



600 NE Grand Ave.  
Portland, OR 97232-2736

## Council meeting agenda

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Thursday, February 5, 2026

10:00 AM

Online only: <https://zoom.us/j/615079992>

(Webinar ID: 615079992) or 253-205-0468

(toll free)

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**This meeting will be held online-only.**

You can join the meeting on your computer or other device by using this link:

<https://zoom.us/j/615079992> (Webinar ID: 615 079 992).

Accommodations for members of the public seeking to testify in person will be available at Metro Regional Center, 600 NE Grand Ave, Portland, OR 97232. Council and other participants will appear virtually.

### 1. Call to Order and Roll Call

### 2. Public Communication

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

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

### 3. Consent Agenda

- 3.1 Consideration of the January 29, 2026 Council Meeting Minutes

[26-6449](#)

Attachments: [January 29, 2026 Council Meeting Minutes](#)

### 4. Resolutions

- 4.1 Resolution No. 26-5566 For The Purpose of Approving a Contract-Specific Special Procurement for the Custom Design and Fabrication of an Electric Train for the Oregon

[RES 26-5566](#)

Zoo

Presenter(s): Gabriele Schuster (she/her), Procurement Manager

Attachments: [Resolution No. 26-5566](#)  
[Exhibit A](#)  
[Staff Report](#)

4.2 Ordinance No. 26-1540 For the Purpose of Amendment [ORD 26-1540](#)  
Metro Code Chapter 7.05 (Income Tax Administration)  
Regarding the Personal Income Interest Rate Adjustment  
Process, Making Conforming Amendments to Metro Code  
Chapter 7.06 (Personal Income Tax), and Declaring and  
Emergency.

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

Attachments: [Ordinance No. 25-1540](#)  
[Exhibit A](#)  
[Exhibit B](#)  
[Exhibit C](#)  
[Staff Report](#)

6. **Chief Operating Officer Communication**

7. **Councilor Communication**

8. **Adjourn**

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### សេចក្តីជូនដំណឹងអំពីការមិនរើសអើងរបស់ Metro

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

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Metro

600 NE Grand Ave.  
Portland, OR 97232-2736  
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Agenda #: 3.1

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**File #:** 26-6449

**Agenda Date:**2/5/2026

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**Consideration of the January 29, 2026 Council Meeting Minutes**

# **Metro**

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



**Metro**

## **Minutes**

**Thursday, January 29, 2026**

**10:30 AM**

**Metro Regional Center, Council chamber;  
<https://zoom.us/j/615079992> (Webinar ID: 615079992) or  
253-205-0468 (toll free),**

**Council meeting**

**1. Call to Order and Roll Call**

Deputy President Hwang called the meeting to order at 10:33 a.m.

**Present:** 4 - Councilor Duncan Hwang, Councilor Gerritt Rosenthal, Councilor Juan Carlos Gonzalez, and Councilor Christine Lewis

**Excused:** 3 - Council President Lynn Peterson, Councilor Mary Nolan, and Councilor Ashton Simpson

**2. Public Communication**

None.

**3. Consent Agenda**

**3.1 Resolution No. 26-5565 For the Purpose of Appointing 4 Members and Reappointing 4 Members to the Metro Affordable Housing Bond Measure Program Community Oversight Committee**

Attachments: [Resolution No. 26-5565](#)  
[Exhibit A](#)  
[Staff Report](#)

**3.2 Resolution No. 26-5549 For the Purpose of Adding or Amending Five Projects to the 2024-27 MTIP to Meet Federal Project Delivery Requirements**

Attachments: [Resolution No. 26-5549](#)  
[Exhibit A](#)  
[Exhibit B](#)  
[Staff Report](#)

**3.3 Resolution No. 25-5552 For The Purpose of Authorizing the Chief Operating Officer to Grant an Easement to Washington County at Wachline Property Natural Area**

Attachments: [Resolution No. 26-5552](#)  
[Exhibit A](#)  
[Exhibit B](#)  
[Staff Report](#)

3.4 **Consideration of the Council Meeting Minutes for January 8, 2026**

Attachments: [January 8, 2026 Council Meeting Minutes](#)

3.5 **Consideration of the Council Meeting Minutes for January 15, 2026**

Attachments: [January 15, 2026 Council Meeting Minutes](#)

**A motion was made by Councilor Lewis, seconded by Councilor Gonzalez, to adopt items on the consent agenda. The motion carried unanimously.**

**4. Resolutions**

4.1 **Resolution No. 26-5551 For the Purpose of Authorizing an Exemption from Competitive Bidding and Procurement of Construction Manager/General Contractor Services by Competitive Bid Request for the Blue Lake Regional Park Renovation Project**

Presenter(s): Deanna Podbielan, Procurement Analyst, Finance and Regulatory Services  
Olena Turula, Principal Regional Planner, Parks and Nature  
Brent Shelby, Senior Capital Project Manager, Capital Asset Management

Attachments: [Resolution No. 26-5551](#)  
[Exhibit A](#)  
[Staff report](#)

Deputy President Hwang recessed the Metro Council meeting and convened a meeting of the Metro Contract Review Board to consider the resolution. Councilor Nolan joined the meeting.

