

 **Metro** | *Agenda*

Meeting: Metro Council Work Session
Date: Thursday, November 4, 2010
Time: 2:30 p.m. *(Immediately following the conclusion of the Council regular meeting)*
Place: Council Annex

CALL TO ORDER AND ROLL CALL

- 2:30 PM 1. ADMINISTRATIVE/CHIEF OPERATING OFFICER COMMUNICATIONS**
- 2:40PM 2. GLENDOVEER GOLF COURSE: OPERATION ASSESSMENT AND CAPITAL IMPROVEMENT MASTER PLAN PROJECT – INFORMATION Harlan Neill**
- 3:10 PM 3. LOCAL JURISDICTION REQUESTS TO CHANGE CENTERS DESIGNATIONS ON 2040 GROWTH CONCEPT MAP – INFORMATION / DISCUSSION Deffebach**
- 3:40 PM 4. ILLUSTRATING THE ROLE OF PUBLIC INVESTMENT IN STIMULATING PRIVATE DEVELOPMENT – INFORMATION Harper**
- 4:10 PM 5. COUNCIL BRIEFINGS/COMMUNICATION**

ADJOURN

Agenda Item Number 2.0

**GLENDOVEER GOLF COURSE:
OPERATION ASSESSMENT AND CAPITAL
IMPROVEMENT MASTER PLAN PROJECT**

Metro Council Work Session
Thursday, Nov. 4, 2010
Metro Council Annex

METRO COUNCIL

Work Session Worksheet

Presentation Date: Thursday Nov. 4th, 2010 Time: 2:30 p.m. Length: 30 min

Presentation Title: Glendoveer Golf Course: Operation Assessment and Capital Improvement Master Plan project

Service, Office, or Center: Parks & Environmental Services and Sustainability Center

Presenters (include phone number/extension and alternative contact information):
Corie Harlan, x. 1764; Lydia Neill, x. 1830

ISSUE & BACKGROUND

Metro, with the help and expertise of internal staff and consultants, will prepare a business plan, analyze existing and potential capital facilities renovations, and provide operation and maintenance recommendations for the Glendoveer Golf Course facility in preparation for the development and awarding of a new contract to operate the facility in 2013 (optimal contract length to be determined). At the end of this project, Metro will use this information and data to build a clear, fiscally-sound operating contract, investment strategy and long-term capital master plan for Glendoveer that achieves the triple-bottom line benefits of a more efficient, sustainable, profitable operation that better represents the Metro brand and is more responsive to community needs.

The Glendoveer Golf Course was acquired by Metro from Multnomah County in 1996 as part of a transfer of assets that included the Convention and Expo Centers, Regional Parks and Cemeteries. The Glendoveer Golf Course site, located at 14015 NE Glisan Street, contains 242 acres of land zoned for parks and open space. The site includes two 18-hole golf courses, two parking lots, four covered tennis courts, a restaurant, driving range, pro shop, and a public soft surface fitness trail. The current operator, Glisan Street Recreation (GSR) has managed the facilities and property for over 40 years and the existing contract expires December 31, 2012. Key recommendations from Metro's Sustainability Plan for Internal Operations and two recent site assessments found that increased capital investment and use of sustainable management and operation practices are needed.

Over the past five years, Glendoveer has generated the following revenue for Metro's general fund. These funds have helped offset costs from other facilities inherited from Multnomah County.

2009 - \$814,308

2008 - \$886,038

2007 - \$889,914

2006 - \$859,181

2005 - \$815,486

OPTIONS AVAILABLE

As project options and related cost estimates are more clearly identified and refined, Metro staff will check in with Metro Council for direction and key decisions.

IMPLICATIONS AND SUGGESTIONS

This project will explore how to achieve the triple-bottom line benefits of increased

environmental sustainability, profit and community enhancement. However, there will be times when tradeoffs must be made between various project options and their related risks, benefits and costs. Given the timeline and budget constraints, staff suggests the following base assumption for the scope of this project:

Any investments or changes to the property or business model will be revenue neutral. Ideally, they will increase revenue.

If this suggestion is implemented, the project can move forward with its current scope and timeline. If this suggestion is not implemented, a significant revision of project scope, timeline and dedicated resources will need to occur.

QUESTION(S) PRESENTED FOR CONSIDERATION

Is the suggested project assumption for how to balance goals correct?

LEGISLATION WOULD BE REQUIRED FOR COUNCIL ACTION __ Yes X No
DRAFT IS ATTACHED __ Yes X No

Agenda Item Number 3.0

**LOCAL JURISDICTION REQUESTS TO
CHANGE CENTERS DESIGNATIONS ON
2040 GROWTH CONCEPT MAP**

Metro Council Work Session
Thursday, Nov. 4, 2010
Metro Council Annex

METRO COUNCIL

Work Session Worksheet

Presentation Date: Nov 4 Time: following council meeting
Length: 30 min

Presentation Title: Local jurisdiction requests to change centers designations on 2040 Growth Concept map

Service, Office, or Center: Planning and Development Department

Presenters (include phone number/extension and alternative contact information):
Chris Deffebach Ext 1921 _____

ISSUE & BACKGROUND

The 2040 Growth Concept Map illustrates the future growth management vision for the region and is adopted by ordinance by the Metro Council. Designated centers, corridors and employment areas on the map are the target of focused planning and investments. Changes to centers on this map must be consistent with Metro policies and are subject to Council approval.

The Chief Operating Officer recommendation for the Community Investment Strategy included support for changes to centers designations on the 2040 Growth Concept Map as requested by local jurisdictions. These requested changes would:

- Relocate Happy Valley Town Center
- Change Main Street designation in Cornelius to a Town Center
- Change Tanasbourne Town Center designation to Regional Center for the Amberglen/Tanasbourne area.

The COO endorsed the aspirations of Hillsboro, Happy Valley and Cornelius by recommending approval of the center designation changes they've requested, in partnership with a commitment from those communities to take complementary policy and investment actions needed to support vibrant, successful centers. Further, he advised the Council to be explicit in its expectations for local actions as each center will require additional investments and actions.

MPAC discussed the COO recommendation to change these centers designations at their meeting on October 13, 2010 and voted to support the changes. During the discussion, MPAC members supported a motion to have a deeper policy discussion next year about the 2040 Growth Concept that would address questions such as: How many centers are too many? Does an area that is predominately shopping/retail function as a center? And, How are we doing in achieving our vision for centers?

Local jurisdictions presented their request for changes in the centers designation to Metro Council at a Work Session and to MTAC and MPAC in the spring of 2010. The Mayors of the three communities submitted official requests to the Metro Council for these changes, in addition to information on the actions they are taking to promote success.

Local jurisdiction staff described how the proposed changes were consistent with Metro policies. Metro staff summarized this in an appendix for the COO recommendations. These materials are attached to this work session for reference.

OPTIONS AVAILABLE

Support the COO recommendation for center change designation and direct staff to partner with the three local jurisdictions to secure commitment to take the complimentary policy and investment actions that will support successful centers.

Support the COO recommendation for center change designation and condition approval upon a formal agreement to commit to taking complimentary policy and investment actions that will support successful centers.

Do not support the COO recommendations.

IMPLICATIONS AND SUGGESTIONS

Supporting the COO recommendation, as endorsed by MPAC, would align local aspirations in these three communities with the regional growth management vision. The action also sets a precedent that the Council is open to such changes. In the past 15 years, though only two such requests have been made and approved by Council, the Council should expect additional changes to come forward as communities implement the Community Investment Strategy by aligning and focusing investments with local aspirations.

QUESTION(S) PRESENTED FOR CONSIDERATION

Do you see the need to establish any additional requirements or expectations for these three new centers beyond the policy and investment commitments that they have already made or the investment priorities that are already established and/or proposed for the Regional Framework Plan and Urban Growth Management Functional Plan?

Do you support MPAC's recommendations to continue to track performance metrics for centers and to have a broader discussion of the 2040 Growth Concept and the expectations for centers next year?

**LEGISLATION WOULD BE REQUIRED FOR COUNCIL ACTION Yes No
DRAFT IS ATTACHED Yes No (note, see COO recommendation)**



2040 Growth Concept Map
Changing Center Designations: Guidance for local jurisdiction requests
4/12/2010

1. Background

- Describe what your jurisdiction wants to change (i.e., regional center to town center or location).
- Describe why your jurisdiction is requesting this change, including how the change fits into your comprehensive plans and aspirations for the center.
- In your own words, describe how this new center will perform and how it will be different from what exists today.

2. Consistency with Existing Metro Regional Framework Policies

- Describe how the proposed change will meet the expectations of a center as derived from Regional Framework Plan Policies. Please include the extent the proposed center meets these expectations today as well as how it will meet expectations with your additional investments and actions.
- For a Regional Center, these expectations include:
 - The center is accessible to hundreds of thousands of people.
 - The area is zoned for a mix of housing types to provide housing choices.
 - The city has adopted a strategy of actions and investments to enhance the proposed center.
 - The area is served by high-capacity transit (HCT) or is proposed for HCT in the 2035 Regional Transportation Plan (RTP) and meets or is planned to meet the transit system design standards proposed in the RTP.
 - The area is zoned to allow the number of residents and employees needed to support HCT.
 - The city has, or has adopted a plan for, a multi-modal street system that meets or will meet connectivity standards in the Regional Transportation Plan.
 - The city has adopted a strategy that calls for actions and investments to meet the non-SOV modal targets in the RTP.
 - The city has a parking management program consistent with that proposed in the RTP.
- For a Town Center, these expectations include:
 - The proposed center is accessible to tens of thousands of people.
 - The area is zoned for a mix of uses that makes, or will make the center walkable.
 - The city has adopted a strategy of actions and investments to enhance the proposed center.
 - The area is served by public transit.
 - The city has, or has adopted a plan for, a multi-modal street system that meets or will meet connectivity standards in the Regional Transportation Plan

3. Additional Considerations

- How would a center change detract from or support other nearby centers to serve as the center of urban life and market area for a regional center or town center?
- If there are multiple regional and town centers located within your jurisdiction, describe how you will prioritize and focus development efforts among them.
- Recognizing that zoning alone will not achieve the kind of vibrant and active centers envisioned by the 2040 Growth Concept, describe your jurisdiction's plans for promoting development through partnerships, incentives, investments and other actions.
- What kind of market analysis has your jurisdiction completed that indicates that the planned development you have planned will support the level of activity you envision for your center.

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Appendix 6:

Requests from local jurisdictions to amend their regional design types

August 2010



Metro | *People places. Open spaces.*

About Metro

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 representatives

Metro Council President – David Bragdon

Metro Councilors – Rod Park, District 1; Carlotta Collette, District 2; Carl Hosticka, District 3; Kathryn Harrington, District 4; Rex Burkholder, District 5; Robert Liberty, District 6.

Auditor – Suzanne Flynn

Metro

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Table of Contents

Background and Introduction	4
The 2040 Growth Concept Map.....	4
Policies that guide center designations	4
Other considerations	5
Requests for Center changes	6
Happy Valley Town Center.....	6
Cornelius Town Center.....	10
Hillsboro Tanasbourne / AmberGlen Regional Center	13
Other changes to the 2040 Map.....	17

On file at Metro:

Summary of existing Metro policies on centers

Local jurisdiction requests to change center designations

BACKGROUND AND INTRODUCTION

Three jurisdictions, Happy Valley, Cornelius and Hillsboro, have requested changes to their center locations or designations on the 2040 Growth Concept Map. Staff recommends that the Metro Council approve these changes and adopt the revised 2040 Map as shown in Exhibit O to the 2010 Capacity Ordinance. This appendix describes these requests and the policies that guide Council consideration of these requests. Available on file at Metro is a summary of Metro policies on centers and the requests from the local jurisdictions including the supporting information they provided.

The 2040 Growth Concept Map

In 1995, after extensive public involvement, the Metro region adopted the 2040 Growth Concept to guide future development and within the region and protect farm and forestland outside the urban area. It focuses development in mixed-use centers, corridors and employment areas connected by a multi-modal transportation system. Regional policies guide the region toward achieving this vision. Local and regional investments are critical in order to achieve the vibrant places residents envision.

The 2040 Growth Concept Map illustrates this regional vision and the Regional Framework Plan narrative fully describes it. The map, adopted by Council, identifies central city, regional and town centers, station areas, main streets and corridor locations as a focus for mixed-use, residential and employment development. Changes to the map represent changes to growth management policy and are subject to Metro Council approval. In the past 15 years, the Metro Council has acted on only two requests for changes, reflecting the intentionality of the vision. However, the 2040 Growth Concept is a living document and it is appropriate to have these designations evolve over time as conditions change.

Policies that guide center designations

When considering a request to change the 2040 Map, the Council turns to existing policies in the Regional Framework Plan, Regional Urban Growth Management Functional Plan, Regional Transportation Plan and Regional Transportation Functional Plan for guidance. Policies on centers have been updated over the years, including some revisions as a result of the Regional Transportation Plan. The Metro Council may adopt other new policies on centers, such as those that align regional investments with local actions that are included in the recommendations in this Community Investment Strategy. A summary of existing policies is on file at Metro. Local jurisdictions that have requested changes have been asked to describe how their proposal is consistent with existing policies that set expectations for Regional Centers and Town Centers, as summarized in Table 1.

Table 1: Summary of existing Metro policy for Regional and Town Centers

Policy	Regional Centers	Town Centers
Accessible	The center is accessible to hundreds of thousands of people.	The proposed center is accessible to tens of thousands of people.
Zoning	The area is zoned for a mix of housing types to provide housing choices. The area is zoned to allow the number of residents and employees needed to support High Capacity Transit.	The area is zoned for a mix of uses that makes, or will make the center walkable.
Enhancement strategy	The city has adopted a strategy of actions and investments to enhance the proposed center.	The city has adopted a strategy of actions and investments to enhance the proposed center.
Public Transit	The area is served by high-capacity transit or is proposed to be served in the 2035 Regional Transportation Plan (RTP) and meets or is planned to meet the transit system design standards proposed in the RTP.	The area is served by public transit.
Multimodal and connectivity standards	The city has adopted a plan for a multimodal street system that meets or will meet connectivity standards in the Regional Transportation Plan.	The city has adopted a plan for a multimodal street system that meets or will meet connectivity standards in the Regional Transportation Plan.
Non-SOV targets	The city has adopted a strategy that calls for actions and investments to meet the non-SOV modal targets in the RTP.	The city has adopted a strategy that calls for actions and investments to meet the non-SOV modal targets in the RTP.
Parking Management	The city has a parking management program consistent with that in the recently adopted RTP.	The city has a parking management program consistent with that in the recently adopted RTP.

Other considerations

Experience over the last 15 years has shown that the centers develop at varying rates, dependent upon market conditions, political leadership, financial resources and other factors. Leading planning and development experts have advised the region over the years of the need to focus investments in fewer centers to achieve the greatest impact and to align land use plans with

economic and market realities. To anticipate these concerns over potential new or relocated centers, the three local jurisdictions have been asked to respond to additional considerations:

- How would a center change detract from or support other nearby centers to serve as the center of urban life and market area for a regional center or town center?
- If there are multiple regional and town centers located within your jurisdiction, describe how you will prioritize and focus development efforts among them.
- Recognizing that zoning alone will not achieve the kind of vibrant and active centers envisioned by the 2040 Growth Concept, describe your jurisdiction's plans for promoting development through partnerships, incentives, investments and other actions.
- What kind of market analysis has your jurisdiction completed that indicates that the development you have planned will support the level of activity you envision for your center?

REQUESTS FOR CENTER CHANGES

The mayors from the three cities submitted requests for changes to their centers to the Metro Council and described how their proposed changes were consistent with existing policy and addressed additional considerations. Their requests, including adopted resolutions in support of the requests, are attached to this appendix. The following summarizes the requests and demonstrates the policy consistency that supports the staff recommendations.

Happy Valley Town Center

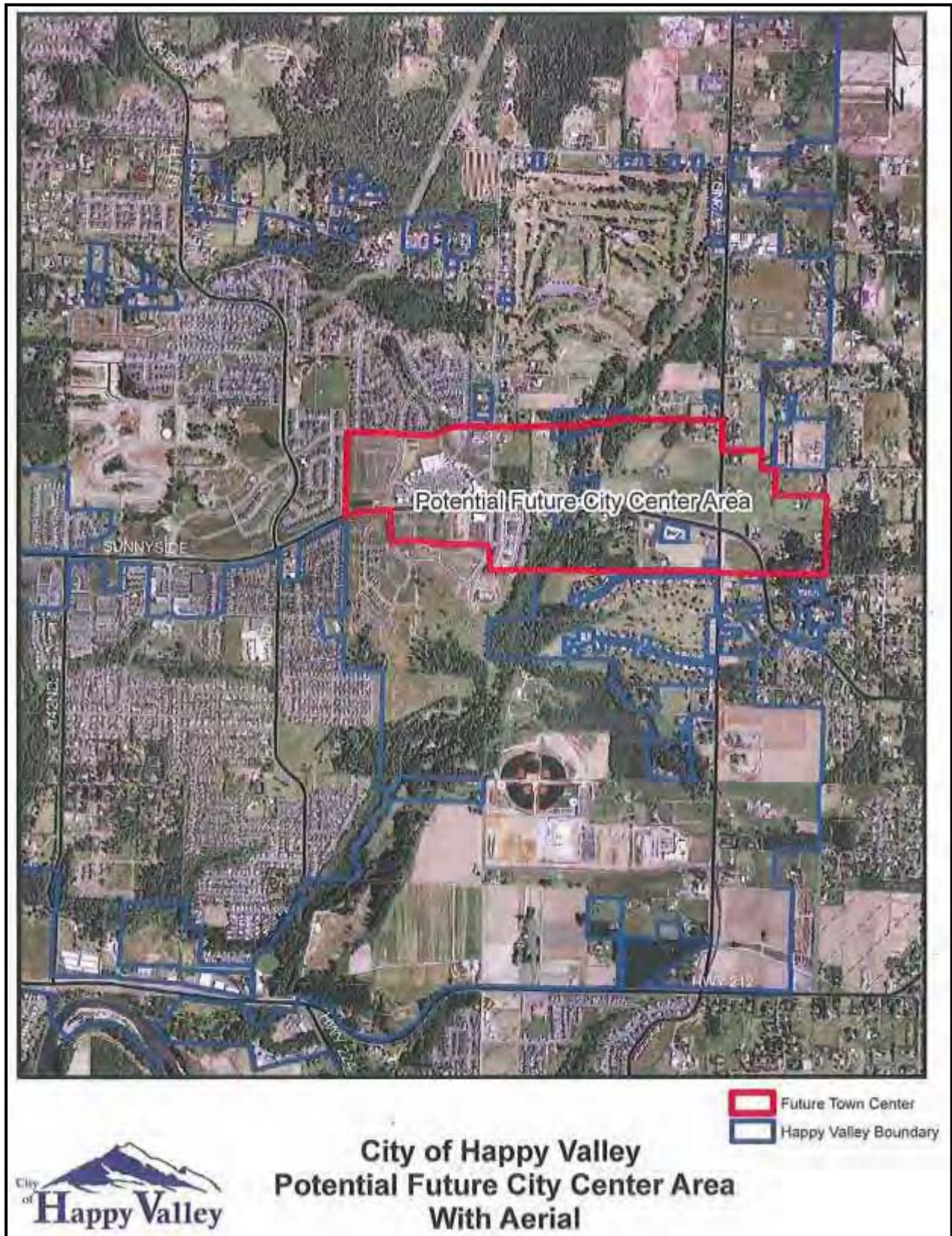
Happy Valley has requested a relocation of their existing Town Center designation from King Road to Sunnyside/SE 172nd, about two to three miles to the east, to a commercial area called, coincidentally, the Happy Valley Town Center. Fifteen years ago, when the 2040 Growth Concept was adopted, Happy Valley had a population of less than 5,000. The City has grown significantly since then and has a forecast population of over 30,000 by 2030. The City has concluded that the King Road area has limited potential to develop into a Town Center. The King Road area houses local fire and police offices but has no commercial zoning and is surrounded by an existing single family neighborhood that has not supported increased development along King Road.

The proposed Town Center houses the new city hall and new commercial development, is surrounded by a mix of single and multi-family development and is identified in the City's plans for continued growth. Recent investments have widened and improved road, bicycle and sidewalk access. To support the Town Center designation, the City has received a grant to fund the up-zoning of parts of the center area, develop parking management plans and identify other tools to support the center.

Figure 1: View east along Sunnyside Road in Proposed Happy Valley Town Center



Figure 2: Proposed Happy Valley Town Center location



The following summarizes the consistency of the proposed Happy Valley Town Center relocation with Metro policies:

Town Center policies	Summary response for Happy Valley
Accessible to tens of thousands:	The new location is more central to growth areas in Happy Valley
Mix of uses and walkable:	Area has mix of residential, commercial and civic, institutional uses and new street investments. City is proposing to up-zone, which will allow for an increased mix and intensity of uses.
Strategy to enhance:	Adopted resolution in support of town center change and submitted request for TGM grant to initiate zone changes, parking management and other plans to support center.
Public transit service:	Happy Valley has annexed to Tri Met service area but has limited service. Additional services would be needed to support the proposed Happy Valley Town Center location.
Meet multi-modal, connectivity standards	Happy Valley's Transportation system plan requires a multi-modal street system that meets or exceeds regional requirements. Some roads already constructed, others are planned.

Additional Considerations	Summary response for Happy Valley
Detract from other centers?	No. Instead of adding, this replaces existing center and is distant from Damascus center.
Partnerships for success?	City maintains partnerships with local business groups, property owners, business operations and offers expedited design review and financial support of major infrastructure needed for growth. Additional partnering is proposed.
Analysis to support request?	Location reflects market shifts to areas of new development patterns, additional economic analysis to support center underway.

