

Metro

2025-26 Hearing Minutes

Thursday, May 29, 2025

11:00 A.M

Metro Regional Center, Council Chamber
Portland, Oregon

Present:

TSCC:

Chair Harmony Quiroz,
Commissioner Tod Burton,
Commissioner Allison Lugo Knapp
Commissioner Dr. Rita Moore,
Allegra Willhite, Executive Director
Brittanie Abayare, Budget Analyst
Absent: Vice Chair Matt Donahue

Metro Council:

President Lynn Peterson
Councilor Juan Carlos Gonzalez
Councilor Christine Lewis
Councilor Garrett Rosenthal
Councilor Duncan Hwang
Councilor Ashton Simpson attended via Zoom
Councilor Mary Nolan attended via Zoom

Metro Staff:

Carrie MacLaren, Attorney
Marissa Madrigal, Chief Operating Officer
Nathan Sykes, Deputy Chief Operating Officer

Opening Remarks and Introductions

Chair Harmony Quiroz:

- Opened the hearing, explaining that the TSCC was established to provide community oversight of member taxing districts' budgets and annually reviews and certifies budgets for all member districts. They hold public hearings before budget adoption to allow direct engagement with district leadership and the public.
- Metro Council members and staff introduced themselves, identified their districts.
- Chair Quiroz recognized Metro's receipt of the Distinguished Budget Presentation Award for FY 2024–25:
 - Noted the clarity and usefulness of Metro's budget documents for both TSCC and the public.

President Lynn Peterson gave remarks:

- Metro views itself as more than a taxing district, serving as the regional body when issues cross boundaries.
- Thanked Metro Council, financial team, and staff for their work on the annual budget.
- Council remains committed to priorities such as housing access, safe streets, habitat protection, and a vibrant, healthy economy.
- Challenges faced include inflation, reduced tourism, and uncertainty in federal funding.
- Recognized that impacts vary across departments.
- Expressed pride in staff and council for developing a budget that addresses these realities while advancing interconnected goals.

Public Comment

No members of the public had signed up for testimony.

Commissioner Questions and District Responses

Question (Chair Quiroz): To kick off our hearing, we'd like to mention one of the zoo's newest and cutest residents, the baby elephant Tula-tu. A big welcome to this new addition! Last year we met with you to discuss the Zoo bond, and this spring you are issuing \$75 million in bond proceeds - it seems more changes are on the way for zoo residents. What projects will you tackle first? Can you share what progress you expect to see on zoo bond projects by this time next year?

- **President Peterson:**
 - Expressed excitement for the transformation ahead.
 - Referred question to Councilor Garrett Rosenthal for detailed breakdown.
- **Councilor Garrett Rosenthal:**
 - First projects funded:
 - Entry facility improvements.
 - Renovation of Cascade Crest Café.
 - Construction of a new shelter between habitat areas to address heat and rain exposure.
 - Other upgrades:
 - Replacement of main zoo entry gate.
 - ADA exit gate improvements.
 - Additional seating near gift shop.
 - New guest shelter to be added after Zoo Lights season in early 2026.
 - First major animal-related project:
 - Coastal Shores exhibit renovation.
 - Penguin habitat improvements.
 - Upgrades to tiger and red panda exhibits.

- Mentioned loss of red panda Moshu but noted longevity due to veterinary care.
- Planning and design to continue into next year with construction targeted for late next year.

Question (Commissioner Lugo Knapp): Next year's budget anticipates a decrease in supportive housing services income tax dollars. Can you share more on why you are expecting a downturn? What does the future of this funding stream look like?

- **Councilor Christine Lewis:**

- Portland metro area is experiencing slower economic growth than the rest of Oregon and the nation.
- Unemployment remains low but job growth is below historic averages.
- In 2024, Portland ranked near the bottom nationally for job growth in similar-sized metro areas.
- Capital gains tax revenue is a key SHS income source and is highly sensitive to economic slowdown.

Question (Commissioner Lugo Knapp): We have read about discussions to reconsider the supportive housing services tax and potentially submit changes for voter consideration - what's the latest on this?