Councilor Rosenthal asked if the Construction Manager/General Contractor would be subject to existing policies to support equity in contracting; staff confirmed that they would. Deputy President Hwang asked if the

resolution would help Metro work with contractors who specialize in specific project types. Staff noted that in-water experience will be beneficial.

Deputy President Hwang reconvened the Metro Council meeting after consideration.

**A motion was made by Councilor Gonzalez, seconded by Councilor Lewis, that this item be approved. The motion passed by the following vote:**

**Aye:** 5 - Councilor Hwang, Councilor Nolan, Councilor Rosenthal, Councilor Gonzalez, and Councilor Lewis

**Excused:** 2 - Council President Peterson, and Councilor Simpson

## 5. Ordinances (First Reading and Public Hearing)

### 5.1 **Ordinance No. 26-1540 For the Purpose of Amendment Metro Code Chapter 7.05 (Income Tax Administration) Regarding the Personal Income Interest Rate Adjustment Process, Making Conforming Amendments to Metro Code Chapter 7.06 (Personal Income Tax), and Declaring and Emergency.**

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

Attachments: [Ordinance No. 25-1540](#)  
[Exhibit A](#)  
[Exhibit B](#)  
[Exhibit C](#)  
[Staff Report](#)

Justin Laubscher, Tax Compliance Program Manager, detailed technical changes to the tax code as proposed in the ordinance. Josh Harwood, Fiscal and Tax Policy Director, joined the Council discussion. Councilor Simpson joined the meeting.

Councilor Nolan clarified with staff the effective date of the ordinance and how it would affect taxpayers.

Councilor Lewis supported simplifying the tax code. She asked if changes would be easy to implement in tax filing software and wondered how depreciation could affect revenue over the next several years. Staff emphasized a strong relationship between Metro and its tax collector, the City of Portland, and noted that depreciation impacts could vary based on specific claims.

Councilors Lewis and Hwang both inquired about the state legislative session, including how quickly Metro could take action to respond to changes and whether changes could be quickly implemented. Staff said it would track the administration impacts of any policies passed during the legislative session and that many policy discussions have limited impact on Metro's tax program.

**6. Chief Operating Officer Communication**

Prior to Chief Operating Officer and Councilor Communications, Deputy President Hwang recognized Councilor Simpson, who shared remarks about Black History Month. No other updates were provided.

**7. Councilor Communication**

No additional updates.

**8. Adjourn to executive session**

With no further business, Deputy President Hwang adjourned the Council meeting at 11:06 a.m.



Anne Buzzini, Council Legislative Advisor  
January 29, 2026



Metro

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

Agenda #: 4.1

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**File #:** RES 26-5566

**Agenda Date:**2/5/2026

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**Resolution No. 26-5566 For The Purpose of Approving a Contract-Specific Special Procurement for the Custom Design and Fabrication of an Electric Train for the Oregon Zoo**

Gabriele Schuster (she/her), Procurement Manager

BEFORE THE METRO LOCAL CONTRACT REVIEW BOARD

FOR THE PURPOSE OF APPROVING A	)	RESOLUTION NO. 26-5566
CONTRACT-SPECIFIC SPECIAL	)	
PROCUREMENT FOR THE CUSTOM DESIGN	)	Introduced by Chief Operating Officer
AND FABRICATION OF AN ELECTRIC TRAIN	)	Marissa Madrigal in concurrence with
FOR THE OREGON ZOO	)	Council President Lynn Peterson

WHEREAS, the Metro Council, acting in its capacity as the Metro Local Contract Review Board, has authority under ORS 279B.085 and Metro Local Contract Review Board Rule 47-0285 to authorize a contract-specific special procurement upon the making of certain findings described in ORS 279B.085(4); and

WHEREAS, Oregon Zoo staff requests approval to use a contract-specific special procurement process to obtain the custom design and fabrication of new electric trains for the Oregon Zoo; and

WHEREAS, pursuant to ORS 279B.085(2), the attached Exhibit A more particularly describes the contracting procedure and the circumstances and findings justifying the use of a contract-specific special procurement under the standards set forth in ORS 279B.085(4); NOW, THEREFORE,

BE IT RESOLVED that the Metro Local Contract Review Board hereby approves the contract-specific special procurement described in the attached Exhibit A and finds that the special procurement process described in Exhibit A is justified as it (a) is unlikely to encourage favoritism in the awarding of public contracts or to substantially diminish competition for public contracts, and (b) otherwise substantially promotes the public interest in a manner that could not practicably be realized by complying with requirements that are applicable under ORS 279B.055, 279B.060, 279B.065 or 279B.070.

