

# **Metro**

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**Metro**

## **Minutes**

**Thursday, October 20, 2022**

**10:30 AM**

**Metro Regional Center Council Chamber,  
[https://youtu.be/FEhZ\\_sBaL44](https://youtu.be/FEhZ_sBaL44), <https://zoom.us/j/615079992>, or  
877-853-5257 (toll free) (Webinar ID: 615079992)**

**Council meeting**

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

Council President Peterson called the Metro Council Meeting to order at 10:30 a.m.

**2. Public Communications**

Council President Peterson opened the meeting to members of the public wanting to testify on a non-agenda items.

No members of the public chose to testify.

Seeing no further discussion on the topic, Council President Peterson moved on to the next agenda item.

**3. Presentations****3.1 Auditor's Office Annual Report**

Attachments: [Auditor-Annual-report-2022](#)

Council President Peterson introduced Brian Evans (he/him) to present the annual Auditor's Office Report.

Staff pulled up the Office of the Auditor Annual Report FY 2021-22 Presentation to present to Council.

The presentation reviewed the responsibilities of the auditor, highlighted key accomplishments in the fiscal year, and thoroughly analyzed several performance measures gauging auditing efficiency and effectiveness. A schedule outlining the audits to be performed in the 2022-23 fiscal year was provided.

*Council Discussion*

**Councilor Hwang** noted the emphasis on efficiency in the report, asking how the auditor balances equity work with efficiency.

Staff responded by commenting that the Office of the Auditor has begun to distinguish equity amongst efficiency and effectiveness, making a concerted effort to analyze equity as its own measure. The presenter acknowledged the importance of understanding the balance between efficiency and providing quality reviews, stating that while there is not currently a performance measure for equity that it is heavily considered in the Office's decision-making process.

**Councilor Lewis** asked as to how the pool of outside auditors who perform the auditor exchange is chosen.

The presenter explained that the auditor exchange process is managed entirely by the Association of Local Government Auditors, meaning that the Metro Office of the Auditor has no control over which auditors are chosen for the exchange.

**Councilor Nolan** remarked that as Metro's financial budget expands, the Office of the Auditor should receive a boost to its budget as well as it will likely have to perform a greater number of audits. They called special attention to the auditor hot line and its successes over the past year.

**Chief Operating Officer Madrigal** commented that the auditor independently requests their office budget.

Seeing no further discussion, Council President Peterson moved on to the next agenda item.

#### **4. Resolutions**

- 4.1 Resolution No. 22-5287 For the Purpose of Approving the 2022 Nature in Neighborhoods Nature Education and Outdoor Experiences Community Grants

Attachments: [Resolution No. 22-5287.pdf](#)  
[Exhibit A to Resolution No. 22-5287.pdf](#)  
[Exhibit B to Resolution No. 22-5287.pdf](#)  
[Staff Report.pdf](#)

Council President Peterson called on Jon Blasher (he/him), Karissa Lowe (she/they), Ameyalli Manon, Maxwell Olwa, and Maxwell Markel to present to Council.

Staff pulled up the Nature in Neighborhoods Nature Education and Outdoor Experiences Grants Presentation to present to Council.

The presentation described the community organizations chosen to be included in Resolution No. 22-5287, each serving the purposes of improving water quality, fish and wildlife habitat, and connecting people with nature. Each of the selected organizations advances Metro's priorities of cultural, environmental, and economic equity. Maxwell Olwa and Maxwell Markell, representatives from the Center for African Immigrants and Refugees Organization, a recommended grantee recipient, spoke about the work of the organization and its role in the community. Parrot Creek Child and Family Services, another recommended recipient, was represented by Ameyalli Manon.

*Council Discussion:*

**Councilor Rosenthal** firstly asked about the timeline for the grants, wondering whether the funds are to be used over one year or several. He then proceeded to inquire about why the given organizations were chosen over other similar nature-based programs. Lastly, Councilor Rosenthal questioned the inclusion of Brown Girl Rise, a nonprofit organization supporting BIPOC girls and non-binary youth, as it does not outwardly have any specific connection to nature or parks.

Staff responded by stating that organizations can request one to three years of funding up to \$100,000 dollars. Recommended grant amounts were decided based off the scope and needs of the organization. Answering the councilor's question about the selection process, the presenters noted that there was an excess of strong grant candidates in the review process, and that the selected projects were those that most closely aligned with the primary goals of improving water quality, fish and habitat health, and connecting people with nature. Regarding the Black Girl Rise proposal, staff explained that the organization seeks to serve a population that may feel uncomfortable engaging with local parks, and therefore fits the criteria of the grant program.

