 **Metro** | *Agenda*

Meeting: Metro Council  
Date: Thursday, January 14, 2016  
Time: 2 p.m.  
Place: Metro Regional Center, Council Chamber

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### **CALL TO ORDER AND ROLL CALL**

**1. CITIZEN COMMUNICATION**

**2. CONSENT AGENDA**

2.1 Consideration of Council Meeting Minutes for December 10, 2015

**3. ORDINANCES (FIRST READ)**

3.1 **Ordinance No. 16-1368**, For the Purpose of Responding to the Remand from the Oregon Court of Appeals and the Land Conservation and Development Commission Regarding the Designation of Urban Reserves in Clackamas County

**Roger Alfred, Metro**  
**John Williams, Metro**

3.1.1 **Public Hearing on Ordinance No. 16-1368**

**4. CHIEF OPERATING OFFICER COMMUNICATION**

**5. COUNCILOR COMMUNICATION**

**ADJOURN**

**Television schedule for January 14, 2016 Metro Council meeting**

<p><b>Clackamas, Multnomah and Washington counties, and Vancouver, WA</b>          Channel 30 – Community Access Network  <i>Web site:</i> <a href="http://www.tvctv.org">www.tvctv.org</a>  <i>Ph:</i> 503-629-8534          Call or visit web site for program times.</p>	<p><b>Portland</b>          Channel 30 – Portland Community Media  <i>Web site:</i> <a href="http://www.pcmtv.org">www.pcmtv.org</a>  <i>Ph:</i> 503-288-1515          Call or visit web site for program times.</p>
<p><b>Gresham</b>          Channel 30 - MCTV  <i>Web site:</i> <a href="http://www.metroeast.org">www.metroeast.org</a>  <i>Ph:</i> 503-491-7636          Call or visit web site for program times.</p>	<p><b>Washington County and West Linn</b>          Channel 30– TVC TV  <i>Web site:</i> <a href="http://www.tvctv.org">www.tvctv.org</a>  <i>Ph:</i> 503-629-8534          Call or visit web site for program times.</p>
<p><b>Oregon City and Gladstone</b>          Channel 28 – Willamette Falls Television  <i>Web site:</i> <a href="http://www.wftvmedia.org/">http://www.wftvmedia.org/</a>  <i>Ph:</i> 503-650-0275          Call or visit web site for program times.</p>	

**PLEASE NOTE: Show times are tentative and in some cases the entire meeting may not be shown due to length. Call or check your community access station web site to confirm program times.** Agenda items may not be considered in the exact order. For questions about the agenda, call the Metro Council Office at 503-797-1540. Public hearings are held on all ordinances second read. Documents for the record must be submitted to the Regional Engagement and Legislative Coordinator to be included in the meeting record. Documents can be submitted by e-mail, fax or mail or in person to the Regional Engagement and Legislative Coordinator. For additional information about testifying before the Metro Council please go to the Metro web site [www.oregonmetro.gov](http://www.oregonmetro.gov) and click on public comment opportunities.

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## សេចក្តីជូនដំណឹងអំពីការមិនរើសអើងរបស់ Metro

ការគោរពសិទ្ធិពលរដ្ឋរបស់ ។ សំរាប់ព័ត៌មានអំពីកម្មវិធីសិទ្ធិពលរដ្ឋរបស់ Metro ឬដើម្បីទទួលបានក្បួនលំអររើសអើងសូមចូលទស្សនាការប្រកាស [www.oregonmetro.gov/civilrights](http://www.oregonmetro.gov/civilrights)។  
បើលោកអ្នកត្រូវការការបកប្រែភាសានៅពេលអង្គប្រជុំសាធារណៈ សូមទូរស័ព្ទមកលេខ 503-797-1890 (ម៉ោង 8 ព្រឹកដល់ម៉ោង 5 ល្ងាច ថ្ងៃធ្វើការ) ប្រាំពីរថ្ងៃ ថ្ងៃធ្វើការ មុនថ្ងៃប្រជុំដើម្បីអាចឲ្យគេសម្រួលតាមសំណើរបស់លោកអ្នក ។

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Metro tributes cai. Rau cov lus qhia txog Metro txoj cai kev pab, los yog kom sau ib daim ntawv tsis txaus siab, mus saib [www.oregonmetro.gov/civilrights](http://www.oregonmetro.gov/civilrights). Yog hais tias koj xav tau lus kev pab, hu rau 503-797-1890 (8 teev sawv ntxov txog 5 teev tsaus ntuj weekdays) 5 hnub ua hauj lw m ua ntej ntawm lub rooj sib tham.



Agenda Item No. 2.1

Consideration of Council Meeting Minutes on December 10,  
2015

*Consent Agenda*

Metro Council Meeting  
Thursday, January 14, 2016  
Metro Regional Center, Council Chamber



Agenda Item No. 3.1

**Ordinance No. 16-1368**, For the Purpose of Responding to the  
Remand from the Oregon Court of Appeals and the Land  
Conservation and Development Commission Regarding the  
Designation of Urban Reserves in Clackamas County

*Ordinances (First Read)*

Metro Council Meeting  
Thursday, January 14, 2016  
Metro Regional Center, Council Chamber

BEFORE THE METRO COUNCIL

FOR THE PURPOSE OF RESPONDING TO )  
THE REMAND FROM THE OREGON )  
COURT OF APPEALS AND THE LAND )  
CONSERVATION AND DEVELOPMENT )  
COMMISSION REGARDING THE )  
DESIGNATION OF URBAN RESERVES IN )  
CLACKAMAS COUNTY )

ORDINANCE NO. 16-1368  
Introduced by Martha J. Bennett, Chief  
Operating Officer, with the concurrence of  
Tom Hughes, Council President

WHEREAS, in 2007 the Oregon Legislative Assembly enacted SB 1011, authorizing Metro and the three counties in the Metro region to designate urban and rural reserves; and

WHEREAS, between 2008 and 2010 Metro and the three counties conducted an extensive public process bringing together citizens, stakeholders, local governments and state agencies to consider and apply the urban and rural reserve factors to land surrounding the Metro urban growth boundary (UGB); and

WHEREAS, in 2010 Metro and each of the three counties entered into intergovernmental agreements mapping the areas that were determined to be most appropriate as urban and rural reserves under the applicable factors; and

WHEREAS, in 2011 Metro and the three counties submitted ordinances and findings formally adopting the urban and rural reserve designations to LCDC for acknowledgement, and those designations were approved and acknowledged by LCDC in 2012; and

WHEREAS, in 2014 the LCDC acknowledgement order was remanded by the Oregon Court of Appeals, and the Oregon Legislative Assembly enacted HB 4078, which legislatively designated a revised map of urban and rural reserve areas in Washington County; and

WHEREAS, in 2015 LCDC issued an order remanding the remaining urban and rural reserve designations to Metro, Multnomah County, and Clackamas County for further review consistent with the Court of Appeals opinion; and

WHEREAS, Metro held public hearings on October 8, 2015, November 19, 2015, and January 14, 2016 at which the Metro Council accepted testimony regarding the urban and rural reserve designations in Clackamas County; and

WHEREAS, the Metro Council has reviewed the staff report, the testimony submitted by interested parties, and all other materials in the record, and concludes that the urban reserve study areas identified as areas 4A, 4B, 4C, and 4D (generally referred to as "Stafford") are correctly designated as urban reserve areas under the applicable urban reserve factors; and

WHEREAS, the Metro Council concludes that no changes to the map of urban and rural reserve areas that was adopted by Metro and Clackamas County in 2011 are appropriate; now therefore,

THE METRO COUNCIL ORDAINS AS FOLLOWS:

1. The map of urban and rural reserves in Clackamas County is hereby adopted as depicted on Exhibit A, attached and incorporated into this ordinance.
2. The Findings of Fact and Conclusions of Law in Exhibit B, attached and incorporated into this ordinance, explain how the urban and rural reserve designations depicted on Exhibit A are consistent with state law.
3. The prior record of proceedings before LCDC in the 2011 acknowledgment review resulting in LCDC Order 12-ACK-001819 is hereby adopted and incorporated as part of the record in this proceeding.

ADOPTED by the Metro Council this \_\_\_\_\_ day of February 2016.

\_\_\_\_\_  
Tom Hughes, Council President

Attest:

Approved as to Form:

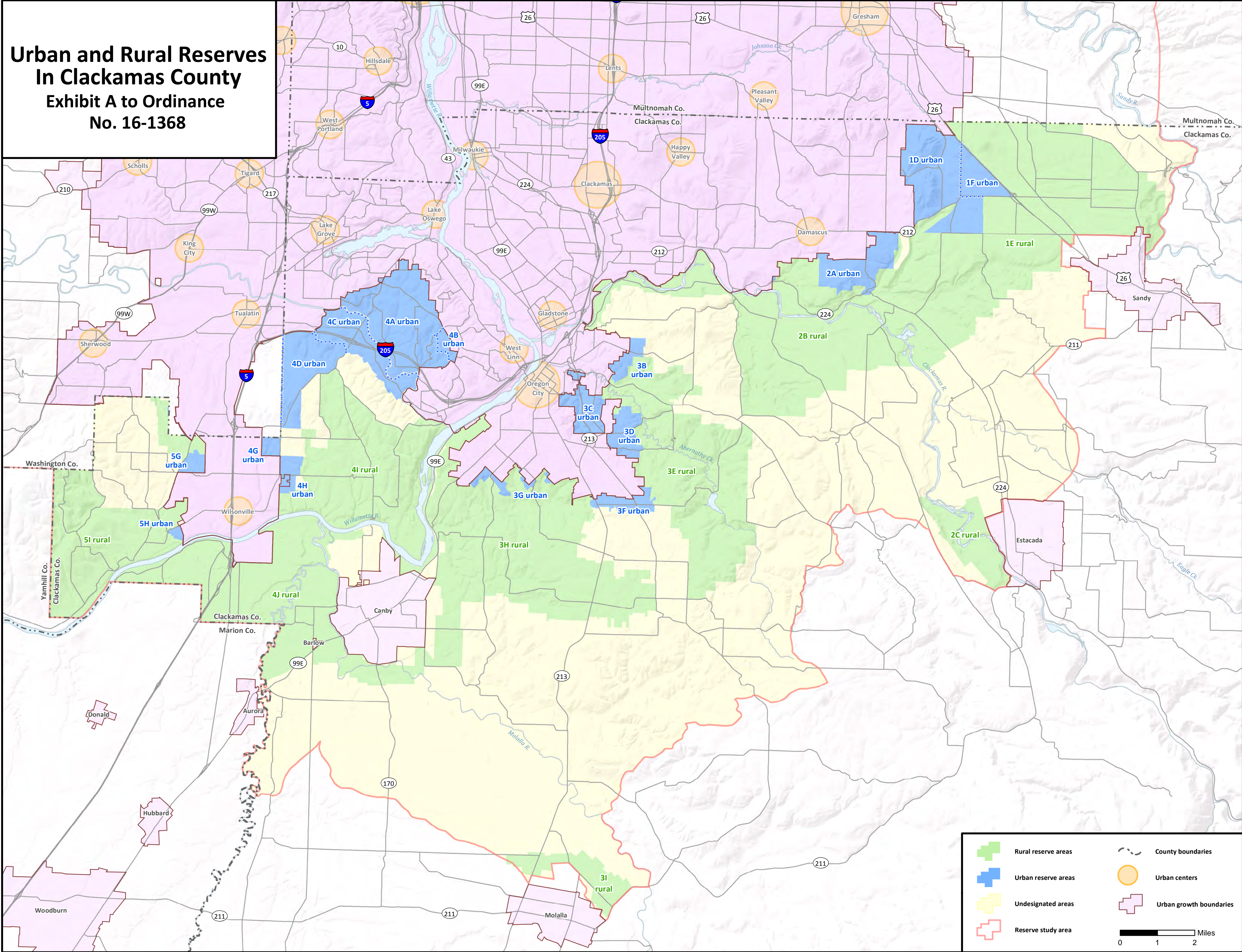
\_\_\_\_\_  
Alexandra Eldridge, Recording Secretary

\_\_\_\_\_  
Alison R. Kean, Metro Attorney



# Urban and Rural Reserves In Clackamas County

Exhibit A to Ordinance  
No. 16-1368



	Rural reserve areas		County boundaries
	Urban reserve areas		Urban centers
	Undesignated areas		Urban growth boundaries
	Reserve study area		Miles

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## **Exhibit B to Ordinance No. 16-1368**

### **REASONS FOR DESIGNATION OF URBAN AND RURAL RESERVES IN CLACKAMAS COUNTY**

The Metro Council adopts these findings for the purpose of responding to the decision of the Oregon Court of Appeals in *Barkers Five LLC v. Land Conservation and Development Commission*, 261 Or App 259 (2014) and LCDC's Remand Order 14-ACK-001867 regarding certain urban reserve designations in Clackamas County. These findings include the original findings adopted by the Metro Council in 2011 providing the reasons for designating urban and rural reserves, as well as new and supplemental findings that address the issues identified by the Court of Appeals regarding designation of the Stafford area in Clackamas County as urban reserve. These findings also include supplemental findings regarding the supply of urban reserves in the entire region and the regionwide balance findings required under OAR 660-027-0040(10).

Metro's supplemental findings regarding the supply of urban reserves and the regionwide balance requirements are set forth below in Section V. Metro's supplemental findings regarding the Stafford urban reserve designation are set forth below in Section VIII. To the extent any of the new supplemental findings in Sections V and VIII are inconsistent with other findings in this document that were previously adopted in 2011, the supplemental findings shall govern.

Those portions of Metro's original 2011 findings providing reasons for designation of urban and rural reserves in Washington County have been removed from this document, because the Washington County reserve areas were established and acknowledged by the Oregon Legislature in 2014 via House Bill 4078. Portions of the 2011 findings providing reasons for designation of urban and rural reserves in Multnomah County have also been removed, because Multnomah County is undertaking its own process to address the Court of Appeals remand regarding rural reserve designations in that county.

#### **I. BACKGROUND**

The 2007 Oregon Legislature authorized Metro and Clackamas, Multnomah and Washington Counties ("partner governments") to designate urban reserves and rural reserves following the process set forth in ORS 195.137 – 195.145 (Senate Bill 1011) and implementing rules adopted by the Land Conservation and Development Commission (LCDC) (OAR 660 Division 27). The Legislature enacted the new authority in response to a call by local governments in the region to improve the methods available to them for managing growth. After the experience of adding over 20,000 acres to the regional urban growth boundary (UGB) following the soil-capability-based priority of lands in ORS 197.298, cities and the partner governments wanted to place more emphasis on the suitability of lands for sustainable urban development, longer-term security for agriculture and forestry outside the UGB, and respect for the natural landscape features that define the region.

The new statute and rules make agreements among the partner governments a prerequisite for designation of urban and rural reserves. The remarkable cooperation among the local governments of the region that led to passage of Senate Bill 1011 and adoption of LCDC rules

continued through the process of designation of urban reserves by Metro and rural reserves by Clackamas, Multnomah and Washington Counties. The partners' four ordinances are based upon the separate, formal intergovernmental agreements between Metro and each county that are part of our record, developed simultaneously following long study of potential reserves and thorough involvement by the public.

The four governments submitted their ordinances with designated reserves to LCDC in periodic review on June 23, 2010. On October 29, 2010, the Commission gave its oral approval to the reserves designated in Clackamas and Multnomah Counties and to the rural reserves and most of the urban reserves in Washington County. The Commission, however, rejected the designation of Urban Reserve 7I, north of Cornelius, and directed reconsideration of Urban Reserve 7B, north of Forest Grove. The Commission authorized Metro and Washington County to consider designating as urban reserve, or leaving undesignated, land the County had previously designated rural reserve or left undesignated. In order to provide flexibility, the Commission also returned the rural reserves in Washington County for further consideration.

Washington County and Metro responded to LCDC's oral decision by revising the intergovernmental agreement between them and adopting ordinances amending their respective comprehensive plan and regional framework plan maps (Washington County Ordinance No. 740; Metro Ordinance No. 11-1255). The ordinances made the following changes:

- The designation of Area 7I as urban reserve (623 acres) was removed
- 263 acres of Area 7I were designated rural reserves
- 360 acres of Area 7I were left undesignated
- The urban reserve designation of the 28-acre portion of Area 7B that lies east and north of Council Creek was removed; the portion was left undesignated
- 352 acres of undesignated land north of Highway 26, south of West Union Road, east of Groveland Road and west of Helvetia Road were designated urban reserve
- The rural reserve designation of 383 acres of Rural Reserve 6E south of Rosedale Road, west of 209th Avenue and north of Farmington Road was removed; the portion was left undesignated.

Metro Supp Rec. 798.

These revisions reduced the acres of urban reserves in Washington County by 299 acres, reduced the acres of rural reserves by 120 acres and increased the acres adjacent to the UGB left undesignated by 391 acres, all compared with the reserves submitted to LCDC in June, 2010. Overall, there are 13,525 acres of urban reserves and 151,209 acres of rural reserves in Washington County, in part reflecting refinements of boundaries as they relate to street rights-of-way, floodplains and improved tax lot alignments. Metro Supp Rec. 799.

## II. OVERALL CONCLUSIONS

With adoption of Metro Ordinance No. 11-1255, Metro has designated 28,256 gross acres as urban reserves, including urban reserves in each county. Metro Supp Rec. 799. These lands are now first priority for addition to the region's UGB when the region needs housing or employment capacity. As indicated in new policy in Metro's Regional Framework Plan in Exhibit A to Ordinance No. 10-1238A, the urban reserves are intended to accommodate population and employment growth for 50 years, to year 2060.

Clackamas County Ordinance No. ZDO-233 designates 68,713 acres as rural reserves in Clackamas County. Multnomah County Ordinance No. 2010-1161 designates 46,706 acres as rural reserves in Multnomah County. Washington County Ordinance No. 740, which revised the county's designation of rural reserves following LCDC's remand of urban and rural reserves in the county, designates 151,209 acres of rural reserves. Metro Supp Rec. 798. As indicated in new policies in the Regional Framework Plan and the counties' comprehensive plans, these rural reserves – 266,628 acres in total – are now protected from urbanization for 50 years. Metro Supp. Rec.798. The governments of the region have struggled with the urban-farm/forest interface, always searching for a “hard edge” to give farmers and foresters some certainty to encourage investment in their businesses. No road, stream or floodplain under the old way of expanding the UGB offers the long-term certainty of the edge of a rural reserve with at least a 50-year lifespan. This certainty is among the reasons the four governments chose the longer, 50-year, reserves period.

The region's governments have also debated how best to protect important natural landscape features at the edges of the urban area. The partners' agreements and these ordinances now identify the features that will define the extent of outward urban expansion.

The region's urban and rural reserves are fully integrated into Metro's Regional Framework Plan and the Comprehensive Plans of Clackamas, Multnomah and Washington counties. Metro's plan includes a map that shows urban and rural reserves in all three counties. Each of the county plans includes a map that shows urban and rural reserves in the county. The reserves shown on each county map are identical to the reserves shown in that county on the Metro map. Each of the four plans contains new policies that ensure accomplishment of the goals for the reserves set by the four local governments and by state law. These new policies are consistent with, and carry out, the intergovernmental agreements between Metro and the three counties signed in February, 2010, and the supplemental agreement between Metro and Washington County signed on March 15, 2011. Metro Supp. Rec. 285.

Together, these reserves signal the region's long-term limits of urbanization, its commitment to stewardship of farmland and forests, and its respect for the natural landscape features that give the people of the region their sense of place. Urban reserves, if and when added to the UGB, will take some land from the farm and forest land base. But the partners understood from the beginning that some of the very same characteristics that make an area suitable for agriculture also make it suitable for industrial uses and compact, mixed-use, pedestrian and transit-supportive urban development. The most difficult decisions made by the four governments

involved Foundation Agricultural Land<sup>1</sup> near the existing UGB and the circumstances in which this land should be designated as urban reserve to accommodate growth in a compact form and provide opportunities for industrial development, difficult or impossible on steep slopes. Metro designated 15 areas composed predominantly of Foundation Land as urban reserve, totaling 11,551 acres.<sup>2</sup>

Some important numbers help explain why the partners came to agree that the adopted system, in its entirety, best achieves this balance. Of the total 28,256 acres designated urban reserves, approximately 13,624 acres are Foundation (11,551 acres) or Important (2,073 acres) Agricultural Land. This represents only four percent of the Foundation and Important Agricultural Land studied for possible urban or rural reserve designation. If all of this land is added to the UGB over the next 50 years, the region will have lost four percent of the farmland base in the three-county area. Metro Supp.Rec. 799; 804-05.

There is a second vantage point from which to assess the significance for agriculture of the designation of urban reserves in the three-county region: the percentage of land zoned for exclusive farm use in the three counties that is designated urban reserve. Land zoned EFU<sup>3</sup> has emerged over 35 years of statewide planning as the principal land base for agriculture in the counties, and is protected for that purpose by county zoning. The inventory of Foundation and Important Agricultural Lands includes land that is “exception land,” no longer protected for agriculture for farming. Of the 28,256 acres designated urban reserves, some 13,746 acres are zoned EFU. Even including the 3,532 acres of these EFU lands that are classified by ODA as “conflicted”, these 13,746 acres represent slightly more than five percent of all land zoned EFU (266,372 acres) in the three counties. If the “conflicted” acres are removed from consideration, the percentage drops to less than four percent. Metro Supp.Rec. 799; 804-05.

A third vantage point adds perspective. During an approximately 30-year period leading to establishment of the statewide planning program and continuing through the acknowledgement and early implementation of county comprehensive plans, the three counties lost more than 150,000 acres of farmland. Metro Supp. Rec. 799; 804-05. By contrast, if all the zoned farmland that is designated urban reserve is ultimately urbanized, the regional will have lost only 13,746 acres over 50 years.

If the region’s effort to contain urban development within the existing UGB and these urban reserves for the next 50 years is successful, the UGB will have accommodated an estimated 74 percent increase in population on an 11-percent increase in the area within the UGB. No other

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<sup>1</sup> Those lands mapped as Foundation Agricultural Land in the January, 2007, Oregon Department of Agriculture report to Metro entitled “Identification and Assessment of the Long-Term Commercial Viability of Metro Region Agricultural Lands.”

<sup>2</sup> 1C (East of Gresham, portion); 1F (Boring); 5A (Sherwood North); 5B (Sherwood West); 6A (Hillsboro South, portion); 6B (Cooper Mt. Southwest); 6C (Roy Rogers West); 6D (Beef Bend South); 7B (Forest Grove North); 7C (Cornelius East); 7D (Cornelius South); 7E (Forest Grove South); 8A (Hillsboro North); 8B (Shute Road Interchange and new Area D); 8C (Bethany West)

<sup>3</sup> Includes all farm zones acknowledged to comply with statewide planning Goal 3, including Washington County’s AF-20 zone.



region in the nation can demonstrate this growth management success. Most of the borders of urban reserves are defined by a 50-year “hard edge” of 266,628 acres designated rural reserves, nearly all of which lies within five miles of the existing UGB. Of these rural reserves, approximately 248,796 acres are Foundation or Important Agricultural Land. Metro Supp. Rec. 799; 804-05.

Why did the region designate *any* Foundation Agricultural Land as urban reserve? The explanation lies in the geography and topography of the region, the growing cost of urban services and the declining sources of revenues to pay for them, and the fundamental relationships among geography and topography and the cost of services. The region aspires to build “great communities.” Great communities are those that offer residents a range of housing types and transportation modes from which to choose. Experience shows that compact, mixed-use communities with fully integrated street, pedestrian, bicycle and transit systems offer the best range of housing and transportation choices. *State of the Centers: Investing in Our Communities*, January, 2009. Metro Rec. 181-288. The urban reserves factors in the reserves rules derive from work done by the region to identify the characteristics of great communities. Urban reserve factors (1), (3), (4), and (6)<sup>4</sup> especially aim at lands that can be developed in a compact, mixed-use, walkable and transit-supportive pattern, supported by efficient and cost-effective services. Cost of services studies tell us that the best landscape, both natural and political, for compact, mixed-use communities is relatively flat, undeveloped land. *Core 4 Technical Team Preliminary Analysis Reports for Water, Sewer and Transportation*, Metro Rec. 1163-1187; *Regional Infrastructure Analysis*, Metro Rec. 440-481.

The region also aspires to provide family-wage jobs to its residents. Urban reserve factor (2) directs attention to capacity for a healthy economy.<sup>5</sup> Certain industries the region wants to attract prefer large parcels of flat land. Staff Report, June 9, 2010, Metro Rec. 172-178. Water, sewer and transportation costs rise as slope increases. *Core 4 Technical Team Preliminary Analysis Reports for Water, Sewer and Transportation*, Metro Rec. 1163-1187; *Regional Infrastructure Analysis*, Metro Rec. 440-481. Converting existing low-density rural residential development into compact, mixed-use communities through infill and re-development is not only very expensive, it is politically difficult. Metro Rec. 289-300.

Mapping of slopes, parcel sizes, and Foundation Agricultural Land revealed that most flat land in large parcels without a rural settlement pattern at the perimeter of the UGB lies in Washington County, immediately adjacent to Hillsboro, Cornelius, Forest Grove, Beaverton, and Sherwood. These same lands provide the most readily available supply of large lots for industrial development. *Business Coalition Constrained Land for Development and Employment Map*,

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<sup>4</sup> (1) Can be developed at urban densities in a way that makes efficient use of existing and future public and private infrastructure investments;  
(3) Can be efficiently and cost-effectively service with public schools and other urban-level public facilities and services by appropriate and financially capable providers;  
(4) Can be designed to be walkable and service with a well-connected system of streets, bikeways, recreation trails and public transit by appropriate services providers;  
(6) Includes sufficient land suitable for a range of needed housing types.

<sup>5</sup> (2) Includes sufficient development capacity to support a healthy economy.

Metro Rec. 301; 1105-1110. Almost all of it is Foundation Agricultural Land. Metro Supp. Rec.799. Had the region been looking only for the best land to build great communities, nearly all the urban reserves would have been around these cities. It is no coincidence that these cities told the reserves partners that they want significant urban reserves available to them, while most other cities told the partners they want little or no urban reserves. *Washington County Cities' Pre-Qualified Concept Plans*, WashCo Rec. 3036-3578. These facts help explain why there is more Foundation Agricultural Land designated urban reserve in Washington County than in Clackamas or Multnomah counties. Had Metro not designated some Foundation Land as urban reserve in Washington County, it would not have been possible for the region to achieve the “livable communities” purpose of reserves in LCDC rules [OAR 660-027-0005(2)].

Several urban reserves factors focus on the efficient, cost-effective installation, operation and maintenance of public services to urban reserves once they are included within the UGB.<sup>6</sup> Urban reserve factor (6) calls for land suitable for needed housing types. The partners began the analysis by examining lands within five miles of the UGB. Most of these lands initially studied are beyond the affordable reach of urban services. As noted above, water, sewer and transportation costs rise as slope increases. *Core 4 Technical Team Preliminary Analysis Reports for Water, Sewer and Transportation*, Metro Rec. 1163-1187; *Regional Infrastructure Analysis*, Metro Rec. 440-481. Not only does most of the Important Agricultural Land and the Conflicted Agricultural Land within five miles of the UGB exhibit steeper slopes than the Foundation Land close to the UGB; these non-Foundation Lands also exhibit rural residential development patterns on smaller parcels (“exception lands”). Metro Supp. Rec.799; 807; WashCo Rec. 1891-1894; 2905. With one exception (small portion of Urban Reserve 1F), designated urban reserves lie within two miles of the UGB. Metro Supp. Rec.806.

Despite these geopolitical and cost-of-services realities, the reserves partners designated extensive urban reserves that are *not* Foundation Agricultural Lands in order to meet the farm and forest land objectives of reserves, knowing these lands will be more difficult and expensive to urbanize. The following urban reserves are principally Conflicted and Important Agricultural Land:

- Urban Reserve 1D east of Damascus and south of Gresham (2,716 acres), ClackCo Rec. 1723;
- Urban Reserve 2A south of Damascus (1,239 acres), ClackCo Rec. 1722;
- Urban Reserves 3B, C, D, F and G around Oregon City (2,232 acres), ClackCo Rec. 1718-1720;
- Urban reserves 4A, B and C in the Stafford area (4,699 acres), ClackCo Rec. 1716;
- Urban reserves 4D, E, F, G and H southeast of Tualatin and east of Wilsonville (3,589 acres), ClackCo Rec. 600;
- Urban Reserve 5F between Tualatin and Sherwood (572 acres); WashCo Rec. 3517; 2998;
- Urban Reserve 5G west of Wilsonville (203 acres) ClackCo Rec. 711-712; and
- Urban Reserve 5D south of Sherwood (447 acres), WashCo Rec. 3481; 2998.

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<sup>6</sup> Urban Reserve factors (1) (efficient use of public infrastructure); (3) (efficient and cost-effective public services); (4) (walkable, bikeable and transit-supportive).

These non-Foundation Lands designated urban reserve, which total approximately 15,700 acres, (55 percent of all lands designated urban reserve), are the most serviceable among the non-Foundation Lands within the initial study area. Metro Supp Rec.804-05; WashCo Re. 3006-3010; 3015.

Many areas of Important and Conflicted Agricultural Lands were not designated urban reserve in part because the presence of steep slopes, bluffs, floodplains, streams and habitat, limiting their suitability or appropriateness for urbanization:

- Rural Reserve 1B (West of Sandy River): the Sandy River Canyon and the county's scenic river overlay zone. MultCo Rec. 2961-2965; 2973-2985;
- Rural Reserve 2B (East Clackamas County): steep bluffs above the Clackamas River. ClackCo Rec. 560-563; 568-571;
- Rural Reserve 3E (East of Oregon City): steep slopes along Abernethy, Clear and Newell Creeks. ClackCo Rec. 748-755;
- Rural Reserve 3H (South of Oregon City): steep slopes drop to Beaver and Parrot Creeks. ClackCo. Rec. 557; 1718;
- Rural Reserve 4I (Pete's Mtn.): steep slopes. ClackCo Rec. 741-743;
- Rural Reserve 5C (East Chehalem Mtns): steep slopes and floodplain of Tualatin River; WashCo Rec. 2998-3027;
- Rural Reserve 5I (Ladd Hill): steep slopes and creek traverses. ClackCo. Rec. 592-595;
- Rural Reserve 6E (Central Chehalem Mtns.): steep slopes and floodplain of Tualatin River. WashCo Rec. 2998-3027;
- Rural Reserve 7G (West Chehalem Mtns.): steep slopes and floodplain of Tualatin River. WashCo Rec. 2997; 3006-3010; 3027;
- Rural Reserve 7H (West Fork of Dairy Creek); steep slopes on David Hill. WashCo. Rec. 3013; 3029; 3107;
- Rural Reserves 9A-9C (Powerlines/Germantown Road-South): steep slopes, many stream headwaters and courses. MultCo. Rec. 11; 329-330; 3004-3015;
- Rural Reserve 9D (West Hills South): steep slopes, many stream headwaters and courses. MultCo Rec. 2993-3033.

Metro Supp Rec. 806.

Urban reserve factors (5), (7) and (8)<sup>7</sup> seek to direct urban development away from important natural landscape features and other natural resources. Much of the Important and some Conflicted Agricultural Lands are separated from the UGB by, or include, important natural landscape features or rural reserves on Foundation or Important Agricultural Land:

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<sup>7</sup> (5) Can be designed to preserve and enhance natural ecological systems;  
(7) Can be developed in a way that preserves important natural landscape features included in urban reserves;  
(8) Can be designed to avoid or minimize adverse effects on farm and forest practices, and adverse effects on important natural landscape features, on nearby land including land designated as rural reserves.

- Rural Reserve 1B (West of Sandy River): the Sandy River Canyon (Wild and Scenic River). MultCo Rec. 2961-2965; 2973-2985;
- Rural Reserve 2B (East Clackamas County): Clackamas River and canyons of Deep, Clear and Newell Creeks. ClackCo. Rec. 1722;
- Rural Reserve 3E (East of Oregon City): Willamette River and canyons of Abernethy, Clear and Newell Creeks. ClackCo Rec. 560-563;
- Rural Reserve 3H (South of Oregon City): Willamette Narrows, Canemah Bluffs and canyons of Beaver and Parrot Creeks. ClackCo. Rec. 553-554;
- Rural Reserve 4I (Pete’s Mtn.): Willamette Narrows on eastern edge. ClackCo. Rec. 596;
- Rural Reserve 5C (East Chehalem Mtns): Chehalem Mtns., floodplain of Tualatin River and Tualatin River National Wildlife Refuge. WashCo Rec. 2988-3027; 9677-9679;
- Rural Reserve 5I (Ladd Hill): Parrett Mtn., Willamette River, Tonquin Geological Area. ClackCo. Rec. 592-595;
- Rural Reserve 6E (Central Chehalem Mtns.): Chehalem Mtns., floodplain of Tualatin River. WashCo Rec. 2998-3027;
- Rural Reserve 7G (West Chehalem Mtns.): Chehalem Mtns., floodplain of Tualatin River. WashCo Rec. 3029; 3095; 3103;
- Rural Reserves 9A-9C (Powerlines/Germantown Road-South): steep slopes (Tualatin Mountains), stream headwaters (Abbey Creek and Rock Creek) and courses. MultCo. Rec. 11; 329-330; 3004-3015; 3224-3225; 3250-3253; 9322-9323;
- Rural Reserve 9D (West Hills South): steep slopes, many stream headwaters (Abbey Creek and Rock Creek) and courses. MultCo Rec. 2993-3033.

Metro Supp. Rec. 800-01; 821.

Third, much of the Important and Conflicted Agricultural Lands rates lower against the urban reserves factors in comparison to areas designated urban reserve, or remain undesignated for possible designation as urban reserve if the region’s population forecast proves too low:<sup>8</sup>

- Clackamas Heights, ClackCo Rec. 1721;
- East Wilsonville, ClackCo Rec. 1715;
- West Wilsonville, ClackCo Rec. 1713;
- Southeast of Oregon City, ClackCo Rec. 1719;
- Southwest of Borland Road, ClackCo Rec. 740-747;
- Between Wilsonville and Sherwood, ClackCo;
- Powerline/Germantown Road-South, MultCo Rec. 2909-2910.

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<sup>8</sup> “Retaining the existing planning and zoning for rural lands (and not applying a rural or an urban reserves designation) is appropriate for lands that are unlikely to be needed over the next 40 years, or (conversely) that are not subject to a threat of urbanization.” Letter from nine state agencies to the Metro Regional Reserves Steering Committee, October 14, 2009, page 15.

Lastly, some of the Important and Conflicted Agricultural Lands lie adjacent to cities in the region that have their own UGBs and want their own opportunities to expand over time:

- Estacada
- Sandy

The partners also considered the rural reserve factors when considering whether to designate Foundation Agricultural Land as urban reserve. The first set of rural reserve factors focuses on the suitability and capability of land for agriculture and forestry. The factors in this set that address agricultural suitability and capability derive from the January, 2007, Oregon Department of Agriculture report to Metro entitled “Identification and Assessment of the Long-Term Commercial Viability of Metro Region Agricultural Lands.” All of the Foundation Lands designated urban reserve are potentially subject to urbanization [rural factor (2)(a)] due to their proximity to the UGB and suitability for urbanization, as described above. See, e.g., WashCo Rec. 2984-2985; 2971-2972; 3013-3014. All of the Foundation Lands designated urban reserve are also capable of sustaining long-term agricultural or forest operations [factor (2)(b)]. WashCo rec. 2972-2973; 2985; 3015. Similarly, all of the Foundation Lands designated urban reserve have soils and access to water that render them suitable [factor (2)(c)] to sustain agriculture. See, e.g., WashCo Rec. 2972-2975; 2985; 2998; 3016-3018. These lands also lie in large blocks of agricultural land and have parcelization, tenure and ownership patterns and agricultural infrastructure that make them suitable for agriculture. WashCo Rec. 2975; 2985; 3019-3024; 3027. The identification of these lands as Foundation Agricultural Land by the Oregon Department of Agriculture is a reliable general source of information to support these findings. See also WashCo Rec. 2976-2983; 3019-3025.

Notwithstanding these traits that make these lands suitable for agriculture and forestry, some of the urban reserves on Foundation Land rate lower on the rural reserve factors than Foundation Land *not* designated urban reserve. WashCo Rec. 2978; 3025. Urban Reserves 6A (portion), 6B, 6C, 6D, 5A, 5B and 1F lie within Oregon Water Resources Department-designated Critical or Limited Groundwater Areas and have less ready access to water [factor (2)(c)]. WashCo Rec. 2294-2302; 2340; 2978-2979; 3019-3023; 3025; 3058-3061; 3288; 3489-3490. Metro Supp. Rec. 799-800; 809. Urban Reserves 8A, 8B (with new Area D, 6A (portion), 6B, 6D (portion), 5A, 5B, 1C and 1D are not within or served by an irrigation district. Metro Supp. Rec. 799; 808. WashCo Rec. 2340; 3019-3023; 3025 Urban Reserve 6A contains the Reserves Vineyards Golf Course. Metro Supp. Rec. 799.

The second set of rural reserve factors focuses on natural landscape features. All of the Foundation Lands designated urban reserve are potentially subject to urbanization [factor (3)(a)] due to their proximity to the UGB and their suitability for urbanization, as described above. The identification of these lands as Foundation Agricultural Land by the Oregon Department of Agriculture is a reliable general source of information to support this finding. Because urban reserves are intended for long-term urbanization, the partners were careful to exclude from urban reserves large tracts of land constrained by natural disasters or hazards incompatible with urban development. Metro Rec. 301; 1105-1110; WashCo Rec. 2986. Small portions of these urban reserves are vulnerable to hazards, but city land use regulations will limit urban development on

steep slopes, in floodplains and areas of landslides once the lands are added to the UGB. Metro Supp. Rec.821; WashCo Rec. 2986.

Little of these Foundation Lands are mapped as significant fish, plant or wildlife habitat [factor (3)(c)], the mapping of which is largely subsumed on the landscape features map. For the same reasons, little of these lands are riparian areas or wetlands. As with all lands, these lands are important for protection of water quality. But the lands are subject to local, regional, state and federal water quality regulations. See, e.g., WashCo Rec.2986-2987.

There are several inventoried natural landscape features [factor (3)(e)] within the Foundation Lands designated urban reserve. Rock Creek flows through a portion of Urban Reserve 8C (Bethany West). The IGA between Washington County and Metro included a provision to limit development on approximately 115 acres of constrained land within the portion of the watershed in 8C, through application of the county's Rural/Natural Resources Plan Policy 29 and Clean Water Services programs developed to comply with Title 13 (Nature in Neighborhoods) of Metro's Urban Growth Management Functional Plan. Metro Rec.821. Urban Reserve 6B includes portions of the slopes of Cooper Mountain. Metro's Cooper Mountain Nature Park lies within this area and protects much of the mountain's slopes. Metro Supp. Rec.821. Urban Reserve 6D includes a segment of Tualatin River floodplain. King City will apply its floodplains ordinance to limit development there. WashCo. Rec. 3462-3463; Metro Supp. Rec.821. There are such inventoried natural landscape features at the edges of Urban Reserves 6A (South Hillsboro, Tualatin River), 6C (Roy Rogers West, Tualatin River), 6D (Beef Bend, Tualatin River), 7C (Cornelius East, Dairy Creek), 7D (Cornelius South, Tualatin River), 7E (Forest Grove South, Tualatin River and Lower Gales Creek) and 8A (Hillsboro North, McKay Creek); Metro Supp. Rec.821. These features serve as edges to limit the long-term extent of urbanization and reduce conflicts with rural uses [factor (3)(f)] .

Urban Reserves 1F, 8A and 8B (new Area D) lessen the separation [factor (3)(g)] between the Metro urban area and the cities of Sandy and North Plains, respectively. But significant separation remains (Sandy: approximately 9,000 feet; North Plains: approximately 2,000 feet). Metro Supp. Rec.803; WashCo Rec. 2987. Finally, because private farms and woodlots comprise most of these Foundation Lands, they do not provide easy access to recreational opportunities as compared to Important and Conflicted Lands.

As indicated above and in county findings in sections VI through VIII, these 15 urban reserves on Foundation Agricultural Land rate highly for urban reserves and rural reserves. In order to achieve a balance among the objectives of reserves, Metro chose these lands as urban reserves rather than rural reserves. The characteristics described above make them the best lands for industrial use and for compact, mixed-use, pedestrian-friendly and transit-supportive communities. Designation of these areas as urban reserve will have little adverse impact on inventoried natural landscape features. Notwithstanding the loss of these lands over time, urbanization of these lands will leave the agricultural and forest industries vital and viable in the region.

The record of this two and one-half-year effort shows that not every partner agreed with all urban reserves in each county. But each partner agrees that this adopted system of urban and rural reserves, in its entirety, achieves the region's long-range goals and a balance among the

objectives of reserves: to accommodate growth in population and employment in sustainable and prosperous communities and neighborhoods, to preserve the vitality of the farms and forests of the region, and to protect defining natural landscape features. The partners are confident that this system of reserves will allow the continuation of vibrant and mutually-reinforcing farm, forest and urban economies for the next 50 years. And the partners agree this system is the best system the region could reach by mutual agreement.

### **III. OVERALL PROCESS OF ANALYSIS AND PUBLIC INVOLVEMENT**

#### **A. Analysis and Decision-Making**

The three counties and Metro began reserves work as soon as LCDC adopted the new rules on reserves (OAR Division 27). The four governments formed committees and began public involvement to raise awareness about reserves and help people learn how to engage in the process. Each of the four governments selected one of its elected officials to serve on the “Core 4”, established to guide the designation process and formulate recommendations to the county boards and the Metro Council. The four governments also established a “Reserves Steering Committee” (RSC) to advise the Core 4 on reserves designation. The RSC represented interests across the region - from business, agriculture, social conservation advocacy, cities, service districts and state agencies (52 members and alternates).

The four governments established an overall Project Management Team (PMT) composed of planners and other professions from their planning departments. Each county established an advisory committee to provide guidance and advice to its county board, staffed by the county’s planning department.

As part of technical analysis, staff gathered providers of water, sewer, transportation, education and other urban services to consider viability of future service provision to lands within the study area. The parks and open space staff at Metro provided guidance on how best to consider natural features using data that had been deeply researched, broadly vetted and tested for social and political acceptance among Willamette Valley stakeholders (Oregon Wildlife Conservation Strategy, Pacific Northwest Research Consortium, Willamette Valley Futures, The Nature Conservancy’s Ecoregional Assessment). Business leaders, farm bureaus and other representative groups were consulted on an ongoing basis.

The first major task of the Core 4 was to recommend a reserves study area to the county boards and the Metro Council. With advice from the RSC, the county advisory committees and public comment gathered open houses across the region, the Core 4 recommended for further analysis some 400,000 acres around the existing urban area, extending generally five miles from the UGB. The four governments endorsed the study area in the fall of 2008. Then the task of applying the urban and rural reserve factors to specific areas began in earnest.

The county advisory committees reviewed information presented by the staff and advised the staff and county boards on how each “candidate area” rated under each reserves factor. The county staffs brought this work to the RSC for discussion. After a year’s worth of work at regular meetings, the RSC made its recommendations to the Core 4 in October, 2009.

Later in the fall, each elected body held hearings to hear directly from their constituents on proposed urban and rural reserves. Public involvement included six open houses, three Metro Council hearings around the region and a virtual open house on the Metro web site, all providing the same maps, materials and survey questions.

Following this public involvement, the Core 4 submitted its final recommendations to the four governments on February 8, 2010. The recommendation included a map of proposed urban and rural reserves, showing reserves upon which there was full agreement (the large majority of proposed reserves) and reserves upon which disagreements were not resolved. The Core 4 proposed that these differences be settled in bilateral discussions between each county and Metro, the parties to the intergovernmental agreements (IGAs) required by ORS 195.141. Over the next two weeks, the Metro Council reached agreement on reserves with each county. By February 25, 2010, Metro had signed an IGA with Clackamas, Multnomah and Washington counties. Metro Rec.302; 312; 404.

The IGAs required each government to amend its plan to designate urban (Metro) or rural (counties) reserves and protect them for their intended purposes with plan policies. The IGAs also set times for final public hearings on the IGA recommendations and adoption of ordinances with these plan policies in May and June. The four governments understood that the IGAs and map of urban and rural reserves were not final decisions and, therefore, provided for final adjustments to the map to respond to public comment at the hearings. By June 15, 2010, the four governments had adopted their reserves ordinances, including minor revisions to the reserves map.

## **B. Public Involvement**

From its inception, the reserves designation process was designed to provide stakeholders and the public with a variety of ways to help shape the process and the final outcome. Most significantly, the decision process required 22 elected officials representing two levels of government and 400,000 acres of territory to craft maps and agreements that a majority of them could support. These commissioners and councilors represent constituents who hold a broad range of philosophical perspectives and physical ties to the land. Thus, the structure of the reserves decision process provided motivation for officials to seek a final compromise that met a wide array of public interests.

In the last phase of the reserve process – adoption of ordinances that designate urban and rural reserves – each government followed its established procedure for adoption of ordinances: notice to citizens; public hearings before its planning commission (in Metro’s case, recommendations from the Metro Planning Advisory Committee) and public hearings before its governing body. But in the more-than-two years leading to this final phase, there were additional advisory bodies established.

The RSC began its work in early 2008. RSC members were expected to represent social and economic interests to the committee and officials and to serve as conduits of communication back to their respective communities. In addition, RSC meetings were open to the public and provided an additional avenue for citizens to voice their concerns—either by asking that a



steering committee member represent their concern to the committee or by making use of the public testimony period at the beginning of each meeting.

Once the three county advisory committees got underway, they, like the RSC, invited citizens were to bring concerns to committee members or make statements at the beginning of each meeting.

Fulfilling the requirements of DLCD's administrative rules on reserves and the reserves work program, the three counties and Metro developed a Coordinated Public Involvement Plan in early 2008 that provided guidance on the types of public involvement activities, messages and communications methods that would be used for each phase of the reserves program. The plan incorporated the requirements of Oregon law and administrative rules governing citizen involvement and reflects comments and feedback received from the Metro Council, Core 4 members, each jurisdiction's citizen involvement committee, other county-level advisory committees and the RSC. The Citizen Involvement Advisory Committee of the Oregon Land Conservation and Development Commission (LCDC) reviewed and endorsed the Public Involvement Plan.

The four governments formed a public involvement team, composed of public involvement staff from each county and Metro, to implement the Public Involvement Plan. The team cooperated in all regional efforts: 20 open houses, two "virtual open houses" on the Metro web site, additional online surveys, presentations, printed materials and analysis and summaries of comments. The team members also undertook separate county and Metro-specific public engagement activities and shared methodologies, materials and results.

