

Attachment to COO Recommendations

**RECOMMENDATIONS OF THE METRO STAKEHOLDER ADVISORY GROUP  
FOR POTENTIAL CONSTRUCTION EXCISE TAX EXTENSION  
AND COMMUNITY PLANNING AND DEVELOPMENT GRANTS PROGRAM REVIEW  
SUBMITTED TO METRO CHIEF OPERATING OFFICER  
FINAL -- April 18, 2014**

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**1. Decision on Construction Excise Tax (CET) expiration:**

The Stakeholder Advisory Group recommends the Metro Council extend the CET at the current tax rate from September 30, 2014 to December 31, 2020 for the purpose of funding the Community Planning and Development Grant Program.

**2. Modifications to the Community Planning and Development Grant (CPDG) Program**

**A. Purpose of the grant funds**

The Advisory Group recommends keeping the purpose of the program as stated in Ordinance No. 09-1220:

*".....the purpose of funding grants for planning areas inside the UGB, future expansion areas, and urban reserves, with an emphasis on planning projects that advance the 2040 Regional Framework Plan and result in on-the-ground development....."*

*"...and Metro is willing to assist local governments to fund their planning ....."*

**B. Distribution of tax revenue**

The Advisory Group recommends Metro undertake at least two grant cycles to distribute fund collected from the CET extension to 2020. The Advisory Group also recommends setting some percentage of projected revenue for mandated concept planning and comprehensive planning for urban reserves and new urban areas required in Metro's Urban Growth Management Functional Plan Title 11<sup>1</sup>. The approximate percentage is shown in the chart below. If the amount of qualified grant requests for urban reserves and new urban areas fall below the approximate percentage for this distribution area, the remainder of funds will be allocated to grant requests for planning in other areas. Similarly, if the qualified grant requests exceed the approximate percentage, Metro will consider increasing the allocation to this category for the upcoming grant cycle. The Advisory Group also recommends Metro conduct an assessment prior to each grant cycle to determine which jurisdictions want to undertake

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<sup>1</sup> Title 11 of Metro's Urban Growth Management Functional Plan requires concept planning for areas in urban reserves before consideration of urban growth boundary expansion into these areas, or comprehensive planning of areas added to the UGB.

concept planning and/or comprehensive planning for urban reserve areas and new urban areas.

The remaining revenue should be used for various types of planning within the existing Urban Growth Boundary. The approximate percentage is shown in the chart below.

The following chart identifies types of planning that should be eligible for funding, and a sample of goals and desired outcomes to be achieved within the stated timeline.

Focus of Planning	Planning Goals	Timeline ( for building permits issued)	Outcome	Approximate Target of Projected Grant Funds
Mandated concept plan <u>and</u> comprehensive plan	<ul style="list-style-type: none"> <li>• Meet Title 11 requirement</li> <li>• Vision for planning area</li> <li>• Strong local match / support</li> </ul>	10 years or more	<ul style="list-style-type: none"> <li>• Concept Plan</li> <li>• Comprehensive plan</li> <li>• Likely addition to UGB with 10 yrs</li> <li>• Annexation</li> <li>• Identify additional planning needed</li> </ul>	25% - 30%
Strategic plan for development and redevelopment investments	<ul style="list-style-type: none"> <li>• Urban renewal planning</li> <li>• Pre-corridor planning projects</li> <li>• Infrastructure and financial feasibility planning</li> <li>• Projected growth areas planning</li> </ul>	5 to 10 years	<ul style="list-style-type: none"> <li>• Adopted redevelopment plan and implementation schedule</li> <li>• Adopted Funding strategy and implementation schedule</li> </ul>	70% to 75%
Catalytic action plan	<ul style="list-style-type: none"> <li>• Barriers to development removed</li> <li>• Market evaluation/reality</li> </ul>	Less than 5 years	<ul style="list-style-type: none"> <li>• Incentives created</li> <li>• Code creation, updating and maintenance</li> <li>• Recruit developer</li> <li>• Development agreements</li> <li>• Use of tools for improvement of development process</li> </ul>	

C. Understanding local and regional needs

The Advisory Group recommends Metro improve its understanding of the demand for grant support through a survey of local governments, or through solicitation of grants letters of intent, and adjust its distribution of resources accordingly.

**3. Guidelines for refining criteria to be included in the Administrative Rules for evaluating grant applications**

The Advisory Group recommends Metro work with stakeholders to refine existing evaluation criteria for the Administrative Rules, if the construction excise tax is extended. The refinement will encourage grant applicants to propose strong projects which demonstrate understanding of the market context and clearly stated outcomes. The Advisory Group recognizes proposed projects in urban reserve areas must address mandated Title 11 requirements, and recommends the stakeholders refine other criteria for evaluating projects in these areas.

The Advisory Group also recommends stakeholders assist to prioritize or weight the criteria to be used in future grant cycles, if the construction excise tax is extended. Following are recommended new criteria and a proposed approach for refinement of existing criteria.

- A. *The likelihood of implementation:* This criterion will evaluate the “will” to implement projects funded by the grant program. The Advisory Group discussed several dimensions that should be considered: support from governing body, public support and institutional support. The Advisory Group recommends that Metro require:
- i. Grant applications demonstrate that the appropriate governing body has approved the proposed project and grant application
  - ii. A certain percentage of match funds from the applicant
  - iii. A description of how the project will build or expand public support so that completed plans are likely to be implemented
  - iv. Where applicable, how voter-approved annexation and transit improvements will be addressed so that the outcome of proposed planning projects can be realized.
- B. *Equity criteria:* In Cycles 2 and 3 grant allocations, there were two equity-related criteria: – a prerequisite “social equity” criterion stated in the six Desired Outcomes adopted by the region to guide future planning (“...the benefits and burdens of growth and change are distributed equitably”), and a stand alone “revenue redistribution” criterion titled “equity” (“discuss whether and how the proposed planning grant will further the equitable distribution of funds, based on collections of revenues, past funding, and planning resource needs.”)

The Advisory Group recommends the stakeholders discuss and recommend to Metro how the prerequisite “social equity” criterion can be used to address concerns of historically disadvantaged communities. The Advisory Group also recommends the stakeholders use the findings and recommendations of the Metro Equity Strategy Advisory Committee to refine this prerequisite criterion.

The Advisory Group recommends replacement of the stand alone “revenue redistribution” criterion with “growth absorption” criteria. The stakeholders should consider how this criterion should be used to ensure jurisdictions can absorb employment and population growth forecast by Metro for each jurisdiction, and recognize the needs of high growth areas.

- C. *Capacity of applicant criteria:* Applicants should describe the qualifications of staff and proposed consulting teams to carry out the planning projects.
- D. *Best practices criteria:* Grantees should be required to share lessons learned from the planning effort.

#### 4. Program outcomes

##### A. Outcome and performance measures

The Advisory Group recommends Metro develop clear outcome goals for each grant area and a specific performance measure for each outcome.

##### B. Future evaluations

The Advisory Group recommends Metro periodically evaluate the Community Planning and Development Grants program using adopted performance measures.