Happy Valley - summary and recommendations

Happy Valley has grown significantly in the last 15 years and will continue to grow by tens of thousands as well as serve growth in adjacent Damascus to the east. The relocation of the Town Center is consistent with this growth pattern. The city will need to continue to promote a mix of uses, investments and tools to support additional transit services and the walkable, vibrant place envisioned as a Town Center. The City has expressed their intent to continue with these efforts as part of the Town Center designation. Metro's Chief Operating Officer supports this request for a center designation change. In order to develop as a successful, vibrant center, the Chief Operating Officer advises that policy makers be explicit in their expectations for additional development and intensity in the Happy Valley Town Center necessary to support transit service, mixed income housing, public spaces, and employment along with these continued investments and actions.

Cornelius Town Center

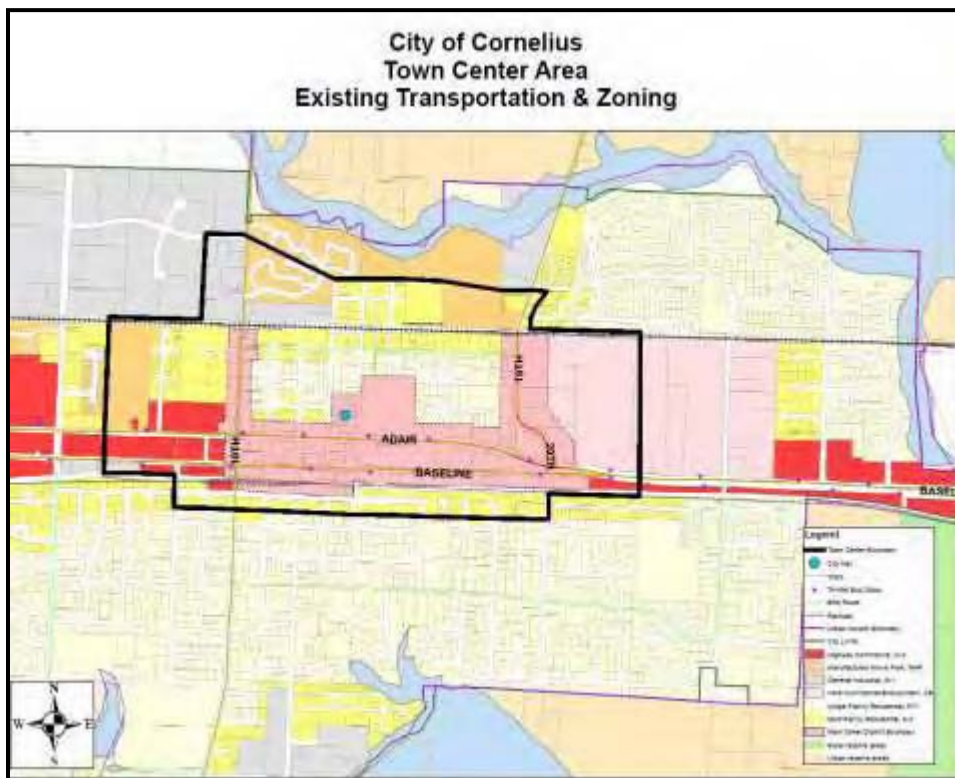
The City of Cornelius has requested to change the designation in their downtown from a Main Street to a Town Center. Cornelius is the only city in the Metro area that does not have or share a Town Center designation. While other Main Street designations on the 2040 map are typically ½ block deep along a commercial corridor, the Cornelius main Street has always included a district of multiple blocks in the center of the downtown with commercial and residential zoning. The area functions as the center of the community with medical clinics and other activity generators. Since the 2040 Concept was adopted, Cornelius has completed plans and development guides for their Main Street district and has invested in street and other infrastructure in the area.

As part of this proposal, the City of Cornelius envisions a larger district for the Town Center, including the area envisioned as future high capacity transit in the Regional Transportation Plan. The City has plans for continued redevelopment and investment in this area.

Figure 3: N. Adair Street in proposed Cornelius Town Center



Figure 4: Proposed Cornelius Town Center Boundary



The following table summarizes the consistency of Cornelius’ request with town center policies:

Town center policies	Summary response for Cornelius Town Center
Accessible to tens of thousands:	Cornelius has a population of over 11,000 residents and 350 businesses. The town Center will serve this and future growth as well as adjacent areas.
Mix of uses and walkable:	Area has mix of residential, commercial and civic, institutional uses and an established, walkable street grid system.
Strategy to enhance:	Cornelius has developed strategies for the downtown area and will continue to implement and refine these strategies. Recent examples include an adopted Master Plan for parks and trails.
Public transit service:	Cornelius is served by a relatively high-performing, frequent bus service and the City envisions high capacity transit in the future.
Meet multi-modal, connectivity standards	Cornelius has a transportation system plan that meets or exceeds connectivity standards and promotes multi-modal use.

Additional Considerations	Summary response for Cornelius Town Center
Detract from other centers?	Though located near centers in Hillsboro and Forest Grove, Cornelius has developed its own market niche and is not expected to detract from other centers. The Town Center is the focus for downtown Cornelius.
Partnerships for success?	The City maintains partnerships with local public, non-profit and business organizations, has worked successfully with them in the past and expects to continue to do so in the future.
Analysis to support request?	Studies by the State and private firms indicate the market will continue to gradually intensify following public incentives, private investment, public transit and overall improvement of the community’s health and attractiveness.

Cornelius - summary and recommendations

The City of Cornelius’s downtown Main Street district functions as their Town Center and is poised to continue in this role. Metro’s Chief Operating Officer supports changing the designation from

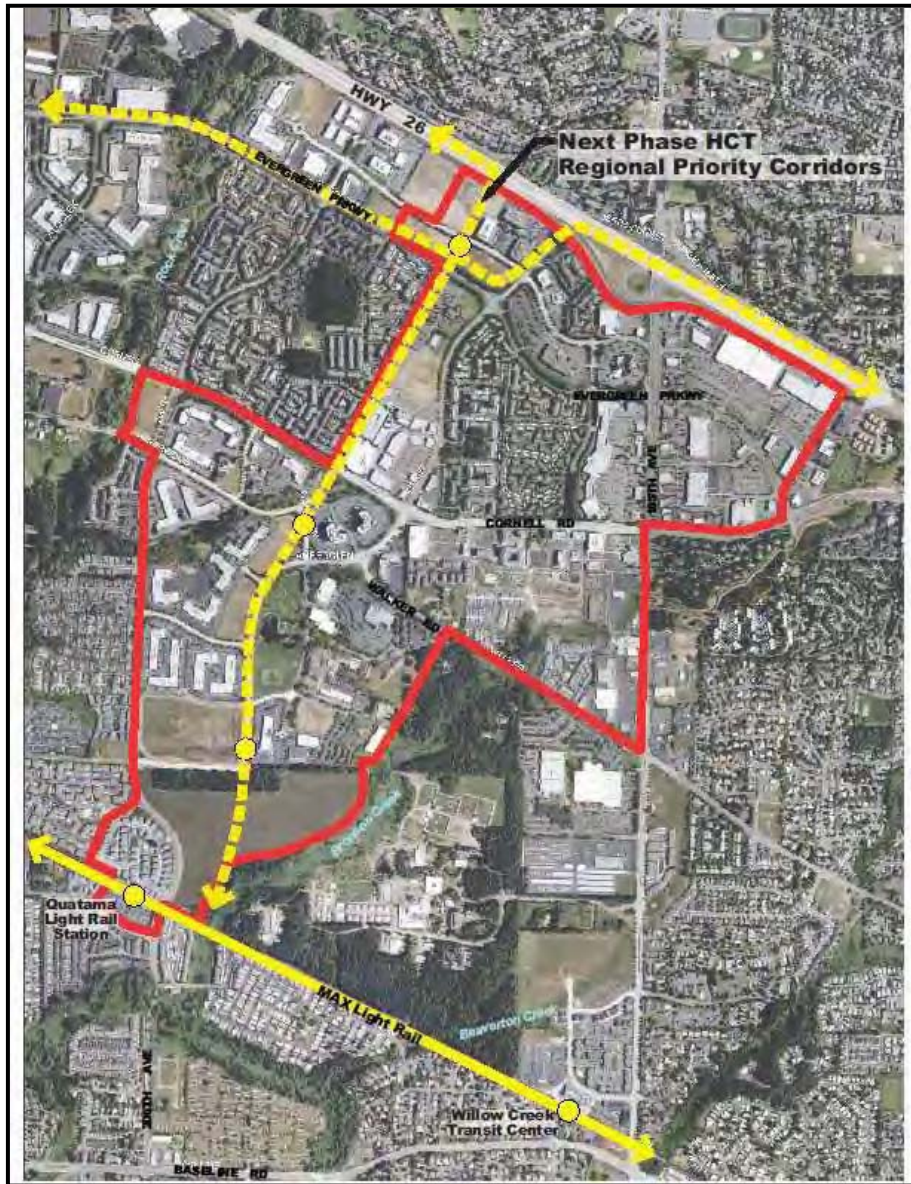
Main Street to Town Center to align this function with the regional vision. As one of the smaller towns in the Metro area with limited resources, future intensity and development of the Town Center will depend on continued public, private and non-profit partnerships and the COO advises that policy makers be explicit in their expectation that these partnerships be of service to supporting the Town Center.

Hillsboro Tanasbourne / AmberGlen Regional Center

The City of Hillsboro has requested to expand the existing Tanasbourne Town Center to include the adjacent AmberGlen area and change the designation to Regional Center, resulting in a total of eight Regional Centers on the 2040 Map instead of seven. Since the 2040 Growth Concept was adopted, the Tanasbourne area has grown into a sizable commercial destination. Though not mixed use, the commercial area is surrounded by single and multi-family residential. The adjacent AmberGlen site is one of the largest redevelopment opportunities in the region and Hillsboro has developed a public/private partnership for the area. The city estimates development capacity in AmberGlen / Tanasbourne to house over 30,000 residents and 23,000 jobs. The City has initiated a proposal to update the Tanasbourne area plan.

The city of Hillsboro's request for a Regional Center designation is linked with their aspirations to partner with Metro, Tri-Met and the private sector to put the tools and incentives in place to support the highest possible densities. Hillsboro envisions an extension of light rail to serve the area, use of green practices, and urban renewal to finance needed infrastructure.

Figure 5: Proposed Tanasbourne/AmberGlen Center boundary



The table below summarizes the consistency of Hillsboro’s request with regional center policies:

Regional Center policy	Summary response for Hillsboro Tanasborne / AmberGlen Regional Center
Accessible to hundreds of thousands	<p>The addition of one more regional center means that the share of population available to other centers is smaller. However, between 2010 and 2030 the Urban Growth Report projects and increase of 224,000 to 301,500 new dwelling units within the Metro area, or an increase in hundreds of thousands of new residents.</p> <p>In addition, the redevelopment planned for Tanasbourne / AmberGlen would increase the number of residents in the center.</p>
Mix of housing types to provide housing choices	The City has a policy to provide a mix of urban housing design types, densities and heights to serve a range of household ages and income levels. The City has not yet adopted specific zoning or tools to promote housing choice.
Allow the number of residents and employees needed to support High Capacity Transit	Plans for AmberGlen are intended to provide for the number of residents and employees necessary to support high capacity transit and the City is continuing to evaluate HCT feasibility.
Strategy to enhance	The City has adopted policies to enhance and develop the AmberGlen area and is initiating the next steps to develop the tools to implement these policies, including consideration of urban renewal.
Served by high-capacity transit or is proposed to be served; meets or is planned to meet the transit system design standards	An extension of HCT to AmberGlen is included in the Regional Transportation Plan as a future corridor. Hillsboro is initiating efforts to apply the system expansion policy in the RTP and document that housing and employment will support HCT.
Multi-modal street system and connectivity standards	Plans for AmberGlen call for an urban street grid to support walking, bicycling and transit use while accommodating vehicles.
Strategy to meet the non-SOV modal targets	Plans for AmberGlen call for mixed use development, parking management, street designs and high capacity transit investments to support non-SOV targets.

Parking management program	Plans for AmberGlen call for a parking management program.
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Additional Considerations	Summary response Tanasbourne / AmberGlen Regional Center
Detract from other centers?	To avoid detracting from other centers, Tanasbourne/AmberGlen Regional Center designation depends on continued growth in the region in general and Washington County in particular, stimulating high urban densities in the center and continued investments in other regional centers. In addition, Washington county has 15 town centers (including Cornelius) that need additional investments and market access.
Prioritize if more than one?	Hillsboro has plans and investment tools in place to support the Regional Center downtown and will continue this support.
Partnerships for success?	Property owners in the AmberGlen area have worked closely with Hillsboro to develop the plans for the area. Hillsboro intends to continue this partnership as well as partner with other service providers.
Analysis to support request?	Hillsboro has completed studies in partnership with the property owners to document the economic feasibility for the redevelopment in the AmberGlen area and have proposed additional analysis for the Tanasbourne area.

Tanasbourne / AmberGlen - summary and recommendations

The Tanasbourne/AmberGlen area has the potential to develop into a unique regional center supported by a combination of public and private investments. In many ways, the area is a role model for public private partnerships and for aspirations for density that go beyond the typical suburban levels consistent with the focused development envisioned in the 2040 Growth Concept. Metro’s Chief Operating Officer recommends that Metro Council approve this request for a regional center designation to demonstrate commitment to this transformation. Much work has yet to be done to transform this opportunity into reality, however. In order to develop as a successful, vibrant center, the Chief Operating Officer advises that policy makers be explicit in their expectations for local actions as part of their approval of this change. To achieve the aspirations for a Regional Center, Hillsboro will need to move forward on strategies to provide for mixed income housing and housing choice, densities to support HCT and Non-SOV use as well as bring the existing Tanasbourne area up to the mixed use and multi-modal standards of a Regional Center.

OTHER CHANGES TO THE 2040 MAP

Metro periodically updates the 2040 Map to reflect changes in policy that refine and illustrate the 2040 Growth Concept. These recommendations include an updated 2040 Map to reflect consistency with:

- Construction of light rail along Interstate Avenue and I-205.
- Construction of commuter rail along the Beaverton – Wilsonville corridor.
- Planned light rail in the Milwaukie corridor and to Clark County and rapid streetcar in the Lake Oswego Corridor
- Regional transportation plan policies supporting future light rail or high capacity transit in the Southwest Corridor and the Foster/Powell corridor.
- Regional transportation plan policies designating key road alignments in the Sherwood Tualatin corridor, East Metro areas and the Highway 212/224 corridor.
- Urban and rural reserves designations.

In addition, the updated 2040 Map presents a simpler, less cluttered look, by consolidating inner and outer neighborhood designations and industrial and employment area designations, and removing some of the base features such as local roads. Centers shown on the 2040 Map reflect the recommendations for Happy Valley, Cornelius and Hillsboro.

Mayor
Honorable Rob Wheeler



City Manager
Jason A. Tuck

June 28, 2010

METRO
Attn: Christina Deffebach
600 NE Grand Ave.
Portland, OR 97232

Dear Chris,

Thank you for your letter of April 12, 2010 outlining questions providing guidance to local jurisdiction requests for changes to Town Centers.

Please see the inserted responses to the questions, below. If you should have any further questions, or require additional information, feel free to contact me directly at 503-783-3839 or write to michaelw@ci.happy-valley.or.us.

Sincerely,

A handwritten signature in black ink, appearing to read "Michael D. Walter", with a long horizontal flourish extending to the right.

Michael D. Walter, AICP
Economic & Community Development Director

16000 SE Misty Drive
Happy Valley, Oregon 97086
Telephone: (503) 783-3800 Fax: (503) 658-5174
Website: www.ci.happy-valley.or.us

2040 Growth Concept Map
Changing Center Designations: Guidance for local jurisdiction requests
4/12/2010

1. Background

- Describe what your jurisdiction wants to change (i.e., regional center to town center or location).

RESPONSE: Existing, outdated and inadequate Town Center designation that contains no commercial zoning to a new, relocated Town Center designation.

- Describe why your jurisdiction is requesting this change, including how the change fits into your comprehensive plans and aspirations for the center.

RESPONSE: The City aspires to the future development of at least a 14-hour community within the geographic area envisioned within the proposed Town Center. The planned change includes updating and re-envisioning of portions of the “Rock Creek Comprehensive Plan” to better match the integrated land use and transportation plan provided to the east, south and north (“East Happy Valley Comprehensive Plan”). This aspiration (at least a 14-hour community) is very unlikely to ever occur with the existing Town Center designation area, which includes a small geographic area centered around a collector road (King Road) that is primarily bordered by detached single-family residences, a fire station, a police station, three churches and a combined elementary/middle school – but no commercial zoning.

- In your own words, describe how this new center will perform and how it will be different from what exists today.

RESPONSE: The existing (and future) Town Center will perform more and more like a 14-hour community. The existing Town Center has very little of the characteristics associated with a “Town Center” and performs more like an “8-hour” community.

2. Consistency with Existing Metro Regional Framework Policies

- Describe how the proposed change will meet the expectations of a center as derived from Regional Framework Plan Policies. Please include the extent the proposed center meets these expectations today as well as how it will meet expectations with your additional investments and actions.
- For a Town Center, these expectations include:
 - The proposed center is accessible to tens of thousands of people.
 - The area is zoned for a mix of uses that makes, or will make the center walkable.
 - The city has adopted a strategy of actions and investments to enhance the proposed center.
 - The area is served by public transit.
 - The city has, or has adopted a plan for, a multi-modal street system that meets or will meet connectivity standards in the Regional Transportation Plan

RESPONSE: Between the current population of the City of Happy Valley (12,000+) and the residents of nearby unincorporated Clackamas County and the City of Damascus, the proposed Town Center will be accessible to “tens of thousands” of people. The area is/will be zoned for a mix of uses that will make the center walkable – including a variety of commercial, employment, institutional and residential zones. The city has adopted a strategy of actions and investments to enhance the proposed Town Center area, including (in conjunction with Clackamas County) the development of two major arterials (Sunnyside Road and 172nd Ave.) and a major sewer trunk line (the Rock Creek Interceptor). The area is currently served by public transit to 162nd Ave. – as future development occurs within the proposed Town Center area, extended public transit service will occur. Finally, the City’s Transportation System Plan (TSP) requires a multi-modal street system, major components of which have been recently constructed, that meet or exceed connectivity standards in the Regional Transportation Plan.

3. Additional Considerations

- How would a center change detract from or support other nearby centers to serve as the center of urban life and market area for a regional center or town center?

RESPONSE: The proposed Town Center would not detract from either the Clackamas Regional Center several miles to the west – which is anchored by uses as large and varied as the Clackamas Town Center Mall and Clackamas Promenade Shopping Center. The proposed Town Center has already begun to function as such – with the construction of the Happy Valley Town Center commercial shopping center, City Hall, three-story Providence Medical Office Building and 228-unit Hawks Ridge apartment complex. The proposed Town Center designation will validate these existing uses, as well as support future commercial, employment and residential uses of a variety of uses – primarily to the east, extending to serve the western portion of the City of Damascus.

- If there are multiple regional and town centers located within your jurisdiction, describe how you will prioritize and focus development efforts among them.

RESPONSE: There is only a single town center located within the City of Happy Valley.

- Recognizing that zoning alone will not achieve the kind of vibrant and active centers envisioned by the 2040 Growth Concept, describe your jurisdiction’s plans for promoting development through partnerships, incentives, investments and other actions.

RESPONSE: The city currently maintains relations and “partnerships” with local business groups (Happy Valley Business Alliance, North Clackamas Chamber of Commerce); local property owners/business operators (Providence, Gramor, etc.); provides incentives such as expedited Design Review; and, provides investment through completion of major infrastructure projects in conjunction with Clackamas County DTD (172nd Ave., Sunnyside Road) and Clackamas County WES (Rock Creek Interceptor Sewer Trunk Line).

- What kind of market analysis has your jurisdiction completed that indicates that the planned development you have planned will support the level of activity you envision for your center.

RESPONSE: The city is currently working on the development of an Economic Opportunities Analysis and Implementation Strategy for commercial, employment and industrial areas within the existing city limits and nearby areas located within unincorporated Clackamas County.

Mayor
Honorable Rob Wheeler



City Manager
Jason A. Tuck

June 11, 2010

Metro
Attn: Councilor Rod Park
600 NE Grand Avenue
Portland, Oregon 97232-2736

Dear Councilor Park:

On behalf of the City of Happy Valley, I would like to formally express our request for a change to the city's existing "City Center" designation from the King Road area between 129th Ave. and 145th Ave. to the eastern Sunnyside Road area from approximately 157th Ave. to 172nd Ave. Said redefinition and re-designation will require an update to the city's Rock Creek Comprehensive Plan (RCCP) in order to meld the land use designations in the RCCP with the 2009 East Happy Valley Comprehensive Plan and Transportation System Plan (TSP) Update.

The City of Happy Valley is interested in a variety of transportation, land use and development incentives and regulations that will provide for a vibrant, multi-modal, City Center area with mixed uses, commercial opportunities and a range of residential densities, that may include (but are not limited to): parking management that can help reduce congestion and demand for parking and improve the urban design of a center or corridor, transit-oriented tax exemptions that promote the construction of transit-oriented, multiple-unit housing developments in centers in order to improve the balance between the residential and commercial nature of those areas, vertical housing incentives that encourage development of dense, mixed-use projects in specific areas through the provision of targeted tax abatements, density and use transitions that allow the city to better integrate mixed-use in centers and corridors and, impact-based system development charges that can more accurately reflect the costs of infrastructure development, determine charges based on the impact of different development patterns, and serve as a financial incentive for more effective provision of facilities and services.

We believe that these proposed changes, combined with pursuit of the goals and objectives of the Main Street Program in the concept City Center area, will provide a much improved City Center boundary and potential future mixed-use development pattern, including significant transportation benefits.

