermore, the Metro-area waste that is delivered to Covanta is not included in Metro's recovery rate calculation because state statute⁶ stipulates that only those wastesheds that burn mixed solid waste for energy recovery within their watershed boundaries may count a portion of it towards their DEQ recovery rate calculation. Marion County is the only watershed within Oregon that hosts a waste-to-energy facility within its boundaries; therefore, it is the only watershed that is allowed to include a portion of the in-County waste that is delivered to Covanta in its recovery rate. Approval of the proposed license renewal is not expected to impact the Metro region's recycling and waste reduction efforts.

(5) The proposed license's effect with Metro's existing contractual arrangements;

Until the end of 2019 Metro has a contractual obligation to deliver a minimum of 90 percent of the region's putrescible waste that is delivered to general purpose landfills during the calendar year, to landfills owned by Waste Management. The waste subject to this proposed license will not be disposed at a general-purpose landfill. Thus, approval of the proposed license will not conflict with Metro's disposal contract.

(6) The applicant's record regarding compliance with Metro ordinances and agreements or assistance to Metro in Metro ordinance enforcement and with federal, state and local requirements including but not limited to public health, safety and environmental regulations; and

The applicant has a good record of compliance with regard to Metro regulations.

(7) Any other factors as the Chief Operating Officer deems appropriate.

Covanta is the primary disposal site for solid waste generated within Marion County. Marion County generally supports the Metro-authorized flow of solid waste to Covanta but has expressed concerns about capacity to accept new customers.

WRI's Franchise stipulates that the facility cannot accept more than 79,880 tons of putrescible waste originating from inside the Metro region within each calendar year. The issuance of the proposed NSL authorizing the delivery of up to 5,500 tons of solid waste to Covanta does not increase the total tonnage that WRI is authorized to accept under the terms of its franchise. In particular, all putrescible waste delivered to Covanta under authority of the proposed NSL counts toward and is included in the 79,880-ton limit stipulated in WRI's Franchise.

⁶ ORS 465A.010(4)(f)(B)
Staff Report to Resolution No. 18-4928
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3. Anticipated Effects

The effect of Resolution No. 18-4928 will be to issue a renewed NSL authorizing WRI and Republic to deliver up to 5,500 tons per calendar year of putrescible waste and certain confidential records to Covanta for disposal. The proposed renewed NSL would commence on January 1, 2019 and expire on December 31, 2020.

4. Budget/Rate Impacts

The waste covered under the proposed NSL will be transported to Covanta. Covanta is not a general-purpose landfill and the proposed tonnage will not impact Metro's obligations under its current disposal contract. The regional system fee and excise tax will continue to be collected on the waste covered by this license. The proposed NSL is a renewal of an existing authorization and the financial impact of this NSL has already been factored into the budget.

RECOMMENDED ACTION

The COO recommends approval of Resolution No. 18-4928, finding that the license renewal satisfies the requirements of Metro Code Chapter 5.05, and issuance of an NSL substantially similar to the NSL attached to the resolution as Exhibit A.

WE

Agenda Item No. 4.3

Resolution No. 18-4929, For the Purpose of Authorizing the Chief Operating Officer to Issue a Renewed Non-System License to Fujifilm North America Corporation for Transport and Disposal of Non-Recoverable Solid Waste, Including Putrescible Waste at the Covanta Waste-To-Energy Facility Located in Brooks, Oregon

Consent Agenda

Metro Council Meeting
Thursday, November 29, 2018
Metro Regional Center, Council Chamber

BEFORE THE METRO COUNCIL

FOR THE PURPOSE OF AUTHORIZING THE CHIEF OPERATING	)	RESOLUTION NO. 18-4929
OFFICER TO ISSUE A RENEWED NON-SYSTEM LICENSE TO)	
FUJIFILM NORTH AMERICA CORPORATION FOR TRANSPORT	)	Introduced by Chief Operating
AND DISPOSAL OF NON-RECOVERABLE SOLID WASTE,	)	Officer Martha Bennett in
INCLUDING PUTRESCIBLE WASTE AT THE COVANTA WASTE-	)	concurrence of Council President
TO-ENERGY FACILITY LOCATED IN BROOKS, OREGON.	)	Tom Hughes,

WHEREAS, the Metro Code requires a non-system license of any person that transports solid waste generated from within the Metro Region to a non-system disposal facility; and

WHEREAS, Fujifilm North America Corporation ("Fujifilm") holds Metro Solid Waste Facility Non-System License No. N-163-17, which expires on December 31, 2018; and

WHEREAS, Fujifilm has filed a completed application seeking renewal of the non-system license to transport non-recoverable solid waste, including putrescible waste, to the Covanta Waste-to-Energy facility for disposal under the provisions of Metro Code Chapter 5.05, "Solid Waste Flow Control;" and

WHEREAS, Metro Code Chapter 5.05 provides that the Chief Operating Officer will review an application for a non-system license to transport putrescible waste and that Metro Council has authority to approve or deny the application; and

WHEREAS, the Chief Operating Officer has analyzed the application and considered the relevant factors under the Metro Code; and

WHEREAS, the Chief Operating Officer recommends that the non-system license be renewed together with specific conditions as provided in Exhibit A to this Resolution; now therefore,

THE METRO COUNCIL RESOLVES AS FOLLOWS:

1. The non-system license renewal application of Fujifilm is approved subject to the terms, conditions, and limitations contained in Exhibit A to this Resolution.
2. The Chief Operating Officer is authorized to issue to Fujifilm a renewed Solid Waste Facility Non-System License substantially similar to the one attached as Exhibit A.

ADOPTED by the Metro Council this ____ day of _____, 2018.

Tom Hughes, Council President

Approved as to Form:

Nathan A. S. Sykes, Metro Attorney



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

METRO SOLID WASTE FACILITY NON-SYSTEM LICENSE

No. N-163-19

LICENSEE:
Fujifilm North America Corporation 4152 NE 185 th Avenue Portland, OR 97230
CONTACT PERSON:
Dan Shuler Phone: (480) 208-6441 E-mail: dshuler@wtsonline.com
MAILING ADDRESS:
Fujifilm North America Corporation 4152 NE 185 th Avenue Portland, OR 97230

ISSUED BY METRO:

Martha J. Bennett, Metro Chief Operating Officer

Date

1	NATURE OF WASTE COVERED BY LICENSE
	Non-recoverable solid waste commingled with putrescible waste, including restroom and lunchroom waste, generated at the Fujifilm North America Corporation site located at 4152 NE 185 th Avenue in Portland, Oregon.
2	CALENDAR YEAR TONNAGE LIMITATION
	Licensee is authorized to transport to the non-system facility described in Section 3 of this license up to 95 tons per calendar year of the waste described in Section 1 of this license.
3	NON-SYSTEM FACILITY
	<p>The Licensee is authorized to transport the waste described above in Section 1 only to the following non-system facility:</p> <p style="text-align: center;">Covanta Waste-to-Energy Facility 4850 Brooklake Road, NE Brooks, OR 97305</p> <p>This license is issued on condition that the non-system facility named in this section is authorized to accept the type of waste described in Section 1. If Metro receives notice from the Oregon Department of Environmental Quality that this non-system facility is not authorized to accept such waste, Metro may immediately terminate this license pursuant to Section 7 of this license.</p>
4	TERM OF LICENSE
	The term of this license commences on January 1, 2019 and expires on December 31, 2020, unless terminated sooner under Section 7 of this license.
5	REPORTING OF ACCIDENTS AND CITATIONS
	Licensee must report to Metro any significant incidents (such as fires), accidents, and citations involving vehicles of its transportation carrier during the loading and transporting of the solid waste on behalf of the Licensee.

6	RECORD KEEPING AND REPORTING
	<p>(a) The Licensee must keep and maintain accurate records of the amount of all waste that the Licensee transports to the non-system facility described in Section 3 of this license. These records include the information specified in <u>Reporting Requirements and Data Standards for Metro Solid Waste Licensees, Franchisees, and Parties to Designated Facility Agreements</u>.</p> <p>(b) No later than the fifteenth (15th) day of each month, beginning with the first month following the commencement date of this license, Licensee must:</p> <ul style="list-style-type: none"> i. Transmit the records required under Section 6(a) above to Metro in an electronic format prescribed by Metro; ii. Submit to Metro a Regional System Fee and Excise Tax Report, that covers the preceding month; and iii. Remit to Metro the requisite Regional System Fees and Excise Tax in accordance with the Metro Code provisions applicable to the collection, payment, and accounting of such fees and taxes. <p>(c) Licensee must make all records from which Sections 6(a) and 6(b) above are derived available to Metro (or Metro's designated agent) for its inspection or copying, as long as Metro provides no less than three (3) business days written notice of an intent to inspect or copy documents. Licensee must, in addition, sign or otherwise provide to Metro any consent or waiver necessary for Metro to obtain information or data from a third party, including the non-system facility named in Section 3, above.</p>

7	ADDITIONAL LICENSE CONDITIONS
	<p>This license is subject to the following conditions:</p> <p>(a) The permissive transport of solid waste to the non-system facility, listed in Section 3, authorized by this license is subordinate to any subsequent decision by Metro to direct the solid waste described in this license to any other facility.</p> <p>(b) This license is subject to amendment, modification, or termination by Metro's Chief Operating Officer (the "COO") in the event that the COO determines that:</p> <ul style="list-style-type: none"> i. There has been sufficient change in any circumstances under which Metro issued this license; ii. The provisions of this license are actually or potentially in conflict with any provision in Metro's disposal contract with Oregon Waste Systems, Inc.; or iii. Metro's solid waste system or the public will benefit from, and will be better served by, an order directing that the waste described in Section 1 of this license be transported to, and disposed of at, a facility other than the facility listed in Section 3.

	<p>(c) This license, in addition to subsections (b)(i) through (b)(iii), above, is subject to amendment, modification, suspension, or termination pursuant to the Metro Code.</p> <p>(d) The Licensee cannot transfer or assign any right or interest in this license without prior written notification to, and approval of, Metro.</p> <p>(e) This license will terminate upon the execution of a designated facility agreement with the facility listed in Section 3 that authorizes the facility to accept the waste described in Section 1 of this license.</p> <p>(f) This license authorizes the transport of solid waste to the facility listed in Section 3. Transport of waste generated from within the Metro boundary to any non-system facility other than that specified in this license is prohibited unless authorized in writing by Metro.</p>
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8	COMPLIANCE WITH LAW
	Licensee must fully comply with all applicable local, regional, state and federal laws, rules, regulations, ordinances, orders, and permits pertaining in any manner to this license, including all applicable Metro Code provisions and administrative procedures adopted pursuant to Chapter 5.05 whether or not those provisions have been specifically mentioned or cited herein. All conditions imposed on the collection and hauling of the Licensee's solid waste by federal, state, regional or local governments or agencies having jurisdiction over solid waste generated by the Licensee shall be deemed part of this license as if specifically set forth herein.

9	INDEMNIFICATION
	Licensee must defend, indemnify and hold harmless Metro, its elected officials, officers, employees, agents and representatives from any and all claims, demands, damages, causes of action, or losses and expenses, or including all attorneys' fees, whether incurred before any litigation is commenced, during any litigation or on appeal, arising out of or related in any way to the issuance or administration of this non-system license or the transport and disposal of the solid waste covered by this license.

STAFF REPORT

IN CONSIDERATION OF RESOLUTION NO. 18-4929 AUTHORIZING THE CHIEF OPERATING OFFICER TO ISSUE A RENEWED NON-SYSTEM LICENSE TO FUJIFILM NORTH AMERICA CORPORATION FOR THE TRANSPORT AND DISPOSAL OF PUTRESCIBLE WASTE AT THE COVANTA WASTE-TO-ENERGY FACILITY IN BROOKS, OREGON

November 1, 2018

Prepared by: Will Ennis
(503) 797-1667

Approval of Resolution No. 18-4929 will authorize the Chief Operating Officer (COO) to issue a renewed non-system license (NSL) to Fujifilm North America Corporation (Fujifilm). The proposed NSL will authorize Fujifilm to transport up to 95 tons per calendar year of non-recoverable solid waste and putrescible solid waste from its facility within the Metro region to the Covanta Waste-to-Energy facility (Covanta) located in Brooks, Oregon. The proposed NSL is a renewal of an existing NSL that is set to expire on December 31, 2018.¹

BACKGROUND

The applicant, Fujifilm, operates a photographic processing facility located at 4152 NE 185th Avenue in Portland, Oregon (Metro District 1). Fujifilm routinely generates miscellaneous non-recoverable wastes which consist primarily of non-recyclable photographic paper, misprinted gift items including mugs and mouse pads, contaminated film plastic and office, restroom, and lunchroom wastes. The facility also generates other non-hazardous wastes from its facility including empty photographic chemical containers and floor sweepings.

As part of Fujifilm's company-wide sustainability program, the facility makes efforts to reduce, reuse, and recycle waste whenever possible. As part of these sustainability efforts, Fujifilm prefers to send its non-recoverable wastes to waste-to-energy facilities instead of landfills for disposal.

In December 2016, Fujifilm was issued a new NSL authorizing the transport of up to 85 tons per calendar year of miscellaneous non-recoverable waste, including putrescible solid waste, generated at its facility to Covanta. The NSL is set to expire on December 31, 2018. In 2017, Fujifilm transported approximately 75 tons of waste to Covanta under the NSL in and transported 53 tons between January 1 and September 30, 2018.

On July 18, 2018, Fujifilm filed a complete application seeking a renewed NSL authorizing the transport of up to 95 tons per calendar year of miscellaneous non-recoverable waste, including putrescible solid waste, generated at its facility to Covanta. This is an increase of 10 tons annually of its current tonnage authorization of 85 tons. The proposed license is subject to approval or denial by the Metro Council because, in addition to the non-recoverable waste, it also authorizes the delivery of putrescible waste to a non-system facility.²

¹ Metro Solid Waste Facility Non-System License No. N-163-17

² Metro Code Section 5.05.110(c)

ANALYSIS/INFORMATION

1. Known Opposition

There is no known opposition to the proposed NSL.

2. Legal Antecedents

Metro Code Section 5.05.110 prohibits any person from utilizing non-system facilities without an appropriate license from Metro. Additionally, Metro Code Section 5.05.140 provides that, when determining whether or not to approve an NSL application, Metro Council will consider the following factors to the extent relevant to determine whether to issue a non-system license:

- (1) *The degree to which prior users of the non-system facility and waste types accepted at the non-system facility are known and the degree to which such wastes pose a future risk of environmental contamination;*

The proposed disposal site is a waste-to-energy facility rather than a landfill and thus does not pose the same potential environmental risk from waste delivered from prior users. Air emissions from the facility are controlled through the use of high efficiency combustion within the furnace/boiler as well as by selective non-catalytic reduction, spray dryer absorbers, fabric filter baghouses and an activated carbon injection system. The ash generated at the facility is then delivered to a disposal facility permitted by the Oregon Department of Environmental Quality (DEQ).

- (2) *The non-system facility owner's and operator's regulatory compliance record with federal, state and local requirements, including but not limited to public health, safety and environmental regulations;*

Covanta is permitted by the DEQ. Metro staff received verbal confirmation from the DEQ and Marion County that Covanta is in compliance with federal, state, and local requirements. Staff has also received confirmation that Covanta has a good compliance record with respect to public health, safety and environmental rules and regulations.

- (3) *The adequacy of the non-system facility's operational practices and management controls;*

Covanta screens incoming waste for hazardous, radioactive, and other unacceptable materials and has a state-of-the-art emissions control system to minimize the risk of future environmental contamination. In addition, Covanta uses operational practices and management controls that are considered by the DEQ to be appropriate for the protection of health, safety, and the environment.

- (4) *The expected impact on the region's recycling and waste reduction efforts;*

Fujifilm has an aggressive sustainability program and it seeks to deliver only its non-recyclable waste, including putrescible solid waste, to Covanta instead of a landfill. The Metro-area waste that is delivered to Covanta is not included in Metro's recovery rate calculation because state statute³ stipulates that only those wastesheds that burn mixed solid waste for energy recovery within their

³ ORS 465A.010(4)(f)(B)

wasteshed boundaries may count a portion of it towards their DEQ recovery rate calculation. Marion County is the only wasteshed within Oregon that hosts a waste-to-energy facility within its boundaries; therefore, it is the only wasteshed that is currently allowed to include a portion of the in-County waste that is delivered to Covanta in its recovery rate. Approval of the proposed license is not expected to impact the Metro region's recycling and waste reduction efforts.

- (5) *The proposed non-system license's effect with Metro's existing contractual arrangements;*

Until the end of 2019 Metro has a contractual obligation to deliver a minimum of 90 percent of the region's putrescible waste that is delivered to general purpose landfills during the calendar year, to landfills owned by Waste Management. The waste subject to this proposed license will not be disposed at a general-purpose landfill. Thus, approval of the proposed license will not conflict with Metro's disposal contract.

- (6) *The applicant's record regarding compliance with Metro ordinances and agreements or assistance to Metro in Metro ordinance enforcement and with federal, state and local requirements, including but not limited to public health, safety and environmental regulations; and*

The applicant has a good record of compliance with regard to Metro regulations.

- (7) *Any other factors as the Chief Operating Officer deems appropriate.*

Covanta is the primary disposal site for solid waste generated within Marion County. Marion County generally supports the Metro-authorized flow of solid waste to Covanta but has expressed concerns about capacity to accept new customers.

3. Anticipated Effects

The effect of Resolution No. 18-4929 will be to issue a renewed NSL authorizing Fujifilm to transport up to 95 tons per calendar year of non-recoverable waste, including putrescible waste, to Covanta. The proposed NSL would commence on January 1, 2019 and expire on December 31, 2020.

4. Budget/Rate Impacts

The waste covered under the proposed NSL will be transported to Covanta. Covanta is not a general-purpose landfill and the proposed tonnage will not impact Metro's obligations under its current disposal contract. The regional system fee and excise tax will continue to be collected on the waste covered by this license. The proposed NSL is a renewal of an existing authorization and the financial impact of this NSL has already been factored into the budget.

RECOMMENDED ACTION

The COO recommends approval of Resolution No. 18-4929, finding that the proposed license satisfies the requirements of Metro Code Chapter 5.05, and issuance of an NSL substantially similar to the NSL attached to the resolution as Exhibit A.

WE

Agenda Item No. 4.4

Resolution No. 18-4930, For the Purpose of Authorizing the Chief Operating Officer to Issue a Renewed Non-System License to Epson Portland, Inc. for Transport and Disposal Non-Recoverable Solid Waste, Including Putrescible Waste at the Covanta Waste-To-Energy Facility Located in Brooks, Oregon

Consent Agenda

Metro Council Meeting
Thursday, November 29, 2018
Metro Regional Center, Council Chamber

BEFORE THE METRO COUNCIL

FOR THE PURPOSE OF AUTHORIZING THE CHIEF OPERATING) RESOLUTION NO. 18-4930
OFFICER TO ISSUE A RENEWED NON-SYSTEM LICENSE TO)
EPSON PORTLAND, INC. FOR TRANSPORT AND DISPOSAL OF) Introduced by Chief Operating
NON-RECOVERABLE SOLID WASTE, INCLUDING PUTRESCIBLE) Officer Martha Bennett in
WASTE AT THE COVANTA WASTE-TO-ENERGY FACILITY) concurrence of Council President
LOCATED IN BROOKS, OREGON.) Tom Hughes,

WHEREAS, the Metro Code requires a non-system license of any person that transports solid waste generated from within the Metro Region to a non-system disposal facility; and

WHEREAS, Epson Portland, Inc. ("Epson") holds Metro Solid Waste Facility Non-System License No. N-028-17, which expires on December 31, 2018; and

WHEREAS, Epson has filed a complete application seeking renewal of the non-system license to transport non-recoverable solid waste, including putrescible waste, to the Covanta Waste-to-Energy facility for disposal under the provisions of Metro Code Chapter 5.05, "Solid Waste Flow Control;" and

WHEREAS, Metro Code Chapter 5.05 provides that the Chief Operating Officer will review an application for a non-system license to transport putrescible waste and that Metro Council has authority to approve or deny the application; and

WHEREAS, the Chief Operating Officer has analyzed the application and considered the relevant factors under the Metro Code; and

WHEREAS, the Chief Operating Officer recommends that the non-system license be renewed together with specific conditions as provided in Exhibit A to this Resolution; now therefore,

THE METRO COUNCIL RESOLVES AS FOLLOWS:

1. The non-system license renewal application of Epson is approved subject to the terms, conditions, and limitations contained in Exhibit A to this Resolution.
2. The Chief Operating Officer is authorized to issue to Epson a renewed Solid Waste Facility Non-System License substantially similar to the one attached as Exhibit A.

ADOPTED by the Metro Council this ____ day of _____, 2018.

Tom Hughes, Council President

Approved as to Form:

Nathan A. S. Sykes, Metro Attorney



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

METRO SOLID WASTE FACILITY NON-SYSTEM LICENSE

No. N-028-19

LICENSEE:
Epson Portland, Inc. 3950 NE Alcolek Place Hillsboro, OR 97124
CONTACT PERSON:
Doris Gonzalez Phone: (503) 617-5783 E-mail: doris.gonzalez@epi.epson.com
MAILING ADDRESS:
Epson Portland, Inc. 3950 NE Alcolek Place Hillsboro, OR 97124

ISSUED BY METRO:

Martha J. Bennett, Metro Chief Operating Officer

Date

1	NATURE OF WASTE COVERED BY LICENSE
	Industrial solid waste, consisting primarily of non-recoverable plastics, commingled with putrescible waste, including restroom and food waste, and off-specification and counterfeit ink cartridges received or generated at the Epson Portland, Inc. site located at 3950 NW Alcock Place in Hillsboro, Oregon.
2	CALENDAR YEAR TONNAGE LIMITATION
	Licensee is authorized to transport to the non-system facility described in Section 3 of this license up to 425 tons per calendar year of the waste described in Section 1 of this license.
3	NON-SYSTEM FACILITY
	<p>The licensee is authorized to transport the waste described above in Section 1 only to the following non-system facility:</p> <p style="text-align: center;">Covanta Waste-to-Energy Facility 4850 Brooklake Road, NE Brooks, OR 97305</p> <p>This license is issued on condition that the non-system facility named in this section is authorized to accept the type of waste described in Section 1. If Metro receives notice from the Oregon Department of Environmental Quality that this non-system facility is not authorized to accept such waste, Metro may immediately terminate this license pursuant to Section 7 of this license.</p>
4	TERM OF LICENSE
	The term of this license commences on January 1, 2019 and expires on December 31, 2020, unless terminated sooner under Section 7 of this license.
5	REPORTING OF ACCIDENTS AND CITATIONS
	Licensee must report to Metro any significant incidents (such as fires), accidents, and citations involving vehicles of its transportation carrier during the loading and transporting of the solid waste on behalf of the Licensee.