Lewis:

- Possible **voter-approved changes**: expand allowable uses to include housing construction/preservation, extend the tax beyond 10 years.
- Possible **non-voter changes**: governance and oversight adjustments, indexing income thresholds to inflation.
- Council will decide in July.
- **Follow-up (Commissioner Burton):** Asked for clarification regarding the type of housing or construction allowable uses.
 - **Lewis:**
 - Currently, a wide range of services are allowed.
 - While acknowledging that each person's path into and out of homelessness is unique and requires tailored wrap-around services, the key to permanent stability is access to deeply affordable housing.
 - Metro hopes to pair affordable housing with services, but this is not currently an allowable use as defined by the measure that passed.
- **Follow-up (Chair Quiroz):** The budget document mentions that the Housing department has encountered "significant limitations" enforcing existing requirements for jurisdictions related to the Supportive Housing Service program. Could you provide us with additional information on this issue? What can Metro do to address these challenges going forward to help ensure accountability to voters for these dollars?
 - **Lewis:**
 - One major challenge stems from how "population A" (chronically homeless, on streets for over two years with a disability) and "population B" (at risk of becoming chronically homeless) are defined.
 - Metro collects the tax and sends funds to the three counties for service implementation based on local plans. However, each county defines population A and B slightly differently, making it difficult to accurately track how dollars are spent across the region for these populations.

- Metro collects the tax, partners with counties, and distributes funds based on local implementation plans.
- **President Peterson:**
 - Metro will shift to a "funder" role, requiring counties to present plans and demonstrate goal achievement beforehand.
 - If goals are not met, a compliance conversation will ensue, with definitions of non-compliance still being developed.
- **Follow-up (Commissioner Moore):** Asked if the change in approach is allowable under the current levy.
 - **President Peterson:**
 - Confirmed it is allowable.
 - Metro will need to change its rules, and they are on track to do so.
- **Follow-up (Commissioner Burton):** Asked about cooperation between the three counties and Metro.
 - **President Peterson:**
 - Collaboration through a work group is going well.
 - County commissioners have been willing to increase transparency and accountability.
 - Service providers now have a seat at the table to share feedback publicly.

Question (Commissioner Moore): The parks operating budget sees reductions this year, including cuts of 19.8 FTE to the Parks and Nature department. Last year we talked about sustainable parks funding, and you shared that conversations have been happening internally and externally. What progress have you made in identifying sustainable funding for parks operations? Are there specific permanent funding sources you are pursuing?

- **Councilor Duncan Hwang:**
 - Focus is on stability for the next three years.
 - A primary objective is to prepare for the replacement of the parks and nature local option operating levy by the end of fiscal year 2028.
 - Staff have completed initial work phases to inform an updated system plan for a future funding proposal, which will include other revenue sources for the Council's consideration.
 - However, discussions are not advanced enough to identify specific options.
- **Follow-up (Chair Quiroz):** Asked about coordination with the City of Portland as both face parks cuts.
 - **President Peterson:**
 - Metro is a regional entity with existing parks districts in parts of the region outside Portland.
 - Moving from a continuous levy to a parks district model would lead to overlapping parks districts, which is currently prohibited by state law.
 - Significant work is required to initiate this conversation, determine how each part of the region would benefit, and coordinate efforts to avoid overlapping services and multiple tax issues. It will be a long process.
- **Follow-up (Commissioner Burton):** Asked about uneven parks funding needs across the region.
 - **President Peterson:**
 - Regional success requires local contributions.
 - Currently unknown how an operations and maintenance levy, versus a bond, would factor in local contributions from a regional tax.

- **Follow-up (Chair Quiroz):** The budget mentions new land acquisitions planned for the Parks and Nature program. How do the anticipated cuts and existing funding gap on the operations side inform your strategy of acquisitions or development of additional land using bond funds? Is your strategy changing at all as you face resource constraints?
 - **Hwang:**
 - The parks and nature bond is specifically for property acquisitions, and Metro intends to maintain its promises to voters in that regard.
 - The growing portfolio of land will be considered when scoping out the next parks local option operating levy.