Elected officials made presentations to community planning organizations, hamlets, villages, city councils, advocacy organizations, civic groups, chambers of commerce, conferences, watershed councils, public affairs forums, art and architecture forums, and many other venues. Staff and elected officials appeared on television, on radio news broadcasts and talk shows, cable video broadcasts and was covered in countless news articles in metro outlets, gaining publicity that encouraged public engagement. Booths at farmers' markets and other public events, counter displays at retail outlets in rural areas, library displays and articles in organization newsletters further publicized the opportunities for comment. Materials were translated into Spanish and distributed throughout all three counties. Advocacy organizations rallied supporters to engage in letter email campaigns and to attend public meetings. Throughout the reserves planning process the web sites of each county and Metro provided information and avenues for feedback. While there have been formal public comment periods at key points in the decision process, the reserves project team invited the public to provide comment freely throughout the process. In all, the four governments made extraordinary efforts to engage citizens of the region in the process of designating urban and rural reserves. The public involvement plan provided the public with more than 180 discrete opportunities to inform decision makers of their views urban and rural reserves. A fuller account of the public involvement process the activities associated with each stage may be found at Staff Report, June 9, 2010, Metro Rec. 123-155; Metro Supp. Rec.47.

Following remand of Urban Reserves 7B and 7I in Washington County by LCDC on October 29, 2010, Metro and Washington County signed a supplemental IGA to re-designate urban and rural reserves in the county. Metro Supp. Rec. 285. Each local government held public hearings prior to adoption of the supplemental IGA and prior to adoption of their respective ordinances amending their maps of urban and rural reserves. Metro Supp. Rec. 328; 604.

#### **IV. AMOUNT OF URBAN RESERVES**

##### **A. Forecast**

Metro developed a 50-year “range” forecast for population and employment that was coordinated with the 20-year forecast done for Metro’s UGB capacity analysis, completed in December, 2009. The forecast is based on national economic and demographic information and is adjusted to account for regional growth factors. The partner governments used the upper and lower ends of the 50-year range forecast as one parameter for the amount of land needed to accommodate households and employment. Instead of aiming to accommodate a particular number of households or jobs within that range, the partners selected urban reserves from approximately 400,000 acres studied that best achieve the purposes established by the Land Conservation and Development Commission (set forth in OAR 660-027-0005(2)) and the objectives of the partner governments.

##### **B. Demand and Capacity**

Estimating land demand over the next 50 years is difficult as a practical matter and involves much uncertainty. The Land Conservation and Development Commission (LCDC) recognizes the challenge of estimating long-term need even for the 20-year UGB planning period. In the section of OAR Division 24 (Urban Growth Boundaries) on “Land Need”, the Commission says:

“The 20-year need determinations are estimates which, although based on the best available information and methodologies, should not be held to an unreasonably high level of precision.”

OAR 660-024-0040(1). The uncertainties loom much larger for a 40 to 50-year estimate. Nonetheless, Metro’s estimate of need for a supply of urban reserves sufficient to accommodate housing and employment to the year 2060 is soundly based in fact, experience and reasonable assumptions about long-range trends.

The urban reserves estimate begins with Metro’s UGB estimate of need for the next 20 years in its *Urban Growth Report 2009-2030*, January, 2010 (adopted December 17, 2009). Metro Rec. 646-648; 715. Metro relied upon the assumptions and trends underlying the 20-year estimate and modified them where appropriate for the longer-term reserves estimate, and reached the determinations described below.

The 50-year forecast makes the same assumption on the number of households and jobs needed to accommodate the population and employment coming to the UGB from the seven-county metropolitan statistical area (MSA) as in the *Urban Growth Report*: approximately 62 percent of the MSA residential growth and 70 percent of the MSA employment growth will come to the

metro area UGB. *COO Recommendation, Urban Rural Reserves, Appendix 3E-C, Metro Rec. 599; Appendix 3E-D, Metro Rec. 606-607.*

Metro estimates the demand for new dwelling units within the UGB over the next 50 years to be between 485,000 and 532,000 units. *COO Recommendation, Urban Rural Reserves, Appendix 3E-C, Metro Rec. 599.* Metro estimates between 624,300 and 834,100 jobs will locate within the UGB by 2060. *COO Recommendation, Urban Rural Reserves, Appendix 3E-D, Table D-3, Metro Rec. 607. Staff Report, June 9, 2010, Metro Rec.121-122.*

The region will focus its public investments over the next 50 years in communities inside the existing UGB and, as a result, land within the UGB would develop close to the maximum levels allowed by existing local comprehensive plan and zone designations. This investment strategy is expected to accommodate 70 to 85 percent of growth forecasted over that period. No increase in zoned capacity within the UGB was assumed because, at the time of adoption of reserves ordinances by the four governments, the Metro Council will not have completed its decision-making about actions to increase the capacity of the existing UGB as part of Metro's 2009 capacity analysis. For those areas added to the UGB between 2002 and 2005 for which comprehensive planning and zoning is not yet complete, Metro assumed the areas would accommodate all the housing and employment anticipated in the ordinances that added the areas to the UGB over the reserves planning period. Fifty years of enhanced and focused investment to accommodate growth will influence the market to use zoned capacity more fully.

Consistent with residential capacity analysis in the *Urban Growth Report*, vacant land in the existing UGB can accommodate 166,600 dwelling units under current zoning over the next 50 years. Infill and re-development over this period, with enhanced levels of investment, will accommodate another 212,600 units. This would leave approximately 152,400 dwelling units to be accommodated on urban reserves through 2060. *COO Recommendation, Urban Rural Reserves, Appendix 3E-C, pp. 5-6, Metro Rec. 602-603.*

Based upon the employment capacity analysis in the *Urban Growth Report*, the existing UGB has sufficient capacity – on vacant land and through re-development over the 50-year reserves period – for overall employment growth in the reserves period. However, this supply of land does not account for the preference of some industrial employers for larger parcels. To accommodate this preference, the analysis of the supply of larger parcels was extrapolated from the *Urban Growth Report*. This leads to the conclusion that urban reserves should include approximately 3,000 acres of net buildable land that is suitable for larger-parcel industrial users. *COO Recommendation, Urban Rural Reserves, Appendix 3E-D, Metro Rec. 609-610; Staff Report, June 9, 2010, Metro Rec. 122.*

Metro assumed residential development in urban reserves, when they are added to the UGB over time, would develop at higher densities than has been the experience in the past, for several reasons. First, the region is committed to ensuring new development at the edges of the region contributes to the emergence of “great communities”, either new communities or as additions to existing communities inside the UGB. Second, because many urban reserves are “greenfields”, they can be developed more efficiently than re-developing areas already inside the UGB. Third, demographic trends, noted in the *Urban Growth Report* that is the starting point for Metro's

2010 capacity analysis, indicate increasing demand for smaller housing units. This reasoning leads to the assumption that residential development will occur in reserves, when added to the UGB, at 15 units per net buildable acre overall, recognizing that some areas (centers, for example) would settle at densities higher than 15 units/acre and others (with steep slopes, for example) would settle at densities lower than 15 units/acre. *COO Recommendation, Urban Rural Reserves, Appendix 3E-C, pp. 6-7; Staff Report, June 9, 2010, Metro Rec. 121-122.*

Metro also assumed greater efficiencies in use of employment lands over the next 50 years. The emerging shift of industrial activity from production to research and development will continue, meaning more industrial jobs will be accommodated in high- floor-to-area-ratio (FAR) offices rather than low-FAR general industrial space. This will reduce the need for general industrial and warehouse building types by 10 percent, and increase the need for office space. Office space, however, will be used more efficiently between 2030 and 2060, reducing that need by five percent. Finally, the analysis assumes a 20-percent increase in FARs for new development in centers and corridors, but no such increase in FARs in industrial areas. *COO Recommendation, Urban Rural Reserves, Appendix 3E-C, Metro Rec. 603-604; Staff Report, June 9, 2010, Metro Rec.121-122.*

These assumptions lead to the conclusion that 28,256 acres of urban reserves are needed to accommodate 371,860 people and employment land targets over the 50-year reserves planning period to 2060. *COO Recommendation, Urban Rural Reserves, Appendix 3E-C, Metro Rec. 601-603; Appendix 3E-D, Metro Rec.607-610; Staff Report, June 9, 2010, Metro Rec.121-122.* The nine state agencies that served on the Reserves Steering Committee said the following about the amount of urban land the region will need over the long-term:

“The state agencies support the amount of urban reserves recommended by the Metro COO. That recommendation is for a range of between 15,000 and 29,000 acres. We believe that Metro and the counties can develop findings that, with this amount of land, the region can accommodate estimated urban population and employment growth for at least 40 years, and that the amount includes sufficient development capacity to support a healthy economy and to provide a range of needed housing types.” *Letter to Metro Regional Steering Committee, October 14, 2009, Metro Rec. 1373.*

Based upon the assumptions described above about efficient use of land, the four governments believe the region can accommodate 50 years worth of growth, not just 40 years of growth.

## **V. SUPPLEMENTAL FINDINGS REGARDING 50-YEAR SUPPLY OF URBAN RESERVES AND REGIONWIDE BALANCE**

The findings in this Section V supplement the findings adopted by the Metro Council in support of the original 2011 approval of urban and rural reserves via Metro Ordinance 11-1255. To the extent any of the findings in this section are inconsistent with other findings in this document that were previously adopted in 2011, the findings in this Section V shall govern. These findings address issues related to the regionwide supply of urban reserves and the overall balance of reserves in light of the Oregon Legislature’s enactment of House Bill 4078, which had the effect of reducing urban reserve acreage in Washington County by approximately 3,210 acres.

On April 21, 2011, Metro enacted Ordinance 11-1255 adopting the urban and rural reserve designations agreed upon by Metro and the three counties, and submitted that ordinance and accompanying findings to LCDC for acknowledgement. On August 19, 2011, LCDC voted to approve and acknowledge the reserve designations made by Metro and the counties, and LCDC issued Acknowledgment Order 12-ACK-001819 on August 14, 2012. Twenty-two parties filed appeals of the LCDC Order, and on February 20, 2014 the Oregon Court of Appeals issued its opinion in the *Barkers Five* case, affirming LCDC's decision regarding the majority of the 26 assignments of error raised by the opponents, and remanding the LCDC Order on three substantive issues.

First, the court concluded that LCDC incorrectly approved Washington County's application of the rural reserve factors pertaining to agricultural land, because the county relied on factors that were different from those required by statute for determining whether lands should be designated as rural reserve. The court held that the county's error required remand of all urban and rural reserves in Washington County for reconsideration.

Second, the court held that LCDC incorrectly concluded that Multnomah County had adequately considered the rural reserve factors pertaining to Area 9D. The court found that the county's findings were not sufficient to explain why its consideration of the applicable factors resulted in a designation of rural reserve for *all* of Area 9D, given the fact that property owners in that area had identified dissimilarities between their land and other land in the same study area.

Finally, the court held that LCDC did not correctly review Metro's urban reserve designation of the Stafford area for substantial evidence. The court concluded that Metro failed to adequately respond to evidence cited by opponents from Metro's 2035 Regional Transportation Plan (RTP) indicating that traffic in the Stafford area was projected to exceed the capacity of certain roads by 2035.

Immediately after the Court of Appeals issued its opinion, work began on legislation designed to resolve issues regarding the remand of urban and rural reserves in Washington County. On March 7, 2014 the Oregon Legislature passed House Bill 4078, which legislatively approved Metro's 2011 UGB expansion, enacted revisions to the reserves map in Washington County, and added an additional 1,178 acres of urban reserves to the UGB.

As described in Section IV of these findings, when Metro and the three counties adopted their maps of reserve areas, they agreed on a total of 28,256 acres of urban reserves, which reflected Metro's estimate of the acreage that would be required to provide a 50-year supply of urbanizable land as contemplated under ORS 195.145(4). The specific forecast described above in Section IV (which is based on the September 15, 2009 Metro COO Recommendation) is for a range of between 484,800 and 531,600 new dwelling units over the 50-year period ending in 2060. Metro relied on the high point of that forecast range in estimating that the region would need a supply of urban reserves sufficient to provide for approximately 152,400 new dwelling units outside of the existing UGB through 2060.

After LCDC voted to approve Metro's findings and acknowledge the designation of 28,256 acres of urban reserves in August of 2011, Metro relied on those designations to expand the UGB onto

1,986 acres of urban reserves in Washington County. However, that expansion was called into question by the Court of Appeals decision in *Barkers Five*, which reversed and remanded all of the urban and rural reserve designations in Washington County. The compromise reflected in House Bill 4078 included legislative approval and acknowledgement of the 1,986 acres of 2011 UGB expansions in order to provide certainty to the relevant cities regarding their ability to urbanize those expansion areas.

In addition to acknowledging the UGB expansion areas already approved by Metro, House Bill 4078 added another 1,178 acres of urban reserves to the UGB in Washington County, converted 2,449 acres of urban reserves to rural and undesignated, and converted 417 acres of rural reserves to urban reserves. These legislative adjustments resulted in a net reduction of 3,210 acres of urban reserves below the amount that existed after Metro's UGB expansion decision in 2011. The legislative revisions, together with the 1,986 acres of urban reserves that Metro brought into the UGB, result in a new total of 23,060 acres of urban reserves in the region, which is 5,196 fewer acres than originally adopted by Metro and the counties.

The legislature's removal of 3,210 acres of urban reserves via HB 4078 potentially implicates two elements of state law governing reserves. First, ORS 195.145(4) requires the designation of a sufficient amount of urban reserve areas to provide the Metro region with a 40 to 50 year supply of urbanizable land. Second, OAR 660-027-0040(10) requires Metro and the counties to adopt findings explaining why the reserve designations achieve the objective stated in OAR 660-027-0005(2) of a balance in urban and rural reserves that "best achieves" livable communities, viability and vitality of farm and forest industries, and protection of important natural landscape features.

However, as described below, the enactment of HB 4078 resulted in the legislative acknowledgement of the new amount of urban reserves and the new balance of urban and rural reserves as being in compliance with all aspects of state law. Therefore, the Metro Council concludes that in the absence of any changes to the existing mapped acreage of urban and rural reserves in Clackamas County and Multnomah County, the existing supply and balance of reserves meet all applicable state requirements and there is no need for Metro to revisit the standards related to the 50-year supply or "best achieves" requirements as part of these findings. In the *Barkers Five* opinion, the Court of Appeals remanded the designation of all urban and rural reserves in Washington County for reconsideration. As a result of this wholesale remand of the entire Washington County reserves package, the court also noted that "any new joint designation" of reserves by the county and Metro on remand would also require new findings addressing the "best achieves" standard in OAR 660-027-0005(2). *Barkers Five* at 333.

Thus, the court's opinion provides that the best achieves standard would only be triggered in the event there are any *new* designations of reserve areas on remand that are different from what was approved in the original decision. That is because the stated purpose of the best achieves standard is to ensure that the overall "balance in the designation of urban and rural reserves" across the entire region "best achieves" liveable communities, vitality of farm and forest uses, and protection of natural features that define the region. Thus, any changes in the "balance" of those designations by Metro and the counties on remand would require a reassessment of

whether and how those objectives are still met. But, in the absence of any changes to the reserve maps, no further assessment would be required.

This aspect of the Court of Appeals decision was overridden with respect to Washington County by the enactment of HB 4078, which legislatively established a new map of the locations of the UGB and urban and rural reserves in Washington County. This legislative action negated the court's directive requiring remand to Metro and Washington County for reconsideration of the reserve designations. The enactment of HB 4078 also negates any need to reconsider or apply the best achieves standard, which is an administrative rule requirement that was necessarily preempted by the legislature as part of its decision to redesignate substantial portions of the Washington County reserve areas. As long as the remand proceedings regarding Clackamas County and Multnomah County do not result in changes to the reserves maps in those counties, there is no need to reconsider the best achieves standard to account for the HB 4078 revisions.

The Oregon legislature is presumed to be aware of existing law when it enacts new legislation. *Blanchana, LLC v. Bureau of Labor and Industries*, 354 Or 676, 691 (2014); *State v. Stark*, 354 Or 1, 10 (2013). This presumption also applies to administrative rules adopted by LCDC. *Beaver State Sand & Gravel v. Douglas County*, 187 Or App 241, 249-50 (2003). When the legislature adopted revisions to the Washington County reserves map as part of HB 4078, it is presumed to have been aware of LCDC's administrative rule requiring that there be a balance in reserve designations that "best achieves" the stated goals. The adoption of HB 4078 created a statutory requirement regarding the location of reserves in Washington County that takes precedence over LCDC's "best achieves" rule and does not require subsequent action by LCDC, Metro or the counties to explain why the statute satisfies an administrative rule requirement, because statutes necessarily control over administrative rules.

The express terms of HB 4078 also indicate a legislative intent to preempt existing land use law. Each section of HB 4078 that establishes new locations for reserve areas or the UGB begins with the phrase "*For purposes of land use planning in Oregon, the Legislative Assembly designates the land in Washington County...*" HB 4078, Sec 3(1), (2), (3) (2014). The legislature was aware that its actions in redrawing the UGB and reserve maps had the effect of acknowledging the new maps as being in compliance with state law, and thereby preempting other land use planning rules (including for example LCDC's Goal 14 rules regarding UGB expansions). The legislature included this language to clearly state that its action in adopting the new maps constituted acknowledgment of compliance with state law, and that it need not demonstrate compliance with other existing land use statutes, goals or rules, including the "best achieves" standard and the statutory requirement to provide a 40 to 50 year supply of urban reserves. For these reasons, so long as there are no revisions on remand to the reserve maps in Clackamas County or Multnomah County, the HB 4078 revisions to the reserve designations in Washington County do not create a need to reconsider compliance with the "best achieves" standard or the sufficiency of the supply of urban reserves.

## **VI. IMPLEMENTING URBAN RESERVES**

To ensure that urban reserves ultimately urbanize in a manner consistent with the Regional Framework Plan, Ordinance No. 10-1238A amended Title 11 (Planning for New Urban Areas)

(Exhibit D) of Metro’s Urban Growth Management Functional Plan to require planning of areas of urban reserve prior to inclusion into the UGB. Title 11 now requires a “concept plan” for an urban reserve area prior to UGB expansion. A concept plan must show how development would achieve specified outcomes. The outcomes derive from the urban reserve factors in OAR 660-027-0050, themselves based in part on the characteristics of “great communities” identified by local governments of the region as part of Metro’s “Making the Greatest Place” initiative. Title 11 sets forth the elements of a concept plan, including:

- the general locations of types of uses
- the general locations of the urban services (including transportation systems) needed to support the uses
- estimates of the cost of the services to determine the feasibility of urbanization and to allow comparisons of urban reserves
- the locations of natural resources that will be subject to Title 3 and 13 of the UGMFP
- agreement among local governments and other service providers on provision of services to the area
- agreement among the local governments on annexation of the area to a city or cities and responsibility for planning and zoning.

Title 11 continues to limit development in areas added to the UGB to protect the opportunity for efficient urbanization during the time needed to adopt new local government plan provisions and land use regulations. Title 11, together with the comprehensive plans of the receiving local governments and Metro’s Regional Framework Plan (including the 2035 Regional Transportation Plan), will ensure land use and transportation policies and designations will allow mixed-use and pedestrian, bicycle and transit-supportive development once urban reserve areas are added to the UGB. Staff Report, June 9, 2010, Metro Rec.8-13.

## **VII. REASONS FOR URBAN AND RURAL RESERVES IN CLACKAMAS COUNTY**

### **A. Introduction**

#### **Brief Outline of Clackamas County Process.**

Working in conjunction with Metro Staff, and staff from the other two Metro counties, Clackamas County staff initially identified a study area large enough to provide choices for urban reserves, along with areas threatened by urbanization for consideration as rural reserves. (ClackCo Rec. 26) The initial study area was over 400,000 acres. (ClackCo Rec. 251-256.)

The county then convened a Policy Advisory Committee (PAC) made up of 21 members representing cities, citizen organizations and other stakeholders. Clackamas County Record 18-20. The PAC met 22 times over a year and a half before forwarding its recommendations to the Board of County Commissioners. The record of materials before the PAC included close to a thousand pages of information addressing each of the reserves factors. (ClackCo Rec. 1 to 995). At its second meeting, the PAC was informed that the standards in OAR Division 27 were to be applied as factors, rather than as individual criteria. (ClackCo Rec. 27.)



The PAC adopted an initial screen of rural reserve areas in January, 2009.(ClackCo Rec. 354 to 356.) In May and June of 2009, the PAC and staff further evaluated the rural reserve candidate areas and forwarded a more detailed recommendation to the BCC. (ClackCo Rec. 529-676).

The PAC began its more detailed evaluation of Urban Reserves through the summer of 2009, specifically evaluating each urban reserve candidate area considering each of the urban reserve factors. (ClackCo Rec. 677 to 851).

In the summer of 2009, the Clackamas County Planning Commission held three meetings to discuss and make recommendations on both Urban and Rural Reserves. (ClackCo Rec. 1835 to 1960).

The PAC and Planning Commission recommendations were forwarded to the Board of County Commissioners in September, 2009. The board evaluated all of the potential reserves areas, and forwarded its own recommendation to Metro’s Reserves Steering Committee (RSC). (ClackCo Rec. 1589-1729).

Between September 2009 and February, 2010, the recommendations were refined and discussed both regionally and within the county. (ClackCo Rec.1729 -1807). See timeline of “milestones” at Clackamas County Record 1807. On February 25, the county authorized its chair to sign an Intergovernmental Agreement with Metro agreeing to specific reserves designations in Clackamas County. (ClackCo Rec. 1817-1833) (“Reserves IGA”).

After the Reserves IGA was signed, the county and Metro further refined the reserves map, ultimately adopting the reserves designations that were submitted to DLCD in June.

## **B. Clackamas County: Urban Reserves**

The factors for designation of urban reserves are set forth at OAR 660-027-0050:

*Urban Reserve Factors: When identifying and selecting lands for designation as urban reserves under this division, Metro shall base its decision on consideration of whether land proposed for designation as urban reserves, alone or in conjunction with land inside the UGB:*

*(1) Can be developed at urban densities in a way that makes efficient use of existing and future public and private infrastructure investments;*

*(2) Includes sufficient development capacity to support a healthy economy;*

*(3) Can be efficiently and cost-effectively served with public schools and other urban-level public facilities and services by appropriate and financially capable service providers;*

*(4) Can be designed to be walkable and served with a well-connected system of streets, bikeways, recreation trails and public transit by appropriate service providers;*

*(5) Can be designed to preserve and enhance natural ecological systems;*

*(6) Includes sufficient land suitable for a range of needed housing types;*

*(7) Can be developed in a way that preserves important natural landscape features included in urban reserves; and*

*(8) Can be designed to avoid or minimize adverse effects on farm and forest practices, and adverse effects on important natural landscape features, on nearby land including land designated as rural reserves.*

It is important to note that the reserves factors are not criteria to be met individually. Rather, the factors are considerations to be weighed and balanced in light of the overall purpose of the reserves decision, and the regional context. There are a number of areas which might be designated as either urban reserve or rural reserves, and the designations are interdependent, in the sense that land designated as a rural reserve is no longer among the options available for rural reserves.

#### Urban Reserves 1D and 1F: Boring

*General Description:* This Urban Reserve comprises approximately 4,200 acres, bordered by the cities of Gresham on the north and Damascus on the west. The eastern-most boundary of this Urban Reserve is located approximately two miles from the City of Sandy's Urban Reserve. The community of Boring, which is identified as a Rural Community in the County Comprehensive Plan, is located in the southern part of this area, and its boundary is the southern edge of this Urban Reserve. Highway 26 forms the northern boundary of this Urban Reserve.

Development in this area is focused in the community of Boring, which has several commercial and employment uses and a small residential community. There is also an area of non-conforming commercial uses located at the eastern edge of this Urban Reserve, along the north side of St. Hwy. 212. Rural residential homesites mixed with smaller farms characterize the area west of 282<sup>nd</sup> Avenue. The area east of 282<sup>nd</sup> Ave., north of Boring, has several larger, flat parcels that are being farmed.

There are two significant buttes located in the northwest part of this Urban Reserve. These buttes have been identified as important natural landscape features in Metro's February 2007 "Natural Landscape Features Inventory". These buttes are wooded. Existing rural homesites are scattered on the slopes. There is minimal development potential on these buttes.

The area west of SE 282<sup>nd</sup> Ave., outside Boring, is identified as Conflicted Agricultural Land. The area east of SE 282<sup>nd</sup> Ave, (Area1F) is identified as Foundation Agricultural Land. This is the only Foundation Agricultural Land in Clackamas County included in an Urban Reserve.

*Conclusions and Analysis:* Designation of the Boring Area as an Urban Reserve is consistent with OAR 660-027. The Boring Urban Reserve provides one of Clackamas County's few identified employment land opportunities. The larger, flat parcels in Area 1F are suitable as employment land. This area is served by St. Hwy. 26 and St. Hwy 212, transportation facilities that have been identified by ODOT as having additional capacity. Development of this area for

employment uses also would be a logical complement to the Springwater employment area in Gresham.

Portions of this Urban Reserve also satisfy some of the factors for designation as a Rural Reserve. Area 1F is comprised of Foundation Agricultural Land. Two buttes located in the northwest corner of this Urban Reserve are included in Metro's February 2007 "Natural Landscape Features Inventory". The City of Sandy has requested a Rural Reserve designation for Area 1F, to maintain separation between the Portland Metro Urban Growth Boundary and the City's urban area.

On balance, designation as an Urban Reserve is the appropriate choice. As explained below, designation as an Urban Reserve meets the factors for designation provided in OAR 660-027-0050. Area 1F is the only Urban Reserve in Clackamas County containing Foundation Agricultural Land. While this area does contain commercial farms, it also is impacted by a group of non-conforming commercial uses located near the intersection of the two state highways. The area west of SE 282<sup>nd</sup> is identified as Conflicted Agricultural Land. The two state highways and the rural community of Boring provide logical boundaries for this area.

The Boring Urban Reserve and the Urban Reserve that includes the Borland Area (Area 4C) are the only areas containing a significant amount of larger, flatter parcels suitable for employment uses. The Principles for concept planning recognize the need to provide jobs in this part of the region, and also recognize that the Boring Urban Reserve is identified principally to meet this need. There are no other areas with land of similar character in the eastern part of the region. Designation of Areas 1D and 1F as an Urban Reserve is necessary to provide the opportunity for development of employment capacity in this part of the region. These facts justify including this small area of Foundation Farmland in the Urban Reserve, in accord with OAR 660-027-0040(11).

The two buttes have little or no potential for development. While they could be designated as a Rural Reserve, such a designation would leave a small Rural Reserve located between the existing Urban Growth Boundary and the remainder of the Boring Urban Reserve. The buttes can be protected by the city which will govern this area when it is added to the Urban Growth Boundary. The Principles also recognize the need to account for these important natural landscape features during development of concept plans for this area.

The City of Sandy has objected to the designation of Area 1F as an Urban Reserve. ClackCo Rec.3286-3288. The City points to a 1998 Intergovernmental Agreement among Metro, Sandy, Clackamas County and, the Oregon Department of Transportation.<sup>9</sup> Among other things this IGA states a purpose to "designate areas of rural land to separate and buffer Metro's Urban Growth Boundary and Urban Reserve areas from the City's Urban Growth Boundary and Urban Reserve areas. The IGA also recognizes the desire to protect a view corridor along Hwy 26. The parties are negotiating an update to this agreement.

The Principles require concept planning for the Boring Urban Reserve to "recognize the need to provide and protect a view corridor considering, among other things, landscaping, signage and

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<sup>9</sup> The agreement was never signed by the Oregon Department of Transportation.

building orientation....” The two miles between the Boring Urban Reserve and the City of Sandy’s Urban Reserve area is being designated as a Rural Reserve, assuring separation of these two urban areas.

Designation of the Boring Urban Reserve is consistent with the factors for designation provided in OAR 660-027-0050.

- 1) The Boring Urban Reserve can be developed at urban densities in a way that makes efficient use of existing and future public and private infrastructure investments. Metro’s Urban Study Area Analysis (Map A) demonstrates the relatively large amount of land suitable for development in this urban Reserve, particularly in Area 1F and the eastern half of Area 1D. The existing community of Boring also provides a focal point for commercial and residential development in this Urban Reserve. The buttes in the northwestern corner of this area, adjacent to Damascus and Gresham, have very little potential for additional urban-level development, but most of the rest of this Urban Reserve, comprised of larger lots with moderate or flat terrain, can be developed at urban densities.
- 2) The Boring Urban Reserve includes sufficient development capacity to support a healthy economy. This is one of the few areas in Clackamas County, adjacent to the Urban Growth Boundary, with access to a state highway, and possessing larger parcels and flat terrain conducive to development of employment uses. The area also is proximate to the Springwater employment area in Gresham. The existing community of Boring provides the opportunity for redevelopment providing the commercial uses supportive of a complete community.
- 3) The Boring Urban Reserve can be efficiently and cost-effectively provided with public facilities necessary to support urban development. While substantial investment will be necessary to provide facilities, compared to other areas in the region, the Boring Urban Reserve Area has a high or medium suitability rating (see Sewer Serviceability Ratings Map and Water Serviceability Map). ODOT has indicated that this area is “moderately suitable” for urbanization, which is one of the higher ratings received in the region. While the buttes and steeper terrain on the west will be difficult to develop with a road network, the rest of the Urban Reserve is relatively flat and unencumbered.
- 4) Most of the Boring Urban Reserve can be designed to be walkable and served with a well-connected system of streets, bikeways, recreation trails and public transit by appropriate service providers. The buttes and associated steep slopes would be difficult to develop. The rest of the Urban Reserve has few limitations to development of multi-modal, urban neighborhoods.
- 5) The Boring Urban Reserve can be planned so that natural ecological systems and important natural landscape features can be preserved and enhanced. The buttes and associated steep terrain are the most significant features in this Urban Reserve. Parcelization and existing development, in addition to the physical characteristics of these areas make development potential extremely limited. The Principles note the need to recognize these important natural landscape features when a concept plans are developed.

- 6) The Boring Urban Reserve includes sufficient land suitable to provide for a range of housing types. This Urban Reserve has more land suitable for development than other Urban Reserves in Clackamas County. There is an existing community that will provide a focal point for the eventual urbanization of the Boring Urban Reserve.
- 7) Concept planning for the Boring Urban Reserve can be designed to avoid or minimize adverse effects on important farm and forest practices and on important natural landscape features on nearby land. The area along the western half of this Urban Reserve is identified as Conflicted Agricultural Land and is adjacent to the cities of Gresham and Damascus. The northern boundary is clearly delineated by Hwy 26. Most of the southern boundary is formed by the existing developed community of Boring. Hwy 212 provides a clear demarcation from the rest of the area south of this Urban Reserve. The size of this area also will allow planning to design the urban form to minimize effects on the agricultural areas to the north and east.

#### Urban Reserve 2A: Damascus South

*General Description:* The Damascus South Urban Reserve is approximately 1,240 acres. This Urban Reserve is adjacent to the southern boundary of the City of Damascus. Approximately 500 acres is located within the City of Damascus, although outside the Urban Growth Boundary. The southern and western boundaries of the Urban Reserve are clearly demarked by the steep terrain characterizing the Clackamas Bluffs, which are identified as an important natural landscape feature in Metro's February 2007 "Natural Landscape Features Inventory". The eastern boundary of the Urban Reserve is established by the Deep Creek Canyon, which also is identified as an important natural landscape feature.

This urban reserve is comprised of moderately rolling terrain, with a mix of farms and scattered rural residential uses on smaller parcels. There are several larger ownerships located east of SE 282<sup>nd</sup> Avenue. The entire area is identified as Conflicted Agricultural Land.

*Analysis and Conclusions:* Designation of the Damascus South Urban Reserve area is a logical extension of the City of Damascus, providing additional opportunity for housing and employment uses. Portions of this area are already located in the City of Damascus. Additional areas were identified as important developable urban land in the Damascus Concept Plan. The boundaries of the Damascus South Urban Reserve are formed by important natural landscape features.

This area was considered for designation as a Rural Reserve, but does not satisfy the factors stated in OAR 660-027-0060. The entire area is designated as Conflicted Agricultural Land. Some of the land is located within the City of Damascus. The southern boundary of the Urban Reserve is established to exclude the Clackamas Bluffs, which are identified in Metro's February 2007 "Natural Landscape Features Inventory". The eastern boundary excludes the Noyer and Deep Creek canyons, which also were included in this inventory.

As explained in the following paragraphs, designation as an Urban Reserve is consistent with the factors for designation set forth in OAR 660-027-0050.

OAR 660-027-0050

- 1) The Damascus South Urban Reserve can be developed at urban densities in a way that makes efficient use of existing and future public and private infrastructure investments. A large part of this area already is located within the City of Damascus. Parts of the Urban Reserve were planned for urban development in the Damascus Concept Plan. While there are several older subdivisions scattered throughout the area that may be difficult to redevelop, most of this area is comprised of larger parcels suitable for development at urban densities, with mixed use and employment uses. The terrain for most of the area is gently rolling, and there are no floodplains, steep slopes, or landslide topography that would limit development potential.
- 2) There is sufficient development capacity to assist in supporting a healthy economy. The eastern part of this area, in particular, is characterized by larger parcels, with few development limitations, that are suitable for development of employment uses.
- 3) The Damascus South Urban Reserve can be efficiently and cost-effectively served with public schools and other urban-level public facilities and services by appropriate and financially capable service providers. There have been no comments from local school districts indicating any specific concerns regarding provision of schools to this area, although funding for schools is an issue throughout the region. Technical assessments rate this area as having “high suitability” for the provision of sewer. Addition of the eastern part of this Urban Reserve will facilitate the provision of sewer to the existing urban area within the City of Damascus. ClackCo Rec. 795- 796. This area is rated as having “high and medium suitability” for the provision of water. The ability to provide transportation facilities is rated as “medium” for this area, which has few physical limitations. ClackCo Rec. 797-798.
- 4) The Damascus South Urban Reserve can be developed with a walkable, connected system of streets, bikeways, recreation trails and public transit, provided by appropriate service providers. As previously explained, the physical characteristics of this area will be able to support urban densities and intensities necessary to create a multi-modal transportation system. Previous planning efforts, including the Damascus Concept Plan, demonstrate this potential.
- 5) Development of the Damascus South Urban Reserve can preserve and enhance natural ecological systems. The boundaries of this Urban Reserve avoid the steeper terrain of the Clackamas Bluffs and the Deep Creek Canyon. The area is large enough to provide the opportunity for flexibility in the regulatory measures that create the balance between protection of important natural systems and development.
- 6) The Damascus South Urban Reserve includes sufficient land suitable for a range of needed housing types. As previously explained, there are few physical impediments to development in this Urban Reserve. This area also is adjacent to the developing urban area of Damascus, which also will be providing housing for this area.

- 7) There are no important natural landscape features identified Metro's 2007 "Natural Landscape Features Inventory" located in the Damascus south Urban Reserve. The boundaries of this Urban Reserve are designed to exclude such features from the Urban Reserve.
- 8) Development of this Urban Reserve can be designed to avoid or minimize adverse effects on farm and forest practices, and adverse effects on important natural landscape features, on nearby land including land designated as rural reserves. This area is identified as Conflicted Agricultural Land, primarily because it is physically isolated from other nearby agricultural land. The Deep Creek and Noyer Creek canyons provide a physical boundary from nearby agricultural areas to the east. Similarly, these areas, and the Clackamas Bluffs, are not identified as areas where significant forest operations are occurring.

Urban Reserves 3B, 3C, 3D, 3F and 3G: Holcomb, Holly Lane, Maple Lane, Henrici, Beaver Creek Bluffs in Oregon City Area.

*General Description:* These five areas comprise approximately 2150 acres, located adjacent to the City of Oregon City. The Holcomb area is approximately 380 acres, along SE Holcomb Rd., adjacent to Oregon City on the east. Terrain is varied, with several flat parcels that could be developed in conjunction with the Park Place area, which was recently included in the Urban Growth Boundary. This area is developed with rural residences. The area is comprised of Conflicted Agricultural Land.

The Holly Lane area is approximately 700 acres, and includes the flatter parcels along SE Holly Lane, Hwy. 213, and the steep canyon bordering Newell Creek, which is identified as an important natural landscape feature in Metro's February 2007 "Natural Landscape Features Inventory". There are landslide areas identified along the Newell Creek canyon (see Metro Urban and Rural Reserve Study Areas Landslide Hazard Map). Development in this area is sparse, except for rural residences developed along SE Holly Lane. This area is identified as Conflicted Agricultural Land.

The Maple Lane area is approximately 480 acres, located east of Oregon City. Terrain is characterized as gently rolling, with a few larger flat parcels located adjacent to Oregon City. The area is developed with rural residences, with a few small farms. The area is identified as Conflicted Agricultural Land.

The Henrici area is approximately 360 acres, located along both sides of Henrici Road., immediately south of Oregon City. Terrain for this area is moderate, and most of the area is developed with residences on smaller rural lots. There are a few larger parcels suitable for redevelopment. This area contains Conflicted Agricultural Land.

The 220 acre Beaver Creek Bluffs area is comprised of three separate benches located immediately adjacent to the City of Oregon City. The boundaries of this area generally are designed to include only tax lots on the plateau that drops down to Beaver Creek. Development in this area consists of rural residences and small farms. The area is identified as Important Agricultural Land.

*Conclusions and Analysis:* Designation of the Oregon City Urban Reserves is consistent with OAR 660-027. These five smaller areas have been identified in coordination with the City of Oregon City, and are designed to complete or augment urban development in the City. The areas designated take advantage of existing services inside the Urban Growth Boundary. In most cases, the boundaries of the reserves are formed by steep slopes (Henrici Road being the exception). While terrain poses some limitations on development, each area has sufficient developable land to make service delivery feasible.

None of the identified areas meet the factors of OAR 660-027-0060, for designation as Rural Reserves. With the exception of the Beaver Creek Bluffs, the Oregon City Urban reserve is Conflicted Farmland. The Beaver Creek Bluffs area, which is identified as having Important Agricultural Land, includes only those tax lots with land located on the plateau above the flatter area south of Oregon City. The important natural landscape features in the area (Newell Creek, Abernethy Creek and Beaver Creek) generally are excluded from the Urban Reserve.

The most significant issue for debate is whether or not to include the Newell Creek Canyon in the Urban Reserve. There is little or no development potential in this area, because of steep terrain and landslide hazard. The Principles recognize that concept planning for this area will have to recognize the environmental and topographic constraints posed by the Newell Creek Canyon. It also makes governance more sensible, allowing the City of Oregon City to regulate this area, instead of leaving an island subject to County authority.

Designation of the Oregon City Reserves is consistent with OAR 660-027-0050.

- 1) The Oregon City Urban Reserves can be developed at urban densities in a way that makes efficient use of existing and future public and private infrastructure investments. All of the Urban Reserve area is adjacent to the City of Oregon City. Oregon City has indicated both a willingness and capability to provide service to these areas. Each area is appropriate to complement or complete neighborhoods planned or existing within Oregon City. In the case of the Holly Lane area, much of the Urban Reserve has little potential for development. The area along SE Holly Lane, however, does have flatter topography where urban development can occur, and Holly Lane has been identified by the City as an important transportation facility.
- 2) The Oregon City Urban Reserves, when considered in conjunction with the existing urban area, includes sufficient development capacity to support a healthy economy. The Henrici area has some potential for additional employment uses. The remaining areas are smaller additions to the existing urban form of the City of Oregon City and will complete existing neighborhoods.
- 3) The Oregon City Urban Reserve can be efficiently and cost-effectively provided with public facilities necessary to support urban development. This Urban Reserve Area is considered to have a “high” suitability rating for sewer and water facilities. Oregon City has indicated an ability to provide these services, and the areas have been designed to include the most-easily served land that generally is an extension of existing development with the Urban Growth Boundary. Transportation is more difficult, as there is no additional capacity on I-205, and improvements would be costly. As previously noted,



this is the case for most of the region. While topography may present some difficulty for developing a complete transportation network, this Urban Reserve area has been designed to take advantage of existing transportation facilities within Oregon City.

- 4) Most of the Oregon City Urban Reserve can be designed to be walkable and served with a well-connected system of streets, bikeways, recreation trails and transit. In most cases, development of this area will be an extension of urban development within the existing neighborhoods of Oregon City, which will allow completion of the described urban form. Newell Creek Canyon will remain largely undeveloped, so such facilities will not need to be provided in this area.
- 5) The Oregon City Urban Reserve can be planned so that natural ecological systems and important natural landscape features can be preserved and enhanced. Abernethy Creek and Beaver Creek and the steep slopes around these two creeks have been excluded from designation as an Urban Reserve. As previously explained, the Newell Creek Canyon has been included in the Urban Reserve. The Principles will assure that concept planning accounts for this important natural landscape feature, the area is recognized as having very limited development potential, and Oregon City is the logical governing authority to provide protective regulations.
- 6) Designation of these five areas as an Urban Reserve will assist Oregon City in providing a range of housing types. In most cases, development of this Urban Reserve will add additional housing.
- 7) Concept planning for the Oregon City Urban Reserve can be designed to avoid or minimize adverse effects on important farm and forest practices and on important natural landscape features on nearby land. The Beaver Creek Bluffs area is separated from the farmland to the south by a steep hillside sloping down to Beaver Creek. The other areas are adjacent to Conflicted Agricultural land. There are scattered small woodlots to the east, identified as “mixed Agricultural/Forest Land on ODF’s Forestland Development Zone Map, but these are generally separated by distance and topography from the Holly Lane, Maple Lane, and Holcomb areas. Important landscape features and natural areas in the vicinity generally form boundaries for the Urban Reserves. Concept planning can assure that development within the Urban Growth Boundary protects these features.

#### Urban Reserves 4A, 4B and 4C: Stafford, Rosemont and Borland

*General Description:* These three areas comprise approximately 4,700 acres. Area 4A (Stafford) is located north of the Tualatin River, south of Lake Oswego, and west of West Linn. Area 4B (Rosemont) is a 162 acre area located adjacent to West Linn’s recently urbanized Tanner Basin neighborhood. Area 4C (Borland) is located south of the Tualatin River, on both sides of I-205. Area 4C is adjacent to the cities of Tualatin and Lake Oswego on the west and West Linn on the east. As a whole, this area is bounded by existing cities and urban development on three sides. The southern boundary generally is framed by the steeper terrain of Pete’s Mountain. East of Stafford Road, the adjacent area is not designated as either an Urban or Rural Reserve. West of Stafford Road, the adjacent area is designated as an Urban Reserve (Area 4D, Norwood).

Much of this area is developed with rural residences on large parcels. The Borland area also includes several churches and schools. The terrain of this area is varied. Most of area 4B is gently rolling, while the rest of the area east of Wilson Creek has steeper terrain. The area south of Lake Oswego, along Stafford Rd and Johnson Rd., generally has more moderate slopes. The Borland area, south of the Tualatin River, also is characterized by moderate slopes.

Wilson Creek and the Tualatin River are important natural landscape features located in this area. These two features and their associated riparian areas and floodplains are included in Metro's February 2007 "Natural Landscape Features Inventory".

This entire area is identified as Conflicted Agricultural Land, even though approximately 1100 acres near Rosemont Road are zoned Exclusive Farm Use. Commercial agricultural activity in this area is limited and mixed; wineries, hay production, horse raising and boarding, and nurseries are among the farm uses found in the Stafford, Rosemont and Borland areas. The Oregon Department of Forestry Development Zone Map does not identify any Mixed Forest/Agriculture or Wildland Forest located with this Urban Reserve.

*Conclusions and Analysis:* After weighing the factors, we find that the designation of these three areas as an Urban Reserve is consistent with OAR 660-027-0050. The specific factors for designation stated in OAR 660-027-0050 are addressed in following parts of this analysis.

No area in Clackamas County engendered as much public comment and diversity of opinion as this Urban Reserve. The Stafford and Rosemont areas were of particular concern to property owners, neighborhood groups, cities and the Stafford Hamlet citizens group. Interested parties provided arguments for designation of some or all of the area north of the Tualatin River as either an Urban or Rural Reserve, or requested that this area remain undesignated. The cities of West Linn, Tualatin and Lake Oswego consistently expressed opposition to designation of any of this area as an Urban Reserve. This Urban Reserve does have several limitations on development, including areas with steep slopes and floodplains.

After weighing the factors, designation as an Urban Reserve is the most appropriate decision. In evaluating this area, it is important to keep in mind the context and purpose of the urban and rural reserves designations. Because urban reserves are intended to provide a land supply over a 50-year time horizon, it is important to evaluate areas based on their physical characteristics rather than the current desires of various jurisdictions. It is also important to evaluate areas in light of the overall regional context. Designation of this 4,700 acre area as an Urban Reserve avoids designation of other areas containing Foundation or Important Agricultural Land. It would be difficult to justify urban reserve designations on additional Foundation Agricultural Land in the region, if this area, which is comprised entirely of Conflicted Agricultural Land, were not designated as an Urban Reserve (see OAR 660-027-0040(11)).

In fact, the three counties have applied the rural reserve factors and designated significant portions of the three-county area as rural reserve. Those areas do not provide viable alternatives to Stafford.

While acknowledging that there are impediments to development in this area, much of the area also is suitable for urban-level development. There have been development concepts presented for various parts of this area. ClackCo Rec. 3312. An early study of this area assessed its

potential for development of a “great community” and specifically pointed to the Borland area as an area suitable for a major center. ClackCo Rec. 371. Buildable land maps for this area provided by Metro also demonstrate the suitability for urban development of parts of this Urban Reserve See, “Metro Urban Study Area Analysis, Map C”. The County was provided with proposed development plans for portions of the Stafford area. For example, most of the property owners in the Borland have committed their property to development as a “town center community.” ClackCoRec. 3357-3361. Another property owner completed an “Urban Feasibility Study” showing the urban development potential of his 55-acre property. ClackCo Rec. 3123-3148. Those plans provide examples of the ability to create urban-level development in the Stafford areas.

An important component of the decision to designate this area as an Urban Reserve are the “Principles for Concept Planning of Urban Reserves”, which are part of the Intergovernmental Agreement between Clackamas County and Metro that has been executed in satisfaction of OAR 660-027-0020 and 0030. Among other things, these “Principles” require participation of the three cities and citizen involvement entities—such as the Stafford Hamlet—in development of concept plans for this Urban Reserve. The Principles also require the concept plans to provide for governance of any area added to the Urban Growth Boundary to be provided by a city. The Principles recognize the need for concept plans to account for the environmental, topographic and habitat areas located within this Urban Reserve.

Designation of this area as a Rural Reserve has been advocated by interested parties, including the City of West Linn. Application of the factors for designation (OAR 660-027-0060) leads to a conclusion that this area should not be designated as a Rural Reserve. The entire area is comprised of Conflicted Agricultural Land, and is not suitable to sustain long-term agricultural and forestry operations, given land use patterns, the lack of agricultural infrastructure and the adjacent land use pattern. OAR 660-027-0060(b)-(d).