16000 SE Misty Drive
Happy Valley, Oregon 97086
Telephone: (503) 783-3800 Fax: (503) 658-5174
Website: www.ci.happy-valley.or.us

Preserving and enhancing the safety, livability and character of our community

In order to try and accomplish these objectives, the city has applied for a TGM Grant (see attached Resolution) – Metro staff has supported this grant application, and we are grateful for that support. If you should have any questions in regard to our support of this proposed change, or our grant application, please do not hesitate to contact Michael D. Walter, AICP our Economic & Community Development Director at 503-783-3839 or write to michaelw@ci.happy-valley.or.us

Sincerely,



Rob Wheeler, Mayor

cc: Happy Valley City Council (via e-mail)
Jason Tuck, City Manager (via e-mail)

CITY OF HAPPY VALLEY, OREGON

Resolution No. 10-04

**A RESOLUTION IN SUPPORT OF A CITY OF HAPPY VALLEY ROCK CREEK
COMPREHENSIVE PLAN UPDATE/TOWN CENTER REDESIGNATION FOR TGM
FUNDING**

WHEREAS, the City of Happy Valley, is interested in redefining and re-designating its current "Town Center" area from the King Road area between 129th Ave. and 145th Ave. to the eastern Sunnyside Road area from 157th Ave. to 172nd Ave.; and,

WHEREAS, said redefinition and re-designation will require an update to city's Rock Creek Comprehensive Plan (RCCP) in order to meld the land use designations in the RCCP with the 2009 East Happy Valley Comprehensive Plan and Transportation System Plan (TSP) Update; and

WHEREAS, proposed changes to said land use designations will require a review and potential minor update to the 2009 TSP both of which will take considerable financial resources currently without the budget of the City of Happy Valley; and

WHEREAS, the City of Happy Valley is interested in a variety of transportation, land use and development incentives and regulations that will provide for a vibrant, multi-modal, town center area with a variety of mixed uses, commercial opportunities and variety of residential densities, that may include (but are not limited to): parking management that can help reduce congestion and demand for parking and improve the urban design of a center or corridor, transit-oriented tax exemptions that promote the construction of transit-oriented, multiple-unit housing developments in town centers in order to improve the balance between the residential and commercial nature of those areas, vertical housing incentives that encourage development of dense, mixed-use projects in specific areas through the provision of targeted tax abatements, density and use transitions that allow the city to better integrate mixed-use in centers and corridors and, impact-based system development charges that can more accurately reflect the costs of infrastructure development, determine charges based on the impact of different development patterns, and serve as a financial incentive for more effective provision of facilities and services.

WHEREAS, the City of Happy Valley is interested in ongoing public involvement and citizen participation in the development of RCCP/TSP Updates necessary to accommodate a new Town Center designation;

NOW THEREFORE, BE IT RESOLVED by the City Council for the City of Happy Valley that:

Section 1. The City supports a detailed, comprehensive and integrated RCCP/TSP Update, including elements of the transportation and land use initiatives listed above,, and supports an application for Category 2 funding to the Transportation and Growth Management Program of the State of Oregon.

Section 2. This resolution takes effect upon its adoption.

PASSED AND APPROVED this 2nd day of March, 2010.

NOW THEREFORE, BE IT RESOLVED by the City Council for the City of Happy Valley that:

Section 1. The City supports a detailed, comprehensive and integrated RCCP/TSP Update, including elements of the transportation and land use initiatives listed above,, and supports an application for Category 2 funding to the Transportation and Growth Management Program of the State of Oregon.

Section 2. This resolution takes effect upon its adoption.

PASSED AND APPROVED this 2nd day of March, 2010.

CITY OF HAPPY VALLEY



Mayor Robert Wheeler

ATTEST:



Marylee Walden, City Recorder



CITY OF CORNELIUS

July 26, 2010

Kathryn Harrington
Metro Councilor
600 NE Grand Avenue
Portland, Oregon 97232

Dear Councilor *Kathryn* Harrington:

Please know that the Cornelius City Council approves of the City's request that Metro amend Cornelius' "Main Street" designation on the Regional Growth Policy Map to a designation of "Town Center". Our community has viewed the mixed use activity center of Cornelius as a Town Center for some time. We voted unanimously to formally request the designation at our Council meeting on June 7, 2010.

The town center of Cornelius is described thoroughly on the attached brief staff report and map. Such a designation is not just 'aspirational' or just a pretty plan for us. Rather, it is an accurate description of how the center of town works now. Its mix, density, amenities and connections compare well with other town centers in the region. The 280 acres between 6th and 24th Avenues, and Holladay and Alpine Streets meet all regional expectations of a Town Center both currently and in promise.

Forty thousand vehicle trips a day pass through Cornelius' center. A Business Oregon study measured our business market reach at 79,000 people within 5 miles. Johnson Reid Economic Consultants confirm that Cornelius' demand for economic and residential growth is above the regional average rate. Town center boundaries include approximately 110 businesses, 2,300 residents, a dozen major service hubs, public transit and pedestrian connections to the larger community. The staff report describes our strategy of actions, investments and partnerships that is transforming Cornelius into a smart and sustainable urban center.

With Metro's acknowledgement of where Cornelius is now, understanding of how we are different from the Portland norm, analyses of local / jurisdictional balance, and support of our measured requests for room to grow and assistance, we will be happy campers in the regional partnership of urban living.

Thank you for your support of Cornelius and for all your public service.

William Bash

William Bash
Mayor

Copy: Christina Deffebach, Metro Plan Manager
Richard Meyer, City Dev. & Op. Director

City of Cornelius Meets Town Center Expectations

Accessible to Tens of Thousands of People

Currently, the City of Cornelius is approximately two square miles (1,160 acres) in size. The Town Center is 280 acres in the 'center of town' accessible on foot to the 11,000 residents and 350 businesses of Cornelius.

Baseline and Adair Streets (State Highway 8) in Cornelius are the main east/west arterial and main street through the Town Center. This arterial averages approximately 40,000 vehicle trips a day between the 10th Avenue/Cornelius-Schefflin and 20th Avenue/Susbauer north/south county arterials.

A 'Retail Analysis & Business Development Program' was completed in 2003 with a grant from the Oregon Economic & Community Development Department. This analysis determined that within a five-mile business market radius of Cornelius' center there is a customer base of approximately 79,000 people.

Johnson Reid conducted An Economic Analysis and Long-term Urban Land Use Needs Assessment in 2009 which confirmed that market demand for economic and residential growth in Cornelius was above the regional average rate and that the business market reach was many tens of thousands of people.

Description of Center Density and Amenities

There are approximately 110 businesses and 2335 residents located within the 280 acre Town Center boundary. The following public and private investments generate activity in the center of Cornelius:

- ✓ City Hall, Fire & Police Facilities, Public Library, Post Office, Public School and two Public Parks,
- ✓ Central Cultural, the largest Hispanic community center in the region, and Virginia Garcia Medical Clinic serving County farm workers and the poor,
- ✓ Nine churches and over 55 publicly subsidized housing units are within the Town Center boundaries,
- ✓ Chamber of Commerce and Visitors' Center
- ✓ Private business amenities (Metro term) include Grande Foods, the largest Hispanic food market in Oregon, 3 banks, 3 medical offices, five small grocery markets, 2 bakeries, 2 taverns, 2 sports bars, 3 video stores, 4 clothing stores, 5 coffee shops, 4 delis, 5 fast food and 3 full service restaurants, two fitness gyms, 3 cell phone outlets, 6 hair salons, an internet café, metal art, print shop, decorations, dry cleaner, florist businesses, and music, book and wine sales in Fred Meyer and Grande Plaza.

- ✓ Multi-modal transportation includes a state highway main street with almost 40,000 vehicles per day, one of the busiest public bus lines in the region, bike lanes, sidewalks and shared parking and bike racks,

Mixed Use Zoning that Encourages Walking and Biking

Current zoning allows an average density of 26 residents per acre and 46 jobs per commercial acre. In total, there is capacity for an estimated 45 people (employees + residents) per acre within the Town Center area.

Almost all of the Center area is currently zoned for a mix of uses and includes specific districts that provide for unique mixes of use. The Town Center includes the following designations and zoning districts, listed from the center out:

1. Main Street Retail, MSR - Intensive Commercial Use, with incentives for upper story housing
2. Main Street Civic, MSC - Primary Civic/Institutional Uses
3. Main Street Mixed Use, MSM - Primary Mixed Uses (Commercial/Multi-Family Residential)
4. Main Street General Employment, MSG- Primary Mixed Uses (Commercial/Industrial)
5. Multi-Family, A-2; Single-Family, R-7- (incrementally being up-zoned)
6. Highway Commercial, C-2 - Primary Commercial Use
7. General Industrial, M-1 - Primary Industrial Use

Current pedestrian pathway use and improvements show Town Center level activity and connection. Example evidence of this is the score of over 80 "Very Walkable" on Google's America's Walk Score site.

Strategy of Actions and Investments to Enhance the Center.

1. \$22 m. Funding of Main Street Public Infrastructure Improvements from County, State, Federal Grants to encourage private development - 2000—10
2. Main Street Plan Revision and Design Overlay for Higher Densities and Pedestrian-Oriented Development - 2001
3. 35 Economic Development Strategies and Reinvigorated Chamber of Commerce - 2002
4. OECD funded Retail & Business Market Analysis - 2003
5. OECD funded Community Center & Library Facilities Plan - 2004
6. Transportation Systems Plan & Capital Improvement Program, including Bike & Pedestrian Pathways and Light Rail Transit - 2005
7. City Street Light Fee, Construction Excise Tax, and Gas Tax adopted to pay for pedestrian friendly street improvements and match grants - 2006-2009

8. Construction of pedestrian-oriented frontage improvements, with the help of property owner ROW donations, including 8-10 ft. sidewalks with benches and bike-racks, crosswalks, bump-outs, street lights, on-street parking and signals - 2007-2010
9. Establishment of Economic Development Commission and Enterprise Zone for incentive based development
10. City Construction Excise Tax Incentive for Higher Density Development and Expansion of Pedestrian-friendly Design in Town Center
11. Urban Reserves and UGB expansion for economic development within 10 blocks of the Town Center - Pending 2010

Public Transit Service

Tri-Met Bus Route # 57 is one of the busiest in the region, with weekday ridership at 1220 passengers in 2003 along Adair and Baseline; Cornelius' significant transit dependent population and county-wide service centers for Hispanics make the bus stops in this Town Center the busiest on the line.

The underused rail line that crosses east/west the north half of the Town Center is owned by the Oregon Department of Transportation. Its east terminus is at the Hatfield Station in Hillsboro, the current last stop of Westside MAX. Future extension of the MAX Light-Rail line through Cornelius to Pacific University will be along this existing right-of-way.

Multi-modal Street System Plan that meets Regional Transportation Plan Connectivity Standards

Cornelius adopted a Transportation System Plan in 2005 as part of its State Periodic Review Work Program. This plan is in compliance with Metro's Regional Transportation Plan and promotes a system of multi-modal transportation improvements for pedestrians, bicycles, public transit, motor vehicles and system management.

In 2009, Cornelius adopted a new Parks Master Plan that includes incentives, guidance and coordination of trails and paths for pedestrian use.

Additional Considerations

How would a center change detract from or support other nearby centers to serve as the center of urban life and market area?

The Cornelius Town Center does not detract from the City of Forest Grove's Town Center or the City of Hillsboro's Regional Center. Forest Grove's Town Center is

supported by its downtown business core, Pacific University and the Highway 47 corridor (north/south). Hillsboro's Regional Center is supported by the Washington County and Hillsboro government center, the light rail corridor and its employment core.

The Cornelius Town Center serves as the urban focal point for its residents, businesses and a wider market drawn to its unique cultural flavor, services, resources, pace and sounds of life. Our base for support does not conflict with or detract from our neighbors existing centers. The Cornelius Center promises to add to the diversity of sustainable urban living in this region.

Are there multiple regional and town centers located within your jurisdiction, and how will you focus development efforts among them?

This is the City of Cornelius' one and only Urban Center. Designation of this Town Center is recognition that the area of Cornelius' Main Street District actually operates at the level of a Town Center now and is growing in density and market and social influence day by day.

Recognizing that zoning alone will not achieve the kind of vibrant and active centers envisioned by the 2040 Growth Concept, describe your jurisdiction's plans for promoting development through partnerships, incentives, investments and other actions.

Cornelius supports anchors of activity in each of the four directions that will frame and attract people to its Town Center. A new greener version of a Walmart supercenter just west of the Town Center joins the existing Fred Meyer supercenter just east of the Town Center. A large new industrial site is planned just north of the Center along Council Creek and a large sub-regional park is envisioned to the south along the Tualatin River next to a proposed high school. Partnerships in place to promote Cornelius Town Center development include:

1. Cornelius & Forest Grove Enterprise Zone
2. Active partnerships with private business organizations, including the Chamber of Commerce and Westside Economic Alliance
3. Business Oregon (OECDD) is partnering with Cornelius to develop a shovel-ready industrial site for international marketing
4. Comite' de Cornelius: Una Vision para una Comunidad Accesible
5. Cornelius, Forest Grove, Pacific University, P & W Railroad and Hillsboro - Light rail extension committee
6. Council Creek Regional Trail Coordinating Committee (Cornelius, Forest Grove, Banks, Hillsboro, Washington County)

7. CWS IGA - sanitary sewer and storm water management partnership to plan and manage future growth and capacity for service
8. Federal MTIP and Stimulus Funding with Local Match to construct pedestrian-oriented frontage improvements for 10 blocks of Baseline & Adair Streets that include 8-10 wide sidewalks, crosswalk bump-outs, street lights, street trees & furniture and on-street parking
9. Partnership with private property owners who donated right-of-way to assist with construction of public improvements
10. Active Economic Development, Parks, Planning, and Public Works Advisory Commission that promote sustainable urban development
11. Partners for Sustainable Washington County Community (PSWCC)
12. Constructive relationships with not-for-profit organizations, schools, business associations, neighborhood organizations, and other organizations, e.g., 3 partnership events hosted in our Town Center in a month: El Dia de Los Ninos (3,000 kids), a First Source Agreement with Wal-Mart, a Forum on Climate Change Impacts on the Lower Willamette Sub-basin

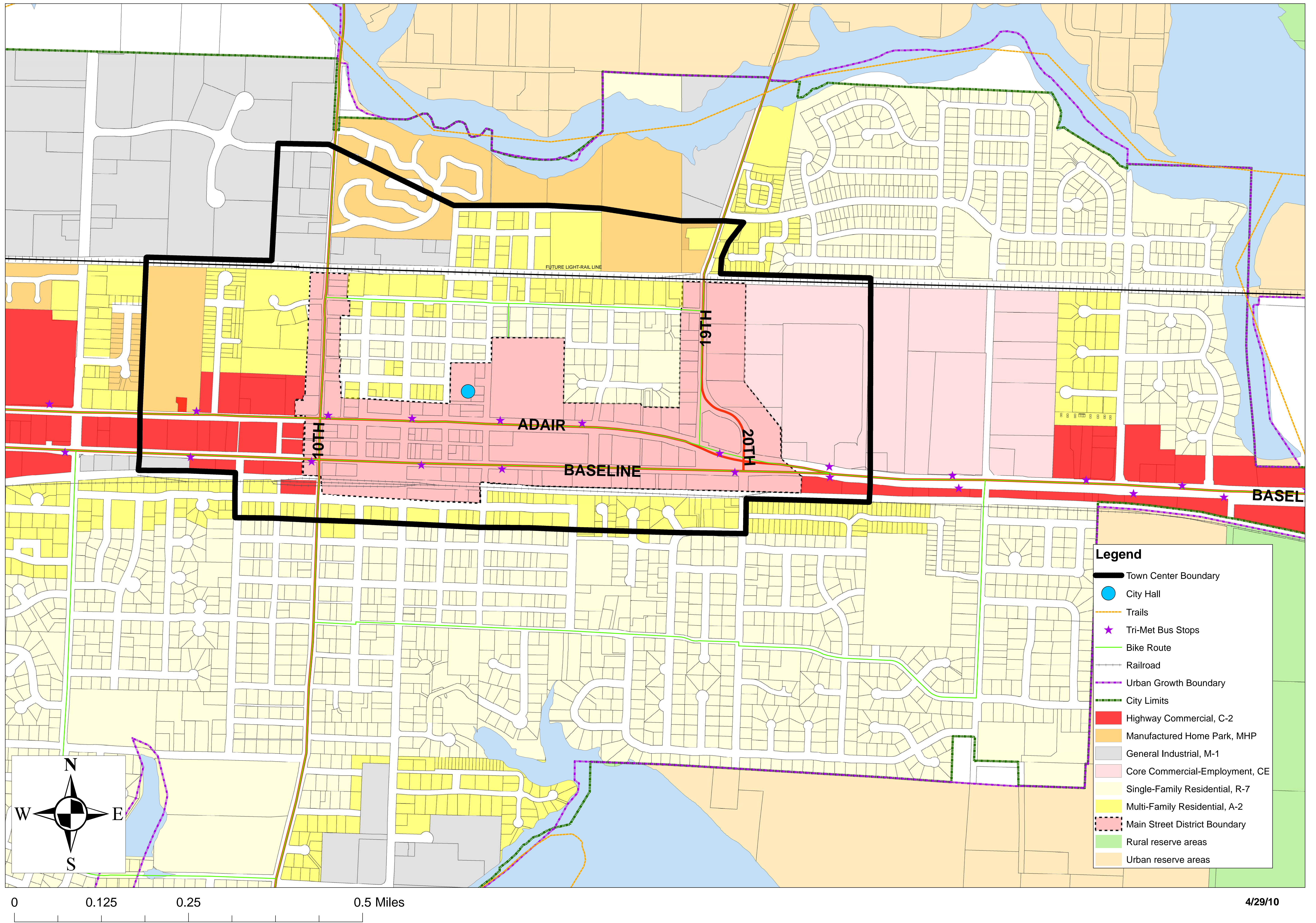
What kind of market analysis has your jurisdiction completed that indicates that development you plan will support the level of activity you envision for your center?

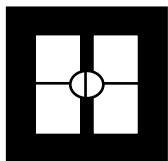
We submit that the center of Cornelius acts and has acted as a Town Center for some time. In 2002, an OECDD funded Retail Analysis & Business Development Program showed significant and growing demand within a 5 mile radius / 70,000 people market area. In 2009, a Johnson Reid Economic Analysis & Long Term Urban Land Needs Assessment confirmed significant unmet and future demand for business activity and development.

What the professional analyses do not show is a sudden market demand for 4-8 floor densities, but rather a gradual market intensity in centers that follows public incentives, private investment, increased values, public transit and overall improvement of a community's health, attractiveness and demand.

RM 5/10/10

City of Cornelius Town Center Area Existing Transportation & Zoning





August 18, 2010

TO: Chris Deffebach, Long Range Planning Manager

FROM: Colin Cooper, AICP, Planning Manager
Paige Goganian, AIA, AICP, Urban Design Planner

RE: Changing Centers Designations: Tanasbourne/AmberGlen Regional Center Request

This report provides background and findings for the City of Hillsboro's request to change the designation of the Tanasbourne Town Center to Regional Center and to include the adjacent AmberGlen area in the boundary. The request was first made in a presentation to the Metro Council at their work session on May 4, 2010. The City also presented the request to the Metropolitan Technical Advisory Committee on June 9, 2010, and the Metropolitan Policy Advisory Committee on June 23, 2010. A letter dated June 18, 2010 from Hillsboro Mayor Willey to Metro Councilor Kathryn Harrington formalizing the City's request for the Regional Center designation is provided in Attachment A.

1. Background

Describe what your jurisdiction wants to change (i.e. regional center to town center or location).

The City of Hillsboro is requesting to change the designation of the Tanasbourne Town Center to Regional Center and to include the adjacent AmberGlen area in the boundary. A preliminary boundary for the proposed Tanasbourne/AmberGlen Regional Center is identified on the map provided in the Mayor's request letter (Attachment A). The preliminary boundary includes most of the land within the Tanasbourne Town Center plan area and portions of the AmberGlen Community Plan area located to the west of OHSU's main research campus and Bronson Creek. The intent is to ensure that the Westside Light Rail and HCT Regional Priority Corridors serve the new Regional Center, and to include those areas with the greatest opportunity for development and redevelopment. Approximately 687 acres are provided within the preliminary boundary for the requested Regional Center. The City is still reviewing the boundary to ensure that areas important to the development of a vibrant Regional Center are included.

Describe why your jurisdiction is requesting this change, including how the change fits into your comprehensive plans and aspirations for the center.

This request is based on the evolution of the Tanasbourne area over the past fifteen years into a regional-scale mixed-use commercial center, combined with the opportunity presented by the adjacent AmberGlen Community Plan area, one of the largest redevelopment sites in the region. When asked by Metro to articulate community aspirations as part of the *Making the Greatest Place* planning effort, the City identified development of a vibrant, transit-supportive Regional Center in the Tanasbourne/AmberGlen area as a priority. In February 2009, City and Regional leaders and area stakeholders participated in a public meeting to discuss and affirm a shared commitment to achieve high levels of density close to regional employers, provide high quality amenities and a pedestrian-oriented, urban environment, and to fully support regional investments in transportation infrastructure. They also agreed to pursue designation of a

high capacity transit link through AmberGlen to connect to regional employment centers, and to pursue designation of the Tanasbourne/AmberGlen area as a Metro 2040 Regional Center. Aspirations for the 18-hour Regional Center and a planning area timeline are provided in Attachment B.

Amendments to the Hillsboro Comprehensive Plan adopted in January 2010 incorporate the AmberGlen Community Plan and establish the policy framework required to amend land use regulations for higher intensities and densities and to pursue funding mechanisms including tax increment financing. Adopted policies require the City to pursue designation of the Tanasbourne Town Center and AmberGlen Community Plan area as a Metro 2040 Regional Center (Policy 4.10). The change to Regional Center designation is a key action for implementing the AmberGlen Community Plan by focusing resources on the transformation of the Tanasbourne/AmberGlen area into a complete urban community, regional landmark, and model of urban sustainability. The AmberGlen Community Plan is provided in Attachment C.

In your own words, describe how this new center will perform and how it will be different from what exists today.