ADOPTED by the Metro Local Contract Review Board this 5th day of February, 2026.

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

Approved as to Form:

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

## **Exhibit A to Resolution 26-5566**

### **Electric Train Contract-specific Special Procurement Findings and Procurement Procedure**

Pursuant to Metro's Local Contract Review Board Administrative rules section 47-0285(3), Metro hereby requests that the Metro Local Contract Review Board approve a contract-specific special procurement for the procurement of the design, custom fabrication, commissioning and warranty of electric trains for the Oregon Zoo. Under ORS 279B.085(2), contract-specific special procurements for the purpose of entering into a single contract for a specific project may be approved upon a written request to the Local Contract Review Board that describes: 1) the contracting procedure, 2) the good or service that is the subject of the special procurement, and 3) the circumstances that justify the special procurement in accordance with the standards set forth in ORS 279B.085(4).

#### **1. Proposed Special Procurement Process.**

The contract-specific special procurement process requested will be via direct, informal solicitation of interest and qualifications to all known manufacturers of electric cultural attraction trains. Based on the responses to the solicitation, Metro will select a leading candidate for negotiation based on documented specialized expertise and product quality. Metro will then negotiate with the selected manufacturer. At the conclusion of negotiations, Metro will award the contract to the selected manufacturer, assuming terms meeting the Zoo's needs, budgetary limitations and legal requirements can be agreed upon.

#### **2. Electric Train Description.**

Metro plans to procure a new electric train, consisting of one (1) electric locomotive, one (1) battery tender, and compatible passenger cars to accommodate a minimum of 125 passengers with provisions for ADA-compliant seating. The planned budget for this acquisition is \$2.8 million, which includes engineering and design, manufacturing, delivery, and commissioning of the new train at the Zoo. This investment supports the Zoo's transition to an all-electric railway, improving reliability, safety, and sustainability while minimizing operational disruption. The estimated budget is contingent on potential price escalation and applicable tariffs.

The electric train will require a manufacturer with expertise in three specialized areas: narrow-gauge rail, cultural attractions, and electric propulsion systems. The Zoo Railway operates on a 30-inch gauge track, and the trains are constructed at 5/8 scale, meaning they are proportionally smaller than full-size trains while capable of safely carrying passengers. Even among the limited number of narrow-gauge train manufacturers worldwide, few have the capability to design and build for a 30-inch gauge. Established expertise in cultural attractions of the size, scope and quality represented by the Zoo is essential to ensure designs that support frequent public interaction and heavy use, maintain guest safety, and meet the aesthetic expectations of our Zoo environment. Electric propulsion systems require advanced technical knowledge to deliver reliable, efficient, and maintainable performance. The convergence of these capabilities is rare, and only a very small number of firms worldwide have the capacity to meet all three requirements.

Because of this specialized convergence, publishing a standard Metro formal RFP through OregonBuys is unlikely to produce actionable or useful responses. Many qualified manufacturers are unwilling to participate in a public procurement process that could require disclosure of proprietary or trade-secret design information. Given these constraints, along with the narrow supplier pool and the unique technical requirements of the project, it is highly unlikely that Metro's standard formal RFP process would produce a viable, actionable response.

3. Process Unlikely to Encourage Favoritism or Substantially Diminish Competition.

Qualified 5/8 scale electric train manufacturers generally respond directly to customer inquiries and are unaccustomed and generally unwilling to compete in public procurement processes conducted by formal published RFP. The time involved to learn and participate in the public procurement process produces little if any return on investment when public entity 5/8 scale electric train purchases are so infrequent and extraordinary. Furthermore, no manufacturer is capable of providing an unqualified actionable proposal without spending a significant amount of pre-engineering effort studying the existing Zoo train infrastructure. As a result, Metro's ordinary formal published RFP process is unlikely to induce even one actionable proposal let alone a competitive field for selection. Instead, to obtain competition, Metro proposes to informally solicit expressions of interest and qualifications from known manufacturers of electric trains by email. From the qualified respondents, Metro will then select a leading candidate for negotiation based on documented specialized expertise, product quality and estimated cost. Metro will then negotiate with the selected manufacturer. At the conclusion of negotiations, Metro will award the contract to the selected manufacturer, assuming terms meeting the Zoo's needs, budgetary limitations and legal requirements can be agreed upon.

4. Process Substantially Promotes Public Interest.

Using the above set forth special procurement process, the Zoo will be able to respond to the limitations and expectations of the manufacturer marketplace for 5/8 scale electric trains. Any other procedure is unlikely to produce a vendor or a satisfactory result. Therefore, this method will substantially promote the public interest in a manner that cannot practicably be realized by complying with standard formal procurement procedures under Metro's Local Contract Review Board Administrative Rules.