There are important natural landscape features in this area (Tualatin River and Wilson Creek). Protection of these areas is a significant issue, but can be accomplished by application of regulatory programs of the cities that will govern when areas are added to the Urban Growth Boundary, as contemplated by OAR 660-027-0050(7). The Principles specifically require recognition of the development limitations imposed by these natural features, in the required development of concept plans.

Designation of the Stafford, Rosemont and Borland areas as an Urban Reserve is based upon application of the factors stated in OAR 660-027-0050.

- 1) This Urban Reserve can be developed at urban densities in a way that makes efficient use of existing and future public and private infrastructure investments in conjunction with land inside the urban growth boundary. Physically, this area is similar to the cities of West Linn and Lake Oswego, which are developing at urban densities. The area abuts existing urban development on much of the perimeter, facilitating logical extensions of that development. We recognize that the development potential of portions of this Urban Reserve is constrained by steep slopes and by the Tualatin River and Wilson Creek riparian areas. However, there are sufficient developable areas to create an urban community. The Borland Area has been identified as a suitable site for more intense urban development, including a town center. The Rosemont Area complements existing

development in the Tanner Basin neighborhood in the City of West Linn. The Stafford Area has sufficient capacity to develop housing and other uses supportive of the more intense development in the Borland Area. As previously noted, potential development concepts have been submitted demonstrating the potential to develop this area at urban densities sufficient to make efficient use of infrastructure investments.

- 2) This 4700-acre Urban Reserve contains sufficient development capacity to support a healthy economy. The Borland Area has been identified as being suitable for a mixed-use, employment center. ClackCo Rec. 371. There are a number of larger parcels in the area which may have potential for mixed use development. While densities would not be uniform across the landscape of this 4700 acre area, together, Stafford and Borland provide the opportunity to create a mix of uses, housing types and densities where the natural features play a role as amenities.

Testimony submitted by the cities of Tualatin and West Linn (“Cities”) asserts that the level of parcelization, combined with existing natural features, means that the area lacks the capacity to support a healthy economy, a compact and well-integrated urban form or a mix of needed housing types.

However, much of the area consists of large parcels. For example, the *West Linn Candidate Rural Reserve Map* shows that, of a 2980-acre “focus area,” 1870 acres are in parcels larger than five acres, and 1210 acres in parcels larger than 10 acres. The map is indexed at Metro Rec. 2284 and was submitted by the Cities of Tualatin and West Linn with their objections. With the potential for centers, neighborhoods and clusters of higher densities, for example in the Borland area, we find the area does have sufficient land and sufficient numbers of larger parcels to provide a variety of housing types and a healthy economy.

Cities also argue that the amount of natural features render the area insufficient to provide for a variety of housing types. Cities contend that the amount of steep slopes and stream buffers renders much of the area unbuildable. We find that cities overstate the amount of constrained land in the area, and the effect those constraints have on housing capacity. For example, cities’ analysis applies a uniform 200-foot buffer to all streams. Actual buffers vary by stream type. See Metro Code § 3.07.360. Similarly, cities assert that the slopes in the area mean that the area lacks capacity. Slopes are not *per se* unbuildable, as demonstrated by the existing development in West Linn, Lake Oswego, Portland’s West Hills and other similar areas. Moreover, only 13% of the “focus area” consists of slopes of over 25%, and these often overlap with stream corridors. *Stafford Area Natural Features Map*, indexed at Metro Record 2284, and submitted by the Cities of Tualatin and West Linn with their objection.

- 3) This Urban Reserve can be efficiently and cost-effectively served with public schools and other urban-level public facilities and services by appropriate and financially capable service providers over a 50-year horizon. As with all of the region’s urban reserves, additional infrastructure will need to be developed in order to provide for urbanization. It is clear that development of new public infrastructure to accommodate 50 years of growth will not be “cheap” anywhere. Relative to other areas under consideration for

designation, however, this Urban Reserve area is suitable. Technical assessments rated this area as highly suitable for sewer and water. ClackCo Rec. 795-796; Metro Rec. 1163, 1168-1180. The July 8, 2009, technical memo prepared by Clackamas County also demonstrates the suitability of this area for various public facilities. ClackCo Rec. 704. This area can be served by the cities of Tualatin, West Linn and Lake Oswego. These cities have objected to designation of this area as an Urban Reserve, but have not stated that they object because they would not be able to be an urban service provider for some part of the area.

The cities of Tualatin and West Linn argue that the area should not be designated as an Urban Reserve, citing the cost of providing transportation infrastructure. It is true that transportation infrastructure will be the most significant challenge. This is the case for most of the region. ODOT noted that most area state highway transportation corridors have either low or medium potential to accommodate growth. (*Clackamas County Record* 800 – 801). An April 6, 2009 letter from six state agencies to the Metro Reserves Steering Committee notes that most transportation corridors have severe transportation issues. ClackCo Rec. 843. Moreover, we make this decision after consideration of regional consideration of relative transportation costs. See, *Regional Infrastructure Analysis 2008, Metro Record, starting on page 440; Memo and Maps regarding Preliminary Analysis of Providing Urban Level Transportation Service within Reserves Study Area, Metro Rec., starting on page 1181; ODOT Urban Reserve Study Area Analysis, Metro Rec., page 1262.*

This Urban Reserve has physical characteristics – steep terrain, the need to provide stream crossings – that will increase the relative cost of transportation infrastructure. I-205 and I-5 in this area will need substantial improvements with consequent “huge” costs. ClackCo Rec. 850. However, considering those costs, and in light of reserves designations elsewhere in the region, urban reserves designation of Stafford is still appropriate. Most other comparable areas are either urban or rural reserves, and don’t provide viable alternatives to Stafford.

Cities argue that the 2035 Regional Transportation Plan (“RTP”) indicates that much of the transportation infrastructure in the area will be at Level of Service “F” by 2035, and that therefore the Stafford area cannot be served at all. The RTP is a prediction of and plan to address traffic flows for a 25-year period. Conversely, the Reserves Designations are intended to address a 50-year time frame, rather than a 25-year time frame. Metro Rec. 1918. The record reflects that the transportation system will necessarily change in 25 years. In that vein, the “Regional High Capacity Transit System” map identifies a new light rail line in the vicinity of I-205 as a “next phase” regional priority. See ClackCo Rec. 734; 822-833.

Similarly, Metro’s panel of sewer experts rated the entire Stafford area as having a “high” suitability for sewer service. See, e.g., Metro Rec. 1174. We find this analysis more probative for comparisons across areas than the analysis submitted by cities. Moreover, since the analysis of urban reserves addresses a 50-year time frame, we do not find that the current desire of neighboring cities to the serve the area influences the question whether the area “can be served.”

- 4) This Urban Reserve can be planned to be walkable, and served with a well-connected system of streets, bikeways, recreation trails and public transit, *particularly in conjunction with adjacent areas inside the urban growth boundary* as contemplated by the administrative rule. The Borland Area is suitable for intense, mixed-use development. Other areas suitable for development also can be developed as neighborhoods with the above-described infrastructure. The neighborhoods themselves can be walkable, connected to each other, and just as important, connected to existing development in the adjacent cities. Stafford abuts existing urban level development on three sides, much of it subdivisions. See *West Linn Candidate Rural Reserve Map*, indexed at Metro Record 2284, and submitted by the city with its objection. There are few areas in the region which have the potential to create the same level and type of connections to existing development. There is adequate land to create street, bicycle and pedestrian connections within and across the area with appropriate concept planning. In making this finding, we are aware of the natural features found within the area. However, those features do not create impassable barriers to connectivity.
- 5) This Urban Reserve can be planned to preserve and enhance natural ecological systems and preserve important natural landscape features. The significance of the Tualatin River and Wilson Creek systems has been recognized. The Principles specifically identify the need to plan for these features, and recognize that housing and employment capacity expectations will need to be reduced to protect important natural features. Urbanization will occur in a city, which is obligated by state and regional rules to protect upland habitat, floodplains, steep slopes and riparian areas, as contemplated by OAR 660-027-0050(7). However, we find that, even with those protections, there is sufficient development capacity in this 4700-acre area to warrant inclusion in the urban reserve.
- 6) This Urban Reserve in conjunction with the Urban Reserve to the south (Area 4D, Norwood), includes sufficient land to provide for a variety of housing types. In addition to the developable areas within the Stafford, Rosemont and Borland areas, this Urban Reserve is situated adjacent to three cities, and will augment the potential for housing in these existing cities.
- 7) This Urban Reserve can be developed in a way that avoids or minimizes adverse effects on farm and forest practices and adverse effects on important natural landscape features, on nearby land. Viewed in the regional context, this factor militates strongly in favor of the inclusion of Stafford as an Urban Reserve. This Urban Reserve is situated adjacent to three cities, and along I-205. It is identified as Conflicted Agricultural Land, and is adjacent on the south to another Urban Reserve and an undesignated area that is comprised of Conflicted Agricultural Land. The Stafford area is separated from areas of foundation and important farmland by significant distances, a freeway and other natural and man-made barriers. The eventual urbanization of Stafford will avoid the urbanization of much higher-value farmland elsewhere. Adverse impacts on the important natural landscape features within Stafford may be avoided or minimized through the application of the provisions of Metro Titles 3 and 13.

This separation from significant agricultural or forest areas minimizes any potential effect on farm or forest practices. The Urban Reserve also is separated from other important natural landscape features identified on Metro's February 2007 "Natural Landscape Features Inventory". The ability to plan for protection of the Tualatin River and Wilson Creek has been discussed.

#### Urban Reserves 5G, 5H, 4H and 4D: Grahams Ferry, SW Wilsonville, Advance and Norwood

*General Description:* This Urban Reserve is comprised of three smaller areas adjacent to the City of Wilsonville (Grahams Ferry, SW Wilsonville and Advance), and a larger area located along SW Stafford Rd., north of Wilsonville and southeast of Tualatin (Norwood Area). The Norwood area is adjacent to an Urban Reserve in Washington County (I-5 East Washington County, Areas 4E, 4F and 4G). Area 5G is approximately 120 acres, relatively flat, adjacent to services in Wilsonville, and defined by the Tonquin Geologic Feature, which forms a natural boundary for this area. It is identified as Conflicted Agricultural Land.

Area 5H is a small (63 acre) site that is adjacent to services provided by the City of Wilsonville. Corral Creek and its associated riparian area provide a natural boundary for this area. It is identified as Important Farmland. Area 4H comprises approximately 450 acres, and is located adjacent to the City of Wilsonville. This part of the Urban Reserve has moderate terrain, and a mix of larger parcels and rural residences. This area is identified as Important Agricultural Land.

Area 4D comprises approximately 2,600 acres, and is adjacent to a slightly smaller Urban Reserve in Washington County. This area is parcelized, generally developed with a mix of single family homes and smaller farms, and has moderately rolling terrain. All of this area is identified as Conflicted Agricultural Land.

*Conclusions and Analysis:* Designation of these four areas as Urban Reserve is consistent with OAR 660-027. The three smaller areas are adjacent to the City of Wilsonville, and have been identified by the City as appropriate areas for future urbanization. ClackCo Rec.1174. The boundaries of these three areas generally are formed by natural features. No Foundation Agricultural Land is included in any of the four areas. While Area 4D has limitations that reduce its development potential, inclusion as an Urban Reserve is appropriate to avoid adding land that is identified as Foundation Agricultural Land.

Area 5G does not satisfy the factors for designation as a Rural Reserve. The boundary of this area reflects the boundary of Tonquin Geologic Area, which is an important natural landscape feature identified as a Rural Reserve. Area 5H does meet the factors for designation as a Rural Reserve, but its proximity to existing services in Wilsonville and the natural boundary formed by Corral Creek, separating these 63 acres from the larger Rural Reserve to the west, support a choice to designate this area as an Urban Reserve.

Similarly, parts of Area 4H could meet the factors for designation as a Rural Reserve. Again, the area also is suitable for designation as an Urban Reserve, because of its proximity to Wilsonville, which has indicated this as an area appropriate for urbanization. The eastern limits of this area have been discussed in some detail, based on testimony received from property owners in the area. The northeastern boundary (the Anderson property) is based on a significant creek. South of Advance Rd., the decision is to leave four tax lots west of this creek undesignated (the Bruck

property), as these lots comprise over 70 acres of land designated as Important Agricultural Land. The part of this Urban Reserve south of Advance Road contains smaller lots, generally developed with rural residences.

Area 4D does not meet the factors for designation as a Rural Reserve. The entire area is comprised of Conflicted Agricultural Land, and has no important natural landscape features identified in Metro's February 2007 "Natural Landscape Features Inventory."

This Urban Reserve does meet the factors for designation stated in OAR 660-027-0050.

- 1) The Wilsonville Urban Reserve (total of the Grahams Ferry, SW Wilsonville, Advance Rd. and Norwood Areas) can be developed at urban densities in a way that makes efficient use of existing and future public and private infrastructure investments. The three smaller areas adjacent to the City of Wilsonville all will take advantage of existing infrastructure. The City of Wilsonville has demonstrated an ability to provide necessary services and govern these three areas. The information provided by the City and Metro's Urban Study Area Analysis (Map C1) show that these three areas have physical characteristics that will support urban density. These three areas also will complement existing development in the City of Wilsonville.
- 2) The larger Norwood area, which has rolling terrain, and a mixture of smaller residential parcels and farms, will be more difficult to urbanize. This area is adjacent to Urban Reserves on the west, north and south. The Borland Road area, adjacent on the north is expected to develop as a center, with potential for employment and mixed-use development. The Norwood area can be urbanized to provide residential and other uses supportive of development in the Borland and I-5 East Washington County Urban Reserve areas.
- 3) The Wilsonville Urban Reserve contains land that generally will provide development capacity supportive of the cities of Wilsonville and Tualatin, and the Borland and I-5 East Washington County Urban Reserve areas. Viewed individually, these four areas do not have physical size and characteristics to provide employment land. As has been explained, and as supported by comments from the City of Wilsonville, development of these areas will complement the urban form of the City of Wilsonville, which historically has had sufficient land for employment. The 2004 decision added to the Urban Growth Boundary between the cities of Wilsonville and Tualatin, land which was contemplated to provide additional employment capacity. The Wilsonville Urban Reserve, and in particular the Norwood area, will provide land that can provide housing and other uses supportive of this employment area.
- 4) The Wilsonville Urban Reserve can be efficiently and cost-effectively provided with public facilities necessary to support urban development. The comments from the City of Wilsonville and the Sewer Serviceability and Water Serviceability Maps demonstrate the high suitability of the three smaller areas adjacent to Wilsonville. The Norwood area (Area 4D) is rated as having medium suitability. Transportation facilities will be relatively easy to provide to the three areas adjacent to the City of Wilsonville. The steeper terrain and location of the Norwood area will make development of a network of



streets more difficult, and ODOT has identified the I-5 and I-205 network as having little or no additional capacity, with improvement costs rated as “huge”. The decision to include this area as an Urban Reserve is based, like the Stafford area, on the need to avoid adding additional Foundation Agricultural Land. There are other areas in the region that would be less expensive to serve with public facilities, especially the necessary transportation facilities, but these areas are comprised of Foundation Agricultural Land.

- 5) The Wilsonville Urban Reserve areas can be planned to be walkable and served with a well-connected system of streets, bikeways, recreation trails and public transit. As has been discussed, the three smaller areas adjacent to the City of Wilsonville can be developed to complete or complement existing and planned urban development in Wilsonville. The Norwood area will be somewhat more difficult to develop, but the terrain and parcelization are not so limiting that the desired urban form could not be achieved. Like Stafford, this part of the Wilsonville Urban Reserve will be more difficult to develop with the desired urban form, but is being added to avoid adding additional foundation Agricultural Land.
- 6) The Wilsonville Urban Reserve can be planned so that natural ecological systems and important natural landscape features can be preserved and enhanced. The boundaries of the areas comprising the Wilsonville Urban Reserve have been designed with these features providing the edges. The three areas adjacent to the City of Wilsonville will take advantage of existing plans for protection of natural ecological systems.
- 7) The Wilsonville Urban Reserve, in conjunction with land within adjacent cities, includes sufficient land suitable to provide for a range of housing types. The SW Wilsonville and Advance Road areas are particularly suited to provide additional housing, as they are located adjacent to neighborhoods planned in Wilsonville. As has been previously discussed the Norwood area has physical limitations, but these should not restrict as substantially the potential for housing.
- 8) Concept planning for the Wilsonville Urban Reserve can avoid or minimize adverse effects on important farm and forest practices and on important natural landscape features on nearby land. The boundaries of this Urban Reserve have been designed to use natural features to provide separation from adjoining Rural Reserves that contain resource uses.

The Sherwood School District requested an Urban Reserve designation be applied to an area just south of the County line and the City of Sherwood. ClackCo Rec. 2504. Clackamas County and Metro agree to leave this area undesignated. This decision leaves the possibility for addition of this land to the Urban Growth boundary if the School District has a need for school property in the future and is able to demonstrate compliance with the standards for adjustments to the Urban Growth boundary.

## **C. Clackamas County: Rural Reserves**

### **Rural Reserve 5I: Ladd Hill**

*General Description:* This Rural Reserve Area is located west and south of Wilsonville, and adjacent to the French Prairie Rural Reserve (Area 4J). There is also a small part of this Rural Reserve located north of Wilsonville, extending to the County line, recognizing the Tonquin Geologic Area. The northern boundary of Area 5J is located along the boundary between the delineations of Conflicted and Important Agricultural Land. All of this Rural Reserve is located within three miles of the Portland Metro Urban Growth Boundary.

The area west of Ladd Hill Road contains the steeper slopes of Parrett Mountain, which is identified as an important natural landscape feature in Metro's February 2007 "Natural Landscape Features Inventory". The remainder of the area has moderately sloping terrain. The entire area is traversed by several creeks (Mill Creek, Corral Creek, Tapman Creek), which flow into the Willamette River, which also is identified as an important natural landscape feature. FEMA floodplains are located along the Willamette River. Landslide hazards are identified along Corral Creek.

With the exception of the Tonquin Geologic Area, all of Rural Reserve Area 5I is comprised of Important or Foundation Agricultural Land. The part of this area lying south of the Willamette River contains the Foundation Agricultural Land. The area contains a mixture of hay, nursery, viticulture, orchards, horse farms, and small woodlots. The Oregon Department of Forestry Development Zone Map identifies scattered areas of mixed forest and agriculture, and wildland forest (particularly on the slopes of Parrett Mountain).

*Conclusions and Analysis:* Designation of the Ladd Hill area as a Rural Reserve is consistent with OAR 660, Division 27. Except for the Tonquin Geologic Area, all of Rural Reserve Area 5I contains Important or Foundation Agricultural Land, and is located within three miles of an urban growth boundary. Pursuant to OAR 660-027-0060(4), no further explanation is necessary to justify designation as a Rural Reserve, with the exception of the Tonquin Geologic Area, which is identified as Conflicted Agricultural Land.

Designation of the Tonquin Geologic Area as a Rural Reserve is consistent with the Rural Reserve Factors stated in OAR 660-027-0060(3). This area has not been identified as an area suitable or necessary for designation as an Urban Reserve. The boundaries of the Rural Reserve have been established to recognize parcels that have physical characteristics of the Tonquin Geologic Area, based on testimony received from various property owners in the area, and the City of Wilsonville. ClackCo Rec. 2608. For these stated reasons and those enunciated below, designation of this part of the Tonquin Geologic Area as a Rural Reserve is consistent with the factors provided in OAR 660-027-0060(3).

### **Rural Reserve 4J: French Prairie**

*General Description:* This Rural Reserve Area is located south of the Willamette River and the City of Wilsonville, and west of the City of Canby. It is bordered on the west by I-5. This area is generally comprised of large farms. The area is generally flat. The Molalla and Pudding Rivers are located in the eastern part of this area. The Willamette, Molalla and Pudding Rivers

and their floodplains are identified as important natural landscape features in Metro’s February 2007 Natural Landscape Features Inventory.”

All of this Rural Reserve is classified as Foundation Agricultural Land (identified in the ODA Report as part of the Clackamas Prairies and French Prairie areas). This area contains prime agricultural soils, and is characterized as one of the most important agricultural areas in the State.

*Conclusions and Analysis:* Designation of Area 4J as a Rural Reserve is consistent with OAR 660, Division 27. This entire area is comprised of Foundation Agricultural Land located within three miles of an urban growth boundary. Pursuant to OAR 660-027-0060(4), no further explanation is necessary to justify designation of this area as a Rural Reserve.

However, county staff and the PAC also evaluated the French Prairie area under the other rural reserves factors, and found that it rated “high” under all of the factors related to long-term protection for the agriculture and forest industries. ClackCo Rec. 590-592. The analysis is set forth as follows:

- (a) Are situated in an area that is otherwise potentially subject to urbanization during the applicable period described in OAR 660-027-0040(2) or (3) as indicated by proximity to a UGB or proximity to properties with fair market values that significantly exceed agricultural values for farmland, or forestry values for forest land;

The French Prairie area is adjacent to the Portland Metropolitan Urban Growth Boundary, and has access to Interstate 5 and Highway 99E, and has a high potential for urbanization, as evidenced by the submittals of proponents of designating the area as an urban reserve.

- (b) Are capable of sustaining long-term agricultural operations for agricultural land, or are capable of sustaining long-term forestry operations for forest land;

The French Prairie area is identified as Foundation agricultural land, and is part of a large agricultural region.

- (c) Have suitable soils where needed to sustain long-term agricultural or forestry operations and, for agricultural land, have available water where needed to sustain long-term agricultural operations; and

The area is predominantly Class II soils, and much of the area has water rights for irrigation.

- (d) Are suitable to sustain long-term agricultural or forestry operations, taking into account:

(A) for farm land, the existence of a large block of agricultural or other resource land with a concentration or cluster of farm operations, or, for forest land, the existence of a large block of forested land with a concentration or cluster of managed woodlots;

The French Prairie area is a large block of agricultural land with large parcels. There is some localized conflict with nonfarm uses.

(B) The adjacent land use pattern, including its location in relation to adjacent non-farm uses or non-forest uses, and the existence of buffers between agricultural or forest operations and non-farm or non-forest uses;

(C) The agricultural or forest land use pattern, including parcelization, tenure and ownership patterns; and

The Willamette River provides an effective edge for much of the area, and much of the area is in large lots.

(D) The sufficiency of agricultural or forestry infrastructure in the area, whichever is applicable.

The French Prairie area is close to the agricultural centers of Canby, Hubbard and St. Paul, and has excellent access to transportation infrastructure. There are some issues with movement of farm machinery on heavily used routes.

Therefore, on balance, we would designate Area 4J as a rural reserve even in the absence of OAR 660-027-0060(4).

#### Rural Reserves 3E and 3H: Oregon City

*General Description:* This area lies east and south of the City of Oregon City. This area is bounded by the Willamette River on the west. The southern boundary generally is a line located three miles from the Portland Metro Area Urban Growth Boundary. A substantial part of Area 3H also is located within three miles of the City of Canby's Urban Growth Boundary.

Area 3E, located east of Oregon City, is characterized by a mix of rural residential homesites, small farms, and small woodlots. Most of the area has a moderately rolling terrain. The area includes portions of the Clear Creek Canyon, and Newell and Abernethy Creeks, all of which are identified as important natural landscape features in Metro's February 2007 "Natural Landscape Features Inventory". Part of Area 3E also is identified by the Oregon Department of Forestry as a mixed forest/agricultural development zone. Most of Area 3E is identified as Conflicted Agricultural Land. There is an area identified as Important Agricultural Land, in the southeast corner of Area 3E.

Area 3H, located south of Oregon City, is characterized by larger rural residential homesites, particularly in the western part of this area, and farms. Beaver Creek and Parrot Creek traverse this area in an east-west direction. The Willamette Narrows and Canemah Bluff are identified as important natural landscape features in the Metro's February 2007 "Natural Landscape Features Inventory" and form the western boundary of Area 3H. The Oregon Department of Forestry designates the Willamette Narrows as wildland forest. All of this area is classified as Important Agricultural Land, except for the area immediately east of the City of Canby, which is designated as Foundation Agricultural Land.

*Conclusions and Analysis:* The designation of Areas 3E and 3H as a Rural Reserve is consistent with OAR 660-027, Division 27. All of Area 3H is Important or Foundation Farmland, located within three miles of an urban growth boundary. Pursuant to OAR 660-027-0060(4), no further explanation is necessary to justify designation of Area 3H as a Rural Reserve.

The designation of Area 3E is appropriate to protect the Important Farm Land in the southeast corner of this area, and the area identified as mixed forest/agricultural land by ODF. Designation as a Rural Reserve also is justified to protect Abernethy Creek, Newell Creek and Beaver Creek and their associated riparian features, which are identified as important natural landscape features. Designation as a Rural Reserve of the portions of Area 3E not identified as Foundation or Important Agricultural Land, is consistent with the Rural Reserve Factors stated in OAR 660-027-0060(3), for the following reasons:

- 1) Abernethy Creek and Newell Creek and their associated riparian areas are identified as important natural landscape features in Metro's February 2007 "Natural Landscape Features Inventory". A portion of Beaver Creek also is located in this area; Beaver Creek was added to this inventory in a 2008 update.
- 2) This area is potentially subject to urbanization during the period described in OAR 660-027-0040(2), because it is located adjacent to and within three miles of the City of Oregon City.
- 3) Most of this area has gently rolling terrain, but there also are several steeply-sloped areas. There are several landslide hazard areas located within Rural Reserve Area 3E (see 1/25/09 Metro Landslide Hazard Map).
- 4) The designated Rural Reserve area comprises the drainage area for Abernethy and Newell Creeks which provide important fish and wildlife habitat for this area.

#### Rural Reserves 3H (parts) 4J, 2C and 3I: Canby, Estacada and Molalla

*General Description:* Rural Reserves have been designated adjacent to the cities of Canby (parts of Areas 3H and 4J) Estacada and Molalla. These Rural Reserves were designated after coordinating with all three cities, and the cities do not object to the current designations.

Rural Reserve Area 2C is located adjacent to the western boundary of the City of Estacada. This area includes the Clackamas River and McIver State Park. It is identified as Important Agricultural Land. Most of this Rural Reserve also is identified as wildland forest on the ODF Forestland Development Zone Map. All of this Rural Reserve is located within three miles of Estacada's Urban Growth Boundary.

Rural Reserves are located on the south, west and eastern boundaries of the City of Canby. All of this area is identified as Foundation Agricultural Land. The area north of the City, to the Willamette River, has been left undesignated, although this area also is identified as Foundation Agricultural Land. This area was left undesignated at the request of the City of Canby, in order to provide for possible future expansion of its Urban Growth Boundary. The Oregon Department of Agriculture preferred leaving the area north of the City undesignated, instead of an area east of the City, which also was considered. All of the designated Rural Reserves are within three miles of the City of Canby.

Area 3I is located north and east of the City of Molalla. This area is located within 3 miles of Molalla's Urban Growth Boundary. All of the designated Rural Reserve is identified as Foundation Agricultural Land.

*Conclusions and Analysis:* Designation of the Rural Reserves around Canby and Estacada is consistent with OAR 660, Division 27. In the Case of Canby, the entire area is identified as Foundation Agricultural Land, and is located within three miles of Canby’s Urban Growth Boundary. In the case of Estacada, the entire Rural Reserve area is identified as Important Agricultural Land, and is located within three miles of Estacada’s Urban Growth Boundary. Rural Reserve 3I, near Molalla, is located within three miles of the urban growth boundary and also is identified as Foundation Agricultural Land. Pursuant to OAR 660-027-0060(4), no further explanation is necessary to justify the Rural Reserve designation of these areas.

Rural Reserve 4I: Pete’s Mountain/Peach Cove, North of the Willamette River

*General Description:* This Rural Reserve is bounded by the Willamette River on the east and south. On the north, Area 4I is adjacent to areas that were not designated as an Urban or Rural Reserve. There are two primary geographic features in this area. The upper hillsides of Pete’s Mountain comprise the eastern part of this area, while the western half and the Peach Cove area generally are characterized by flatter land. The Pete’s Mountain area contains a mix of rural residences, small farms and wooded hillsides. The flat areas contain larger farms and scattered rural residences. All of Area 4I is located within three miles of the Portland Metro Urban Growth Boundary.

All of Rural Reserve 4I is identified as Important Agricultural Land (the “east Wilsonville area”), except for a very small area located at the intersection of S. Shaffer Road and S. Mountain Rd... The Willamette Narrows, an important natural landscape feature identified in Metro’s February 2007 “Natural Landscape Features Inventory”, is located along the eastern edge of Area 4I.

*Conclusions and Analysis:* Designation of this area as a Rural Reserve is consistent with OAR 660-027, Division 27. With the exception of a small area at the intersection of S. Shaffer Rd. and S. Mountain Rd., all of this area is identified as Important Agricultural Land and is located within three miles of an urban growth boundary. Pursuant to OAR 660-027-0060(4), the area identified as Important Agricultural Land requires no further explanation to justify designation as a Rural Reserve. The few parcels classified as Conflicted Agricultural Land are included to create a boundary along the existing public road.

East Clackamas County Rural Reserve (Area 1E and Area 2B)

*General Description:* This area lies south of the boundary separating Clackamas and Multnomah Counties. This area generally is comprised of a mix of farms, woodlots and scattered rural residential homesites. Several large nurseries are located in the area near Boring. The area south of the community of Boring and the City of Damascus contains a mix of nurseries, woodlots, Christmas tree farms, and a variety of other agricultural uses.

Most of the area is identified as Foundation or Important Agricultural Land. The only lands not identified as Foundation or Important Agricultural Land are the steeper bluffs south of the City of Damascus. Much of this steeper area is identified by the Oregon Department of Forestry as mixed farm and forest.

There are several rivers and streams located in this area. The Clackamas River, Deep Creek, Clear Creek and Noyer Creek, and the steeper areas adjacent to these streams, are identified as

important natural landscape features in Metro’s February 2007 “Natural Landscape Features Inventory”.

All of this Rural Reserve is located within three miles of the Portland Metro Area Urban Growth Boundary, except for a small area in the eastern part of the Rural Reserve. This small area is located within three miles of the City of Sandy’s Urban Growth Boundary.

*Conclusions and Analysis:* The designation of this area as a Rural Reserve is consistent with OAR 660-027, Division 27. Except for the steep bluffs located adjacent to the Clackamas River, all of this area is identified as Foundation or Important Agricultural Land and is located within three miles of an urban growth boundary. Pursuant to OAR 660-27-0060(4), no further explanation is necessary to justify designation as a Rural Reserve all of this area except for the aforementioned bluffs.

Designation as a Rural Reserve of the steep bluffs, not identified as Foundation or Important Agricultural Land, is consistent with the Rural Reserve Factors stated in OAR 660-027-0060(3).

- 1) This area is included in Metro’s February 2007 “Natural Landscape Features Inventory”.
- 2) This area is potentially subject to urbanization during the period described in OAR 660-027-0040(2), because it is located proximate or adjacent to the cities of Damascus, Happy Valley, and Oregon City, and the unincorporated urban area within Clackamas County.
- 3) Portions of this area are located within the 100 year floodplain of the Clackamas River. Most of the area has slopes exceeding 10%, with much of the area exceeding 20%. Portions of the area along Deep Creek are subject to landslides.
- 4) This hillside area drains directly into the Clackamas River, which is the source of potable water for several cities in the region. The Rural Reserve designation will assist protection of water quality.
- 5) These bluffs provide an important sense of place for Clackamas County, particularly for the nearby cities and unincorporated urban area. Development is sparse. Most of the hillside is forested.
- 6) This area serves as a natural boundary establishing the limits of urbanization for the aforementioned cities and unincorporated urban area and the Damascus Urban Reserve Area (Area 2A).

#### **D. Clackamas County: Statewide Planning Goals**

##### Goal 1- Citizen Involvement

In addition to participation in Metro’s process, Clackamas County managed its own process to develop reserves recommendations:

## Policy Advisory Committee

The county appointed a 21-member Policy Advisory Committee (PAC) made up of 7 CPO/Hamlet representatives, 7 city representatives, and 7 stakeholder representatives. The PAC held 22 meetings in 2008 and 2009. The PAC made a mid-process recommendation identifying reserve areas for further analysis, and ultimately recommended specific urban and rural reserve designations. The PAC itself received significant verbal and written input from the public.

## Public Hearings

In addition to the meetings of the PAC, the county held a number of public hearings as it developed the ultimate decision on reserves:

### 2009

- Aug. 10: Planning Commission hearing on initial recommendations.
- Sept. 8: Board of County Commissioners (“BCC”) hearing on initial recommendations
- Feb. 25: BCC Hearing on Intergovernmental Agreement

### 2010

- March 8, 2010: Planning Commission hearing on plan and map amendments.
- April 21, 2010: BCC hearing on plan and map amendments
- May 27, 2010: BCC reading and adoption of plan and map amendments, and approval of revised IGA.

Through the PAC, Planning Commission and BCC process, the county received and reviewed thousands of pages of public comment and testimony.

## Goal 2 – Coordination

“Goal 2 requires, in part, that comprehensive plans be ‘coordinated’ with the plans of affected governmental units. Comprehensive plans are “coordinated” when the needs of all levels of government have been considered and accommodated as much as possible.’ ORS 197.015(5); *Brown v. Coos County*, 31 Or LUBA 142, 145 (1996).

As noted in the findings related to Goal 1, Clackamas County undertook continuous and substantial outreach to state and local governments, including formation of the Technical Advisory Committee. For the most part, commenting state agencies and local governments were supportive of the urban and rural reserve designations in Clackamas County. Where applicable, the specific concerns of other governments are addressed in the findings related to specific urban and rural reserves, below.

## Goal 3 - Agricultural Lands

The reserves designations do not change the county’s Plan policies or implementing regulations for agricultural lands. However, the designation of rural reserves constrains what types of



planning and zoning amendments can occur in certain areas, and therefore provide greater certainty for farmers and long-term preservation of agricultural lands.

#### Goal 4 - Forest Lands

The text amendment does not propose to change the county's Plan policies or implementing regulations for forest lands. However, the text does establish rural reserves, which constrain what types of planning and zoning amendments can occur in certain areas, for the purpose of providing greater certainty for commercial foresters and long-term preservation of forestry lands.

#### Goal 5 - Open Spaces, Scenic and Historic Areas, and Natural Resources

The text amendment does not propose to change the county's Plan policies or implementing regulations for natural resource lands. However, the text does establish rural reserves, which constrain what types of planning and zoning amendments can occur in certain areas, for the purpose of providing for long-term preservation of certain of the region's most important, identified natural features. The county has determined that other natural features may be better protected through an urban reserve designation, and the eventual incorporation of those areas into cities. In certain areas, for example Newell Creek Canyon, the protection of Goal 5 resources is enhanced by the adoption of planning principles in an Intergovernmental Agreement between the County and Metro.

#### Goal 9 - Economy of the State

The proposed text amendment is consistent with Goal 9 because it, in itself, does not propose to alter the supply of land designated for commercial or industrial use. However, the text does establish urban reserves, which include lands suitable for both employment and housing. In Clackamas County, specific areas were identified as appropriate for a mixed use center including high intensity, mixed use housing (Borland area of Stafford) and for industrial employment (eastern portion of Clackanomah). These areas will be available to create new employment areas in the future if they are brought into the UGB.

#### Goal 10 - Housing

The proposed text amendment is consistent with Goal 10 because it, in itself, does not propose to alter the supply of land designated for housing. However, the text does establish urban reserves, which include lands suitable for both employment and housing. One of the urban reserve factors addressed providing sufficient land suitable for a range of housing types. In Clackamas County, there is an area identified as appropriate for a mixed use center including high intensity, mixed use housing (Borland area of Stafford) and many other areas suitable for other types of housing.

#### Goal 14 - Urbanization

The proposed text amendment is consistent with Goal 14. The program for identifying urban and rural reserves was designed to identify areas consistent with the requirements of OAR Chapter 660, Division 27. The text amendment does not propose to move the urban growth boundary or to change the county's Plan or implementing regulations regarding unincorporated communities. However, the amendment does adopt a map that shapes future urban growth boundary amendments by either Metro or the cities of Canby, Molalla, Estacada or Sandy.

## **VIII. SUPPLEMENTAL FINDINGS REGARDING THE DESIGNATION OF URBAN RESERVES IN CLACKAMAS COUNTY**

The findings in this Section VIII supplement the findings adopted by the Metro Council in Section VII.B regarding Clackamas County urban reserve areas 4A, 4B, 4C, and 4D (collectively referred to as “Stafford”). To the extent any of the findings in this section are inconsistent with other findings in this document that were previously adopted in 2011, the findings in this Section VIII shall govern.

### **A. Senate Bill 1011 and the Discretionary Urban Reserve Factors**

In 2007 the Oregon Legislature enacted Senate Bill 1011, authorizing Metro and the three counties to designate urban and rural reserves. Senate Bill 1011 was proposed by agreement among a broad coalition of stakeholders in response to widespread frustration regarding the existing process for Metro-area UGB expansions. In particular, the statutory requirements for UGB decisions often fostered inefficient and inflexible decision-making, because the hierarchy of lands listed in ORS 197.298 requires Metro to first expand the UGB onto the lowest quality agricultural lands regardless of whether those lands could be cost-effectively developed. Senate Bill 1011 addressed these problems by allowing Metro and the counties significant discretion to identify urban and rural reserves outside of the existing UGB as the areas where future UGB expansion will or will not occur over the next 50 years.

A primary goal of Senate Bill 1011 was to provide more flexibility to allow UGB expansions into areas that would be the most appropriate for urbanization. To accomplish that goal, the legislature authorized Metro and the counties to designate urban and rural reserve areas based on discretionary “consideration” of several nonexclusive “factors” designed to help determine whether particular areas are appropriate for development or for long-term protection. The legislature purposely did *not* create a list of mandatory approval criteria requiring findings that each standard must be satisfied. Rather, the reserve statute and rules allow Metro and the counties to consider and weigh each factor in order to reach an overall conclusion regarding whether a reserve designation is appropriate. All factors must be considered, but no single factor is determinative.

The factors that must be considered regarding the designation of urban reserves are described in the state rule as follows:

“When identifying and selecting lands for designation as urban reserves under this division, Metro shall base its decision on consideration of whether land proposed for designation as urban reserves, alone or in conjunction with land inside the UGB:

- (1) Can be developed at urban densities in a way that makes efficient use of existing and future public infrastructure investments;
- (2) Includes sufficient development capacity to support a healthy economy;

- (3) Can be served by public schools and other urban-level public facilities and services efficiently and cost-effectively by appropriate and financially capable service providers;
- (4) Can be designed to be walkable and served by a well-connected system of streets by appropriate service providers;
- (5) Can be designed to preserve and enhance natural ecological systems; and
- (6) Includes sufficient land suitable for a range of housing types;
- (7) Can be developed in a way that preserves important natural resource features included in urban reserves; and
- (8) Can be designed to avoid or minimize adverse effects on farm and forest practices, and adverse effects on important natural landscape features, on nearby land including land designated as rural reserves.”

After LCDC adopted rules implementing SB 1011 in January of 2008, Metro and the three counties began a two-year public process that included an extensive outreach effort bringing together citizens, stakeholders, local governments and agencies throughout the region. That process involved the application of the urban and rural reserve factors to land within approximately five miles of the UGB, and resulted in three IGAs being signed by Metro and each county in 2010 mapping the areas that were determined to be most appropriate as urban and rural reserves under the statutory factors. Clackamas County and Metro agreed that, under the factors, Stafford is an appropriate area for future urbanization.

### **B. Application of the Urban Reserve Factors Under *Barkers Five***

LCDC reviewed the reserve designations adopted by Metro and the counties and issued an acknowledgement order approving all reserves in August of 2012. Twenty-two parties filed appeals of LCDC’s order with the Oregon Court of Appeals, including the City of West Linn and the City of Tualatin (the “cities”). The cities argued that Stafford should not have been designated as urban reserve because it cannot be efficiently and cost-effectively served by transportation facilities and other public services. In support of that argument the cities pointed to projected future traffic conditions in the Stafford area as estimated by Metro’s 2035 Regional Transportation Plan (RTP).

The Court of Appeals issued the *Barkers Five* opinion in February of 2014, affirming LCDC’s decision on the majority of the 26 assignments of error raised by the opponents, and remanding on three issues. Regarding Stafford, the court rejected the cities’ argument that the eight urban reserve factors are mandatory criteria that must each be independently satisfied for each study area. Rather, the court held that the legislature’s intent was not to create approval standards, but rather “factors” to be considered, weighed and balanced in reaching a final decision.

However, the court agreed with the cities’ argument that Metro and LCDC failed to adequately respond to evidence cited by the cities in the 2035 RTP that traffic in the Stafford area was projected to exceed the capacity of certain roads by 2035. The court found that the cities had

presented “weighty countervailing evidence” that transportation facilities in the Stafford area could not support urbanization, and that LCDC and Metro failed to provide any “meaningful explanation” regarding why, in light of the cities’ conflicting evidence, the urban reserve designation was still appropriate for Stafford.

In addition to their argument regarding transportation facilities, the cities also argued that they had submitted evidence to Metro and LCDC showing that sewer and water services could not be cost-effectively extended to Stafford, and that Metro and LCDC also failed to adequately respond to that evidence. The Court of Appeals did not directly address this argument, because the court’s ruling regarding the transportation issues also requires consideration on remand of the cities’ evidence and argument regarding water and sewer services.

Significantly for purposes of these findings, the Court of Appeals upheld LCDC’s interpretation of the phrase “consideration of factors” in the statute and the urban reserve rules as being intended to apply in the same manner as the factors that apply to a decision regarding the location of a UGB expansion under Goal 14. The court agreed with LCDC that there are three key principles involved in the correct application of the urban reserve factors: (1) Metro must “apply and evaluate” each factor, (2) the factors must be “weighed and balanced as a whole,” with no single factor being determinative, and (3) based on the evaluation of each factor, and the weighing and balancing of all factors, Metro must “meaningfully explain” why an urban reserve designation is appropriate. *Barkers Five* at 300-301.

As correctly explained by LCDC and affirmed by the Court of Appeals, the statute and rules governing the designation of urban reserves provide significantly more discretion to Metro regarding the “consideration of factors” than the cities choose to believe. In their submittal to the Metro Council, the cities admit that the urban reserve factors are not approval criteria but assert that the factors do not call for “discretionary” decisions. Given the clear description of the decision-making process by the Court of Appeals it is difficult to understand why the cities do not believe that Metro is afforded discretion regarding its consideration of the factors.

As explained by the court, Metro’s obligation under the factors is to provide a written evaluation of each factor as it applies to an area, weigh and balance all factors as a whole, and then provide a meaningful explanation regarding its ultimate decision for designating the area. Under this methodology, Metro is not required to conclude that a particular area has a high ranking under each factor in order to find that an urban reserve designation is appropriate, so long as each factor is evaluated, all factors are balanced, and the conclusion is explained. In fact, Metro could conceivably conclude that Stafford completely fails under one or more of the factors, so long as Metro provides a meaningful explanation regarding why an urban reserve designation is nonetheless appropriate after all of the factors are “weighed and balanced” together. The very nature of a process that directs Metro to “weigh and balance” a list of factors against each other inherently involves the exercise of considerable discretion. Thus, Metro disagrees with the cities’ suggestion that Metro does not have significant discretion regarding its consideration of the urban reserve factors.

The following Section C of these findings describes the reasons why Metro again concludes that the Stafford area was correctly designated as an urban reserve area in 2011, utilizing the

direction provided by the Court of Appeals regarding the correct methodology for considering the urban reserve factors.

### **C. Reasons for Stafford Urban Reserve Designation**

The designation of Stafford as an urban reserve area was the culmination of a lengthy and collaborative regional process from early 2008 through 2010. Metro and the three counties formed committees, began a public involvement process, and established a Reserves Steering Committee to advise the Core 4 regarding reserves designations. The steering committee included 52 members and alternates representing interests across the region – business, agriculture, conservation groups, cities, service districts, and state agencies. Technical analysis regarding the application of the urban reserve factors to particular study areas was provided by specialized expert groups, including providers of water, sewer, transportation, education, and other urban services.

The four study areas that comprise what is collectively referred to as “Stafford” are shown on the map attached to this staff report as Attachment 1. More specifically, the four areas are known as Stafford (Area 4A), Rosemont (Area 4B), Borland (Area 4C) and Norwood (Area 4D). As shown on the map, Areas 4A, 4B, and 4C together comprise the “triangle” area that is adjacent to the cities of West Linn, Lake Oswego, and Tualatin. Those three study areas consist of approximately 4,700 acres and were considered together as Area U-4 by Clackamas County in their urban reserve analysis. Area 4D contains approximately 1,530 acres and is located to the south and east of the “triangle,” adjacent to the City of Tualatin on the north and the Washington County border on the west. There are three other acknowledged Washington County urban reserve areas (Areas 4E, 4F, and 4G) that are located between Area 4D and the City of Tualatin.

In considering the designation of Stafford as an urban reserve area, it is important to remember the context and purpose of the urban and rural reserves designations. Because urban reserves are intended to provide a land supply over a 50-year time horizon, the designation of urban reserve areas must be based on their physical characteristics, including development capacity and future serviceability, rather than the current desires of nearby jurisdictions or current infrastructure conditions. Although there are some impediments to development in parts of these four study areas due to slopes and natural features – as there are in most areas of our region – most of the land is suitable for urban-level development, and development concept plans have been prepared for the Stafford area describing potential development scenarios.

Physically, the Stafford area is very similar to the cities of West Linn and Lake Oswego, which are successfully developing at urban densities. The Stafford area is immediately adjacent to existing urban development in three cities, facilitating logical extensions of infrastructure. Stafford is bisected by Interstate 205 and is within three miles of Interstate 5. Unlike any other urban reserve study area in the region, the 4,700 acres in the “triangle” that comprise study areas 4A, 4B and 4C are actually surrounded on three sides by existing cities and attendant urban infrastructure. While development levels would not be uniform across all four urban reserve areas, due in part to topography and natural resource areas, the opportunity exists to create a mix of uses, housing types and densities where the natural features play a role as amenities, while complementing existing development in the adjacent neighborhoods.

It is also important to consider the designation of these areas in light of the overall regional context. The reserve statute and rules require Metro to designate an amount of urban reserves sufficient to provide a 50-year supply of land for urban growth across the entire Metro region. All four Stafford study areas are identified by the Oregon Department of Agriculture (ODA) as “conflicted” agricultural land that is not suitable to sustain long-term agricultural operations. Designation of the Stafford area as urban reserve helps to avoid urban designation of other areas in the region, particularly in Washington County, that contain more important or “foundation” agricultural land. There are no other areas in the region that provide a similar amount of non-foundation farmland that are also surrounded on three sides by existing urban development and rank as highly as Stafford under the urban reserve factors.