The performance of the new Regional Center is expected to achieve targeted densities and placemaking aspirations based on the success and ongoing evolution of the Tanasbourne Town Center. This success will be leveraged by development of a high density, vertical mixed-use urban district envisioned for the adjacent AmberGlen area, and by enhancing regional access with the addition of the HCT Regional Priority Corridors identified in the 2010 Regional Transportation Plan. There are over 100 undeveloped acres located within the new Regional Center area. These vacant sites are largely controlled by owners of the AmberGlen Business Park and by Oregon Health Sciences University and include approximately 65 undeveloped acres within a one-half mile walking radius from the Quatama Light Rail Station. The density capacity analysis provided on page 16 of Attachment D (Existing Conditions and Future Capacity Report, May, 2010) estimates that 30,000 people will live in the new Regional Center and 23,000 will work there. Planned density for the new Regional Center is estimated to be 99 people per net acre. This exceeds the average regional center density target of 60 people per acre recommended by Metro Title 1 Requirements for Housing and Employment Accommodation. Strategic public investments in infrastructure and catalyst projects will further enhance market feasibility to fully realize the opportunity presented by the new Regional Center.

Today, the Tanasbourne Town Center has grown into a regional-scale, mixed-use commercial and employment center in suburban Washington County. At approximately 605 acres, Tanasbourne is the largest 2040 Town Center in the region. Tanasbourne's economic success is related to the growth of regional employers in Washington County, and to regional access provided by two major arterials and the Highway 26 Interchange at 185th Avenue. Tanasbourne Town Center is served by two TriMet bus lines. It is not directly supported by Westside Light Rail which is located over 1.5 miles to the south. The transition to a more compact, pedestrian-supportive urban center is reflected in the recent construction of projects at increased housing and employment densities served by structured parking, and the emergence of walkable and attractive streets, trails, parks, natural areas and gathering places. Approximately 4,600 units of multi-family residential development adjacent to over 3.5 million square feet of commercial development are provided within the Town Center. Over one million square feet of the commercial development is retail. Retail projects such as the Streets of Tanasbourne and Tanasbourne Market Center strengthen the area's focus on urban amenity businesses, featuring popular anchors like REI and Whole Foods Market. Development at higher densities continues with the construction of Kaiser Permanente's Westside Medical Center and completion of multifamily senior and assisted residences adjacent to Magnolia Park and the Tanasbourne Market Center.

As the result of long established partnerships between private stakeholders, the City, and public agencies, Tanasbourne continues to exhibit robust performance through its ongoing evolution as a 2040 Center.

Metro's State of the Centers Report (2009) indicates that Tanasbourne exceeds average Town Center performance measures for both overall density and residential density at 24 people per net acre and 8 dwelling units per net acre respectively. Tanasbourne Town Center overall density is equal to or greater than four of seven 2040 Regional Centers. This factors in Tanasbourne's large size of 605 acres, compared to Downtown Hillsboro Regional Center at 144 acres, and the concentration of suburban retail centers developed prior to Tanasbourne's Town Center designation. Nevertheless, Metro's data indicates that Tanasbourne Town Center residential development achieves higher density than any of the seven 2040 Regional Centers.

The expectation that Tanasbourne/AmberGlen development will attain regional center performance measures is supported by planning that responds to economic vitality objectives and reflects specific market findings for the area. For example, planned proximities to urban amenity businesses, open space and employment ensure that price premiums required for high-density construction types are achievable. Adopted land use policies respect existing buildings and their individual redevelopment timelines while providing for new, higher density development on vacant parcels and redevelopment on underutilized sites. In the near-term, vacant AmberGlen sites are expected to be developed as high-density residential and mixed-use development organized around a central park and natural resource areas. Existing streets will be incorporated into an urban grid to support walking, biking and transit use. Urban design concepts will ensure a lively, varied and walkable urban environment. Redevelopment of portions of the existing Tanasbourne commercial center and older multi-family housing stock are anticipated in the mid-term. Residents will live close to work and transit and will be able to access neighborhood shops and businesses, recreation and natural areas by foot. A park originally developed for the AmberGlen Business Park will be expanded to provide the new Regional Center with a focal point and amenity for high-density residences. The new Regional Center will be a showcase for transforming suburban development, and for creating a compelling alternative for people seeking an urban lifestyle based on sustainable development practices with convenient access to regional transportation. Designation of the new Regional Center will send a signal to developers that local, regional and state agency partners are committed to implementing adopted policies to achieve stated aspirations for future growth and livability.

2. Consistency with existing Metro Regional Framework Policies

Describe how the proposed change will meet the expectations of a center as derived from Regional Framework Plan Policies. Please include the extent the proposed center meets these expectations today as well as how it will meet expectations with your additional investments and actions. For a Regional Center, these expectations include:

The center is accessible to hundreds of thousands of people.

The 2040 Growth Concept identifies regional centers as serving "...large market areas outside the central city, connected to it by high-capacity transit and highways and are accessible by hundreds of thousands of people." With regional access provided by the Highway 26/185th Avenue Interchange and several major arterials, the number of people in the market area served by the Tanasbourne Town Center already meets Metro's target. A recent market area analysis by Johnson/Reid notes that the Tanasbourne Town Center is estimated to serve a commercial market area ranging anywhere from 150,000 to 300,000 people based on the location of The Streets of Tanasbourne and the size and proximity of market area typical for this type of regional shopping center (Attachment E, page 7). The analysis also notes the unique geographic proximity of the Tanasbourne Town Center to West Washington County high-tech, solar and bio-pharma cluster employers and finds that these employees seek housing in locations central to the Tanasbourne area, a pattern that will intensify with future growth for these clusters. 2010 daily trip counts for several Washington County arterials serving Tanasbourne Town Center indicate approximately 52,507 daily trips on 185th Avenue just north of Evergreen Parkway; 20,363 daily trips within the Town Center on Cornell

Road west of Stucki Avenue/AmberGlen Parkway; 16,381 daily trips on Evergreen Parkway west of 188th Avenue; and 14,249 trips on Walker Road east of 185th Avenue. The total of 103,500 daily trips does not factor in all arterial access routes such as SW Baseline and 185th Avenue south of Cornell Road. The daily trips analysis provides a very generalized and potentially understated level of regional access for the Tanasbourne Town Center based on the existing level of infrastructure and development. Regional transit service is provided by two TriMet bus lines but current ridership counts have not been compiled.

Both Metro and City of Hillsboro population and employment growth projections identify significant growth in Washington County over the 20 year planning horizon. Implementation of proposed densities for the new Regional Center will require development and adoption of a Multi-Jurisdictional Interchange Refinement Plan to identify improvements needed to protect mobility on state and local facilities. The City of Hillsboro has identified initiation of the Multi-Jurisdictional Interchange Refinement Plan as a 2011 priority. Transit access to the new Regional Center will be enhanced by two HCT Regional Priority Corridors identified in the Regional Transportation Plan. The Tanasbourne Town Center has emerged as a regional center serving central and north Washington County. The area currently meets the threshold for access by hundreds of thousands of people. As future populations increase per Metro and City of Hillsboro growth projections, people served by the new Regional Center will continue to increase.

The area is zoned for a mix of housing types to provide housing choices.

Existing zoning for the Tanasbourne Town Center is based on the Tanasbourne Town Center Plan adopted in 1999 and features commercial, mixed use multifamily residential zones at multifamily densities of 21.25 to 28.75 units per acre. Residential uses are currently permitted on upper floors in commercial zones. Nearly all of the land in the Tanasbourne Town Center zoned for multifamily use has been developed. However, the City believes that some of the oldest multi-family stock is likely to be redeveloped in response to additional job growth in nearby high tech sectors and the completion of the Kaiser Permanente Westside Medical Center. The few remaining vacant development sites located north of Evergreen Parkway are planned for commercial or commercial with residential on upper floors. Recent residential construction in the Tanasbourne Town Center demonstrates a range of housing types such as high-density senior and assisted-living housing at the Springs at Tanasbourne and nearby townhouse and multifamily development targeted for families. The neighborhood is organized around Magnolia Park within a short walk of shops and Whole Foods Market. Existing Station Area Research Park and Station Area Business Park zones designated within the AmberGlen Plan area were put in place in anticipation of the opening of the Westside Light Rail in 1998 and do not permit residential uses. Comprehensive Plan designations and policies adopted in January 2010 for the AmberGlen Community Plan establish residential uses in AmberGlen and require various multifamily development types to serve a range of densities, households, ages and income levels. AmberGlen density targets range from 43 to 74 units per acre for mid-rise and high-rise mixed-use residential development, and 34 units per acre for transitional residential development.

Development capacity estimates for the new Regional Center of approximately 13,438 dwelling units are based on Tanasbourne Town Center zones and adopted AmberGlen land use policies (see Attachment D, pages 4 and 8). At an estimated average of 2.25 residents per dwelling unit, over 30,000 residents are estimated for the new Regional Center (Attachment D, pages 16 and 18). The Economic Opportunities Analysis completed in 2009 for the City of Hillsboro projects the need for additional capacity for housing, employment, and retail commercial land. Land uses adopted with the AmberGlen Community Plan change the designation of land previously held exclusively for employment and institutional employment to high-density mixed-use development. The City is initiating a zoning study that will provide mixed-use zones to implement the AmberGlen analysis of projected price ranges and housing types with affordability estimates for ownership and renter-occupied housing. Adoption of the AmberGlen mixed use zones is anticipated for spring, 2011. Designation of the Tanasbourne/AmberGlen Regional Center will affirm a local and regional commitment to achieving these residential densities.

The City has adopted a strategy of actions and investments to enhance the proposed center.

The City has adopted policies and actions that require public investment to catalyze and support a widespread and sustained private market reaction within the new Regional Center. Resources have been committed to accomplish projects identified in the AmberGlen Implementation Work Plan and summarized as “next steps” on the Area Planning Timeline (Attachment B). Priorities include ongoing coordination to establish stakeholder Memorandums of Understanding, adoption of zoning, design and sustainability standards and incentives to implement AmberGlen mixed-use Comprehensive Plan designations, urban renewal feasibility studies, and development of a catalyst project for a key AmberGlen site. The work will provide a comparative analysis of potential public investment tools, and will consider project-specific funding or partnering, as well as district-wide investments to enhance the marketability of the area. District-wide investment targets to be considered include transit, parks and open space amenities, and attracting desirable urban amenity businesses. AmberGlen zoning work will also include pro forma modeling to identify the financial feasibility of planned higher density thresholds and urban construction types, and to identify the likely marginal impact of various public investment tools. Adopted policies identify interdepartmental projects for the new Regional Center including land acquisition for critical rights-of-way and key green framework elements, engineering plans and cost estimates for infrastructure improvements and district stormwater and energy strategies, and a design competition for central park and green framework elements.

The area is served by high-capacity transit (HCT) or is proposed for HCT in the 2035 Regional Transportation Plan (RTP) and meets or is planned to meet the transit system design standards proposed in the RTP.

Today, HCT service is provided by the Westside Light Rail with stations located at the southern edge of the Tanasbourne/AmberGlen area at Quatama and at the Willow Creek Transit Center. Bus service is provided by four Tri-Met Bus Routes: #47 and #48 connecting the Willow Creek Transit Center to downtown Hillsboro via Cornell Road and/or Evergreen Parkway; #52 connecting the PCC Rock Creek campus north of the City limits and east of 185th Avenue with the PCC Willow Creek Center located at the Willow Creek Transit Center, and #89 connecting Tanasbourne at Evergreen Parkway and 185th Avenue to the Sunset Transit Center. The Regional Transportation Plan adopted in June of 2010 identifies two HCT Regional Priority Corridors that will serve the new Regional Center, linking the Sunset Transit Center to Tanasbourne and to regional employers to the west (HCT Corridor 17), and a Red Line extension linking the Westside Light Rail up through AmberGlen to Tanasbourne and to regional employers to the north and west (HCT Corridor 17D). The City has adopted policies and actions to support existing and planned HCT service, and has identified local streetcar or rubber tire circulator to provide “last mile” connections to regional facilities as well as to augment local transit service within the new Regional Center area. The City of Hillsboro is committed to pursuing High Capacity Transit to support the new Regional Center and is currently working with TriMet on a \$50,000 study of preliminary alignments.

The area is zoned for a number of residents and employees need to support HCT.

The existing Tanasbourne Town Center comprehensive plan and zoning designations and adopted AmberGlen Community Plan Comprehensive Plan designations and corresponding zoning are estimated to achieve 99 people per acre at full build out over the planning horizon (see pages 4, 6 and 16 of Attachment D). This exceeds the 90 people per acre density target identified for Regional Centers to support HCT. Tanasbourne Town Center zoning was adopted in 2000 in response to the Metro 2040 Growth Concept. The City has approved work to update the Town Center Plan to ensure that connectivity and density objectives for the new Regional Center are accomplished. This work has been approved by the Hillsboro City Council for FY 2010/2011 and will include detailed review of existing town center mixed-use zoning to determine what additional amendments may be necessary.

The City has, or has adopted a plan for, a multi-modal street system that meets or will meet connectivity standards in the RTP.

The Tanasbourne Town Center Plan adopted in 2000 was in conformance with the City TSP (adopted in 1999) and with the RTP goals. The City's current Transportation System Plan update was adopted in 2004 in conformance with the RTP and multi-modal goals for pedestrians, bicycles, public transit, motor vehicles, and freight movement. Subsequent development within Tanasbourne Town Center has been required to provide features to support active transportation and connectivity objectives to for pedestrians, bicycles, and transit. The pedestrian corridor linking regional shopping at Cornell Road to the Kaiser Permanente Westside Medical Center and corporate employers north of Evergreen Parkway has largely been completed, and the local street grid planned for the Cornell-Walker Roads "SuperBlock" has been developed. As noted previously, work to update the Tanasbourne Town Center Plan has been approved to ensure that connectivity and density objectives for the new Regional Center are accomplished as older commercial and residential sites in Tanasbourne are redeveloped.

Adopted AmberGlen Transportation Policies and Actions identify an urban grid comprised of streets, access lanes and trail connections that incorporate existing facilities. The street and pedestrian network is planned to provide a high level of connectivity to promote an active pedestrian environment and efficient development pattern. Typical block faces are planned to be approximately 225 feet to 400 feet in length. Frequent bicycle, pedestrian and solar access will be ensured by access lanes through longer blocks. Policies also identify improved pedestrian connections to Tanasbourne destinations north of Cornell Road. The current work plan includes transportation modeling and design work to implement the adopted street network concept. Additionally, the City has recently adopted a new Parks and Trails Master Plan which includes several City and Regional trails within or near the Tanasbourne/AmberGlen Regional Center.

The City has adopted a strategy that calls for actions and investments to meet the non-SOV modal targets in the RTP.

City policies call for actions and investments to meet non-SOV modal targets identified by the RTP. These include an active and ongoing working relationship with the Westside Transportation Alliance, 2009 adoption of the City's Transportation Utility Fee to provide funding for pedestrian and bicycle facilities, and ongoing efforts through the City's CIP program and Community Development Block Grant Programs to enhance non-SOV infrastructure throughout the City. As noted previously, adopted AmberGlen Transportation Policies and Actions identify an urban grid comprised of streets and access lanes to provide pedestrian-scale access and connectivity for non-SOV modal targets and improved pedestrian access to Tanasbourne destinations north of Cornell Road, a transit strategy to provide local service and connections to regional transit, and creation and maintenance of an "... environment where there is less reliance on motor vehicle trips by coordinating public and private trip reduction strategies and pursuing a comprehensive travel demand management program" (Policy 6.7). Adopted policies place new medium and high density residential housing within close proximity to jobs and commercial services so that when combined with a walkable street grid, significant non-SOV modal choice is available. Adopted Actions identify continued work with the Westside Transportation Alliance and other transportation partners to develop a comprehensive travel demand management program.

The City has a parking management program consistent with that proposed in the RTP.

The City's current parking regulations are in conformance with the Urban Growth Management Functional Plan (Title 2.29.1) and establish minimum and maximum parking standards based on access to and frequency of transit service. Adopted policies identify potential funding or incentives to foster development of structured parking to ensure compact development and reduce surface parking area within the new Regional Center. Today, structured parking is provided at The Springs at Tanasbourne (senior and assisted high density housing), The Streets of Tanasbourne, and the Kaiser Permanente Westside Medical Center

where a seven-level parking structure is under construction. Parking structures serving the regional shopping center and hospital are located adjacent to one of the HCT Regional Priority Corridors identified to serve the new Regional Center area. The development of AmberGlen zoning will address district parking to foster non-SOV trips and will include consideration of paid parking districts, standards for maximum parking ratios, and limits on surface parking facilities.

3. Additional Considerations

How would a center change detract from or support other nearby centers to serve as the center of urban life and market area for a regional center?

The change in designation of the Tanasbourne Town Center to a Regional Center acknowledges that the market has responded to the area's strategic location at the "50 yard" line of Washington County major employment centers and residential areas, and is located equal distance from the Hillsboro and Beaverton downtown Regional Centers. Tanasbourne has emerged as a distinct regional-scale center serving a new and growing market area in north-central Washington County according to a recent analysis by Johnson/Reid (Attachment E). This is based on regional access provided by Highway 26 and major Washington County arterials, and on the dramatic growth over the last decade of residential development west of 185th Avenue and high-tech, solar, and bio-pharma cluster employers in West Washington County. Nearby regional centers include Hillsboro Regional Center located approximately 5.5 miles to the west and Beaverton Regional Center located approximately 4.8 miles to the south and east. Currently, the 10 miles separating the Hillsboro Regional Center and the Beaverton Regional Center via the Tualatin Valley Highway is significantly greater than the distance separating any of the other five regional centers and the Central City. The market area served by the new Regional Center has already been established and factors in the proximity and unique characteristics of adjacent centers. The focus of additional development and related investment in transit associated with the Regional Center designation will not likely detract from adjacent Regional Centers. Rather, enhanced HCT service to the new Regional Center would have the "...potential to strengthen the existing transit network, as it would naturally be served through adjoining centers" (Johnson/Reid, 2010, Attachment E). Based on these findings, and on population and employment studies produced by Metro and the City for developing Hillsboro's *Making the Greatest Place* aspirations, the City feels confident that the change in designation of the Tanasbourne Town Center to a Regional Center will not detract economically from surrounding regional or town centers.

If there are multiple regional and town centers located within your jurisdiction, describe how you will prioritize and focus development efforts among them.

The 2040 Growth Concept Plan includes three center designations in Hillsboro: Hillsboro's downtown Regional Center, Orenco Town Center, and Tanasbourne Town Center. Each of these centers has unique characteristics including size, age, quality and character of existing development, connectivity and access to regional highways, and transit. Ongoing planning and investment strategies are tailor-made for each Hillsboro center.

The character of Hillsboro's downtown regional center is unique because of its geographical location at the terminus of the Westside Light Rail and relatively limited highway access at the western edge of the region. Hillsboro's downtown has and continues to receive specific planning and investment focus through the implementation of the Hillsboro Renaissance Plan, Downtown Framework Plan, and adoption of the recent Urban Renewal Plan. These efforts have helped attract significant new development at the Pacific University Hillsboro campus. Tuality Hospital, Virginia Garcia Clinic and PCC Hillsboro Center are key institutions that continue to make investments in Hillsboro's regional center. Strategic investment of urban renewal funds in both infrastructure and additional amenities will further leverage private development dollars.

The Orenco Town Center is considered to be a case-study example of a green-field, transit-oriented and mixed-use development. The Orenco Town Center features medium density attached and detached housing and commercial retail development in close proximity to both jobs and transit. Current infrastructure is sufficient to support the few remaining vacant parcels without significant public investment. Interest in remaining vacant sites has been strong despite recent economic conditions due to the quality of placemaking that has been accomplished and the attributes of the surrounding area.

The Tanasbourne Town Center has been described at length in this report and remains an attractive location for development as evidenced by Kaiser Permanente decision to invest approximately 240 million dollars in a new hospital directly adjacent to the Streets of Tanasbourne Lifestyle Shopping Center. This new hospital will create approximately 1,100 new jobs when completed. The strength of existing transportation infrastructure and regional access has been fundamental to the economic success of the area. However, significant additional infrastructure investment will be necessary to fully support the redevelopment opportunity due to the increased density planned for the new Regional Center. Infrastructure costs are anticipated to be shared between private investments and targeted expenditure of System Development Funds. Preliminary urban renewal feasibility reports indicate that significant tax increment opportunities exist. Tax increment funds will be targeted for transportation, transit, parks and open space infrastructure.

Recognizing that zoning alone will not achieve the kind of vibrant and active centers envisioned by the 2040 Growth Concept, describe your jurisdiction's plans for promoting development through partnerships, incentives, investments and other actions.

One of the key attributes for the proposed regional center is a common vision among both private and public stakeholders within the Tanasbourne/AmberGlen area. Long term stakeholders such as Standard Insurance, Principal Financial, and OHSU and new stakeholders such as Kaisers Permanente and Felton Properties all share in the belief that through the planning horizon, a significant opportunity is presented by this location. These types of partners are more willing to take a longer view which helps the City build investment over time. Included in this commitment is an understanding that dedications for public right-of-way and parks and open/space will be necessary to create the sense of place and amenities necessary to be successful. The economic development approach for the new Regional Center recognizes that quality of life issues are critical to successfully attracting and retaining private investment in a global marketplace.

Adopted programs and policies require the City to take an active role to identify strategic public investments focused on the new Regional Center area to leverage widespread and sustained private investment. Recent expansion of an Enterprise Zone for existing office space in a portion of the Tanasbourne Town Center reflects a focus by the City, through its Economic Development Department, to work with business development groups to enhance opportunities within the new Regional Center. Economic Goals, Policies and Actions adopted with the AmberGlen Community Plan identifies programs and projects to leverage significant private investment in the area with targeted public investment to capture the latent and future demand for urban development form at this suburban location. As noted in this report, the City has committed resources to accomplish projects identified in the AmberGlen Implementation Work Plan. Priority projects include development of AmberGlen zoning and refinements to Tanasbourne Town Center zoning with a focus on development incentives and flexible regulatory structures. The City is pursuing funding strategies, including tax-increment financing, for strategic public investments to enhance the investment environment and achieve catalyst development. The City is also developing Memorandums of Understanding between public and private stakeholders to provide the basis for assurances for financing mechanisms to reduce initial risk, catalyze initial development phases, and maintain momentum.

What kind of market analysis has your jurisdiction completed that indicates that the planned development you have planned will support the level of activity you envision for your center.

