

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