It is true that the Stafford area’s status as conflicted agricultural land is not itself directly relevant to Metro’s application of the urban reserve factors, in that the factors do not consider soil type or the presence of agricultural uses. However, it is also true that many of the reasons that resulted in ODA’s designation of Stafford as conflicted agricultural land are the same reasons that Stafford ranks highly as an urban reserve area under the applicable factors, such as: proximity to existing urban development, high land values that support urban development, the presence of existing commercial, residential and institutional uses in the area, and high potential for future residential development. The ODA Report describes the Stafford area as follows:

“The integrity of the agricultural lands located within this subregion is seriously compromised. The few existing commercial operations located in the area are compromised by surrounding area development, parcelization and the potential for future residential development within the exception areas located in the subregion and at the edges along the UGB. Land values reflect the current nonresource zoning and/or the speculative land market that exists in the area due to its location. The core agricultural block is relatively small, providing little opportunity for the island to stand-alone.

“South of the Tualatin River the few remaining agricultural operations are located on lands zoned for rural residential use, in an area containing several nonfarm uses that are generally not considered to be compatible with commercial agricultural practices. Such uses include churches, schools and retail commercial. High-density residential development also exists along the river. This area also shares an edge with the City of Tualatin. Along this edge, inside the UGB, exist high-density single-family and multifamily residential development. Finally, the entire area south of the river is a recognized exception area that provides no protection for farm use.” ODA Report, page 35.

The conclusions of the ODA Report provide support for Metro’s conclusion that the existing characteristics of Stafford make it an area that has high potential for future urban development, which is the entire purpose behind Metro’s application of the urban reserve factors – identifying those locations across the region where future urbanization makes the most sense.

The following subsections of these findings provide the Metro Council’s evaluation of each factor as it relates to Stafford. The Metro Council adopts and incorporates the findings in Section VIII.B above regarding the evaluation of each factor as applied to Areas 4A, 4B, 4C, and 4D. To the extent any of those findings may conflict with the findings set forth in this section, the findings in this section shall apply.

**1. Can be developed at urban densities in a way that makes efficient use of existing and future public infrastructure investments.**

The Metro Council finds that the primary focus of this factor is whether there is urbanizable land in the study area within sufficient proximity to existing urban infrastructure to allow for efficient use of that infrastructure. In other words, does the area include developable land that is located in such a way that future development may utilize existing roads, water and sewer services? Regarding Stafford, the answer to this question is a resounding yes. As described elsewhere in these findings, Stafford is the only urban reserve study area that is physically surrounded on three sides by existing city boundaries, dense urban development, and available public infrastructure. It is also bisected by Interstate 205 and located within three miles of Interstate 5. Stafford is an anomalous rural area that is surrounded by urban development, and its unique location between and adjacent to the cities of West Linn, Tualatin, and Lake Oswego facilitates the logical and efficient extension of future development and related infrastructure, which is the focus of factor #1.

There is no legitimate question regarding the future developability of the Stafford area, particularly given the proliferation of urban development on identical adjacent terrain. It is true that there are hills and slopes in the northern portion of Area 4A – however none of the slopes present development challenges that are any different from existing development on the other side of those same hills in the cities of West Linn and Lake Oswego. The topography of Area 4A is essentially identical to that of adjacent urbanized portions of those two cities. Further, existing residential development in the Atherton Heights subdivision in the northern portion of the Stafford Basin is successfully located on a tall hillside that is significantly steeper than any of the slopes in Area 4A. Development in many other parts of the Metro region, including Forest Heights in the City of Portland, has been successful on steeper hillsides that present more challenges to development than the comparatively gentle and rolling hills of Stafford. Arguments from the cities that the hills of Stafford are too steep to be developed are easily refuted by simply looking at existing development in other parts of the region, or at development on the other side of the same hills in West Linn and Lake Oswego.

It is true that any future development in the Stafford area would need to be varied in density across the basin due to slopes and other natural features including riparian habitat areas that must be protected. However, there are sufficient developable areas to create a vibrant and diverse urban area, as depicted in the conceptual development plan submitted by OTAK entitled “Clackamas County’s Next Great Neighborhood.” As shown in those materials, the topography of Stafford and the location of easily developed land in the Borland area (Area 4C) create the possibility of a development pattern that includes a mix of existing smaller acreage home sites, lower density neighborhoods, medium density neighborhoods, and mixed use commercial and office areas. Higher density residential, mixed use and employment areas could be located in the relatively flat Borland area, closer to Interstate 205. As depicted in OTAK’s conceptual plan,

medium-density walkable neighborhoods could be developed along the east side of Stafford Road, while existing low density neighborhoods and natural areas further to the north and east could remain. The Rosemont area (Area 4B) could provide residential development that complements existing similar development in the adjacent Tanner Basin neighborhood in West Linn.

The Metro Council finds that the focus of factor #1 is primarily on the potential location of future urban development in relation to existing infrastructure, while factor #3 considers whether urban facilities and services may be provided cost-effectively. However, because the two factors have been addressed concurrently in prior proceedings, the findings below regarding factor #3 are also expressly adopted here for purposes of factor #1.

## **2. Includes sufficient development capacity to support a healthy economy.**

Areas 4A, 4B, and 4C contain approximately 4,700 acres and Area 4D contains approximately 1,530 acres. Together these areas are approximately 6,230 acres, and would provide the region with a significant amount of development capacity through the end of the urban reserve planning horizon in 2060. Metro and the three counties adopted a total of 28,256 acres of urban reserves, which is an amount deemed sufficient to provide the Metro region with a 50-year supply of urbanizable land. Almost half of that amount, 13,874 acres, was located in Clackamas County, and the 6,230 acres located in the Stafford area therefore comprise almost half of the county's total urban reserves. Since the enactment of House Bill 4078, which adopted Metro's 2011 addition of 1,986 acres to the UGB and further reduced the amount of urban reserves in Washington County by about 3,200 acres, the 6,230 acres in Stafford now comprise approximately 27% of the total urban reserve area for the entire Metro region. Thus, based solely on the math, the fact that the Stafford area provides a significant percentage of the 50-year supply of urban reserves for the entire region supports a conclusion that Stafford provides future development capacity sufficient to support a healthy economy under factor #2.

The Metro Council also relies upon its findings set forth immediately above under factor #1 regarding the developability of the Stafford area, as well as the OTAK conceptual development plan discussed in that section, and the findings above in Section VII.B in support of a conclusion that Stafford can be developed at sufficient capacity to support a healthy urban economy. The Metro Council finds that factor #2 calls for an inherently discretionary finding regarding what amount of capacity might "support a healthy economy." The Metro Council further finds that this factor does not establish any particular threshold amount of development that is required to "support" a healthy economy; arguably, any amount of additional development capacity in Stafford could meet that very generally stated goal. However, as described above in the findings regarding factor #1 and in the OTAK conceptual plans, the Stafford area has the potential to provide significant future development capacity that would be sufficient to "support a healthy economy" as contemplated under factor #2.



**3. Can be efficiently and cost-effectively served with public schools and other urban-level public facilities and services by appropriate and financially capable service providers.**

The primary dispute regarding Stafford’s designation as an urban reserve arises under factor #3. Although addressed in tandem with factor #1 by the cities, in the LCDC acknowledgment order, and on appeal to the Court of Appeals, the cities’ arguments regarding future provision of facilities and services are focused on costs of roads and the cities’ financial ability to provide water and sewer services under this factor. As described above, the Metro Council finds that factor #1 regarding “efficient use” of existing and future infrastructure is primarily focused on the location of future urban development in relation to existing and planned infrastructure, while factor #3 expressly considers the “cost-effective” provision of urban facilities and services. The cities’ arguments related to costs of providing transportation, water and sewer services are more appropriately considered under factor #3.<sup>10</sup> However, the findings above regarding factor #1 are also expressly adopted for purposes of factor #3.

In its review of the Stafford urban reserve designations, the Court of Appeals held that Metro and LCDC failed to adequately respond to evidence submitted by the cities regarding future traffic conditions in the Stafford area as projected in Metro’s 2035 RTP. Although the court did not rule on the cities’ arguments regarding the feasibility of providing water and sewer, those issues are also considered as part of these findings. The remainder of this section responds to the evidence submitted by the cities regarding the future provision of (a) transportation facilities, and (b) water and sewer services.

**a. Transportation Facilities**

During the Metro and LCDC proceedings in 2011 the cities contended that Stafford should not be designated as an urban reserve because traffic projections in Metro’s 2035 RTP (adopted in 2010) indicate that four principal roads in the Stafford area will be “failing” under Metro’s mobility policies in the RTP. The four facilities at issue are Stafford Road, Borland Road, Highway 43, and portions of Interstate 205. The cities cited the 2035 RTP as evidence that Stafford did not comply with urban reserve factors #1 and #3 regarding the provision of urban services.

Specifically, the cities argued that because the RTP forecasted the roads at issue to be above capacity in 2035, future urban development in Stafford could not be efficiently or cost-effectively served by transportation infrastructure because there is no current funding to fix the problems. Therefore the cities argued: (a) Stafford could not “comply” with the factors, and (b) the Metro and LCDC decisions were not supported by substantial evidence in the record. The Court of Appeals rejected the cities’ first contention, holding that the urban reserve factors are not approval criteria and therefore “compliance” with each of the factors is not required. However, the court went on to agree with the cities that the evidence they cited regarding

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<sup>10</sup> Although factor #1 and factor #3 are similar, they should not be construed to have an identical meaning, because doing so would render one of them superfluous. When different language is used in similar statutory provisions, it is presumed to have different intended meanings. *Lindsey v. Farmers Ins. Co.*, 170 Or App 458 (2000).

transportation system forecasts in the 2035 RTP had not been adequately addressed by Metro. Therefore, the court concluded that LCDC failed to correctly review Metro's decision for evidentiary support.

The primary flaw in the cities' argument regarding this factor is that the 2035 RTP traffic forecasts and related mobility policy maps are not directly relevant to the question posed by the urban reserve factors, which is whether Stafford can be efficiently and cost-effectively served with transportation facilities within a 50-year horizon. The RTP traffic forecasts are constantly evolving projections that provide a snapshot in time of the current estimates of future traffic congestion in the next 25 years. Those estimates are based on funding for system improvement projects that are *currently* listed in the RTP, and are subject to significant change over the next 25 to 50 years. New improvement projects for roads and highways are added to the RTP project list on a regular basis (sometimes even between each four-year RTP update cycle, as occurred in 2013 via Metro Resolutions 13-4420, 13-4421, 13-4422, 13-4423, and 13-4424), and funding for those projects is adjusted and prioritized based on need given existing and planned levels of development. When new proposed improvement projects are added to the RTP project list, the effects of those future improvements are then applied to the 25-year traffic congestion forecast for the region as shown on the mobility policy maps in the RTP. When new road improvement projects are added, there is a corresponding decrease in projected congestion for areas that are served by those roads.

The cities argued that the 2035 RTP demonstrates that there are no currently identified funds to fix the problems associated with traffic forecasts on the roads they identified. But this argument ignores how the planning process actually works for transportation projects, and the fact that new improvement projects are added to the RTP list on a regular basis. It is true that in 2010, when the snapshot was taken in the 2035 RTP of funding for the project lists and corresponding traffic forecasts, there was no identified funding for transportation projects designed to serve an urbanized Stafford. But when an area such as Stafford that is outside of the UGB is identified as a potential location for new urban development, the planning process that is required for urbanization will include identification of new and necessary transportation system improvements to serve future urban development in that area, and those improvements will then be included on the RTP project list. Adding those improvements to the RTP project list will then reduce the amount of congestion forecasted on the RTP mobility policy maps for that area.

Thus, there is a "chicken/egg" problem with the cities' reliance on the traffic forecasts in the 2035 RTP as evidence that Stafford cannot be served by roads and highways in the area due to a lack of funding. When the 2035 RTP was adopted in 2010, the Stafford area was simply another rural residential area outside of the UGB, and had not been specifically designated as an area for future urban development. Therefore, the 2035 RTP did not prioritize funding for improvement projects in the Stafford area that would be necessary for new urban development arising out of a UGB expansion. In the absence of an existing plan for urbanization of Stafford in 2010, there is no reason why the region would prioritize funding in the 2035 RTP for improving roads to accommodate new urban development in that area.

In 2010 Metro adopted amendments to Title 11 of the Urban Growth Management Functional Plan specifically designed to ensure that areas proposed for urbanization through a UGB

expansion can and will be served with public facilities such as roads. Title 11 now requires that local governments must adopt concept plans for an urban reserve area prior to any such area being added to the UGB by Metro. Concept plans must include detailed descriptions and proposed locations of all public facilities, including transportation facilities, with estimates of cost and proposed methods of financing. Concept plans must be jointly prepared by the county, the city likely to annex the area, and appropriate service districts.

The Title 11 concept planning requirements will apply to Stafford if and when that area is proposed for inclusion in the UGB by a city, and will require detailed planning regarding how transportation services will be provided to the area, including a description of methods for financing those services. That urban planning process will require adding specific transportation improvement projects to the RTP project lists for purposes of ensuring there can be adequate capacity to serve the Stafford area. At that point, once urban development in Stafford takes some planning steps towards potential reality, the region could decide to add and prioritize improvement projects on the RTP project lists that would be necessary to facilitate new urban development in that area. But in 2010, because Stafford was not in the UGB and not even an urban reserve area, there was no reason to include or prioritize projects in the 2035 RTP to facilitate its development.

The RTP is a constantly evolving document that merely provides a periodic snapshot forecast of regional traffic congestion based on current funding priorities for improvement projects on the RTP project list. The RTP project list is amended and revised on a regular basis. If at some point in the future, a portion of Stafford is proposed to be added to the UGB, concept planning under Title 11 must occur and necessary transportation system improvement projects would be added to the RTP project lists at that time. The Metro Council finds that the 2035 RTP does not constitute compelling evidence that the Stafford area cannot be efficiently served by transportation facilities over a 50-year horizon.

Further, the more recently adopted 2014 RTP includes updated mobility policy maps that reveal the fallacy of the cities' arguments. The 2014 RTP shows that the 2035 RTP mobility policy maps relied upon by the cities are already outdated and do not constitute substantial evidence to support a conclusion that it is not possible for Stafford to be served by roads on a 50-year planning horizon. On July 17, 2014, the Metro Council adopted amendments to the 2035 RTP via Metro Ordinance No. 14-1340, and also changed the name of the RTP to "2014 RTP." The mobility policy maps in the 2014 RTP show significant improvement in forecasted traffic congestion on principal roads in the Stafford area for the new RTP planning horizon that ends in 2040, as compared to the mobility policy maps relied upon by the cities from the 2035 RTP. Copies of the three most relevant 2014 maps are included in the record as Exhibit B to the September 30, 2015 staff report (these are close-up versions of the maps focused on the Stafford area and do not show the entire region).

The maps relied upon by the cities from the 2035 RTP are included in the record as Exhibit C to the September 30, 2015 staff report. Sections of roads that are shown in red are locations that in 2010 were projected to exceed acceptable volume-to-capacity ratios in 2035, based on three different funding scenarios for improvements identified on the RTP project lists. The first scenario is the "no build" map (Figure 5.5), shown on Exhibit C-1, which essentially shows the

worst case scenario in that it assumes all of the usual projected increases in population, jobs and new housing units for the region, but assumes that *none* of the improvements projects listed in the 2035 RTP will actually be built by 2035. Therefore, this is the map with the most red lines. The second scenario is the “2035 Federal Policies” map (Figure 5.7), shown on Exhibit C-2, which assumes that all improvement projects identified on the RTP “financially constrained” list are built (*i.e.*, projects using funds from existing identifiable revenue sources). This map shows decreases in projected congestion compared to the “no build” map. The third scenario is the “2035 Investment Strategy” map (Figure 5.9), shown on Exhibit C-3, which assumes availability of additional funding for improvement projects that are listed on the RTP project list and are not “financially constrained” by existing revenue sources, but could be constructed assuming that other potential funding sources become available.

Comparing the 2014 RTP mobility policy maps to the 2035 RTP maps reveals significant improvements in projected traffic congestion levels in the Stafford area. The 2035 Investment Strategy map shows all of Interstate 205, all of Highway 23, and most of Borland Road and Stafford Road in red, meaning that they are projected to exceed Metro’s mobility policy standard of 0.99 v/c in 2035. Exhibit C-3 to September 30, 2015 staff report. However, the corresponding 2040 Investment Strategy map from the 2014 RTP shows no portion of Interstate 205 or Borland Road in red, and much smaller portions of Highway 43 and Stafford Road in red. Exhibit B-3 to September 30, 2015 staff report. Therefore, to borrow the imprecise language employed by the cities, these facilities are no longer projected to be “failing” as the cities previously claimed. The dramatic change regarding the forecast for Interstate 205 in this area is due in part to new project assumptions for the I-205 and I-5 system that had not been included in the 2035 RTP. One of the specific investment strategies included in the 2014 RTP is to “address congestion bottleneck along I-205.” (2014 RTP Appendix 3.1, page 302).

The significant improvements in projected traffic congestion in the Stafford area in just four years between Metro’s adoption of the 2035 RTP and the 2014 RTP provide evidence that refutes the cities’ arguments and supports a conclusion that Stafford could be efficiently and cost-effectively served by transportation facilities under the relevant urban reserve factors. This evidence provides the “meaningful response” to the evidence cited by the cities from the 2035 RTP that the court of appeals found was lacking. At the same time, this evidence illuminates the fundamental problem with the cities’ arguments that were based on the 2035 RTP mobility policy maps. As explained above, the 25-year RTP mobility policy maps reflect a constantly changing set of projects and related funding assumptions that do not constitute substantial evidence for purposes of determining whether Stafford may be efficiently and cost effectively served by transportation facilities on a 50-year planning horizon.

## **b. Water and Sewer Services**

At the Court of Appeals, the cities also challenged the evidentiary support for Metro’s findings regarding the provision of water and sewer service to Stafford under urban reserve factors #1 and #3. The court did not specifically review these arguments, but instead remanded the entire Stafford reserve designation based on its ruling regarding transportation issues.

The evidentiary record supporting Metro’s consideration of each urban reserve factor is extensive. Regarding provision of water and sewer to Stafford under urban reserve factors #1 and

#3, Metro adopted detailed findings citing specific evidence supporting an urban reserve designation under the factors, set forth above in Section VII.B. Those findings note that technical assessments provided to the Core 4 Reserves Steering Committee by working groups consisting of experts and actual service providers rated the Stafford area as being “highly suitable” for both water and sewer service.

A summary of the analysis regarding water service suitability is included in the record as Exhibit E to the September 30, 2015 staff report, which is a memorandum from the Core 4 Technical Team to the Core 4 Reserves Steering Committee dated February 9, 2009. The water service analysis was coordinated by the Regional Water Providers Consortium, and involved review of specific reserve study areas by a large group of water service providers, who applied specific criteria to each area including: (a) proximity to a current service provider; (b) topography; (c) use of existing resources; and (d) source of water. Each area was analyzed by the group of experts, ranked as high, medium, or low suitability for providing water services, and mapped. The results of the group’s analysis were presented at a meeting of the technical committee of the Regional Water Providers Consortium and the proposed map was provided to all members of the committee for review and comment. As shown on the map attached to the Core 4 memo, the Stafford area was ranked as being “highly suitable” for water service.

A summary of the analysis regarding sewer service suitability is included in the record as Exhibit F to the September 30, 2015 staff report, which is also a memorandum from the Core 4 Technical Team dated February 9, 2009. The sewer service analysis was the result of work done by a “sanitary sewers expert group” of engineers and key staff from potentially impacted service providers, who applied their professional expertise and knowledge of nearby areas and facilities. The expert group applied a set of criteria to each reserve study area, including (a) topography; (b) proximity to a current waste water treatment plant; (c) existing capacity of that plant; and (d) the ability to expand the treatment plant. Each area was analyzed by the group of experts, ranked as high, medium, or low suitability for providing sewer services, and mapped. The results of the group’s analysis were digitized and sent to all participating service providers for comment. As shown on the map attached to the Core 4 memo, the Stafford area was ranked by the expert group as being “highly suitable” for sewer service.

Further analysis regarding water and sewer services in urban reserve areas was undertaken by Clackamas County and provided in a technical memorandum dated July 8, 2009, included in the record as Exhibit G to the September 30, 2015 staff report. That memorandum provides a detailed analysis of each reserve study area under the urban reserve factors and makes recommendations for each study area. Regarding Stafford, the county analysis recommends designating Stafford as urban reserve, based in part on the fact that it ranks “high” for both water and sewer serviceability. As concluded by the county, the area can be relatively easily served because of proximity to existing conveyance systems and pump stations.

The City of Tualatin submitted evidence challenging the Clackamas County analysis regarding water and sewer based on a report prepared by engineering firm CH2M Hill, which was forwarded to the Core 4 Reserves Steering Committee on October 13, 2009. In that letter, the city expresses disagreement with many of the county’s conclusions regarding the suitability

rankings, and provided its own cost estimates regarding future provision of water and sewer services.

Metro staff reviewed the analysis in the City of Tualatin's letter and the CH2M Hill materials and prepared a responsive memorandum dated September 17, 2015, attached as Exhibit I to the September 30, 2015 staff report. As described in that memo, the fundamental flaw in the city's argument is that the city's analysis and cost estimates do not consider the same geographic area that was studied by Clackamas County and Metro, and therefore the comparisons provided by the city are not accurate. The map attached to Exhibit I illustrates the significant differences between the two study areas. The county's analysis was for its urban reserve study area U-4, which consisted primarily of the area that became areas 4A and 4B – land between the existing UGB and Interstate 205 – plus the portion of area 4C located north of I-205. However, the city's analysis considers only the area proximate to the City of Tualatin, bounded by the Tualatin River to the north and Stafford Road to the east, thereby excluding all of areas 4A and 4B, which comprised the vast majority of the land analyzed by the county in its analysis. The flaws resulting from this approach regarding application of the urban reserve factors are described in the staff memorandum dated September 17, 2015.

**4. Can be designed to be walkable and served with a well-connected system of streets, bikeways, recreation trails and public transit by appropriate service providers.**

The Metro Council finds that there are no impediments to the design of future development in the Stafford area that would prevent it from being served with a well-connected system of streets, bikeways, walkable pedestrian paths and recreation trails, or public transit. The Stafford area is already relatively developed, compared with many other urban reserve areas, and is currently served with a well-connected system of streets. Designing a new urban area to be walkable and bikeable is no more complicated than designing road improvements that include sidewalks and bike lanes as portions of the new urban area develop. There is a sufficient amount of undeveloped land in the Stafford area to design street, bicycle and pedestrian connections within and across the area as part of future concept planning.

As noted in the findings above in Section VII.B, the location of Stafford immediately adjacent to three existing cities and urban development on three sides makes it considerably easier to design new urban areas that provide transportation connections to existing infrastructure. Any portions of Stafford that are first proposed for inclusion inside the UGB will necessarily be adjacent to the existing UGB and related transportation facilities. The Metro Council finds that there are few, if any, other areas in the region that have the potential to create the same level and type of pedestrian connections within and across the area.

As described elsewhere in these findings, any future proposals to include some portion of Stafford within the UGB will require that area to first be concept planned under Title 11 of Metro's Urban Growth Management Functional Plan (UGMFP). Title 11 requires concept plans for an area to include detailed descriptions and proposed locations of all public facilities, including transportation facilities and connections of any new transportation facilities to existing systems. Concept planning will require provision for bikeways, pedestrian pathways and, where appropriate, recreational trails. The existing IGA between Metro and Clackamas County

regarding the designation of Stafford as an urban reserve area provides that any future concept plans for the area will include the Borland Road area as being planned and developed as a town center area serving the other parts of Stafford to the north (Area 4A) and south (Area 4D). The IGA also specifically requires that future concept planning will ensure that areas suitable for a mix of urban uses “will include designs for a walkable, transit-supportive development pattern.”

A very preliminary conceptual development plan for Stafford was submitted by OTAK, entitled “Clackamas County’s Next Great Neighborhood.” As shown in those materials, and as provided in the IGA between Metro and the county, future planning for development across Stafford could include a relatively dense and pedestrian friendly mixed use town center and office district in the Borland area (Area 4C), as well as medium density walkable neighborhoods in the same area and further to the north along Stafford and Johnson Roads. The OTAK plan also depicts conceptual street design that includes the sidewalks and bike lanes that would be required as part of a concept plan proposal under Title 11 for future urbanization of any portion of the Stafford area. The OTAK proposal supports Metro’s finding that Stafford can be designed to be walkable and served with streets and other alternative transportation options.

The cities assert that Stafford could never be walkable and connected due to existing parcelization and because they believe that some larger parcels are “unlikely to redevelop.” The Metro Council finds that the cities’ opinion regarding whether or not particular parcels in the Stafford area are likely to redevelop does not affect the Council’s evaluation under urban reserve factor #4, which asks the question of whether the area “can be designed” to be walkable and served with streets, bikeways, trails and public transit. The question is not whether or when particular parts of Stafford may or may not be developed, the question is whether, assuming that urbanization will occur at some point in the future, the area “can be designed” in a way to accommodate future transportation needs, including alternative transportation and recreation. The Metro Council finds that there is no reason the Stafford area cannot be designed in such a manner, as evidenced by the OTAK conceptual plan.

#### **5. Can be designed to preserve and enhance natural ecological systems.**

Similar to urban reserve factor #4, the relevant question to be considered under this factor is whether proposed future urban development in the Stafford area “can be designed” to preserve and enhance natural ecological systems. The Metro Council finds that there are no significant challenges to designing future development in the Stafford area in a manner that will preserve and enhance natural ecological systems in the area. In fact, the existing IGA between Metro and the county specifically requires that any future concept planning for Stafford “shall recognize environmental and topographic constraints and habitat areas,” including the riparian areas along creeks in the North Stafford Area, “recognizing that these areas include important natural features, and sensitive areas that may not be appropriate for urban development.” Thus, the intent behind urban reserve factor #5 has been embedded in the requirements for planning any future development in the Stafford area and those development plans can (and must) be designed to protect and enhance natural ecological systems. Also, as noted in the findings above in Section VII.B, any future development will be subject to state and Metro rules that are specifically designed to protect upland habitat, floodplains, steep slopes and riparian areas.

The cities do not attempt to argue that future development in Stafford cannot be designed to protect natural ecological systems. The cities instead contend that doing so will reduce the amount of developable land and make connectivity, walkability and development of the remaining lands “much more difficult and expensive.” However, the question posed by urban reserve factor #5 is not whether protecting ecological systems will make it more difficult or expensive to develop other areas. The question is whether future development “can be designed” to preserve and enhance ecological systems. The Metro Council finds that the answer to that question is very clearly yes.

Metro’s findings and the IGA with Clackamas County acknowledge the existence of some environmentally constrained lands and the fact that those areas will reduce the total amount of developable acreage in Stafford. However, that fact does not impact the overall analysis under the factors, weighed and balanced as a whole, regarding whether or not the entire 6,230-acre Stafford area should be designated as an urban reserve. As concluded elsewhere in these findings, even when environmental protections are taken into account Stafford provides sufficient development capacity to support a healthy economy under factor #2 and includes sufficient land suitable for a range of needed housing types under factor #6.

**6. Includes sufficient land suitable for a range of needed housing types.**

The four areas that constitute the Stafford area contain approximately 6,230 acres. The topography is varied, from the rolling hills in the north to the comparatively flat areas to the south in Borland and Norwood. The variations in topography and existing development patterns enhance the ability of Stafford to provide a diverse range of needed housing types across the area. As depicted in the conceptual plan submitted by OTAK, and as provided in the IGA between Metro and Clackamas County, the Borland area provides a potential mixed use town center area, including higher density housing in the form of apartments or condominiums. The area south of Luscher Farm along Stafford and Johnson Roads includes generally larger lots that could be developed as medium-density neighborhoods that still focus jobs and housing closer to the vicinity of Interstate 205. The OTAK proposal also identifies the northern portion of Area 4A as being a potential location for somewhat lower density single-family neighborhoods. Types and density of future development in Stafford would not be proposed until a concept plan is prepared by one of the adjacent cities for some portion of the Stafford area, and Metro determines there is a need to expand the UGB into that particular area. The Metro Council finds there is sufficient land in the Stafford area to provide the full range of needed housing types.

**7. Can be developed in a way that preserves important natural landscape features included in urban reserves.**

The Metro Council finds that the Stafford area can be developed in a way that preserves important natural landscape features. The two important natural landscape features that have been identified to date are the Wilson Creek and Tualatin River systems. For the same reasons described above regarding factor #5, which requires evaluation of the ability to preserve Wilson Creek and other riparian areas, these riparian areas may also be preserved as important natural landscape features. Any future plans for development in Stafford will need to be made in compliance with applicable state and Metro regulations that are specifically designed to protect upland habitat, floodplains, steep slopes and riparian areas. There are no significant challenges to



designing future development in the Stafford area in a manner that will preserve natural landscape features. The Metro Council expressly adopts the findings above regarding factor #5 regarding this factor.

**8. Can be designed to avoid or minimize adverse effects on farm and forest practices, and adverse effects on important natural landscape features, on nearby land including land designated as rural reserve.**

Stafford is an ideal candidate for urban reserve under this factor because of its location. Areas 4A and 4B are surrounded on three sides by existing urban development, and future development of those areas would have no potential adverse effects on farm or forest practices, or on any land designated as rural reserve. Similarly, Area 4C is adjacent on the east and west sides to urban development in the cities of Tualatin and West Linn, and its southern boundary is adjacent to an undesignated area that consists of conflicted agricultural land. Area 4D is adjacent to the City of Tualatin and to other large urban reserve areas (Areas 4E, 4F, and 4G) that are located between Area 4D and the cities of Tualatin and Wilsonville. Most of the eastern boundary of Area 4D is adjacent to an undesignated area, with a small portion adjacent to a rural reserve area that consists of conflicted agricultural land. To the extent that any future development in the Stafford area could have potential adverse effects on farm and forest practices, which appears very unlikely based on its location, the Metro Council finds that future planning of development in Stafford can be designed to avoid or minimize adverse effects on farm and forest practices on nearby land.

**9. Weighing and Balancing of the Factors and Explanation of Why an Urban Reserve Designation is Appropriate for Stafford.**

As explained by the Court of Appeals, Metro’s role is first to apply and evaluate each factor; next, the factors must be “weighed and balanced as a whole.” As noted by the court, no single factor is determinative, nor are the individual factors necessarily thresholds that must be met. *Barkers Five* at 300. Accordingly, even if Stafford entirely failed under one or more of the factors as part of the evaluation, Metro could still conclude that an urban reserve designation is appropriate after all of the factors are weighed and balanced together, so long as a “meaningful explanation” is provided for that conclusion.

Based on the foregoing evaluation of the each of the urban reserve factors, the Metro Council concludes that the Stafford area earns a very high ranking under seven of the eight factors, and an average ranking on factor #3 regarding cost-effective provision of urban services. There is no dispute that extending services to the Stafford area will be expensive; however, there are significant costs and challenges associated with providing new urban services to any part of the region where new urban development is being proposed. The Metro Council disagrees with the cities’ position that in order to be designated as an urban reserve, funding sources must be identified for all future infrastructure needs and improvements necessary for the urbanization of Stafford. That position is not consistent with the statutory purpose of urban reserves, which is to designate a 50-year supply of potential urban land for the region. The level of detail the cities desire at this stage will be correctly considered at the time a particular area is proposed for addition to the UGB, which may or may not occur for the entire Stafford area over the next 50 years.

The process of future urban development of Stafford is likely to occur over the course of many decades. The first step in any potential addition of a portion of Stafford into the UGB will require one of the cities to propose a concept plan for a particular expansion area, as required by Title 11 of the UGMFP. Under Title 11, that plan must include detailed descriptions and proposed locations of all public facilities, including transportation facilities, with estimates of cost and proposed methods of financing. In other words, the details regarding exactly how any portion of Stafford will be served with infrastructure, and how that infrastructure will be paid for, must be worked out at the time an area is considered for inclusion in the UGB so that a decision can be made regarding whether actual urbanization is possible and appropriate.

The 50-year growth forecast indicates that the Metro region will need to be able to accommodate between 1.7 and 1.9 million new residents by 2060. September 15, 2009 COO Recommendation, App. 3E-C, Table C-2. The purpose of designating urban reserve areas is to identify locations across the region that would provide the best opportunities for providing homes and jobs for those new residents within the 50 year horizon. Urban reserve designations should not, and do not, require the identification of all future sources of funding for infrastructure within the urban reserve areas today.

Based on the analysis set forth above, and the weighing and balancing of all urban reserve factors as a whole, the Metro Council concludes that Stafford is appropriately designated as an urban reserve area under the applicable statutes and rules. Given the unique location of Stafford, its proximity to existing cities, its size and ability to provide a significant amount of development capacity in the form of a wide range of needed housing types as well as mixed-use and employment land, its location in an area that consists of conflicted agricultural land where adverse impacts on farm use can be avoided, and its high ranking under nearly all of the urban reserve factors, Stafford is one of the most obvious candidates for an urban reserve designation in the entire region.

## **IX. CONSISTENCY WITH REGIONAL AND STATE POLICIES**

### **A. Regional Framework Plan**

#### Policy 1.1: Urban Form (1.1.1(a); 2.3)

The determination of the amount of urban reserves needed to accommodate growth to the year 2060 was based upon the current focus of the 2040 Growth Concept on compact, mixed-use, pedestrian-friendly and transit-supportive communities and a new strategy of investment to use land more efficiently. The reserves decision assumes that residential and commercial development will occur in development patterns more compact than the current overall settlement pattern in the UGB. In addition, amendments made by the reserves decisions to Title 11 (Planning for New Urban Areas) of the Urban Growth Management Functional Plan place greater emphasis than the previous version of Title 11 on “great communities” that achieve levels of intensity that will support transit and other public facilities and services.

#### Policy 1.4: Economic Opportunity (1.4.1)

The four governments selected urban reserves with factor OAR 660-027-0050(2) (healthy economy) in mind. Rating potential urban reserves for suitability for industrial development, using staff maps and the *Business Coalition Constrained Land for Development and Employment Map* produced by Group McKenzie, resulted in designation of thousands of acres suitable for industrial and other employment uses as urban reserves. These reserves are distributed around the region to provide opportunities in all parts of the region.

#### Policy 1.6: Growth Management (1.6.1(a))

See finding for Policy 1.1.

#### Policy 1.7: Urban/Rural Transition

The four governments inventoried important natural landscape features outside the UGB and used those features to help make a clear transitions from urban to rural lands. The findings above explain how the governments applied the landscape features factors in OAR 660-027-0060(3) in designation of urban and rural reserves and demonstrate the use of natural and built features to define the extent of urban reserves.

#### Policy 1.11: Neighbor Cities

The four governments reached out to the non-Metro cities within the three counties and to Columbia, Yamhill and Marion counties and their cities to hear their concerns about designation of reserves near their boundaries. All expressed an interest in maintenance of separation between the metro urban area and their own communities. The four governments were careful not to designate urban reserves too close to any of these communities. As the findings above indicate, the counties consulted with “neighbor cities” within their borders about which lands near them should be left un designated so they have room to grow, and which lands to designate rural reserve to preserve separation. The city of Sandy asked Metro and Clackamas County to revise the three governments’ agreement to protect a green corridor along Hwy 26 between Gresham and Sandy. At the time of adoption of these decisions, the three governments agreed upon a set of principles to guide revision to the agreement to use reserves to protect the corridor.

#### Policy 1.12: Protection of Agriculture and Forest Resource Lands (1.12.1; 1.12.3; 1.12.4)

See section II of the findings for explanation of the designation of farmland as urban or rural reserves. Metro’s Ordinance No. 10-1238A revises Policy 1.12 to conform to the new approach to urban and rural reserves.

#### Policy 1.13 Participation of Citizens

See sections III and IX (Goal 1) of the findings for full discussion of the public involvement process. The findings for each county (sections VI, VII and VIII) discuss the individual efforts of the counties to involve the public in decision-making.

## Policy 2.8: The Natural Environment

The four governments inventoried important natural landscape features outside the UGB and used the information to identify natural resources that should be protected from urbanization. The findings above explain how the governments applied the landscape features factors in OAR 660-027-0060(3) in designation of rural reserves for long-term protection of natural resources.

### **B. Statewide Planning Goals**

#### Goal 1 - Citizen Involvement

The four governments developed an overall public involvement program and, pursuant to the Reserve Rule [OAR 660-027-0030(2)], submitted the program to the State Citizen Involvement Advisory Committee (CIAC) for review. The CIAC endorsed the program. The four governments implemented the program over the next two and a half years. Each county and Metro adapted the program to fit its own public involvement policies and practices, described above. In all, the four governments carried out an extraordinary process of involvement that involved workshops, open houses, public hearings, advisory committee meeting open to the public and opportunities to comment at the governments' websites. These efforts fulfill the governments' responsibilities under Goal 1.

#### Goal 2 - Land Use Planning

There are two principal requirements in Goal 2: providing an adequate factual base for planning decisions and ensuring coordination with those affected by the planning decisions. The record submitted to LCDC contains an enormous body of information, some prepared by the four governments, some prepared by their advisory committees and some prepared by citizens and organizations that participated in the many opportunities for comment. These findings make reference to some of the materials. The information in the record provides an ample basis for the urban and rural reserve designated by the four governments.

The four governments coordinated their planning efforts with all affected general and limited purpose governments and districts and many profit and non-profit organizations in the region (and some beyond the region, such as Marion, Yamhill and Polk Counties and state agencies) and, as a result, received a great amount of comment from these governments. The governments responded in writing to these comments at several stages in the two and one-half year effort, contained in the record submitted to LCDC. See Attachment 2 to June 3, 2010, Staff Report, Metro Rec.\_\_. These findings make an additional effort to respond to comments from partner governments (cities, districts, agencies) on particular areas. These efforts to notify, receive comment, accommodate and respond to comment fulfill the governments' responsibilities under Goal 2.

#### Goal 3 - Agricultural Lands

The designation of urban and rural reserves does not change or affect comprehensive plan designations or land regulations for lands subject to Goal 3. Designation of agricultural land as rural reserve protects the land from inclusion within an urban growth boundary and from re-

designation as urban reserve for 50 years. Designation of agricultural land as urban reserve means the land may be added to a UGB over the next 50 years. Goal 3 will apply to the addition of urban reserves to a UGB. The designation of these urban and rural reserves is consistent with Goal 3.

#### Goal 4 - Forest Lands

The designation of urban and rural reserves does not change or affect comprehensive plan designations or land regulations for lands subject to Goal 4. Designation of forest land as rural reserve protects the land from inclusion within an urban growth boundary and from re-designation as urban reserve for 50 years. Designation of forest land as urban reserve means the land may be added to a UGB over the next 50 years. Goal 4 will apply to the addition of urban reserves to a UGB. The designation of reserves is consistent with Goal 4.

#### Goal 5 - Natural Resources, Scenic and Historic Areas and Open Spaces

The designation of urban and rural reserves does not change or affect comprehensive plan designations or land regulations for lands inventoried and protected as Goal 5 resource lands. Designation of Goal 5 resources as rural reserve protects the land from inclusion within an urban growth boundary and from re-designation as urban reserve for 50 years. Designation of Goal 5 resources as urban reserve means the land may be added to a UGB over the next 50 years. Goal 5 will apply to the addition of urban reserves to a UGB. The designation of reserves is consistent with Goal 5.

#### Goal 6 - Air, Water and Land Resources Quality

The designation of urban and rural reserves does not change or affect comprehensive plan designations or land regulations intended to protect air, water or land resources quality. Nor does designation of reserves invoke state or federal air or water quality regulations. The designation of reserves is consistent with Goal 6.

#### Goal 7 - Areas Subject to Natural Hazards

The designation of urban and rural reserves does not change or affect comprehensive plan designations or land regulations intended to protect people or property from natural hazards. Nonetheless, the four governments consulted existing inventories of areas subject to flooding, landslides and earthquakes for purposes of determining their suitability for urbanization or for designation as rural reserve as important natural landscape features. This information guided the reserves designations, as indicated in the findings for particular reserves, and supported designation of some areas as rural reserves. Goal 7 will apply to future decisions to include any urban reserves in the UGB. The designation of reserves is consistent with Goal 7.

#### Goal 8 - Recreational Needs

The designation of urban and rural reserves does not change or affect comprehensive plan designations or land regulations intended to satisfy recreational needs. The designation of reserves is consistent with Goal 8.

### Goal 9 - Economic Development

The designation of urban and rural reserves does not change or affect comprehensive plan designations or land regulations for lands subject to Goal 9. All urban and rural reserves lie outside the UGB. No land planned and zoned for rural employment was designated rural reserve. Designation of land as urban reserve helps achieve the objectives of Goal 9. Much urban reserve is suitable for industrial and other employment uses; designation of land suitable for employment as urban reserve increases the likelihood that it will become available for employment uses over time. The designation of reserves is consistent with Goal 9.

### Goal 10 - Housing

All urban and rural reserves lie outside the UGB. No land planned and zoned to provide needed housing was designated urban or rural reserve. The designation of urban and rural reserves does not change or affect comprehensive plan designations or land regulations and does not remove or limit opportunities for housing. The designation of reserves is consistent with Goal 10.

### Goal 11 - Public Facilities and Services

The designation of urban and rural reserves does not change or affect comprehensive plan designations or land regulations and does not place any limitations on the provision of rural facilities and services. The four governments assessed the feasibility of providing urban facilities and services to lands under consideration for designation as urban reserve. This assessment guided the designations and increases the likelihood that urban reserves added to the UGB can be provided with urban facilities and services efficiently and cost-effectively. The designation of reserves is consistent with Goal 11.

### Goal 12 - Transportation

The designation of urban and rural reserves does not change or affect comprehensive plan designations or land regulations and does not place any limitations on the provision of rural transportation facilities or improvements. The four governments assessed the feasibility of providing urban transportation facilities to lands under consideration for designation as urban reserve, with assistance from the Oregon Department of Transportation. This assessment guided the designations and increases the likelihood that urban reserves added to the UGB can be provided with urban transportation facilities efficiently and cost-effectively. The designation of reserves is consistent with Goal 12.

### Goal 13 - Energy Conservation

The designation of urban and rural reserves does not change or affect comprehensive plan designations or land regulations and has no effect on energy conservation. The designation of reserves is consistent with Goal 13.

### Goal 14 - Urbanization

The designation of urban and rural reserves directly influences future expansion of UGBs, but does not add any land to a UGB or urbanize any land. Goal 14 will apply to future decisions to

add urban reserves to the regional UGB. The designation of urban and rural reserves is consistent with Goal 14.

Goal 15 - Willamette River Greenway

No land subject to county regulations to protect the Willamette River Greenway was designated urban reserve. The designation of urban and rural reserves is consistent with Goal 15.

## **SUPPLEMENTAL STAFF REPORT**

### **IN CONSIDERATION OF ORDINANCE NO. 16-1368 FOR THE PURPOSE OF RESPONDING TO THE REMAND FROM THE OREGON COURT OF APPEALS AND THE LAND CONSERVATION AND DEVELOPMENT COMMISSION REGARDING THE DESIGNATION OF URBAN RESERVES IN CLACKAMAS COUNTY**

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Date: January 7, 2016

Prepared by: Roger Alfred, Senior Assistant Attorney

#### **PROPOSED ACTION**

Adoption of Ordinance No. 16-1368 responding to the Oregon Court of Appeals opinion in *Barkers Five LLC v. Land Conservation and Development Commission*, 261 Or App 259 (2014) and LCDC Remand Order 14-ACK-001867 regarding the designation of urban reserves in Clackamas County.

#### **BACKGROUND**

This staff report supplements the prior staff report dated September 30, 2015, which provided background and analysis concerning the proposed designation of urban reserve areas 4A, 4B, 4C, and 4D (collectively referred to as “Stafford”). Ordinance No. 16-1368 is before the Council on first read on January 14, 2016.

The Metro Council held public hearings on October 8, 2015 and November 19, 2015 and received a considerable amount of public testimony regarding the reserve designations in Clackamas County. At those two hearings, 40 individuals appeared in person and provided verbal testimony to the Council, and 29 written submittals were provided. A considerable amount of the testimony did not relate to the urban reserve designation of Stafford, but rather to the Langdon Farms property and other areas in Clackamas County designated as rural reserves. It is expected that additional written testimony will be provided at the January 14, 2016 public hearing.

#### **PROPOSED FINDINGS**

Staff has provided a set of proposed supplemental findings for review by the Council. The findings are “supplemental” in that they are in addition to the reserve findings previously adopted by the Council in 2011 in support of the original urban and rural reserve decision. Because the Council must also re-adopt the prior findings regarding Clackamas County reserves as part of this ordinance, the supplemental findings are incorporated into the previous findings in three locations: (1) a short three-paragraph introduction at the very beginning; (2) a new Section V addressing issues regarding the 50-year supply of land and regionwide balance; and (3) a new Section VIII providing supplemental findings regarding Stafford. Also, because Washington County reserves have been completed via legislative action and because Multnomah County is undertaking its own process to address the remand, portions of the previous 2011 findings regarding those two counties have been removed.

#### **PROPOSAL**

As described in the proposed findings, staff’s analysis of the evidence in the record continues to support the decision by Metro and Clackamas County to designate the Stafford area as urban reserve under the



applicable factors. The Metro Council will take evidence and testimony at the public hearing on the first read of the ordinance on January 14, 2016; a second read of the ordinance is scheduled for February 4, 2016.

## **ANALYSIS/INFORMATION**

**Known Opposition:** The cities of West Linn, Tualatin and Lake Oswego continue to oppose the designation of Stafford as an urban reserve area. Some residents of the Stafford Hamlet have also voiced concerns and opposition to the designation.

**Legal Antecedents:** Oregon Revised Statute (ORS) 195.137 to 195.145 and 197.651, and Oregon Administrative Rules chapter 660, division 27 authorize the designation of urban and rural reserves in the Metro region. The previous decision by Metro and the three counties to approve urban and rural reserves in 2011 was approved and acknowledged by LCDC in Order 12-ACK-001819, which was remanded by the Oregon Court of Appeals in *Barkers Five LLC v. Land Conservation and Development Commission*, 261 Or App 259 (2014).

