



## Construction Excise Tax planning grants

The Metro Council initiated a competitive process for planning grants funded through extension of the region-wide construction excise tax (CET) in 2009. The grants will be awarded for planning areas currently inside the urban growth boundary (UGB), as well as future expansion areas and urban reserves, with an emphasis on planning projects that advance the region's 2040 Growth Concept and result in making land within the boundary ready for development/redevelopment.

Over the past decade, the region has been working to build great communities – putting long-term plans into action on the ground – most recently through the recommendations of Making the Greatest Place. Cities and counties have visions for their communities but often lack the planning resources necessary to support development to achieve shared values of sustainable, vibrant communities, safe and walkable neighborhoods and good jobs. Metro worked collaboratively with local government partners and the development community to create and extend the CET to fund planning projects that have regional benefit and the potential to lead to on-the-ground development outcomes.

### Who can apply

Local governments (cities and counties) are invited to apply, either as sole applicants or in partnership with non-profit, business or other government entities.

### Types of projects eligible

Grant projects must focus on the activities necessary to make land ready for development/redevelopment in existing planning areas (within the UGB) and concept planning for expansion areas and future urban reserves. Planning activities must result in a plan for the physical, economic and community development of a specific geographic area.

### How to apply

#### 1. Letter of intent

To apply for a grant, local governments must submit a pre-application letter of intent to Metro with information about the proposed project(s) and how they fit with the region's goals for growth and development. The letter of intent must also include the requested grant amount, applicability of the project to the evaluation criteria and proposed milestones. The deadline for submitting a letter of intent is Dec. 9, 2009, but local governments are encouraged to submit applications as early as Nov. 25, 2009 in order to receive timely comments from Metro staff.

#### 2. Application packet

The second step in the application process is the submission of a formal application to Metro by Jan. 29, 2010. Applications not submitted by the deadline will not be considered. Application information and instructions are contained in the CET planning grants application handbook, available at [www.oregonmetro.gov/planninggrants](http://www.oregonmetro.gov/planninggrants).

### For more information:

Contact Gerry Uba  
[gerry.uba@oregonmetro.gov](mailto:gerry.uba@oregonmetro.gov)

503-797-1737



### What is the construction excise tax?

Passed in 2006 and extended in 2009, the construction excise tax (CET) is a regional excise tax on construction permits issued within the Metro service district. The tax is assessed at 0.12 percent of the total value of the improvements for which a permit is sought. Permits valued below \$100,000 and those issued to 501(c)(3) nonprofits for affordable housing or services for people with less than 50 percent of the median income are exempt from the tax. Permits for construction valued at more than \$10 million are assessed a flat fee of \$12,000.

## Metro

*People places. Open spaces.*

Clean air and clean water do not stop at city limits or county lines. Neither does the need for jobs, a thriving economy and good transportation choices for people and businesses in our region. Voters have asked Metro to help with the challenges that cross those lines and affect the 25 cities and three counties in the Portland metropolitan area.

A regional approach simply makes sense when it comes to protecting open space, caring for parks, planning for the best use of land, managing garbage disposal and increasing recycling. Metro oversees world-class facilities such as the Oregon Zoo, which contributes to conservation and education, and the Oregon Convention Center, which benefits the region's economy.

### Metro Council

503-797-1700  
metro council@oregonmetro.gov

President  
David Bragdon

Rod Park  
District 1

Carlotta Collette  
District 2

Carl Hosticka  
District 3

Kathryn Harrington  
District 4

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## How will applications be evaluated?

Metro staff will review applications for eligibility and forward qualified applications, along with recommendations, to a screening committee appointed by Metro's chief operating officer (COO). The committee, made up of nine members with expertise ranging from economic development to real estate and infrastructure finance, will review and score the applications and submit funding recommendations to the Metro COO. The COO will review and forward recommendations to the Metro Council for approval. The Metro Council will review the COO recommendations, select applications for funding, determine the level of funding and award grants.

### Evaluation criteria

- Achieve on-the-ground development or redevelopment outcomes
- Benefit the region by achieving established regional development goals and outcomes
- Facilitate development and/or redevelopment in or near centers, corridors, main streets, station centers, employment areas, or industrial areas that enhance the 2040 Growth Concept
- Demonstrate that projects can be replicated in other locations
- Implement equitable distribution of funds based on collections of revenues and planning resource needs
- Leverage/matching potential: Describe outcomes leveraged across jurisdictions and service providers, any financial or in-kind match associated with the project, and opportunities for private/public investment.

## When will grant funds be distributed? How much money is available?

The Metro Council is expected to approve the first round of grant recipients in spring 2010, with funds awarded in late spring or early summer. The first round is expected to total grants of around \$3.5 million. A second round grant process will be conducted in fiscal year 2011-12. The program is expected to raise a total of \$7 to \$10 million for planning grants before it sunsets in 2014.

### CET planning grant timeline

- Dec. 9, 2009** Pre-application letters of intent due
- Jan. 29, 2010** Complete applications due
- Feb. to Mar. 2010** Steering committee reviews and gives recommendations
- April 2010** Metro COO gives recommendations to Metro Council
- May 2010** Metro Council awards first round of grants
- June 2010** Grant funds distributed to recipients
- 2011-12** Second round grant application process
- 2014** CET sunsets