The City has relied on the Economic Opportunities Analysis by Johnson/Reid (2009) and Metro's Growth Reports. The studies indicate that there will be sufficient population and employment growth in Washington County over the next 20 years to support planned densities. The findings are strengthened by trends for increased demand for urban development forms and densities in close proximity to urban amenities and access to employment. The City recently conducted an analysis to better understand the geographic market area currently served by the Tanasbourne Town Center (Johnson/Reid, July, 2010, see Attachment E). The analysis is based on proximity to regional transportation infrastructure, residences, and employment centers. The analysis notes that Tanasbourne Town Center has emerged as a distinct regional center that now serves a distinct, household population and work force in north-central Washington County. Recent construction of the Kaiser Permanente Westside Medical Center, Standard Insurance's LEED gold-certified corporate office building, and multi-family housing development in Tanasbourne demonstrate the favorable development environment presented at the new Regional Center location.

Concept planning for the AmberGlen Area was based on the development program prepared by Leland Consulting Group and PB Placemaking for the City of Hillsboro. The work included a series of interviews with property owners and developers and the modeling of development types which were reevaluated against currently built and occupied comparable projects. The evaluation resulted in adjustments to projections for parking and FARs. The approach demonstrated that while Concept Plan aspirations were ambitious, and to some degree untested in this market, they had been successfully implemented elsewhere. In 2009, a series of development feasibility studies were completed by Johnson/Reid to inform concept plan refinements and phasing strategies adopted in the AmberGlen Community Plan. The financial pro forma analysis indicated a positive pre-tax profit and positive return on cost of over 9% for mid-rise residential construction (4 to 6 stories, concrete and steel construction, usually dependent on structured parking) planned for significant portions of AmberGlen. However, mid-rise construction barely failed the viability test because the project falls short of the minimum 15% return on cost threshold. The model factors in price premiums associated with assumed proximity to a centerpiece park (15% premium) and to a specialty grocer (17.5% premium). Factoring strategic public investment in projects and/or district amenities such as transit would likely add sufficient price premiums to meet medium density housing development costs in the near term and higher density housing development costs in the longer planning horizon.

The City is in the process of contracting for additional pro forma analyses to further understand feasibility factors and the likely impact of various public investment tools for the new Regional Center area. In addition, the City will be conducting analyses to project price ranges and housing types including affordability estimates for ownership and renter-occupied housing, and to identify financial impacts for code-related development incentives as part of AmberGlen zoning work.

Conclusion

The Tanasbourne/AmberGlen Regional Center is the City's vision to make the most of existing investments and to create a catalyst for even greater investment opportunity. This vision has been reaffirmed by our community through the adoption of the AmberGlen Community Plan. The Regional Center designation will leverage the success of the existing Town Center and recognizes the commitment of several large property owners to work with private and public partners to achieve the community's vision. This unique circumstance should not be presumed to last indefinitely and should be acted upon. The City is asking for Metro Council support of our City's aspirations for *Making the Greatest Place* by amending the 2040 Growth Concept Plan Map to change the designation of the Tanasbourne Town Center to Regional Center and to include the adjacent AmberGlen area in the boundary.

Attachments:

Attachment A Letter from Hillsboro Mayor Willey to Councilor Harrington, June 18, 2010

Attachment B 18-hour Regional Center Aspirations; Planning Area Timeline, August 2010

Attachment C AmberGlen Community Plan, January 2010

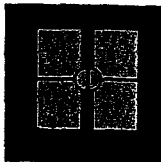
Attachment D Tanasbourne/AmberGlen Existing Conditions and Development Capacity, May 2010

Attachment E Tanasbourne Town Center & Beaverton Regional Center Markets, Johnson/Reid, 07/23/2010

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CITY OF HILLSBORO

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June 18, 2010

Honorable Metro Councilor Kathryn Harrington
Metro
600 NE Grand Avenue
Portland, OR. 97232

Dear Councilor Harrington:

Thank you for your invaluable help and guidance to us on our AmberGlen Community Plan that really began during an unprecedented February 2009 work session, yourself, President David Bragdon, our City Council, our Planning Commission and AmberGlen-Tanasbourne Area property owners and stakeholders. At that event we announced our intent to seek Metro approval of a re-designation of that Area to a *Tanasbourne/AmberGlen Regional Center* on the Region 2040 Growth Concept Map.

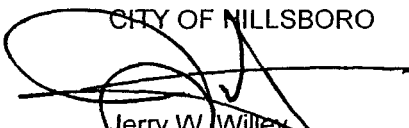
Our staff has spent the past two years actively working with Metro toward the *Making the Greatest Place*, establishing Regional Urban and Rural Reserve process, updating the Regional Transportation Plan, and sharing our community's growth aspirations for the next 20 to 50 years. We aspire to grow in an economically and environmentally sustainable and land efficient manner. Among those aspirations is this request that Metro Council formerly amend the Metro 2040 Growth Concept to designating the Tanasbourne/AmberGlen Area a "Regional Center".

The Tanasbourne/AmberGlen Regional Center will become a successful, transit-supportive regional center by connecting and integrating the continuing economic growth of the Tanasbourne Town Center with the transit-supportive urban mixed use densities we expect to achieve in the AmberGlen Area per our adopted AmberGlen Community Plan. This Regional Center will become an 18 hour urban node with intensive mixed-use that is close to major employers. Based on our City's proven record of delivering projects and collaborative public and private partnership I am confident that we can successfully develop the Tanasbourne/AmberGlen Regional Center.

This Regional Center designation request meets your Title 3 criteria for Regional Center designations and is consistent with the recently adopted Regional Transportation Plan. We respectfully ask you and your Council colleagues to consider and, hopefully, approve this request.

Sincerely,

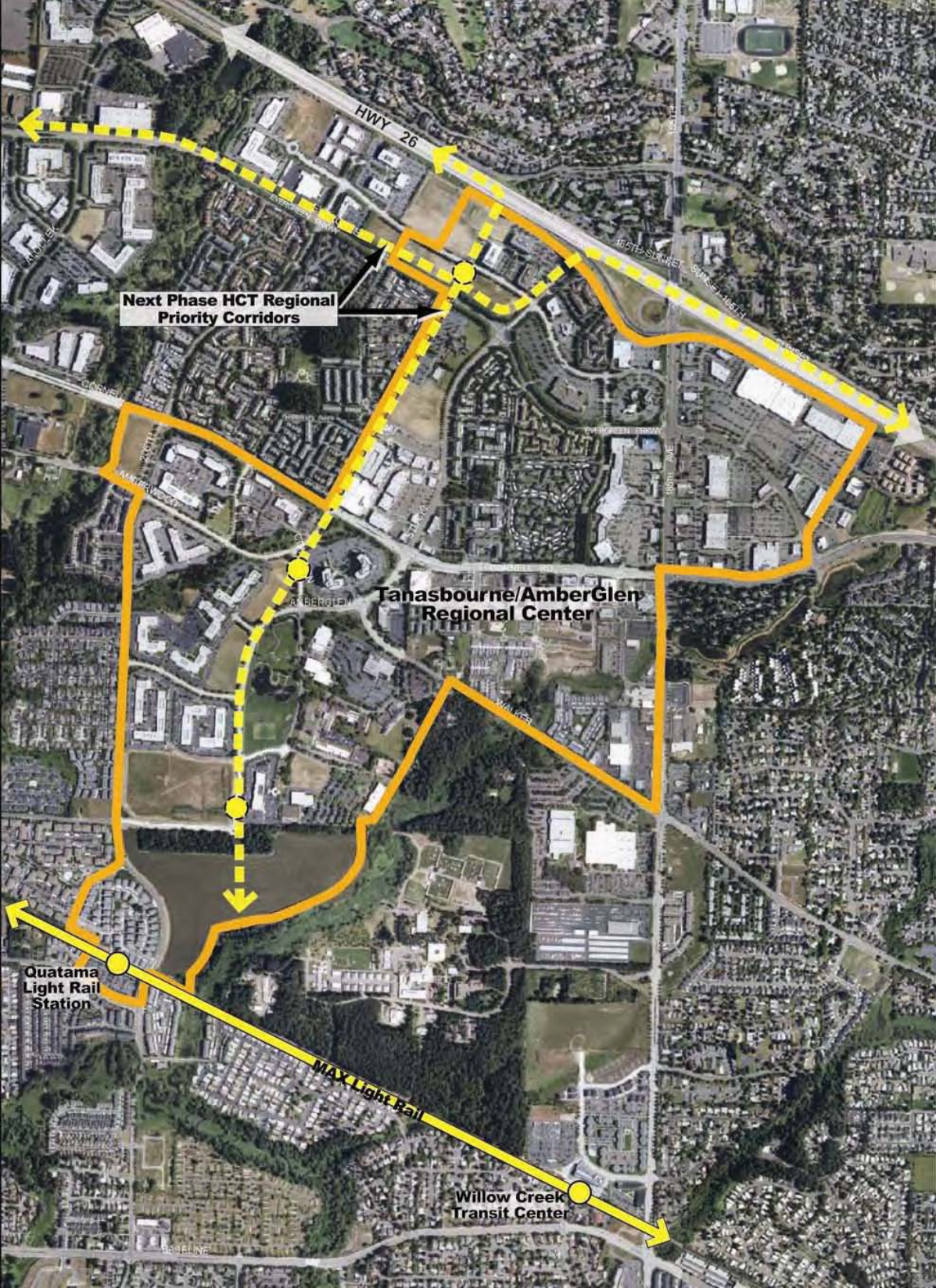
CITY OF HILLSBORO


Jerry W. Willey
Mayor

cc: David Bragdon, Metro Council President
Robin McArthur, Metro Planning and Development Director
Chris Deffbach, Metro Land Use Planning Manager

Attachments: Tanasbourne/AmberGlen Boundary Map
City of Hillsboro Resolution No. 2311

Tanasbourne/AmberGlen Regional Center - Preliminary Boundary



RESOLUTION NO. 2311

LRMISC 2-10: TANASBOURNE / AMBERGLEN REGIONAL CENTER

A RESOLUTION ENDORSING THE ESTABLISHMENT OF THE TANASBOURNE / AMBERGLEN REGIONAL CENTER WITHIN METRO 2040 GROWTH PLAN.

WHEREAS, the City adopted the AmberGlen Community Plan on January 19, 2010, with the intent to create a vibrant regional scaled activity center enlivened with a vibrant, mixed-use urban community with a landmark identity; and,

WHEREAS, the AmberGlen Community Plan articulates the community aspirations with a series of goals, policies, and actions that support the creation of compact urban style development with high density housing, concentrated employment, quality public spaces, and high capacity transit; and,

WHEREAS, the AmberGlen Community Plan includes policies to consider combing the existing Tanasbourne Town Center and AmberGlen Plan area for consideration for designation as a Regional Center within the Metro 2040 Growth Plan; and,

WHEREAS, the Tanasbourne/AmberGlen area is a strong candidate for designation as a Region 2040 Regional Center because the adopted plans and policies are consistent with the Metro Regional Framework Plan by concentrating housing and jobs within a multi-modal transportation grid combined with the existing regional level transportation infrastructure and the future development of high capacity transit; and,

WHEREAS, Hillsboro and Metro Officials have coordinated closely on the concept of establishing a Regional Center at the Tanasbourne/Amberglen Area since the inception of the Amberglen Community Plan process;

NOW, THEREFORE, THE CITY OF HILLSBORO RESOLVES AS FOLLOWS:

Section 1. The City of Hillsboro fully endorses the designation, establishment and development of a *Region 2040 Tanasbourne/AmberGlen Regional Center* within the Metro Regional Framework Plan and Urban Growth Management Functional Plan and respectfully urges the Metro Council to re-designate this Area as a Regional Center within these Plans at the earliest possible time because of its importance to the future robust growth of the unique urban center.

Section 2. The City requests that in collaboration with Metro and Tri-Met that the Red Line extension be considered for 1st Tier Priority Improvements for HCT in the Regional Transportation Plan at the soonest possible opportunity.

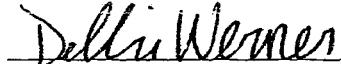
Section 3. This resolution is effective immediately upon adoption.

Approved and adopted by the Hillsboro City Council at a regular meeting held on the 2nd day of February 2010.



Mayor

ATTEST:



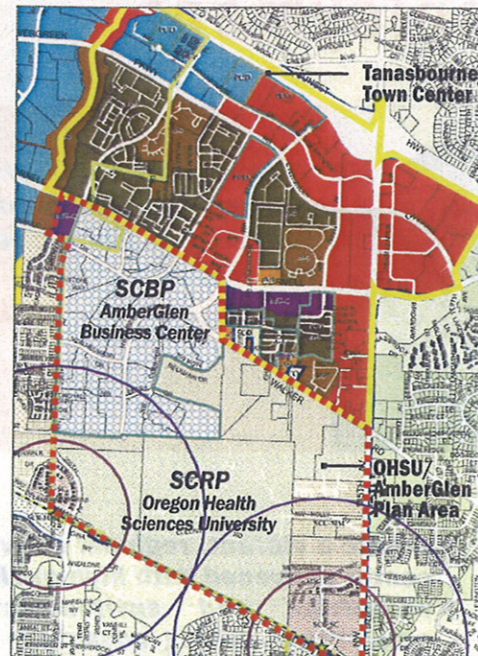
City Recorder

TANASBOURNE | AMBERGLEN

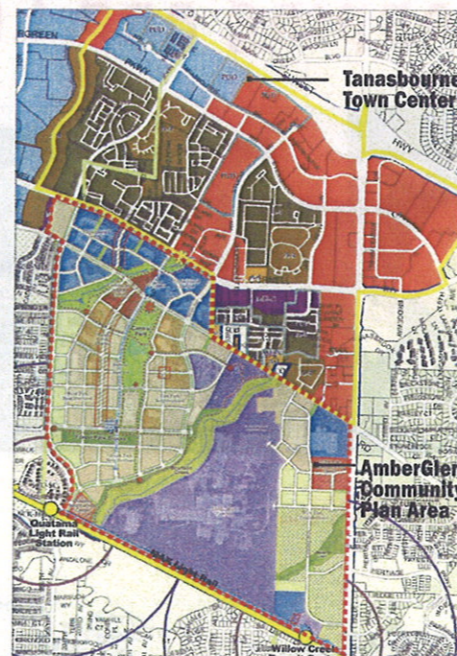
Area Planning Timeline



Tanasbourne/AmberGlen Planning Areas Aerial Photo, 2005



Tanasbourne Town Center Zones, adopted 2004
Station Community Campus Area Zones (OHSU/AmberGlen area), adopted 1996



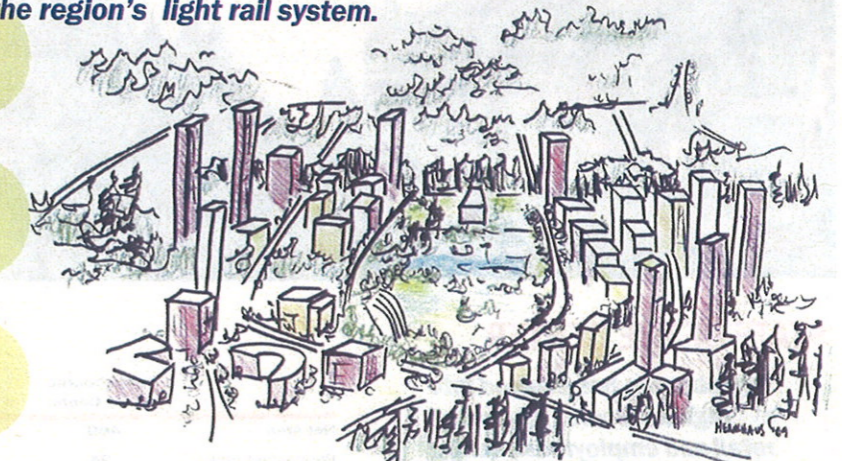
AmberGlen Community Plan Land Use Policy Amendments, 2010



Proposed redesignation and reconfiguration of the Tanasbourne Town Center as the Tanasbourne/AmberGlen Regional Center, 2010

VISION

Create a vibrant, regional activity center enlivened with high-quality pedestrian and environmental amenities, taking advantage of the region's light rail system.



NEXT STEPS

- 2010 Tanasbourne | AmberGlen Regional-Center Designation
- 2010 Establish stakeholder Memorandums of Understanding
- 2010 Adopt zoning, design and sustainability standards & incentives
- 2010 - 2011 Establish public funding mechanisms and potential urban renewal district
- 2010 - 2011 Develop activity center catalyst project

Early 1980's

Standard Insurance creates "Tanasbourne"

Standard Insurance begins development of 850 acres, the initial phase of the masterplan for "Tanasbourne." It was to become one of the region's largest, horizontal mixed-use developments.

1991

AmberGlen Business Center breaks ground

Birtcher Development & Investments and State Farm Insurance, in a development agreement with Amberjack, break ground on the AmberGlen Business Center. The master plan identifies a multi-tenant, 26 building, 1.25 million square-foot research and development facility on 217 acres adjacent to OHSU.

1996

City adopts Station Community Plans and Campus Zones for OHSU/AmberGlen

Zoning supports existing "campus" uses and is intended to foster transit-oriented, pedestrian-sensitive, and auto-accommodating development. AmberGlen Business Center is designation: Station Community Business Park (SCBP). Oregon Health Sciences University designation: Station Community Research Park (SCRCP).

1998

City initiates Parks & Open Space Investments

Rock Creek Trail construction begins the City's ongoing investment in parks and open spaces. With additional funds from Metro, 1.5 miles of paved nature trail connects residential, commercial and industrial neighborhoods.

1999 / 2004

City adopts Tanasbourne Town Center & Zones

City of Hillsboro adopts Tanasbourne Town Center Plan (1999) and designates Mixed Use Commercial zones (2004) to direct new mixed-use growth in support of Metro 2040 Growth Concept goals and allocations for housing and jobs.

2006

City initiates AmberGlen Concept Planning Process

The City of Hillsboro initiated the OHSU/AmberGlen Concept Plan in 2006 to achieve higher levels of density close to major employers; provide high quality amenities & a pedestrian oriented, urban environment; support regional transportation infrastructure; and to transform all of Tanasbourne to a major regional activity center. The concept planning process was a collaborative effort between property owners, Tanasbourne area stakeholders and City, County, Metro and State officials. Although the concept plan was broadly endorsed by City Council and Planning Commission, it was not adopted.

2010

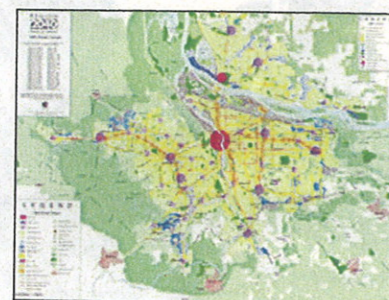
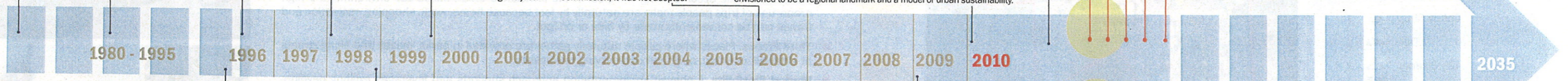
City adopts Resolution endorsing Tanasbourne/AmberGlen Regional Center

In February 2010, the City of Hillsboro adopted a resolution endorsing Metro 2040 redesignation and reconfiguration of the Tanasbourne Town Center as the Tanasbourne/AmberGlen Regional Center. Development capacity for the 687-acre area is estimated at over 30,000 residents and 23,000 jobs.

2010

City adopts AmberGlen Community Plan as an amendment to the Comprehensive Plan and Map

Adoption of the AmberGlen Community Plan in January 2010 established the policy framework required to amend land use regulations for higher intensities and densities, and to implement the vision established by the Concept Plan. The Community Plan provides a comprehensive guide for land use decisions necessary for transforming the area into a vibrant regional center close to major employers, the dynamic Tanasbourne Town Center, and regional transportation including Highway 26 and the Westside Light Rail. The complete, urban community is envisioned to be a regional landmark and a model of urban sustainability.



1995

Metro adopts 2040 Growth Concept

The Metro 2040 Growth Concept was adopted in the Region 2040 planning and public involvement process in December 1995. The Growth Concept defines the form of regional growth and development for the Portland metropolitan region. The concept is intended to provide long-term management of the region.

1998

MAX Westside Light Rail Opens

Planning for a light rail system on Portland's west side began in 1979. In 1989, the local jurisdictions asked to add an extension to the Westside project to extend the line to Hillsboro due to rapid development. The Westside MAX line connecting Hillsboro to Portland opened in September, 1998.



2009

Metro adopts Regional High-Capacity Transit System Plan

On July 9, 2009 the Metro Council adopted the High Capacity Transit System Plan. The Plan identifies 16 potential high capacity transit corridors in four regional priority tiers, framework for future system expansion prioritization and proposed amendments to the Regional Transportation Plan. The 30-year Plan will guide investments in light rail, commuter rail, bus rapid transit and rapid streetcar in the Portland metropolitan region.



Potential Metro 2040 Regional Center designation for Tanasbourne/AmberGlen



Potential extension of a High Capacity Transit Line along NW 194th Avenue with service to Tanasbourne/AmberGlen



TANASBOURNE | AMBERGLEN

18-hour

FOCUS | Housing, Shopping and Employment



Magnolia Park



Rock Creek Trail



Quatama MAX Station



Bugatti's



Streets of Tanasbourne

Approximately 30,000 people will live in this 687 acre urban district, and 23,000 people will work here



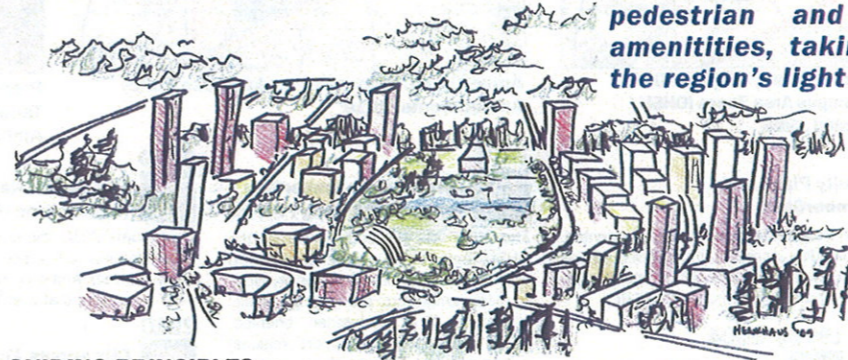
STATE OF THE CENTER

Tanasbourne has evolved into a regional-scale, housing, retail and employment center close to regional employers and transportation facilities

	Tanasbourne Town Center	Regional Center Average	Tanasbourne/AmberGlen Regional Center
Net Area	469	419	537
People/net acre	24	8	99
Dwelling Units/net acre	8	3	25
ULI businesses	97	84	103

THE ASPIRATION...