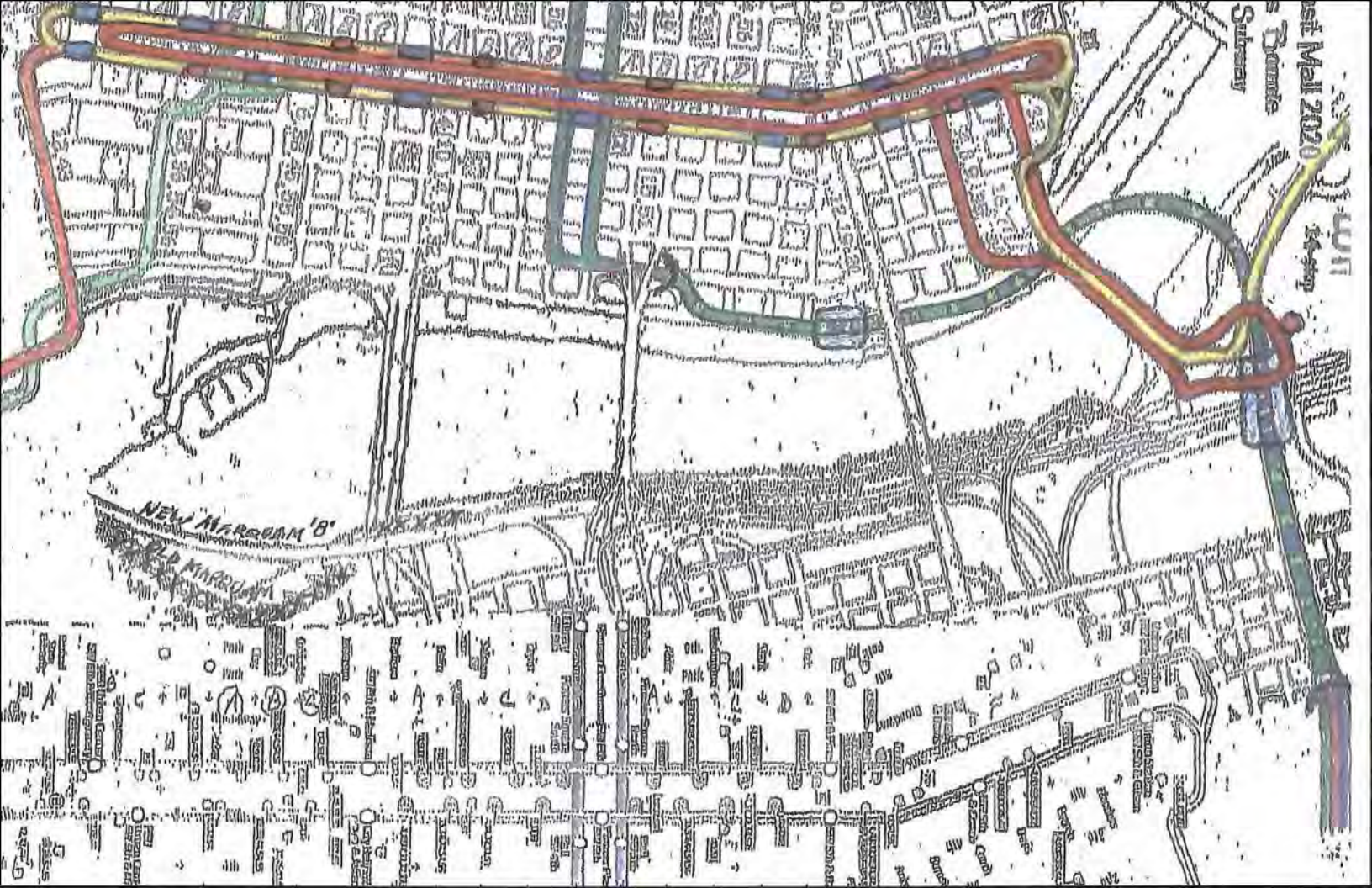
**Anticipated Effects:** The adoption of Ordinance No. 16-1368 constitutes Metro's approval of the designation of urban and rural reserves in Clackamas County and Metro's adoption of findings of fact and conclusions of law in support of that decision.

**Budget Impacts:** There is no budget impact.

## **RECOMMENDED ACTION**

Staff recommends adoption of Ordinance No. 16-1368.

Materials following this page were distributed at the meeting.



1st Mail 2020

Dunnic

Subway

14-50m

NEW ARRIVAL '8'

OLD ARRIVAL



Post Mall 2020

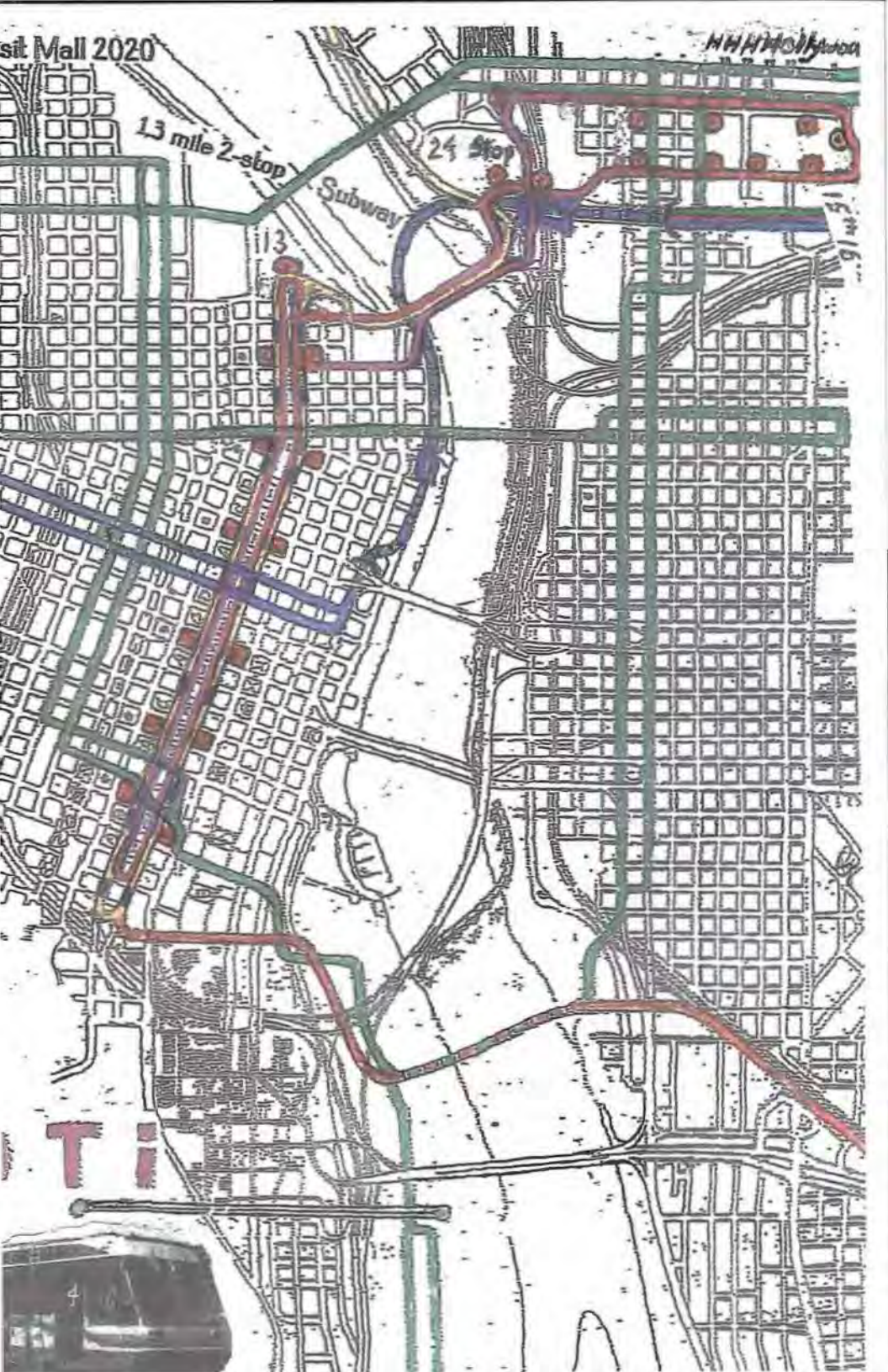
HHH HHH HHH

13 mile 2-stop

24 Stop

Subway

15th St











## PLAN B for Bertha

This Plan B Bore Tunnel 'BOX' its entire length, between rows of cement pillars, offers means to stabilize boxed-in soil. Waterfront soils made MORE unstable by either BORE are absolutely uncontrollable another 60' deeper near Spring St, below sea level near Denny Way. If Bertha finishes as proposed, historic Seattle District will become ruins, forced demolition, un-rebuildable lots, destructive damages occur over time

Shortens Bore Tunnel length from 9000' to 3000' and the Pine Street Portal suggested in FEIS cut-cover tunnels, Lower Belltown Scenario 'G' from 2008 study is shown, or a 2-stoplight configuration for Lower Belltown could phased-construction become this 'possibly' more ideal Scenario 'G'. Drawings at right compare North Portals - the under construction Bore portal, or this Battery Street Tunnel Extension,







HADARI

Watch Hadari on EleCams



## A **New** Fall Season

Clear skies and crisp weather are here. Changes in the weather along with elephants coming back to areas of the habitats nearer the barns are all signals - Fall is here at Sanctuary. The addition of three new elephants along with the fresh look of an updated brand will make Fall 2015 a memorable season. As we close on 20 years, Sanctuary is excited to provide safe haven and best care to the 14 elephants currently in residence.

**Hadari** (pictured above) arrived in September, followed by **Sukari** and **Rosie** in November. The three African elephants, retired from the Nashville Zoo, join **Flora** and **Tange** in the African habitats. At the Quarantine Barn and Habitat, a new relationship has blossomed. **Minnie**, **Ronnie** and **Debbie** have been nearly inseparable this Fall; their excited vocalizations echoing through out the valley. At Asia Barn and Habitat, **Shirley** has continued to expand her explorations of Sanctuary, her youthful spirit and determination shining through at age 67.

Updates on all the elephants are in this New Fall issue of *Trunklines*.

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### In this issue:

Sanctuary Welcomes Hadari	1
Message from the CEO	2
Volunteer Viewpoints	2
Habitat Updates	3-8
Have You Herd?	9
In Memory of Liz	10-11
Year End Appeal	12
Supporter Spotlight	13
International Outreach	13
Adopt an Elephant	14
Sanctuary Merchandise	15

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## THE ELEPHANT SANCTUARY IN TENNESSEE

The Elephant Sanctuary is a 501(c)(3) nonprofit corporation, licensed by the U.S. Dept. Of Agriculture and the Tennessee Wildlife Resources Agency, and accredited by the Global Federation of Animal Sanctuaries.

Financial statements are available for review at [elephants.com](http://elephants.com)

P.O. Box 393  
Hohenwald, TN 38462  
Phone: (931) 769-6500  
Fax: (931) 796-1360  
Email: [Elephants@Elephants.com](mailto:Elephants@Elephants.com)

### Our Mission

Founded in 1995, The Elephant Sanctuary in Tennessee is the nation's largest natural-habitat refuge developed specifically around the needs of endangered Asian and African elephants. It operates on 2700 acres in Hohenwald, TN - 85 miles southwest of Nashville.

### With Your Support, The Elephant Sanctuary:

- Provides captive elephants with individualized care, the companionship of a herd, and the opportunity to live out their lives in a safe haven dedicated to their wellbeing;
- Raises public awareness of the complex needs of elephants in captivity, and the crisis facing elephants in the wild.

As an authentic sanctuary, the habitat where the elephants live is not open to the public.

To learn more about The Elephant Sanctuary and its resident elephants, connect with us online at [elephants.com](http://elephants.com)

## Dear Friends,

We are very, very excited to announce The Elephant Sanctuary has welcomed the 25th, 26th and 27th residents. In this BIG NEWS issue of Trunklines, you will meet Hadari, Sukari and Rosie. All three are new to the Africa Barn and Habitat and all have been permanently retired to Sanctuary by their owner(s) and the Nashville Zoo. We also pay a special tribute to Liz. She reminded each of us every day over the past nine years just what Sanctuary's individual care, companion elephants and expansive natural habitat can mean for an aged and ailing elephant after a long life spent performing and traveling. Liz was greatly loved and is sadly missed.

This Trunklines also gives a glimpse of many new plans for 2016, including the expansion of the Africa Habitat, a welcome update to [www.elephants.com](http://www.elephants.com) and a sneak preview of the Elephant Discovery Center opening in downtown Hohenwald next year. As The Sanctuary's 20th year comes to a close, we want to thank Sanctuary Staff and the many Sanctuary donors and friends for all your work and vital support in providing for the elephants living here and making way for those to come.

Please enjoy this update and thank you again for your interest, support and involvement in The Elephant Sanctuary.

Janice Zeitlin  
Chief Executive Officer, The Elephant Sanctuary in Tennessee

## Volunteer Viewpoints



In early October, a group of students from the University of North Carolina – Asheville spent three days volunteering at The Sanctuary. Tsaiwei Cheng is a senior at UNCA and was one of the trip leaders. "This ASE (Alternative Service Experience) trip was life altering. Despite some less than ideal weather, we had an amazing three days. Over the course of our trip, we winter prepped the fruit trees that will eventually provide food for the elephants, we harvested bamboo then converted the stalks into 'target poles' that Caregivers will use during elephant training sessions, we created enrichment items for the elephants, and we even helped clean up the hay barn. We also learned a lot about not just elephants in general but about the individual stories of the elephants that live at Sanctuary. One of my favorite things about our experience was that we were asked to not post pictures of the elephants (in the event that we actually saw any) to social media so as not to send the wrong message to the public regarding what Sanctuary is. The Sanctuary really upholds their promise to the elephants and treats them with the utmost dignity and respect. It was a privilege to serve and learn from them."



On Thursday, September 24th, The Elephant Sanctuary's recently renovated trailer rumbled up the hill leading to the Africa Barn. The trailer was backed up to the barn, the doors were opened and *Hadari*, a 33 year old female African elephant, peered out. Browse and banana leaves were placed in the barn to welcome her. With a little encouragement, Hadari stepped out of the trailer and into Sanctuary – the 25th elephant to do so in 20 years.

Hadari's retirement and transport to Sanctuary were the result of a collaborative effort between The Sanctuary, the Nashville Zoo, and Hadari's long time owner, Chuck Pankow.

"Retirement of an elephant can be a complicated and difficult decision for owners," said Sanctuary CEO, Janice Zeitlin. "However, we immediately found our common ground when the owner made it clear he wanted the kind of lifelong, best care that Sanctuary can offer".

Captured from the wild, Hadari spent her first years of captivity as an attraction at Jungle Larry's African Safari in Cedar Point, Florida. After spending 20 years at the Nashville Zoo, where she lived with other African elephants including Rosie and Sukari, Hadari arrived at The Sanctuary. During her time at the zoo, she gained a reputation for her paintings and quickly became a favorite with zoo visitors.

Hadari's first moments in Sanctuary were spent eating a watermelon, banana leaves and other delicious treats provided by her new caregivers. Soon after, with encouragement from her former owner and her zoo keeper, Hadari walked out of the barn and began to discover Sanctuary. To everyone's delight, she walked the length of the perimeter fence, grazing on the tall grasses and stopping to reach over the fence to grab for branches just on the other side. The Nashville staff said their goodbyes, and Hadari spent her first night of retirement undecided as to whether she should be in the barn or check out Sanctuary in the moonlight. Exercising her new-found freedom, she chose both.

In the following weeks, Hadari has been exploring the hills and valleys of the Africa Habitat's 12.5 acre South Yard. She spends time in the mud wallows and actively digs, sits, rolls, and covers herself from head to toe in mud. Caregivers are thrilled that she's adapting so easily to Sanctuary life; laying down to sleep, even snoring, inside the Africa Barn ... signs of comfort and trust.



*Hadari enters the barn*



*Hadari in the mud wallows*

Watch Caregiver & Elocam footage of Hadari in the mud wallows, as well as other recent footage from Sanctuary online at our YouTube channel!

[Youtube.com/elephantsanctuaryTN](https://www.youtube.com/elephantsanctuaryTN)



## A New Fall (cont.)

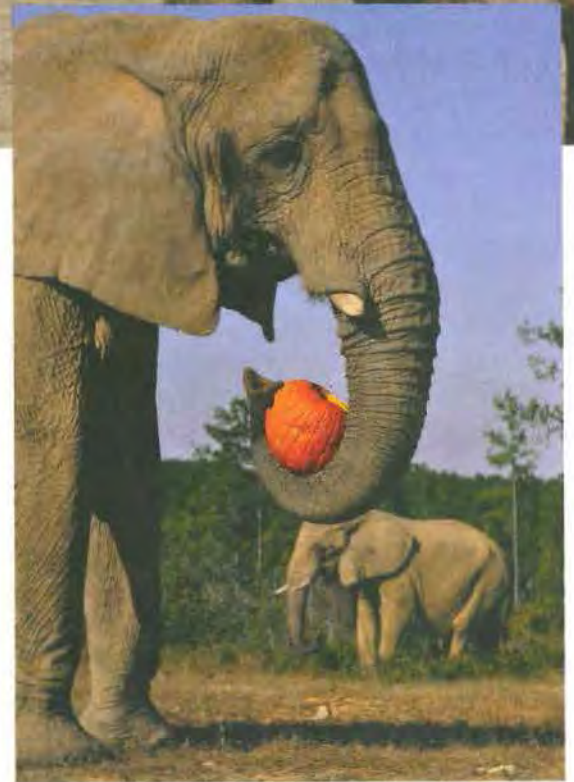
*Africa Barn and Habitat*



*Rosie and Sukari (above)*

**Tange** and **Flora** have been separated from Hadari by the one-acre Annex Yard, but they can see, smell, and hear each other. This is the first step in meeting new friends. Staff reported Tange was the first to see Hadari, then Flora. With trunks raised and waved to take in each other's smells, they sniffed each other and calmly rumbled a greeting with ears forward to listen for a response from each other. At the end of October, Flora and Tange were given access to the Annex Yard so all three elephants could get a closer look at each other. Although keenly aware of the closer proximity, Tange and Hadari didn't touch each other, but Flora and Hadari playfully sparred over the fence and touched each other with their trunks.

As Hadari began to settle into Sanctuary life, the Nashville Zoo announced the retirement of the two remaining African female elephants, **Rosie**, 44 years old and **Sukari**, 31 years old. During the initial stages of planning Rosie's retirement, the Zoo decided it would be best for Sukari to join her and Hadari in Sanctuary. They will join Tange and Flora in lifelong retirement at The Sanctuary.



*Flora enjoying pumpkin with Tange in background*

CHECK OUT OUR NEW MERCHANDISE ON PG 15,  
FEATURING HADARI, ROSIE AND SUKARI! FIND YOUR HERD!







*Debbie, Ronnie, and Minnie having a playdate*

This fall a new sound has been heard over and over again throughout the Quarantine Habitat. It is a long, low, drawn out trumpet from **Minnie**, described by Caregivers as sounding "like a freight train." The elephants at Q have always been very vocal. **Debbie** and **Ronnie** will squeak and bellow excitedly when in one another's company. Billie's loud trumpet occasionally reverberates. Together these new sounds mark the beginning of a new phase of social growth for the Q elephants.

Minnie, Debbie, Ronnie and **Billie** all retired to Sanctuary in 2006 as a result of legal action against their owner —Hawthorn Corporation—for violations of the Animal Welfare Act. When not being leased out to circuses, these elephants spent their days chained in place inside a barn in Illinois. Due to Billie's aggression toward her keepers, she was kept alone in a separate stall. When eight of the elephants arrived at Sanctuary almost ten years ago, they were able to socialize with one another freely and naturally for the first time.

After the passing of herd-mates, Queenie and Lottie, Minnie was without close companions. Minnie's personality is described as "very outgoing," proving to be too enthusiastic in her efforts to socialize with others. Minnie had access to an area of the habitat adjoining Debbie and Ronnie's area. Minnie could still touch, smell and visit with Debbie and Ronnie over and through the fence separating them. Caregivers would arrange special times for the three to share the same areas of the habitat under close monitoring. They would be separated to their own areas when they began to show signs of being anxious.

Early this fall, Caregivers organized a "social" for Minnie, Debbie and Ronnie. And a day turned into a night. And that turned into another day, and another, and another, with Debbie, Ronnie and Minnie showing no signs of tiring of one another's company. Debbie, the tallest elephant, Minnie, the heaviest, and Ronnie, the smallest of the "trio", have been getting along better than ever.



## A New Fall (cont.)

### Quarantine Barn & Habitat

Q Caregiver Briana says that, “They are doing so well together, we actually are now practicing separating them and then letting them reunite so that they learn that if they do have to be separated for training or for medical treatments, it will only be temporary.”

When the “trio” meet up after these very brief separations, or even if they just get excited in the presence of one another, Minnie will bellow out her long, low, “train-like” bellow that seems to go on forever, echoing through the valley. It is a welcome sound.

Following Frieda’s passing in March and Liz in August, Caregivers have been working to create opportunities for Billie to socialize with other elephants. Immediately following Liz’s passing, Billie was observed for the first time allowing Ronnie to stroke her head and back with her trunk. In the months since, Billie and Ronnie have been observed standing nearer together. Caregivers are hopeful this is the beginning of a new relationship for Billie. In the meantime, Billie has been seen often in a pond near the barn, hanging out in an area called “Billie’s Hideout” and walking up the hills at the top of the Phase I habitat. This is a new chapter in Billie’s Sanctuary life, and Care Staff are confident Billie will show yet again just how brave she can be.



*Debbie, Minnie, and Ronnie*



*Billie in the pond (Above)*

## WISH LIST

You can help us care for the elephants by underwriting an item on our “Wish List”! For details on current items, click on “Wish List” under the “You Can Help” heading at [elephants.com](http://elephants.com), or just contact Lorenda at [lorenda@elephants.com](mailto:lorenda@elephants.com) or 931-796-6500 ext. 105.



## A New Fall

## Asia Barn and Habitat

In the Asia Habitat, 67-year old Shirley is still finding new areas of her habitat to explore in her 16th year at Sanctuary. In early October, Shirley was observed in an area of the habitat known as "Dr. Scott's Pond." This is the first time that Shirley has been seen in this part of the habitat in years. The Sanctuary cameras recorded Shirley going for a swim, then lying down and napping in the shade before grazing in the meadow. Sissy would occasionally drop by to visit, a typical Fall day for Shirley.

Tarra and Misty began the fall in the same way they began the summer, grazing alongside one another near The Sanctuary's 25-acre lake. Tarra was observed wading out into the lake, while Misty was seen many times relaxing and splashing in deeper areas of the lake before emerging, covered in mud, and then lying down on a favored hillside next to the lake.

September 12th marked 15 years since Winkie's retirement to The Sanctuary, much of the time spent with Sissy, an elephant that preceded her in retirement to Sanctuary by just a few months. The two spent most of this Summer and early Fall at some of their favorite spots, the "2nd Pipeline" and "Dr. Scott's Pond".

One day in September while working inside the Asia Barn, Caregiver Kaitlin watched Winkie in an adjoining area of the habitat dusting herself more vigorously than usual.

*Continued on next page*



*Misty and Shirley*



*Shirley at Dr. Scott's Pond*

Check out Shirley, Tarra, and Misty at the lake in the Asia Habitat on our youtube channel!



[Youtube.com/elephantsanctuaryTN](https://www.youtube.com/elephantsanctuaryTN)

## ITEMS

- EleCare Supplements & Supplies
- Barn Basics  
(Shovels, rakes, brooms, hoses, squeegies, scrub brushes, etc.)
- ATV Tires
- Seventh Generation Laundry Detergent



## A New Fall (cont.)

*Asia Barn and Habitat*



*Tarra and Misty (Above)*



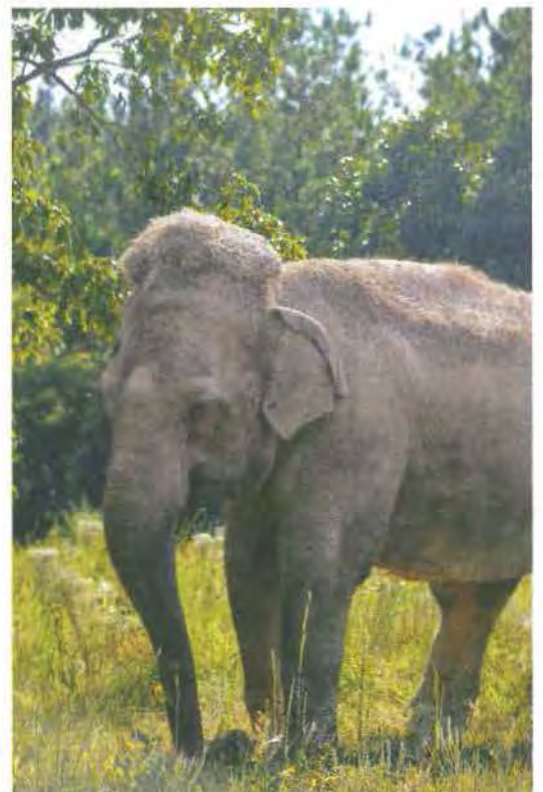
*Sissy*

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“As I walked nearer the fence line, it appeared Winkie was trying to ‘shoo’ a very persistent fly that kept landing on her head. Not satisfied with the results of the dirt throwing, Winkie picked up a small rock and lobbed it at her own head in the vicinity of the fly. After repeated tries, the rock landed on top of her head. Winkie then shook herself free of all the collected dirt and the rock fell from her head. Winkie picked it up and gently handed it to me through the fence. It was a nice little gift.”

*Kaitlin, Caregiver*

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*Winkie made her own hay hat!*

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# Have you HERD?

The Elephant Discovery Center in Downtown Hohenwald is making big plans! New exhibits planned to open in Fall 2016 will give visitors an unprecedented experience of all things elephant.

The Elephant Sanctuary is a true refuge for retired elephants. Their home and habitat are not open to the public. Instead, visitors are invited to learn about elephants through the Discovery Center's interactive exhibits and exciting programs.

The Elephant Sanctuary Welcome Center in Hohenwald has been operating since 2010. For the past five years, thousands of people have visited to see photo exhibits of the Girls, interact with our staff, and learn about The Sanctuary. It is time for the next big expansion. The Sanctuary is now ready to create a one-of-a-kind education destination that will attract visitors from around the globe.

The Sanctuary's Education Staff is excited to be working with Howard + Revis Design on this expansion. Howard + Revis designed the Elephant Rotunda at National Museum of Natural History and collaborated with the National Museum of the American Indian and several National Park Service sites.

"We are spending our fall thinking about elephants — how wondrous they are and how much they have to teach us," says Tracy Revis, Principal, Howard + Revis, "With the help of the TES Project Team, The Elephant Discovery Center is beginning to take shape



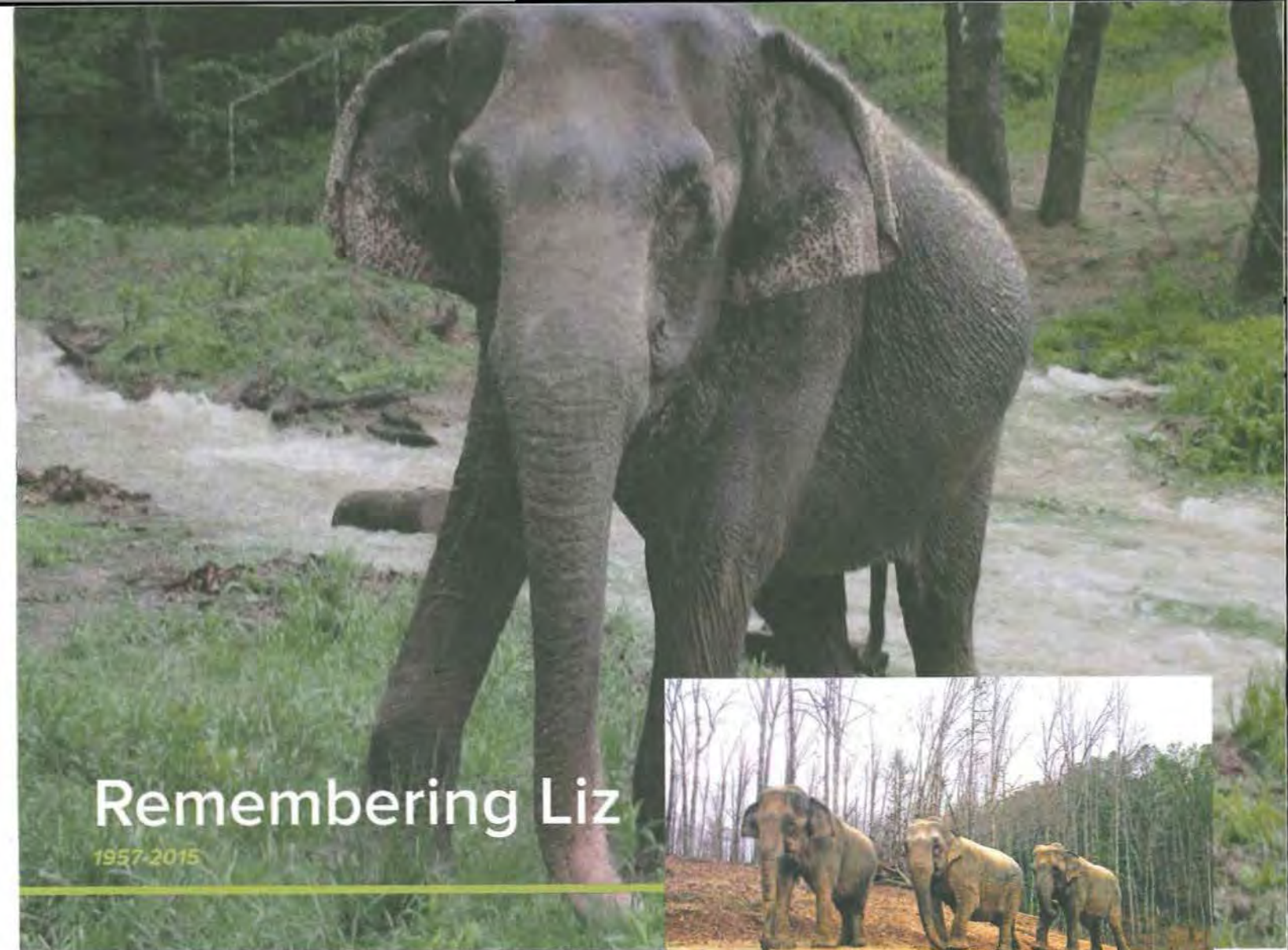
*Student activities at the Elephant Discovery Center*

and promises to be a big draw for the town and a hotspot for elephant enthusiasts everywhere."

Visitors will have the opportunity to experience a wide variety of interactive exhibits that will educate about elephant communication, the differences between elephant species, conservation efforts in the wild, and of course...the amazing life stories of the elephants that have called the Sanctuary home. An outdoor classroom as well as a 40 person theater will also serve as vehicles for education programming.

This time next year, The Elephant Discovery Center will be educating the public through an entirely new kind of "elephant experience." More updates will be available in future Trunklines and elephants.com





# Remembering Liz

1957-2015

## Liz's Story before Sanctuary

Liz was retired to The Sanctuary in 2006 at the age of 49. She arrived severely underweight, her trunk mostly paralyzed, and with chronic foot disease and exposure to tuberculosis. During her nine years in Sanctuary, Liz demonstrated a strong will to live her new found retirement to its fullest. She explored all areas of her new home and with free access to elephants she had known but not been close to, she formed lasting and strong bonds. Liz's sweet demeanor endeared her to both Sanctuary supporters and staff.



*Liz leading the way, with Billie and Frieda*

“Liz came to Sanctuary suffering from the ill effects of life in captivity; she was never healthy or robust, but she made the most of every day by exploring her habitat and surprising both her elephant companions and her Caregivers with her continuous vocalizations. She will be greatly missed”

Janice Zeitlin  
CEO



Little information is available regarding Liz's early years. In 1963 at the age of six, she began performing at Benson's Wild Animal Farm in New Hampshire. Liz was housed with two elephants, Queenie, who would come to Sanctuary with Liz in 2006, and Ruth, now living in the New Bedford Zoo in Massachusetts. Queenie and Liz continued to perform and give rides at the park until it closed in 1987. They were both then sold to the Hawthorn Corporation, a company in Illinois that trained and leased elephants for entertainment. They spent the next 19 years traveling with different circuses throughout the country.

When not traveling or performing, all the elephants owned by Hawthorn Corporation were kept chained in a row in a windowless barn. This herd had known exposure to tuberculosis. In 2003-06, as a result of the USDA prosecuting Hawthorn Corporation over multiple violations of the Animal Welfare Act involving inadequate care and mistreatment of elephants, eleven elephants from Hawthorn were retired to The Elephant Sanctuary in Tennessee.

## Liz's Life At The Sanctuary

At Sanctuary, Liz became very close with Frieda and Billie. Their very vocal "reunions" after even just the shortest amount of time apart were regular occurrences at The Quarantine Habitat. According to Caregivers, Liz was the "rumbliest" of all the Q elephants. Liz had her own series of unique vocalizations. She chirped and clucked her tongue when excited. Even with her trunk mostly paralyzed, Liz was able to feed, water, and bathe herself. When offered the water hose by Caregivers, Liz would use the mobile tip of her trunk to aim the stream of water upwards to her mouth, creating her own water fountain.

## August 18th, 2015

In late summer, Sanctuary Veterinary and Husbandry staff noted Liz losing interest in socializing with her companion elephants, eating less, displaying signs of intense pain and discomfort and declining health. She was moved into hospice care where she received treatment and was monitored closely. After a long history and progression of diseases associated with her life in captivity, Liz was humanely euthanized on the morning of Tuesday, August 18th. She passed calmly and peacefully in the company of those who cared for and loved her. She was 58 years old.



Liz

---

**"Lizzie was playful, smart, independent, and tough as nails."**

Justina  
*Q Barn & Habitat's Lead Caregiver*

---

**"Her fight to get the most out of her Sanctuary life was vast and enduring."**

Kelly  
*Elephant Care Manager*

---

**"Your heart was filled with joy, and you shared that joy with all who knew you. The sounds of your happy voice will always echo in my heart, and your memory will never fade away. Rest in peace lovely girl, dear friend."**

Leonard  
*Pennsylvania*

---

**We are very sad, but know the last years of her life were good ones thanks to the good works at the Sanctuary."**

Penny and Leo  
*New Hampshire*

---



## 2015 YEAR END APPEAL

# New Elephants Need New Ele-Fences You Can Give Them More To Explore

By now, you have received The Elephant Sanctuary's annual Year End Appeal letter describing the need to provide care for elephants in Sanctuary. Those needs have grown since the letter was mailed! First came Hadari and then Sukari and last was Rosie to arrive and join Flora and Tange in the Africa Habitat. The need to expand the open spaces and natural habitat for these beautiful elephants to explore is now more critical than ever.



*Sukari (L), Hadari and Rosie (R) in Sanctuary*



*Aerial photograph shows fencing (in yellow) and plan for expansion of 75 more acres (in green)*

*"The Elephant Sanctuary in Tennessee has set aside unrestricted financial operational reserves of five times its budgeted expenses to ensure the lifetime care and safe haven for an undetermined number of elephants. Elephants have an expected life span of 50 – 70 years and The Sanctuary is committed to providing food, shelter, veterinary care, medicine, caregivers, property maintenance and security. Along with the public's continuing support, these funds are needed to provide for the elephants currently in our care and for those that will come.*

### New Places to Roam

In The Sanctuary's Africa Habitat, 60 acres are currently fenced, with an additional 240 acres of woods and hills available. Our fencing expansion plan would create new areas for Flora, Tange, Rosie, Hadari and Sukari to roam, giving them new trees to knock down and new wildlife to chase. Because you responded so generously to the 2014 Year End Appeal ("Our Doors are Open") and the 2015 Summer Appeal ("Preparing for Those to Come"), Sanctuary was ready to welcome the three new elephants. Now we ask for your gift to enlarge their area of Sanctuary.

### COST

\$100 per linear foot; 6,000 feet of Ele-fencing cost approximately \$600,000.

### IMPACT

Exploring a more expansive habitat will help these elephants develop healthy and natural behaviors.

Fencing at the Africa Habitat is a top priority, yet there are urgent needs in other areas of The Sanctuary. For more information, please visit [elephants.com](http://elephants.com), *You Can Help/Appeal*. Please help expand Africa Habitat, secure the dam in Asia Habitat and ensure these elephants have a natural habitat for the rest of their lives!



# Supporter SPOTLIGHT

## Community Giving Day at Whole Foods

This year, our local Whole Foods Market chose to take action on World Elephant Day (Aug 12th) in a very big way, by partnering with us for a Community Giving Day and donating 5% of that day's net sales to The Elephant Sanctuary! EleAmbassadors and staff members attended stores in both Franklin and Nashville, TN, answering questions and introducing shoppers to the elephants via live-streaming Elocams. A hundred Trunklines were distributed; dozens of people enrolled for e-Trunklines, and \$11,708.85 was donated to The Elephant Sanctuary thanks to Whole Foods Market and their generous customers.

But wait, there's more! As part of World Elephant Day, 190 people "adopted" a Sanctuary elephant – 84% of whom were new donors – contributing \$12,205 toward their care. The Elephant Sanctuary is truly grateful for these amazing supporters and our local Whole Foods Markets for helping advance the mission of caring for elephants in need and raising awareness of the challenges faced by elephants everywhere.



Local Whole Foods Marketing & Community Relations Team Leaders Jennifer Anthony (left) and Dede Kearney (right) present a 5% Day check to Lee Levine, Development Manager of The Elephant Sanctuary



## Double your gift to the elephants with Employer Matching Gifts!

Are you among the hundreds of Sanctuary donors who double their impact through Employer Matching Gifts? Ask your employer's HR Department if they will match your charitable gifts, and send us a completed Matching Gift form along with your contribution. We'll handle the rest! If you've already donated this year, you can still send us the completed form, and we will verify it directly with your employer.



# ADOPT AN ELEPHANT



Sukari



Rosie

Since the last issue of Trunklines mailed, The Sanctuary has welcomed THREE new elephants (Hadari, Sukari, and Rosie). The Sanctuary now has 14 elephants in residence. By adopting one (or more) of these elephants, you become a partner in The Sanctuary's efforts to provide the gift of herd, home, rest, refuge, and individualized care for life.

*Please use the enclosed envelope/form to designate your gifts.*

## AT THE \$50 LEVEL, YOU RECEIVE

- 1 Certificate of "Adoption," with a photo and bio detailing the amazing story of your "adoptee"
- 2 Full membership (good for one year), which includes a subscription to Trunklines.

## International Outreach

*The Elephant Sanctuary in Tennessee works to increase understanding of and support for conservation efforts to protect elephants in the wild, and promote practices to improve the wellbeing of captive elephants around the globe.*

This summer Dr. Lydia Young, Sanctuary Associate Veterinarian, visited Dr. Khajohnpat Boonprasert, Head Veterinarian at the Southern Elephant Hospital, National Elephant Institute in Thailand. The Elephant Hospital provides veterinary care to more than 1,000 elephants, especially those retired from logging. Dr. Young noted a need for a new autoclave to be used for equipment sterilization. In September The Elephant Sanctuary provided funding for the purchase of an autoclave and special mats for elephants with severe foot problems.

"On behalf of the Southern Elephant Hospital, National Elephant Institute, Forest Industry Organization, we would like to thank The Elephant Sanctuary in Tennessee for our new equipment," writes Dr. Boonprasert, "These new supplies will be used for elephant treatment activities in the hospital."



Dr. Boonprasert



Ramba

In September, The Elephant Sanctuary awarded a \$25,000 grant to the Global Sanctuary for Elephants, a 501 (c)(3) organization, to support the development of Elephant Sanctuary Brazil. The Elephant Sanctuary partnered with GSE in 2014 to provide experienced staff and continued care and treatment of Ramba, a female Asian elephant and the last circus elephant in Chile. Sanctuary Brazil is planned as a safe haven for the rescue and long term care of elephants in South America, like Ramba, that are in dire need of shelter and care. For more information visit [globelephants.org](http://globelephants.org)



# Sanctuary Merchandise featuring the new arrivals!

Get all your elephants merchandise at [ELEPHANTS.COM](http://ELEPHANTS.COM), or place your orders using the enclosed form and envelope!

\$24.95



## HADARI T-SHIRT

SM, MED, LG, XL, XXL, XXXL

Hadari's image is featured on this Port & Company tee in the color peacock. This tee is unique and incredibly soft with a worn-in, vintage look. New logo on the back.

- unisex sizes
- 5.6-ounce
- 100% pigment-dyed ring spun cotton

\$24.95



## SUKARI T-SHIRT

SM, MED, LG, XL, XXL, XXXL

Port & Company tee in the color Dijon. Unisex sizes, 5.6 oz, 100% pigment dyed ring spun cotton. Logo on back.

\$24.95



## ROSIE T-SHIRT

SM, MED, LG, XL, XXL, XXXL

Ladies essential tee, cardinal red. Shorter through the body and sleeves for a more feminine fit. Logo on back. 6.1 oz, 100% soft spun cotton

\$39.95



## CHARCOAL HOODIE

SM, MED, LG, XL, XXL, XXXL

Check out the newest item in our Gift Shop! Made by Gildan, this heavy blend 8 oz hoodie is made of air jet yarn with a softer feel and reduced pilling.

\$24.95



## FIND YOUR HERD T-SHIRT

SM, MED, LG, XL, XXL, XXXL

This brand new t-shirt is unique and incredibly soft with a worn-in, vintage look. Imprint is rows of elephants in a new design made just for The Elephant Sanctuary. Find Your Herd today! Color: Safari Green

- 5.6-ounce
- unisex sizes
- 100% pigment-dyed ring spun cotton

\$12.95



## ORDER YOUR 2016 CALENDAR TODAY!

8 1/2 X 11 - Shirley & Misty on the cover. A day in Sanctuary for Shirley - Centerfold Hadari, 25th Resident is featured in January.

\$14.95



## ESSENTIAL TOTE

AVAILABLE IN 3 COLORS with New Sanctuary Logo Available in three colors! Gold/black, charcoal/black, natural/black

\$20.00



## HOLIDAY CARDS #10

Shrink wrapped box of 12 cards, four of each photo with envelopes. Cover: Season's Greetings Inside: Peace to all creatures great and small.





# THE ELEPHANT SANCTUARY

IN TENNESSEE

Celebrating 20 Years

P. O. BOX 393  
HOHENWALD, TN 38462

Connect with us online at [Elephants.com](http://Elephants.com)

Stay current on Sanctuary news and support the wellbeing of captive elephants through your favorite social networks. You can also sign up to receive our *free* monthly e-newsletter, *eTrunklines*, which includes information on special events, merchandise and new posts to our blog, *Elenotes*.



## Awards and Recognition

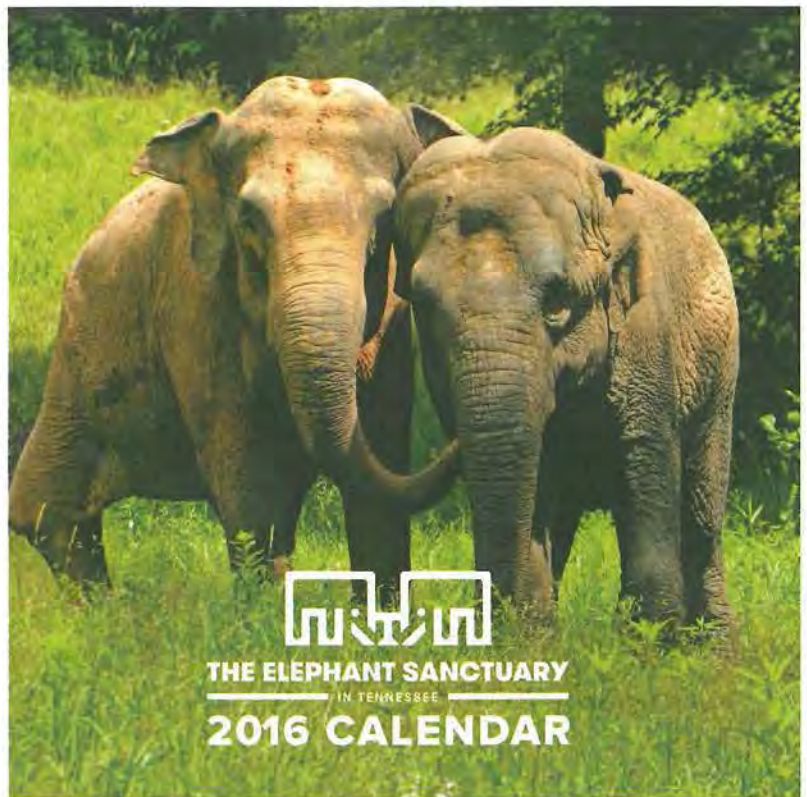
Our strong performance as an animal - welfare/ wildlife - conservation nonprofit is recognized by reputable charity monitoring groups.



[give.org](http://give.org)



Order your 2016 calendar today!



8 1/2 X 11 - Shirley & Misty on the cover. A day in Sanctuary for Shirley - Centerfold and Hadari, 25th Resident is featured in January.

**ORDER ONLINE AT [ELEPHANTS.COM](http://ELEPHANTS.COM) TODAY!**



The Elephant Sanctuary in Tennessee is proudly accredited by the Global Federation of Animal Sanctuaries.



**METRO COUNCIL MEETING**  
Meeting Minutes  
December 10, 2015  
Metro Regional Center, Council Chamber

Councilors Present: Council President Tom Hughes, and Councilors Carlotta Collette, Kathryn Harrington, Shirley Craddick, Sam Chase, Craig Dirksen, and Bob Stacey

Councilors Excused: None

Council President Tom Hughes called the regular council meeting to order at 2:03 p.m.

**1. CITIZEN COMMUNICATIONS**

There was none.

**2. SPECIAL PRESENTATION: STAFFORD G.E.A.R.S. (GIRLS ENGINEERING AND ROBOTICS SUPERSTARS) TEAM**

Council President Hughes introduced Councilor Harrington to introduce the Stafford G.E.A.R.S. Team. Councilor Harrington provided a brief background on the team, noting that they are a group of 5<sup>th</sup> Grade girls, learning how to build and program robots and how to come up with innovative solutions or inventions with the theme of handling trash. Councilor Harrington introduced Coach Brian LeBlanc, Katelyn LeBlanc, Melinda Lin, Lily Pruzek, Anika Sukumar, and Cynthia Yang. The team presented a PowerPoint presentation on the program and their project, explaining that in Oregon alone there are 455 teams with over 3,000 kids participating this year and that the teams compete in a regional qualifying tournament with the top 120 teams advancing to State tournaments. They added that in addition to programming robots, a large part of the competition is to come up with an innovative solution to a real world program, with this year's theme being "trash trek". The team presented their solution to the question "how can we reduce the amount of Styrofoam that ends up in the landfills?" and showed a short video of their innovative solution called "Enviro Styro System". They noted that their system, which could be created for households, businesses, or schools, could be made out of easily available products for only about \$30 (for the household size) and would turn a block of Styrofoam into a useable glue.

***Council Discussion***

Councilors congratulated the team on their hard work, innovative idea, and success at this point in their competitions. In response to councilor inquiry, the team discussed how they created the product, noting previous trials and interviews with experts to find potential solutions for breaking down Styrofoam. The team also responded to questions about their blog and an app that they've designed (but not yet created), providing their website address ([www.staffordgears.blogspot.com](http://www.staffordgears.blogspot.com)) for more details and for a link to their video. Councilors thanked the team again, noting how impressed they all were with their project and requesting that they come back again.