6	RECORD KEEPING AND REPORTING
	<p>(a) The Licensee must keep and maintain accurate records of the amount of all waste that the Licensee transports to the non-system facility described in Section 3 of this license. These records include the information specified in <u>Reporting Requirements and Data Standards for Metro Solid Waste Licensees, Franchisees, and Parties to Designated Facility Agreements</u>.</p> <p>(b) No later than the fifteenth (15th) day of each month, beginning with the first month following the commencement date of this license, Licensee shall:</p> <ul style="list-style-type: none"> i. Transmit the records required under Section 6(a) above to Metro in an electronic format prescribed by Metro; ii. Submit to Metro a Regional System Fee and Excise Tax Report, that covers the preceding month; and iii. Remit to Metro the requisite Regional System Fees and Excise Tax in accordance with the Metro Code provisions applicable to the collection, payment, and accounting of such fees and taxes. <p>(c) Licensee must make all records from which Sections 6(a) and 6(b) above are derived available to Metro (or Metro's designated agent) for its inspection or copying, as long as Metro provides no less than three (3) business days written notice of an intent to inspect or copy documents. Licensee must, in addition, sign or otherwise provide to Metro any consent or waiver necessary for Metro to obtain information or data from a third party, including the non-system facility named in Section 3, above.</p>

7	ADDITIONAL LICENSE CONDITIONS
	<p>This license is subject to the following conditions:</p> <p>(a) The permissive transport of solid waste to the non-system facility, listed in Section 3, authorized by this license is subordinate to any subsequent decision by Metro to direct the solid waste described in this license to any other facility.</p> <p>(b) This license is subject to amendment, modification, or termination by Metro's Chief Operating Officer (the "COO") in the event that the COO determines that:</p> <ul style="list-style-type: none"> i. There has been sufficient change in any circumstances under which Metro issued this license; ii. The provisions of this license are actually or potentially in conflict with any provision in Metro's disposal contract with Oregon Waste Systems, Inc.; or iii. Metro's solid waste system or the public will benefit from, and will be better served by, an order directing that the waste described in Section 1 of this license be transported to, and disposed of at, a facility other

	<p>than the facility listed in Section 3.</p> <p>(c) This license, in addition to subsections (b)(i) through (b)(iii), above, is subject to amendment, modification, suspension, or termination pursuant to the Metro Code.</p> <p>(d) The Licensee cannot transfer or assign any right or interest in this license without prior written notification to, and approval of, Metro.</p> <p>(e) This license will terminate upon the execution of a designated facility agreement with the facility listed in Section 3 that authorizes the facility to accept the waste described in Section 1 of this license.</p> <p>(f) This license authorizes the transport of solid waste to the facility listed in Section 3. Transport of waste generated from within the Metro boundary to any non-system facility other than that specified in this license is prohibited unless authorized in writing by Metro.</p>
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8	COMPLIANCE WITH LAW
	<p>Licensee must fully comply with all applicable local, regional, state and federal laws, rules, regulations, ordinances, orders, and permits pertaining in any manner to this license, including all applicable Metro Code provisions and administrative procedures adopted pursuant to Chapter 5.05 whether or not those provisions have been specifically mentioned or cited herein. All conditions imposed on the collection and hauling of the Licensee's solid waste by federal, state, regional or local governments or agencies having jurisdiction over solid waste generated by the Licensee are deemed part of this license as if specifically set forth herein.</p>

9	INDEMNIFICATION
	<p>Licensee must defend, indemnify and hold harmless Metro, its elected officials, officers, employees, agents and representatives from any and all claims, demands, damages, causes of action, or losses and expenses, or including all attorneys' fees, whether incurred before any litigation is commenced, during any litigation or on appeal, arising out of or related in any way to the issuance or administration of this non-system license or the transport and disposal of the solid waste covered by this license.</p>

STAFF REPORT

IN CONSIDERATION OF RESOLUTION NO. 18-4930 AUTHORIZING THE CHIEF OPERATING OFFICER TO ISSUE A RENEWED NON-SYSTEM LICENSE TO EPSON PORTLAND, INC. FOR TRANSPORT AND DISPOSAL OF PUTRESCIBLE WASTE AT THE COVANTA WASTE-TO-ENERGY FACILITY IN BROOKS, OREGON

November 1, 2018

Prepared by: Will Ennis
(503) 797-1667

Approval of Resolution No. 18-4930 will authorize the Chief Operating Officer (COO) to issue a renewed non-system license (NSL) to Epson Portland, Inc. (Epson) to annually transport up to 425 tons of industrial solid waste and putrescible solid waste from its facility within the Metro region to the Covanta Waste-to-Energy Facility (Covanta) in Brooks, Oregon. The proposed NSL is a renewal of an existing NSL that is set to expire on December 31, 2018.¹

BACKGROUND

The applicant, Epson, is a manufacturing facility located at 3950 NE Alclek Drive in Hillsboro, Oregon (Metro District 4). Epson routinely generates manufacturing wastes that consist primarily of non-recoverable industrial plastics and off-specification ink cartridges that are mixed with putrescible waste from the facility's offices, restrooms, and lunchrooms. The facility also serves as a collection point for counterfeit Epson ink cartridges that are delivered to Covanta for destruction.

In November 2016 Epson was issued a renewal of its existing NSL.² The NSL, which is set to expire on December 31, 2018, authorizes Epson to transport a total maximum of 425 tons of solid waste to Covanta per calendar year. In 2017, Epson delivered approximately 202 tons to Covanta under the NSL and delivered about 166 tons between January 1 and September 30, 2018.

On August 15, 2018, Epson filed an application seeking a renewed NSL to transport up to 425 tons per calendar year of industrial solid waste and putrescible solid waste to Covanta. This is the same annual tonnage limit that Epson is currently authorized to transport under its existing NSL. The proposed license is subject to approval or denial by the Metro Council because, in addition to the non-recoverable industrial plastics, it also authorizes the delivery of putrescible waste to a non-system facility.³

ANALYSIS/INFORMATION

1. Known Opposition

There is no known opposition to the proposed NSL.

¹ Metro Solid Waste Facility Non-System License No. N-028-17

² Metro Solid Waste Facility Non-System Licenses Nos. N-028-15

³ Metro Code Section 5.05.110

2. Legal Antecedents

Metro Code Section 5.05.110 prohibits any person from utilizing non-system facilities without an appropriate license from Metro. Additionally, Metro Code Section 5.05.140 provides that, when determining whether or not to approve an NSL application, the Metro Council will consider the following factors to the extent relevant to determine whether to issue a non-system license:

- (1) *The degree to which prior users of the non-system facility and waste types accepted at the non-system facility are known and the degree to which those wastes pose a future risk of environmental contamination;*

The proposed disposal site is a waste-to-energy facility rather than a landfill and thus does not pose the same potential environmental risk from waste delivered from prior users. Air emissions from the facility are controlled through the use of high efficiency combustion within the furnace/boiler as well as by selective non-catalytic reduction, spray dryer absorbers, fabric filter baghouses and an activated carbon injection system. The ash generated at the facility is then delivered to a disposal facility permitted by the Oregon Department of Environmental Quality (DEQ).

- (2) *The non-system facility's owner's and operator's regulatory compliance record with federal, state and local requirements, including but not limited to public health, safety and environmental regulations;*

Covanta is permitted by the DEQ. Metro staff received verbal confirmation from the DEQ and Marion County that Covanta is in compliance with federal, state, and local requirements. Staff has also received confirmation that Covanta has a good compliance record with respect to public health, safety and environmental rules and regulations.

- (3) *The adequacy of the non-system facility's operational practices and management controls;*

Covanta screens incoming waste for hazardous, radioactive, and other unacceptable materials and has a state-of-the-art emissions control system to minimize the risk of future environmental contamination. In addition, Covanta uses operational practices and management controls that are considered by the DEQ to be appropriate for the protection of health, safety, and the environment.

- (4) *The expected impact on the region's recycling and waste reduction efforts;*

Epson has an aggressive internal recycling program and tracks its recycling and disposal percentages by material. Epson is seeking to deliver only non-recyclable waste and putrescible solid waste, to Covanta as it has done under authority of previous NSLs since 2000. The Metro-area waste that is delivered to Covanta is not included in Metro's recovery rate calculation because state statute⁴ stipulates that only those wastesheds that burn mixed solid waste for energy recovery within their watershed boundaries may count a portion of it towards their DEQ recovery rate calculation. Marion County is the only watershed within Oregon that hosts a waste-to-energy facility within its boundaries; therefore, it is the only watershed that is currently allowed to include a portion of the in-County waste that is delivered to

⁴ ORS 465A.010(4)(f)(B)

Covanta in its recovery rate. Approval of the proposed license is not expected to impact the Metro region's recycling and waste reduction efforts.

- (5) *The proposed non-system license's effect with Metro's existing contractual arrangements;*

Until the end of 2019 Metro has a contractual obligation to deliver a minimum of 90 percent of the region's putrescible waste that is delivered to general purpose landfills during the calendar year, to landfills owned by Waste Management. The waste subject to this proposed license will not be disposed at a general-purpose landfill. Thus, approval of the proposed license will not conflict with Metro's disposal contract.

- (6) *The applicant's record regarding compliance with Metro ordinances and agreements or assistance to Metro in Metro ordinance enforcement and with federal, state and local requirements, including but not limited to public health, safety and environmental regulations; and*

The applicant has a good record of compliance with regard to Metro regulations

- (7) *Any other factors as the Chief Operating Officer deems appropriate.*

Covanta is the primary disposal site for solid waste generated within Marion County. Marion County generally supports the Metro-authorized flow of solid waste to Covanta, but has expressed concerns about capacity to accept new customers.

3. Anticipated Effects

The effect of Resolution No. 18-4930 will be to issue a renewed NSL authorizing Epson to transport up to 425 tons per calendar year of industrial solid waste and putrescible solid waste to Covanta for energy recovery. The proposed NSL would commence on January 1, 2019 and expire on December 31, 2020.

4. Budget/Rate Impacts

Covanta is not a general-purpose landfill and this NSL will not impact Metro's obligations under its disposal contract. The regional system fee and excise tax will continue to be collected on Metro-area waste delivered to Covanta under the authority of the proposed NSL. The proposed NSL is a renewal of an existing authorization and the financial impact of this NSL has already been factored into the budget.

RECOMMENDED ACTION

The COO recommends approval of Resolution No. 18-4930, finding that the license renewal satisfies the requirements of Metro Code Chapter 5.05, and issuance of an NSL substantially similar to the NSL attached to the resolution as Exhibit A.

WE

Resolution No. 18-4931, For the Purpose of Authorizing the Chief Operating Officer to Issue a Renewed Non-System License to Eaton Portland Power Center for Transport and Disposal of Non-Recoverable Solid Waste, Including Putrescible Waste At The Covanta Waste-To-Energy Facility Located in Brooks, Oregon

Consent Agenda

Metro Council Meeting
Thursday, November 29, 2018
Metro Regional Center, Council Chamber

BEFORE THE METRO COUNCIL

FOR THE PURPOSE OF AUTHORIZING THE CHIEF) RESOLUTION NO. 18-4931
OPERATING OFFICER TO ISSUE A RENEWED NON-SYSTEM)
LICENSE TO EATON PORTLAND POWER CENTER FOR) Introduced by Chief Operating
TRANSPORT AND DISPOSAL OF NON-RECOVERABLE SOLID) Officer Martha Bennett in
WASTE, INCLUDING PUTRESCIBLE WASTE AT THE) concurrence of Council President
COVANTA WASTE-TO-ENERGY FACILITY LOCATED IN) Tom Hughes
BROOKS, OREGON.

WHEREAS, the Metro Code requires a non-system license of any person that delivers solid waste generated from within the Metro Region to a non-system disposal facility; and

WHEREAS, Eaton Portland Power Center ("Eaton") holds Metro Solid Waste Facility Non-System License No. N-171-16, which expires on December 31, 2018; and

WHEREAS, Eaton has filed a complete application seeking renewal of the non-system license to transport non-recoverable solid waste, including putrescible waste, to the Covanta Waste-to-Energy facility for disposal under the provisions of Metro Code Chapter 5.05, "Solid Waste Flow Control;" and

WHEREAS, Metro Code Chapter 5.05 provides that the Chief Operating Officer will review an application for a non-system license to transport putrescible waste and that Metro Council has authority to approve or deny the application; and

WHEREAS, the Chief Operating Officer has analyzed the application and considered the relevant factors under the Metro Code; and

WHEREAS, the Chief Operating Officer recommends that the non-system license be renewed together with specific conditions as provided in Exhibit A to this Resolution; now therefore,

THE METRO COUNCIL RESOLVES AS FOLLOWS:

1. The non-system license application of Eaton is approved subject to the terms, conditions, and limitations contained in Exhibit A to this Resolution.
2. The Chief Operating Officer is authorized to issue to Eaton a non-system license substantially similar to the one attached as Exhibit A.

ADOPTED by the Metro Council this ____ day of _____, 2018.

Tom Hughes, Council President

Approved as to Form:

Nathan A. S. Sykes, Metro Attorney



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

METRO SOLID WASTE FACILITY NON-SYSTEM LICENSE

No. N-170-19

LICENSEE:
Eaton Portland Power Center 26850 SW Kinsman Rd. Wilsonville, OR 97070
CONTACT PERSON:
Jamie Bergstrom Phone: (402) 609-4707 E-mail: jamieibergstrom@eaton.com
MAILING ADDRESS:
Eaton Portland Power Center 26850 SW Kinsman Rd. Wilsonville, OR 97070

ISSUED BY METRO:

Martha J. Bennett, Metro Chief Operating Officer

Date

1	NATURE OF WASTE COVERED BY LICENSE
	Non- recoverable, non-putrescible waste commingled with putrescible waste generated at the Eaton Portland Power Center site located at 26850 SW Kinsman Rd. in Wilsonville, Oregon.
2	CALENDAR YEAR TONNAGE LIMITATION
	Licensee is authorized to transport to the non-system facility described in Section 3 up to 50 tons per calendar year of the waste described in Section 1 of this license.
3	NON-SYSTEM FACILITY
	<p>The Licensee is authorized to transport the waste described above in Section 1 only to the following non-system facility:</p> <p style="text-align: center;">Covanta Waste-to-Energy Facility 4850 Brooklake Road, NE Brooks, OR 97305</p> <p>This license is issued on condition that the non-system facility named in this section is authorized to accept the type of waste described in Section 1. If Metro receives notice from the Oregon Department of Environmental Quality that this non-system facility is not authorized to accept such waste, Metro may immediately revoke this license pursuant to Section 7 of this license.</p>
4	TERM OF LICENSE
	The term of this license will commence on January 1, 2019 and expire at midnight on December 31, 2020, unless terminated sooner under Section 7 of this license.
5	REPORTING OF ACCIDENTS AND CITATIONS
	Licensee must report to Metro any significant incidents (such as fires), accidents, and citations involving vehicles of its transportation carrier during the loading and transporting of the solid waste on behalf of the Licensee.

6	RECORD KEEPING AND REPORTING
	<p>(a) The Licensee must keep and maintain accurate records of the amount of all solid waste that the Licensee transports to the non-system facility described in Section 3 of this license. These records include the information specified in <u>Reporting Requirements and Data Standards for Metro Solid Waste Licensees, Franchisees, and Parties to Designated Facility Agreements</u>.</p> <p>(b) No later than the 15th day of each month, beginning with the first month following the commencement date of this license, Licensee must:</p> <ul style="list-style-type: none"> i. Transmit to Metro in the electronic format prescribed by Metro the records required under Section 6(a) above; ii. Submit to Metro a Regional System Fee and Excise Tax Report, that applied to the preceding month; and iii. Remit to Metro the requisite Regional System Fees and Excise Tax in accordance with the Metro Code provisions applicable to the collection, payment, and accounting of such fees and taxes. <p>(c) Licensee must make all records from which Sections 6(a) and 6(b) above are derived available to Metro (or Metro's designated agent) for its inspection or copying, as long as Metro provides no less than three (3) business days written notice of an intent to inspect or copy documents. In addition, the Licensee must sign or otherwise provide to Metro any consent or waiver necessary for Metro to obtain information or data from a third party, including the non-system facility named in Section.</p> <p>(d) If the licensee fails to submit the records or payments to Metro by the timeline set forth in Section 6 of this license, each day by which the licensee exceeds the due date may constitute a separate violation subject to a penalty of up to \$500 per violation.</p>

7	ADDITIONAL LICENSE CONDITIONS
	<p>This license is subject to the following conditions:</p> <p>(a) The permissive transfer of solid waste to the non-system facility, listed in Section 3, authorized by this license will be subordinate to any subsequent decision by Metro to direct the solid waste described in this license to any other facility.</p> <p>(b) This license is subject to amendment, modification, or revocation by Metro's Chief Operating Officer (the "COO") in the event that the COO determines that:</p> <ul style="list-style-type: none"> i. There has been sufficient change in any circumstances under which Metro issued this license; ii. The provisions of this license are actually or potentially in conflict with any provision in Metro's disposal contract with Oregon Waste Systems, Inc.; or

	<p>iii. Metro's solid waste system or the public will benefit from, and will be better served by, an order directing that the waste described in Section 1 of this license be transferred to, and disposed of at, a facility other than the facility listed in Section 3.</p> <p>(c) This license is, in addition to subsections (b)(i) through (b)(iii), above, subject to amendment, modification, or revocation pursuant to the Metro Code.</p> <p>(d) The Licensee may not transfer or assign any right or interest in this license without prior written notification to, and approval of, Metro.</p> <p>(e) This license will terminate upon the execution of a designated facility agreement with the facility listed in Section 3 that authorizes the facility to accept the waste described in Section 1 of this license.</p> <p>(f) This license authorizes the transport of putrescible waste to the facility listed in Section 3 of this license. Licensee is prohibited from transporting waste generated from within the Metro boundary to any non-system facility other than that specified in this license unless authorized by Metro in writing.</p> <p>(g) The COO may require the Licensee to redirect the waste covered by this non-system license to Metro Central Transfer Station or Metro South Transfer Station. Metro will provide the Licensee with at least 24 hours written notice of any redirection requirement. The notice will include the date and time that the redirection will take effect.</p> <p>(h) If the Licensee exceeds the calendar year limitation set forth in Section 2, each ton or portion thereof by which the Licensee exceeds the limitation constitutes a separate violation subject to a penalty of up to \$500.</p>
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8	COMPLIANCE WITH LAW
	<p>Licensee must fully comply with all applicable local, regional, state and federal laws, rules, regulations, ordinances, orders, and permits pertaining in any manner to this license, including all applicable Metro Code provisions and administrative procedures adopted pursuant to Chapter 5.05 whether or not those provisions have been specifically mentioned or cited herein. All conditions imposed on the collection and hauling of the Licensee's putrescible waste by federal, state, regional or local governments or agencies having jurisdiction over the waste generated by the Licensee will be deemed part of this license as if specifically set forth herein.</p>

9	INDEMNIFICATION
	<p>Licensee must defend, indemnify and hold harmless Metro, its elected officials, officers, employees, agents and representatives from any and all claims, demands, damages, causes of action, or losses and expenses arising out of or related in any way to the issuance or administration of this non-system license or the transport and disposal of the solid waste covered by this license. Expenses include, but are not limited to all attorneys' fees, whether incurred before any litigation is commenced,</p>

	during any litigation or on appeal.
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WE

STAFF REPORT

IN CONSIDERATION OF RESOLUTION NO. 18-4931 AUTHORIZING THE CHIEF OPERATING OFFICER TO ISSUE A RENEWED NON-SYSTEM LICENSE TO EATON PORTLAND POWER CENTER FOR TRANSPORT AND DISPOSAL OF NON-RECOVERABLE SOLID WASTE, INCLUDING PUTRESCIBLE WASTE AT THE COVANTA WASTE-TO-ENERGY FACILITY LOCATED IN BROOKS, OREGON.

November 1, 2018

Prepared by: Will Ennis
503-797-1667

Approval of Resolution No. 18-4931 will authorize the Chief Operating Officer (COO) to issue a renewed non-system license (NSL), to Eaton Portland Power Center (Eaton). The proposed NSL will authorize Eaton to transport up to 50 tons per calendar year of non-recoverable waste, including putrescible waste, generated at its facility within the Metro region to the Covanta Waste-to-Energy facility (Covanta) located in Brooks, OR. The proposed NSL is a renewal of an existing NSL that is set to expire on December 31, 2018.¹

BACKGROUND

The applicant, Eaton, is a power management company that designs and manufactures customized electrical power equipment at its facility located in Wilsonville at 26850 SW Kinsman Road (Metro District 3). Eaton specializes in custom product configurations such as motor control centers, low/medium voltage assemblies, medium voltage control, and medium voltage systems. The company routinely generates miscellaneous non-recoverable waste at its facility such as office, restroom, and lunchroom wastes.

Eaton's parent corporation encourages its manufacturing sites to achieve zero waste-to-landfill as part of its waste management program as a means to reduce the release of greenhouse gases associated with landfills. The company seeks the proposed NSL to further its internal initiative to reduce landfill disposal.

In July 2016 Eaton was issued a new NSL authorizing the transport of up to 40 tons per calendar year of non-recoverable waste, including putrescible waste, generated at its facility within the Metro region to Covanta. The NSL is set to expire on December 31, 2018. In 2017, Eaton transported approximately 19 tons of waste to Covanta under the NSL and transported 23 tons between January 1 and September 30, 2018.

On September 7, 2018, Eaton filed a complete application seeking a new NSL to transport up to 50 tons per calendar year of non-recoverable waste, including putrescible waste, generated at its facility to Covanta. This is an increase of ten tons annually of its current tonnage authorization of 40 tons. The proposed license is subject to approval or denial by the Metro Council because, in addition to non-putrescible waste, it also authorizes the delivery of putrescible waste to a non-system facility.²

¹ Metro Solid Waste Facility Non-System License No. N-170-16

² Metro Code Section 5.05.110(c)

ANALYSIS/INFORMATION

1. Known Opposition

There is no known opposition to the proposed renewed license.

2. Legal Antecedents

Metro Code Section 5.05.110 prohibits any person from utilizing non-system facilities without an appropriate license from Metro. Additionally, Metro Code Section 5.05.140 provides that, when determining whether or not to approve an NSL application, the Metro Council will consider the following factors to the extent relevant to determine whether to issue a non-system license:

- (1) *The degree to which prior users of the non-system facility and waste types accepted at the non-system facility are known and the degree to which such wastes pose a future risk of environmental contamination;*

The proposed disposal site is a waste-to-energy facility rather than a landfill and thus does not pose the same potential environmental risk from waste delivered from prior users. Air emissions from the facility are controlled through the use of high efficiency combustion within the furnace/boiler as well as by selective non-catalytic reduction, spray dryer absorbers, fabric filter baghouses and an activated carbon injection system. The ash generated at the facility is then delivered to a disposal facility permitted by the Oregon Department of Environmental Quality (DEQ).

- (2) *The non-system facility owner's and operator's regulatory compliance record with federal, state and local requirements, including but not limited to public health, safety and environmental regulations;*

Covanta is permitted by the DEQ. Metro staff received verbal confirmation from the DEQ and Marion County that Covanta is in compliance with federal, state, and local requirements. Staff has also received confirmation that Covanta has a good compliance record with respect to public health, safety and environmental rules and regulations.

- (3) *The adequacy of the non-system facility's operational practices and management controls;*

Covanta screens incoming waste for hazardous, radioactive, and other unacceptable materials and has a state-of-the-art emissions control system to minimize the risk of future environmental contamination. In addition, Covanta uses operational practices and management controls that are considered by the DEQ to be appropriate for the protection of health, safety, and the environment.

- (4) *The expected impact on the region's recycling and waste reduction efforts;*

Eaton maintains an extensive internal recycling program and seeks to deliver only its non-recoverable waste, including putrescible waste, to a waste-to-energy facility instead of a landfill.

The Metro-area waste that is delivered to Covanta is considered to be disposal and does not count toward recovery in Metro's recovery rate calculation because state statute³ stipulates that only those wastesheds that burn mixed solid waste for energy recovery within their wasteshed boundaries may count a portion of it towards their DEQ recovery rate calculation. Marion County is the only wasteshed within Oregon that hosts a waste-to-energy facility within its boundaries; therefore, it is the only wasteshed that is currently allowed to include a portion of the in-county waste that is delivered to Covanta in its recovery rate. Approval of the proposed NSL is not expected to impact the Metro region's recycling and waste reduction efforts.