Create a vibrant, regional activity center enlivened with high-quality pedestrian and environmental amenities, taking advantage of the region's light rail system



GUIDING PRINCIPLES

- Urban/Green.** Mixed-use development sites are organized around a signature central park, natural corridors, habitat areas and developed open spaces. This urban green framework provides recreation amenities, enhances ecological functions, and fosters a strong connection to nature in the heart of an urban neighborhood.
- Connectivity.** Existing streets are incorporated into an urban grid to support walking, bicycling, and transit use while accommodating vehicles. In the envisioned urban mixed-use environment, a high proportion of trips people make are naturally by foot because home, work, shopping, recreation and transit can be conveniently made by bike or on foot.
- Third Places.** Places where people naturally gather are provided in parks, plazas and along streets at sidewalk-oriented, neighborhood-serving businesses.
- Market Flexibility.** A phased implementation approach supports and leverages existing development until the time that redevelopment becomes economically viable.
- Model Development.** The district will be a showcase for transforming suburban development, and for creating a compelling alternative for people seeking an urban lifestyle based on sustainable development practices.
- Economic Vitality.** Proximity to urban amenity businesses, open space and employment are provided and ensure that the price premiums required for urban development forms are achievable.
- Create Catalyst at Outset.** Implementation targets strategic public investments to leverage widespread and sustained private investment with the Community Activity Center and Central Park serving as initial development catalysts.
- Regional Landmark.** High-density residential and mixed-use development organized around a dramatic central park with access to shopping, transit and nature creates a landmark identity for a regional-scale district.

Urban Amenity Businesses 2010

Bakery	1
Bar	0
Bike Shop	0
Book Store	2
Brew Pub	0
Child Care	1
Cinema	1
Clothing Store	30
Coffee Shop	7
Deli	1
Dry Cleaner	3
Fast Food Restaurant	9
Fitness Gym	2
Full Service Restaurant	31
Garden Store	0
Grocery Store	4
Ltd Service Restaurant	9
Music Store	1
Wine Bar/Sales	1



Port Moody, B.C.



Vancouver, B.C.



MEMORANDUM

DATE: July 23, 2010
TO: Patrick Ribellia, Esq., Planning Director, CITY OF HILLSBORO
FROM: Bill Reid, Principal
JOHNSON REID, LLC
SUBJECT: Tanasbourne Town Center & Beaverton Regional Center Markets

The City of Hillsboro seeks to better understand the geographic market(s) that the Tanasbourne Town Center currently serves in terms of retail commercial offerings and employment/labor market. The City is presently studying the potential for the Tanasbourne Town Center to seek a Regional Center designation with Metro and its jurisdictional partners. The following analysis provides a comparison of the Tanasbourne Town Center planning area with the Beaverton Regional Center, the nearest regional center with comparable direct freeway access and retail concentration.

Commercial Trade Areas Served

From an economic perspective, a commercial regional center of the scale demonstrated by Tanasbourne or Beaverton Regional Center depends upon a population within a 20-minute drive time. Accordingly, Figure 1 on the following page provides a demonstration of current, average 20-minute drive time for the Tanasbourne Town Center planning area (map left) and the 20-minute trade area served by the Beaverton Regional Center (map right).

We would note the following observations:

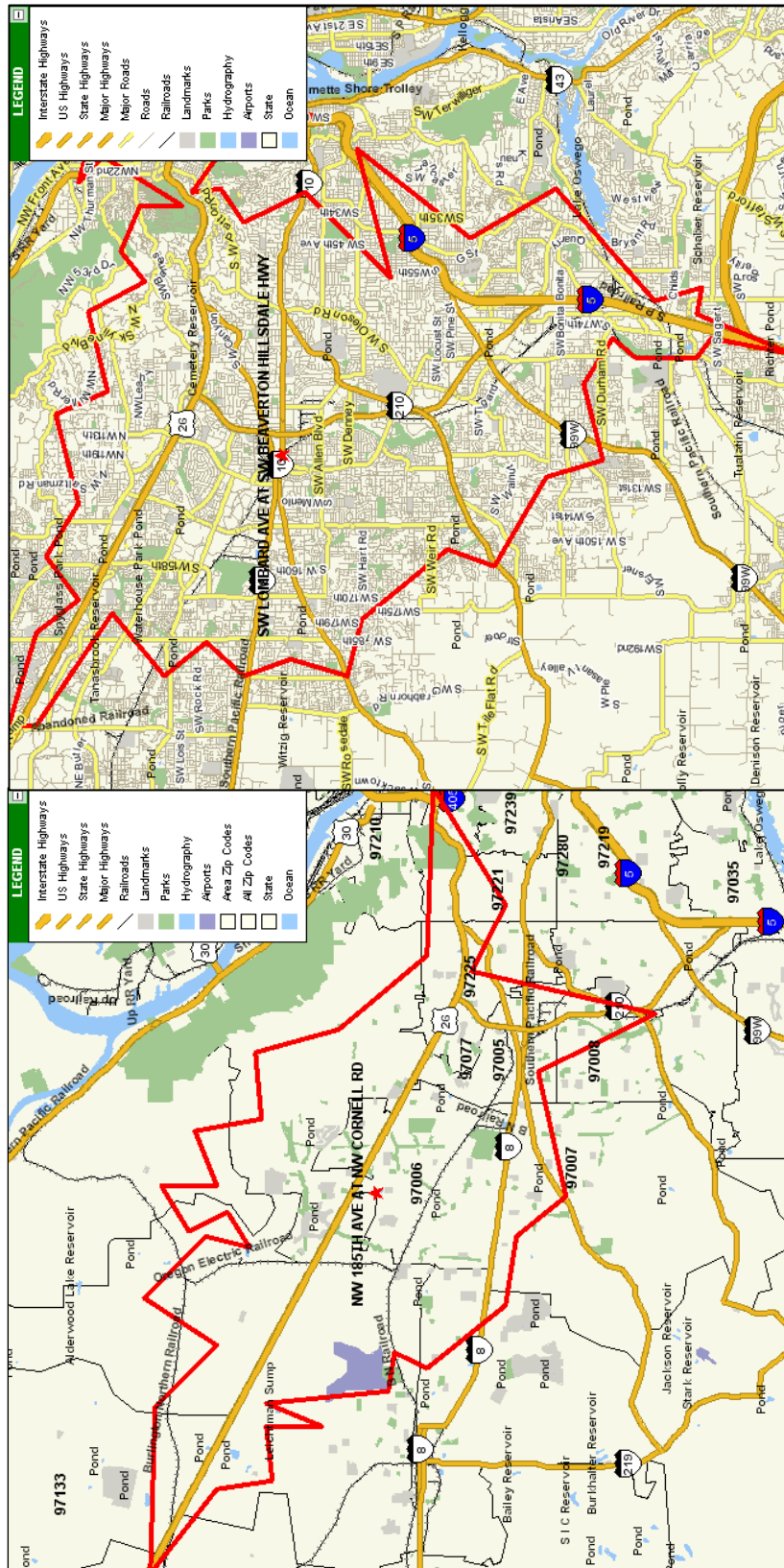
- The Sunset Highway (26) almost perfectly bisects the Tanasbourne Town Center trade area, indicating the magnitude of its importance to the center and to the population the patronize the Tanasbourne area.
- The Beaverton Regional Center, alternatively, relies on a greater confluence of highways and arterials, most notably Highway 217 and the Beaverton-Hillsdale Highway (10).
- Transportation access to Tanasbourne enables a resident trade well into western Washington County that is unserved/underserved by Beaverton Regional Center due to geographic and time distance.
- Alternatively, Beaverton Regional Center serves households in the east portion of the county, west Multnomah County, and due to Highway 217 access, south Washington County households that are unserved/underserved by Tanasbourne commerce.
- Most notably, the standard 20-minute trade area map for the Beaverton Regional Center indicates that the center largely does not serve the vast majority of Aloha and Hillsboro west of 185th Avenue.

JOHNSON REID concludes from the commercial trade areas the following:

- Tanasbourne Town Center has emerged as a distinct regional center that now serves a different, distinct household population in Washington County from the Beaverton Regional Center.
- As would be expected, dramatic residential growth west of 185th Avenue over the last decade has created a distinct, regional commercial market that may not have previously existed ten years ago.
- Beaverton Regional Center continues to serve a large swath of Washington County population, though now more concentrated in the eastern portion of the county as population and employment growth have increased drive times and decreased convenience from areas to the west.



Figure 1: Tanasbourne Town Center & Beaverton Regional Center 20-Minute Trade Area Maps (2010)





Employment/Labor Sheds

In addition to offering significant commercial retail and services opportunities for residents in a centralized location, both centers also provide sizeable employment opportunity. To understand how both centers function as employment centers, a labor shed analysis mapping was conducted for both utilizing U.S. Census Bureau LED *On The Map* methodology.¹ A thermal gradient map for Tanasbourne and for Beaverton Regional Center was created, demonstrating the residential location of those employed in each center. Figure 2 provides results of the analysis, with the Tanasbourne Town Center labor shed in map left and Beaverton Regional Center in map right.

Results indicate:

- Labor sheds for both centers are not dramatically different, indicating the significant inventory of residential areas between Beaverton and Hillsboro.
- The vast majority of the concentration of the Beaverton Regional Center employment shed (darkest blue shade) is south of Baseline Road, with the majority of that south of TV Highway.
- Alternatively, the Tanasbourne Town Center Labor shed is most concentrated north of TV Highway.
- Unlike the Beaverton Regional Center, a sizeable concentration of the Tanasbourne Town Center labor shed is north of Highway 26 into the Rock Creek/Bethany areas and west of 173rd Avenue.

In other words, the Tanasbourne employment concentration is also increasingly dependent upon a more northern and western labor supply and residential areas than is Beaverton Regional Center.

Another distinct geographic difference for the Tanasbourne Town Center is its proximity to the concentration of West Washington County high-tech, solar, and bio-pharma cluster employers. Moving forward, as these key clusters grow, the residential choices of those employed by the clusters will be increasing important for center planning. Accordingly, Figure 3 provides a similar labor shed map for the West Washington County cluster employment concentration.

- The cluster employment shed is largely bound to the south by TV Highway, and like that for Tanasbourne area, extends well into the north into Rock Creek/Bethany.
- The majority of cluster employment resides south of Highway 26 and Cornell to the west of Murray Boulevard.

In other words, key West County cluster employment has a track record of seeking housing in a locational pattern more central to the Tanasbourne area in contrast to the Beaverton Regional Center. Transportation times via different modes and related convenience is increasingly driving location decision to the west and north as higher population in general creates greater congestion.

Given the trend in residential choice of these key clusters, we would anticipate such trends to continue as growth in these specific clusters overcomes international economic weakness and as congestion and travel times render Beaverton Regional Center a less convenient residential and commercial choice, on average, for this particular workforce. Accordingly, we would anticipate that the Tanasbourne Town Center would be the far more viable mixed-use regional center for this specific key portion of the economy and county population.

¹ <http://lehdmap4.did.census.gov>



Figure 2: Tanasbourne Town Center & Beaverton Regional Center Employment Shed (2008)

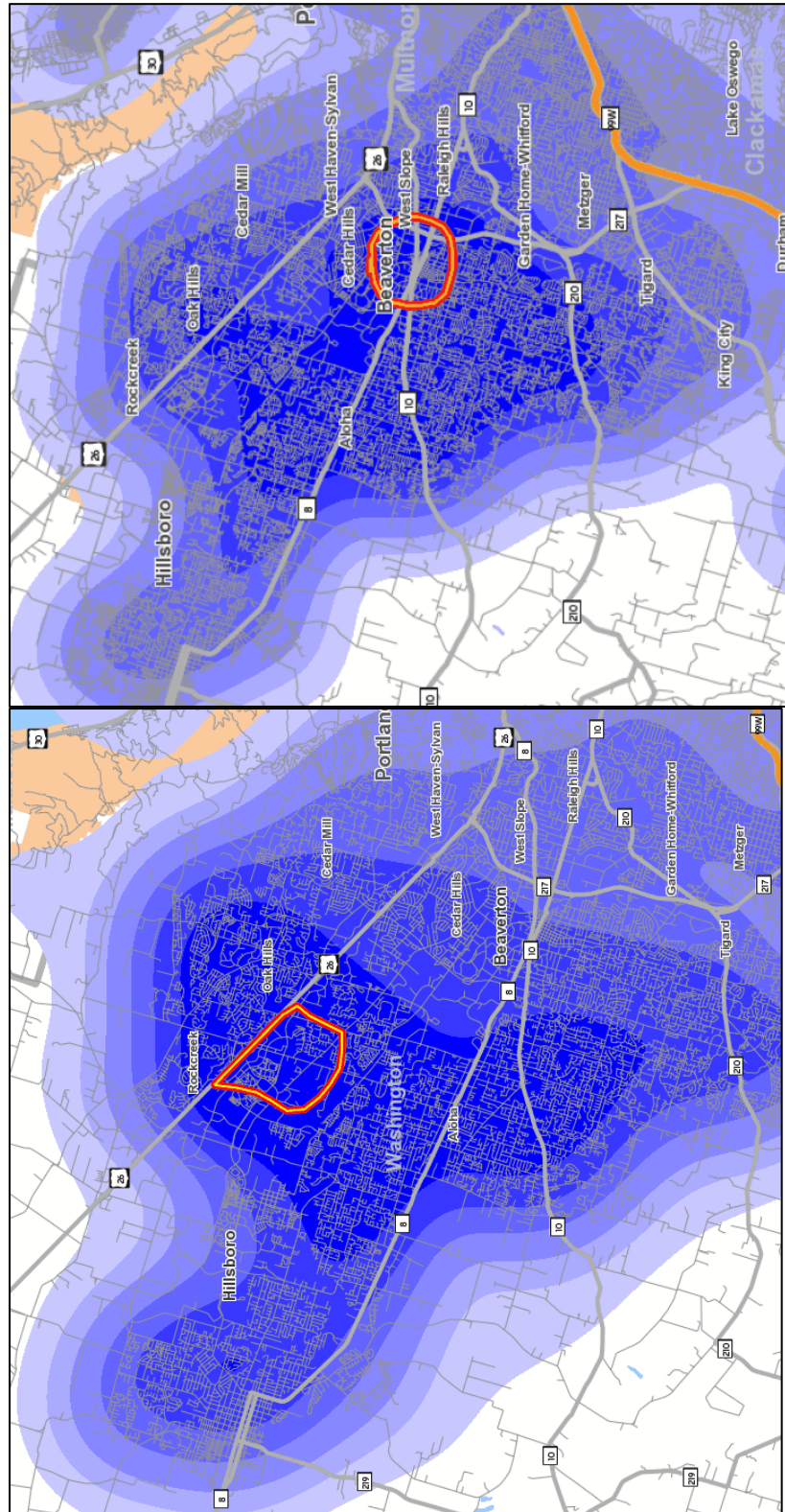
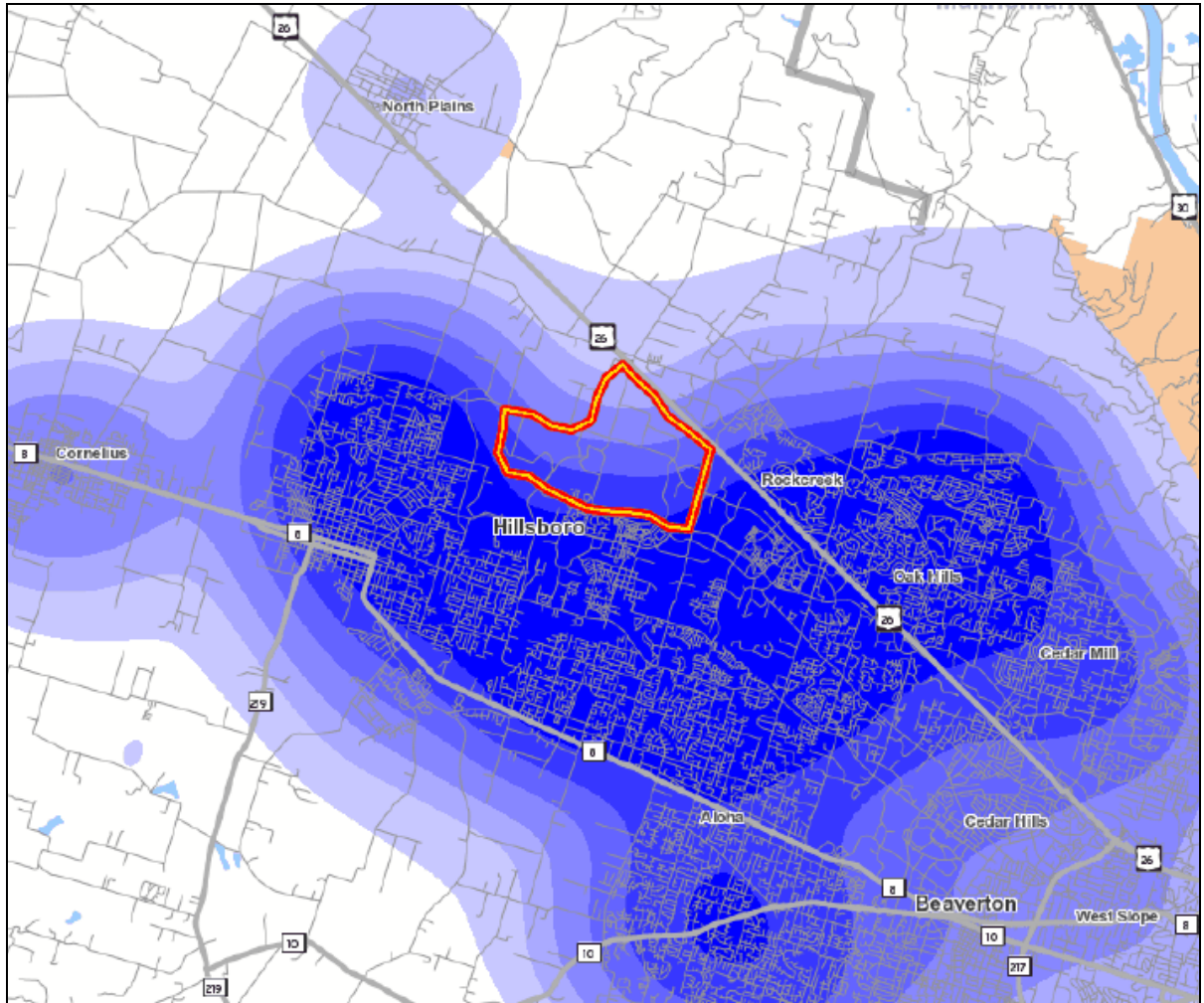




Figure 3: West Washington County Cluster Employment Shed (2008)





Benchmarks of a Regional Center

At the time the 2040 Growth Concept was adopted there were few quantifiable benchmarks for what qualifies as a Regional Center. The definition provided at the time included the following:

- “Centers of commerce and government services, serving a market area of hundreds of thousands of people;”
- “Focus of transit and highway improvements;”
- “Characterized by two- to four-story compact development”
- “Downtown Hillsboro serves the Western portion of Washington County;”
- “Downtown Beaverton and Washington Square serve Eastern Washington County.”

Note that at the time, any given Regional Center would meet some of these criteria, but not others. Some criteria were apparently aspirational, and meant as a guide for what was expected in the future (i.e. most centers lacked two- to four-story development at that time).

A Metro “State of the Centers” report released in 2009 adds some additional characterization of Regional Centers:

- “Focus of redevelopment, multi-modal transit connections, and concentrated future growth;”
- “Eventually, rail connections will tie all the regional centers to each other;”
- In contrast to the 2040 Growth Concept language mentioned above, this document cites four market areas outside the Central City. Washington County is the largest of these geographically. “Hillsboro, Beaverton and Washington Square [Regional Centers] serve Washington County, the West Hills, and the communities along the I-5 Corridor.”
- “Urban form varies greatly from center to center.”

It is apparent that no Regional Center meets all of these criteria. They vary greatly in geographic size, mix of land uses, building forms, achieved density and current levels of transit service. However, since adoption of the 2040 Growth Concept most of the Regional Centers have made good strides towards meeting some of these benchmarks.

The key point is that the “definition” presented above represents the end goal of on-going planning and economic development efforts, and not a set of preconditions for qualification as a Regional Center.

The details and measures provided in the “State of the Centers” report (Metro, 2009) demonstrate that the centers vary on most benchmarks. Rail service has perhaps made the greatest strides, with MAX or WES now serving every Regional Center other than Oregon City.

Note also that the recent report does not identify well-defined sub-markets for Regional Centers, instead grouping the three Washington County centers into a single market.

Tanasbourne TC in Comparison to Regional Centers

Like the seven Regional Centers created in the 1990’s, Tanasbourne Town Center meets some of the above criteria, and not others. The following is a discussion on how Tanasbourne measures up to existing Regional Centers.



Size: At 605 acres, Tanasbourne is the largest Town Center and larger than five of the seven existing Regional Centers.

Market Area: The 2040 Growth Concept defines Town Centers as providing “localized services to tens of thousands of people within a two- to three-mile radius.” As the location of an established regional shopping center, Tanasbourne already serves a larger population than this, from a larger market area. The Streets of Tanasbourne cites 250,000 people living within a five-mile radius. A regional center of this size typically serves anywhere from 150,000 to 300,000 people (Urban Land Institute).