Question (Commissioner Burton): In past years we've discussed the struggles of the venues post-pandemic. The most recent forecasts are showing that expenses are expected to continue to outpace revenue, and this budget shows significant cuts at the venues. What are the barriers to returning to pre-pandemic levels at the venues? Why are we still seeing lower utilization and attendance?

- **Councilor Juan Carlos Gonzalez:**
 - Challenges include:
 - Perception of downtown safety and livability.
 - Pandemic-driven changes in entertainment habits.
 - Research from the Brookings Institute indicates that approximately 70% of tourism to Portland venues comes from people within the region.
 - Lodging tax revenue is not expected to return to pre-pandemic levels until 2030.
 - Metro is in a recovery and stabilization phase and is taking measures to consolidate where possible to support local partners and legacy clients, like those at the Expo.
 - Demographics are also changing, with new generations desiring different types of content
- **Follow-up (Commissioner Burton):** As part of cost cuts, the Oregon Convention Center and Expo management teams, staffing, sales, parking, etc, will merge and support both venues. We're curious, how much does this combining effort save? And will this be enough to secure a sustainable future for the two venues going forward?
 - **Gonzalez:**
 - Metro is consolidating sales and administrative teams, particularly across the Expo and Oregon Convention Center, to identify efficiency opportunities.
 - Metro is in a difficult position, needing to do "less with less," and hopes that broader economic indicators, influenced by Metro's role in livability, reputation, and homelessness, will encourage civic pride and attendance.
- **Follow-up (Commissioner Burton):** Asked about rethinking Expo Center use.
 - **Gonzalez:**
 - Metro launched the "Expo Futures" project with a Request for Information (RFI) to envision possibilities for the site if its purpose were to shift. Ideas included a film studio, a recovery/reuse center, and a sports concept. The sports concept emerged, evolving into two parallel tracks:
 - **Historical Significance Committee:** Works to honor the traumatic history of the site, including Vanport and the internment of individuals during World War II, and its role in the region's future.
 - **Feasibility for Sports Tourism:** Explores investments to create a West Coast destination for sports tourism (e.g., volleyball, basketball).

- This work, supported by Council investments, involves stakeholder engagement and assessing how to make strategic "big bets" that position Metro for future demand, especially during economic struggles.
- A recent workshop also evaluated a Public-Private Partnership (P3) model for different business approaches.
- **Follow-up (Chair Quiroz):** Asked about total project cost and timeline.
 - **Gonzalez:**
 - Costs will vary based on final vision.
 - Metro must find a way to deliver a project within existing revenue mechanisms.
 - **Marissa Madrigal, Chief Operating Officer:**
 - The \$2 million in the budget is for initial assessments and investments in equipment for sports like volleyball and basketball, aiming to consolidate regional tournaments (which currently spread across multiple cities) into one space.
 - Objective is to grow existing sports use while planning for larger transformation.
- **Follow-up (Chair Quiroz):** Asked about future plans for the Keller Auditorium, and noted news reports stating construction on a new site (the old Nordstrom building) will begin in June and be done by 2027.
 - **Gonzalez:**
 - There are two performing arts venues (Live Nation on Water Avenue and one at the Lloyd Center) in the works, but these are not part of the Keller discussion, which is a complex issue.
 - **President Peterson:**
 - Metro operates the Keller under a contract with the City of Portland. City of Portland owns the building.
 - The city has not made significant capital investments in the facility for a long time.
 - This has shifted maintenance and operations costs onto Metro.
 - Metro has raised rental rates to cover these costs, causing concern among users.
 - Ongoing discussions with the city about the Keller's future are underway.
 - **Lewis:**
 - Portland's venues are managed jointly by Metro and the City of Portland under an outdated 1990s agreement.
 - The current agreement financially benefits the city but disadvantages Metro.
 - Metro has had to use operational revenue for large maintenance expenses such as HVAC replacements.
 - Council is working to ensure a full range of performance spaces remain accessible, from large Broadway-scale venues to small community stages like the Brunish Theatre.