### **3. NATURE IN NEIGHBORHOODS GRANT PROGRAM AUDIT PRESENTATION**

Council President Hughes introduced Metro Auditor, Brian Evans, to provide a presentation on the results of the Nature In Neighborhoods Grant Program audit. Auditor Evans provided a brief background on the audit, noting the primary objectives of the audit were to determine if there are processes in place to make sure that Metro got what it paid for in the grants and second, to determine if the program had an effective way to measure performance. Auditor Evans added that while the program has elements of grant management best practices, the audit found improvements could be made in the following areas:

- Program assessment,
- Performance measures/comment evaluation framework, and
- Grant monitoring.

The auditor stated that a formal follow-up to this audit will be scheduled within two years and thanked all of the management and staff who assisted in completing the audit, as well as acknowledging two of his staff members as this was their first audit at Metro.

Council President Hughes called on Ms. Kathleen Brennan-Hunter, Parks and Nature Director, to provide the Management Response to the audit. Ms. Brennan-Hunter thanked Auditor Evans and his staff for the significant time that they committed to getting to know the program, attending review meetings, and really looking at how programs can operate more efficiently. She noted that she was pleased to see that the audit confirmed that the program's best practices for grant management and administration were in place, and that these are ensuring that the grants are delivering the outcomes that they said they would deliver and are consistent with the purposes identified by the Metro Council. She added that the recommendations from the audit about how to strengthen and improve the performance measurement systems and efficiency of the grant monitoring were very welcome and appreciated, and that staff would be following up on those in the coming year.

#### ***Council Discussion***

Councilors thanked both the Auditor and his staff for a very well done audit, as well as Ms. Brennan-Hunter and her staff for an already wonderful program, which can strengthen the great work that is currently being done. They agreed with Ms. Brennan-Hunter that the recommendations were very appropriate and would really help staff work more efficiently as well as ensure that the funds are used as efficiently and effectively as possible. Councilors also thanked the Auditor for calling attention to the importance of following up and going back to review whether we've gotten what we thought we were going to get, ensuring that the money is being spent and doing what it was supposed to do.

### **4. EXTERNAL FINANCIAL AUDIT PRESENTATION**

Council President Hughes introduced Metro Auditor, Brian Evans, to provide a brief background of the external audit. Auditor Evans stated that Oregon law requires an annual audit of Metro's financial statements and that the Office of the Auditor administers the content for the audit, while Metro contracts out to Moss Adams to do the audit and will be providing the results today. Auditor Evans introduced Mr. Jim Lanzarotta, Mr. Brad Smith, and Ms. Ashley Osten, to provide their presentation. Mr. Smith gave an overview of the audit, explaining the nature of the services provided as well as deliverables, the results of the audit and their opinions associated with these results, as well as detailed results of the testing that was performed. Mr. Smith discussed the



services provided: an audit of Metro’s financial statements, a compliance audit of federal programs, a compliance audit under the Minimum Standards for Audits of Municipal Corporations, as prescribed by the Oregon Secretary of State, and finally communicating the results with the audit community, Metro management and the Metro Council. Mr. Smith explained that the audits had no reportable findings and no instances of non-compliance. Ms. Osten offered several minor recommendations, also given to Metro management, primarily around best practices that Moss Adams recommended be implemented. The auditors thanked Mr. Tim Collier, Metro’s Director of Finance and Regulatory Services, and his staff, and Auditor Evans along with his staff for helping with the audit process.

***Council Discussion***

Councilors asked a few clarifying questions about the process in place to follow up on the Moss Adams recommendations, to which Mr. Lanzarotta clarified what is required of them as part of their contract and when they follow up, in addition to follow up done by Metro’s Audit Committee. Councilors thanked the auditors from Moss Adams for their audit and very thorough job.

Council President Hughes called on Mr. Tim Collier, Director of Finance and Regulatory Services, for the Management Response. Mr. Collier provided a copy of the Popular Annual Financial Report for the fiscal year ending June 30, 2015, noting a few highlights for the Council relating to the audit and that the shortened version is online as well as the full detailed report. He also thanked his staff, specifically a special thanks to Mr. Don Cox, as this is his last audit after 34 years.

**5. CONSENT AGENDA**

Motion:	Councilor Bob Stacey moved to adopt the items on the consent agenda.
Second:	Councilor Carlotta Collette seconded the motion.

Vote:	Council President Hughes, and Councilors Harrington, Craddick, Collette, Dirksen, Stacey, and Chase voted in support of the motion. The vote was 7 ayes, the motion <u>passed</u> .
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**6. RESOLUTIONS**

**6.1 Resolution No. 15-4668, For the Purpose of Metro Council’s Acceptance of the Results of the Independent Audit for Financial Activity During Fiscal Year Ending June 30, 2015**

Council President Hughes noted that this resolution didn’t need a staff report since the Council had just heard the external audit presentation, so he called for a motion.

Motion:	Councilor Sam Chase moved to approve Resolution 15-4668.
Second:	Councilor Shirley Craddick seconded the motion.

***Council discussion:***

There was none.

Vote:

Council President Hughes, and Councilors Chase, Collette, Craddick, Dirksen, Stacey, and Harrington voted in support of the motion. The vote was 7 ayes, the motion <u>passed</u> .
---

6.2 **Resolution No. 15-4651**, For the Purpose of Council Approving the Killin Wetlands Access Plan

Motion:	Councilor Kathryn Harrington moved to approve Resolution 15-4651.
Second:	Councilor Carlotta Collette seconded the motion.

Council President Hughes introduced Metro staff, Ms. Lisa Goorjian and Ms. Alex Perove, to provide a brief presentation. Ms. Goorjian and Ms. Perove presented the Killin Wetlands Access Master Plan, noting that it is the first of the access master plans funded by the levy that has come to Council for adoption. Ms. Perove presented a short PowerPoint presentation on the overview of the area as it is currently, the future plan as well as the process, including public outreach, open houses, and public comment during the design process. She noted that public access to the park is expected to be in 2017.

***Council discussion:***

Councilors noted what a great project this is and how fortunate Metro is to have support of the voters in the region to be able to this kind of work, protect the wetlands and at the same time, provide public access to it. They thanked staff for their hard work, the beautiful design (including a thank you for keeping the iconic barn on the property), and a very good public process as part of all of it.

Vote:

Council President Hughes, and Councilors Chase, Collette, Craddick, Dirksen, Stacey, and Harrington voted in support of the motion. The vote was 7 ayes, the motion <u>passed</u> .
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7. **CHIEF OPERATING OFFICER COMMUNICATION**

Mr. Tim Collier provided an update on the following events or items: Nature In Neighborhood grant application is now available online, Green Festival at the Oregon Convention Center from December 11-13<sup>th</sup>, and the Parks and Nature System Plan draft is complete and available online.

8. **COUNCILOR COMMUNICATION**

Councilors provided updates on the following meetings or events: follow up on the Cully Park Celebration event on December 5<sup>th</sup>, Metro Central Enhancement Committee grants have been awarded, Region 1 ACT meeting on December 7<sup>th</sup>, update from the JPACT meeting (earlier on December 10<sup>th</sup>), upcoming Transportation Policy Group meeting in Salem on December 11<sup>th</sup>, Connect Oregon 6, MPAC meeting update from December 9<sup>th</sup>, last open house on Newell Creek Canyon will be tonight (December 10<sup>th</sup>), update on Willamette Falls Area meeting presentation to Multnomah County, Oregon Zoo Director candidate interviews, Outer Powell Decision Committee meeting earlier today (December 10<sup>th</sup>), update on Washington County Citizen Involvement awards presentation on December 15<sup>th</sup>, and upcoming Portland delegation (led by Council President Hughes) to Malaysia in January 2016.

**9. ADJOURN**

There being no further business, Council President Hughes adjourned the regular meeting at 3:52 p.m. The Metro Council will convene the next regular council meeting on Thursday, December 17, 2015 at 2 p.m. at the Metro Regional Center in the council chamber.

Respectfully submitted,

A handwritten signature in cursive script that reads "Alexandra Eldridge".

Alexandra Eldridge  
Regional Engagement and Legislative Coordinator

**ATTACHMENTS TO THE PUBLIC RECORD FOR THE MEETING OF DEC. 10, 2015**

<b>Item</b>	<b>Topic</b>	<b>Doc. Date</b>	<b>Document Description</b>	<b>Doc. Number</b>
3.0	Handout	12/01/2015	Nature in Neighborhoods Grants: A Report by the Office of the Auditor	121015c-01
4.0	Handout	12/10/2015	Metro Council Presentation Fiscal Year 2015 Audit by Moss Adams	121015c-02
4.0	Handout	12/10/2015	Metro Popular Annual Financial Report	121015c-03
5.0	Minutes	12/03/2015	Council Meeting Minutes from December 3, 2015	121015c-04
8.0	Handout	12/08/2015	Memo from Councilor Sam Chase on Metro Central Enhancement Committee 2016 Grant Awards	121015c-05



Date: January 14, 2016  
To: Metro Council  
From: Roger Alfred, Office of Metro Attorney  
Subject: Submittal of Evidence for Metro Council Hearing on Stafford Urban Reserves

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The following materials are being submitted by Metro staff into the evidentiary record as part of the Metro Council's consideration of Ordinance No. 16-1368, regarding Metro's response to the remand from the Oregon Court of Appeals and LCDC regarding the designation of urban reserves in the Stafford area. These documents provide evidentiary support for the proposition that the Stafford area can be urbanized and public facilities and services can be cost-effectively provided.

- Correspondence from Glen Bolen of Otak dated January 12, 2016 regarding potential methods for financing public infrastructure, with attachments.
- Correspondence from Don Hanson of Otak dated January 12, 2016 responding to claims that the Stafford area is too steep to be developed.
- Memorandum from Herb Koss dated January 12, 2016 regarding potential methods for funding new infrastructure for development in the Stafford area.
- Conceptual development plan for Stafford titled "Clackamas County's Next Great Neighborhood," prepared by Otak in October 2015.
- Presentation titled "Scenario Concepts and Evaluation for the Stafford Basin Urban Reserve Area," prepared by John Fregonese in October 2015.
- Materials prepared by Borland Neighborhood Association dated April 19, 2011 titled "Borland: Clackamas County's 21<sup>st</sup> Century Mixed-Use Urban Center."
- Conceptual development plan for Stafford presented to Oregon Economic Revitalization Team dated October 29, 2003 titled "Stafford Complete Communities, Employment District."
- Wilson Creek Conceptual Framework Plan, 2004.
- Final Report Prepared for the City of Tualatin by ECONorthwest and Otak regarding Fiscal Impact Analysis for Urban Reserve Area 34 dated November 2000.
- Proposed Concept Plan for Rosemont Village dated July 21, 1998.



Hanmi Global Partner

808 sw third avenue, suite 300 | portland, oregon 97204  
503.287.6825 | fax 503.415.2304  
www.otak.com

January 12, 2016

Roger Alfred  
Metro  
600 NE Grand Avenue  
Portland, OR 97232-2736

Via email: roger.alfred@oregonmetro.gov

**Re: *Stafford Basin Urban Reserve Area—Otak Project No. 17675***

Dear Mr. Alfred:

Some have recently made statements regarding the cost of transportation infrastructure and potential financial burden, in attempt to dissuade Metro from affirming its decision to designate the Stafford Basin area as an Urban Reserve.

Otak has worked for decades developing communities and neighborhoods across the Metro region. During those years we have been both witness and party to the creation of successful funding models for the region's growing areas. These models have been celebrated for enabling Metro's cities and counties to develop in accordance with their comprehensive plans, while protecting the public from financial risk.

I have included below, links to three successful examples from growing communities within the Metro region where the public and private sectors have come together to ensure that quality transportation and other infrastructure can be developed in advance of or concurrent with development, without burden to public finances. In each of these examples, there are a few common threads: costs are shared among the public and private sectors; investments are incremental, providing needed infrastructure prior to development at the appropriate scale and time; and they all rely on a pay as you go system. Similar to the examples below, development of transportation infrastructure for the Stafford Basin would not be front-loaded by any one entity. It would be developed incrementally, relying on investment from the region's entrepreneurs as the area grows to provide new housing opportunities for this close-in location.

The three examples at the links below demonstrate successful models celebrated by their jurisdictions, developers, and the residents that are calling these areas home.

**North Bethany, Washington County**

<http://www.co.washington.or.us/LUT/PlanningProjects/Bethany/Funding/index.cfm>

**River Terrace, Tigard**

<http://riverterracetigard.com/wp-content/uploads/2014/12/Adopted-Funding-Strategy-with-Resolution.pdf>

**Bonny Slope West, Washington County**

<http://www.co.washington.or.us/LUT/PlanningProjects/Area93/infrastructure-funding-plan.cfm>

**Funding Sources**

Some of the most commonly utilized funding options are shown below:

**System Development Charge:** The purpose of a System Development Charge (SCD) is to charge development within the affected area for certain improvements, commonly transportation capital improvements. An SDC works similar to the Transportation Development Tax (TDT). According to ORS 223.297- 223.314, an SDC can include an improvement fee, reimbursement fee or a combination thereof. These charges may only be used for capital improvements and would be paid by the developer at the time of increased usage of a capital improvement or at the time a building permit is required.

**Transportation Development Tax:** A Transportation Development Tax (TDT) was approved by Washington County voters on November 4, 2008 (Measure No. 34-164) and went into effect on July 1, 2009. The TDT replaces the Traffic Impact Fee (TIF). This tax, which is not a property tax, is levied countywide in all cities. All revenue from this tax dedicated to transportation capital improvements is designed to accommodate growth. Eligible projects are major roads, including sidewalks and bike lanes, as well as transit capital projects (such as bus shelters). The TDT is collected prior to the issuance of a building permit. This tax may be paid over time or in certain cases, deferred until occupancy. Credit toward the TDT may also be approved for constructing eligible transportation improvements. More information may be found at <http://www.co.washington.or.us/LUT/Divisions/LongRangePlanning/PlanningPrograms/TransportationPlanning/transportation-development-tax.cfm>

**Local Improvement Districts:** Oregon statute gives cities authority to establish Local Improvement Districts (LID) and collect special assessments on the developed property to pay for capital improvements that benefit multiple tenants or land owners. LIDs are payable in annual installments. This type of assessment can provide the city a consistent level of revenue generation early in the development process.

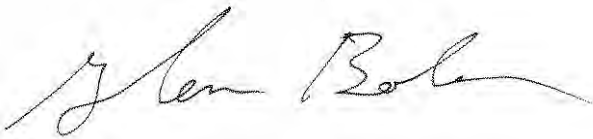
**Reimbursement Districts:** Cities can negotiate public/private advance financing arrangements with developers where the developer agrees to front capital improvements. The developer is partially reimbursed as new land use development approvals are granted in the affected area.

**Special Taxing Districts:** Special districts with taxing authority may be formed by voters within the district for specific purposes, such as providing sanitary service, water improvements, or surface water control. (City of Tigard, River Terrace Funding Strategy, FCS Group December 2014)

We appreciate the opportunity to add to the discussion. If you have any questions, please give me a call at 503-415-2375.

Sincerely,

Otak, Incorporated

A handwritten signature in black ink that reads "Glen Bolen". The signature is fluid and cursive, with a long horizontal stroke at the end.

Glen Bolen AICP  
Senior Planner

GB:sj

cc: Herb Koss, Koss Real Estate & Development Co.  
Don Hanson, Principal, Otak, Inc.





Hanmi Global Partner

808 sw third avenue, suite 300 | portland, oregon 97204  
503.287.6825 | fax 503.415.2304  
www.otak.com

January 12, 2016

Roger Alfred  
Metro  
600 NE Grand Avenue  
Portland, OR 97232-2736

Via email: roger.alfred@oregonmetro.gov

**Re: *Stafford Triangle Slope Condition — Otak Project No. 17675***

Dear Mr. Alfred:

The Forest Heights project is a 600 acre PUD located in the northwest hills of Portland, Oregon. Otak Incorporated (Otak) designed and implemented the project over an 8-year period. Three hundred (300) acres were developed at R10 zoned density with some density transferred from the 300 acres of open space. The project included an elementary school, mixed-use development, multi-family, townhome, and single-family development. The open space areas included drainage preserves, ponds, parks, and natural areas, also severe slope areas. The elevation change from low point to high point is 1000 feet onsite. Much of this development and its supporting infrastructure were built on slopes that exceed the slope conditions in the Stafford triangle. In fact the Stafford area is much easier geography to develop, especially given the Stafford Landowners Association (SLOA) concept development.

We appreciate this opportunity to add to the discussion. If you have any questions, please give me a call on my direct line at (503) 415-2317.

Sincerely,  
Otak, Incorporated

A handwritten signature in black ink, appearing to read "Don Hanson". The signature is fluid and cursive, with a prominent initial "D" and "H".

Don Hanson  
Principal

DH:sj  
cc: Herb Koss, Koss Real Estate & Development Co.  
Glen Bolen, Otak Inc.

1/12/16

Memo To: Roger Alfred Metro Staff Attorney

From: Herb Koss - Formerly President of Koss Brod Goodrich & Associates, Inc. the lead developer in the Tanner Basin Located in West Linn, Oregon and the current chair of the Stafford Land Owners Association (SLOA)

Subject: System Development Charges as a tool for Infrastructure Funding in the Stafford Triangle

Our company Koss Brod Goodrich and Associates, Inc was the lead developer in a development in West Linn --- Cascade Summit. Cascade Summit was a 130 acre PUD, which was the first development approved in an area of West Linn called the Tanner Basin. At the time that Cascade Summit was submitted for land use approval, the City of West Linn realized that the Tanner Basin was an economic plum for the city especially if the city could get development to pay for the infrastructure and capture the value of a developed project including the houses built within the project.

In order to maximize the tax base, West Linn was the first city in Oregon to use delayed annexation as a tool. By delaying the effective date of the annexation West Linn captured the entire value of the improved lot and constructed house. This was a huge tax base increase for West Linn and for that matter, Clackamas County. It is now my understanding that the tax laws have been modified, but at the time Tanner Basin was developed the delayed annexation vehicle was used and very effectively.

West Linn required private development pay for the needed infrastructure. Since the city did not have sufficient funds to front needed improvements, the city developed a list of needed capital improvements, which included streets, sewer, water, storm, trails and parks / open space. If any improvement needed for a developers project was listed on the capital improvement list the expense was eligible for the developer to receive System Development Credits in lieu of the cash that the city did not have. SDC certificates were given to the developer for performing work that was on the capital improvement list.

As previously mentioned Koss Brod Goodrich & Associates was the lead developer in the Tanner Basin – The development was named Cascade Summit. Cascade Summit is where the present City Hall in West Linn is located. The project consisted of approximately 130 acres of land that had been purchased from about twelve land sellers. Many of the land owners had been unable to sell their land until West Linn came up with the delayed annexation program and assisted in a plan that would allow for development to pay for the infrastructure and be reimbursed for these costs via the issuance of SDC's.

Koss Brod Goodrich & Associates and other developers in the Tanner Basin provided the necessary funding for all of the arterials, improvements to existing roads, bike and pedestrian trails, sewer and water lines, storm systems including detention facilities, open space, etc. Developers were only reimbursed for improvements outside of their development. Many people think that developers are paid back for internal work in their projects, but as you are aware this is not true. The only SDC's a developer normally received within their project is the upsizing of water and sewer lines needed for future development.

Another example of infrastructure funding by developers is the following example. Koss Brod Goodrich sold a multifamily site to a developer from Denver Colorado -- Simpson Housing, who used the State of Michigan's pension money for funding their developments. The transaction closed on a Weds after two months of Due Diligence work and on Thurs AM I received a call from the city engineer letting me know that the city had erred and did not believe they could supply water to the newly acquired multifamily site without building a new Pumping station. The engineer asked if I thought this would be a problem. I said of course it would and the city would probably be sued unless we could meet and come up with a plan to avoid a moratorium and costly litigation. The Buyer – Simpson Housing, the city and I met with about four other developers and to make a long story short the group including Simpson Housing funded the \$1.6 million dollar Bolton Pump Station Improvement. The participants were given SDC's for the work performed and the SDC's could be used in the permit process.

At this point in order to clarify the Permit and SDC process it may be helpful to explain the permit process and how the SDC's provided to the developers who made infrastructure improvements interface. The only way that a developer could get their money back from the SDC's that were issued was to have the builders buy the SDC's from the developer or the developer would watch the list of building permits that were in the process of plan checking and review and contact those applicants and have them buy the SDC from them vs paying the city. In the case where Koss Brod Goodrich & Associates developed a new subdivision we made it a requirement that if we had SDC's in our inventory the lot buyer had to buy the SDC from our company. If we had more SDC's from making capital improvements in our inventory then the project could use the only way we could get our money was to contact the building permit applicant and offer them a discount to buy the SDC from our company or pay the city full price. The discount for the applicant, if bought from our company was around 25% in most cases. At this point in time all of the SDC's that our company had received were sold with the exception of some Storm SDC's, which over time will be sold.

**I firmly believe that System Development Revenue Bonds can be the key component of infrastructure funding in the Stafford Area.** The basics of the program would be that any land seller must purchase with a portion of the land sale proceeds SDC revenue bonds. As an example if a seller sold their land for \$3,000,000 that seller would have to buy \$600,000 (20%) in revenue bonds. I believe this program would work well within the Stafford basin. Every land owner that I have spoken too about this idea has no problem with it. The reason is without a program to fund infrastructure their land is not work near as much as having a plan in place to fund infrastructure.

Some months back the Stafford Land Owners Association (SLOA) retained the services of John Fregonese and Associates to come up with what we called a compromise for the Stafford area. Only five neighborhoods within Stafford would be developed and the other neighborhoods left as is because of the lack of development interest or challenging topography. I realize that Metro may not want to separate Stafford being all designated an Urban Reserve, however Metro has the ability to only bring in parts of Stafford into the UGB once Stafford is designated an Urban Reserve. With this fact in mind I felt that Stafford had to include enough land for development in order for development to pay for itself only if 1050 acres were developed.

The following is financial summary of the SDC revenue resulting in only 1050 acres being developed. For the purpose of this analysis I have not converted Commercial development into EDU's. The net development per acre used is 10.5 per net developable acre. The actual number of housing units will be greatly reduced since the Borland area has been designated as a town center and not doubt will be developed into another Kruse Way type project. It should be noted that with the commercial development especially in the Borland area the SDC revenue may exceed the financial goals projected in the financial summary.

Financial Summary:

1050 acres of land developed at 10.5 units per acre = 11,025 EDU's

**I have estimated an SDC cost per EDU at \$45,000 and this results in revenue totaling \$496,125,000.**

Assuming a Traffic SDC of \$8500.00 per EDU that equates to Revenue of **\$93,712,000** for traffic alone.

The facts are Stafford will be developed over a period of many years. Not all improvements need to be made before development occurs and the SDC revenue will self-fund the needed infrastructure. In addition to SDC revenue the connection fees for Sewer and Water will assist in funding the Sewer and Water infrastructure. Rate payers cover the costs of maintain sewer and water services. Property tax revenue and property taxes collected from Farm and Forest Deferrals are also a major source of revenue from the Stafford Basin and this revenue could be used to assist in infrastructure development.


**Koss Brod Goodrich & Associates proved that development within the Tanner Basin could be accomplished without public funding.** Development occurred without any public money. I am suggesting that the concept suggested in this memo – SDC Revenue Bond Financing funded by land sellers acquiring SDC revenue bonds be utilized in Stafford. Developer funded infrastructure would be another means of building the infrastructure, which was used extensively in the Tanner Basin of West Linn. The suggested concept of land sellers being required to purchase SDC revenue bonds is a concept that has been accepted by the major land owners in Stafford. The developer funded infrastructure worked well in West Linn and the concept of land sellers assisting by buying SDC revenue bonds is just another vehicle to build infrastructure without public funding.

Stafford represents a prime location for both employment land and the supportive housing. The Stafford area has been called the Crown Jewel of Clackamas County. It represents the Three LLL's of real estate – Location Location Location. Excellent schools districts and many service provider options. The location being next to I 205, near I 5 and less than 30 minutes to the Portland Airport makes Stafford a very prime location.

**In calculating the revenue shown in this memo, which projects almost a half billion dollars is a very impressive number and therefore challenges those who maintain that Stafford cannot pay for itself.** The study that was done for the city of Tualatin confirms the fact that Stafford can and will pay for itself.

Roger I would be happy to meet with you if you have any questions. Please either call or email me at 503 703 2431 or email me at [herb@kossred.com](mailto:herb@kossred.com)

Sincerely

  
Herb Koss – Chair of the SLOA and past President of Koss Brod Goodrich & Associates, Inc.



*Clackamas County's  
Next Great Neighborhood*



# Statement of Intent

Many people are worried about the Stafford Triangle. Residents worry about changes to their beautiful and tranquil surroundings. Farmers worry about how to plan for their livelihoods and don't know if their farms will become future neighborhoods or if they should invest in their land. Others worry about whether the streams and forested areas will be there for future generations. Meanwhile, traffic is increasing and bringing congestion.

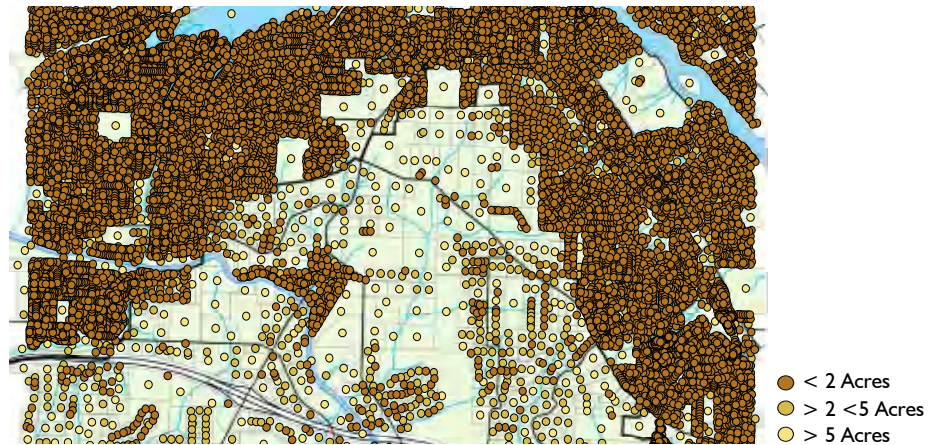
It is time for a regional discussion about the future of the Stafford Triangle. The Stafford Land Owners Association shares a vision for the area that:

- Is centered on environmental stewardship with a fabulous Greenbelt and protection of streams and steep sloped areas
- Preserves rural character for existing residential areas
- Creates a gradual transition from homes inside the UGB
- Focuses jobs and housing density near I-205

Our vision will help set a course for local and regional dialogue about long-term desires and near-term needs. The Stafford Triangle strikes a unique balance between the city and the country, and our plan fosters the best of both worlds. We know we should not be in Rural Reserve. However, when we are designated Urban Reserve, our status on the map is only the first step to developing a plan that builds upon the area's values and provides opportunities for its landowners.

## Background

Our basin, roughly 4,000 acres in size, is home to just over 2,200 people, more than many of Oregon's towns. We are blessed with beautiful rolling terrain, healthy wildlife corridors, and a little room to breathe. The mix of farm lands and rural homesites, connected by quiet winding roads, defines our special place.



*The basin already contains neighborhoods and commercial areas, but also has room to grow. Map of existing conditions and current lot pattern.*

As the region has grown, our location and easy access to I-205 have drawn attention. There was an attempt to bring land into the UGB in the Mid 1990s, but, state law at the time determined that soil quality for farming trumped other factors such as proximity to roads, sewer, water, etc. The Region's Urban Reserve decision was rejected partially because of the inclusion of the Stafford area and other farm-zoned lands, despite their readiness for urbanization.

In 2010, under new rules that allowed the region to consider these important factors, Metro designated the area an Urban Reserve. Urban Reserves are a crucial part of the land supply, and they are the first places considered when it's time to expand the UGB. Metro's decision was rejected as well, but through action of the state legislature, several similar areas with farm zoning in Washington County were added to the reserves or the UGB itself.

At present, South Hillsboro and other Washington County sites that were part of the decision are currently poised for development as a result of decisions made under the newer rules. Clackamas County and its cities are still working on solutions for the growing places within the County.

# Proposed Solution

## Natural Areas - streams, slopes, habitat

Roughly half of the area's 4,000 acres support the natural ecosystem and the scenic beauty of the area.

This 'greeninfrastructure' forms much of the framework of the Stafford Vision. The Tualatin River and the many tributaries are highlighted as places for preservation. Shaded streams in natural settings support water quality, fish, and other animals. The woodland habitat areas are home to birds, small mammals, and deer, providing needed refuge near city life. Natural areas can, in the right setting, also provide recreation opportunities, from paddling on the Tualatin River to walking along a river to river trail or nature paths for viewing wildlife.

## Rural Character

The rural character we treasure comes from the mix of homes, farms, and livestock in our scenic environment. People in existing rural neighborhoods will retain their small acreages, enjoying their rural setting and privacy. Some larger lots may have room for another house, but in general no significant changes will occur.

## Urban Edge Transition

Stafford is bounded near the top of the ridge by urban neighborhoods, overlooking the basin and beyond. Nobody wants to see new large groups of houses, side by side like marching soldiers moving down from those ridgetops. Existing rural neighborhoods near the boundary should stay as they are, loved by their owners, and providing a visual transition from the urban neighborhoods above. Areas next to the boundary with larger vacant properties would be great places for executive homes. These low-density neighborhoods, spaced farther apart than typical city-style homes, will provide a transition for the rural neighborhoods and valuable open spaces. There will also be glorious views of the countryside, a rare commodity in our increasingly developed region.

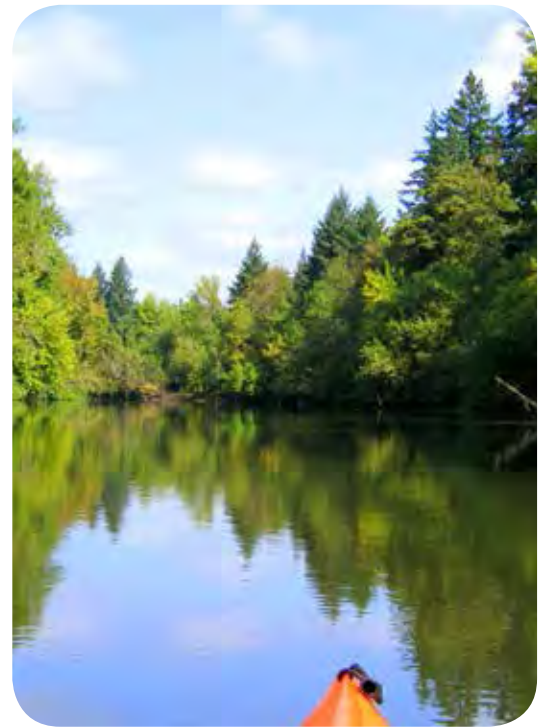
## Walkable Neighborhoods

South of Luscher Farm along Stafford and Johnson Roads lays an area with generally larger lots that is generally separated from existing rural development. This area can be home to a quality neighborhood with a variety of housing types, from mid-sized single-family homes to townhomes. These types of neighborhoods will be attractive to a wide range of people from young professionals and families to empty-nesters. This area will:

- Feature attractive streets, connected sidewalks and accessible parks for all
- Focus jobs and housing density near I-205

Lands closer to I-205 can provide room for needed jobs and higher density housing such as apartments or condos. The Stafford / Borland intersection could be home to a mix of shops, offices, and apartments. These developments will also help enhance the tax base that helps to fund roads, parks, and other needed improvements.

These are some of the flattest and most easily developed properties, and have great access to the freeway and Borland Road. These areas can be reached easily by car and could have enough activity to attract buses to transit stations at Oregon City and Tualatin. Separated from existing homes, concentrating development in this area will not threaten the livability of the basin's more rural neighborhoods.


















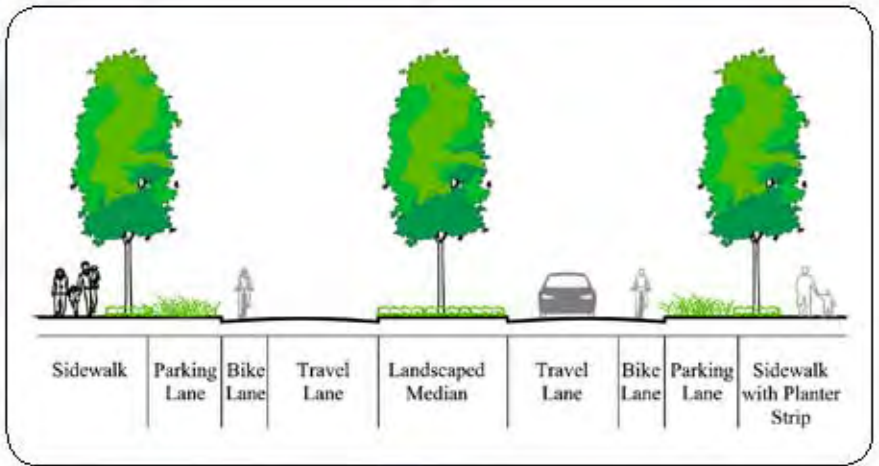
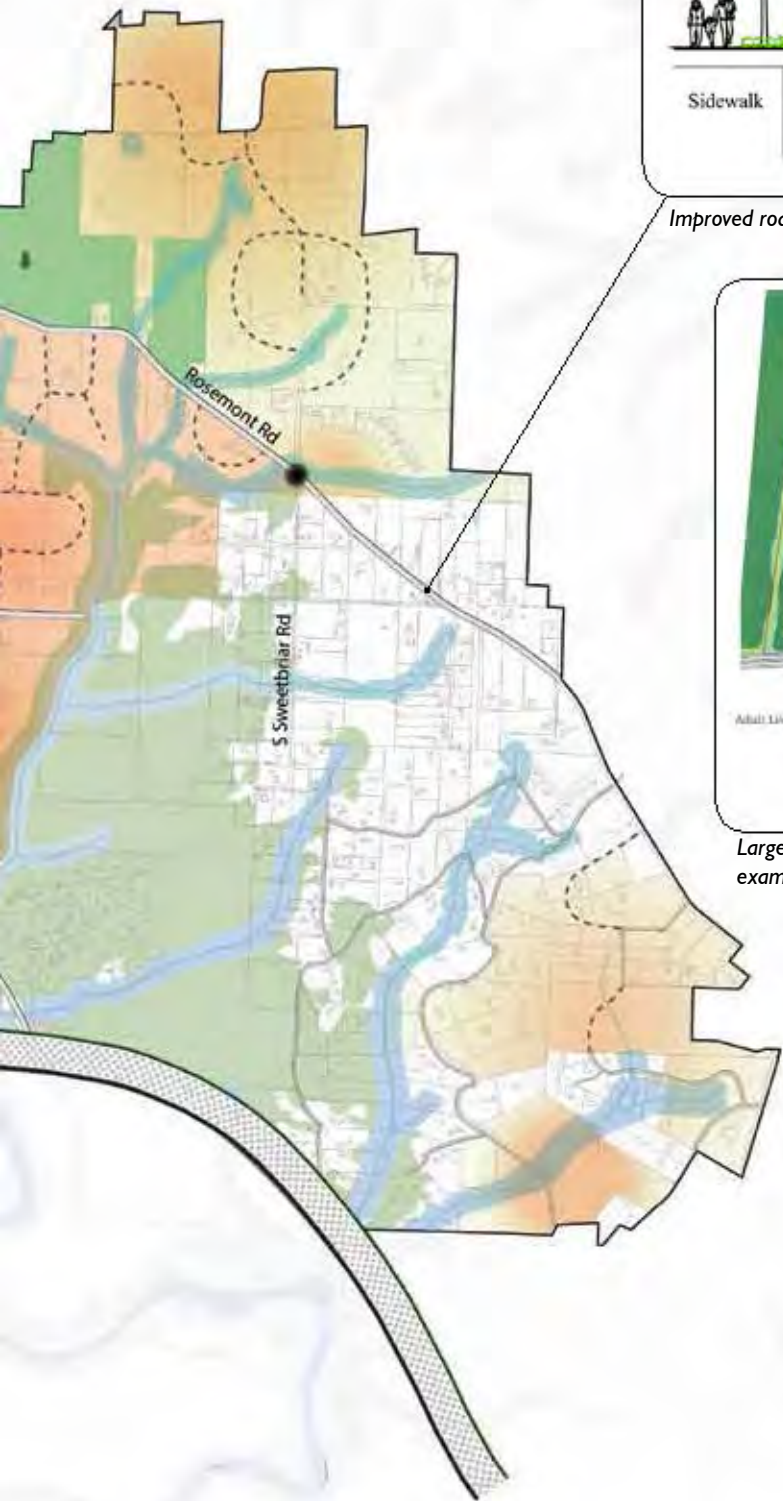


Walkable neighborhoods contain a mix of housing types, open space, and well connected streets.



**KEY:**

	Key Intersections and Roundabouts		School
	I-205		Park
	Major Arterial		Potential Bridge
	Minor Arterial		Mixed Use Town Center
	Minor Collector		Employment
	Potential Roadways		Medium Density Walkable Neighborhood
			Low Density Neighborhoods



Improved roads enhance communities.



Larger properties provide more development possibilities.  
example: senior living community

WEST LINN

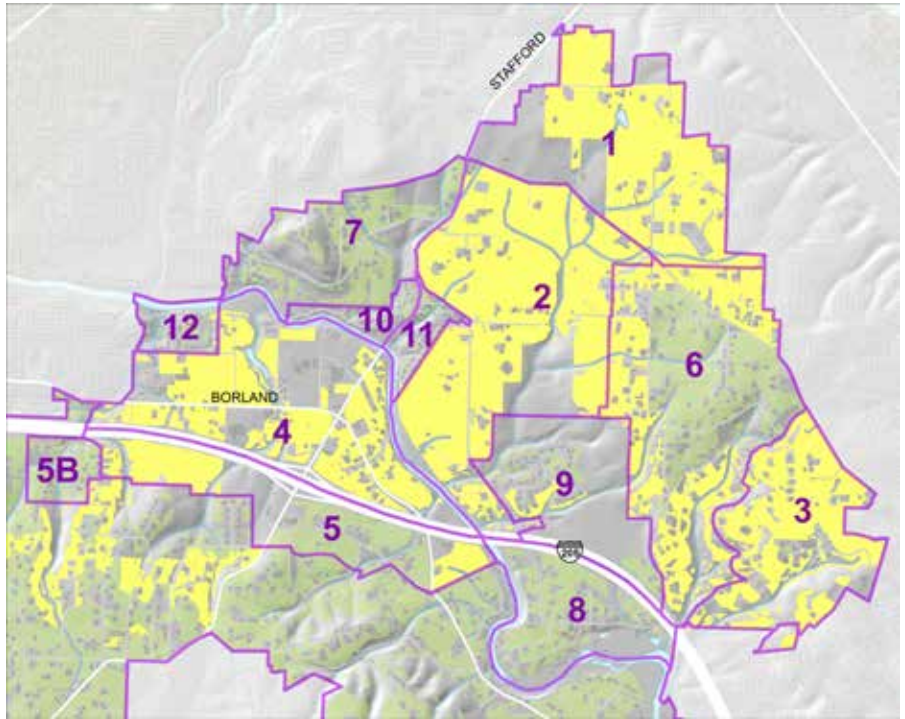


# Making the Case

## Where will growth occur?

The Basin covers roughly 4,300 acres of land, of which just over 2,000 are considered buildable after accounting for existing homes, natural areas and steep slopes. Roughly half of this land is near rural homes and small farms whose owners are not looking to develop. The other half is on larger properties that are located close to major roadways. These larger properties can provide the places for all of the jobs and the majority of the housing that could come to Stafford. Owners of these lands are “Ready” to play their role in the County and Metro’s efforts to provide needed housing and room for jobs.

*For planning purposes the basin has been divided into smaller boundaries. The map to the right shows areas in which the ready lands are located.*



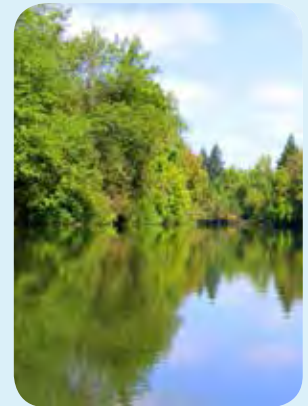
Green is vacant non-constrained land, yellow land owners are ready for growth.

## The Hamlet

A number of Clackamas County’s rural communities have banded together to form Hamlets. The Stafford Hamlet was formed as a way to give residents a voice in how the area will change and grow while retaining the unique character that define this great place.

That character includes:

- Preservation of open spaces, pastoral views, native and heritage trees, and wildlife
- Safe-guarding clean air and groundwater
- Visual connection with historical buildings, agriculture and livestock
- A safe, secure, serene environment
- Protecting the quality of the Tualatin River and its tributaries
- Having any future development being done thoughtfully, fairly, and in a balanced manner that helps build a strong community



Fanno farm house

The proposal for discussion builds from these goals and values. It describes a place that grows and changes, retaining the best of what we have today and capturing opportunities that will lead to an enhanced future.

LIVE

WORK

PLAY

## Rural Areas

Small acreage homesites will remain. In places there could be the ability to divide some larger lots for new homes while retaining the existing character.



## Lower Density Neighborhoods

The Metro Region has a limited supply of land for executive style housing. The higher elevations around Rosemont and Bergis Roads can provide room for these 3 to 5 unit per acre single-family neighborhoods, many of which with great sunset views. This also creates a more gradual transition from the neighborhoods of West Linn and Lake Oswego to the new Stafford Community.



## Medium Density Walkable Neighborhoods

The majority of the housing would come from traditional modern style neighborhoods. These neighborhoods are comprised mostly of single-family homes. They also include townhouses and, some low-rise apartments. The area between Stafford and Rosemont Roads is prime for this type of neighborhood.



## Mixed Use Town Center

A small Town Center provides the glue to bring neighborhoods together into a real community. Buildings would be expected to be two or three stories tall oriented in a main street atmosphere. The center would house shops and restaurants, offices and some housing units, either upstairs of businesses or in their own buildings.



## Office District

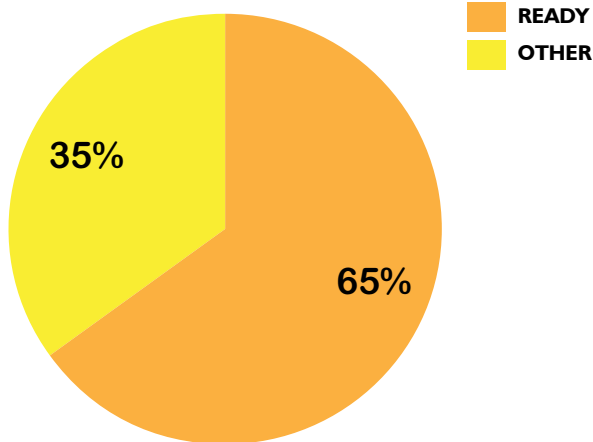
Taking advantage of proximity to I-205 and Borland Road there are roughly 70 acres of land that are targeted for jobs that are needed in the area. Office parks or flex space can attract a range of companies in an attractive and convenient setting.



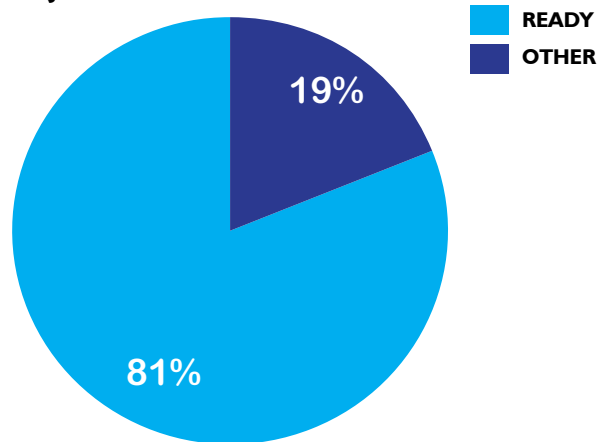
# Benefits of Urbanization

The future contained within this vision can provide room for over 8,100 jobs and the supportive new housing. The majority of the land and capacity exists within the Ready areas.

## HOUSING

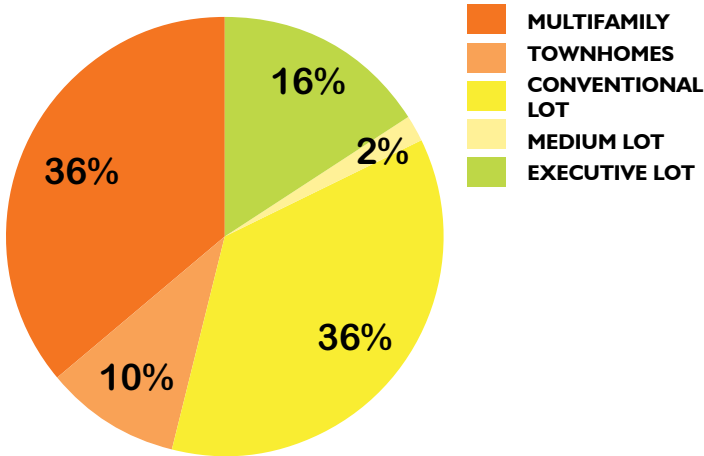


## JOB

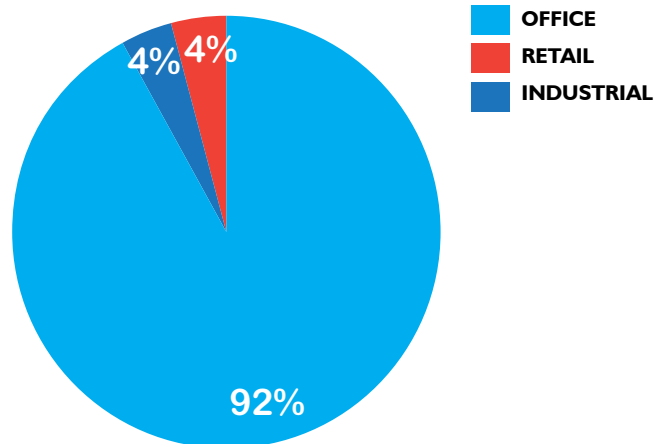


The large parcels of the Agreeable lands also provide the opportunity for efficient use of land and the ability to accommodate the wide range of housing types expected. Land assigned for jobs is focused primarily on office space with shopping allocated to the Town Center.

## HOUSING MIX



## EMPLOYMENT BY TYPE



The value of these private sector investments from opening the Stafford area to future growth could exceed \$3.7 billion dollars. \$2.5 billion of that is located on the ready lands where investment could happen the soonest.