People per Acre: According to the “State of the Centers” report, Tanasbourne currently features 24 people per acre, which is less than the three Washington County Regional Centers, but equal to or more than the four eastside centers. This lower density is likely due to the large acreage and concentration of commercial uses at Tanasbourne.

Dwelling Units per Acre: Despite the lower overall number of people-per-acre, the residential development that is present at Tanasbourne achieves significantly higher density than other Washington County centers. Tanasbourne achieves 8 units per acre compared to Hillsboro (3), Beaverton (4) and Washington Square (2).

Urban Amenities: In comparison to other Town Centers, Tanasbourne features a high number of “urban amenities” as identified by Metro. At 67 amenities, it features more than the Hillsboro RC (38), but fewer than Beaverton (101) or Washington Square (148).

Transportation: Tanasbourne TC is located on Highway 26 and includes two other major arterials. Two bus lines serve the area. MAX service is located over 1.5 miles to the south. The downtown Hillsboro and Beaverton RCs feature MAX service, and Washington Square is served by WES commuter rail. High-capacity transit in Tanasbourne would have the potential to strengthen the existing transit network, as it would naturally be served through the adjoining centers.

Agenda Item Number 4.0

**ILLUSTRATING THE ROLE OF PUBLIC
INVESTMENT IN STIMULATING
PRIVATE DEVELOPMENT**

Metro Council Work Session
Thursday, Nov. 4, 2010
Metro Council Annex

METRO COUNCIL

Work Session Worksheet

Presentation Date: November 4, 2010

Time: 3:40 pm

Length: 30 minutes

Presentation Title: Illustrating the Role of Public Investment in Stimulating Private Development

Service, Office, or Center: Planning and Development Department

Presenters (include phone number/extension and alternative contact information):

Brian Harper ext. 1833

ISSUE & BACKGROUND

The 2009 Urban Growth Report documented that the region has a large amount of underutilized capacity within Centers, Corridors and Station Communities due to lack of a market under current economic conditions. In his recommendations for the region, Metro's Chief Operating Officer calls for more thoughtful and targeted public investment as a means to support future private development while spending public dollars in a cost-effective and meaningful way. The challenge is to define the type and amount of public investments that are most effective in achieving local aspirations for these areas and realizing this development potential.

To help answer these questions, Metro contracted with Johnson-Reid to apply a hedonic measurement technique to estimate the price premium from the impact of different public amenities. Johnson-Reid estimated the value homeowners and renters would pay for specific public amenities. The research pointed to higher rents in areas with public investments in urban amenities, such as streetscape design, connectivity and bicycle racks. The results of the Johnson-Reid work allowed Metro staff to estimate a 20% increase in achievable rents when a full package of amenities were assumed.

Metro hired Fregonese Associates to help illustrate the effect of the changes in achievable rents on achieving local aspirations.. Fregonese Associates employed a pro forma real estate model to determine how additional public investments could shift price points to support redevelopment to higher density multifamily projects than otherwise would be produced by the market. Using test cases in three locations, this approach yielded a range for how many more residential units might be generated when public investments are concentrated in centers and corridors. It identified increases in achievable rents and differences in building types a developer could feasibly construct and which parcels become "ripe" (gain enough value) to warrant redevelopment. By utilizing real-time construction costs and land values, Fregonese Associates was able to determine what types of buildings could "pencil out" or be built while still providing a standard return on investment to the developer.

The illustrations showed that each jurisdiction could experience an increase in rents and sales prices for homes when a package of specific public investments is made, resulting in additional development potential and more efficient use of infill land. With further study and analysis, these results can help communities identify the types of investment needed to

support their development aspirations and realize the unused zoned capacity within the region.

This research represents a first step for the region in determining the impact of public investment and its ability to leverage private investment in our communities. Further research would be needed to determine the specific impact of individual investments and the potential return on investment that each may represent.

This research and illustrations were included in the COO recommendation appendix. Staff will share the findings at the Council Work Session. A final report/brochure will be available for broader distribution.

OPTIONS AVAILABLE

- Support further research as it pertains to the impact of specific public investments on private development as part of the Community Investment Strategy.
- Share illustrations with local partners to help visualize the potential for public investments to support their local aspirations..

IMPLICATIONS AND SUGGESTIONS

- This preliminary research illustrates one way to evaluate return on investment. As the region continues to develop an integrated Community Investment Strategy, examples such as these will further the understanding of the return on investment from public expenditure in centers and corridors.

QUESTION(S) PRESENTED FOR CONSIDERATION

- To help inform our future work plan, what additional information would you find helpful as a way to describe the role of public investments in stimulating redevelopment?

LEGISLATION WOULD BE REQUIRED FOR COUNCIL ACTION Yes No
DRAFT IS ATTACHED Yes No

Materials following this page were distributed at the meeting.



COUNCIL PRESIDENT CARLOTTA COLLETTE

November XX, 2010

Neil McFarlane
General Manager
TriMet
4012 SE 17th Ave.
Portland, OR 97202

Dear Mr. McFarlane,

On behalf of Metro Council, I am writing to express our strong support for TriMet's application for Oregon Department of Transportation Flexible Funds for the Portland-Milwaukie Light Rail Project.

The Project is critical to future mobility and growth in the Southeast quadrant of the region. It will provide a new light rail line with 10 new stations, and a new multi-use bridge across the Willamette River. The line will be 7.3 miles long, serving Clackamas County, Milwaukie, Southeast Portland, Portland State University, and downtown Portland. The line is scheduled to begin in 2015 and by 2030, the line will carry up to an average of 25,500 weekday rides, with approximately 85,000 jobs and 22,000 households within walking distance of the stations. The project also will greatly expand bike and pedestrian facilities throughout the corridor. All of this new mobility will be provided in the same corridor served by the highly congested McLoughlin/ Hwy 99E, a critical corridor for truck freight, both for access to and from the Brooklyn Yards intermodal facility and for access throughout the corridor, as well as an important commute-shed for the region. The project itself will create up to 14,000 jobs and generate up to \$573 million in personal earnings by people employed in this region – money that would otherwise go somewhere else in the country but for this project.

By contributing Flexible Funds to PMLR, over a course of years sufficient to repay the bonds, it will supply more than \$15 million in funding for the project and leverage millions of dollars in Federal New Starts funds.

We urge the Oregon Transportation Commission and ODOT to provide funding for this project that is important to the region and to the state.

Sincerely,

Carlotta Collette
Council President



COUNCIL PRESIDENT CARLOTTA COLLETTE

November 2, 2010

ODOT Flexible Funds Program
555 13th St. NE, Suite 2
Salem, OR 97301

ODOT Flexible Funds Committee:

As a 2040 Regional Center, downtown Oregon City has an important role to play in this region's development. Responsible growth, sustainable development, access to a range of transit opportunities, and environmental stewardship are all factors that must be considered as downtown Oregon City fulfills its vision and responsibility as a regional center.

The proposed Connective Corridor project in downtown Oregon City will help this community take the next steps toward success as a region center. The proposal to improve the pedestrian, bicycle, and mass transit focused infrastructure downtown will:

- Create better connectivity for downtown visitors, employees as well as local residents to a range of regional transportation options – trails, transit, waterways.
- Solidify a physical connection to the Willamette River waterfront and the regional network of trails supporting recreation and alternative transportation opportunities.
- Link the historic core of downtown to sustainable infill development opportunities in the north end of downtown.
- Enhance the experience and feel of the downtown marketplace and encourage downtown's growth into a more sustainable and fully utilized marketplace that accommodates residential development as well as opportunities for entrepreneurs.
- Ensure that pedestrian scale improvements take a priority in the revitalization of the downtown marketplace.

Oregon City's collaborations with Metro have proven that this community is serious about developing the livability and sustainability of its downtown through development, transportation alignment and local programs. Please give Oregon City's Connective Corridor proposal your full consideration.

Sincerely,

Carlotta Collette
Council President



The Impact of Public Amenities on Development Feasibility

Initial Findings
November 4, 2010



Driving Question:
Can investing in public amenities
have a transformative impact on
development feasibility in the
region?

How Much Redevelopment Capacity Does Our Region Really Have?

- Answer is not static – depends on market demand, rents/prices, and desirability of place.
- It's estimated that about 50% of today's high density multi-family zoned areas will go under-utilized during the next 20 years. (2009 UGR and MetroScope analysis)
- Zoning capacity is significantly ahead of the market in some areas (and zoning certainly does not guarantee development).



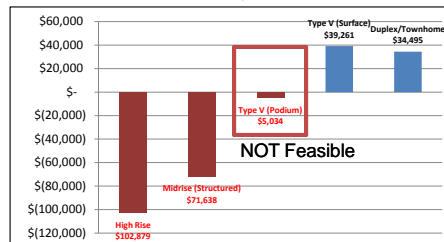
45-60 foot condos built in 150 ft zone near Gateway



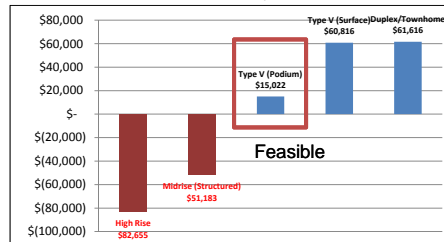
Small Shifts in Market Can Greatly Increase Density

- Financial efficiency in construction isn't a straight line
 - Beyond a certain density, construction costs become increasingly expensive
 - Cost increases driven by structured parking and steel vs. surface parking and wood construction materials
- However, even small shifts in rent/prices can significantly change an area's natural density limit
- Example: 10% difference in rent can tip the balance, more than doubling upper density limit
 - Type V Podium Parking: 87 du/acre
 - Type V Surface Parking: 31 du/acre

Current Situation: Type V **not** feasible



10% Rent Increase: Type V is feasible



How Much Bang for Public Sector Buck?

- Public sector investments can change development equation
- Hedonic Pricing Analysis
 - Estimate “willingness to pay” to live near certain public amenities
 - Looked at range of amenities, such as streetscape improvements, open space, street design, pedestrian access
 - Challenging to isolate premium associated with individual amenities
- Pro Forma Analysis
 - Estimate impact of amenity investment on development feasibility
 - Estimated achievable rents by specific location in the region and the amount of amenities in the area



While the exact impact is difficult to estimate, we concluded that investing in a full package of amenities in a suburban location could result in a 20% increase in achievable rents/sales price. This is enough to significantly change the development equation and increase the amount of land attractive for redevelopment. (source: Metro)

Imagining highly amenitized areas

Urban Amenities



Suburban Amenities



Highly amenitized means reaching a neighborhood's potential

- A lack of neighborhood amenities hinders the ability to reach a site's full rent/sales potential.
- For example, a lack of neighborhood amenities may mean that rents of a moderately amenitized area may be 80% of those of a full amenitized area

Typology	Adjustment
Highly Amenitized	100%
Largely Amenitized	90%
Moderately Amenitized	80%
Limited Amenities	70%
No Amenities	50%
Disamenity	40%

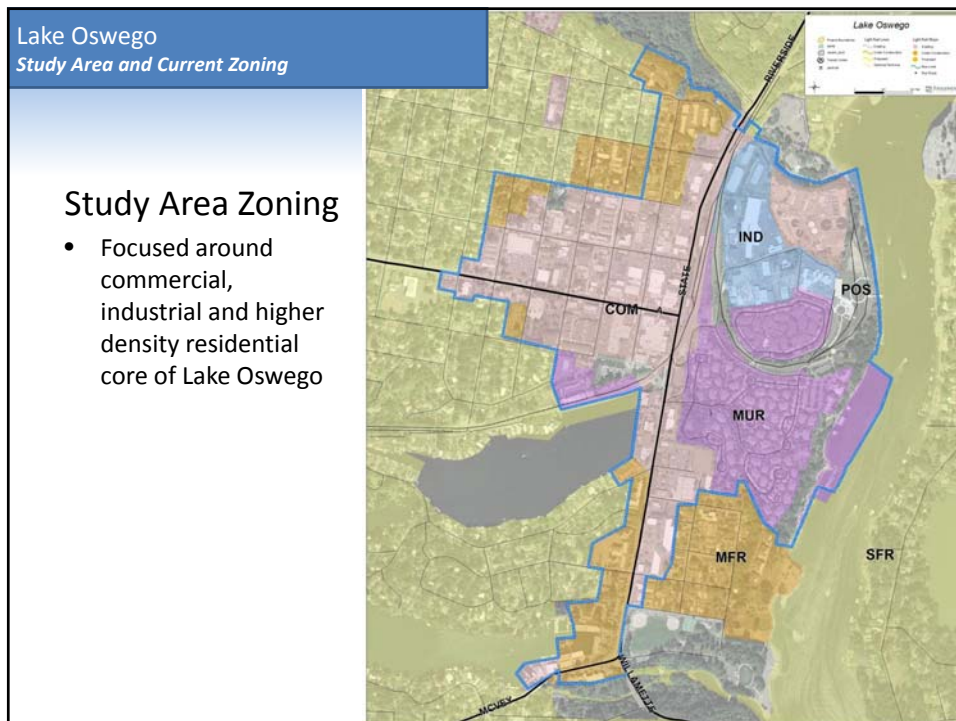
Conducted a Detailed Subarea Analysis

- It was important to conduct our analysis in a range of area types – we know that amenities will have different impacts in different areas
- Selected 3 sample areas for detailed analysis: Lake Oswego, SE Portland (Foster) and Gresham
- Lake Oswego was “largely amenitized” while SE Portland and Gresham were defined as “moderately amenitized”
- Analyzed community housing matches and identified targeted market segments for prototype housing
- Tested build-out capacity based on:
 - Current amenity level
 - Fully amenitized
- Created 10 prototype buildings (5 rental, 5 owner) based on Johnson Reid's pro-forma analysis



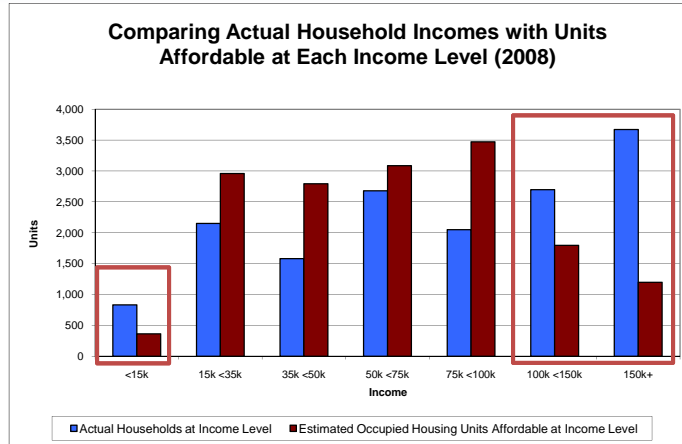
5 Basic Buildings Forms

	High Rise	Mid with Structured	Type V with Podium	Type V with Surface	Duplex or Townhome
					
					
Density	518 du/ac	113 du/ac	87 du/ac	31 du/ac	21 du/ac
	12 FAR	5.5 FAR	2 FAR	0.6 FAR	0.6 FAR
Construction Costs	\$185/sf	\$166/sf	\$115/sf	\$115/sf	\$115/sf



Lake Oswego's Housing Today (Rental and Owner-Occupied)

- Lake Oswego has a broad mix of housing across the price spectrum.
- Lake Oswego has mismatches with supply and demand at the lower and higher price-points.

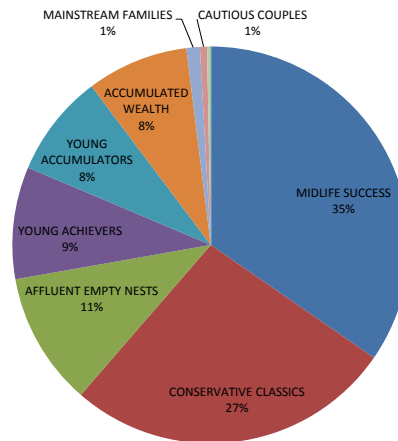


Source: 2008 American Community Survey

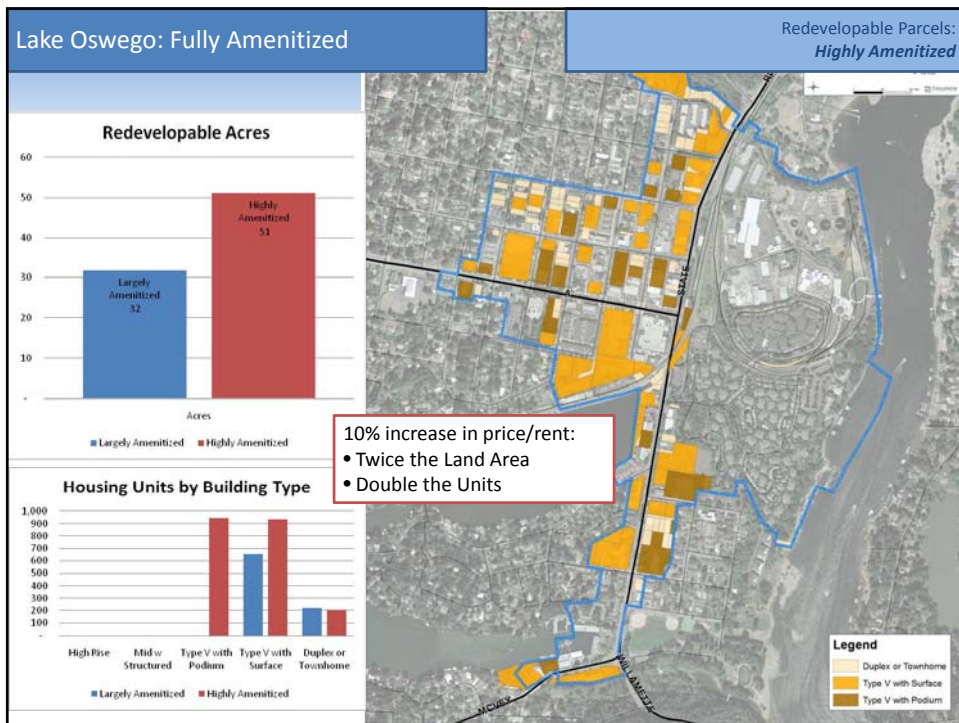
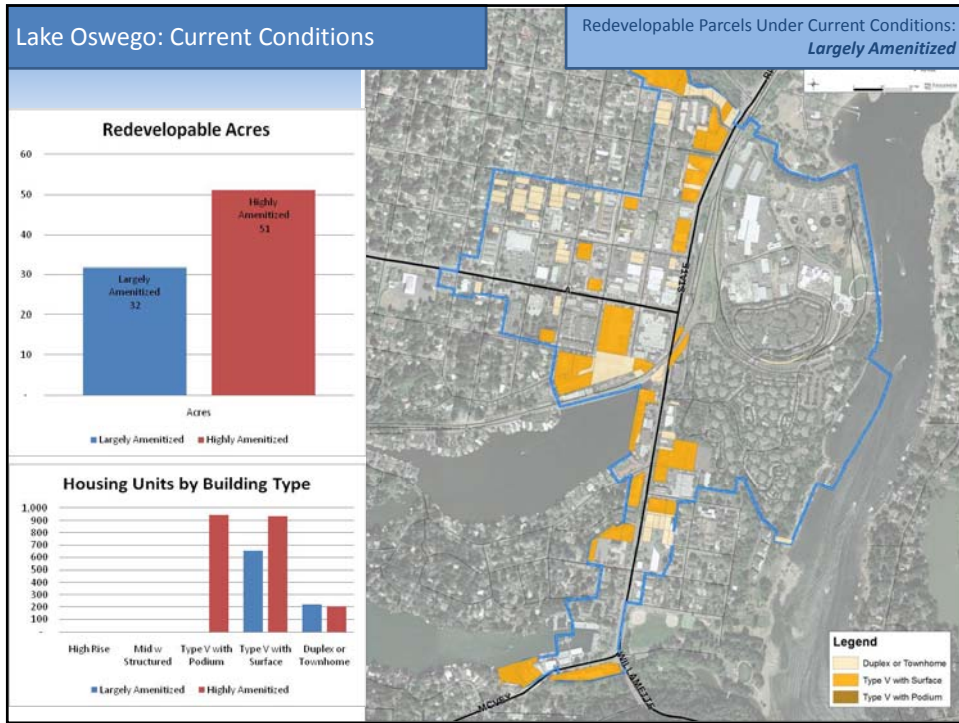
Lake Oswego can target housing for the area based on some of the city's biggest "lifestages"

Several key market segments would be attracted to the types of housing designed in the Lake Oswego study area:

- **"Midlife Success"** (35% today) are the most affluent childless singles and couples under 45 years of age and are well-matched with high quality compact residential.
Prototypes: 3-story with podium parking; townhomes.
- **"Affluent Empty Nests"** (11% today) are well-educated couples currently living in larger homes – some members of this aging population will be looking for more urban-style housing choices.
Prototypes: 3-story with podium parking and townhomes.
- **"Young Achievers"** (9% today) are hip singles under 45 years of age often attracted to mixed-use buildings.
Prototypes: 3-story with podium or surface parking.