- Discussions include how to make arts spaces more sustainable and equitable.
- **Question (Commissioner Lugo Knapp):** Asked whether Metro might participate in the development of a potential Major League Baseball stadium and in what capacity.
 - **President Peterson:**
 - No direct involvement, but most councilors support involvement in the project.
 - Potential roles for Metro include transportation planning and public promotion.
 - Metro has shown support for the project at the state legislature.
 - **González:**
 - Metro backed a bill in Salem related to stadium development.
 - The primary challenge for the proposed site is transportation access for a venue potentially used over 100 nights per year.
 - Planning grants are being pursued to address infrastructure gaps.
 - Metro's role would be in planning and coordination to help make the site viable.
 - **Rosenthal:**
 - Major League Baseball Stadium would have regional economic and community impacts.
 - Transportation considerations would be central to Metro's involvement.

Question (Commissioner Lugo Knapp): As a regional convenor, what is Metro's role with the interstate bridge project? What have you done so far, and how do you plan to support this project going forward?

- **President Peterson:**
 - Metro is one of several non-federal joint lead agencies on the Interstate Bridge Replacement Program, working with the federal lead agency, US DOT.
 - Metro provides timely technical review and comments on analyses, supports NEPA coordination, and public involvement activities.
 - They also offer input on unresolved issues, coordinate staff to maintain an administrative record, and review permit applications.
 - Metro conducts transportation modeling for almost everything in the region.
 - They are working to finalize the last grant application for the light rail portion. Funding is identified but not fully appropriated.
 - The program aims to start on time as delays are costly.
 - Metro council leadership is actively working with elected officials to maintain alignment and forward momentum.

Question (Commissioner Burton): This budget reduces overall positions by 53.15 FTE. How many of these positions were vacant, like the Research Center Director? Of the filled positions, were you able to move some employees to other funded positions within the organization?

- **President Peterson:**
 - The budget reflects a reduction of 53.15 full-time equivalent (FTE) positions due to eliminations and additions.
 - In total, 71 positions were cut: 32 vacant, 39 filled.
 - Some displaced employees were reassigned.
- **Madrigal:**
 - Natural attrition reduced layoffs.
 - Three represented employees with layoff notices have been placed in other positions.
 - HR provides support for resume preparation and job searches
 - Union stewards and representatives provided additional support.
 - The partnership between management, union, and employees aims to make the process as smooth as possible, acknowledging its inherent difficulty.

Question (Commissioner Moore): Federal funding streams are uncertain right now, and several key parts of Metro work, transportation and land use, receive a portion of federal funds. What are you assuming in terms of federal funds, and what might go undone if funding does not materialize?

- **Councilor Ashton Simpson:**
 - Budget assumes:
 - Full receipt of non-discretionary formula funds.
 - Most awarded discretionary grants will be received.
 - 88% of federal funding comes from non-discretionary sources; 12% from discretionary.
 - Two \$2M discretionary grants were awarded but excluded from the budget due to uncertainty. If awarded, the budget will be amended.
 - Losses would primarily impact transportation planning, with possible effects on related services.
- **Follow-up (Commissioner Moore):** Asked how departments budget under such uncertainty.
 - **Madrigal:**
 - Metro first assesses top priorities and mandatory compliance requirements. All work is important, making cuts difficult.
 - Each department undergoes an assessment process, followed by conversations with the executive team and counselors about priorities.
 - The main goal this year was to maintain stability, recognizing that partner jurisdictions also face economic uncertainties.