**Councilor Rosenthal** asked if proposals that did not mention a specific geographic region as their target area serve a broader area.

The presenters remarked that the organizations were required to submit a map detailing the areas they seek to serve as a part of the proposal process, and that this information was considered in the review process.

**Councilor Lewis** asked for clarification on the process grantees must go through to get their proposals funded.

Staff stated that the grant application process is conducted in two steps, being the preapplication stage and the full proposal stage. Applicants submit the majority of the necessary information in the preapplication stage, then the review committee convenes to discuss the applications and provide feedback and commentary to grantees before they submit their completed proposal.

**Councilor Hwang** was curious as to if the staff noticed any trends that appeared within the proposals.

The presenters remarked that the review committee tended to express greater interest in smaller, grassroots organizations in this grant cycle rather than more established programs or organizations that had previously received Metro funding. They also noted the trend of proposals having detailed COVID-19 protocols, as well as prioritizing transportation accessibility to prevent barriers to access.

**Councilor Gonzalez** asked about the regionalism of the proposed program, questioning if certain areas were prioritized for outreach during the proposal review process.

Staff explained that the list of proposed projects has a rich mix of geographic areas. They mentioned the difficulties of balancing funding between the three counties, as well as needing additional outreach to ensure that high-need communities are served.

**Council President Peterson** commented that if the review committee heavily prioritized emergent organizations that this preference should have been discussed and made clear to both the Council and the organizations. The shift towards newer, smaller programs represents a change to the policy direction of grant program, and this should have been specified.

The presenters acknowledged this shift in direction, stating that they will be clearer and more specific with the policy vision for the grants in the upcoming grant cycle.

**Councilor Craddick** expressed her support and appreciation for the work done by the parks and nature department, emphasizing the importance of being able to access nature and the presence of programs that facilitate this access. She reminded those present that the upcoming ballot will have a measure to renew the levy that created the funds for these programs.

Seeing no further discussion on the topic, Council President Peterson moved on to the next agenda item.

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

- 5.1 **Ordinance No. 22-1484**, For the Purpose of Amending Metro Code Chapter 7.07 Related to Apportionment and Allocation of Income to Better Align with Oregon State Income Tax Apportionment Law for Certain Businesses

Attachments: [Ordinance No. 22-1484](#)  
[Exhibit A](#)  
[Staff Report](#)

Council President Peterson called on Josh Harwood (he/him) to present to Council.

Staff pulled up the SHS Tax Code Amendments: Income Apportionment and Administration Presentation to present to Council.

The presentation discussed tax collection for the Supportive Housing Services program, explaining the provisions of Ordinances Nos. 22-1484 and 22-1485 which align the method of apportioning income for tax purposes with the State of Oregon for certain businesses and clarifies the appeals process and administrator duties, respectively.

*Council Discussion:*

**Councilor Nolan** raised the concern that there may be firms not currently subject to this tax that may be under the proposed market-source system. If these firms are not able to be identified, the result would be a decrease to tax revenues.

Staff explained that moving to the market-source system would align the tax code with the State of Oregon, allowing for greater compliance. He stated that these details will not be able to be fully analyzed until audits are performed, however, studies performed in other localities have generally shown no losses to revenue by switching to a market-source system.

Councilor Nolan followed up this response, asking if there is a mechanism to track business transactions happening within Oregon to ensure proper tax compliance.

The presenter expressed that because the market-source system aligns with the State of Oregon's tax collection procedure that Metro will be able to track these transactions and confirm the proper observance of the tax code.

Councilor Nolan acknowledged that changing collection process will aid in compliance but conveyed their worry that even a slight decrease to tax revenue may significantly impact the amount of funding certain policies and programs are able to receive.

**Councilor Gonzalez** asked for a recap of the outreach and engagement efforts of the finance team to different types of businesses and firms who would be impacted by the change.

Staff explained that it is difficult to know exactly what firms will be affected by the tax code shift as not every firm will



qualify to pay taxes. Because of this difficulty, the finance department focused outreach efforts on certified public accountants working with high-income earners and trade associations.

**Councilor Lewis** mentioned the importance of having a consistent tax system across the region. She proceeded to ask if shifting to the new tax collection system incentivizes firms to form subsidiary companies in order to not hit the qualifying threshold for the tax. The councilor also questioned if we should expect any changes on the consumer side after the City of Portland shifts their computer technology to the new system.