Source: Claritas 2010



Lake Oswego

Lake Oswego Conclusions

- Adding amenities to an already largely amenitized area, such as Lake Oswego, still significantly expands redevelopment opportunities
 - 61% more land area
- New amenities increase achievable rents by 10% and enable more costly parcels to become feasible for redevelopment
- The added area can accommodate higher value building types such as the Type V Podium type
 - Type V Podium is efficiently parked and dense
 - Being able to develop this product type significantly increased the number of units able to be built

Category	Acres
Largely Amenitized	32
Highly Amenitized	51

Building Type	Largely Amenitized	Highly Amenitized
High Rise	0	0
Mid w Structured	0	0
Type V with Podium	~650	~950
Type V with Surface	~200	~950
Duplex or Townhome	~200	~200

Lake Oswego

10% increase in price/rent:

- 61% more Land Area
- 137% more Units

Lake Oswego: Potential Redevelopable Acres

Buildings	Largely Amenitized	Highly Amenitized	% Increase
High Rise	-	-	0%
Mid w Structured	-	-	0%
Type V with Podium	-	11	0%
Type V with Surface	21	31	43%
Duplex or Townhome	10	9	-9%
Acres	32	51	61%

Lake Oswego: Potential Units Accommodated

Buildings	Largely Amenitized	Highly Amenitized	% Increase
High Rise	-	-	0%
Mid w Structured	-	-	0%
Type V with Podium	-	947	0%
Type V with Surface	655	934	43%
Duplex or Townhome	223	203	-9%
Total Units	878	2,084	137%

Category	Acres
Largely Amenitized	32
Highly Amenitized	51

Building Type	Largely Amenitized	Highly Amenitized
High Rise	0	0
Mid w Structured	0	0
Type V with Podium	~650	~950
Type V with Surface	~200	~950
Duplex or Townhome	~200	~200

Existing Conditions

Lake Oswego
2nd Ave, between A Ave and B Ave



Initial Public Improvements

Lake Oswego
2nd Ave, between A Ave and B Ave





Public Improvements
and Resulting Private Investment

Lake Oswego
2nd Ave, between A Ave and B Ave

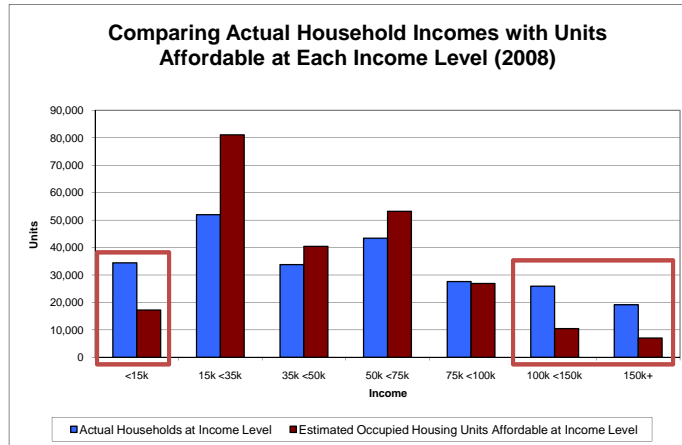
Foster between 82nd and 205
Study Area and Current Zoning

Study Area Zoning

- Focused around node at Foster and 82nd Ave and extended down Foster to I-205
- Included MFR parcels adjacent to the linear MUR zoning along Foster

Portland's Housing Today (Rental and Owner-Occupied)

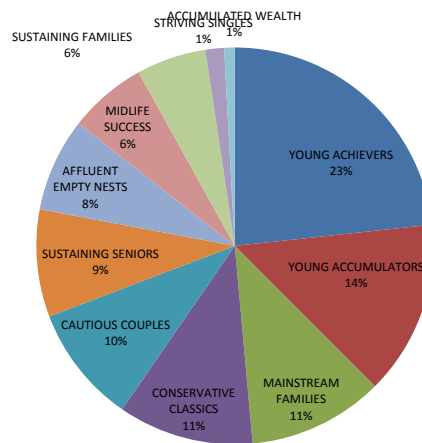
- Portland is the region's biggest housing market, with mismatches at the low and high ends of the market.
- The market can provide the higher amenity housing, while the low-income housing requires subsidy.



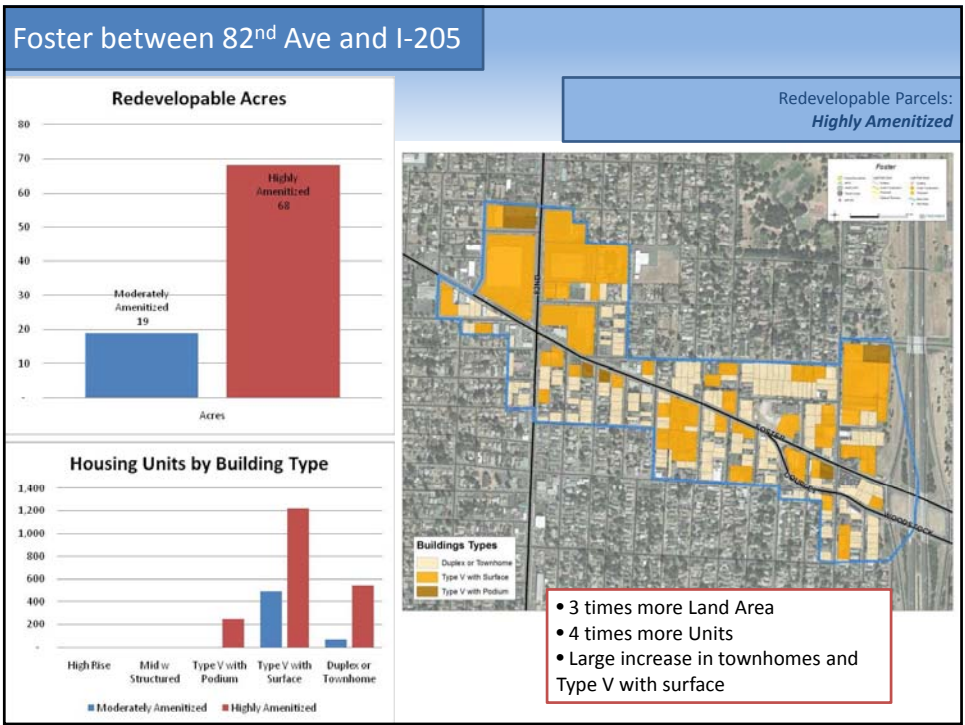
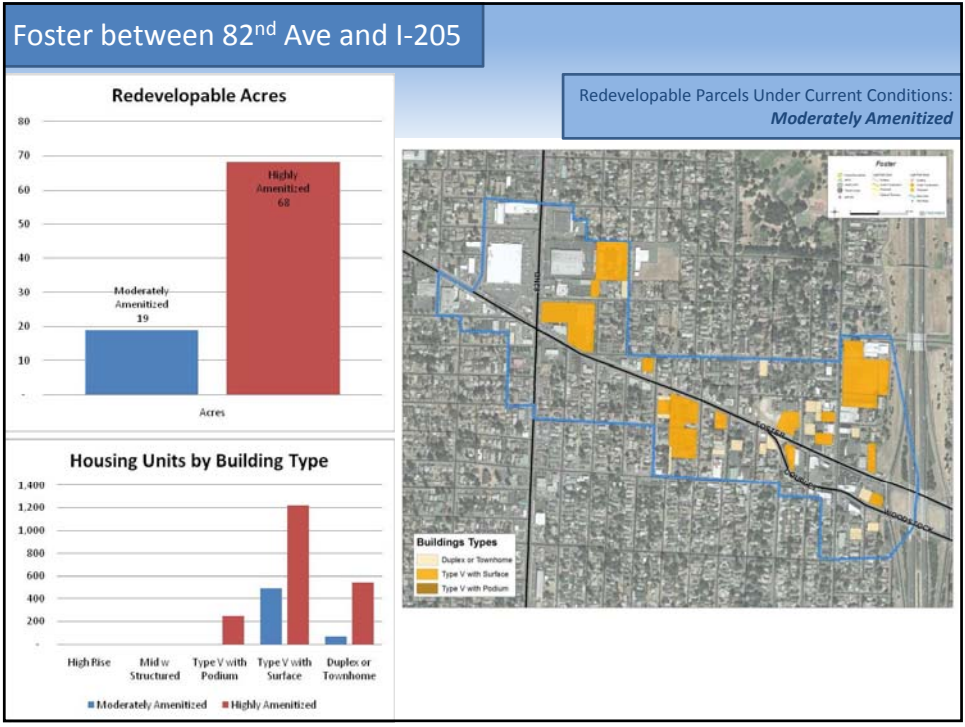
Source: 2008 American Community Survey

Portland can target housing for the area based on some of the city's biggest "lifestages"

- Four market segments in particular might be attracted to the types of housing designed in the Foster/SE Portland study area.
- "Young Achievers"** (23% today) are hip, mostly single and under 45 years of age from across the income spectrum, including a high degree of ethnic diversity – attracted to mixed-use buildings.
Prototypes: 3-story with podium or surface parking.
- "Mainstream Families"** (11% today) are moderate-income families – attracted to townhomes and duplexes.
Prototypes: townhomes.
- "Sustaining Seniors"** (9% today) are seniors on fixed-incomes attracted to affordable housing located near transit options.
Prototypes: 3-story with surface parking.



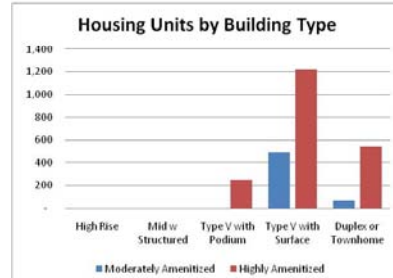
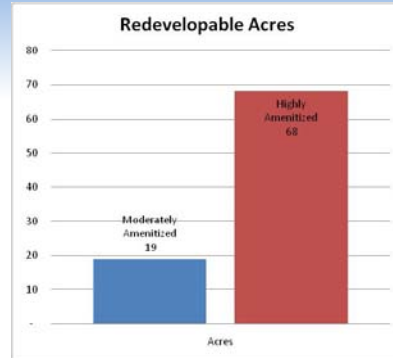
Source: Claritas 2010



Foster between 82nd Ave and I-205

Foster Conclusions

- Adding a full package of amenities to a moderately amenitized area has even more significant impact
 - Land is less expensive
 - Buildings and improvements are of lower value
- Land area available for redevelopment expands dramatically
 - 19 acres to 68 acres
 - 260% increase
- Since land values are relatively inexpensive, the Type V with Surface parking building type performs the best
 - This is because structured or podium parking adds to the cost of construction
 - While it is not as dense as a podium style building, it is inexpensive to construct and still quite dense
- The added redevelopable area greatly expands opportunities to develop Type V with Surface parking, and even enables the construction of some Type V with Podium

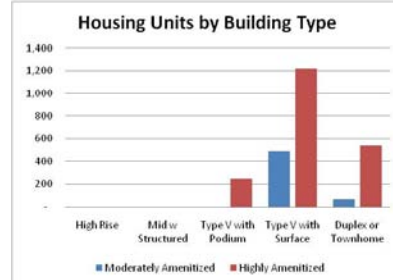
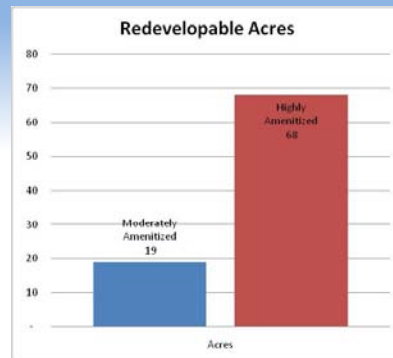


Foster between 82nd Ave and I-205

3 times more Land Area
4 times more Units

Buildings	Moderately Amenitized	Highly Amenitized	% Increase
High Rise	-	-	0%
Mid w Structured	-	-	0%
Type V with Podium	-	3	0%
Type V with Surface	16	40	151%
Duplex or Townhome	3	25	743%
Acres	19	68	260%

Buildings	Moderately Amenitized	Highly Amenitized	% Increase
High Rise	-	-	0%
Mid w Structured	-	-	0%
Type V with Podium	-	252	0%
Type V with Surface	486	1,221	151%
Duplex or Townhome	65	545	743%
Total Units	551	2,018	266%







Gresham

Study Area Zoning

- Focused on the MUR district in the largely commercial and employment focused area of Gresham

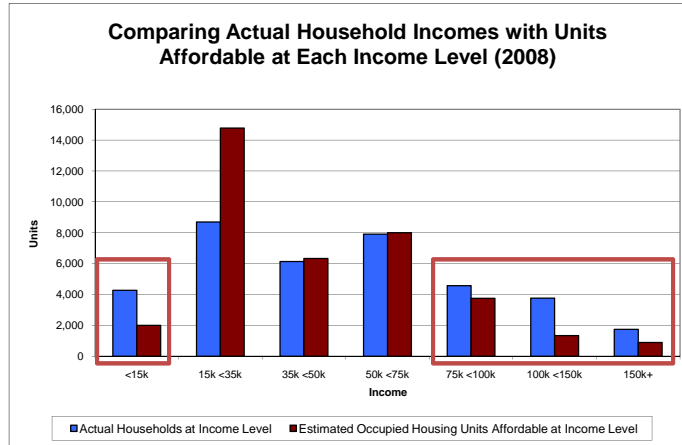
SFR

MUR

MFR

Gresham's Housing Today (Rental and Owner-Occupied)

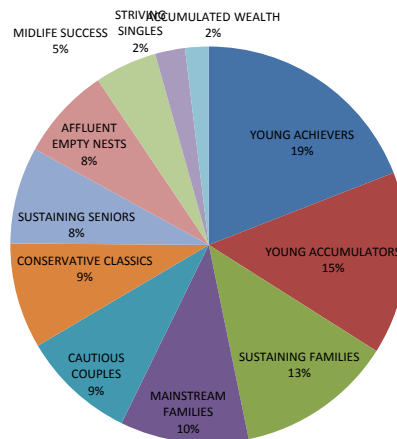
- Today many low-income households in Gresham are overpaying (living in unaffordable housing).
- There is also a sizable population earning over \$75K who are choosing to live in less expensive housing.



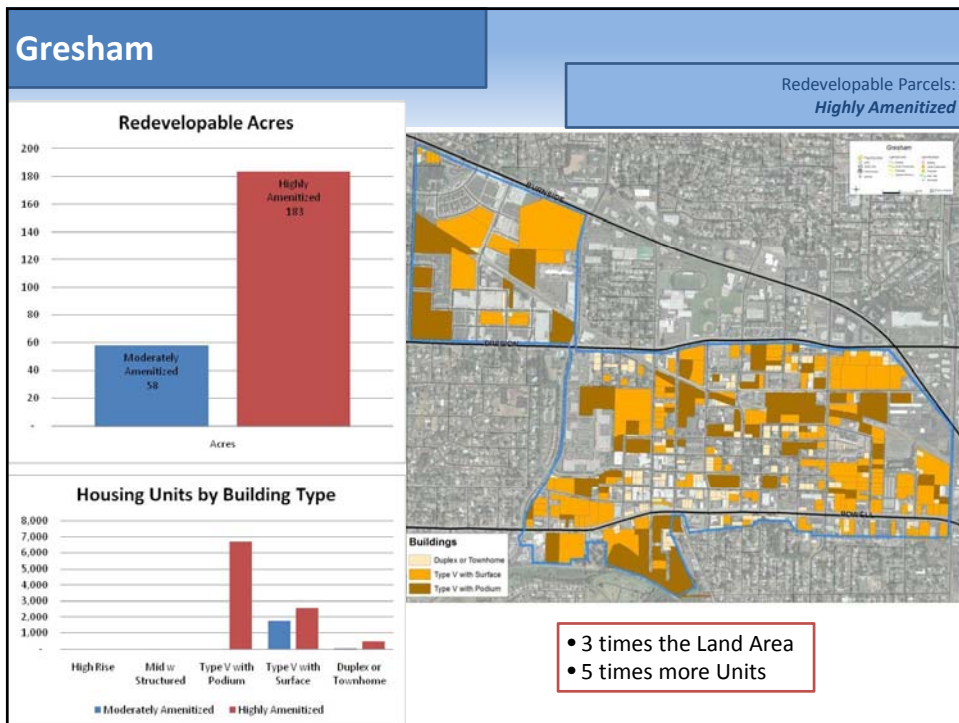
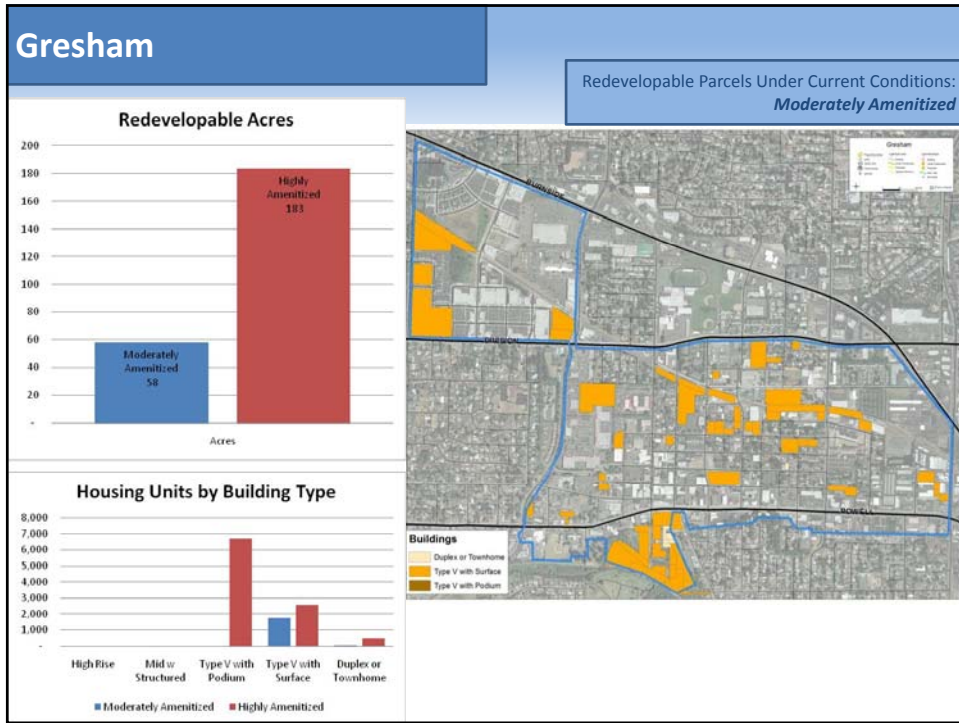
Source: 2008 American Community Survey

Gresham can target housing for the area based on some of the city's biggest "lifestages"

- Several key market segments (many similar to Portland) would be attracted to the types of housing designed in the Gresham study area
- **"Young Achievers"** (19% today) are singles under 45 years of age from across the income spectrum, including a high degree of ethnic diversity – attracted to mixed-use buildings.
Prototypes: 3-story with podium or surface parking.
- **"Mainstream Families"** and **"Sustaining Families"** (23% today) are moderate to lower-income families – attracted to townhomes and duplexes.
Prototypes: Townhomes.
- **"Sustaining Seniors"** (8% today) are seniors on fixed-incomes attracted to affordable housing located near transit options.
Prototypes: 3-story with surface parking.



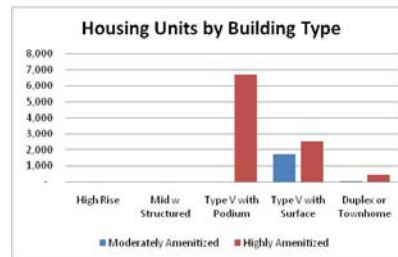
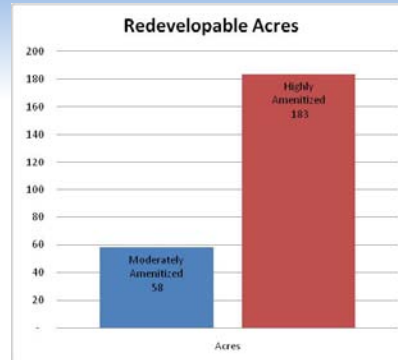
Source: Claritas 2010



Gresham

Gresham Conclusions

- Adding a full package of amenities to this moderately amenitized area has quite a significant impact
- Adding several large parcels caused a significant increase in redevelopable acreage
 - 215% increase
- Adding a full package of amenities causes many parcels that previously only supported Type V with Surface parking to now support Type V with Podium, a more dense and efficient building type
- The increase in rent associated with the added amenities allows several more expensive parcels to become redevelopable with the higher value Type V with Podium residential building type



Gresham

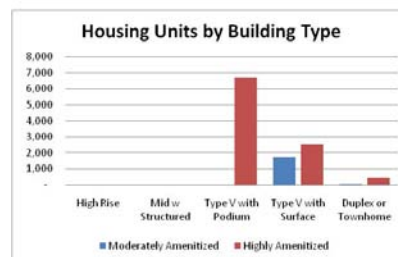
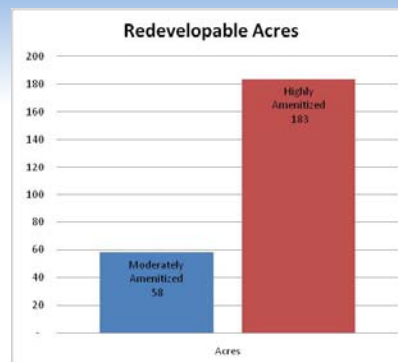
3 times the Land Area
5 times more Units

Gresham: Potential Redevelopable Acres

Buildings	Moderately Amenitized	Highly Amenitized	% Increase
High Rise	-	-	0%
Mid w Structured	-	-	0%
Type V with Podium	-	79	0%
Type V with Surface	57	84	48%
Duplex or Townhome	2	21	1270%
Acres	58	183	215%

Gresham: Potential Units Accommodated

Buildings	Moderately Amenitized	Highly Amenitized	% Increase
High Rise	-	-	0%
Mid w Structured	-	-	0%
Type V with Podium	-	6,686	0%
Type V with Surface	1,731	2,560	48%
Duplex or Townhome	33	451	1270%
Total Units	1,764	9,696	450%



Existing Conditions

NW Miller Ave and NW 3rd St.



Initial Public Improvements

NW Miller Ave and NW 3rd St.



Public Improvements and Resulting Private Investment

NW Miller Ave and NW 3rd St.



Conclusions

- Unused zoning capacity in the Metro area can be utilized with targeted public investments in amenities, even in areas that are already highly amenitized.
- Increased rents/housing prices due to public investments can make some building types feasible that would not otherwise pencil out.
- Based on community survey data, the demand exists for housing in the pilot test areas at both the high and low ends of the income spectrum.
- Effect of public amenities can tip the feasibility for building types, but not enough to support construction of more costly mid-rise or high-rise residential building types.

Opportunities for Further Research and Analysis

- Conducting a more robust hedonic analysis that isolates price/rent premiums for specific amenities.
- Designing specific amenity packages by area.
- Refining estimates of impacts of amenities packages (20% increase is an estimate).
- Adding new prototypes: rehab/renovation prototypes and mixed-use prototypes.
- Creating an additional urban design component to adjust feasible parcels.
- **The most important: evaluating the total ROI and fiscal impacts of these public investments.**