- The aim was to "hunker down" and "tighten up operations" sufficiently to sustain services without annual minor cuts that harm morale.
- This involved "big moves," including venue consolidation, a significant structural and cultural shift, and restructuring in parks.
- The overall goal is stronger, more efficient use of existing capacity and continued provision of services at a level that meets community demands and council needs.
- **Follow-up (Commissioner Moore):** Since so much of Metro's work is in collaboration with other local governments and public entities, how do you make decisions on budget cuts that might impact your partners?
 - **Madrigal:**
 - Decision-making is independent, but department directors, counselors, and she herself maintain relationships with city and county managers across the region.
 - Metro provides unique services.
 - While internal decisions are made, Metro keeps tabs on what is happening elsewhere and consults national and international colleagues.
- **Follow-up (Commissioner Burton):** Asked if with federal funding uncertainty, but an administration focus on infrastructure, particularly transportation, are transportation-focused projects like the Interstate Bridge replacement more likely to be secure than other projects.
 - **President Peterson:**
 - Recently met with the US DOT team for the West Coast in D.C., and the conversation was encouraging.
 - The I-5 bridge remains a high priority for the administration. She emphasized the importance of other projects that might not be of primary interest to them but serve other significant regional interests.
 - The DOT was open and interested in many regional projects, opening a door that was previously closed.
 - While 3,200 authorized but unappropriated projects exist, they are working through them. The uncertainty contributes to instability.
 - **Madrigal:**
 - Generally, it's business as usual, with adjustments for small grants.
 - There's still high uncertainty but encouraging signs exist.
 - Discretionary grants are most in question across all areas, not just transportation.

Question (Commissioner Burton): Last year you shared the need to shift public perception and understanding of solid waste fees as part of an environmentally responsible way to dispose of waste, rather than a per volume cost. How do you communicate with the public about fee changes? What kind of feedback do you hear from the public about changes?

- **Councilor Mary Nolan:**
 - Metro operates two public transfer stations and regulates private ones.
 - The most significant change in the last 1.5 years was segregating costs into two fee areas:

- **Solid waste fee:** Charged per unit of weight for waste brought to transfer stations by haulers, homeowners, or businesses. A policy for these fees was established with public input, a specific advisory committee, and monthly conversations with cities and counties (who set homeowner collection fees).
- **Regional system fee:** Collected per unit of weight (typically per ton) delivered to any regional transfer station (public or private). This fee supports regional system services, including hazardous waste collection/disposal, cleanup of dumped garbage (exacerbated during the pandemic), waste prevention education (community and school levels), and grants to support waste reduction. If a hauler uses a private station, they still pay the regional system fee, as Metro is legally required to provide hazardous waste disposal, recycling/garbage education, and waste prevention efforts.
 - They also conduct "bulky waste" neighborhood events a couple of times a year for items like mattresses.
- Six-month public process informed recent changes, involving advisory committees and meetings with local governments.
- Most advisory recommendations were adopted.
- The Regional Waste Advisory Committee now includes cities, counties, haulers, private station owners, reuse organizations, and consumers.
- Engagement also includes public sessions with cities in each county and policy hearings during fee setting.

Question (Commissioner Lugo Knapp): The Smith & Bybee Wetlands Fund is projected to exhaust its fund balance in FY 2026-27 based on current resources. This fund provides for the development and management of the Smith & Bybee Wetlands Plan and the preservation of the wetlands as historical remnants of the Columbia River wetland system. It was known at creation that the endowment funding would eventually be exhausted. What is the plan for the Smith & Bybee Wetlands after FY 27?

- **President Peterson:**
 - Site will be maintained like other Metro natural areas (20,000 acres) using operating funds.
 - It includes a visitor center and amenities, supported by multiple teams primarily through the Parks and Nature operating fund.
 - Resources will be allocated as needed to meet ecological and visitor demands.
- **Follow-up Commissioner Lugo Knapp and Chair Quiroz:** Given recent staffing cuts in Portland's parks program and the 19.8 FTE reductions in Metro's Parks and Nature Department, along with continued land acquisitions and the upcoming depletion of the Smith and Bybee fund, there are questions about long-term sustainability. While there is discussion of pursuing a levy in the next few years, what alternatives exist if a levy does not pass or if the economy contracts further? Specifically, what long-term strategies are in place to maintain these large natural properties, and are there creative approaches—such as consolidating teams across multiple facilities, similar to the visitor center model—that could help sustain operations?
 - **President Peterson:**
 - The larger question is how Metro will manage its system long-term, for which there is currently no long-term plan.