## Next Steps

The primary factor limiting growth in the region's urbanizable areas has been the ability to plan and build roads and other needed infrastructure. Clackamas County recently received a regional grant to cover the costs of studying the transportation system. This process will allow for further testing of the vision, traffic analysis and planning and estimating the costs required to effectively serve the area with roads, trails and transit.





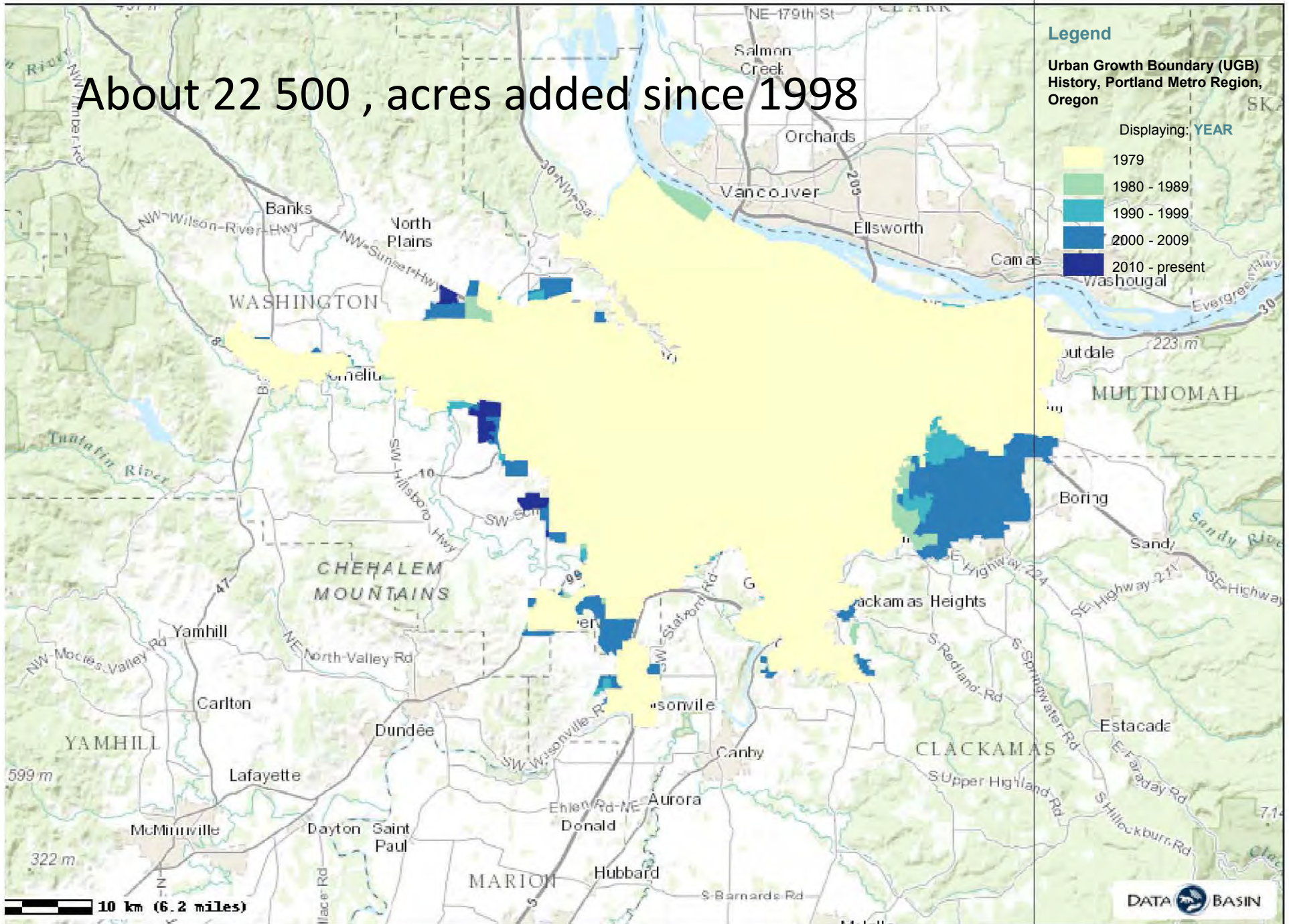


The map displays the Stafford Basin Urban Reserve Area with several scenario concepts highlighted in different colors: a yellow area for 'LOW DENSITY RESIDENTIAL' at the top, a purple area for 'WALKABLE NEIGHBORHOOD' in the center, a green area for 'GREEN BELT' on the right, and another yellow area for 'LOW DENSITY RESIDENTIAL' at the bottom right. Other labels include 'EXISTING NEIGHBORHOOD' and 'EMPLOYMENT CENTER'. A highway labeled '205' is visible at the bottom, and the name 'STAFFORD' is written along the top edge of the basin.

# Scenario Concepts and Evaluation for the Stafford Basin Urban Reserve Area

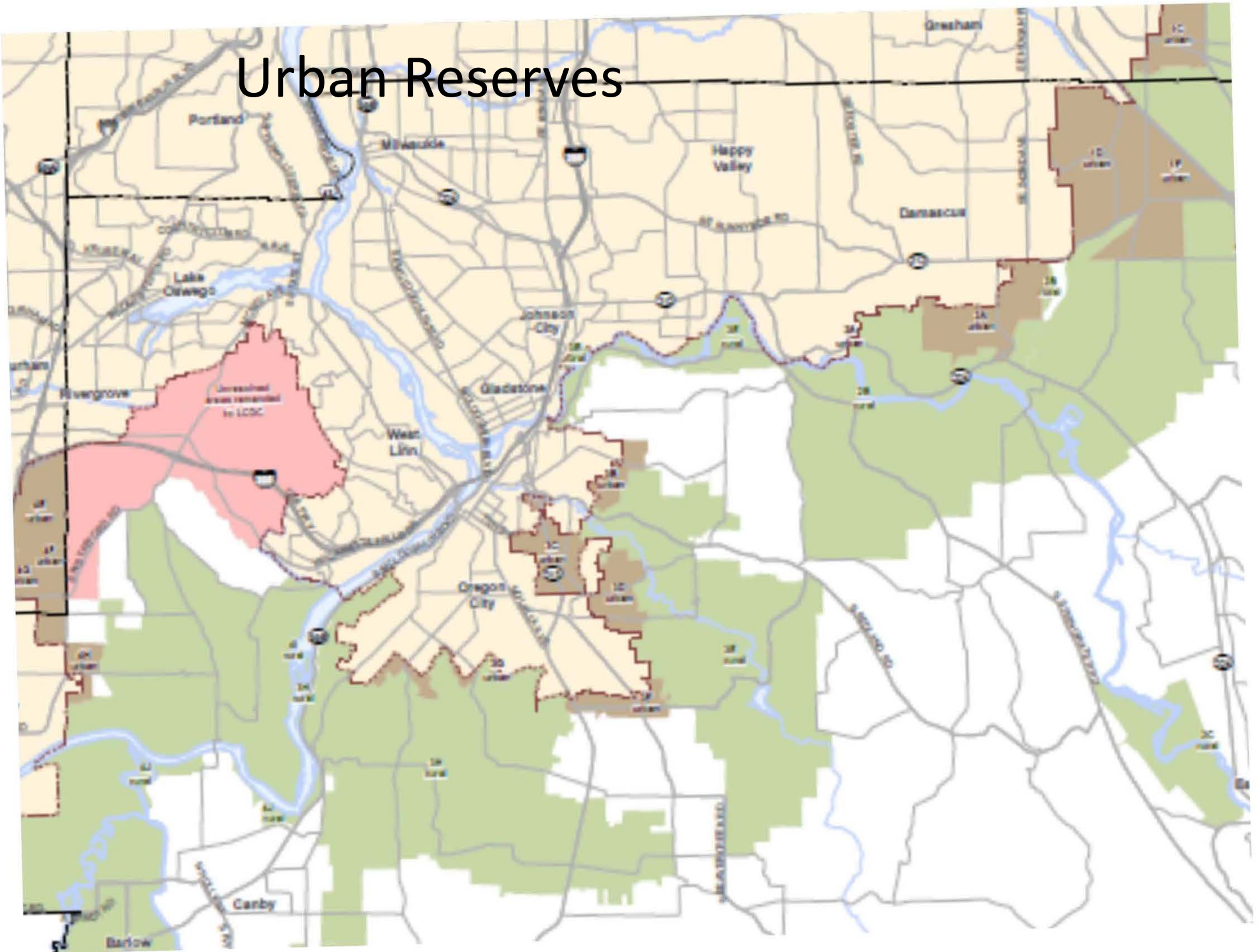


About 22 500 , acres added since 1998





# Urban Reserves

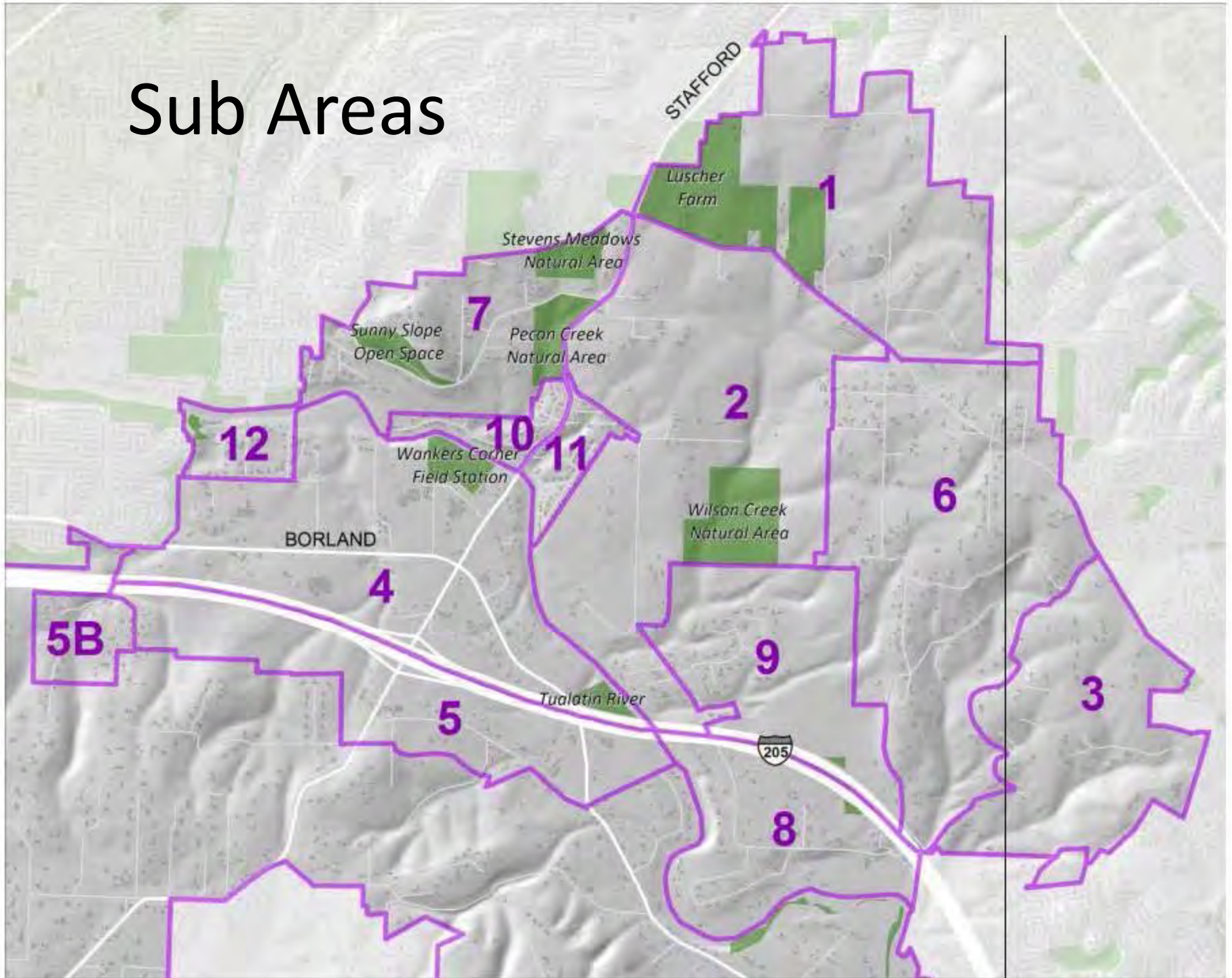


# Stafford Neighborhood





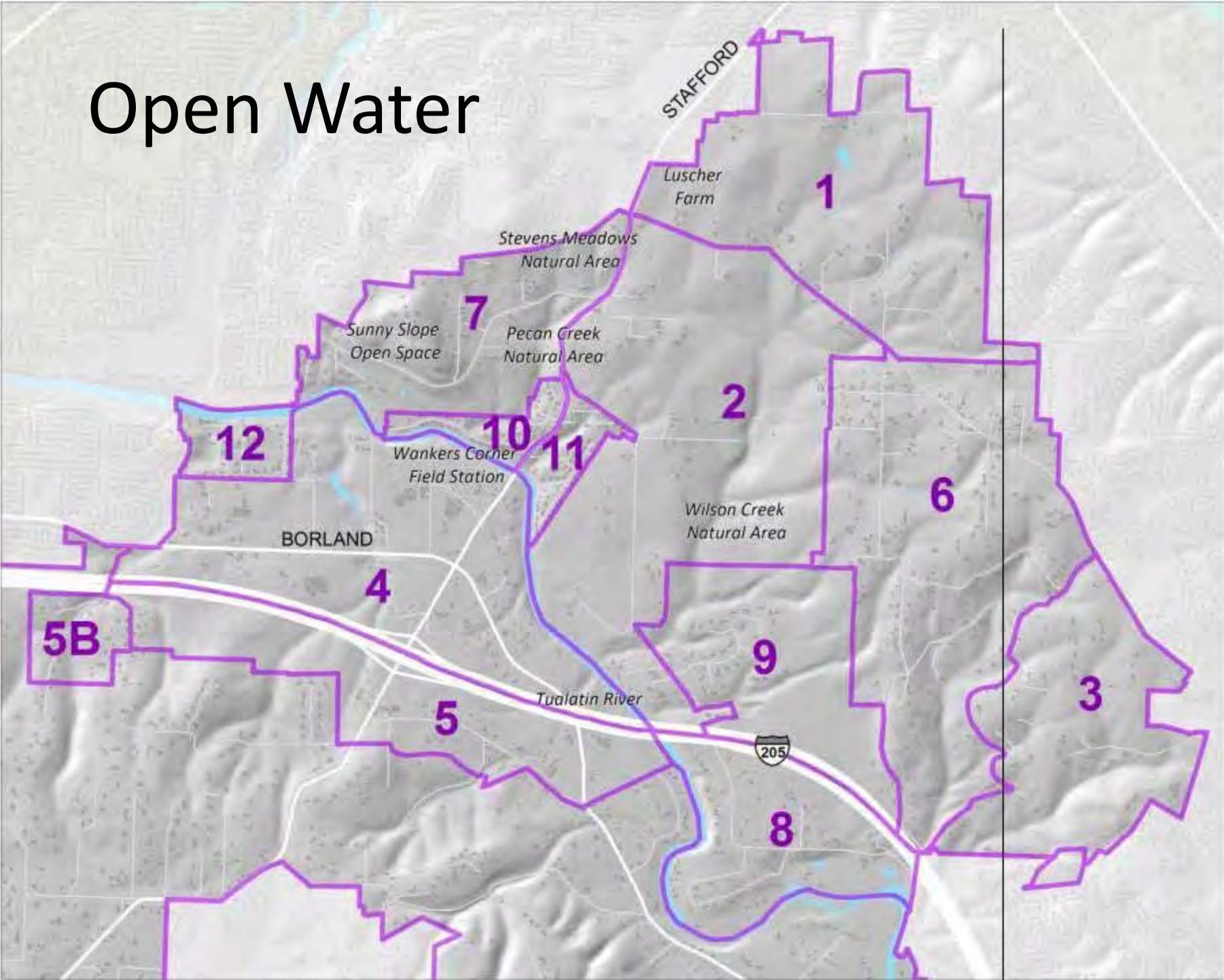
# Sub Areas



<b>Subarea</b>	<b>Acres</b>
1	411
2	766
3	370
4	605
5	331
5B	66
6	673
7	308
8	264
9	298
10	52
11	53
12	62
<b>Total</b>	<b>4359</b>

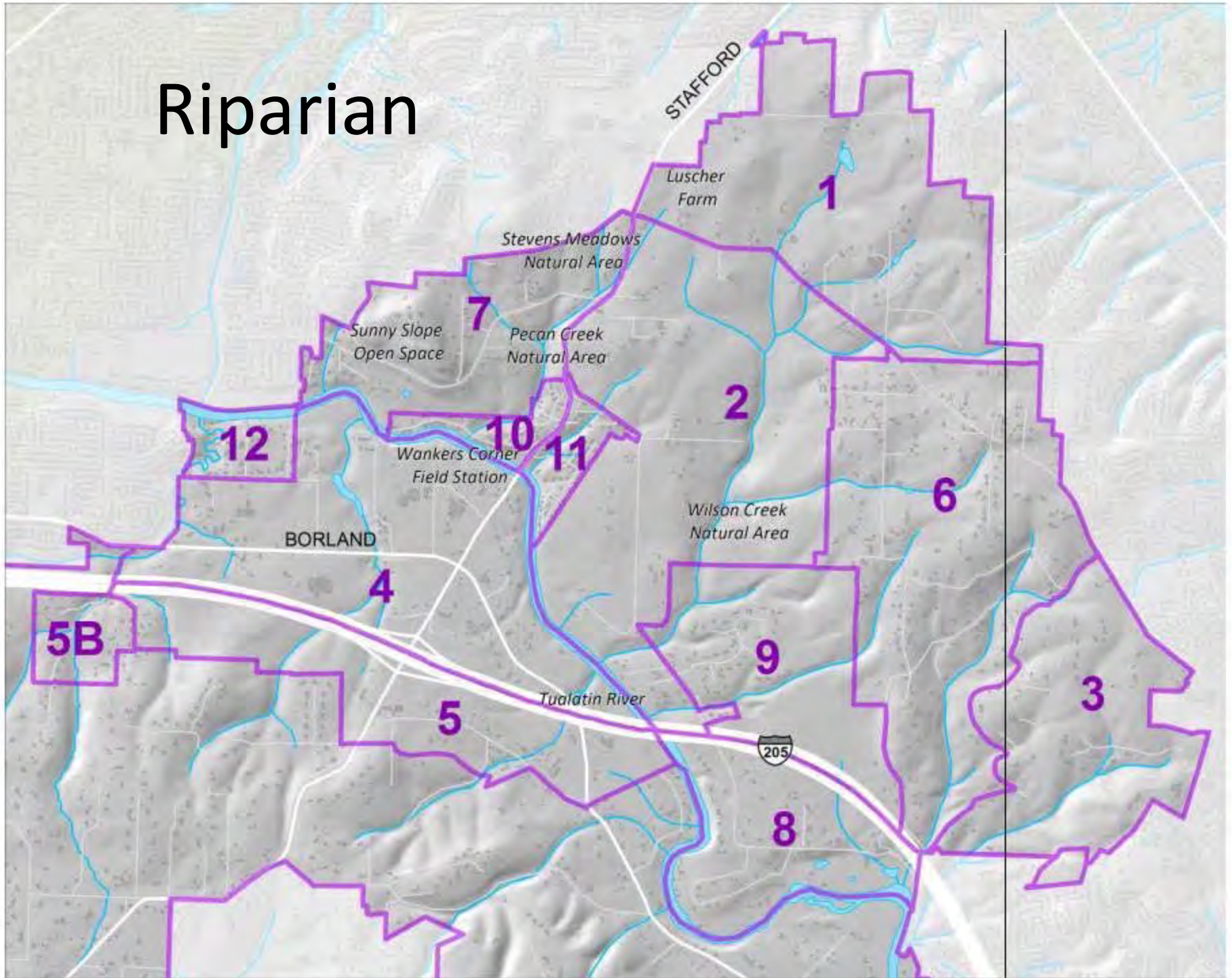


# Open Water



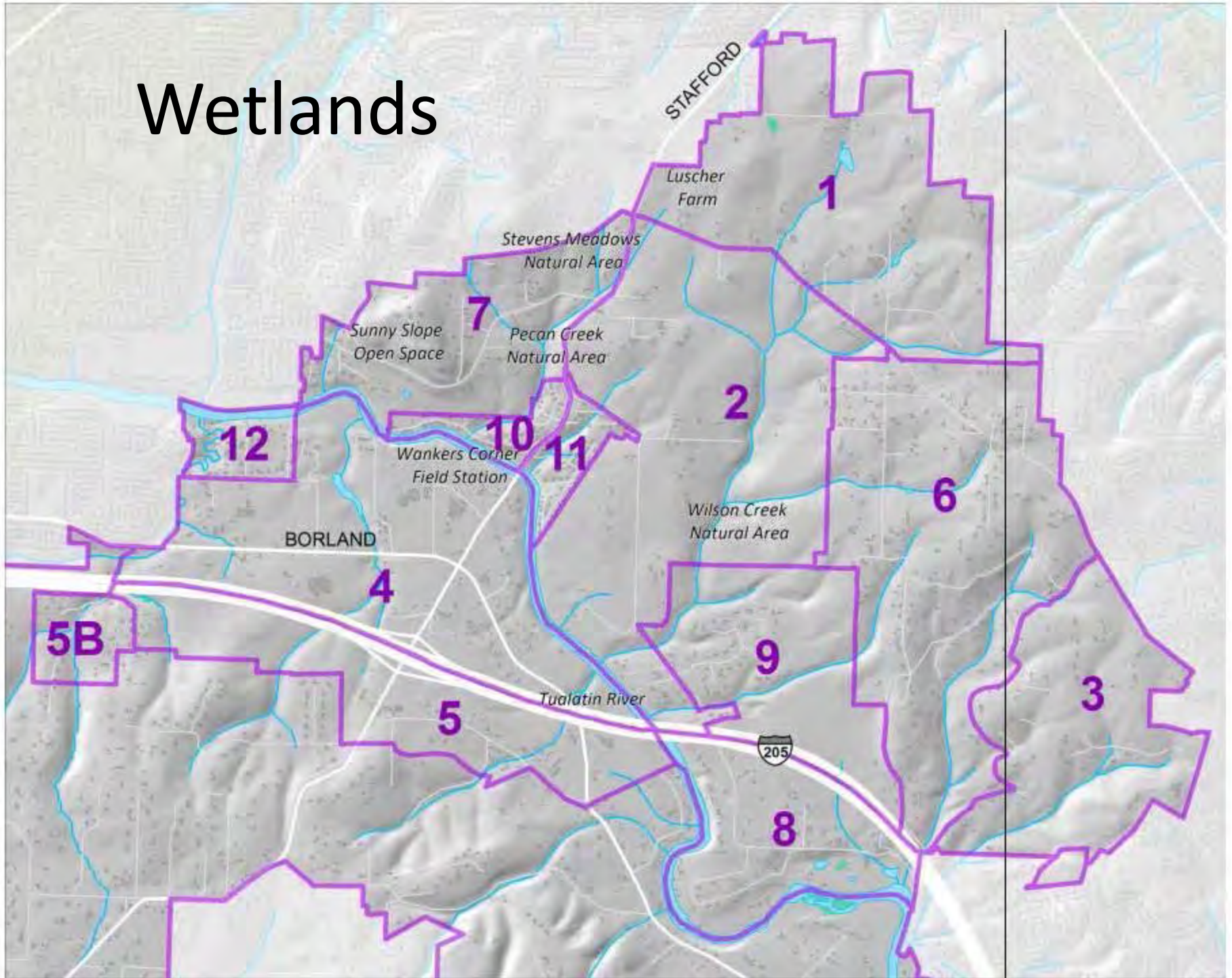


# Riparian



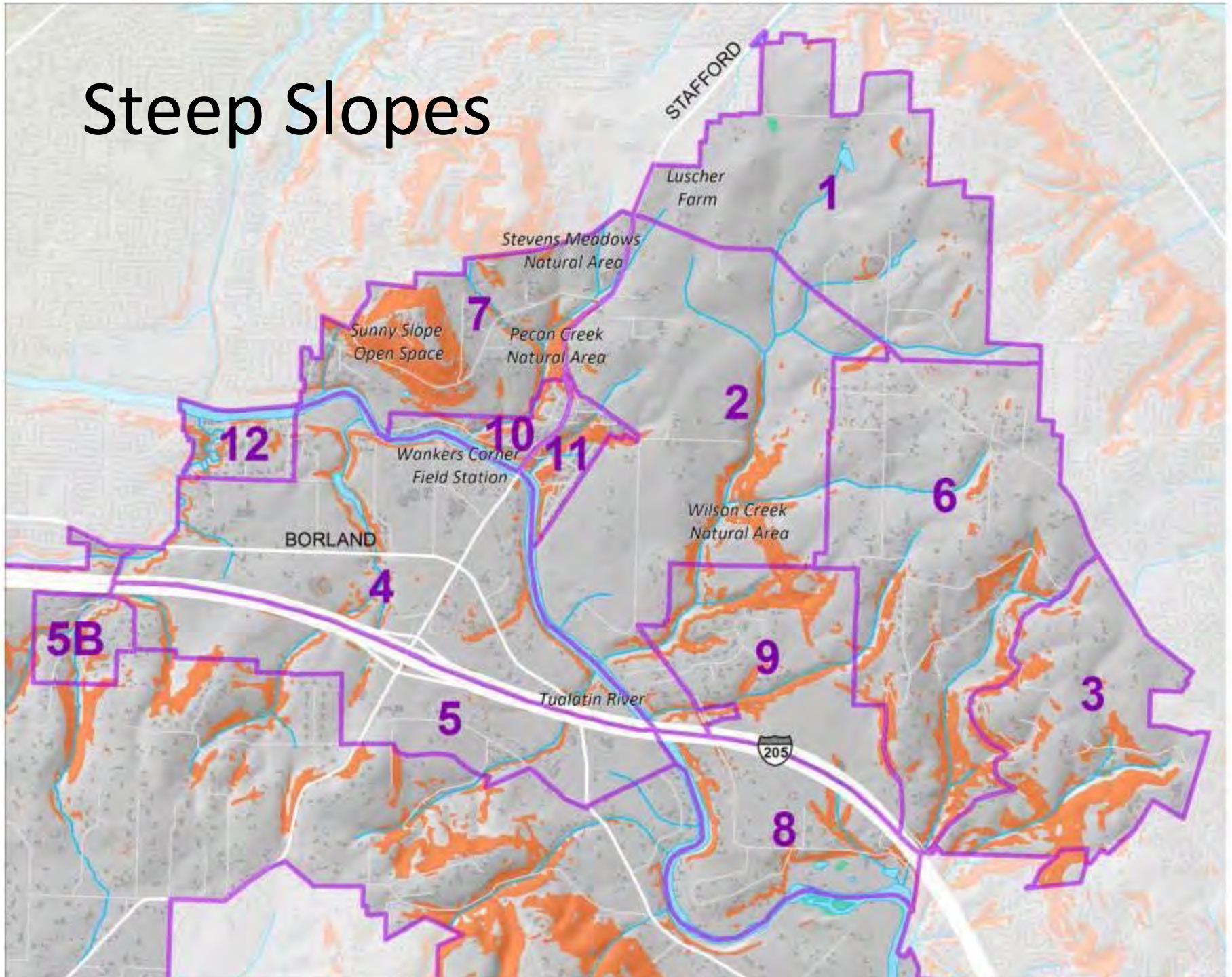


# Wetlands



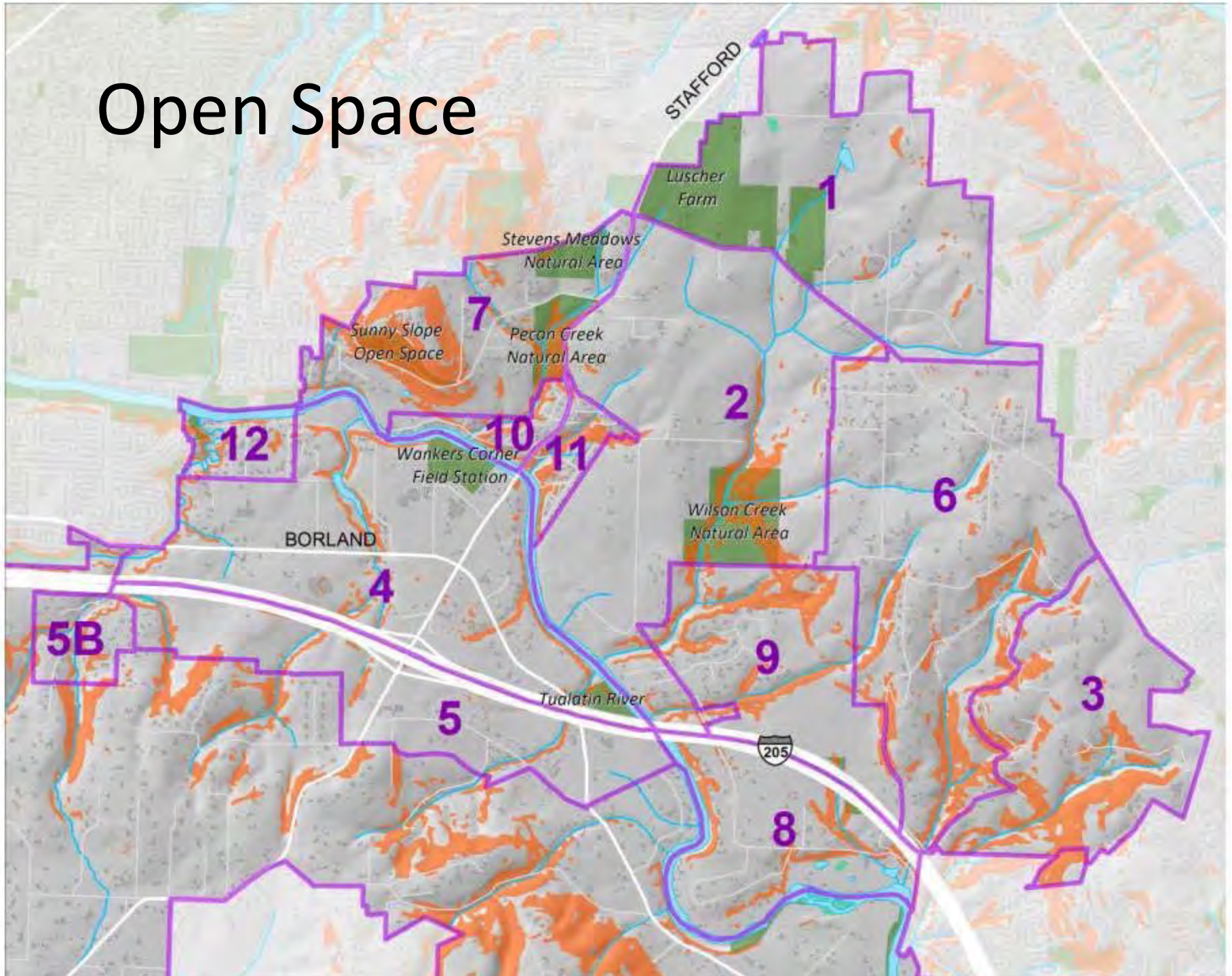


# Steep Slopes



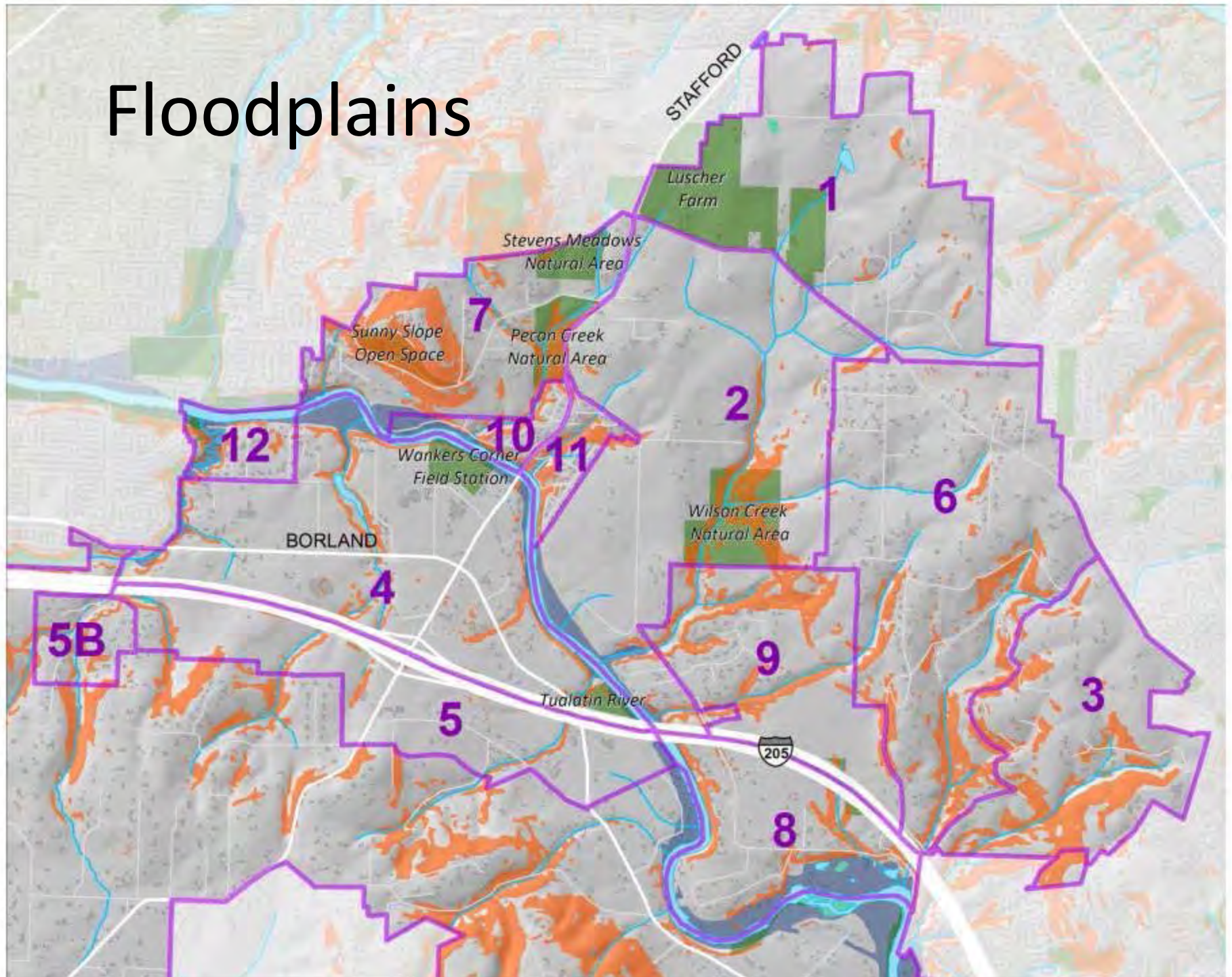


# Open Space



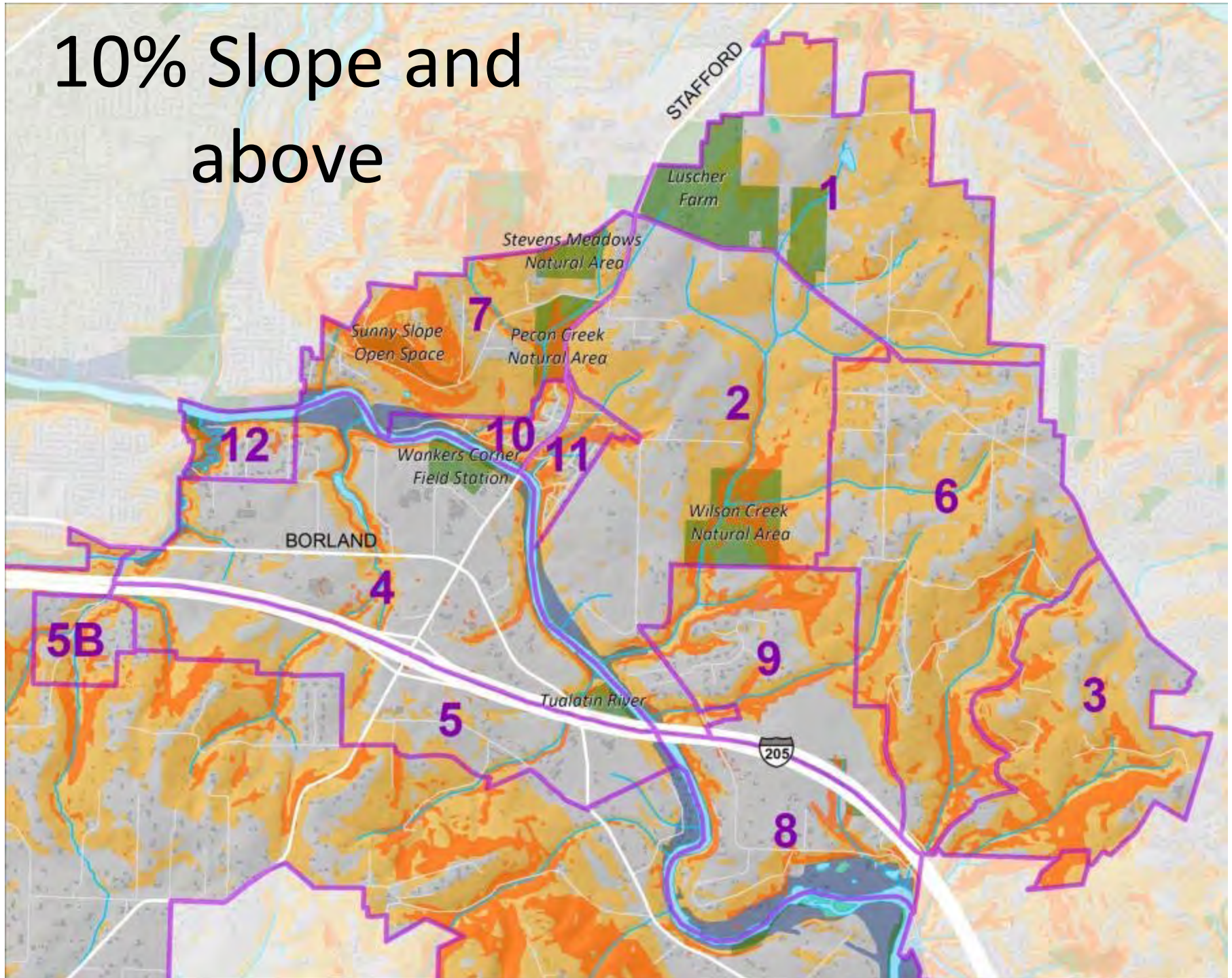


# Floodplains



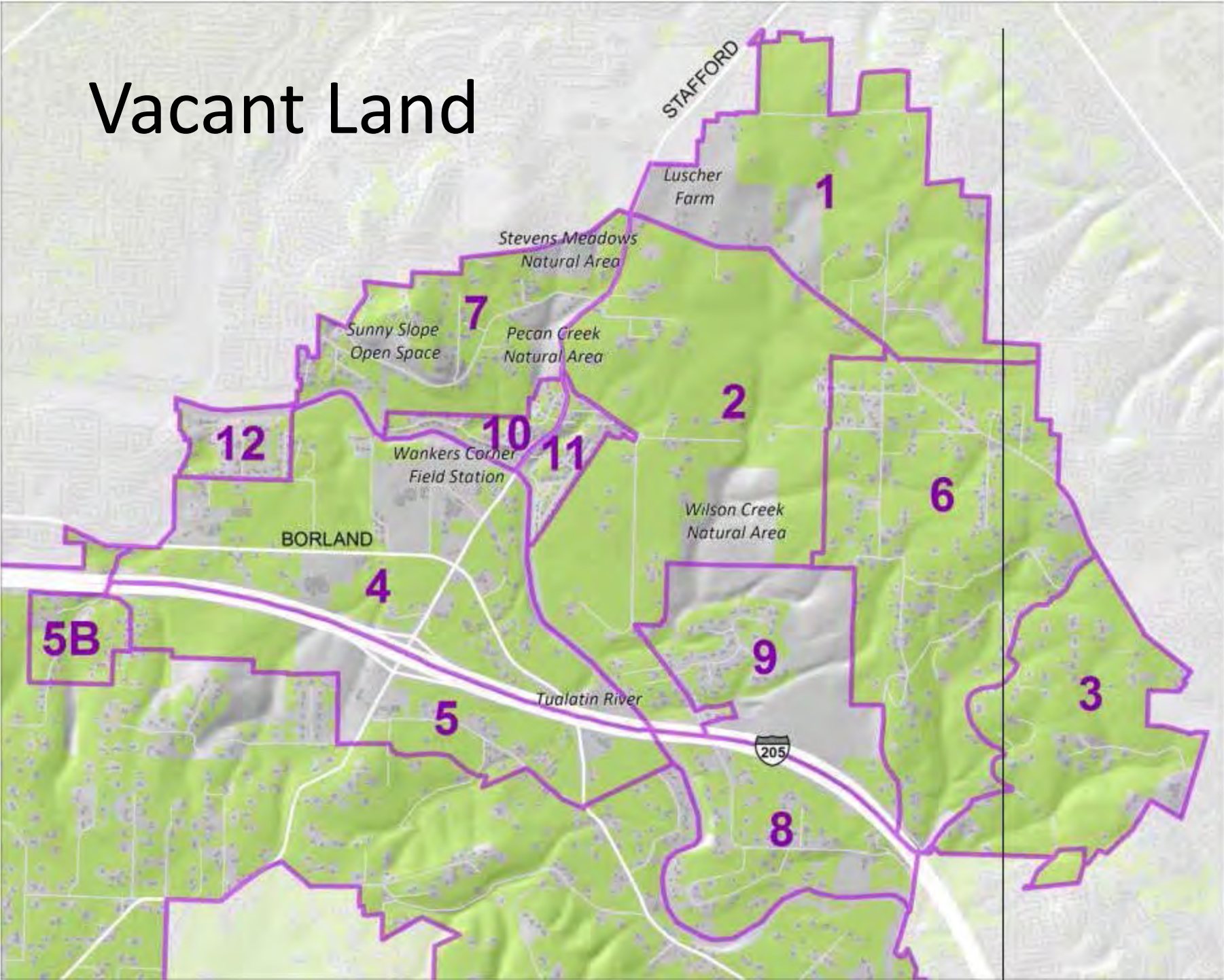


# 10% Slope and above





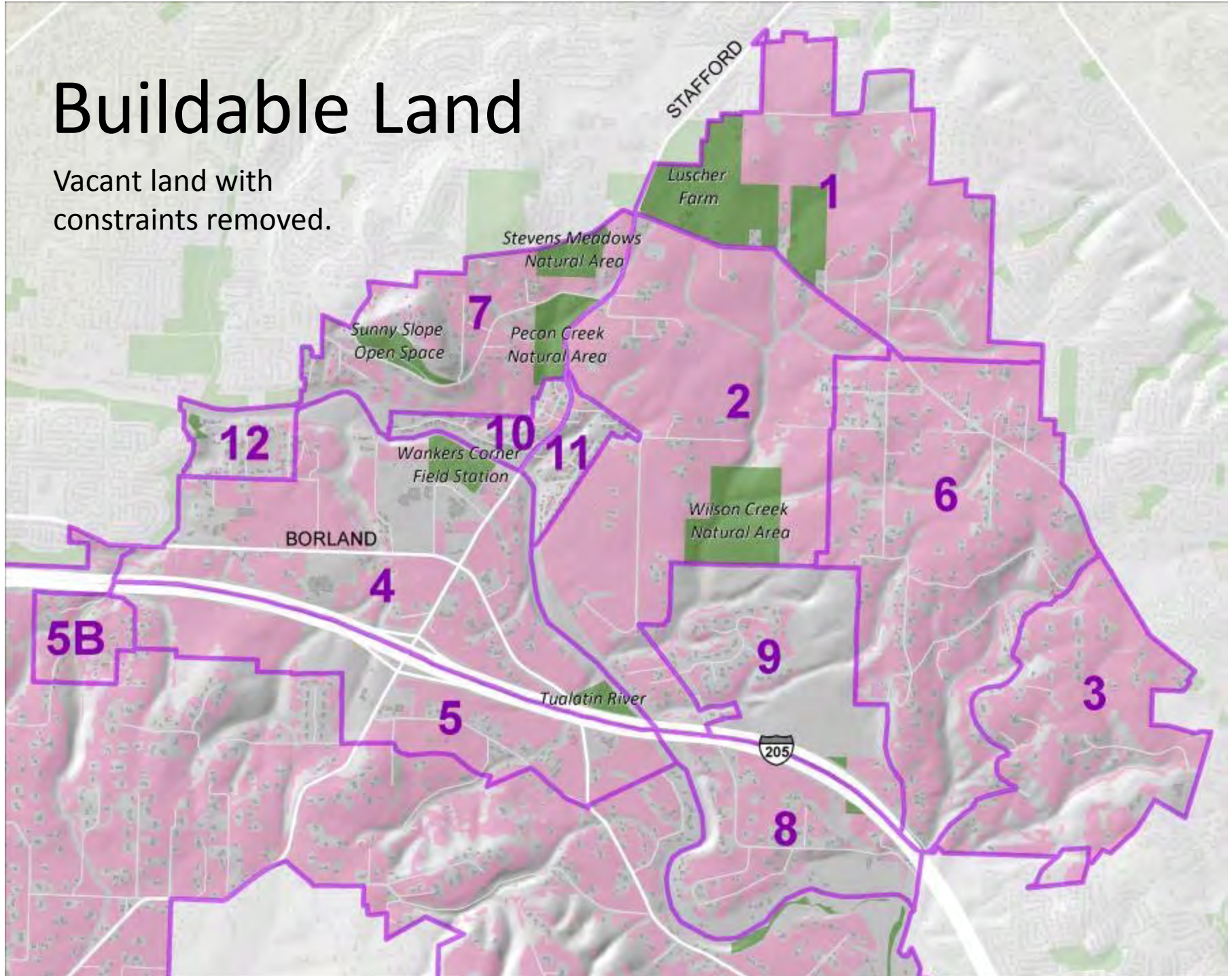
# Vacant Land





# Buildable Land

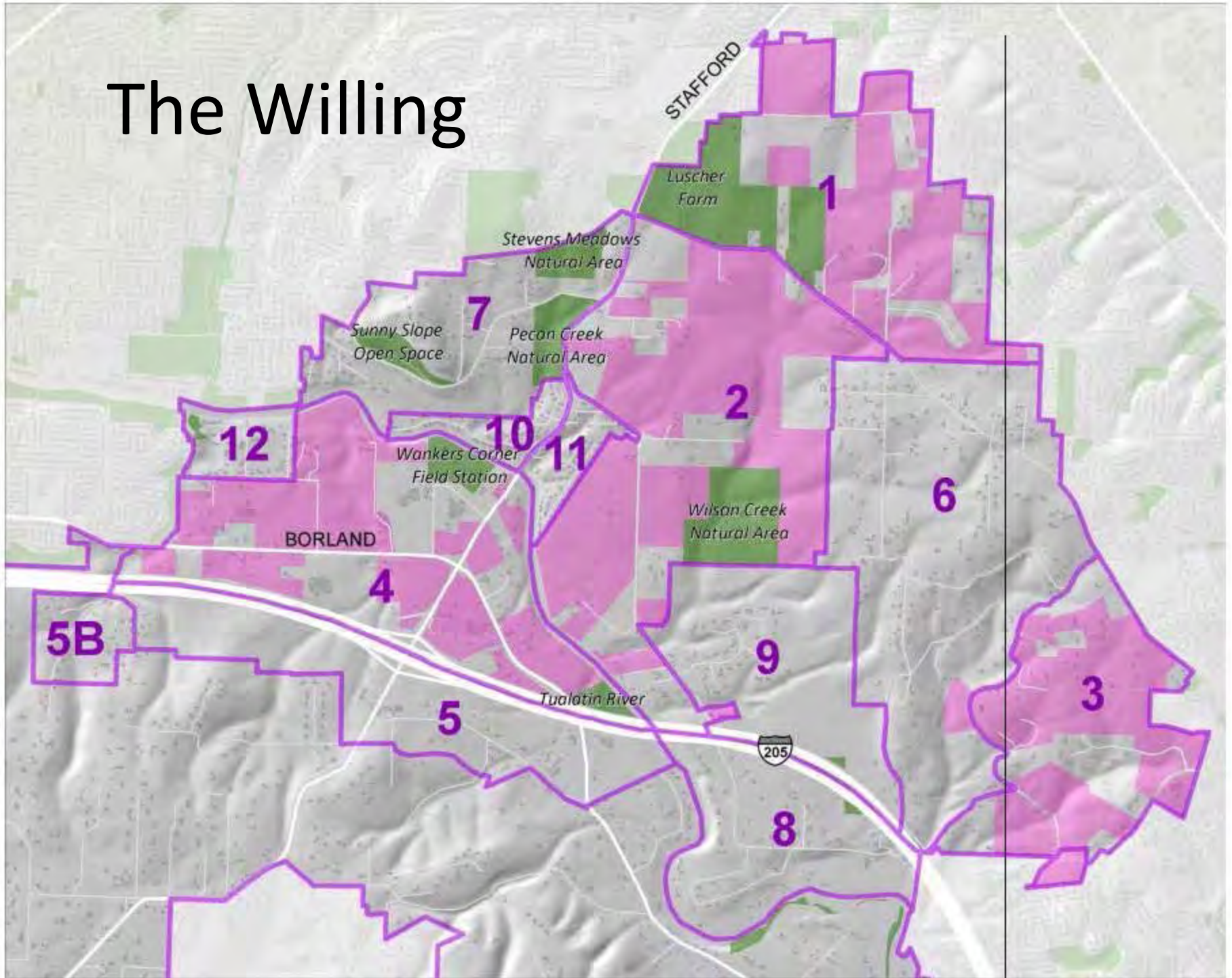
Vacant land with constraints removed.