(5) The proposed non-system license's effect with Metro's existing contractual arrangements;

Until the end of 2019 Metro has a contractual obligation to deliver a minimum of 90 percent of the region's putrescible waste that is delivered to general purpose landfills during the calendar year, to landfills owned by Waste Management. The waste subject to this proposed license will not be disposed at a general-purpose landfill. Thus, approval of the proposed license will not conflict with Metro's disposal contract.

(6) The applicant's record of compliance with Metro ordinances and agreements or assistance to Metro in Metro ordinance enforcement and with federal, state and local requirements, including but not limited to public health, safety and environmental regulations;

In October 2018, Eaton was issued a Notice of Violation⁴ for failure to remit the required Metro Regional System Fee and Excise Tax payments in a timely manner. During the period of the current NSL, Eaton was late in remitting fee and tax payments 12 of the 15 times that they were due for waste disposed at Covanta. A condition has been added to the proposed NSL that subjects Eaton to a civil penalty for each day by which the reporting timeline is exceeded. Staff will continue to monitor this matter. Other than this issue, the applicant generally has a good record of compliance with regard to Metro regulations.

(7) Any other factors as the Chief Operating Officer deems appropriate.

Covanta is the primary disposal site for solid waste generated within Marion County. Marion County generally supports the Metro-authorized flow of solid waste to Covanta but has expressed concerns about capacity to accept new customers.

3. Anticipated Effects

The effect of Resolution No. 18-4931 will be to issue a renewed NSL authorizing Eaton to transport up to 50 tons per calendar year of non-recoverable waste, including putrescible waste to Covanta for disposal. The proposed license will commence on January 1, 2019, and expire on December 31, 2020.

4. Budget/Rate Impacts

³ ORS 465A.010(4)(f)(B)

⁴ Notice of Violation No. NOV-403-18

The waste covered under the proposed NSL will be transported to Covanta. Covanta is not a general-purpose landfill and the proposed tonnage will not impact Metro's obligations under its current disposal contract. The regional system fee and excise tax will continue to be collected on the waste covered by this license. The proposed NSL is a renewal of an existing authorization and the financial impact of this NSL has already been factored into the budget.

RECOMMENDED ACTION

The COO recommends approval of Resolution No. 18-4931, finding that the proposed license satisfies the requirements of Metro Code Chapter 5.05, and issuance of an NSL substantially similar to the NSL attached to the resolution as Exhibit A.

WE

Resolution No. 18-4932, For the Purpose of Authorizing the Chief Operating Officer to Issue a Renewed Non-System License To Daimler Trucks North America for Transport and Disposal of Non-Recoverable Solid Waste, Including Putrescible and Special Waste at the Covanta Waste-To-Energy Facility in Brooks, Oregon

Consent Agenda

Metro Council Meeting
Thursday, November 29, 2018
Metro Regional Center, Council Chamber

BEFORE THE METRO COUNCIL

FOR THE PURPOSE OF AUTHORIZING THE CHIEF) RESOLUTION NO. 18-4932
OPERATING OFFICER TO ISSUE A RENEWED NON-SYSTEM)
LICENSE TO DAIMLER TRUCKS NORTH AMERICA FOR) Introduced by Chief Operating
TRANSPORT AND DISPOSAL OF NON-RECOVERABLE SOLID) Officer Martha Bennett in
WASTE, INCLUDING PUTRESCIBLE AND SPECIAL WASTE AT) concurrence of Council President
THE COVANTA WASTE-TO-ENERGY FACILITY IN BROOKS,) Tom Hughes
OREGON.

WHEREAS, the Metro Code requires a non-system license of any person that delivers solid waste generated from within the Metro Region to a non-system disposal facility; and

WHEREAS, Daimler Trucks North America holds Metro Solid Waste Facility Non-System License No. N-169-16, which expires on December 31, 2018; and

WHEREAS, Daimler Trucks North America has filed a complete application seeking renewal of the non-system license to transport non-recoverable waste, including putrescible waste, to the Covanta Waste-to-Energy facility for disposal under the provisions of Metro Code Chapter 5.05, "Solid Waste Flow Control;" and

WHEREAS, Metro Code Chapter 5.05 provides that the Chief Operating Officer will review an application for a non-system license to transport putrescible waste and that Metro Council has authority to approve or deny the application; and

WHEREAS, the Chief Operating Officer has analyzed the application and considered the relevant factors under the Metro Code; and

WHEREAS, the Chief Operating Officer recommends that Metro issue a renewed non-system license together with specific conditions as provided in Exhibit A to this Resolution; now therefore,

THE METRO COUNCIL RESOLVES AS FOLLOWS:

1. The non-system license application of Daimler Trucks North America is approved subject to the terms, conditions, and limitations contained in Exhibit A to this Resolution.
2. The Chief Operating Officer is authorized to issue to Daimler Trucks North America a renewed non-system license substantially similar to the one attached as Exhibit A.

ADOPTED by the Metro Council this ____ day of _____, 2018.

Tom Hughes, Council President

Approved as to Form:

Nathan A. S. Sykes, Metro Attorney



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

METRO SOLID WASTE FACILITY NON-SYSTEM LICENSE

No. N-169-19

LICENSEE:
Daimler Trucks North America 6936 N. Fathom Street Portland, OR 97217
CONTACT PERSON:
Traci Parker Phone: (503) 745-7602 E-mail: Traci.parker@daimler.com
MAILING ADDRESS:
Daimler Trucks North America 6936 N. Fathom Street Portland, OR 97217

ISSUED BY METRO:

Martha J. Bennett, Metro Chief Operating Officer

Date

1	NATURE OF WASTE COVERED BY LICENSE
	Non-recoverable, non-putrescible waste commingled with putrescible waste and special waste generated at the Daimler Trucks North America site located at 6936 N. Fathom St in Portland, Oregon.
2	CALENDAR YEAR TONNAGE LIMITATION
	Licensee is authorized to transport to the non-system facility described in Section 3, up to 500 tons per calendar year of the waste described in Section 1 of this license.
3	NON-SYSTEM FACILITY
	<p>The Licensee is authorized to transport the waste described above in Section 1 only to the following non-system facility:</p> <p style="text-align: center;">Covanta Waste-to-Energy Facility 4850 Brooklake Road, NE Brooks, OR 97305</p> <p>This license is issued on condition that the non-system facility named in this section is authorized to accept the type of waste described in Section 1. If Metro receives notice from the Oregon Department of Environmental Quality that this non-system facility is not authorized to accept such waste, Metro may immediately revoke this license pursuant to Section 7 of this license.</p>
4	TERM OF LICENSE
	The term of this license will commence on January 1, 2019 and expire on December 31, 2020, unless terminated sooner under Section 7 of this license.
5	REPORTING OF ACCIDENTS AND CITATIONS
	Licensee must report to Metro any significant incidents (such as fires), accidents, and citations involving vehicles of its transportation carrier during the loading and transporting of the solid waste on behalf of the Licensee.

6	RECORD KEEPING AND REPORTING
	<p>(a) The Licensee must keep and maintain accurate records of the amount of all waste that the Licensee transports to the non-system facility described in Section 3. These records include the information specified in <u>Reporting Requirements and Data Standards for Metro Solid Waste Licensees, Franchisees, and Parties to Designated Facility Agreements</u>.</p> <p>(b) No later than the 15th day of each month, beginning with the first month following the commencement date of this license, Licensee must:</p> <ul style="list-style-type: none"> i. Transmit the records required under Section 6(a) above to Metro in an electronic format prescribed by Metro; ii. Submit to Metro a Regional System Fee and Excise Tax Report, that covers the preceding month; and iii. Remit to Metro the requisite Regional System Fees and Excise Tax in accordance with the Metro Code provisions applicable to the collection, payment, and accounting of such fees and taxes. <p>(c) Licensee must make all records from which Sections 6(a) and 6(b) above are derived available to Metro (or Metro's designated agent) for its inspection or copying, as long as Metro provides no less than three (3) business days written notice of an intent to inspect or copy documents. In addition, the Licensee must sign or otherwise provide to Metro any consent or waiver necessary for Metro to obtain information or data from a third party, including the non-system facility named in Section.</p> <p>(d) If the licensee fails to submit the records or payments to Metro by the timeline set forth in Section 6 of this license, each day by which the licensee exceeds the due date may constitute a separate violation subject to a penalty of up to \$500 per violation.</p>

7	ADDITIONAL LICENSE CONDITIONS
	<p>This license is subject to the following conditions:</p> <p>(a) The permissive transfer of solid waste to the non-system facility, listed in Section 3, authorized by this license will be subordinate to any subsequent decision by Metro to direct the solid waste described in this license to any other facility.</p> <p>(b) This license is subject to amendment, modification, or revocation by Metro's Chief Operating Officer (the "COO") in the event that the COO determines that:</p> <ul style="list-style-type: none"> i. There has been sufficient change in any circumstances under which Metro issued this license; ii. The provisions of this license are actually or potentially in conflict with any provision in Metro's disposal contract with Oregon Waste Systems, Inc.; or

	<p>iii. Metro's solid waste system or the public will benefit from, and will be better served by, an order directing that the waste described in Section 1 of this license be transferred to, and disposed of at, a facility other than the facility listed in Section 3.</p> <p>(c) This license is, in addition to subsections (b)(i) through (b)(iii), above, subject to amendment, modification, or revocation pursuant to the Metro Code.</p> <p>(d) The Licensee may not transfer or assign any right or interest in this license without prior written notification to, and approval of, Metro.</p> <p>(e) This license will terminate upon the execution of a designated facility agreement with the facility listed in Section 3 that authorizes the facility to accept the waste described in Section 1 of this license.</p> <p>(f) This license authorizes the transport of putrescible waste to the facility listed in Section 3 of this license. Licensee is prohibited from transporting waste generated from within the Metro boundary to any non-system facility other than that specified in this license unless authorized by Metro in writing.</p> <p>(g) The COO may require the Licensee to redirect the waste covered by this non-system license to Metro Central Transfer Station or Metro South Transfer Station. Metro will provide the Licensee with at least 24 hours written notice of any redirection requirement. The notice will include the date and time that the redirection will take effect.</p> <p>(h) If the Licensee exceeds the calendar year limitation set forth in Section 2, each ton or portion thereof by which the Licensee exceeds the limitation constitutes a separate violation subject to a penalty of up to \$500.</p>
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8	COMPLIANCE WITH LAW
	<p>Licensee must fully comply with all applicable local, regional, state and federal laws, rules, regulations, ordinances, orders, and permits pertaining in any manner to this license, including all applicable Metro Code provisions and administrative procedures adopted pursuant to Chapter 5.05 whether or not those provisions have been specifically mentioned or cited herein. All conditions imposed on the collection and hauling of the Licensee's waste by federal, state, regional or local governments or agencies having jurisdiction over solid waste generated by the Licensee will be deemed part of this license as if specifically set forth herein.</p>

9	INDEMNIFICATION
	<p>Licensee must defend, indemnify and hold harmless Metro, its elected officials, officers, employees, agents and representatives from any and all claims, demands, damages, causes of action, or losses and expenses arising out of or related in any way to the issuance or administration of this non-system license or the transport and disposal of the solid waste covered by this license. Expenses include, but are not</p>

	limited to all attorneys' fees, whether incurred before any litigation is commenced, during any litigation or on appeal.
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WE

STAFF REPORT

IN CONSIDERATION OF RESOLUTION NO. 18-4932 AUTHORIZING THE CHIEF OPERATING OFFICER TO ISSUE A RENEWED NON-SYSTEM LICENSE TO DIAMLER TRUCKS NORTH AMERICA FOR TRANSPORT AND DISPOSAL OF NON-RECOVERABLE SOLID WASTE, INCLUDING PUTRESCIBLE AND SPECIAL WASTE AT THE COVANTA WASTE-TO-ENERGY FACILITY IN BROOKS, OREGON

November 1, 2018

Prepared by: Will Ennis
503-797-1667

Approval of Resolution No. 18-4932 will authorize the Chief Operating Officer (COO) to issue a renewed non-system license (NSL), to Daimler Trucks North America (DTNA) to annually transport up to 500 tons of non-recoverable solid waste, including putrescible waste and special waste from its facility within the Metro region to the Covanta Waste-to-Energy Facility (Covanta) in Brooks, OR. The proposed NSL is a renewal of an existing NSL that is set to expire on December 31, 2018.¹

BACKGROUND

The applicant, DTNA assembles semi-trucks and manufactures fuel tanks at its Portland facility located at 6936 N. Fathom Street (Metro District 5). Nexeo Solutions, a firm contracted by DTNA, is responsible for managing the waste and recyclables generated at DTNA facilities. DTNA routinely generates miscellaneous non-recoverable waste at its facility which includes various items such as non-process waste from manufacturing areas, restroom, and lunchroom waste. The company also generates miscellaneous special waste consisting primarily of used paint filters, used plastic paint related items, rubber trim/hoses, and mixed floor sweepings.

DTNA has adopted a corporate policy of eliminating landfill disposal and seeks to divert its non-recoverable and special waste to energy recovery as the preferred method of waste disposal. DTNA facilities currently have a recycling infrastructure in place for several materials including scrap metal, mixed paper, cardboard, mixed hard plastics, soft plastics, scrap wood, and beverage containers. The company seeks the proposed NSL to further its internal initiative to reduce landfill disposal.

In July 2016, DTNA was issued a new NSL authorizing the transport of up to 500 tons per calendar year of non-recoverable waste, including putrescible and special waste, generated at its facility to Covanta. The NSL is set to expire on December 31, 2018. In 2017, DTNA transported approximately 178 tons of waste to Covanta under the NSL and transported 226 tons between January 1 and September 30, 2018.

On September 7, 2018, DTNA filed a complete application seeking a renewed NSL to transport up to 500 tons per calendar year of non-recoverable waste, including wet and special waste, generated at four of its facilities to Covanta. The proposed license is subject to approval or denial by the Metro Council because, in addition to the non-putrescible and special waste, it also authorizes the delivery of putrescible waste to a non-system facility.²

¹ Metro Solid Waste Facility Non-System License No. N-169-16

² Metro Code Section 5.05.110(c)

ANALYSIS/INFORMATION

1. Known Opposition

There is no known opposition to the proposed NSL.

2. Legal Antecedents

Metro Code Section 5.05.110 prohibits any person from utilizing non-system facilities without an appropriate license from Metro. Additionally, Metro Code Section 5.05.140 provides that, when determining whether or not to approve an NSL application, the Metro Council will consider the following factors to the extent relevant to determine whether to issue a non-system license:

- (1) *The degree to which prior users of the non-system facility and waste types accepted at the non-system facility are known and the degree to which such wastes pose a future risk of environmental contamination;*

The proposed disposal site is a waste-to-energy facility rather than a landfill and thus does not pose the same potential environmental risk from waste delivered from prior users. Air emissions from the facility are controlled through the use of high efficiency combustion within the furnace/boiler as well as by selective non-catalytic reduction, spray dryer absorbers, fabric filter baghouses and an activated carbon injection system. The ash generated at the facility is then delivered to a disposal facility permitted by the Oregon Department of Environmental Quality (DEQ).

- (2) *The non-system facility owner's and operator's regulatory record with federal, state and local requirements, including but not limited to public health, safety and environmental regulations;*

Covanta is permitted by the DEQ. Metro staff received verbal confirmation from the DEQ and Marion County that Covanta is in compliance with federal, state, and local requirements. Staff has also received confirmation that Covanta has a good compliance record with respect to public health, safety and environmental rules and regulations.

- (3) *The adequacy of the non-system facility's operational practices and management controls;*

Covanta screens incoming waste for hazardous, radioactive, and other unacceptable materials and has a state-of-the-art emissions control system to minimize the risk of future environmental contamination. In addition, Covanta uses operational practices and management controls that are considered by the DEQ to be appropriate for the protection of health, safety, and the environment.

- (4) *The expected impact on the region's recycling and waste reduction efforts;*

DTNA has adopted a corporate policy of minimizing or eliminating landfill disposal and seeks to continue diverting non-recoverable waste to energy recovery as the preferred method of disposal. DTNA's policy is based on the benefits of greenhouse gas reduction and minimization of disposal liability.

The Metro-area waste that is delivered to Covanta is considered to be disposal and does not count toward recovery in Metro's recovery rate calculation because state statute³ stipulates that only those wastesheds that burn mixed solid waste for energy recovery within their wasteshed boundaries may count a portion of it towards their DEQ recovery rate calculation. Marion County is the only wasteshed within Oregon that hosts a waste-to-energy facility within its boundaries; therefore, it is the only wasteshed that is currently allowed to include a portion of the in-county waste that is delivered to Covanta in its recovery rate. Approval of the proposed NSL is not expected to impact the Metro region's recycling and waste reduction efforts.

(5) The proposed non-system license's effect with Metro's existing contractual arrangements;

Until the end of 2019 Metro has a contractual obligation to deliver a minimum of 90 percent of the region's putrescible waste that is delivered to general purpose landfills during the calendar year, to landfills owned by Waste Management. The waste subject to this proposed license will not be disposed at a general-purpose landfill. Thus, approval of the proposed license will not conflict with Metro's disposal contract.

(6) The record of the applicant regarding compliance with Metro ordinances and agreements or assistance to Metro in Metro ordinance enforcement and with federal, state and local requirements including but not limited to public health, safety and environmental regulations;

During the period of the current NSL, Daimler was late in remitting the required Metro Regional System Fee and Excise Tax payments 15 of the 26 times that they were due for waste disposed at Covanta. A condition has been added to the proposed NSL that subjects Daimler to a civil penalty for each day by which the reporting timeline is exceeded. Staff will continue to monitor this matter. Other than this issue, the applicant generally has a good record of compliance with regard to Metro regulations.

(7) Any other factors as the Chief Operating Officer deems appropriate.

Covanta is the primary disposal site for solid waste generated within Marion County. Marion County generally supports the Metro-authorized flow of solid waste to Covanta but has expressed concerns about capacity to take new customers.

3. Anticipated Effects

The effect of Resolution No. 18-4932 will be to issue a renewed NSL authorizing DTNA to transport up to 500 tons per calendar year of non-recoverable waste, including putrescible and special waste, to Covanta for disposal. The proposed license will commence on January 1, 2019, and expire on December 31, 2020.

4. Budget/Rate Impacts

³ ORS 465A.010(4)(f)(B)

The waste covered under the proposed NSL will be transported to Covanta. Covanta is not a general-purpose landfill and the proposed tonnage will not impact Metro's obligations under its current disposal contract. The regional system fee and excise tax will continue to be collected on the waste covered by this license. The proposed NSL is a renewal of an existing authorization and the financial impact of this NSL has already been factored into the budget.

RECOMMENDED ACTION

The COO recommends approval of Resolution No. 18-4932, finding that the proposed license satisfies the requirements of Metro Code Chapter 5.05, and issuance of an NSL substantially similar to the NSL attached to the resolution as Exhibit A.

WE

Agenda Item No. 4.7

Consideration of November 15, 2018 Minutes

Consent Agenda

Metro Council Meeting
Thursday, November 29, 2018
Metro Regional Center, Council Chamber

Agenda Item No. 5.1

Resolution No. 18-4916, For the Purpose of Approving Policy for
an Investment Framework for the 2040 Planning and
Development Grant Program in 2019

Resolutions

Metro Council Meeting
Thursday, November 29, 2018
Metro Regional Center, Council Chamber

BEFORE THE METRO COUNCIL

FOR THE PURPOSE OF APPROVING THE	)	RESOLUTION NO. 18-4916
POLICY AND INVESTMENT FRAMEWORK)	
FOR THE 2040 PLANNING AND	)	Introduced by Chief Operating Officer Martha
DEVELOPMENT GRANT PROGRAM IN 2019	)	Bennett in concurrence with Council
	)	President Tom Hughes

WHEREAS, in 2006, Metro adopted Ordinance No. 06-1115, establishing a construction excise tax (CET) to generate revenue for providing grants to local governments for regional and local planning; and

WHEREAS, on recommendation of an advisory group and the Metro Chief Operating Officer (COO) regarding the continuing need for funding regional and local planning, on June 11, 2009 the Metro Council adopted Ordinance No. 09-1220, extending the CET for an additional five year period, with a sunset date of September 2014; and

WHEREAS, on recommendation of an advisory group and the Metro COO, in June 2014 the Metro Council adopted Ordinance No. 14-1328, extending the CET for an additional five year period, with a new sunset date of December 31, 2020; and

WHEREAS, since the inception of the CET in 2006, Metro has awarded over \$23.5 million in grants to cities, counties and other government entities in the region to fund critical planning and development activities that support implementation of the region's long range plan for growth; and

WHEREAS, the 2014 CET Ordinance directed the Metro COO to propose amendments to the existing administrative rules implementing the CET and CPDG programs under Metro Code Chapter 7.04 ("Administrative Rules") and to return to the Metro Council for its approval of the revised Administrative Rules prior to promulgating them; and

WHEREAS, on March 19, 2015 the Metro Council adopted Resolution No. 15-4595, which approved the Metro COO's proposed amendments to the Administrative Rules; and

WHEREAS, the Metro COO approved additional amendments to the Administrative Rules in March 2017, which renamed the program the "2040 Planning and Development Grant Program," modified the program to consider proposals and award grants on an annual basis, and set the policy and investment framework for Cycle 5 of Metro's 2040 Planning and Development Grants; and

WHEREAS, the Metro COO approved additional amendments to the Administrative rules in January 2018, which clarified the types of projects that are eligible to be considered for grant funding, clarified the criteria for evaluating grant applications, and set the policy and investment framework for Cycle 6 of the 2040 Planning and Development Grant program; and

WHEREAS, in March 2018 the COO approved new amendments to the Administrative Rules to allow for the creation of a technical assistance reserve fund that may be used to provide grant recipients with necessary technical assistance in completing their projects, up to a maximum amount of \$25,000 per grant recipient; and

WHEREAS, on April 12, 2018 the Metro Council adopted Resolution No. 18-4882, which authorized and directed the Metro COO and staff to develop and administer an additional technical assistance program component to support the 2040 Planning and Development grants in accordance with the revised administrative rules; and

WHEREAS, in order to most effectively address barriers to development, implement the 2040 Growth Concept, and to help address the equitable housing crisis in our region, the Metro Council has established a policy emphasis in previous grant cycles to enable the grant program respond to current trends and issues affecting development in our region; and

WHEREAS, our region continues to have a crisis in housing supply as growth continues, especially for low income residents, and multiple tools, strategies, and approaches are needed across the region to provide more equitable housing; and

WHEREAS, equity, equitable development and equitable housing are currently issues of considerable local and regional concern given the potential for displacement of long-term residents, businesses and communities of color due to changing neighborhoods and rapidly escalating real estate costs; and

WHEREAS, in 2016, the Metro Council adopted the Strategic Plan to Advance Racial Equity, Diversity and Inclusion; and

WHEREAS, complementary strategies for employment growth, redevelopment, and land readiness are also important to address other current regional growth and development issues; and

WHEREAS, a clear policy framework outlining the goals of Cycle 7 grants and the types of projects that will be prioritized for the current round of funding will assist local governments in identifying and scoping projects that will best satisfy the policy emphasis and meet the selection criteria; now therefore

BE IT RESOLVED that:

1. The Metro Council hereby directs the Metro COO and staff to continue to implement improvements to grant program administration and monitoring of the investments over time to ensure that the program is successfully supporting regional goals and policies set forth in the 2040 Growth Concept, the Urban Growth Management Functional Plan, and the six desired outcomes outlined in the Regional Framework Plan.
2. The Metro Council hereby authorizes and directs the Metro COO and staff to initiate Cycle 7 of Metro's 2040 Planning and Development grants, and to award up to \$2.25 million of CET revenue to fund projects using the following policy and investment emphasis:
 - a. One million dollars (\$1,000,000.00) of allocated funds will be targeted for qualified projects that will facilitate implementation of equitable development projects inside the UGB, which may include but are not limited to:
 - Planning or pre-development work for equitable housing (diverse, physically accessible, affordable housing choices with access to opportunities, services, and amenities);

- Planning or pre-development work for facilities and community investments that will advance quality of life outcomes for marginalized communities, including communities of color, such as quality education, living wage employment, healthy environments, and transportation;
 - Facilitation of development-related efforts in partnership with a community organization whose primary mission is to serve communities of color;
 - Planning or pre-development for projects that will serve a specific neighborhood or geography with a high percentage of residents that are people of color or historically marginalized communities;
- b. Two hundred fifty thousand dollars (\$250,000.00) of allocated funds will be targeted to qualified projects that will facilitate development in centers, corridors, station areas, employment areas, or other locations within the UGB.
- c. Seven hundred fifty thousand dollars (\$750,000.00) of allocated funds will be targeted to qualified concept planning and comprehensive planning projects for urban reserves and new urban areas.
- d. In the event that there are insufficient qualified applications within any one funding target category, grant funds may be awarded to qualified applications in any other category.
3. The Metro Council hereby authorizes and directs the Metro COO and staff to utilize discretion in determining which of the grant applications received meet the intent of the equitable development target and therefore merit consideration under category (a) above, or if they should be reassigned to another category.