The presenter stated that he has not previously heard of the risk of companies breaking to avoid the tax threshold, although he could envision a situation in which this would be possible. Speaking to the councilor's second question, Harwood suggested that there should be no additional changes once the City of Portland updates their system to the new tax code.

**Councilor Hwang** asked if this change would alter the predictability of recessions, and if an economic downturn may affect total revenue.

Staff conveyed that because this tax system is new, it is difficult to use Metro taxes to forecast future tax revenue. Rather, Harwood explained that data from other states and localities is a better measure for predicting how the new system will react in different economic climates. Looking at how this change has already affected industries at the state level, there is no evidence to suggest that the new system adds any difficulty.

Councilor Hwang questioned if it is possible to use economic modeling based on previous recessionary environments to

predict potential changes in the Metro region.

Harwood noted that it is possible, although the data output would be insufficient to draw any significant conclusions.

Councilor Nolan, in response to Councilor Lewis' question regarding adverse incentives, recommended that the finance team work closely with the Office of the Attorney to ensure that any loopholes may be identified and addressed.

***Public Hearing:***

Council President Peterson opened the meeting to members of the public wanting to testify on Ordinance Nos. 22-1484.

**Andrew Hone** (he/him), President and CEO of the Portland Business Alliance, expressed his absolute support for Ordinance No. 22-1484. He spoke to Councilor Nolan's concerns regarding a possible decrease to tax revenue under the new system, stating that the evidence points to the new tax system raising revenues overall, significantly expanding the tax base while lowering the burden on Oregon's based businesses.

Seeing no further discussion on the topic, Council President Peterson moved on to the next agenda item.

- 5.2     **Ordinance No. 22-1485**, For the Purpose of Housekeeping Amendments to Metro Code Chapters 7.05 and 7.07 Related to Personal and Business Income Tax Administration

Attachments:     [Ordinance No. 22-1485](#)  
                         [Exhibit A](#)  
                         [Staff Report](#)

**6.     Work Session**

- 6.1     Tigard UGB Exchange follow up work session

Attachments: [Staff Report](#)  
[Attachment 1](#)  
[Attachment 2](#)  
[Attachment 3](#)

Council President Peterson called on Chief Operating Officer Marissa Madrigal, Andy Shaw (he/him), and Ted Reid (he/him) to present to Council.

Staff pulled up the Tigard UGB Exchange: COO Recommendation Presentation to present to Council.

Chief Operating Officer Madrigal stated that she believes Tigard is ready to contribute more to the regions housing production and that the Council should add the Rivertaris 2.0 Urban Reserve to the urban growth boundary. The presentation displayed three options for changing the urban growth boundary that would allow for more housing options and greater potential for development. A timeline for the project was provided.

#### *Council Discussion*

**Councilor Craddick** asked what impact there might be if the section of land surrounding Highway 212 is not included in the urban growth boundary.

Staff reassured Councilor Craddick that a major focus of the Tigard UGB exchange is improving the Highway 212 corridor as a whole, including developments to both residential areas and the road itself. They noted that there including this land within the land exchange would likely not significantly impeded efforts to build upon the highway.

Councilor Craddick sought clarification on the likelihood of an expansion of Highway 212 outside of Happy Valley, as cities and states are responsible for creating their own transportation plans.

Margi Bradway (she/her) stated that it has become clear to both Metro and Clackamas County planners that the Sunrise Corridor needs more planning for future growth. Metro encouraged Clackamas County in securing funding from the legislature for planning support for this corridor, which they did successfully.

Councilor Craddick asked for confirmation that the planning for development of the Sunrise Corridor will not interfere with plans regarding the urban growth boundary.

Staff confirmed that this is the correct assumption, mentioning that land use and transportation planning should be performed together to best meet the needs of the community.

**Council President Peterson** responded that if this section of land were removed from the urban growth boundary that Metro would be happy to partner with Clackamas County on a plan for that portion of the region to come back into the boundary.

**Councilor Gonzalez** shared his perspective that it that this resectioning of land should not be viewed as a loss, but rather a reclassification that accurately matches its readiness for development and growth.

The presenters affirmed Councilor Gonzalez's statements, expressing that reclassified land would be redesignated to urban reserve.

**Councilor Rosenthal** firstly emphasized his support for the robust and thorough approach the planning department has adopted for this project. He then stated his agreement with Tigard that the land is ready to be annexed, noting that his preference is for option three.