IN CONSIDERATION OF RESOLUTION NO. 26-5566, FOR THE PURPOSE OF APPROVING A CONTRACT-SPECIFIC SPECIAL PROCUREMENT FOR THE CUSTOM DESIGN AND FABRICATION OF AN ELECTRIC TRAIN FOR THE OREGON ZOO

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Date: 1/20/2026  
Department: Finance and Regulatory Services  
Meeting Date: 2/5/2026

Prepared by: Gabriele Schuster,  
gabriele.schuster@oregonmetro.gov  
Presenters: Gabriele Schuster  
Length: 10 minutes

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## ISSUE STATEMENT

The Oregon Zoo intends to purchase an electric train set to advance its transition to an all-electric Zoo Railway. The Zoo's existing diesel trains, constructed in the 1950s, have far exceeded their intended service life and are increasingly unreliable. Over decades of operation, critical mechanical, structural, and electrical systems have deteriorated, and many replacement parts are no longer manufactured or supported, requiring custom fabrication that is increasingly difficult to source. Routine maintenance has become unpredictable and labor-intensive, requiring specialized skills that are becoming rare and difficult to recruit and develop. New staff must undergo extensive supervised instruction before they can safely operate or maintain the antique equipment, which adds cost, risk, and operational complexity. Both trains will eventually require complete teardown, off-site refurbishment, and rebuilding to remain operable—a process likely to take years, significantly disrupt guest experiences, and exceed the cost of acquiring new rolling stock.

Electric trains provide a practical and sustainable solution to these challenges. They reduce operational complexity, lower long-term maintenance and staffing costs, improve safety for operators and guests, and advance the Zoo's sustainability objectives through zero-emission operation and improved energy efficiency. Off-site fabrication of new electric trains allows most design, assembly, and testing to occur without interrupting Zoo operations, minimizing downtime, and preserving guest experiences. Electric rolling stock has a simplified mechanical profile that reduces long-term wear and can be adapted more readily to future operational and sustainability improvements. Collectively, these features provide a long-term solution that aligns with the Zoo's strategic goals for reliability, safety, and environmental stewardship.

The electric train will require a manufacturer with expertise in three specialized areas: narrow-gauge rail, cultural attractions, and electric propulsion systems. The Zoo Railway operates on a 30-inch gauge track, and the trains are constructed at 5/8 scale, meaning they are proportionally smaller than full-size trains while capable of safely carrying passengers. Even among the limited number of narrow-gauge train manufacturers worldwide, few have the capability to design and build for a 30-inch gauge. Established expertise in cultural attractions of the size, scope and quality represented by the Zoo is essential to ensure designs that support frequent public interaction and heavy use, maintain guest safety, and meet the aesthetic expectations of our Zoo environment. Electric propulsion systems require advanced technical knowledge to deliver reliable, efficient, and maintainable performance. The convergence of these capabilities is rare, and only a very small number of firms worldwide have the capacity to meet all three requirements.

Because of this specialized convergence, publishing a standard Metro formal RFP is unlikely to produce actionable or useful responses. Many qualified manufacturers are unwilling to participate in a public procurement process that could require disclosure of proprietary or trade-secret design information. Given these constraints, along with the narrow supplier pool and the unique technical requirements of the project, staff has determined that it is highly unlikely that Metro's typical formal RFP solicitation process would elicit viable, actionable responses.

### **ACTION REQUESTED**

Designate a contract-specific special procurement for the custom design and fabrication of electric trains for the Oregon Zoo that:

- is unlikely to encourage favoritism or substantially diminish competition for public contracts.
- substantially promotes the public interest in a manner that cannot be practicably realized by complying with standard formal procurement procedures under Metro's Local Contract Review Board rules.

### **IDENTIFIED POLICY OUTCOMES**

The contract-specific special procurement process requested will be via direct, informal email solicitation of interest and qualifications to all known manufacturers of cultural attraction trains. From the respondents, Metro will then select a leading candidate for negotiation based on documented experience and product quality. Metro will then negotiate with the selected contractor, leading to contract award to the selected manufacturer, assuming terms meeting the Zoo's needs, budgetary limitations and legal requirements can be agreed upon.

### **STRATEGIC CONTEXT & FRAMING CONTRACT REVIEW BOARD DISCUSSION**

The purchase and commissioning of new electric trains align with the 2024 Oregon Zoo's Campus Plan as well as 2025 Strategic Plan.

Alignment with the Strategic Plan is in the following areas:

- Transform the Campus
  - Improve operational sustainability and climate resilience
    - Electric train eliminates reliance on fossil fuels and reduces associated climate change-related impacts to wildlife.
    - Electric trains cause no direct emissions and are significantly quieter than diesel trains, whose emissions and noise negatively affect animals, passengers, staff, and nearby communities.
    - Electric trains require less frequent maintenance.
    - Electric trains offer enhanced safety and reliability compared to aging diesel and steam pressure vessel equipment.
    - New trains will replace the Zoo's aging fleet, which date back to the 1950's and require custom fabrication of most replacement parts.
    - The 1950's trains require specialized training and knowledge held by staff and volunteers that are rapidly ageing out of the workforce - the new trains do not.