ADOPTED by the Metro Council this ____ day of November 2018.

Tom Hughes, Council President

Approved as to Form:

Nathan Sykes, Acting Metro Attorney

STAFF REPORT

IN CONSIDERATION OF ORDINANCE NO.18-1425, FOR THE PURPOSE OF REMOVING THE SUNSET PROVISION OF THE METRO CONSTRUCTION EXCISE TAX THAT FUNDS THE 2040 PLANNING AND DEVELOPMENT GRANT PROGRAM AND AMENDING OTHER PORTIONS OF METRO CODE CHAPTER 7.04

AND

IN CONSIDERATION OF RESOLUTION NO.18-4916, FOR THE PURPOSE OF APPROVING POLICY AND INVESTMENT FRAMEWORK FOR CYCLE 7 OF THE 2040 PLANNING AND DEVELOPMENT GRANT PROGRAM

Date: November 14, 2018

Prepared by: Lisa Miles 503.797.1877
Roger Alfred 503.797.1532

BACKGROUND

CET and Sunset Provision

In 2006, Metro established a construction excise tax (CET) to generate revenue for providing grants to local governments for regional and local planning. The ordinance contained a sunset provision based on a maximum amount collected of \$6.3 million, and the maximum amount was reached in 2009. In 2009 the Metro Council extended the CET for an additional five year period.

In 2014, the Metro Council adopted Ordinance No. 14-1328, which extended the CET through December 2020 and directed the Chief Operating Officer (COO) to seek direction from the Metro Council prior to revising the Administrative Rules for implementation of the CET and the Community Planning and Development Grants (CPDG). In 2015, the Metro Council adopted a resolution approving the Metro COO's amendments to the Administrative Rules.

Originally conceived as a source of funding primarily for concept planning of land that had recently been brought into the urban growth boundary (UGB) in order to make it ready for development, the grant program has evolved over time to respond to current local and regional development priorities and changing regulatory frameworks. In later grant cycles, projects that removed barriers to infill development in existing urban areas already served by infrastructure were favored over planning of lands at the region's edge, where the lack of infrastructure had stalled development. During the most recent three grant rounds, funding has been specifically targeted for equitable housing as well as other types of planning and development projects designed to promote equity throughout the region.

In February, 2016 the Metro Auditor conducted a review the Community Planning and Development Grant program and made recommendations for improvements. At the outset of the next grant cycle ("Cycle 5") slated for 2017, the COO and staff gave additional consideration to how the CPDG and Equitable Housing Planning and Development Grant programs evolved, and what could make the programs more effective. On April 6, 2017 the Council approved Resolution 17-4782, authorizing additional administrative rule changes and program adjustments. The program switched to an annual

grant award cycle and one application process for all grant types. The CPDG program name was also changed to 2040 Planning and Development Grants. The program began to utilize the ZoomGrants software, and revised other application procedures to be more user-friendly and better assist applicants with grant project development.

Since the program's inception, Metro has awarded over \$23.5 million in grants to local cities, counties, and other government entities. CET funding for this grant program provides a critical ongoing funding mechanism to support many essential and required planning activities necessary for jurisdictions to comply with land use regulations and to implement the region's long range vision.

Ordinance 18-1425: Proposed Amendments to Metro Code Chapter 7.04

Removal of the December 2020 sunset provision of the CET requires an ordinance to amend the Metro Code. Once the code has been amended, the COO has the authority to subsequently make revisions to the grant program's administrative rules without requiring further formal action by the Metro Council. In addition to removal of the sunset provision, edits to four other subsections of the code are proposed in order to more accurately reflect current program policies and facilitate program administration:

- 7.04.020 Policy and Purpose: update the language to better align with the current purpose of the grant program, which includes not only planning for new urban areas but also projects that facilitate infill development or redevelopment within the UGB.
- 7.04.040 Exemptions (a)(2): amend the eligible income threshold for affordable housing projects to receive an exemption from paying the CET; the threshold was raised from affordable units to be occupied by people with incomes less than 50% of median income to 60% of median income, which is a typical affordability level for projects to receive state tax credits.
- 7.04.040 Exemptions (a)(3): remove the specific numeric income threshold for recipients of charitable services; removed language stipulating that the projects had to be for providing charitable services to Persons with incomes lower than 50% of the median income in order to be exempt; amended language stipulates that the construction must be dedicated "for providing charitable services to disadvantaged people," which is a more practical requirement for many charities that do not require clients they are serving to provide proof of income.
- 7.04.210 Dedication of Revenue: update the language to better align with the current purpose of the grant program, which includes not only planning for new urban areas but also projects that facilitate infill development or redevelopment within the UGB.
- 7.04.220 Procedures for Distribution: update the language to reference implementation of the region's long range vision rather than the Urban Growth Management Functional Plan; add language to expand the range of eligible grant recipients to include other entities besides local governments, provided that the proposed project is endorsed by a local government and in the public interest; this may allow flexibility in future and spur innovative public-private partnerships.
- 7.04.230 Sunset Provision: delete section.

Policy and Investment Framework and Performance in Recent Grant Cycles

Prioritization of CET funds to promote equity across the region has evolved as a key aspect of the grant program over the last three funding cycles. As part of the resolution approving the Cycle 4 grants in 2015, the Metro Council directed the COO and staff to return to the Council with a proposal regarding possible uses of unallocated CET revenue from Cycle 4. In response to the Metro Council's directive, the COO and Metro staff developed the Equitable Housing Planning and Development Grant Program as a subset of the CPDG program using unallocated Cycle 4 CET revenue to support local implementation of projects that would eliminate barriers to construction of affordable housing across the region. On December 1, 2016 the Metro Council adopted Resolution No. 16- 4753, which awarded approximately \$575,000 in Equitable Housing Planning and Development grants.

At the outset of Grant Cycle 5, to help address the region's continuing housing crisis, especially for people of color and low-income residents, Resolution 17-4782 established an investment emphasis targeting 50% of the grant funds in the cycle to fund equitable development projects. During that round, Metro received 18 complete applications requesting \$3.7 million in grant funding. Fourteen of the applications requested consideration in the equitable development funding category. In October, 2017 the Council passed Resolution 17-4846 awarding \$1.99 million in grant funds to 9 projects; \$984,000 or 49.5% of available funds were awarded to projects that had a strong emphasis on equitable development.

As part of the Strategy to Advance Racial Equity, Diversity and Inclusion adopted by Metro Council in Resolution No. 16-4708 in June 2016, the Planning and Development Department has been reviewing programs and policies to identify improvements that could to help advance racial equity throughout the region. The investment framework established for Grant Cycle 6 was similar to the framework for Cycle 5 as far as funding targets, but provided further clarity about the types of projects that could be eligible for consideration in the Equitable Development funding category. For Cycle 7, this language has been further refined for clarity as shown below:

...funding will be targeted for qualified projects that will facilitate implementation of equitable development projects inside the UGB, which may include but are not limited to:

- Planning or pre-development work for equitable housing (diverse, physically accessible, affordable housing choices with access to opportunities, services, and amenities);
- Planning or pre-development work for ~~projects~~ facilities or community investments that will advance quality of life outcomes for marginalized communities, including communities of color, such as quality education, living wage employment, healthy environments, and transportation;
- Facilitation of development-related efforts in partnership with a community organization whose primary mission is to serve communities of color;
- Planning or pre-development for projects that will serve a specific neighborhood or geography with a high percentage of residents that are people of color;
- ~~Planning for public and private developments, investments, programs and policies that will be enacted to meet the needs of communities of color and reduce racial disparities, taking into account past history and current conditions.~~

In Cycle 6, Metro received a total of 11 grant applications from nine jurisdictions requesting a combined total of \$2.3 million. Six of eleven projects requested funding in the Equitable Development Category

and five of the six requests were approved for full or partial funding, with a combined total of \$895,000 or 45% of Grant funds.

Proposed Policy and Investment Framework for Cycle 7

Our region continues to have an affordable housing crisis that disproportionately affects people of color, and multiple tools, strategies, and approaches are needed across the region to promote equitable development. Metro staff recommend that the Council continue to target \$1 million in grant funding in Cycle 7 for projects that have an equitable development emphasis. Staff recommend that the Council target \$250,000 in funding for other qualified projects to facilitate development within the Urban Growth Boundary. Staff recommend that funding for concept planning projects in urban reserves and comprehensive planning of new urban areas be increased to \$750,000 in Cycle 7 for a combined total of \$2.00 million in available grant funding.

The explicit equitable development emphasis for grant investments will continue to encourage cities and counties to prioritize project applications that specifically address racial inequities and affordable housing challenges in their communities. Metro staff will review applications that seek consideration under the equitable development category; those that do not have a sufficiently strong equitable development emphasis to merit funding in that category will then be added to the general pool of applications for projects within the UGB, and evaluated alongside those applications based on their relative overall merits.

The increase in Cycle 7 funding for concept planning and comprehensive planning is recommended because of the anticipated increase in applications for comprehensive planning by the four cities for the new urban areas that the COO has recommended for inclusion within the UGB. This comprehensive planning is necessary to meet the requirements of Urban Growth Management Functional Plan Title 11 for land added to the UGB. The COO's recommendation calls for grant funds to be allocated to King City to assist them with continued planning work including a market feasibility study for their proposed new town center. Increasing the available funds will enable Metro to follow through on this commitment to King City while also ensuring that a sufficient pool of funding is available for grants to other jurisdictions in the event that Metro receives multiple compelling grant applications in this funding category.

In the event that there are insufficient qualified applications within any one funding target category, grant funds may be awarded to qualified applications in any other category. The screening committee, the COO, and the Council will ultimately bring their own professional judgment and common sense to applying the grant criteria, allocating resources from each funding target and determining what projects best meet all criteria (including regional policy priorities and equitable development objectives) and therefore warrant funding. The 2040 Planning and Development Grants application handbook will address the above nuances and provide adequate clarification for applicants.

ANALYSIS/INFORMATION

1. Known Opposition

It is possible that there may be opposition to the removal of the sunset provision of the CET and establish the 2040 Planning and Development Program as an ongoing program which Metro offers the region to support local planning and development.

The proposed policy and investment framework for Cycle 7 grants set forth in Resolution 18-4916 is similar to the framework set forth in prior grant cycles so opposition is not anticipated.

2. Legal Antecedents

- Metro Ordinance 06-1115 (“2006 CET Ordinance) established the construction excise tax
- Metro Ordinance 09-1220 extended the CET for an additional five year period (through September 2014).
- Metro Ordinance 14-1328 extended the CET for an additional five year period (through December 2020) and directed the Metro COO to propose amendments to the existing administrative rules.
- Metro resolution 15-4595 approved the Metro COO’s proposed amendments to the administrative rules
- Metro resolution 15-4640 directed the Metro COO’s to propose a possible use for unallocated funds in Cycle 4
- Metro resolution 16-4753 awarded approximately \$575,000 in Equitable Housing Planning and Development Grants
- Metro resolution 17-4782 revised administrative rules, the program name, and established annual grant cycles and also set the investment targets for Cycle 5 to promote equitable development
- Metro resolution 17-4846 awarded \$1.99 million in 2040 Planning and Development Grants, of which \$984,000 (49.5%) was awarded to equitable development projects.
- Metro resolution 18-4863 set the investment targets for Cycle 6 to promote equitable development
- Metro resolution 18-4882 approved the Metro COO’s proposed amendments to the administrative rules in order to create a technical assistance program to support the 2040 Planning and Development Grants.
- Metro resolution 18-4902 awarded \$1.99 million in 2040 Planning and Development Grants, of which \$895,000 (45%) was awarded to equitable development projects.

3. Anticipated Effects

Approval of the ordinance will remove the provision that currently require Metro to end collection of the Construction Excise Tax in 2020. With the removal of this provision, collection of the Construction Excise Tax would continue into the future until such time as the Metro Council determines it is no longer necessary or effective. The ordinance will also clarify the types of projects that may apply for exemption from paying the CET, clarify the purpose of the grants, and allow other entities to apply for grants if they are proposing a project in the public interest which has been endorsed by a local government.

Approval of the resolution will continue Metro Council’s policy and investment emphasis for grant funding to support equitable development by earmarking \$1 million of available funds and giving

first consideration to qualified projects inside the UGB with a strong emphasis on serving historically marginalized communities and/or equitable housing.

4. Budget Impacts

Exact funding levels for any grant cycle is subject to the projected excise tax revenues collected. Staff time for program implementation is included in the Planning and Development Department budget.

5. Attachments

None.

RECOMMENDED ACTION

The Chief Operating Officer recommends adoption of the ordinance to amend chapter 7.04 of the Metro Code to remove the sunset provision of the Construction Excise Tax

The Chief Operating Officer recommends adoption of the resolution to approve the policy and investment framework for “Cycle 6” of the 2040 Planning and Development Grant Program.

Agenda Item No. 6.1

Ordinance No. 18-1425, For the Purpose of Removing
the Sunset Provision of the Metro Construction Excise
Tax That Funds the 2040 Planning and Development
Grant Program and Making Other Amendments to
Chapter 7.04 of the Metro Code

Ordinances (First Reading and Public Hearing)

Metro Council Meeting
Thursday, November 29, 2018
Metro Regional Center, Council Chamber

BEFORE THE METRO COUNCIL

FOR THE PURPOSE OF REMOVING THE	)	ORDINANCE NO. 18-1425
SUNSET PROVISION OF THE METRO)	
CONSTRUCTION EXCISE TAX THAT FUNDS	)	Introduced by Chief Operating Officer Martha
THE 2040 PLANNING AND DEVELOPMENT	)	Bennett in concurrence with Council
GRANT PROGRAM AND MAKING OTHER	)	President Tom Hughes
AMENDMENTS TO CHAPTER 7.04 OF THE)	
METRO CODE)	

WHEREAS, in 2006, Metro adopted Ordinance No. 06-1115, establishing a construction excise tax (CET) to generate revenue for providing grants to local governments for regional and local planning; and

WHEREAS, when the Metro Council adopted code provisions in 2006 implementing the CET, the Metro Council included a sunset provision providing that the CET would expire after \$6.3 million in revenue had been collected; and

WHEREAS, in June 2009, on recommendation of an advisory group and the Metro Chief Operating Officer (COO) regarding the continuing need for funding regional and local planning, the Metro Council adopted Ordinance No. 09-1220, extending the CET for an additional five year period, with a sunset date of September 2014; and

WHEREAS, on recommendation of an advisory group and the Metro COO, in June 2014 the Metro Council adopted Ordinance No. 14-1328, extending the CET for an additional five year period, with a new sunset date of December 31, 2020; and

WHEREAS, in order to comply with land use policies of the State of Oregon and Metro, local jurisdictions are required to perform concept planning of lands designated as urban reserves prior to petitioning Metro to include these lands within the urban growth boundary; and

WHEREAS, in order to comply with land use policies of the State of Oregon and Metro, local jurisdictions are required to complete comprehensive plans for new urban areas to enable these areas to develop as complete communities appropriately served with essential infrastructure; and

WHEREAS, planning and development work by local jurisdictions is critical to reduce barriers to development and enable infill development on lands already within the Urban Growth Boundary and served by infrastructure to develop and redevelop in a manner consistent with established regional goals; and

WHEREAS, planning and development work by local jurisdictions is critical to specifically facilitate development projects that advance equitable outcomes and access to opportunity for all residents of the region as the region grows and accommodates higher populations; and

WHEREAS, since the inception of the Construction Excise Tax in 2006, Metro has awarded over \$23.5 million in grants to cities, counties and other government entities in the region to fund critical planning and development activities that support implementation of the region's long range plan for growth; and

WHEREAS, in 2016 the Oregon legislature enacted Senate Bill 1533, which repealed existing state law that prohibited local governments from enacting new CETs statewide, and

WHEREAS, in the 12 years of its existence, revenue from the CET has funded dozens of planning and development grants across the region that have helped cities and counties make land ready for urban development, both inside the existing UGB and in areas identified for future urbanization; and

WHEREAS, absent the provision of grant funds from Metro for planning and development, local jurisdictions may not have reliable and sufficient sources of funding to implement the planning and development policies and projects that are essential to build complete communities and successfully support regional goals and policies set forth in the 2040 Growth Concept, the Urban Growth Management Functional Plan, and the six desired outcomes outlined in the Regional Framework Plan; now therefore

THE METRO COUNCIL HEREBY ORDAINS AS FOLLOWS:

1. The Metro Code is amended as shown on Exhibit A to remove the sunset provision on the CET such that Metro may continue to provide critical funding to local jurisdictions to facilitate planning and development activities;
2. The Metro Code is also amended as shown on Exhibit A to clarify the purpose of CET funding, the types of projects that are eligible for exemptions from paying the CET, and the types of entities who may apply for grants;
3. The Metro Council hereby directs the Metro COO and staff to amend the Metro administrative rules governing the CET program to be consistent with the Metro Code amendments enacted by this ordinance.

ADOPTED by the Metro Council this _____ day of November, 2018.

Tom Hughes, Council President

Approved as to Form:

Nathan Sykes, Acting Metro Attorney

Exhibit A to Ordinance 18-1425

Chapter 7.04

CONSTRUCTION EXCISE TAX

SECTION	TITLE
7.04.010	Short Title
7.04.020	Policy and Purpose
7.04.030	Definitions
7.04.040	Exemptions
7.04.045	Ceiling
7.04.050	Rules and Regulations Promulgation
7.04.060	Administration and Enforcement Authority
7.04.070	Imposition of Tax
7.04.080	Rate of Tax
7.04.090	Failure to Pay
7.04.100	Statement of Entire Value of New Construction Required
7.04.110	Intergovernmental Agreements
7.04.120	Rebates
7.04.130	Hearings Officer
7.04.140	Appeals
7.04.150	Refunds
7.04.160	Enforcement by Civil Action
7.04.170	Review
7.04.180	Failure to Pay - Penalty
7.04.190	Violation - Penalty
7.04.200	Rate Stabilization
7.04.210	Dedication of Revenue
7.04.220	Procedures for Distribution
7.04.225	Metro Administrative Fee
7.04.230	Sunset Provision

7.04.010 Short Title

This chapter shall be known as the "Construction Excise Tax."

(Ordinance No. 06-1115, Sec. 1.)

7.04.020 Policy and Purpose

This chapter establishes a Construction Excise Tax to provide funding for regional and local planning that is required to make land ready for development or redevelopment. ~~after its inclusion in the Urban Growth Boundary.~~

(Ordinance No. 06-1115, Sec. 1.)

7.04.030 Definitions

As used in this chapter:

(a) "Building Official" means any person charged by a municipality with responsibility for the administration and enforcement of a building code.

(b) "Chief Operating Officer" means the person holding the position of Metro Chief Operating Officer established by Section 2.20.010 of the Metro Code.

(c) "Construction" means erecting, constructing, enlarging, altering, repairing, moving, improving, removing, converting, or demolishing any building or structure for which the issuance of a building permit is required pursuant to the provisions of Oregon law, whether residential or non-residential. Construction also includes the installation of a manufactured dwelling.

(d) "Contractor" means any person who performs Construction for compensation.

(e) "Improvement" means any newly constructed structure or a modification of any existing structure.

(f) "Major Renovation" means any renovation, alteration or remodeling of an existing building or structure, or portion thereof, residential or non-residential, that requires or receives a building permit.

(g) "Manufactured Dwelling" means any building or structure designed to be used as a residence that is subject to regulation pursuant to ORS 446, as further defined in ORS 446.003(26).

(h) "Person" means and includes individuals, domestic and foreign corporations, public bodies, societies, joint ventures, associations, firms, partnerships, joint stock companies, clubs or any legal entity whatsoever.

(i) "Value of New Construction" means the total value of the Construction as determined by the construction permit or building permit for the Improvement and/or Major Renovation.

(Ordinance No. 06-1115, Sec. 1.)

Exhibit A to Ordinance 18-1425

7.04.040 Exemptions

(a) No obligation to pay the tax imposed by Section 7.04.070 shall be imposed upon any Person who establishes that one or more of the following are met:

- (1) The Value of New Construction is less than or equal to \$100,000; or
- (2) 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~~people with incomes less than ~~50~~ 60 percent (~~50~~60%) of the median income for a period of 30 years or longer; or
- (3) 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 50 percent (50%) of the median income~~disadvantaged people.

(b) The Building Official or Chief Operating Officer may require any Person seeking an exemption to demonstrate that the Person is eligible for an exemption and that all necessary facts to support the exemption are established.

(Ordinance No. 06-1115, Sec. 1.)

7.04.045 Ceiling

Notwithstanding the provisions set forth in Sections 7.04.070 and 7.04.080, if the Construction Excise tax imposed by this Chapter would be greater than \$12,000 (Twelve Thousand Dollars) as measured by the Value of New Construction that would generate that amount of tax, then the Construction Excise Tax imposed for that Construction is capped at a ceiling of \$12,000 (Twelve Thousand Dollars).

(Ordinance No. 06-1115, Sec. 1.)

Exhibit A to Ordinance 18-1425

7.04.050 Rules and Regulations Promulgation

The Chief Operating Officer shall promulgate rules and regulations necessary for the administration and enforcement of this chapter.

(Ordinance No. 06-1115, Sec. 1.)

7.04.060 Administration and Enforcement Authority

(a) The Chief Operating Officer shall be responsible for the administration and enforcement of this chapter. In exercising the responsibilities of this section, the Chief Operating Officer may act through a designated representative.

(b) In order to carry out the duties imposed by this chapter, the Chief Operating Officer shall have the authority to do the following acts, which enumeration shall not be deemed to be exhaustive, namely: 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; and to take testimony of any Person by deposition.

(Ordinance No. 06-1115, Sec. 1.)

7.04.070 Imposition of Tax

A Construction Excise tax is imposed on every Person who engages in Construction within the Metro Area. The tax shall be measured by the total Value of New Construction at the rate set forth in Section 7.04.080. If no additional value is created or added by the Construction and if the Construction does not constitute a Major Renovation, then there shall be no tax due. 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.