- This process is now being initiated in parks.
 - She does not believe other entities have the resources to take on Metro properties.
 - While Metro has been asked to take on Portland properties as a larger partner due to Portland's struggles, Metro is not in a position to take on other entities' issues due to its own lack of capacity.
- **Question (Commissioner Moore):** asked whether agencies with similar missions could collaborate and better define responsibilities to maximize limited resources.
 - **President Peterson:**
 - The vast majority of Metro's 20,000 acres are outside the City of Portland.
 - While partnerships exist where land is adjacent, cooperative management for the long term is part of future planning, and no simple answer exists yet.
 - Clarified that Metro's long-term engagement in parks is not to provide pocket parks or recreational fields.
 - Metro's mission is land conservation for habitat restoration, clean air, and clean water as the region grows, with a focus on bringing back salmon.
 - This differs from city park systems, which aim for ecological proactivity but not large-scale habitat restoration of rivers or mountains.
 - Metro's mission was intentionally set up to avoid overlap. However, significant collaboration occurs when Metro issues bond measures for regional missions like habitat conservation, which also include a portion that goes to other local jurisdictions for to support their parks.
 - A conversation about operations and maintenance coordination is for the future, to define Metro's role in managing land for its specific, unique mission.
 - Metro is communication with the Urban Flood Water Quality Safety District.
 - **Simpson:**
 - Metro is still in concert with the Urban Flood Water Quality Safety District, which is along Marine Drive and part of Metro's trail system.
 - Blue Lake, another beautiful park, is behind that levy. That body is currently trying to secure final funding for a full budget for expansion of the trail system.
 - **President Peterson:**
 - Clarified that Blue Lake, Oxbow, and Smith and Bybee were legacy properties from Metro's creation, but Metro's defined role going forward is natural habitat restoration, not continuing to operate facilities like Blue Lake.
 - **Chair Quiroz:**
 - Chair Quiroz provided context to their questions, mentioning recent meetings with Urban Flood about salmon habitat restoration in the slough, and with East Multnomah Soil and Water and Mount Hood Community College about dam removal for salmon runs in Kelly Creek to the Sandy River.
 - She acknowledged the perceived overlap for some members of the public and recognized that Metro, as a regional convenor with touch points across various agencies, is in a unique position.
 - She asked if there are ways to leverage these touch points and partnerships.
 - **President Peterson:**
 - Pointed out a larger governance issue in Oregon, noting that the state has the most nonprofits per capita in the country. There is perceived overlap between nonprofits and government agencies

- as well, but in reality, funding is specifically tailored.
- For example, Metro's funding for habitat restoration on the Columbia River is limited to properties it owns there.
- **Rosenthal:**
 - Metro coordinates with 24 park districts and various local community groups.
 - Many partners have recreation-focused goals, while others have habitat-related needs.
 - Example: Metro's participation in the Kellogg Creek project.
 - Collaboration is complex and must consider unique geography, water resources, and jurisdictional boundaries.
 - Past partnerships include work with the City of Tualatin, King City, and other groups.
 - No single approach works for all; coordination efforts are ongoing, and long-term issues remain unresolved.

Closing Remarks

- Chair Quiroz expressed thanks to everyone for their breadth and depth in responding to questions. She stated that the community appreciates their openness, thoughtfulness, and efforts to educate and discuss shared issues. She then closed the hearing and opened the regular business meeting of the TSCC.
- Commissioner Burton thanked everyone for the helpful hearing. He noted that observations about coordination and tax fatigue were consistent with testimony received from other agencies and are issues the commission wants to continue to examine.

Staff Recommendations & Certification

- **Allegra Wilhite (TSCC Executive Director):**
 - Commended Metro's staff for producing an extremely informative and well-organized budget document, noting their close partnership throughout the year on budget law questions.
 - Staff found the budget estimates to be reasonable for the purposes stated and in substantial compliance with budget law.
 - TSCC staff have no recommendations or objections.

Vote to Certify

- A motion was made by Chair Quiroz to authorize the commission to sign the certification letter as recommended by staff.
- Commissioner Moore seconded the motion.
- All commissioners present voted "Aye".
- Metro's 2025-26 approved budget was certified by the TSCC.

There being no other business, Chair Quiroz closed the meeting.