- Enhance the Zoo Experience
  - Deliver experiences that motivate guests to advocate and take action for wildlife
    - Electric trains connect guest-facing operations to our sustainability and conservation mission.
  - Create a welcoming and inclusive environment that inspires joy
    - Preserve a beloved interactive experience for guests.
    - Increase accessibility for guests with physical and unapparent disabilities.
  - Remove current barriers to guest experience
    - Continue to improve amenities (food, condition of grounds, etc.).

## **ATTACHMENTS**

None



Metro

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

Agenda #: 4.2

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**File #:** ORD 26-1540

**Agenda Date:** 1/29/2026

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**Ordinance No. 26-1540 For the Purpose of Amendment Metro Code Chapter 7.05 (Income Tax Administration) Regarding the Personal Income Interest Rate Adjustment Process, Making Conforming Amendments to Metro Code Chapter 7.06 (Personal Income Tax), and Declaring and Emergency.**

Justin Laubscher, Tax Compliance Program Manager

BEFORE THE METRO COUNCIL

FOR THE PURPOSE OF AMENDING METRO	)	ORDINANCE NO. 26-1540
CODE CHAPTER 7.05 (INCOME TAX	)	
ADMINISTRATION) REGARDING THE	)	Introduced by Chief Operating Officer
PERSONAL INCOME INTEREST RATE	)	Marissa Madrigal in concurrence with
ADJUSTMENT PROCESS, MAKING	)	Council President Lynn Peterson
CONFORMING AMENDMENTS TO METRO	)	
CODE CHAPTER 7.06 (PERSONAL INCOME	)	
TAX), AND DECLARING AN EMERGENCY	)	

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

WHEREAS, when the Supportive Housing Services income taxes took effect, Metro Code originally established a ten percent per annum interest rate for tax deficiencies and refunds. However, the Metro Code authorized a discretionary change of the interest rate by administrative rule if Metro’s interest rate differed by more than one percentage point from the Oregon Department of Revenue’s interest rate in effect on January 1; and

WHEREAS, with respect to the SHS Personal Income Tax Law, Metro has adjusted the original ten percent per annum rate to lower interest rates during the last few years to match the Oregon Department of Revenue interest rates (which in turn are guided by federal interest rates); and

WHEREAS, changing the Metro SHS Personal Income Tax interest rate to match the Oregon Department of Revenue interest rate requires a revised and updated administrative rule each year; and

WHEREAS, this process requires coordination with Metro’s tax administrator, imposes uncertainty on taxpayers and tax preparers until the rate is officially adjusted, and requires staff time from two jurisdictions to draft, administer, and implement; and

WHEREAS, amending the Metro Income Tax Code to codify the previous interest rate adjustments and automatically adjust Metro’s future SHS Personal Income Tax interest rates to match the Oregon Department of Revenue’s interest rate (as it exists on January 1 of any given year) would provide greater certainty to taxpayers, streamline the interest rate adjustment process, and essentially automate the more cumbersome two-step process currently in place; and

WHEREAS, to provide taxpayer relief, in June 2025 the Metro Council amended the Metro Income Tax Code to index the personal income tax thresholds to inflation, and Council also increased the required payment threshold of estimated taxes from \$1000 to \$5000 (Ordinance No. 25-1531); and

WHEREAS, the 2025 inflation and estimated tax code amendments require technical conforming Code updates to further clarify the amounts and tax years to which those changes apply and to update certain code section cross-references; and

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

WHEREAS, pursuant to Resolution No. 22-5293, the Office of Metro Attorney reviewed Metro Code Sections 7.05.280, 7.05.300, and 7.06.070 to consider whether any plain language best practices changes were necessary and determined that no additional changes were needed; now therefore,

THE METRO COUNCIL ORDAINS AS FOLLOWS:

1. Metro Code Section 7.05.280 (Interest) is amended as set forth in the attached as Exhibit A, with inserted language in underlined text and deleted language in strikethrough text.
2. Metro Code Section 7.05.300 (Interest on Refunds) is amended as set forth in the attached as Exhibit B, with inserted language in underlined text and deleted language in strikethrough text.
3. Metro Administrative Rule No. AR-7.05-1005 (Personal Income Tax Interest Rates on Tax Due and Refunds) is repealed. The interest rates and refund rates established by that administrative rule are codified in the new Metro Code Subsection 7.05.280(c) and Metro Code Section 7.05.300 as set forth in the attached Exhibits A and B.
4. Metro Code Section 7.06.070 (Individuals Required to File a Tax Return) is amended as set forth in the attached Exhibit C, with inserted language in underlined text and deleted language in strikethrough text.
5. The Chief Operating Officer may, if necessary, adopt new administrative rules or amend existing income tax administrative rules without a public comment process to ensure conformity with the Metro Code amendments adopted by this ordinance.
6. That this ordinance being necessary for the immediate preservation of public health, safety or welfare, an emergency is declared to exist, and this ordinance takes effect immediately upon adoption pursuant to Metro Charter Section 38(1). The Council finds that an immediate ordinance effective date is necessary to prevent taxpayer confusion and filing errors (thus saving taxpayer money to administer the program), maintain alignment with the Oregon Department of Revenue, avoid administrative disruption and duplicative rulemaking, and ensure consistent tax code enforcement.
7. If a court of competent jurisdiction finds that any portion of this ordinance is invalid or unenforceable as a matter of law, that finding does not invalidate or render unenforceable any other provisions of this ordinance.