(Ordinance No. 06-1115, Sec. 1.)

7.04.080 Rate of Tax

The rate of tax to be paid for Construction and/or Major Renovation shall be 0.12% of the Value of New Construction.

Exhibit A to Ordinance 18-1425

(Ordinance No. 06-1115, Sec. 1.)

7.04.090 Failure to Pay

It shall be unlawful for any Person to fail to pay all or any portion of the tax imposed by this chapter.

(Ordinance No. 06-1115, Sec. 1.)

7.04.100 Statement of Entire Value of New Construction Required

It shall be unlawful for any Person to fail to state or to misstate the full Value of New Construction of any Improvement, Major Renovation, or Manufactured Dwelling. When any Person pays the tax, within the time provided for payment of the tax, there shall be a conclusive presumption, for purposes of computation of the tax, that the Value of New Construction of the Improvement, Major Renovation, or Manufactured Dwelling is the Value of New Construction as determined by the Building Official at the time of issuance of the building permit or installation permit. When any Person fails to pay the tax within the time provided for payment of the tax, the Value of New Construction constructed shall be as established by the Chief Operating Officer who may consider the Value of New Construction established by the Building Official but may consider other evidence of actual value as well.

(Ordinance No. 06-1115, Sec. 1.)

7.04.110 Intergovernmental Agreements

The Chief Operating Officer may enter into intergovernmental agreements with other local governments and jurisdictions to provide for the enforcement of this chapter and the collection and remittance of the Construction Excise Tax. The agreements may provide for the governments to retain no more than 5 percent (5%) of the taxes actually collected as reimbursement of administrative expenses, and also for the reimbursement of the government's reasonable, one time, start-up costs as set forth in the agreements.

(Ordinance No. 06-1115, Sec. 1.)

7.04.120 Rebates

(a) The Chief Operating Officer shall rebate to any Person who has paid a tax the amount of tax actually paid, upon the

Exhibit A to Ordinance 18-1425

Person establishing that the tax was paid for Construction that is eligible for an exemption under Section 7.04.040.

(b) The Chief Operating Officer shall either rebate all amounts due under this section within 30 days of receipt of a complete application for the rebate or give written notice of the reasons why the application has been denied. Any denial of any application may be appealed as provided for in Section 7.04.140.

(Ordinance No. 06-1115, Sec. 1.)

7.04.130 Hearings Officer

The Chief Operating Officer shall appoint a hearings officer to conduct hearings related to enforcement or appeals of this chapter. All hearings shall be conducted in accordance with rules and regulations adopted by the Chief Operating Officer.

(Ordinance No. 06-1115, Sec. 1.)

7.04.140 Appeals

Any Person who is aggrieved by any determination of the Chief Operating Officer regarding liability for payment of the tax, the amount of tax owed, or the amount of tax that is subject to refund or rebate may appeal the determination in accordance with Section 7.04.130. All appeals must be in writing and must be filed within 10 days of the determination by the Chief Operating Officer. No appeal may be made unless the Person has first paid the tax due as determined by the Chief Operating Officer.

(Ordinance No. 06-1115, Sec. 1.)

7.04.150 Refunds

(a) Upon written request, the Chief Operating Officer shall refund any tax paid to the Person who paid the tax after that Person has established that Construction was not commenced and that any Building Permit issued has been cancelled as provided by law.

(b) The Chief Operating Officer shall either refund all amounts due under this section within 30 days of a complete application for the refund or give written notice of the reasons why the application has been denied. Any denial of any application may be appealed as provided for in Section 7.04.140.

Exhibit A to Ordinance 18-1425

(Ordinance No. 06-1115, Sec. 1.)

7.04.160 Enforcement by Civil Action

The tax and any penalty imposed by this chapter constitutes a debt of the Person liable for the tax as set forth in Section 7.04.070 of this chapter and may be collected by the Chief Operating Officer in an action at law. If litigation is necessary to collect the tax and any penalty, the prevailing party shall be entitled to reasonable attorney fees at trial or on appeal. The Office of Metro Attorney is authorized to prosecute any action needed to enforce this chapter as requested by the Chief Operating Officer.

(Ordinance No. 06-1115, Sec. 1.)

7.04.170 Review

Review of any action of the Chief Operating Officer taken pursuant to this chapter, or the rules and regulations adopted pursuant thereto, 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.

(Ordinance No. 06-1115, Sec. 1.)

7.04.180 Failure to Pay - Penalty

In addition to any other fine or penalty provided by this chapter, failure to pay the tax within 15 days of the date of issuance of any Building Permit for any Improvement, Major Renovation, or installation permit for any Manufactured Dwelling shall result in a penalty equal to the amount of tax owed or fifty dollars (\$50.00), whichever is greater.

(Ordinance No. 06-1115, Sec. 1.)

7.04.190 Violation - Penalty

(a) In addition to any other civil enforcement provided herein, violation of this chapter shall be a misdemeanor and shall be punishable, upon conviction, by a fine of not more than five hundred dollars (\$500.00).

Exhibit A to Ordinance 18-1425

(b) Violation of this chapter by any officer, director, partner or other Person having direction or control over any Person violating this chapter shall subject each such Person to such fine.

(Ordinance No. 06-1115, Sec. 1.)

7.04.200 Rate Stabilization

In order to protect against the cyclical nature of the construction industry and development patterns, the Council shall annually as part of the budget process create reserves from the revenues generated or expected to be generated by the Construction Excise Tax, which reserves are designed to protect against future fluctuations so as to promote stability in the funds needed to support required programs.

(Ordinance No. 06-1115, Sec. 1.)

7.04.210 Dedication of Revenue

Revenue derived from the imposition of this tax after deduction of necessary costs of collection shall be dedicated to fund regional and local planning that is required to make land ready for development ~~or redevelopment after inclusion in the Urban Growth Boundary.~~

(Ordinance No. 06-1115, Sec. 1.)

7.04.220 Procedures for Distribution

The Chief Operating Officer shall distribute the revenues from the Construction Excise Tax as grants to local governments based on an analysis of grant requests ~~submitted by the local jurisdiction which set forth the expected completion of certain milestones associated with Metro Code Chapter 3.07, the Urban Growth Management Functional Plan for planning or pre-development work that will implement the region's long range plan. Grants may also be distributed to private entities for projects that are endorsed by a local government and in the public interest.~~

(Ordinance No. 06-1115, Sec. 1; and Ordinance No. 09-1220, Sec. 2.)

7.04.225 Metro Administrative Fee

Exhibit A to Ordinance 18-1425

Metro shall retain five percent (5%) of the taxes remitted to Metro for payment towards Metro's administrative expenses.

(Ordinance No. 09-1220, Sec. 2; and Ordinance No. 14-1328, Sec. 2.)

~~7.04.230 Sunset Provision~~

~~The Construction Excise Tax 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.~~

(Ordinance No. 06-1115, Sec. 1; Ordinance No. 09-1220, Sec. 2; and Ordinance No. 14-1328, Sec. 2.)

STAFF REPORT

IN CONSIDERATION OF ORDINANCE NO.18-1425, FOR THE PURPOSE OF REMOVING THE SUNSET PROVISION OF THE METRO CONSTRUCTION EXCISE TAX THAT FUNDS THE 2040 PLANNING AND DEVELOPMENT GRANT PROGRAM AND AMENDING OTHER PORTIONS OF METRO CODE CHAPTER 7.04

AND

IN CONSIDERATION OF RESOLUTION NO.18-4916, FOR THE PURPOSE OF APPROVING POLICY AND INVESTMENT FRAMEWORK FOR CYCLE 7 OF THE 2040 PLANNING AND DEVELOPMENT GRANT PROGRAM

Date: November 14, 2018

Prepared by: Lisa Miles 503.797.1877
Roger Alfred 503.797.1532

BACKGROUND

CET and Sunset Provision

In 2006, Metro established a construction excise tax (CET) to generate revenue for providing grants to local governments for regional and local planning. The ordinance contained a sunset provision based on a maximum amount collected of \$6.3 million, and the maximum amount was reached in 2009. In 2009 the Metro Council extended the CET for an additional five year period.

In 2014, the Metro Council adopted Ordinance No. 14-1328, which extended the CET through December 2020 and directed the Chief Operating Officer (COO) to seek direction from the Metro Council prior to revising the Administrative Rules for implementation of the CET and the Community Planning and Development Grants (CPDG). In 2015, the Metro Council adopted a resolution approving the Metro COO's amendments to the Administrative Rules.

Originally conceived as a source of funding primarily for concept planning of land that had recently been brought into the urban growth boundary (UGB) in order to make it ready for development, the grant program has evolved over time to respond to current local and regional development priorities and changing regulatory frameworks. In later grant cycles, projects that removed barriers to infill development in existing urban areas already served by infrastructure were favored over planning of lands at the region's edge, where the lack of infrastructure had stalled development. During the most recent three grant rounds, funding has been specifically targeted for equitable housing as well as other types of planning and development projects designed to promote equity throughout the region.

In February, 2016 the Metro Auditor conducted a review the Community Planning and Development Grant program and made recommendations for improvements. At the outset of the next grant cycle ("Cycle 5") slated for 2017, the COO and staff gave additional consideration to how the CPDG and Equitable Housing Planning and Development Grant programs evolved, and what could make the programs more effective. On April 6, 2017 the Council approved Resolution 17-4782, authorizing additional administrative rule changes and program adjustments. The program switched to an annual

grant award cycle and one application process for all grant types. The CPDG program name was also changed to 2040 Planning and Development Grants. The program began to utilize the ZoomGrants software, and revised other application procedures to be more user-friendly and better assist applicants with grant project development.

Since the program's inception, Metro has awarded over \$23.5 million in grants to local cities, counties, and other government entities. CET funding for this grant program provides a critical ongoing funding mechanism to support many essential and required planning activities necessary for jurisdictions to comply with land use regulations and to implement the region's long range vision.

Ordinance 18-1425: Proposed Amendments to Metro Code Chapter 7.04

Removal of the December 2020 sunset provision of the CET requires an ordinance to amend the Metro Code. Once the code has been amended, the COO has the authority to subsequently make revisions to the grant program's administrative rules without requiring further formal action by the Metro Council. In addition to removal of the sunset provision, edits to four other subsections of the code are proposed in order to more accurately reflect current program policies and facilitate program administration:

- 7.04.020 Policy and Purpose: update the language to better align with the current purpose of the grant program, which includes not only planning for new urban areas but also projects that facilitate infill development or redevelopment within the UGB.
- 7.04.040 Exemptions (a)(2): amend the eligible income threshold for affordable housing projects to receive an exemption from paying the CET; the threshold was raised from affordable units to be occupied by people with incomes less than 50% of median income to 60% of median income, which is a typical affordability level for projects to receive state tax credits.
- 7.04.040 Exemptions (a)(3): remove the specific numeric income threshold for recipients of charitable services; removed language stipulating that the projects had to be for providing charitable services to Persons with incomes lower than 50% of the median income in order to be exempt; amended language stipulates that the construction must be dedicated "for providing charitable services to disadvantaged people," which is a more practical requirement for many charities that do not require clients they are serving to provide proof of income.
- 7.04.210 Dedication of Revenue: update the language to better align with the current purpose of the grant program, which includes not only planning for new urban areas but also projects that facilitate infill development or redevelopment within the UGB.
- 7.04.220 Procedures for Distribution: update the language to reference implementation of the region's long range vision rather than the Urban Growth Management Functional Plan; add language to expand the range of eligible grant recipients to include other entities besides local governments, provided that the proposed project is endorsed by a local government and in the public interest; this may allow flexibility in future and spur innovative public-private partnerships.
- 7.04.230 Sunset Provision: delete section.

Policy and Investment Framework and Performance in Recent Grant Cycles

Prioritization of CET funds to promote equity across the region has evolved as a key aspect of the grant program over the last three funding cycles. As part of the resolution approving the Cycle 4 grants in 2015, the Metro Council directed the COO and staff to return to the Council with a proposal regarding possible uses of unallocated CET revenue from Cycle 4. In response to the Metro Council's directive, the COO and Metro staff developed the Equitable Housing Planning and Development Grant Program as a subset of the CPDG program using unallocated Cycle 4 CET revenue to support local implementation of projects that would eliminate barriers to construction of affordable housing across the region. On December 1, 2016 the Metro Council adopted Resolution No. 16- 4753, which awarded approximately \$575,000 in Equitable Housing Planning and Development grants.

At the outset of Grant Cycle 5, to help address the region's continuing housing crisis, especially for people of color and low-income residents, Resolution 17-4782 established an investment emphasis targeting 50% of the grant funds in the cycle to fund equitable development projects. During that round, Metro received 18 complete applications requesting \$3.7 million in grant funding. Fourteen of the applications requested consideration in the equitable development funding category. In October, 2017 the Council passed Resolution 17-4846 awarding \$1.99 million in grant funds to 9 projects; \$984,000 or 49.5% of available funds were awarded to projects that had a strong emphasis on equitable development.

As part of the Strategy to Advance Racial Equity, Diversity and Inclusion adopted by Metro Council in Resolution No. 16-4708 in June 2016, the Planning and Development Department has been reviewing programs and policies to identify improvements that could to help advance racial equity throughout the region. The investment framework established for Grant Cycle 6 was similar to the framework for Cycle 5 as far as funding targets, but provided further clarity about the types of projects that could be eligible for consideration in the Equitable Development funding category. For Cycle 7, this language has been further refined for clarity as shown below:

...funding will be targeted for qualified projects that will facilitate implementation of equitable development projects inside the UGB, which may include but are not limited to:

- Planning or pre-development work for equitable housing (diverse, physically accessible, affordable housing choices with access to opportunities, services, and amenities);
- Planning or pre-development work for ~~projects~~ facilities or community investments that will advance quality of life outcomes for marginalized communities, including communities of color, such as quality education, living wage employment, healthy environments, and transportation;
- Facilitation of development-related efforts in partnership with a community organization whose primary mission is to serve communities of color;
- Planning or pre-development for projects that will serve a specific neighborhood or geography with a high percentage of residents that are people of color;
- ~~Planning for public and private developments, investments, programs and policies that will be enacted to meet the needs of communities of color and reduce racial disparities, taking into account past history and current conditions.~~

In Cycle 6, Metro received a total of 11 grant applications from nine jurisdictions requesting a combined total of \$2.3 million. Six of eleven projects requested funding in the Equitable Development Category

and five of the six requests were approved for full or partial funding, with a combined total of \$895,000 or 45% of Grant funds.

Proposed Policy and Investment Framework for Cycle 7

Our region continues to have an affordable housing crisis that disproportionately affects people of color, and multiple tools, strategies, and approaches are needed across the region to promote equitable development. Metro staff recommend that the Council continue to target \$1 million in grant funding in Cycle 7 for projects that have an equitable development emphasis. Staff recommend that the Council target \$250,000 in funding for other qualified projects to facilitate development within the Urban Growth Boundary. Staff recommend that funding for concept planning projects in urban reserves and comprehensive planning of new urban areas be increased to \$750,000 in Cycle 7 for a combined total of \$2.00 million in available grant funding.

The explicit equitable development emphasis for grant investments will continue to encourage cities and counties to prioritize project applications that specifically address racial inequities and affordable housing challenges in their communities. Metro staff will review applications that seek consideration under the equitable development category; those that do not have a sufficiently strong equitable development emphasis to merit funding in that category will then be added to the general pool of applications for projects within the UGB, and evaluated alongside those applications based on their relative overall merits.

The increase in Cycle 7 funding for concept planning and comprehensive planning is recommended because of the anticipated increase in applications for comprehensive planning by the four cities for the new urban areas that the COO has recommended for inclusion within the UGB. This comprehensive planning is necessary to meet the requirements of Urban Growth Management Functional Plan Title 11 for land added to the UGB. The COO's recommendation calls for grant funds to be allocated to King City to assist them with continued planning work including a market feasibility study for their proposed new town center. Increasing the available funds will enable Metro to follow through on this commitment to King City while also ensuring that a sufficient pool of funding is available for grants to other jurisdictions in the event that Metro receives multiple compelling grant applications in this funding category.

In the event that there are insufficient qualified applications within any one funding target category, grant funds may be awarded to qualified applications in any other category. The screening committee, the COO, and the Council will ultimately bring their own professional judgment and common sense to applying the grant criteria, allocating resources from each funding target and determining what projects best meet all criteria (including regional policy priorities and equitable development objectives) and therefore warrant funding. The 2040 Planning and Development Grants application handbook will address the above nuances and provide adequate clarification for applicants.

ANALYSIS/INFORMATION

1. Known Opposition

It is possible that there may be opposition to the removal of the sunset provision of the CET and establish the 2040 Planning and Development Program as an ongoing program which Metro offers the region to support local planning and development.

The proposed policy and investment framework for Cycle 7 grants set forth in Resolution 18-4916 is similar to the framework set forth in prior grant cycles so opposition is not anticipated.

2. Legal Antecedents

- Metro Ordinance 06-1115 (“2006 CET Ordinance) established the construction excise tax
- Metro Ordinance 09-1220 extended the CET for an additional five year period (through September 2014).
- Metro Ordinance 14-1328 extended the CET for an additional five year period (through December 2020) and directed the Metro COO to propose amendments to the existing administrative rules.
- Metro resolution 15-4595 approved the Metro COO’s proposed amendments to the administrative rules
- Metro resolution 15-4640 directed the Metro COO’s to propose a possible use for unallocated funds in Cycle 4
- Metro resolution 16-4753 awarded approximately \$575,000 in Equitable Housing Planning and Development Grants
- Metro resolution 17-4782 revised administrative rules, the program name, and established annual grant cycles and also set the investment targets for Cycle 5 to promote equitable development
- Metro resolution 17-4846 awarded \$1.99 million in 2040 Planning and Development Grants, of which \$984,000 (49.5%) was awarded to equitable development projects.
- Metro resolution 18-4863 set the investment targets for Cycle 6 to promote equitable development
- Metro resolution 18-4882 approved the Metro COO’s proposed amendments to the administrative rules in order to create a technical assistance program to support the 2040 Planning and Development Grants.
- Metro resolution 18-4902 awarded \$1.99 million in 2040 Planning and Development Grants, of which \$895,000 (45%) was awarded to equitable development projects.

3. Anticipated Effects

Approval of the ordinance will remove the provision that currently require Metro to end collection of the Construction Excise Tax in 2020. With the removal of this provision, collection of the Construction Excise Tax would continue into the future until such time as the Metro Council determines it is no longer necessary or effective. The ordinance will also clarify the types of projects that may apply for exemption from paying the CET, clarify the purpose of the grants, and allow other entities to apply for grants if they are proposing a project in the public interest which has been endorsed by a local government.

Approval of the resolution will continue Metro Council’s policy and investment emphasis for grant funding to support equitable development by earmarking \$1 million of available funds and giving

first consideration to qualified projects inside the UGB with a strong emphasis on serving historically marginalized communities and/or equitable housing.

4. Budget Impacts

Exact funding levels for any grant cycle is subject to the projected excise tax revenues collected. Staff time for program implementation is included in the Planning and Development Department budget.

5. Attachments

None.

RECOMMENDED ACTION

The Chief Operating Officer recommends adoption of the ordinance to amend chapter 7.04 of the Metro Code to remove the sunset provision of the Construction Excise Tax

The Chief Operating Officer recommends adoption of the resolution to approve the policy and investment framework for “Cycle 6” of the 2040 Planning and Development Grant Program.

Agenda Item No. 6.2

Ordinance No. 18-1428, For the Purpose of Annexing to the Metro District Boundary Approximately 42.09 Acres Located at the Corner of SW Boeckman Road and SW Stafford Road in Wilsonville

Ordinances (First Reading and Public Hearing)

Metro Council Meeting
Thursday, November 15, 2018
Metro Regional Center, Council Chamber

BEFORE THE METRO COUNCIL

FOR THE PURPOSE OF ANNEXING TO THE) ORDINANCE NO. 18-1428
METRO DISTRICT BOUNDARY)
APPROXIMATELY 42.09 ACRES LOCATED AT) Introduced by Chief Operating Officer
THE CORNER OF SW BOECKMAN ROAD AND) Martha J. Bennett with the Concurrence of
SW STAFFORD ROAD IN WILSONVILLE) Council President Tom Hughes

WHEREAS, West Hills Land Development, LLC has submitted a complete application for annexation of 42.09 acres located at the corner of SW Boeckman Road and SW Stafford Road in Wilsonville (“the territory”) to the Metro District; and

WHEREAS, the Metro Council added the Frog Pond area to the UGB, including the territory, by Ordinance No. 02-969B on December 5, 2002; and

WHEREAS, Title 11 (Planning for New Urban Areas) of the Urban Growth Management Functional Plan requires annexation to the district prior to application of land use regulations intended to allow urbanization of the territory; and

WHEREAS, Metro has received consent to the annexation from the owners of the land in the territory; and

WHEREAS, the proposed annexation complies with Metro Code 3.09.070; and

WHEREAS, the Council held a public hearing on the proposed amendment on November 29, 2018; now, therefore,

THE METRO COUNCIL ORDAINS AS FOLLOWS:

1. The Metro District Boundary Map is hereby amended, as indicated in Exhibit A, attached and incorporated into this ordinance.
2. The proposed annexation meets the criteria in section 3.09.070 of the Metro Code, as demonstrated in the Staff Report dated November 8, 2018, attached and incorporated into this ordinance.

ADOPTED by the Metro Council this ____ day of December 2018.

Tom Hughes, Council President





Attest:

Approved as to form:

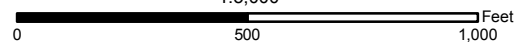
Sara Farrokhzadian, Recording Secretary

Nathan A. S. Sykes, Acting Metro Attorney



 Area to be annexed
 Taxlots
 Urban growth boundary
 Metro District Boundary

Proposal No. AN-0218 Metro District Boundary



The information on this map was derived from digital databases on Metro's GIS. Care was taken in the creation of this map. Metro cannot accept any responsibility for errors, omissions, or positional accuracy. There are no warranties, expressed or implied, including the warranty of merchantability or fitness for a particular purpose, accompanying this product. However, notification of any errors will be appreciated.

STAFF REPORT

IN CONSIDERATION OF ORDINANCE NO. 18-1428, FOR THE PURPOSE OF ANNEXING TO THE METRO DISTRICT BOUNDARY APPROXIMATELY 42.09 ACRES LOCATED AT THE CORNER OF SW BOECKMAN ROAD AND SW STAFFORD ROAD IN WILSONVILLE

Date: November 8, 2018

Prepared by: Tim O'Brien
Principal Regional Planner

BACKGROUND

CASE: AN-0218, Annexation to Metro District Boundary

PETITIONER: West Hills Land Development, LLC
3330 NW Yeon Ave, Suite 200
Portland, OR 97210

PROPOSAL: The petitioner requests annexation of land in Wilsonville to the Metro District Boundary.

LOCATION: The land in Wilsonville is approximately 42.09 acres in size, is located at the corner of SW Boeckman Road and SW Stafford Road and can be seen in Attachment 1.

ZONING: The land in Wilsonville is zoned for residential use (RN) and public facilities (PF).

The land was added to the UGB in 2002 and is part of the Frog Pond Area Plan that was adopted by Wilsonville. The land must be annexed into the Metro District for urbanization to occur.

APPLICABLE REVIEW CRITERIA

The criteria for an expedited annexation to the Metro District Boundary are contained in Metro Code Section 3.09.070.