**Councilor Lewis** remarked about the importance of remaining flexible on this issue and continuing to listen to both regional governments and communities throughout this process, creating certainty that Metro will continue to be a strong partner moving forward.

**Councilor Craddick** questioned what the selection process will be for choosing between the three proposed land use options.

Staff noted that they have several upcoming meetings with the purpose of informing this question, providing a more detailed explanation of the strengths and weaknesses of each option.

Seeing no further discussion, Council President Peterson moved onto the next agenda topic.

#### **7. Chief Operating Officer Communication**

Marissa Madrigal provided an update on the following events or items:

- A tentative agreement has been reached with IOPSY 28-1 regarding the av workers at the Oregon Convention Center.

Metro Attorney Carrie MacLaren provided an update on the following events or items:

- The International Municipal Lawyers Association is holding their annual conference in Portland.
- The Portland Business Alliance and several other plaintiffs have dismissed their case against the validation action concerning Metro's Supportive Housing Services Tax.

#### **8. Councilor Communication**

Councilors provided updates on the following meetings and

events:

Seeing no further discussion on the topic, Council President Peterson moved on to the next agenda item.

- **Councilor Craddick** provided an update about the JPACT October meeting. Following are the main takeaways from the meeting...
  - o Metro is moving forward with the planning and discussions regarding the 2023 RTP.
  - o TriMet presented their Forward Together Service Hours Restoration Plan.
- **Councilor Lewis** stated that the Urban Land Institute held a day-long session at XPO.
- **Councilor Gonzalez** discussed the recent TV Highway Steering Committee Meeting.

## 9. Adjourn

There being no further business, Council President Peterson adjourned the Metro Council Meeting at 1:01 p.m.

Respectfully submitted,



Jeffrey Kain, Legislative Assistant

## Council meeting action update

Thursday, October 20, 2022      Metro Regional Center Council Chamber,  
10:30 AM

[https://youtu.be/FEhZ\\_sBaL44](https://youtu.be/FEhZ_sBaL44),  
<https://zoom.us/j/615079992>, or  
877-853-5257 (toll free) (Webinar ID:  
615079992)

### 1. Call to Order and Roll Call

**Present:** 7 - Council President Lynn Peterson, Councilor Shirley Craddick, Councilor Christine Lewis, Councilor Juan Carlos Gonzalez, Councilor Mary Nolan, Councilor Gerritt Rosenthal, and Councilor Duncan Hwang

### 4. Resolutions

- 4.1 **Resolution No. 22-5287**, For the Purpose of Approving the 2022 Nature in Neighborhoods Nature Education and Outdoor Experiences Community Grants

**A motion was made by Councilor Nolan, seconded by Councilor Gonzalez, that this Resolution was adopted.**

**The motion carried by the following vote:**

**Yes:** 7 - Council President Peterson, Councilor Craddick, Councilor Lewis, Councilor Gonzalez, Councilor Nolan, Councilor Rosenthal, and Councilor Hwang

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

- 5.1 **Ordinance No. 22-1484**, For the Purpose of Amending Metro Code Chapter 7.07 Related to Apportionment and Allocation of Income to Better Align with Oregon State Income Tax Apportionment Law for Certain Businesses  
**Assigned to Council; second reading scheduled for October 27, 2022.**
- 5.2 **Ordinance No. 22-1485**, For the Purpose of Housekeeping Amendments to Metro Code Chapters 7.05 and 7.07 Related to Personal and Business Income Tax Administration  
**Assigned to Council; second reading scheduled for October 27, 2022.**

**PLEASE NOTE:** Official copies of legislation will be available in electronic format via format via [Metro Online Records](#). For assistance, please contact Becky Shoemaker, Metro Records Officer at ext. 1740.



**ATTACHMENTS TO THE PUBLIC RECORD FOR THE MEETING OF OCTOBER 20, 2022**

<b>Item</b>	<b>Topic</b>	<b>Doc. Date</b>	<b>Document Description</b>	<b>Doc. Number</b>
1.0	PowerPoint	10/20/2022	Auditor Council Presentation 2022	102022c-01
2.0	PowerPoint	10/20/2022	Nature in Neighborhoods Presentation	102022c-02
3.0	PowerPoint	10/20/2022	Council Presentation Ordinances No. 22-1484 and 22-1485	102022c-03
4.0	PowerPoint	10/20/2022	UGB Exchange COO Recommendation	102022c-04