ADOPTED by the Metro Council this 5th day of February 2026.

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Lynn Peterson, Council President

Attest:

Approved as to Form:

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Georgia Langer, Recording Secretary

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Carrie MacLaren, Metro Attorney

Metro Code Subsections 7.05.280(c), (d), and (e) are amended as follows, with underlined text representing inserted text and ~~striketrough~~ representing deleted text.

All other subsections in Metro Code 7.05.280 (Interest) remain the same and are unchanged by this Ordinance.

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### 7.05.280 Interest

(c) ~~Unless specifically provided otherwise by administrative rule as provided in subsection (d), the interest rate is 0.833% simple interest per month or fraction thereof (ten percent per annum)~~The interest rate for the Business Income Tax Law is 0.833% simple interest per month or fraction thereof (ten percent per annum). The interest rate for the Personal Income Tax Law is as follows for the listed time periods:

1. For January 1, 2021 to April 17, 2023, the interest rate is 0.833% simple interest per month or fraction thereof (ten percent per annum).
2. For April 18, 2023 to April 15, 2024, the interest rate is 0.5% simple interest per month or fraction thereof (six percent per annum).
3. For April 16, 2024 to April 15, 2025, the interest rate is 0.667% simple interest per month or fraction thereof (eight percent per annum).
4. For April 16, 2025 to April 15, 2026, the interest rate is 0.75% simple interest per month or fraction thereof (nine percent per annum).
5. For April 16, 2026 and beyond, the interest rate is as determined by subsection (d) below.

(d) Beginning on April 16, 2026, and for all subsequent time periods, the interest rate for the Personal Income Tax Law is the same interest rate established by Oregon Revised Statute 305.220, as periodically adjusted by the Oregon Department of Revenue. The adjusted rate is effective on April 15 of each year. If April 15 falls on a weekend or federal holiday, the interest rate change is effective the first business day following the weekend or holiday. If the Administrator determines that the interest rate provided in subsection (c) is at least one percentage point more or less than the effective interest rate on January 1 charged by the State of Oregon Department of Revenue, the Administrator may adjust the interest rate by administrative rule to match the State of Oregon Department of Revenue interest rate. The Administrator may not adjust the interest rate more than once in a calendar year. The adjusted interest rate applies to unpaid tax or underpaid estimated payments outstanding on or after the effective date of the adjusted interest rate.

(e) Notwithstanding subsection (b), there is no interest on underpayment of quarterly estimated payments if:

1. The total tax liability of the prior tax year was less than \$1,000 for tax years 2021-2025 or less than \$5,000 for tax years 2026-2030;

2. An amount equal to at least ninety percent of the total tax liability for the current tax year was paid in accordance with Section 7.05.190; or
3. An amount equal to at least one hundred percent of the prior year's total tax liability was paid in accordance with Section 7.05.190.

Metro Code Section 7.05.300 (Interest on Refunds) is amended as follows, with underlined text representing inserted text and ~~striketrough~~ representing deleted text.

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### **7.05.300 Interest on Refunds**

When a taxfiler is entitled to a refund of a portion or all of a tax paid to the Administrator, the ~~taxfiler will receive simple interest on that amount at the rate specified in Section 7.05.280(c), subject to the following:~~ interest rate for the Business Income Tax Law is 0.833% simple interest per month or fraction thereof (ten percent per annum). The interest rate for the Personal Income Tax Law is as follows for the listed periods:

1. For January 1, 2021 to April 15, 2025, the interest rate is 0.833% simple interest per month or fraction thereof (ten percent per annum).
  2. For April 16, 2025 to April 15, 2026, the interest rate is 0.75% simple interest per month or fraction thereof (nine percent per annum).
  3. For April 16, 2026 and beyond, the interest rate is as determined by Metro Code Subsection 7.05.280 (d).
- (a) Any overpayments will be refunded with interest for each month or fraction thereof for a period beginning four months after the later of:
1. The due date of the tax return;
  2. The date the tax return was filed or the refund was otherwise requested; or
  3. The date the tax was paid, to the date of the refund.
- (b) Any overpayments of taxes that are the result of an amended return being filed will be refunded with interest for each month or fraction thereof for the period beginning four months after the date the taxfiler filed the amended return. This subsection applies to tax returns that are amended due to a change to any relevant Federal, State or local income tax return.