3.09.070 Changes to Metro's Boundary

(E) The following criteria shall apply in lieu of the criteria set forth in subsection (d) of section 3.09.050. The Metro Council's final decision on a boundary change shall include findings and conclusions to demonstrate that:

- 1. The affected territory lies within the UGB;*

Staff Response:

The land in Wilsonville was brought into the UGB in 2002 through the Metro Council's adoption of Ordinance No. 02-969B.

- 2. The territory is subject to measures that prevent urbanization until the territory is annexed to a city or to service districts that will provide necessary urban services; and*

Staff Response:

Urban Growth Management Functional Plan Title 11: Planning for New Urban Areas requires that new urban areas be annexed into the Metro District Boundary prior to urbanization of the area. The City of Wilsonville adopted the Frog Pond Area Plan in 2015. As a follow-up to the area plan and in anticipation of forthcoming development Wilsonville adopted the Frog Pond West Master Plan in July 2017. A portion of the subject property was annexed to the City of Wilsonville in June 2018. The remainder of the land will be annexed to Wilsonville in the near future. These measures ensured that urbanization would occur only after annexation to the necessary service districts is completed.

3. *The proposed change is consistent with any applicable cooperative or urban service agreements adopted pursuant to ORS Chapter 195 and any concept plan.*

Staff Response:

The subject property is part of the Frog Pond Area Plan adopted by the City of Wilsonville in 2015 and the Frog Pond West Master Plan adopted by the City in 2017. The proposed annexation is required by Wilsonville as part of a land use application. The annexation is consistent with Wilsonville's Frog Pond Area Plan and Frog Pond West Master Plan. The inclusion of the property within the Metro District is consistent with all applicable plans.

ANALYSIS/INFORMATION

Known Opposition: There is no known opposition to this application.

Legal Antecedents: Metro Code 3.09.070 allows for annexation to the Metro District boundary.

Anticipated Effects: This amendment will add approximately 42.09 acres in Wilsonville to the Metro District. The land is currently within the UGB and approval of this request will allow for the urbanization of the land to occur consistent with the Frog Pond Area Plan.

Budget Impacts: The applicant was required to file an application fee to cover all costs of processing this annexation request, thus there is no budget impact.

RECOMMENDED ACTION

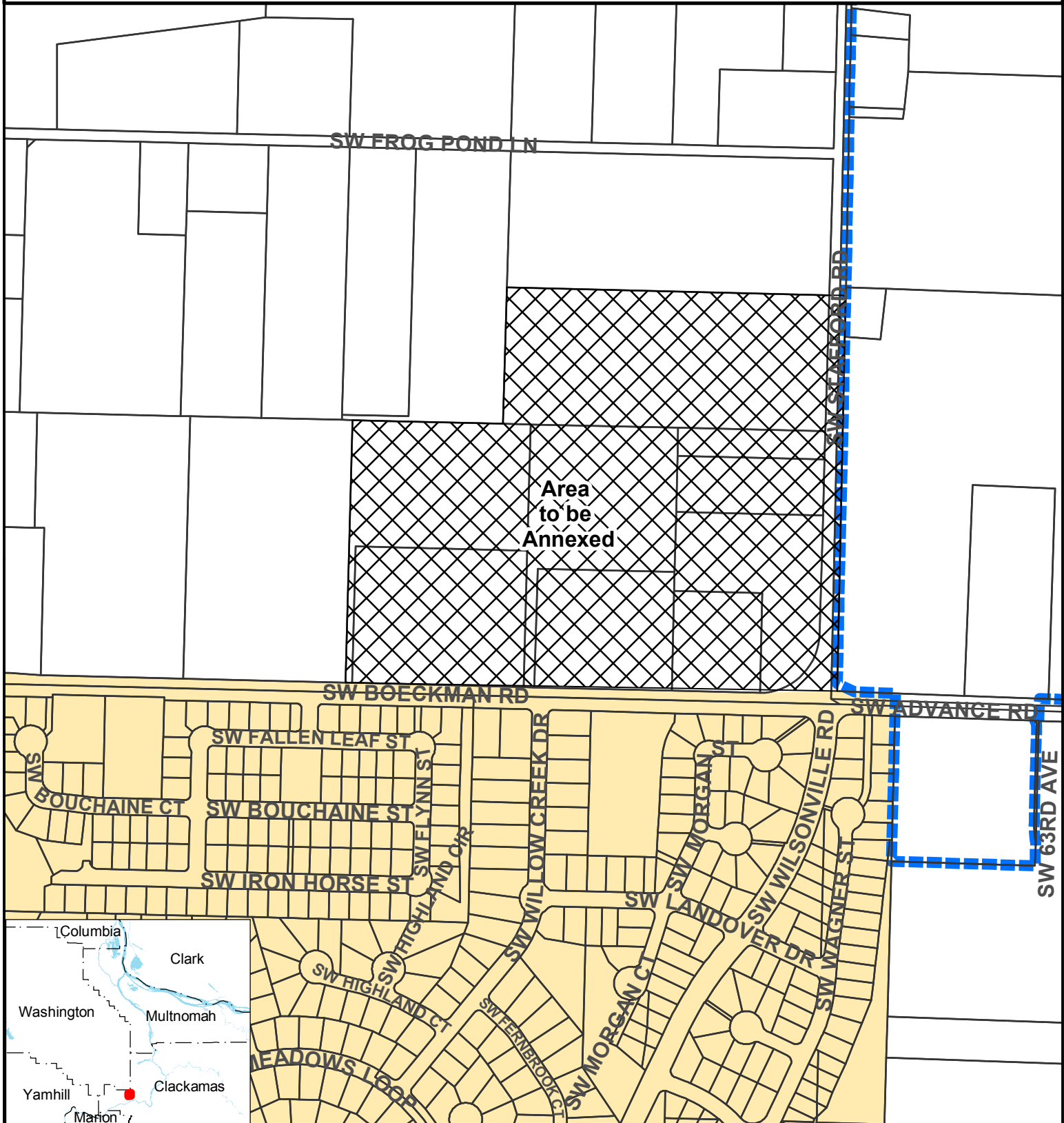
Staff recommends adoption of Ordinance No. 18-1428.

Proposal No. AN-0218

3S1W12, 3S1E7





Annexation to the Metro District Boundary

Clackamas County



Proposal No. AN-0218 Metro District Boundary



-  Area to be annexed
-  Taxlots
-  Urban growth boundary
-  Metro District Boundary

1:5,000

0 500 1,000 Feet

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Agenda Item No. 7.1

Ordinance No. 18-1426, For the Purpose of Amending
Metro Code Title V Chapters 5.00, 5.01 and 5.05 to
Establish a Framework for Allocating Putrescible Solid
Waste Tonnage to Private Transfer Stations Beginning in
2020

Ordinances (Second Reading)

Metro Council Meeting
Thursday, November 29, 2018
Metro Regional Center, Council Chamber

BEFORE THE METRO COUNCIL

FOR THE PURPOSE OF AMENDING METRO	)	ORDINANCE NO. 18-1426
CODE TITLE V CHAPTERS 5.00, 5.01 AND 5.05)	
TO ESTABLISH A FRAMEWORK FOR	)	Introduced by Chief Operating Officer Martha
ALLOCATING PUTRESCIBLE SOLID WASTE	)	Bennett in concurrence with Council
TONNAGE TO PRIVATE TRANSFER	)	President Tom Hughes
STATIONS BEGINNING IN 2020)	

WHEREAS, Metro is the solid waste system planning authority for the region and as such it regulates solid waste facilities and disposal sites within the region and the disposal of solid waste generated in the region, whether managed inside or outside the region; and

WHEREAS, Metro regulates the solid waste system pursuant to its constitutional, statutory, and charter authority, and consistent with the Regional Solid Waste Management Plan, and as set forth in Metro Code Title V; and

WHEREAS, Metro Council adopted a Transfer System Configuration Policy (Res. No. 16-4716) that directed Metro staff to establish a predictable and transparent framework for tonnage allocations that Council could adopt as policy; and

WHEREAS, consistent with the Configuration Policy, Metro Council seeks to ensure greater rate transparency to assist local government rate makers in better understanding how rates are assessed at private transfer stations; and

WHEREAS, Metro will allocate putrescible waste tonnage to private transfer stations to achieve greater public benefits and encourage putrescible waste haulers to use the closest transfer station; and

WHEREAS, Metro Council requires at least 40 percent of the region's putrescible waste tonnage to flow to publicly owned stations to achieve additional necessary public benefits; and

WHEREAS, Metro Council has prohibited any company from transferring more than 40 percent of the region's putrescible waste as a way to promote more diverse private-sector participation in the solid waste transfer system; and

WHEREAS, Metro Council adopted a Landfill Capacity Policy (Ord. No 17-1401) that prohibits disposal of waste generated in the Metro region at a new or limited capacity landfill; and

WHEREAS, Metro's current solid waste disposal contract expires at the end of 2019 and Metro will no longer be obligated to deliver a percentage of the region's putrescible waste to a Waste Management landfill beginning in 2020; and

WHEREAS, beginning in 2020, private transfer stations can deliver solid waste to any disposal site so long as it does not violate Metro's landfill capacity policy in Chapters 5.00 and 5.05; and

WHEREAS, Metro seeks to manage the regional transfer system in a way that minimizes system disruptions while enabling system improvements to be made at a pace that accommodates those who participate in the regional transfer system; and

WHEREAS, Metro seeks to achieve a consistent standard of service, rates and performance among all transfer stations and to work toward a more sustainable transfer system that addresses climate and green house emission issues; and

WHEREAS, Metro seeks to minimize local community and neighborhood impacts of transfer stations and use community enhancement funds to improve communities that host transfer stations making them community assets; and

WHEREAS, Metro will continue to evaluate the best data available in order to continue to improve the allocation process;

THE METRO COUNCIL ORDAINS AS FOLLOWS:

1. Metro Code Title V Chapters 5.00, 5.01 and 5.05 are amended to establish a framework for tonnage allocation in 2020 as set forth in Exhibits A through C in this Ordinance.

ADOPTED by the Metro Council this 29th day of November 2018.

Tom Hughes, Council President

Attest:

Approved as to Form:

Sara Farrokhzadian, Recording Secretary

Nathan Sykes, Acting Metro Attorney

Metro Ordinance No. 18-1426 – Exhibit A

CHAPTER 5.00

SOLID WASTE DEFINITIONS

5.00.010 Definitions

For the purposes of Title V Solid Waste, unless the context requires otherwise, the following terms have the meaning indicated:

Significant disruption means an event that disrupts access to a transfer station, creates increased risk to human health or the environment, or impacts the normal operations, transportation routes or established system of a waste hauler or a transfer station. A significant disruption event may be caused by system disruptions (such as long term road repair or closures or facility construction) or natural forces (such as severe weather, flood, landslide or earthquake).

Tonnage allocation means an amount of the region's putrescible waste that Metro grants to a private transfer station.

Transfer station wasteshed means the area surrounding one or more transfer stations that is more immediately accessible to those transfer stations than any other transfer station, based on travel time.

Metro Ordinance No. 18-1426 – Exhibit B

5.01.195 Putrescible Waste Tonnage Allocation Framework

- (a) The Chief Operating Officer will allocate putrescible waste tonnage amounts to a transfer station in accordance with the allocation methodology under applicable administrative rule and this chapter's requirements.
- (b) The Chief Operating Officer may allocate tonnage to either a transfer station that is franchised under this chapter or a transfer station that is designated under Chapter 5.05.
- (c) In addition to the allocation methodology factors adopted by administrative rule, the Chief Operating Officer may also consider the following factors when allocating tonnage amounts annually:
 - (1) The public benefits to the regional solid waste system;
 - (2) How the allocation will affect the regional solid waste system;
 - (3) How the allocation will affect the proportional amount of regional tonnage reserved for Metro's transfer stations (a minimum of 40 percent of the regional tonnage is to be reserved for Metro transfer stations);
 - (4) The proportional amount of regional tonnage allocated to companies;
 - (5) The rate that the transfer station charges for accepting putrescible waste; and
 - (6) Any other factor the Chief Operating Officer considers relevant to achieve the purposes and intent of this section.
- (d) The Chief Operating Officer may further adjust a transfer station's tonnage allocation at other times if it is in the public interest and necessary to address a significant disruption as defined in Chapter 5.00. An adjustment under this subsection does not require Council approval.
- (e) The Chief Operating Officer may not allocate more than 40 percent of the available regional tonnage to any combination of transfer stations owned by the same company.

5.01.260 Obligations and limits for selected types of activities

- (a) A solid waste facility that receives non-putrescible waste and is subject to licensing or franchising under this chapter must
 - (1) Perform material recovery from non-putrescible waste that it accepts at the facility as specified in this section or as otherwise specified in its license or franchise, or
 - (2) Deliver the non-putrescible waste to a solid waste facility authorized by Metro to recover useful materials from solid waste.
- (b) Notwithstanding subsection (a) above, a facility that exclusively receives non-putrescible source-separated recyclable material is not subject to the requirements of this section).
- (c) A licensee or franchisee subject to subsection (a) must:

- (1) Process non-putrescible waste accepted at the facility and delivered in drop boxes and self-tipping trucks to recover cardboard, wood, and metals, including aluminum. The processing residual may not contain more than 15 percent, by total combined weight, of cardboard or wood pieces of greater than 12 inches in size in any dimension and metal pieces greater than eight inches in size in any dimension.
 - (2) Take quarterly samples of processing residual that are statistically valid and representative of the facility's residual (not less than a 300-pound sample) and provide results of the sampling to Metro in the monthly report due the month following the end of that quarter.
- (d) Based on observation, audits, inspections and reports, Metro inspectors will conduct or require additional analysis of waste residual at the facility in accordance with Section 5.01.290(c). Failure to maintain the recovery level specified in Section 5.01.260(c)(1) is a violation enforceable under Metro Code. Metro will not impose a civil penalty on the first two violations of this subsection by a single licensee or franchisee.
- (e) Failure to meet the reporting requirements in subsection (c)(2) is a violation enforceable under Metro Code.
- (f) A transfer station franchisee:
 - (1) Must accept putrescible waste originating within the Metro boundary only from persons who are franchised or permitted by a local government unit to collect and haul putrescible waste.
 - (2) Must not accept hazardous waste unless the franchisee provides written authorization from the DEQ or evidence of exemption from such requirement.
 - (3) Is limited in accepting putrescible waste during any year to an amount of putrescible waste as established by the Council in approving the transfer station franchise application.
 - (4) Must provide an area for collecting source-separated recyclable materials without charge at the franchised solid waste facility, or at another location more convenient to the population being served by the franchised solid waste facility
 - (5) Must serve the public interest of the region by serving all haulers collecting solid waste inside the region; and
 - (6) Must serve the public interest of the region by serving all haulers collecting solid waste inside the transfer station's waste shed.

Any person may request or the Chief Operating Officer may initiate an investigation of a franchisee to ensure that it complies with this section.

Metro Ordinance No. 18-1426 – Exhibit C

5.05.195 Putrescible Waste Tonnage Allocation Framework

- (a) The Chief Operating Officer will allocate putrescible waste tonnage amounts to a transfer station in accordance with the allocation methodology under applicable administrative rule and this chapter's requirements.
- (b) The Chief Operating Officer may allocate tonnage to either a transfer station that is designated under this chapter or franchised under Chapter 5.01.
- (c) In addition to the allocation methodology factors adopted by administrative rule, the Chief Operating Officer may also consider the following factors when allocating tonnage amounts annually to transfer station located outside the regional boundary:
 - (1) The public benefits to the regional solid waste system;
 - (2) How the allocation will affect regional solid waste system;
 - (3) How the allocation will affect the proportional amount of regional tonnage reserved for Metro's transfer stations (a minimum of 40 percent of the regional tonnage is to be reserved for Metro transfer stations);
 - (4) The proportional amount of regional tonnage allocated to companies;
 - (5) The rate that the transfer station charges for accepting putrescible waste from the Metro region; and
 - (6) Any other factor the Chief Operating Officer considers relevant to achieve the purposes and intent of this section.
- (d) The Chief Operating Officer may further adjust a transfer station's tonnage allocation at other times if it is in the public interest and necessary to address a significant disruption as defined in Chapter 5.00. An adjustment under this subsection does not require Council approval.
- (e) The Chief Operating Officer may not allocate more than 40 percent of the available regional tonnage to any combination of transfer stations owned by the same company.

5.05.196 Obligations and limits for selected types of activities

- (a) To be eligible to receive a tonnage allocation from Metro when a transfer station is located outside the Metro regional boundary, the transfer station must:
 - (1) Be a designated facility in accordance with 5.05.070; and
 - (2) Enter into an agreement with Metro in accordance with 5.05.100.
- (b) A designated transfer station that receives putrescible waste from the Metro region must:

Title V Chapter 5.05
Tonnage Allocation Framework

- (1) Demonstrate it has authorization from the applicable local or state solid waste authority to accept solid waste from the Metro region;
- (2) Allow Metro to inspect, monitor, review and audit as if it were a facility located inside the regional boundary in accordance with Chapters 5.01.250, 5.01.260, 5.01.270 and 5.01.290;
- (3) Report information monthly to Metro on all solid waste accepted or rejected that was generated from within the Metro regional boundary;
- (4) Collect and remit regional system fees to Metro monthly in accordance with Chapter 5.02 on all solid waste accepted from the Metro regional boundary; and
- (5) Collect and remit excise taxes to Metro monthly in accordance with Chapter 7.01 on all solid waste accepted from the Metro regional boundary.

Any person may request or the Chief Operating Officer may initiate an investigation of a designated facility to ensure that it complies with this section.

STAFF REPORT

IN CONSIDERATION OF ORDINANCE NO. 18-1426 FOR THE PURPOSE OF AMENDING METRO CODE TITLE V CHAPTERS 5.00, 5.01 AND 5.05 TO ESTABLISH A FRAMEWORK FOR ALLOCATING PUTRESCIBLE SOLID WASTE TONNAGE TO PRIVATE TRANSFER STATIONS BEGINNING IN 2020

November 1, 2018

Prepared by: Molly Vogt
503-797-1666

Ordinance No. 18-1426 proposes a more predictable and adaptable method for allocating the flow of wet waste tonnage to private transfer stations while ensuring that publicly owned transfer stations receive sufficient quantities of waste to provide critical public benefits. The ordinance, if adopted, will amend the following chapters of Metro Code Title V:

- Chapter 5.00 (Definitions) to add new definitions to clarify the new code provisions (Exhibit A).
- Chapter 5.01 (Solid Waste Facility Regulation) to establish a framework for allocating putrescible (wet) solid waste tonnage to private transfer stations located **inside** the Metro regional boundary (Exhibit B).
- Chapter 5.05 (Solid Waste Flow Control) to establish a framework for allocating wet solid waste tonnage to private transfer stations located **outside** the Metro regional boundary (Exhibit C).

The ordinance is effective 90 days after it is adopted and will be implemented beginning January 1, 2020.

BACKGROUND

Oregon law (ORS 268.300 *et. seq.*) provides Metro with responsibility over the transfer and disposal of waste that is generated within its jurisdictional boundary. Metro exercises its broad legal authority to meet the following public benefits:

- Protect the public's health
- Protect the environment
- Get good value for the public's money
- Keep our commitment to the highest and best use of materials
- Be adaptable and responsive in managing materials
- Ensure services are accessible to all types of customers

Until 1991, the St. Johns Landfill, located in north Portland along the Columbia Slough, served as the region's primary disposal site for the many small local private haulers – many of whom have operated in the region since the turn of the last century. These local haulers were allowed to dispose of waste directly at the landfill until it closed in 1992.

In 1983, the Metro South Transfer Station opened in Oregon City as a means for consolidating and transferring waste from the southern portion of the region to the St. Johns Landfill. Metro

Central Transfer Station, located in north Portland, opened in 1991 in anticipation of the closure of the St. Johns Landfill and the need to further consolidate and transport wet waste much longer distances for disposal at the Columbia Ridge Landfill in Arlington. Metro's transfer stations have been transferring waste to the Columbia Ridge Landfill since the closure of St. Johns. Since the late 1990's, the regional transfer system has evolved to become a "hybrid" mix of publicly owned and privately owned transfer stations. Privately owned transfer stations are allowed to operate under a franchise granted by Metro, and most originally began operating as post-collection material recovery facilities. In addition, since the St. Johns landfill closed, many local haulers have consolidated or been bought up by large waste companies.

Much like a public utility, Metro is responsible for system-wide planning and infrastructure development for the regional solid waste transfer system. Today, five privately owned and two publicly owned transfer stations consolidate and transfer wet waste long distances to landfills. In addition, two transfer stations located just outside the region receive small amounts of wet waste that are generated inside the region and collected by affiliated haulers. The Metro Council reaffirmed the continuation of this basic public-private hybrid system when it adopted the Transfer System Configuration Policy in July 2016 (Resolution No. 16-4716).

The 2016 policy requires that by 2020 Metro will:

1. Establish tonnage allocations in percentages so that all allocations change proportionally as regional tonnage rises or falls;
2. Establish a predictable and transparent framework for adjusting tonnage allocations that Council could adopt as a policy;
3. Promote more efficient off-route travel to reduce greenhouse gases and minimize travel time;
4. Accommodate future changes and new technology;
5. Support small businesses;
6. Utilize the regional transfer system and require that all landfill-bound waste use the region's transfer stations; and
7. Improve rate transparency at public and private stations.

In addition, the Metro Council required that *no less* than 40 percent of the region's wet waste tonnage must flow to the two publicly owned transfer stations, Metro South and Metro Central. This helps ensure that Metro can offer necessary services to the public such as daily self-haul service, household hazardous waste collection, and expanded operational hours. Metro stations also serve as facilities of last resort and do not generally have the option of turning loads away. Private transfer stations have not historically provided many of these public services. Metro has historically served as a rate benchmark for other transfer stations in the system as well as a proxy for local governments during their local rate setting processes for collection franchises.

The Metro Council also required that no single company should transfer *more* than 40 percent of the region's wet waste. This enables more companies to participate in the transfer system and fosters local economic opportunity.

Metro's Waste Management Landfill Contract

Since 1991 and through the end of 2019, Metro is contractually required to deliver a percentage of all the landfill-bound wet waste generated within Metro's jurisdiction to a Waste Management landfill for disposal.¹ To comply with this contract, Metro set annual limits on the amounts of wet waste that each privately owned transfer station could receive. Metro also restricted the amounts of wet waste that a private transfer station could deliver to non-Waste Management landfills to no more than ten percent annually or 13 percent in 2018 and 2019.

Starting in 2020, Metro is no longer required to guarantee the delivery of a percentage of the region's wet waste to any one company or landfill except for the tonnage transferred through Metro's public stations. Without a requirement to send a percentage of the region's waste to a particular landfill, Metro anticipates a significant change in the economics of garbage collection, hauling, transfer and disposal in the region. The new wet waste allocation system proposed by this ordinance ensures that Metro's transfer stations receive a minimum of 40 percent of the region's wet waste and allows the private transfer stations to deliver their waste to any landfill they wish, so long as it does not conflict with the Landfill Capacity Policy adopted by the Metro Council in 2017 (Ordinance No. 17-1401).

Currently, there is no systematic method for allocating Metro's wet waste to the private stations. As a result, the allocations often require significant negotiations with private transfer station operators, are not predictable, and do not promote system efficiency. In addition, the current allocations do not account for regional population shifts or growth, nor do they account for adding (or removing) transfer stations in the system. In short, staff believes that the current approach to allocating waste does not serve the public's interest as we move into 2020.

In March 2018, Metro staff proposed a framework and methodology to allocate the regional wet waste tonnage to private solid waste transfer stations beginning in 2020.² The framework and methodology promote a more systematic, transparent, equitable and potentially efficient distribution of wet waste to the transfer stations that serve the region.

The proposed new approach to wet waste tonnage allocation is expected to reduce travel time, support system efficiency, and ensure that many companies can continue to play a role in the region's transfer system. The new approach encourages haulers to minimize off-route travel to reduce greenhouse gases and road wear from unnecessary truck travel, increases

¹ Change Order 11 to this disposal contract changed the flow guarantee from 90 percent to 87 percent for 2018 and 2019.

² See <https://www.oregonmetro.gov/wet-waste-allocation-study> for more information about the methodology.

pedestrian safety, and provides other public benefits. This methodology seeks to minimize transportation-related system costs by encouraging use of the closest transfer station and requiring that all landfill-bound waste use a transfer station located within or very near Metro's jurisdictional boundary.

PUBLIC OUTREACH AND ENGAGEMENT

The Transfer System Configuration Policy was developed with extensive waste industry and local government input in 2015 and 2016. The Solid Waste Alternatives Advisory Committee (SWACC) also provided review in preparation for developing a more systematic process to the allocation and management of Metro's wet waste after the current disposal contract with Waste Management expires at the end of 2019.

In developing a proposed framework and methodology in March 2018, Metro staff met with all the transfer station operators individually and as a group throughout April, May and June. Staff also briefed local government solid waste directors on several occasions and SWAAC at its May, July and October meetings. Stakeholders had various comments and questions which are summarized below:

1. *Metro developed this proposal too quickly and was not inclusive enough.*

Response: The allocation method was developed internally at Metro over a period of several months and proposed in March 2018 with invitations for subsequent feedback in person and in writing. Staff will continue to evaluate and refine the proposal's methodology in the draft administrative rules (Attachment 1) with stakeholders.

2. *The model is too generalized.*

Response: The tonnage allocation approach used in the proposed model is based on the "shortest travel time" rule, from the origin of the waste to the most proximate transfer station. This approach is generalized and intended to align with the Council objectives while being more systematic, straightforward, transparent, predictable and easily maintained over time. Staff will evaluate the development of a more complex empirical model that would accomplish other goals such as better reflecting the "actual" regional garbage truck transportation system. This will also enable comparisons of the current system with future performance under different economic and policy scenarios. It is critical to consider the cost of collecting and managing new data with its practical value in improving the model. Staff will continue to evaluate the model, assess data requirements and improve the model over time.

3. *Parking barns should be included in the model.*

Response: Parking barns are where collection route trucks leave from and return to. They can be an important consideration, especially when co-located with a transfer station, because that is where integrated operations expect to park collection vehicles over night after delivering the last load of the day. Staff continues to evaluate how best to include certain barns, especially those that serve to maintain and repair collection vehicles and serve as compressed natural gas (CNG) fueling stations for fleets. However, a particular

parking barn's level of influence on off-route travel time depends on many other factors. These include the number of routes a truck completes in a day and traffic issues that fluctuate during the day. In addition, parking barn locations change more over time than transfer station locations. Although barns may be an important addition to an empirical model, staff does not have route-level data to enable the inclusion of barns in the current model without overestimating their influence. Staff will continue to evaluate the most effective way to include barns in the model without overcorrecting for this factor.

4. *There is not a universally preferred way to measure proximity to transfer stations to define wastesheds for all collectors.*

Response: Metro, as the federally recognized metropolitan planning organization for the greater Portland area, develops and maintains a regional travel model for transportation planning and has many years of experience in modeling the flow of transportation throughout the region. Metro staff evaluated distance, modeled congested travel time, and modeled uncongested travel time as measures of access and proximity. The resulting differences in wastesheds were negligible (no variation resulted in more than three percentage points change in tonnage allocation for any given wasteshed), so the implications of this choice upon allocations were minimal. Vehicle miles traveled (VMT) does not reflect all costs associated with route-based hauling operations as effectively as a time-based measure and was therefore removed from consideration. Uncongested travel time was originally selected for its consistency and neutrality as compared with a specific peak hour travel model which may not reflect the actual time when the majority of haulers are traveling off-route, but many stakeholders preferred a peak hour travel time model. Staff have changed the methodology to use morning peak hour travel for the allocation and will continue to explore additional data that would better reflect actual garbage truck travel times.

5. *The model does not account for differential tip fees between transfer stations or cost efficiencies that may accrue to vertically integrated companies.*

Response: In the past, tips fees at all stations were within a very narrow range – generally within one dollar per ton. Thus, it made no appreciable difference for unaffiliated haulers i.e. those haulers that are not owned by a transfer station or landfill to use one facility over another facility based on tip fees alone. Further, public tip fees served as a convenient proxy for local government rate makers when determining curbside rates for collection. Only recently have some stations begun to increase tip fees significantly.

For instance, the Forest Grove and Troutdale Transfer Stations currently charge over \$15 per ton more than tip fees at Metro's public stations. The higher tip fees at Forest Grove and Troutdale have forced some collectors to re-evaluate which station they use based on cost and travel time. Local government staff has also expressed the need for greater rate transparency at private facilities to better inform their rate setting process for collection routes. More uniform rates at transfer stations throughout the region coupled with the proposed tonnage allocation method could encourage greater efficiencies in the flow of waste. Staff will soon publish the next step of the Rate Transparency Project which will

highlight observable information on the rate components of private transfer stations as a way to better understand facility tip fees. Staff will evaluate whether consideration should be given to transfer stations seeking higher tonnage allocations when they are also charging much higher rates than the public stations.

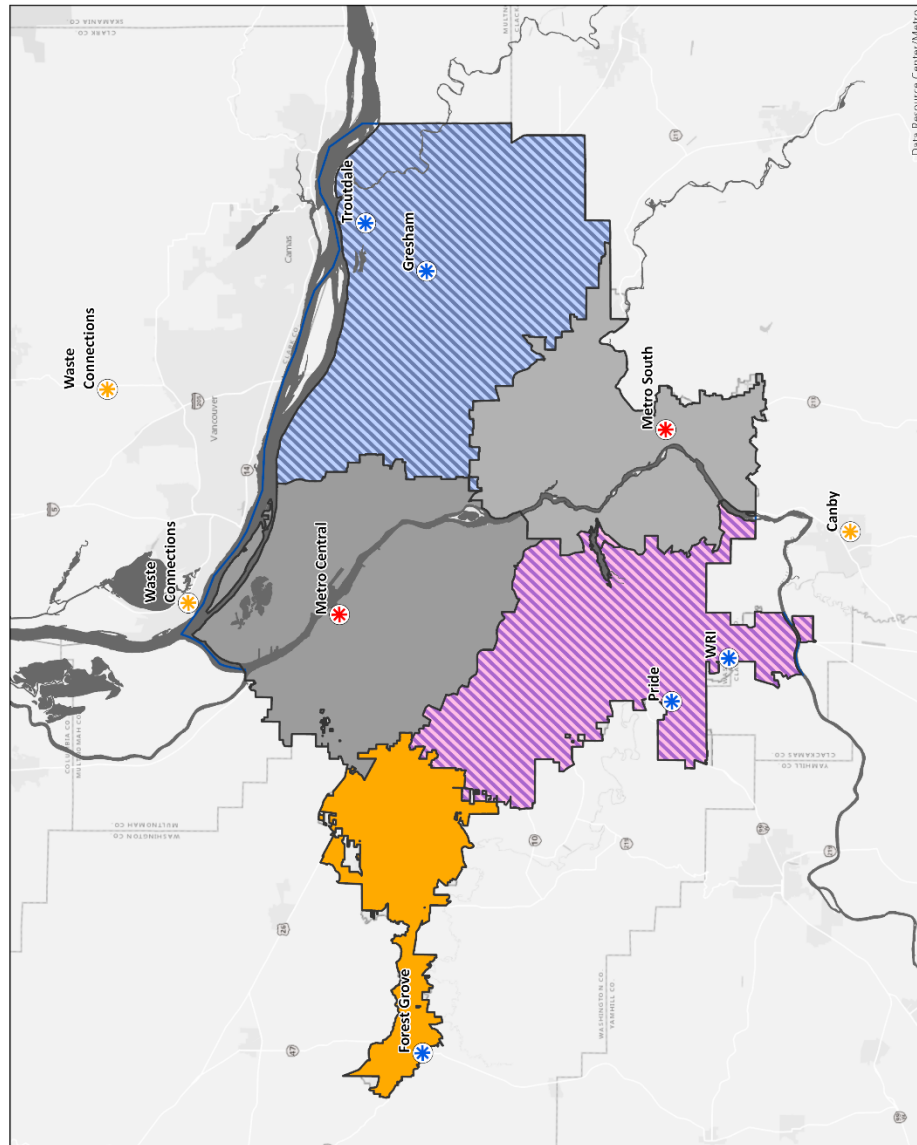
6. *Out-of-region transfer stations should be considered part of the system.*

Response: Two transfer stations, located just outside the Metro regional boundary, are currently authorized to receive small volumes of Metro area wet waste from haulers owned by the same company. These stations are located in Canby and Clark County, Washington. The configuration policy stated that “wet waste generated in region should utilize the regional transfer system” as a way to “minimize inefficiencies.” These out-of-region transfer stations are closer to only a very small percentage of the region’s wet waste than transfer stations located inside the region. However, staff recognizes that continuing to allow some nearby historically used transfer stations to remain active in the regional system will minimize system disruption, at least for a transitional period. Staff has proposed that out-of-region transfer stations remain eligible to receive small allocations that are consistent with recent previous years if they become designated facilities and enter into an agreement with Metro.

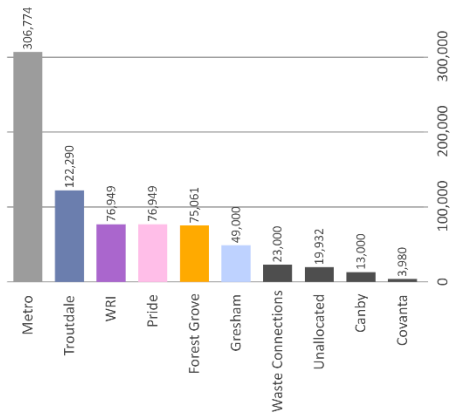
The regional solid waste system is very dynamic and continues to change for a variety of demographic and economic reasons. Based on some new assumptions, the solid waste forecast for 2019-20, and addressing some of the stakeholder comments received, staff produced an updated map originally found in the March 2018 Report on Wet Waste Tonnage Allocation (Figure 8 on page 13). This updated map is provided on page 7 of this Staff Report and includes the following new assumptions:

1. Regional wet waste tons projected to be generated are based on Metro’s latest solid waste forecast.
2. Canby Transfer Station, owned by KB Recycling, would be eligible to receive an annual allocation of 13,000 tons in 2020. This assumption is based on the last three calendar years of actual wet waste delivered to the station in Canby.
3. Arrow Sanitary, owned by Waste Connections, would be eligible to receive an annual allocation of 23,000 tons in 2020. This assumption is based on the last three calendar years of wet waste delivered to its Clark County transfer station (West Van).
4. Gresham Sanitary Services (GSS) has requested an increase in its current franchise annual cap of 25,400 tons for a total of 49,000 tons for 2020. This assumption is based on the Metro Council approving GSS request in early 2020.
5. Unlike the March 2018 map that used uncongested travel distance to develop wastesheds, the new map is based on travel time during a 7:00 am to 9:00 am peak travel time. This changes the boundaries slightly.
6. This map does not include parking barn data.
7. Metro also received a franchise application from City of Roses (CORE) to become a new transfer station on October 19, 2018. This staff report does not include that request in the analysis.

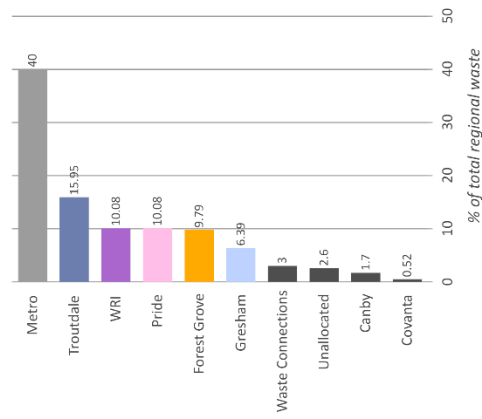
2020 projected tonnage allocations



Waste allocation estimate (766,935 tons)



Share of regional waste



PROPOSED AMENDMENTS TO TITLE V

CHAPTER 5.00 (Definitions) – Exhibit A

Ordinance no. 18-1426 proposes to add three new definitions necessary to implement the framework and add clarity to the new code language:

Significant disruption defines long-term, unplanned events that may trigger the need for a tonnage allocation adjustment.

Tonnage allocation means an amount of the region's putrescible waste that Metro grants to a private transfer station.

Transfer station wasteshed means the area surrounding one or more transfer stations that is more immediately accessible to those transfer stations than any other transfer station, based on travel time.

CHAPTER 5.01 (Solid waste facility regulation) – Exhibit B

CHAPTER 5.05 (Solid waste flow control) – Exhibit C

Metro Code Chapter 5.01 regulates solid waste facilities and disposal sites located within the region. Metro Code Chapter 5.05 regulates solid waste facilities located outside the region. The Chief Operating Officer (COO) recommends the proposed changes to Chapters 5.01 and 5.05 as described below and further detailed in Exhibits B and C to the ordinance.

Putrescible waste tonnage allocation framework (5.01.195 and 5.05.195)

These proposed new sections establish the tonnage allocation framework in Code for solid waste transfer stations located both inside and outside the regional boundary. They also establish the general factors the COO will consider when allocating tonnage amounts. These are general factors that are normally considered by the COO when making decisions about the regional solid waste system:

1. Public benefits to the regional waste system: This requires a private transfer station to explain how its operation meets the public benefits as listed on the first page of this staff report. These include protecting public health and the environment, getting good value for the public's money, and ensuring services are accessible to all.
2. Effect on the regional solid waste system: This requires a private transfer station to explain how its operation does affect or will affect the regional system.
3. Preserve Metro's 40 percent share of wet waste tonnage: Upon adoption of the Transfer System Configuration Policy in 2016, Metro Council recognized the need for Metro to be part of the hybrid system of transfer stations. Metro does not generally have the option of turning loads away. Metro is open to public self-haul and commercial vehicles more days and longer hours than any of the private stations. Metro provides additional services, not always provided by private stations, such as household hazardous waste collection, post-collection recovery and recycling drop-off.
4. Proportional share is allocated to companies in a clear and transparent way: This requires that no one facility may receive more than 40 percent of the region's waste, which helps promote competitive participation by many companies, including locally-owned companies.
5. Rates: Metro may consider rates in the future concurrent with the rate transparency project as it moves to more advanced stages. Phase 2 is nearly complete and is intended to explain the rate components of the private facility rates based on observation and publicly available information.
6. Any other factor: Metro is responsible for planning and managing a very complex, dynamic and changing solid waste system. The COO always reserves the right to include other relevant factors when deciding how much wet waste to allocate to the private sector stations.

This Code section allows the COO to adjust tonnage further when it is in the public interest to do so and to account for significant events that may impact the regional solid waste system.

5.01.260 Obligations and limits for selected types of activities

This proposed new section establishes the priority for transfer station franchisees to accept waste generated within the region and within the watershed of the transfer station as specified in administrative rules.

5.05.196 Obligations and limits for selected types of activities

This proposed new section establishes a framework for acceptance standards for wet waste at a transfer station located outside the regional boundary. It requires an out-of-region transfer station seeking a tonnage allocation to 1) become designated by Metro Council to become part of the regional solid waste system and 2) enter into an agreement with Metro that specifies the conditions under which it may accept wet waste from the Metro region. It also spells out causes that would allow a transfer station to deny access to unaffiliated haulers and also provides a process for notifying Metro prior to refusing service.

The proposal also requires an out-of-region transfer station to demonstrate adequate capacity to accept wet waste from within the Metro region and that the local or state permitting authority allows the transfer station to accept Metro-area waste. The proposal establishes Metro's right to review, monitor, inspect and audit private transfer stations located outside the regional boundary as if they were located inside the regional boundary.

An out-of-region transfer station must also agree to collect and remit fees and taxes to Metro on waste accepted from inside the regional boundary. The proposal also specifies that the transfer station may only accept waste from the Metro region in accordance with its agreement with Metro. Any person may request or the Chief Operating Officer may initiate an investigation to ensure compliance with this section.

ADMINISTRATIVE RULES

Included with this staff report is a draft set of administrative rules (Attachment 1, AR 5.01-3000 through 3040) that provide more details of the process to allocate wet waste. These are provided so that stakeholders have a complete picture of the both the code framework and methodology/process for allocation wet waste tonnage.

If the Metro Council adopts Ordinance 18-1426, the COO will consider a final version these administrative rules through the process outlined in Chapter 5.01.280 and 5.05.280. The adoption process will include at least a 30-day public comment period and a public hearing prior to the adoption of the final rules. Metro staff is available to answer questions or take comments on these proposed rules at any time.

ANALYSIS / INFORMATION

1. Known Opposition

Metro staff engaged in an extensive stakeholder process that included multiple meetings collectively and individually with transfer station operators and with representatives of the Oregon Refuse and Recycling Association. Staff also conferred several times with local government solid waste directors and some elected local officials. Staff made three presentations before SWAAC. Attached to the staff report is a response to comments that address many of the concerns raised (Appendix A).

2. Legal Antecedents

Metro has broad legal authority to manage and regulate the region's solid waste system under ORS Chapter 268, Metro's home rule Charter and the Oregon Constitution.

3. Anticipated Effects

If Council adopts Ordinance No. 18-1426, wet waste tonnage allocation would become more transparent and systematic beginning in 2020. In addition, Metro would establish a framework for wet waste tonnage allocation and further evaluate other data needs to improve the model.

4. Budget Impacts

There are no expected budget impacts associated with the adoption of this ordinance.

RECOMMENDED ACTION

The COO recommends adoption of Ordinance No. 18-1426.

Metro Ordinance No. 18-1426 – Staff report - Attachment 1

SOLID WASTE

ADMINISTRATIVE RULES

AR 5.01 - 3000 through 3040

Putrescible Waste Tonnage Allocation Methodology

Effective March 1, 2019 [Placeholder date]

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- 5.01 – 3000 Policy and legal authority
- 5.01 – 3005 Definitions
- 5.01 – 3010 Applicability of rules
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- 5.01 – 3020 Putrescible waste tonnage allocation methodology
- 5.01 – 3025 Tonnage allocation steps
- 5.01 – 3030 Tonnage allocation annual adjustment
- 5.01 – 3035 Other tonnage allocation adjustments

5.01 – 3000 Policy and legal authority

1. Metro Code Sections 5.01.280 and 5.05.260 authorize the Chief Operating Officer (COO) to adopt administrative rules governing the requirements of licensees and franchisees under Chapter 5.01 and designated facilities under Chapter 5.05.
2. Metro Code Sections 5.01.191 and 5.05.195 establish a framework for Metro to allocate putrescible solid waste tonnage to a private transfer station on an annual basis. These administrative rules establish the methodology for tonnage allocation and are in addition to all requirements set forth in Metro Code Chapters 5.01 and 5.05.

5.01 – 3005 Definitions

Unless otherwise defined, all applicable terms are as defined in Metro Code Chapter 5.00.

5.01 – 3010 Applicability of rules and effective dates

1. These administrative rules apply to any transfer station subject to franchise requirements under Chapter 5.01. These rules also apply to any transfer station designated under Chapter 5.05 and eligible to receive putrescible waste from the Metro region.
2. These rules are effective on March 1, 2019 [placeholder date] and will be implemented beginning January 1, 2020.

3. To be eligible to receive tonnage allocations, franchised transfer stations located in the Metro region:
 - (A) May not accept solid waste generated outside the Metro region if to do so would limit the franchisee from accepting solid waste generated inside the Metro region;
 - (B) May not accept solid waste collected outside of its wasteshed if to do so would deny access to a waste hauler that collects solid waste within the wasteshed of the franchised transfer station;
 - (C) Must allow access to any unaffiliated waste hauler located within a franchised transfer station's wasteshed, unless due cause exists for the franchisee to immediately deny access, or unless the franchisee submits to Metro for review and approval a request to deny access at least 15 days in advance. Due cause includes, but is not limited to, repeated load contamination, failure to pay or risk of exceeding the franchise tonnage allocation.

5.01 – 3015 General provisions

Metro will annually allocate putrescible solid waste tonnage to a private franchised or designated transfer station using the methodology described in these administrative rules, which also includes consideration of at least the following factors:

1. Transfer station wastesheds, as defined in Chapter 5.00.
2. Proximity, measured by travel time, between transfer stations. Travel time will be calculated using congested peak hours (7:00 am to 9:00 am).
3. The estimated amount of putrescible waste generated within the wasteshed during the upcoming calendar year based on the latest available Metro population and employment data and Metro's solid waste forecast.
4. Any factor that limits a transfer station's capacity.
5. Any factor that increases or reduces waste generation within the wasteshed.
6. Any factor that disrupts transportation routes.
7. Any circumstance that warrants a tonnage allocation increase or decrease for a transfer station to provide an established public benefit.

5.01 – 3020 Putrescible waste tonnage allocation guidelines

Metro will allocate a percentage share of the region's putrescible waste to each franchised or designated transfer station according to the following guidelines:

1. The Chief Operating Officer will allocate tonnage based primarily on the amount of waste that is generated in closest proximity to each transfer station, following the steps described in AR 5.01 - 3025.
2. The Chief Operating Officer may not allocate more than 60 percent of the region's putrescible waste tonnage per calendar year to any combination of transfer stations that are subject to these administrative rules.
3. The Chief Operating Officer also may adjust tonnage allocations at one or more transfer stations proportionately or to provide public benefit until Metro's 40 percent share is achieved.

5.01 – 3025 Tonnage allocation methodology steps

Step 1: Metro will map travel times based on modeled morning peak hour (congested) travel time. Metro will use the regional transportation model that is used for regional transportation planning purposes. Metro will evaluate other travel data and models for their ability to accurately represent travel times for haulers and may adopt a new data source as appropriate by amending these rules.

Step 2: Metro will delineate the individual watershed for each transfer station that incorporates the area most accessible to the transfer station to minimize hauler travel time across the region.

Step 3: Metro will merge individual watersheds when transfer stations are located less than ten minutes apart according to the travel time model.

Step 4: Metro will determine tonnage allocations for each transfer station using the following methodology:

- a. Metro will use TAZ-based (transportation analysis zone) region-wide population and employment estimates and standard generation rates to calculate the amount of putrescible solid waste expected to be generated for each TAZ.
- b. Metro will aggregate the TAZ-based putrescible solid waste estimates to watersheds to calculate the putrescible solid waste tonnage that is most proximate to each transfer station. This generation estimate serves as the initial component of the allocation.

- c. Metro will calculate each transfer station's regional percentage of waste generated in its watershed.
- d. Metro will apply those percentages to the following calendar year's putrescible waste forecast to calculate actual tonnage for each transfer station.
- e. When watersheds have been merged, Metro will divide the tonnage in equal portions among those transfer stations that share the same watershed.
- f. When an individual transfer station has a limiting factor, Metro will generally assign the allowable tonnage in accordance with that limit. Limiting factors may include limited capacity, local limits on traffic or land use, or authorizations below the transfer station's initial tonnage allocation resulting from the calculation of subsections a through e above. Metro may redraw the watershed map or reallocate the balance of the watershed's tonnage to the other transfer station(s) within that watershed.