Metro Code Subsections 7.06.070(a) and (b) are amended as follows, with underlined text representing inserted text and ~~striketrough~~ representing deleted text.

All other subsections in Metro Code 7.06.070 (Individuals Required to File a Tax Return) remain the same and are unchanged by this Ordinance.

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### **7.06.070 Individuals Required to File a Tax Return**

(a) For Tax Years 2021-2025, every resident of the District who is required to file an Oregon income tax return for the taxable year and who reports Oregon Taxable Income over \$200,000 using Oregon filing status married filing jointly, head of household or qualifying widow(er), or over \$125,000 using Oregon filing status single or married filing separately is required to file a Metro Personal Income Tax return. For Tax Years 2026-2030, the requirement to file a Metro tax return applies to a District resident who is otherwise required to file an Oregon income tax return and whose income is ~~equal to or above~~ over the exemption amounts as determined in Section 7.06.040(a) for single and joint filers after indexing for inflation.

(b) For Tax Years 2021-2025, every nonresident of the District who is required to file an Oregon income tax return for the taxable year and who reports Metro Taxable Income over \$200,000 using Oregon filing status married filing jointly, head of household or qualifying widow(er), or over \$125,000 using Oregon filing status single or married filing separately is required to file a Metro Personal Income Tax return. For Tax Years 2026-2030, the requirement to file a Metro tax return applies to a nonresident of the District who is otherwise required to file an Oregon income tax return and whose income is ~~equal to or above~~ over the exemption amounts as determined in Section 7.06.040(b) for single and joint filers after indexing for inflation

## STAFF REPORT

IN CONSIDERATION OF ORDINANCE NO. 26-1540, FOR THE PURPOSE OF AMENDING METRO CODE CHAPTER 7.05 (INCOME TAX ADMINISTRATION) REGARDING THE INTEREST RATE ADJUSTMENT PROCESS, MAKING CONFORMING AMENDMENTS TO METRO CODE CHAPTER 7.06 (PERSONAL INCOME TAX), AND DECLARING AN EMERGENCY

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Date: January 29, 2026

Departments: Council Office,  
Revenue and Analytics Division  
Meeting Date: January 29, 2026

Presenter: Justin Laubscher, Tax  
Compliance Program Manager  
[justin.laubscher@oregonmetro.gov](mailto:justin.laubscher@oregonmetro.gov)  
Length: 15 min

Prepared by: Justin Laubscher

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### ISSUE STATEMENT

Council will consider an ordinance making four limited technical amendments to Metro Code Chapters 7.05 and 7.06 governing the administration of the Supportive Housing Services (SHS) personal income tax, repealing an associated administrative rule, and declaring an emergency. These amendments:

1. **Revise and clarify interest rate provisions in Metro Code 7.05.280(c) and (d)** by distinguishing between business and personal income tax interest rates, codifying historical personal income tax interest rates by time period, and aligning the personal income tax interest rate with the Oregon Department of Revenue (DOR) rate under ORS 305.220 beginning April 16, 2026.
2. **Update Metro Code 7.05.300 (Interest on Refunds)** to accurately reflect the interest rates applicable to SHS personal income tax refunds and to clarify the relationship between refund interest and deficiency interest.
3. **Update the estimated payment safe harbor threshold** in Metro Code 7.05.280(e)(1) to reflect the revised \$5,000 estimated payment threshold beginning in Tax Year 2026.
4. **Correct filing threshold language** in Metro Code 7.06.070 for Tax Years 2026–2030 to ensure the filing requirement continues to apply only to taxpayers with income over the exemption threshold, consistent with 2021–2025 policy and the indexing ordinance adopted by Council in June 2025.

These amendments improve clarity for taxpayers, ensure consistent treatment across tax years, and reduce long-term administrative burden.

### ACTION REQUESTED

Hear comments and discuss potential adoption of Ordinance No. 26-1540 at an expected second read on February 5, 2026.

## IDENTIFIED POLICY OUTCOMES

Identified policy outcomes include:

- Ensures the SHS personal income tax filing requirement remains focused on taxpayers with income **above** exemption thresholds, consistent with Council direction and voter expectations under Measure 26-210.
- Providing transparency and clarity regarding interest rates applicable to business income tax and personal income tax liabilities across different tax periods.
- Aligning Metro’s SHS personal income tax interest rate with the State of Oregon’s interest rate beginning April 16, 2026, while preserving a fixed interest rate for the business income tax.
- Ensuring estimated payment safe harbor protections reflect the updated \$5,000 threshold beginning in TY 2026.
- Reducing taxpayer confusion and prevents inconsistent application of interest on deficiencies and refunds

## POLICY OPTIONS FOR COUNCIL TO CONSIDER

- **Adopt Ordinance No. 26-1540 as proposed.** Provides clarity for Tax Year 2026 filings and ensures accurate administration of interest on both deficiencies and refunds.
- **Amend Ordinance No. 26-1540** to refine timing or language
- **Postpone adoption**, which would require additional administrative interpretation and increase the risk of inconsistent interest calculations.