Step 5: Metro will allocate tonnage amounts based on the results of step 4 a. – f. above. Metro will then notify each private transfer station of its annual allocation by the end of the calendar year. The allocations will become effective in the next calendar year.

5.01 – 3030 Tonnage allocation annual adjustment request

- 1. Metro may annually consider adjusting a tonnage allocation for a transfer station after the transfer station's initial annual tonnage allocation is announced.
- 2. Metro may only increase a transfer station's allocation if it is in the public interest and if Metro's share of the region's putrescible waste is not expected to be less than 40 percent.
- 3. If a transfer station seeks an adjusted tonnage allocation, it must:
 - (A) Submit a written request to Metro for a tonnage adjustment in the form and format prescribed by Metro within 30 days of Metro's announcement of annual tonnage allocations.
- 4. Additionally, if a transfer station seeks an annual increase of its tonnage allocation, it must:
 - (A) Not charge more than the tip fee for the receipt of putrescible waste than that charged or projected to be charged at Metro transfer stations;
 - (B) Explain how an increase in tonnage would benefit the public, including any:
 - (1) Cost savings that will accrue to the public;

- (2) Route or processing efficiencies;
 - (3) Rate increases that will be avoided by the local franchising or permitting authority;
 - (4) Environmental or sustainability gains; and
 - (5) Other benefits to the public.
- (C) Describe any recent investments or transfer station improvements that would yield greater public benefits with an increased tonnage allocation.
- (D) Describe any request that involves redistributing tonnage allocations between transfer stations.
- (1) A transfer station may propose to shift up to 15 percent of its tonnage allocation to another transfer station.
 - (2) A transfer station requesting this shift must demonstrate that the shift will have minimal impact on each transfer station's host community e.g. nuisance, traffic, litter, malodors, etc.; and
 - (3) A transfer station must demonstrate that the shift does not create inefficiencies in the system.
- (E) Explain any circumstances that Metro did not consider when it determined the annual allocation.

5.01 – 3035 Tonnage allocation adjustments at other times

The Chief Operating Officer may adjust a transfer station's tonnage allocation at times other than the annual adjustment if it is in the public interest and is necessary to address a significant disruption.

Metro Ordinance No. 18-1426 – Staff report - Attachment 2

Refining the system:

Responses to public questions about Metro's Wet Waste Tonnage allocation proposal

August 17, 2018

BACKGROUND

This document provides a response to the written comments, concerns and questions submitted by members of the hauling and transfer station operation business community to date by Metro regarding its' proposed approach for allocating wet waste tonnage. The comments, concerns and questions received by Metro have been categorized into five topical areas:

Topic A: Methodology development process

Topic B: Allocation methodology: Off route travel and related greenhouse gas factors

Topic C: Allocation methodology: Economic factors

Topic D: Allocation methodology: Other considerations

Topic E: Metro Council policy direction and legal authority

All of the written comments received are included in Attachment A.

TOPIC A: METHODOLOGY DEVELOPMENT AND IMPLEMENTATION

1. Concern that Metro developed this proposal too quickly and was not inclusive enough.

Metro engaged transfer station operators, beginning with the commencement of the Transfer System Configuration task force in 2015, and is continuing to have conversations with them about ways to further improve this methodology. Metro staff have also worked closely with Oregon Refuse and Recycling Association (ORRA), the statewide haulers' association, to obtain comments and feedback on the draft proposal.

In 2016, Metro Council adopted the Transfer System Configuration policy in Res. No. 16-4716. The proposed allocation method was developed internally at Metro over a period of several months based on this policy directive. The methodology was proposed in March 2018 with invitations for feedback in person and in writing. Since the proposal's introduction, Metro has twice met individually with transfer station operators and as a group through the Oregon Refuse and Recycling Association (ORRA). In addition, Metro has met periodically with local government solid waste rate making officials and twice with the Solid Waste Alternatives Advisory Committee (SWAAC).

There remains time to receive input and consider options to the approaches to allocating wet waste tonnage. The proposal and recommended enhancements were discussed with Metro Council at its work session on July 31, 2018. Metro hopes to have the necessary code and administrative rule changes in place by the end of 2018 so that a new wet waste transfer allocation approach is established well before

2020. Metro recognizes that local jurisdictions, rate payers and solid waste system industry members benefit from clear and timely information about the final tonnage allocation and changes in the rates for services, the amount of tonnage forecasts, and the amount of community enhancement fees. Metro staff plans to evaluate whether additional data on the solid waste system, including data that is currently held by private transfer station operators and haulers, may be useful in improving the methodology or approach to tonnage allocation. The work session work sheet and power point presentation are [available here](#) and available at

<https://oregonmetro.legistar.com/LegislationDetail.aspx?ID=3583366&GUID=81EF9179-0E23-4620-B452-D51244B5A92F&Options=&Search=>

2. Request to provide watershed boundary maps that include details such as street names.

Metro does not expect that details such as street names will be needed or useful in order to implement the wet waste tonnage allocation approach because the proposed allocation methodology does not require haulers to use specific facilities for waste generated within the watershed boundary. If stakeholders continue to find that this level of information is needed, however, Metro can produce and provide such information.

3. Request to include financial assistance to cover impacts from the allocation methodology, such as assistance to a facility that is allocated fewer tons than in previous years.

Metro would need to better understand the impacts and financial implications of any facility losses that could impact public benefits. If public benefits are impacted, Metro may consider financial assistance.

4. How does the proposed allocation meet the “status quo” recommended by the task force?

Metro staff developed the proposed waste allocation methodology to respond to Metro Council’s adopted policy. In advance of Metro Council adopting the policy, Metro convened a task force of transfer station owners and several dry waste processing facility operators to provide input to Metro staff. The Metro Council’s direction to move to an allocation system approach that encourages haulers to minimize off-route travel to reduce greenhouse gases, traffic congestion and provide other public benefits meant that there would be some changes that would impact transfer stations even while maintaining the status quo configuration of the regional system.

Metro staff recognize that members of the business community may have a different interpretation of what it means for the allocations to meet the “status quo” recommended by the task force. Metro staff do not believe that “status quo” means the retention of the exact same set of transfer stations in the allocation mix as were participating in 2015/16 when the item was discussed by the SWAAC task force. The Metro Council’s direction to move to a wet waste tonnage allocation methodology based on proximity meant that there would be some changes that would impact transfer stations even while maintaining the status quo public-private configuration split of the regional system. Metro staff developed the proposed allocation methodology to maintain the generic status quo configuration as a public and private hybrid system. The original proposal did not include any transfer stations located outside the regional boundary primarily because they are not located closer to where wet waste is generated except in very insignificant volumes. The proposal does not consider further details about which specific stations and previous tonnage allocations to be part of the “status quo” to be continued. However, staff has recommended an enhancement that would allow out-of-region transfer stations to become recognized as a part of the regional solid waste system and, potentially, receive a tonnage allocation.

5. What are the project's next steps?

Metro Council gave guidance on wet waste allocation at its work session on July 31, 2018, which included agreement that staff should pursue some enhancement to the approach recommended by staff. The enhanced proposal is expected to be taken to a Metro Council session for adoption in the Fall/Winter of 2018. Metro hopes to have the new allocation plan in place, including necessary code and administrative rule changes, by the end of 2018. Staff intends for the changes to be effective when the disposal contracts end and allocations take effect (January 1, 2020).

6. What is the Metro plan for rate transparency and does it include regulating rates?

The Metro Council has directed Metro staff, as part of the Transfer Station Configuration Project, to develop a separate study on rate transparency. Metro staff sought direction on whether to initiate “step 2” of rate transparency i.e. provide information about private transfer station rates based on observable and publicly available information. At its work session on July 31, Metro Council agreed that staff should move forward with step 2. Therefore, Metro will soon provide completed profile sheets to each transfer station operator for review. A final report will be produced this fall. Step 2 does not include regulating rates, and we will continue to take direction from Council on any future steps.

Topic B: Allocation methodology: Off route travel and related greenhouse gas factors

1. Why does the proposed methodology use uncongested travel time instead of congested travel time or vehicle miles travelled (VMT)?

Metro staff evaluated distance, congested travel time, and uncongested travel time as measures of access and proximity. The resulting differences in wastesheds were negligible (no variation resulted in more than three percentage points change in tonnage allocation for any given wasteshed), so the implications of this choice upon allocations were minimal.

Vehicle miles traveled (VMT) was not selected for the model because industry stakeholders had expressed that distance measures such as VMT do not reflect costs associated with route-based hauling operations as effectively as a time-based measure. Uncongested travel time was selected for its consistency and neutrality as compared with a specific peak hour travel model which may not reflect the actual time when the majority of haulers are traveling off-route.

Metro staff are open to using alternative measures and recommended to Metro Council that staff could work with the hauling industry and travel data providers to determine a proximity measure that most accurately reflects the travel time for most garbage trucks. In order to better calibrate the methodology, Metro needs to evaluate and potentially receive complete region-wide data about garbage truck movement and the actual off-route information, and it welcomes such data from haulers.

2. Recommendation to include factors that impact off-route travel and consequently greenhouse gas emissions (GHG): parking barn locations, wait times at transfer stations, collection route times, routes taken to landfill, wear and tear on road infrastructure.

The proposed tonnage allocation approach is based on the “shortest travel time” rule, from the origin of

the waste to the most proximate transfer station. This approach is generalized and intended to align with the Council objectives while being more systematic, straightforward, transparent, predictable and easily maintained over time. A more complex empirical model could be constructed to better reflect the actual regional system. It is critical to balance evaluation and possible collection of new data with its practical application in improving the methodology. Metro plans to conduct a more in-depth evaluation of data needed and the benefits of collecting it.

Parking barns can be an important consideration, especially when co-located with a transfer station, because that is where integrated operations expect to park collection vehicles after delivering the last load of the day. Metro staff appreciates the significance of certain barns, especially those that serve to maintain and repair collection vehicles and serve as compressed natural gas (CNG) fueling stations for fleets. However, a particular parking barn's level of influence on off-route travel time depends on many other factors including the number of routes a truck completes in a day and traffic issues that fluctuate during the day. In addition, parking barn locations change more over time than transfer stations and could potentially be moved, consolidated, or sited strategically for the primary purpose of gaining tonnage.

Metro staff recommended to Metro Council that staff could evaluate the inclusion of parking barns, hauler routes, the number of trips made to a transfer station during a typical day, and other more detailed system data into the model.

3. Recommendation to include transportation factors beyond those that impact off-route travel.

It is critical to balance evaluation and possible collection of new data with its practical application in improving the methodology. Metro does recognize that technologies such as compressed natural gas (CNG) fuel and barge transport do have an impact on GHG emissions. Metro staff recommended to Metro Council that staff could evaluate additional data for inclusion in building an enhanced model.

4. Concern that the proposed methodology would encourage haulers to travel on Highway 26 and to Metro Central.

Metro staff recommended to Metro Council that staff could specifically evaluate the inclusion of actual hauler routes into the analysis. This could also include hauler routing limitations and preferences. While this analysis has the potential to change the watershed boundaries and consequently the tonnage allocations for each transfer station, the methodology suggests no imperative or incentive to use specific streets and highways.

5. What vehicle speeds are used in calculating uncongested travel times?

The proposed methodology uses an uncongested travel time model, which generally represents posted speed limits on the road network. As noted in Topic B, Question 1, staff recommended to Metro Council that staff could work with the hauling industry and travel data providers to determine a proximity measure that most accurately reflects the travel time for most garbage trucks.

6. Why is Metro South grouped with Metro Central when it is closer to other facilities?

The public stations are not grouped in the same way as the merged allocation watersheds for private facilities. Under the proposed approach, Metro receives the balance of tonnage that is not allocated to

private stations. The representation of the two public stations together is meant only to symbolize that they receive that balance of tonnage without specific allocations.

Topic C: Allocation methodology: Economic factors

1. How does the proposed methodology impact business planning?

The proposed methodology is an improvement over Metro's previous annual tonnage allocation process. This proposed methodology provides more transparency in how Metro makes allocations which businesses can use to make informed choices for future business operations. Under both the current allocation and the proposed method, businesses receive notification of annual allocations in advance of the effective allocation year which should be helpful for their business planning purposes. Like the current allocation of wet waste, the proposed methodology does not guarantee that transfer stations will receive, year after year, the same or increased percentage-based wet waste allocations.

2. There is concern that the methodology does not account for differential tip fees between transfer stations or cost efficiencies that may accrue to vertically integrated companies.

The proposed approach is generalized and intended to align with the Council objectives while being more systematic, straightforward, transparent, predictable and easily maintained over time. A more complex empirical model could be constructed to better reflect the actual regional system. It is critical to balance the collection of new data with its practical application in improving the allocation methodology.

In the past, tips fees at all stations were within a very narrow range – generally within one dollar per ton. Therefore, it made no appreciable difference for unaffiliated collectors to use one facility over another facility based on tip fees. Only recently have some stations begun to increase tip fees significantly. For instance, the Forest Grove and Troutdale Transfer Stations are currently charging nearly \$15 per ton more than tip fees at Metro's public stations. Much higher tip fees at Forest Grove and Troutdale have forced some collectors to re-evaluate which station they use based on cost and travel time. Local government staff have also expressed the need for greater rate transparency at facilities that would better inform their rate setting process. More uniform rates at transfer stations throughout the region coupled with the proposed tonnage allocation method could encourage greater efficiencies in the flow of waste. Separate efforts are underway to help Metro and local government partners understand how rates are set at the private transfer stations.

3. Reductions in tonnage for private stations may create economic hardship for existing businesses.

Among Metro's responsibilities in its oversight of the public's garbage system is to ensure that the public gets the best value for the money it spends in the system, and that includes being efficient with the delivery, cost and handling of waste and transparent about the costs.

4. Describe how the transfer station watershed lines impact competition in the region.

The proposed allocation methodology maps the watersheds to demonstrate how the tonnage limits are calculated for each watershed. The methodology does not direct that the waste generated within a watershed will go to a facility in the watershed. Metro may consider resurrecting Code language that

would require local access to nearby transfer stations. Current practice for franchised transfer stations participating in the regional solid waste system includes an obligation to accept unaffiliated haulers even to the exclusion of its own haulers when they are located further away from the facility. An unaffiliated hauler would have the opportunity to request Metro to investigate whether a private station were taking wet waste from further away than a more closely located hauler.

In terms of competitive advantage, the Metro Council has found that no more than 40 percent of the region's wet waste should be transferred by any single company in order to enable more companies to participate in the transfer system. The Transfer System Configuration Policy specifically directed the Chief Operating Officer to proceed with implementing the policy to "limit the amount of putrescible solid waste any one private company may transfer."

5. Describe how local jurisdictions have been and will be informed of the proposed methodology.

Local solid waste directors are informed of the proposed wet waste tonnage allocations for 2020 and beyond and will also be informed of the final allocations. When the final allocation methodology is in place, Metro can produce an estimate of Community Enhancement Grant funding for 2020 and beyond. As Community Enhancement Grant funding goes to where impacts are the greatest, the funding is directly tied to the amount of tonnage moving through a facility.

6. How will this approach change transfer stations' acceptance of haulers?

The proposed allocation methodology is distinct from Metro's current practices that prioritize local access to transfer stations. The approach maps the wastesheds to demonstrate how the tonnage limits are calculated for each wasteshed. The wasteshed maps do not require that the waste generated within a wasteshed will go to a facility in the wasteshed. Currently, franchises include the condition that the transfer station will accommodate haulers that collect waste within the geographic proximity of the facility and that transfer stations will also accommodate unaffiliated haulers. Additionally, in the event that service is refused, Metro will investigate complaints. Metro expects that unaffiliated haulers may initiate a complaint if refused service when affiliated haulers are accepting loads from much further away.

7. Describe the additional oversight and extra cost to bring in out-of-region facilities.

As the government body responsible for planning, oversight, and management of the region's solid waste system, Metro has an obligation to the public to ensure that the region's waste is properly managed and disposed in a manner that protects the health and safety of the public, local communities, and the environment. To help achieve this, Metro requires that all waste generated within the region be transported to an authorized facility. Metro is considering an enhancement to the proposal so that a facility located outside of the region could receive tonnage under the provision that it become designated as a regional facility, collect and remit Metro fees and taxes, and meet similar standards to in-region transfer stations.

Metro monitors the flow of waste outside of the region through either a designated facility agreement or under authority of a non-system license which helps to ensure that all of Metro's requirements are met. Metro would not incur any significant costs to establish and monitor two new designated transfer stations located outside of the region. Metro would use existing resources to monitor the agreements

and continue to coordinate closely with local jurisdictions, Oregon Department of Environmental Quality (DEQ), and other state agencies to ensure that the receiving facility complies with all local, state, and federal requirements.

Topic D: Allocation methodology: Other considerations

1. Why use estimations for the waste generation in each Traffic Analysis Zone (TAZ)?

The waste flow allocation methodology relies on data from the regional transportation model. The Transportation Analysis Zones (TAZs) are the geographic unit of analysis within the regional transportation model. Household (population) and employment estimates are based on TAZ boundaries and therefore the waste generated by that population and employment is estimated for each TAZ.

Estimates of waste are used because they are the best available approximation of the waste generated in each TAZ based on households and employment. While it is theoretically possible to gather exact waste generation figures within each TAZ those data are not currently available. It is critical to balance evaluation and possible collection of new data with its practical application in improving the model.

More information about Metro's use of TAZs in planning is [available here](#) and available at <http://oregonmetro.gov/forecasting-models-and-model-documentation>

2. Describe how Metro's public facilities, particularly Metro South, will be positioned to handle the anticipated tonnage in this proposal.

Both Metro South and Central are able to manage larger volumes of waste than they do today. Metro South has managed more than 600,000 tons of waste in previous years. As a public agency stewarding these resources, Metro is always in a process of reviewing and managing these resources to best serve public needs. In terms of Metro South's operations, Metro is considering improvements to the facility to meet the demands of a growing region and changing waste stream. Metro is evaluating upgrading Metro South, including potentially moving some of the services to a different location. Should construction become a problem for hauler access, Metro has recommended that a variance option be available to direct tons elsewhere.

There is no guarantee under the proposed allocation methodology that Metro South will experience the increases in its annual wet waste tonnage share implied by the calculated wastesheds. Metro does not directly allocate tonnage to its own transfer stations. Metro obtains tonnage indirectly by allocating tonnage to private facilities. Therefore, any tonnage above and beyond that allocated to the private stations could flow to either Metro South or Metro Central stations.

3. How is this methodology better than the current one?

Currently, there is no systematic method for allocation of Metro's waste to the private stations. The allocations are not always predictable, often require ongoing negotiations with private operators, and make no claim to promote system efficiency or public benefit. In addition, the current allocations do not account for regional population shifts or growth nor do they account for adding (or removing) transfer stations in the system. In short, staff does not believe that the current approach to allocating waste serves the public's interest.

The proposed new approach to wet waste allocation is expected to reduce travel time, move toward

greater system efficiency, and ensure that many companies can continue to play a role in the region's garbage system. This new approach encourages haulers to minimize off-route travel to reduce greenhouse gases and road wear from unnecessary hauler travel, increase pedestrian safety, and provide other public benefits. Metro does not currently have any reports related to this issue but would expect that, as the model is enhanced, system improvement will be measurable from year-to-year.

4. What is the process when a new site enters the region?

Metro will continue to consider franchise applications for new transfer stations or expanded tonnage capacity at existing transfer stations in accordance with Metro Code Chapter 5.01 or Chapter 5.05 (in the case of out-of-region transfer stations seeking to become part of the regional system). Metro will continue to rely on the existing provisions in Sections 5.01.150 through 5.01.240 to consider new transfer stations located inside or outside the region. Metro may re-run the allocation methodology to better understand the impact of potential changes to the system including increased tonnage capacity or new stations in the system. The allocation methodology will be able to estimate the amount of waste that is within a proposed facility's watershed. This information will be useful as staff prepare a staff report recommendation for Metro Council and as Metro Council decides whether or not to issue a franchise to an applicant.

5. Describe how tonnage is split within watersheds that were combined because the transfer stations within those watersheds were very close to each other.

The proposed methodology evenly divides tonnage between transfer stations in combined watersheds. In cases where one transfer station's operating franchise authorizes a smaller number of tons than its potential allocation, that station's allocation is adjusted to match the franchise amount and the remaining tonnage is re-allocated to the transfer stations that share the watershed or the nearest other transfer station.

6. How does the proposed methodology incorporate efficiency of handling wet waste, future sorting or recycling of wet waste, reduced facility carbon footprint?

These are not factors included in the methodology at this time but should be evaluated in future years as a way to improve the methodology.

7. How many hauling companies would utilize competitors' transfer stations?

The allocation methodology does not define or specify the number of hauling companies that would use a competitor's transfer stations. The proposed methodology defines watersheds to demonstrate how the tonnage would flow most efficiently across the region and how much tonnage is generated in each watershed. The methodology does not direct that the waste generated within a watershed will go to a facility in the watershed. Metro is not guaranteeing the flow of wet waste to any private transfer stations.

8. How much tonnage capacity is present at Metro Central and Metro South?

The estimated tonnage capacity at Metro South and Metro Central is each in excess of 500,000 tons annually.

9. How does Metro think about race and gender?

The Metro Strategic Plan to Advance Racial Equity, Diversity and Inclusion presents the Metro Council's adopted approach to ensure that all people who live, work and recreate in the Metro region have the opportunity to share in and help define a thriving, livable and prosperous place. Metro does not rank

race and gender. The Metro Strategic Plan to Advance Racial Equity, Diversity is [available here](https://www.oregonmetro.gov/strategic-plan-advance-racial-equity-diversity-and-inclusion) and at <https://www.oregonmetro.gov/strategic-plan-advance-racial-equity-diversity-and-inclusion>

Topic E: Metro Council policy direction and legal authority

1. Explain the role of out-of-region facilities.

Metro is continuing to evaluate the role that out-of-region facilities can play in the regional solid waste system as part of establishing the final methodology recommendation for the allocation of wet waste. A few transfer stations located just outside the Metro regional boundary, including stations in Canby and Clark County, Washington, are currently authorized to receive small volumes of Metro area wet waste. Based on the analysis, only a very small percentage (less than 0.25 percent) of the region's wet waste is closer to out-of-region transfer stations than in-region transfer stations.

The configuration policy did not directly lead to a recommendation to eliminate the flow of in-region waste to out-of-region facilities. The configuration policy included a plank that stated "wet waste generated in region should utilize the regional transfer system" as a way to "minimize inefficiencies." However, staff recognize that some nearby transfer stations that are located outside the regional jurisdictional boundary should remain active in the regional system, at least for a transitional period.

2. Explain the tonnage minimum for public stations.

Metro Council agreed that no less than 40 percent of the region's wet waste tonnage must flow to the two publicly owned transfer stations in order to ensure, among other things that Metro can offer necessary services to the public, such as seven-day-a-week self-haul service, that other stations have not provided at a reasonable cost. By providing transfer services, Metro also serves as a rate benchmark for other stations in the system as well as for local governments during their rate setting process. This percentage also reflects a lower limit of what Metro has received historically.

The configuration policy was developed with extensive waste industry input and SWAAC review in preparation for developing a more systematic process to the allocation and management of Metro's wet waste. During this process, Metro staff recommended a minimum of 40 percent of wet waste to go through the public stations. The minimum was defined as a percent, not as an amount of tons.

3. Describe Metro's authority in implementing this proposal for allocating wet waste tonnage.

Metro has broad authority over the transfer and disposal of waste that is generated within its jurisdictional boundary under the Metro Charter, the Oregon Constitution, and Oregon state law.