## STAFF RECOMMENDATION

Staff recommends adoption of the ordinance as drafted.

These amendments are technical, necessary to implement previously adopted Council policy, and prevent administrative disruption as taxpayers begin filing TY 2025 returns and preparing for TY 2026.

## STRATEGIC CONTEXT & FRAMING COUNCIL DISCUSSION

### **Exhibit A — Interest Rate Clarification and Alignment (7.05.280)**

This ordinance revises Metro Code 7.05.280(c) to clearly distinguish between business income tax interest, which remains fixed at ten percent per annum, and personal income tax interest, which has varied by time period. The amendment codifies the personal income tax interest rates that applied during prior periods, providing transparency and legal clarity. Beginning April 16, 2026, Metro Code 7.05.280(d) aligns the personal income tax interest rate with the Oregon Department of Revenue’s interest rate under ORS 305.220. Under the amended code, the applicable rate will automatically adjust each year, with changes effective April 15 (or the next business day), eliminating the need for future administrative rulemaking while preserving continuity for prior tax periods.

The ordinance also updates Metro Code 7.05.280(e)(1) to reflect Council’s prior action increasing the estimated payment threshold from \$1,000 to \$5,000 beginning in TY 2026.

### **Exhibit B — Interest on Refunds Clarification (7.05.300)**

Metro Code 7.05.300 is amended to ensure the interest rate paid on SHS personal income tax refunds accurately reflects the rates applicable during each time period and remains distinct from deficiency interest where appropriate. This amendment resolves ambiguity

created by prior cross references and ensures accurate calculations, transparency for taxpayers, and consistent administration.

**Exhibit C — Correction to Filing Threshold Language (7.06.070)**

When Council adopted income exemption indexing in June 2025, filing thresholds for TY 2026–2030 were intended to mirror the existing filing rule for TY 2021–2025: taxpayers must file only if their income is over the threshold. The code language adopted in 2025 unintentionally used “equal to or above,” which could obligate taxpayers to file even when no tax is due. This amendment restores the intended standard and ensures administrative consistency.

**Repeal of Administrative Rule**

The ordinance repeals **Metro Administrative Rule AR 7.05-1005**, as its provisions are now fully codified in Metro Code Sections 7.05.280 and 7.05.300. This eliminates duplicative regulation and reduces ongoing administrative workload.

**Emergency Clause**

The ordinance includes an emergency clause to ensure immediate effectiveness upon adoption. Immediate implementation is necessary to prevent taxpayer confusion and filing errors, maintain alignment with the Oregon Department of Revenue, avoid administrative disruption and duplicative rulemaking, and ensure consistent enforcement during the upcoming filing season.

*Known Opposition/Support/Community Feedback*

Stakeholders, including business groups, accounting firms, and the City of Portland Revenue Division, support these clarifying amendments to reduce filing confusion and ensure predictable administration. No organized opposition is known currently.

*Legal Antecedents*

- Measure 26-210 (2020) established the Supportive Housing Services personal and business income taxes.
  - Metro Code Chapters 7.05 and 7.06 were adopted by Council to implement the tax.
  - Ordinance No. 25-1531 (June 2025) established income exemption indexing and a revised estimated payment threshold beginning in TY 2026.
- This ordinance clarifies and completes those policy actions.

*Anticipated Effects*

If adopted:

- Filing instructions, forms, and tax software for TY 2026 will accurately reflect the intended filing standard.
- The City of Portland Revenue Division will apply the updated safe harbor thresholds when assessing underpayment interest beginning in TY 2026.
- Metro will transition seamlessly to the DOR interest rate beginning April 16, 2026.
- Interest rates applicable to prior periods will be clearly codified in Metro Code.

*Financial Implications*

- The filing threshold correction has no measurable revenue impact.
- The updated safe harbor threshold affects the timing, but not the amount, of estimated payments.
- The interest rate clarification and alignment have neutral revenue effects and reduce

administrative overhead and risk of error.

**BACKGROUND**

These amendments directly implement and clarify actions adopted by Council in June 2025 and respond to operational review of interest rate administration. Codifying historical rates and clearly distinguishing between business and personal income tax interest supports transparency, consistency, and best practices in tax administration.

**ATTACHMENTS**

Exhibit A – Amendments to Metro Code 7.05.280

Exhibit B – Amendments to Metro Code 7.05.300

Exhibit C – Amendments to Metro Code 7.06.070

No additional materials were distributed at the meeting.