<b>Subarea</b>	<b>Acres</b>	<b>Buildable Acres*</b>	<b>Buildable on 10% Slope</b>
1	511	316	234
2	766	531	256
3	370	209	148
4	605	243	48
5	331	152	60
5B	66	27	18
6	673	358	246
7	308	99	84
8	264	73	16
9	298	0	0
10	52	5	2
11	53	3	3
12	62	6	1
<b>Total</b>	<b>4359</b>	<b>2023</b>	<b>1116</b>



# The Willing



Subarea	Acres	The Willing	Buildable Acres*	BLI – The Willing
1	511	262	316	237
2	766	475	531	396
3	370	253	209	163
4	605	321	244	200
5	331	68	152	54
5B	66	Not yet available	27	Not yet available
6	673	Not yet available	358	Not yet available
7	308	Not yet available	99	Not yet available
8	264	Not yet available	73	Not yet available
9	298	Not yet available	0	Not yet available
10	52	Not yet available	5	Not yet available
11	53	Not yet available	3	Not yet available
12	62	Not yet available	6	Not yet available
<b>Total</b>	<b>4344</b>	<b>1311</b>	<b>2023</b>	<b>1006</b>



**Title 13 - Inventory**

**Riparian Wildlife Habitat Quality**

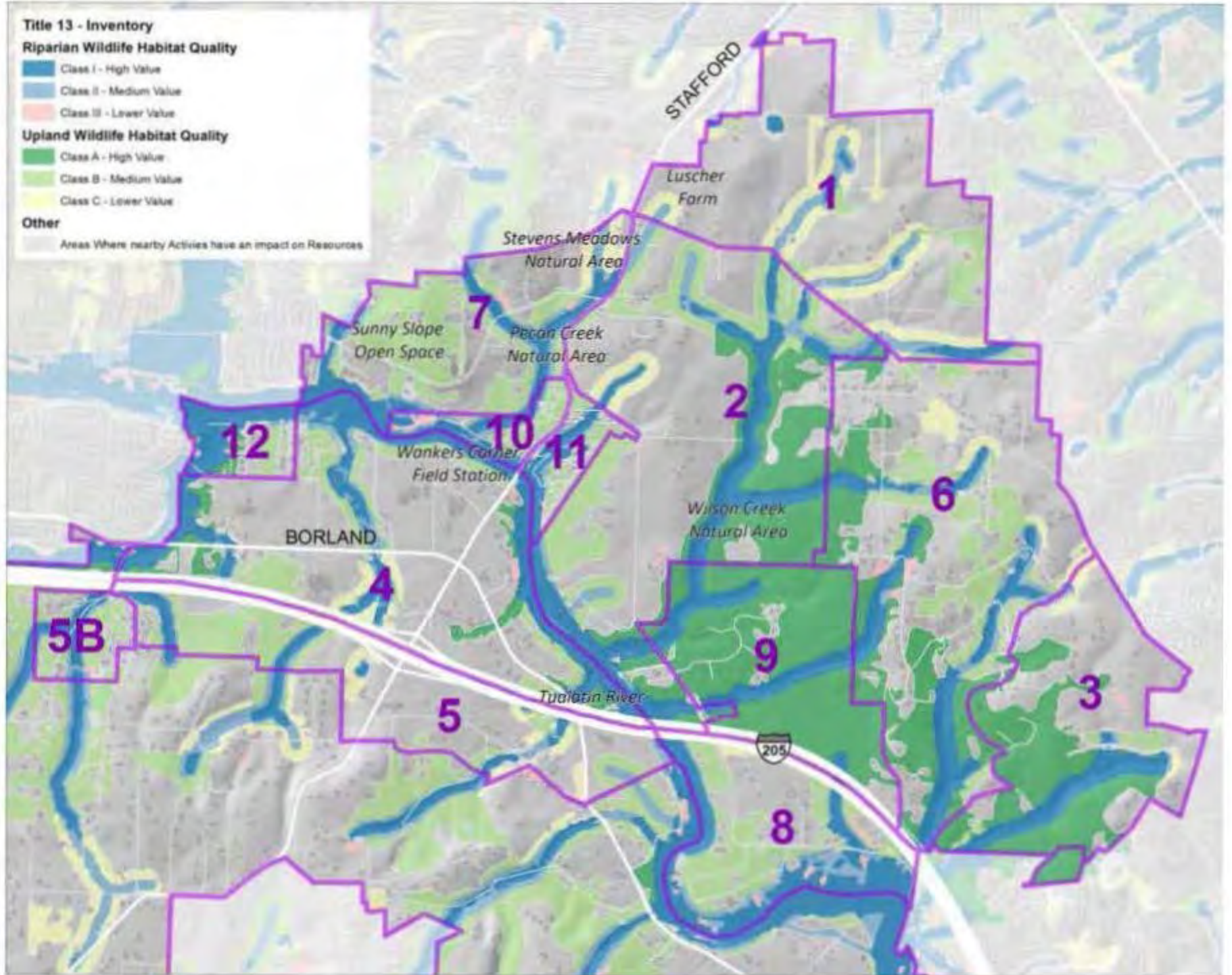
- Class I - High Value
- Class II - Medium Value
- Class III - Lower Value

**Upland Wildlife Habitat Quality**

- Class A - High Value
- Class B - Medium Value
- Class C - Lower Value

**Other**

Areas Where nearby Activities have an impact on Resources

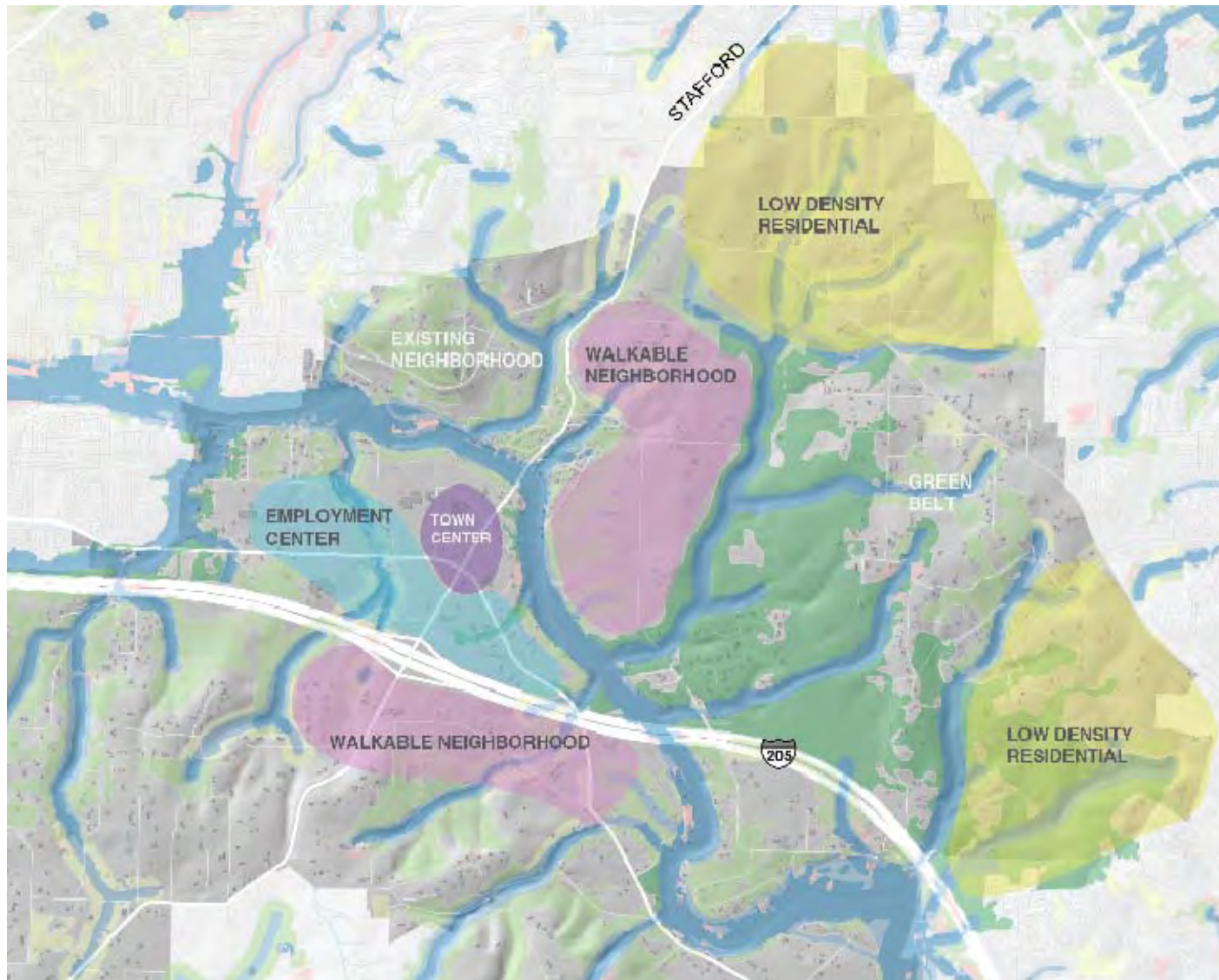


Subarea	Acres	Title 13	Rip I	Rip II	Rip III	Up A	Up B	Up C	Impact
1	496	173	13	33	0.01	None	31	71	26
2	766	447	114	33	3	138	112	13	35
3	370	210	38	3	1	134	9	8	16
4	605	267	104	23	3	28	60	13	35
5	331	143	19	19	3	None	63	19	20
5B	66	52	12	8	1	None	26	None	5
6	673	398	79	23	5	135	94	19	42
7	308	211	44	25	2	0.2	104	11	24
8	264	196	70	25	6	None	74	3	18
9	298	281	45	0.6	0.04	222	5	None	8
10	52	50	18	8	3	None	17	None	4
11	53	46	17	6	None	None	16	0.01	8
12	62	53	30	1	None	5	10	None	7
<b>Total</b>	<b>4,344</b>	<b>2,527</b>	<b>602</b>	<b>209</b>	<b>27</b>	<b>663</b>	<b>622</b>	<b>156</b>	<b>248</b>

# Scenario Planning



# Design Concept





# Perspective





ENVISION PAINT TOOLS

File Edit Scenarios Paint Indicators

Apply Restore Start Edit

Paint Compare

Symbol	Development Type	Info
	FRASE	
	Metropolitan Center	
	Urban Center	
	Town Center	
	Community Center	
	Mixed-use Transit Corridor	
	Rural Village	
	Multi-Family Residential	
	Traditional Neighborhood	
	Master Planned Community	
	Single Family Residential	
	Mobile Homes	
	Spaced Rural Residential	
	Commercial	
	Office Park	
	Light Industrial Flex	
	Heavy Industrial	
	Hotel	
	Civic	
	Education	
	Transit	



envision  
 tomorrow™  
 a suite of urban and regional planning tools

# Tool For All Planning Scales



**REGION**

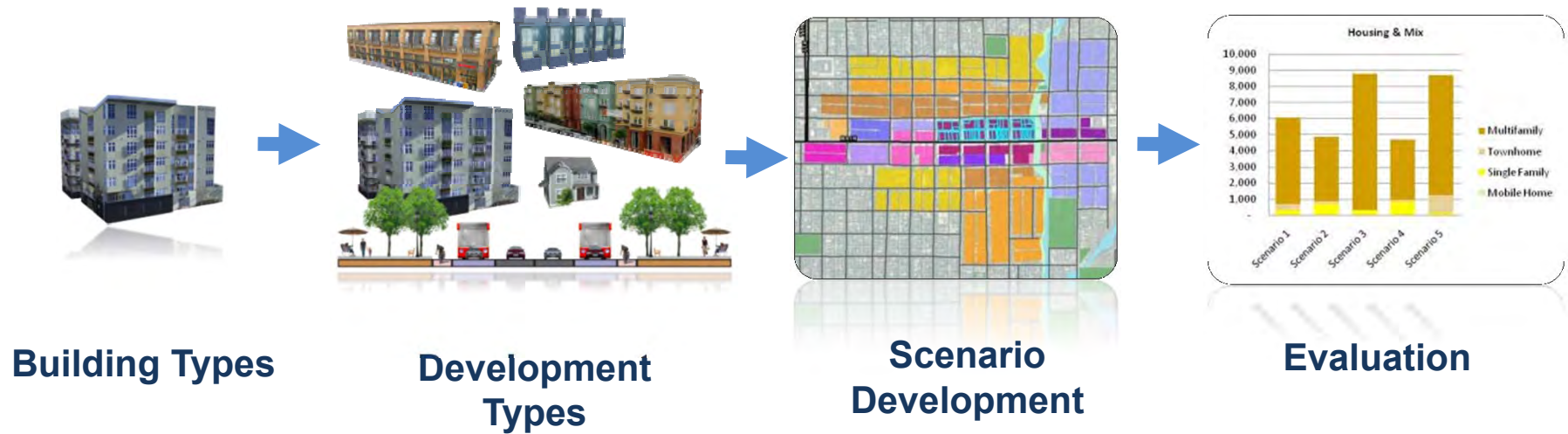


**DISTRICT**



**BUILDING**

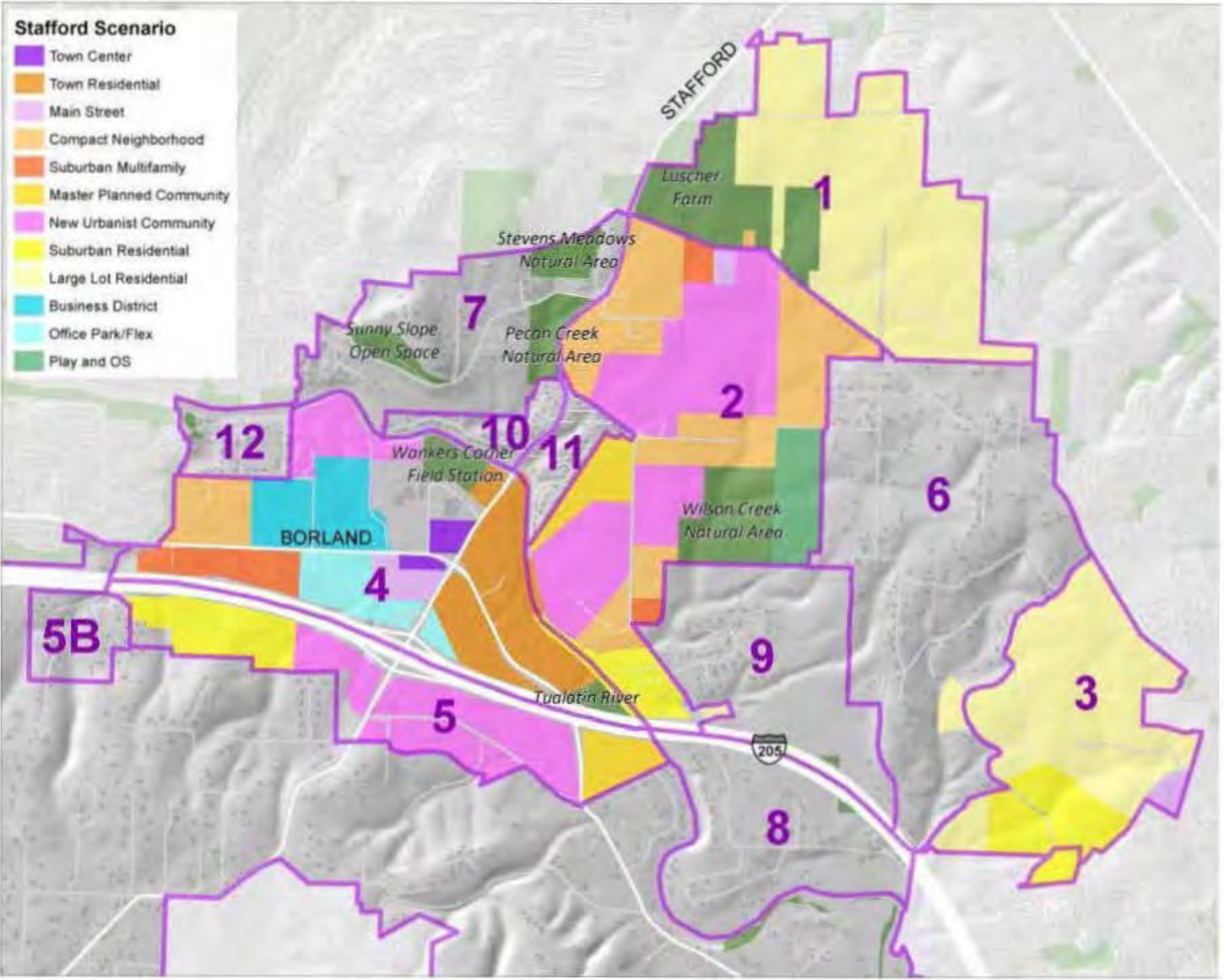
# Scenario Building Process



1

Step 1: Model a library of building types that are financially feasible at the local level.



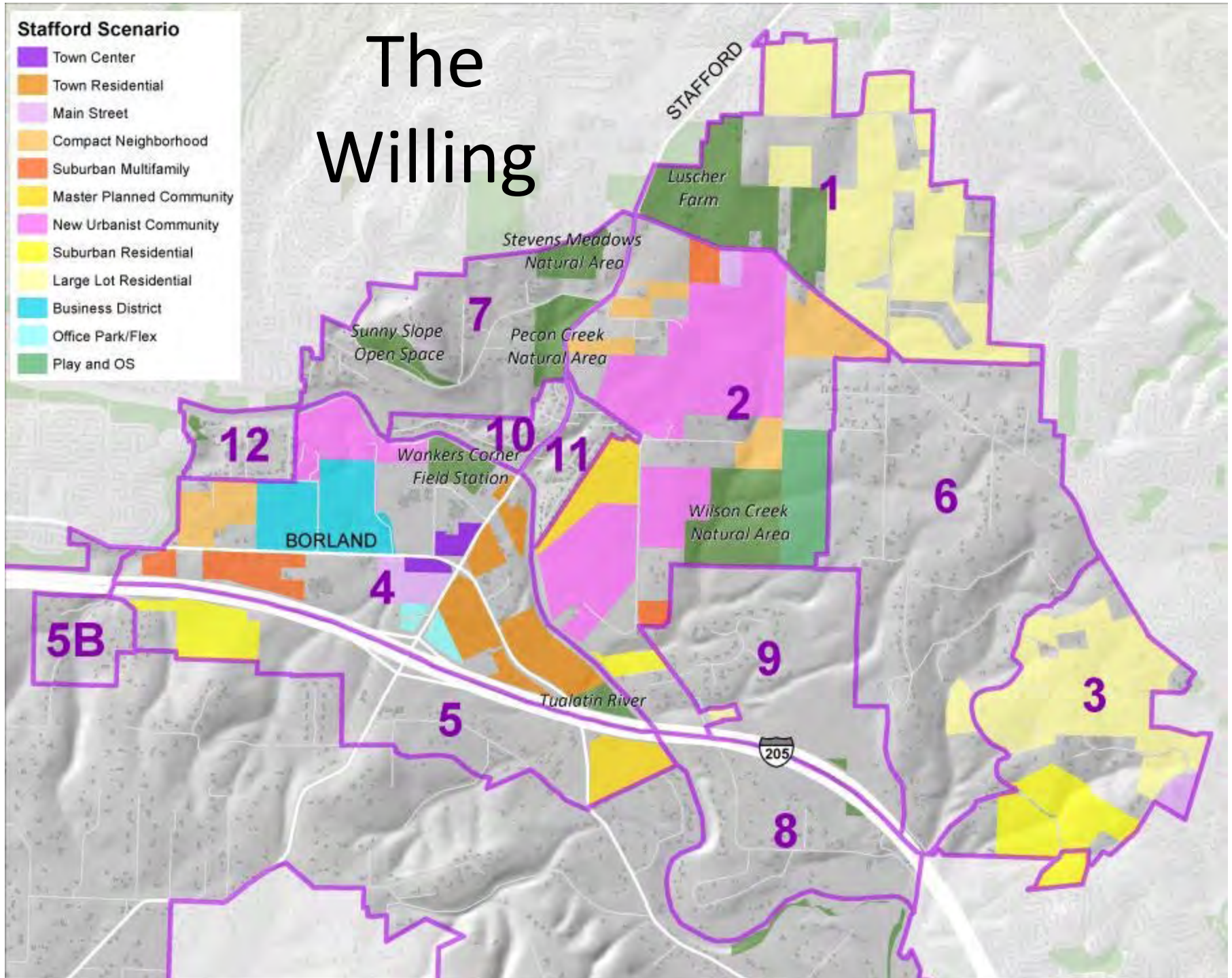




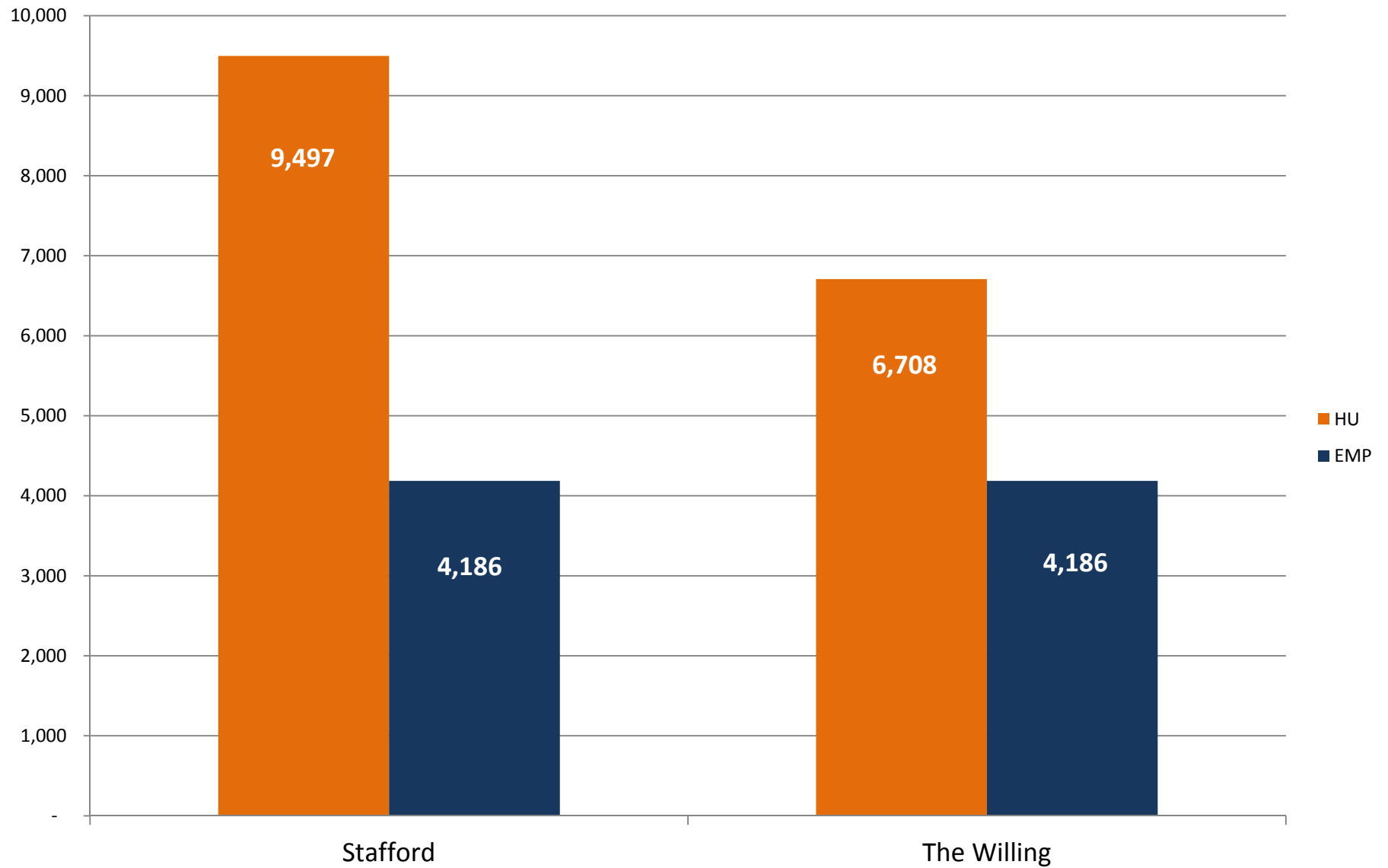
# The Willing

## Stafford Scenario

- Town Center
- Town Residential
- Main Street
- Compact Neighborhood
- Suburban Multifamily
- Master Planned Community
- New Urbanist Community
- Suburban Residential
- Large Lot Residential
- Business District
- Office Park/Flex
- Play and OS

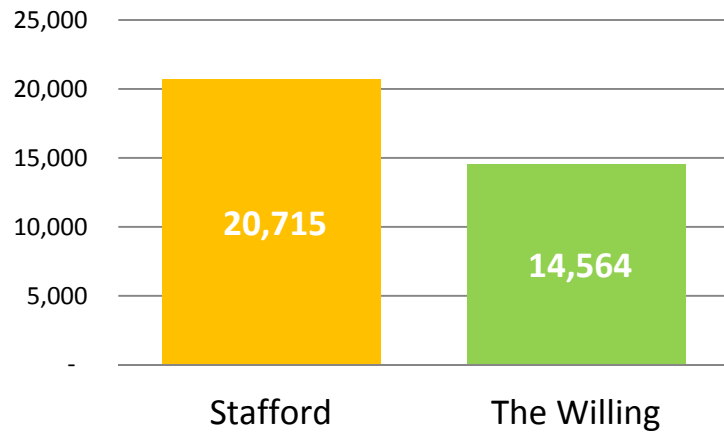


# Housing and Employment

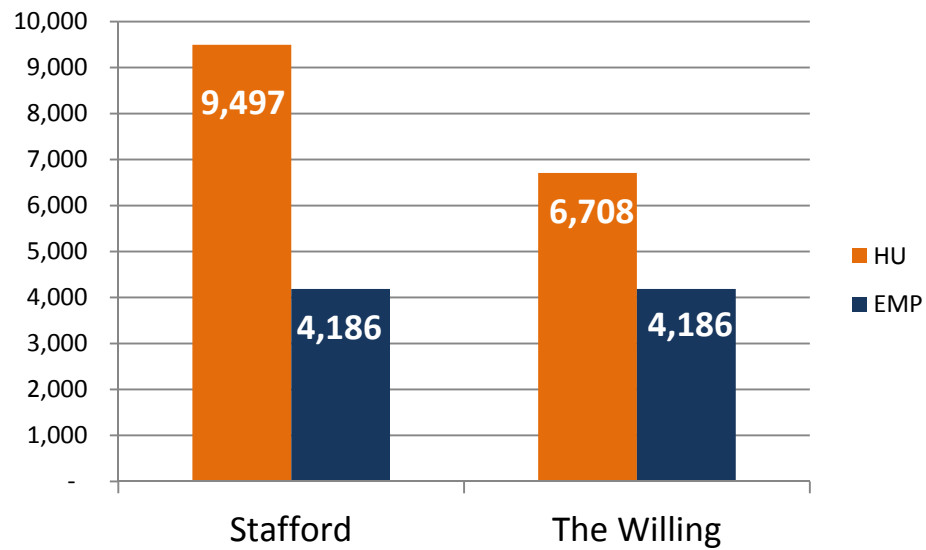
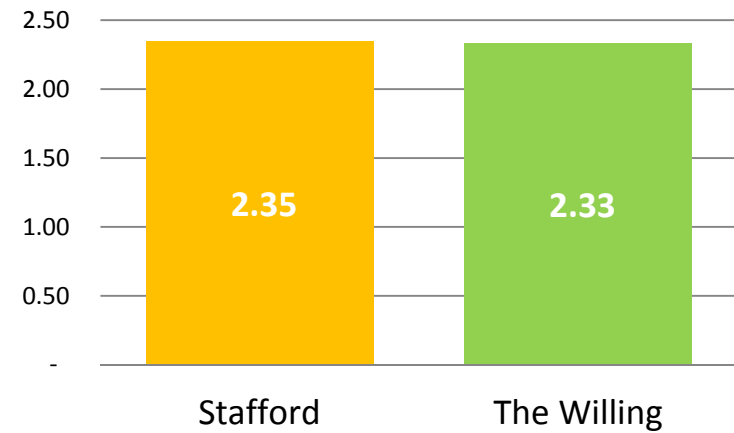


# Development

## Population

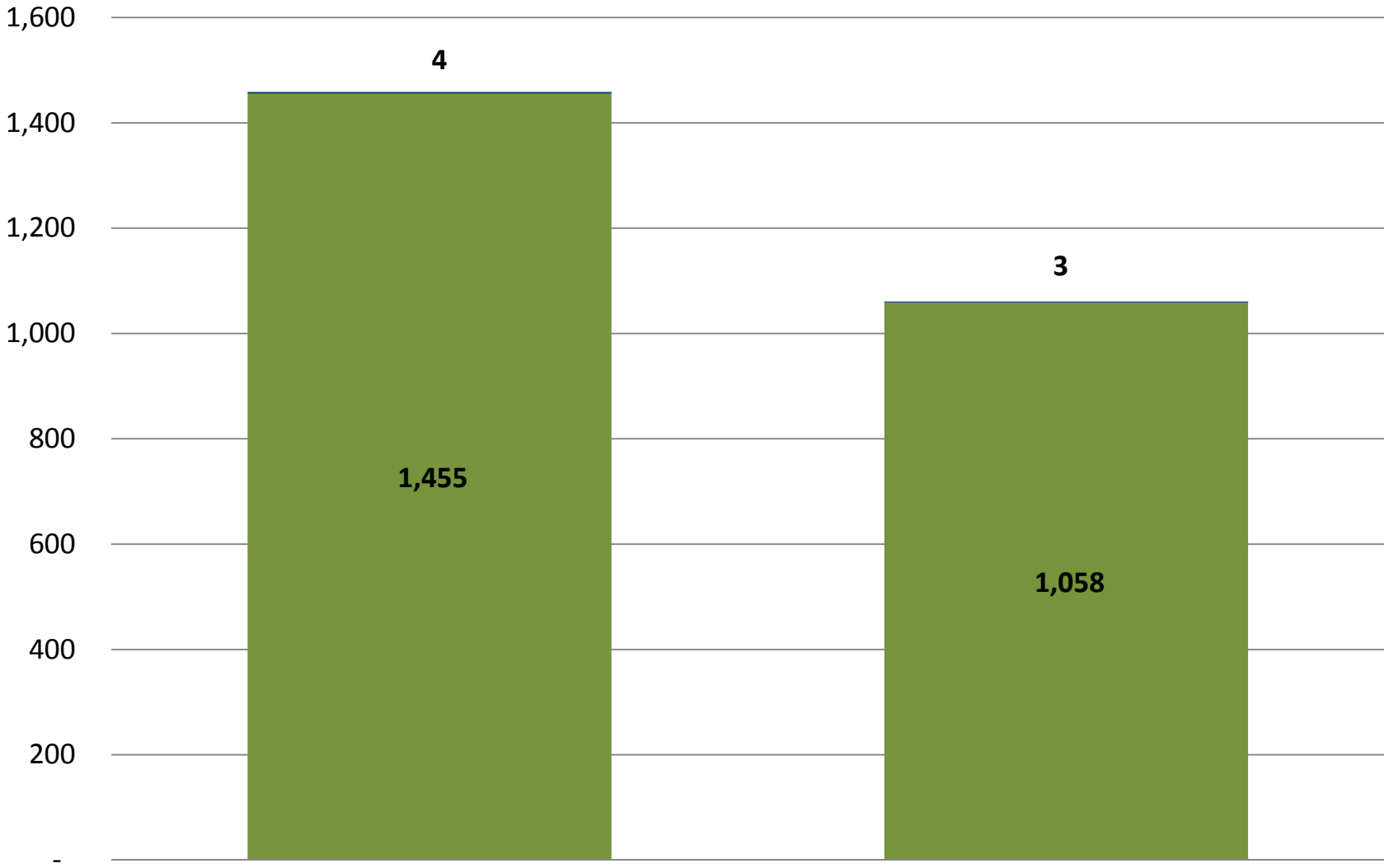


## Average Household Size





# Developed Acres

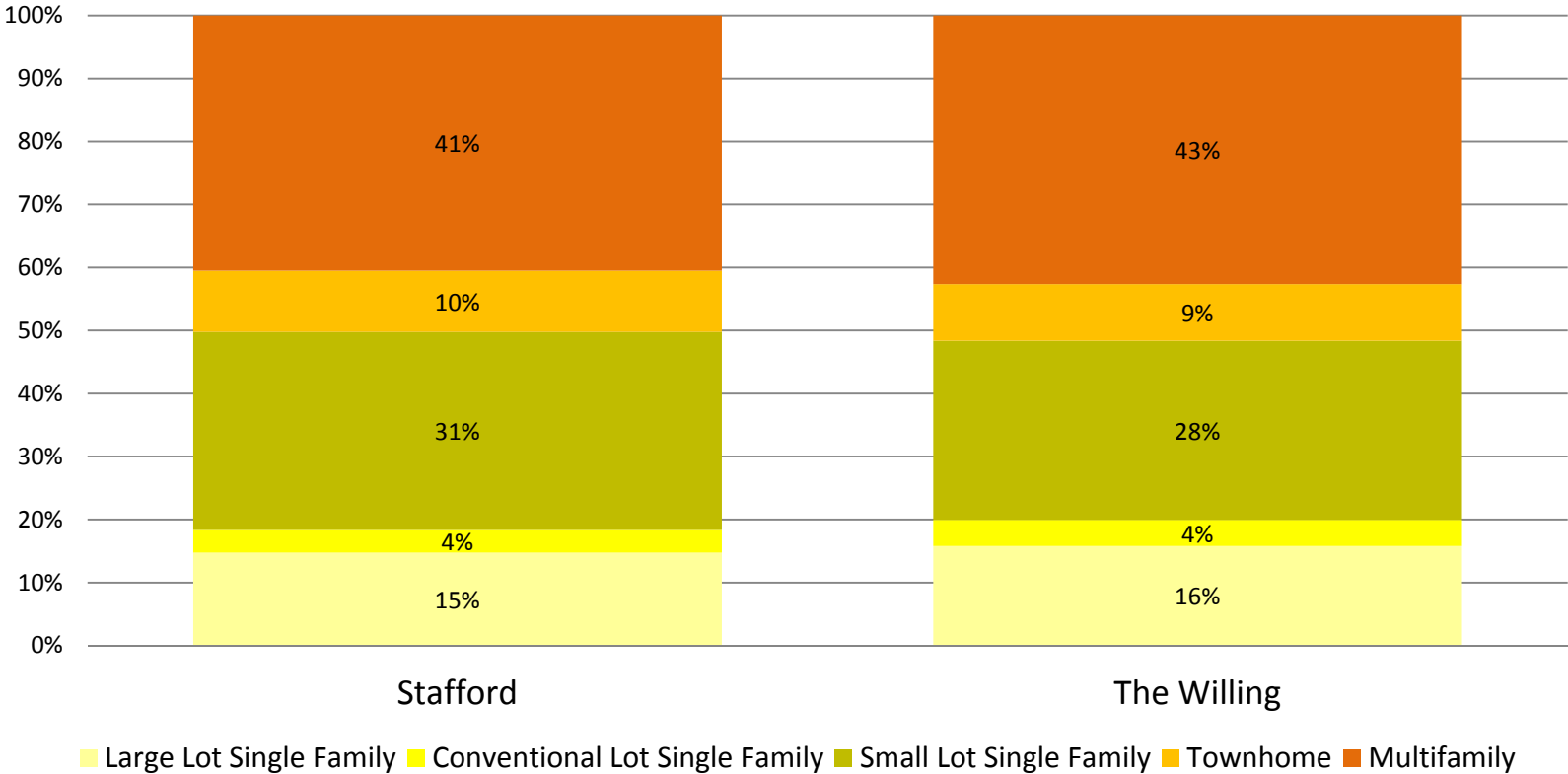


Stafford

The Willing

■ Vacant ■ Developed

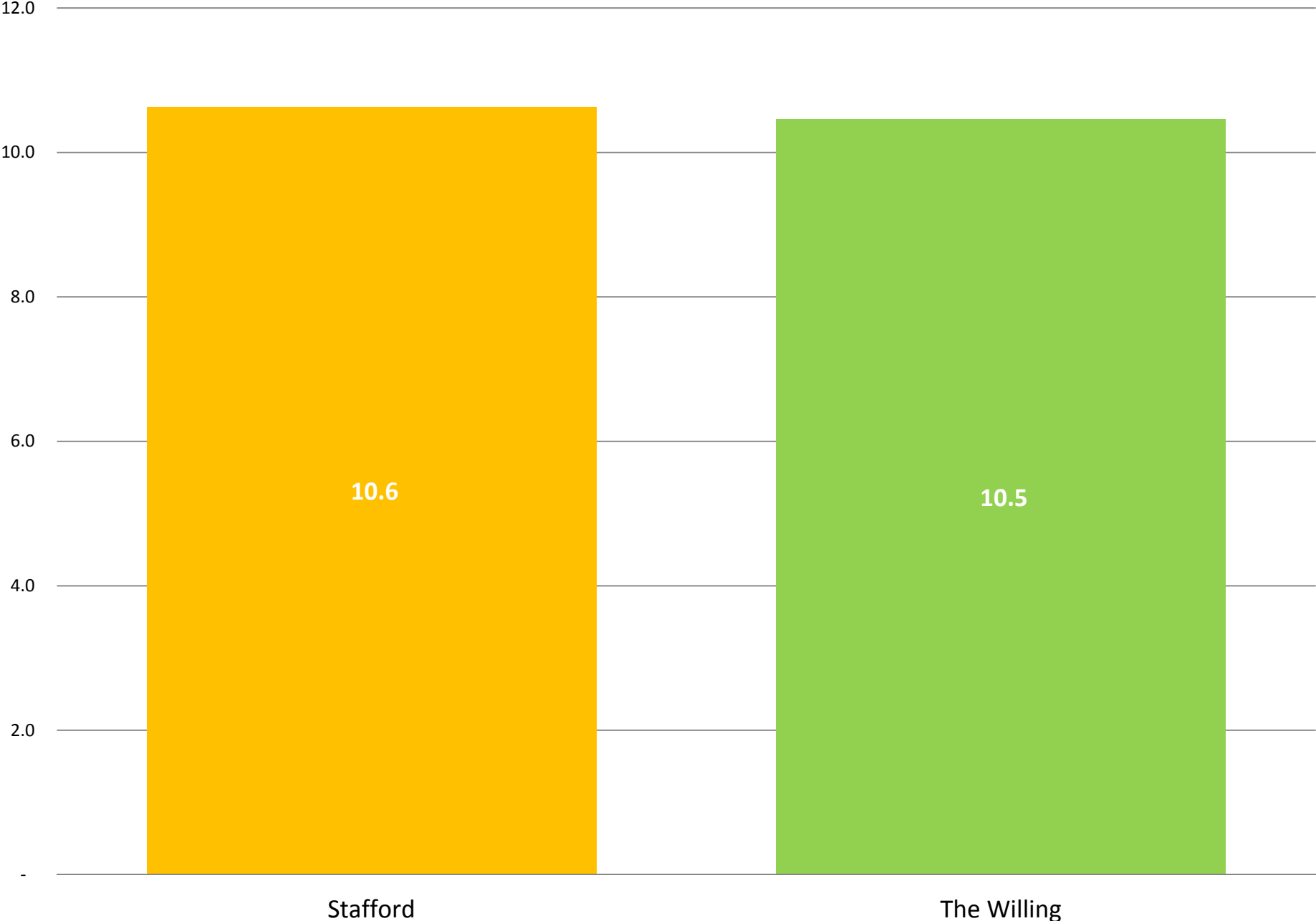
# Housing Mix



**Lower Density Housing**

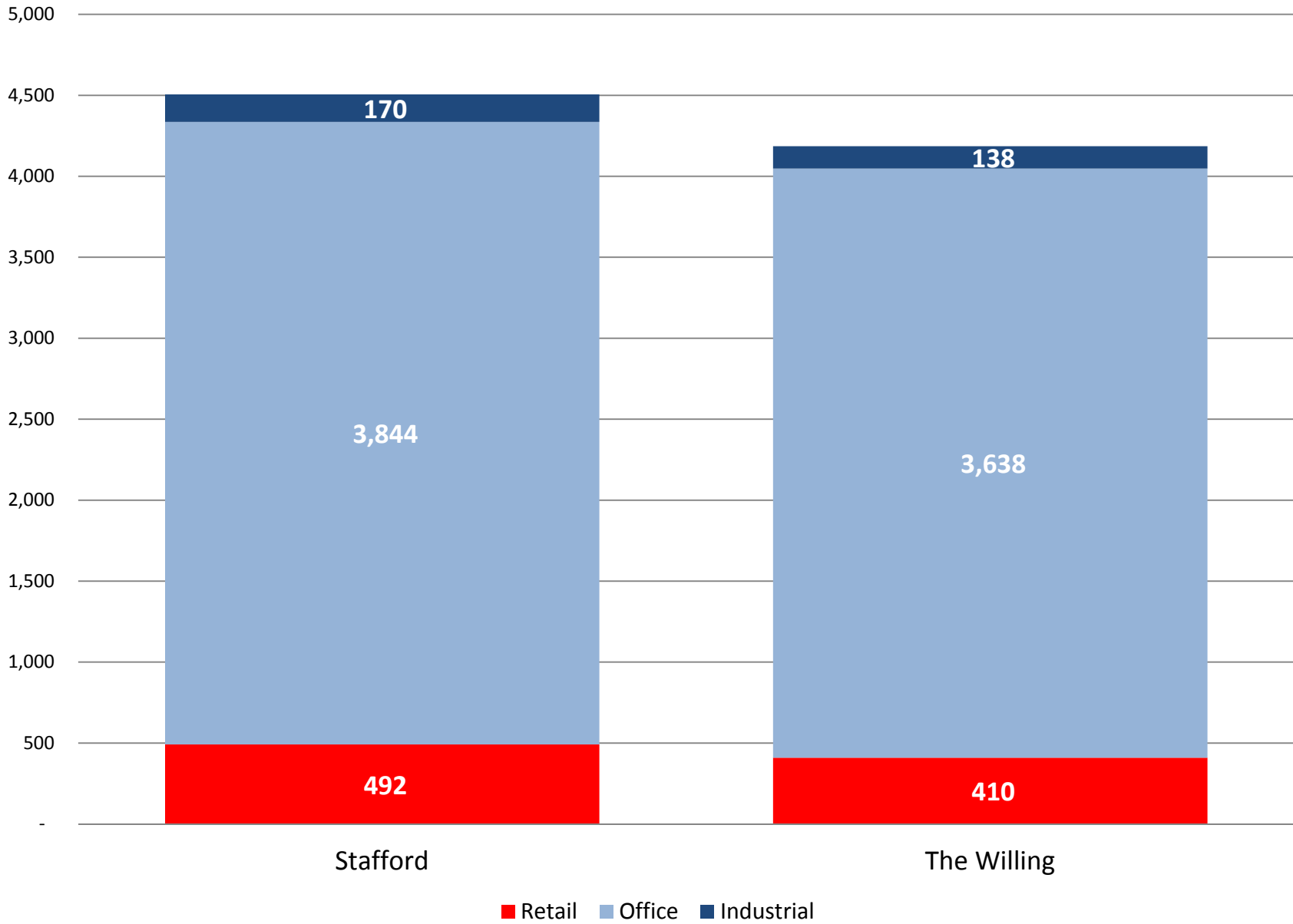
**Higher Density Housing**

# Housing Units per Net Acre





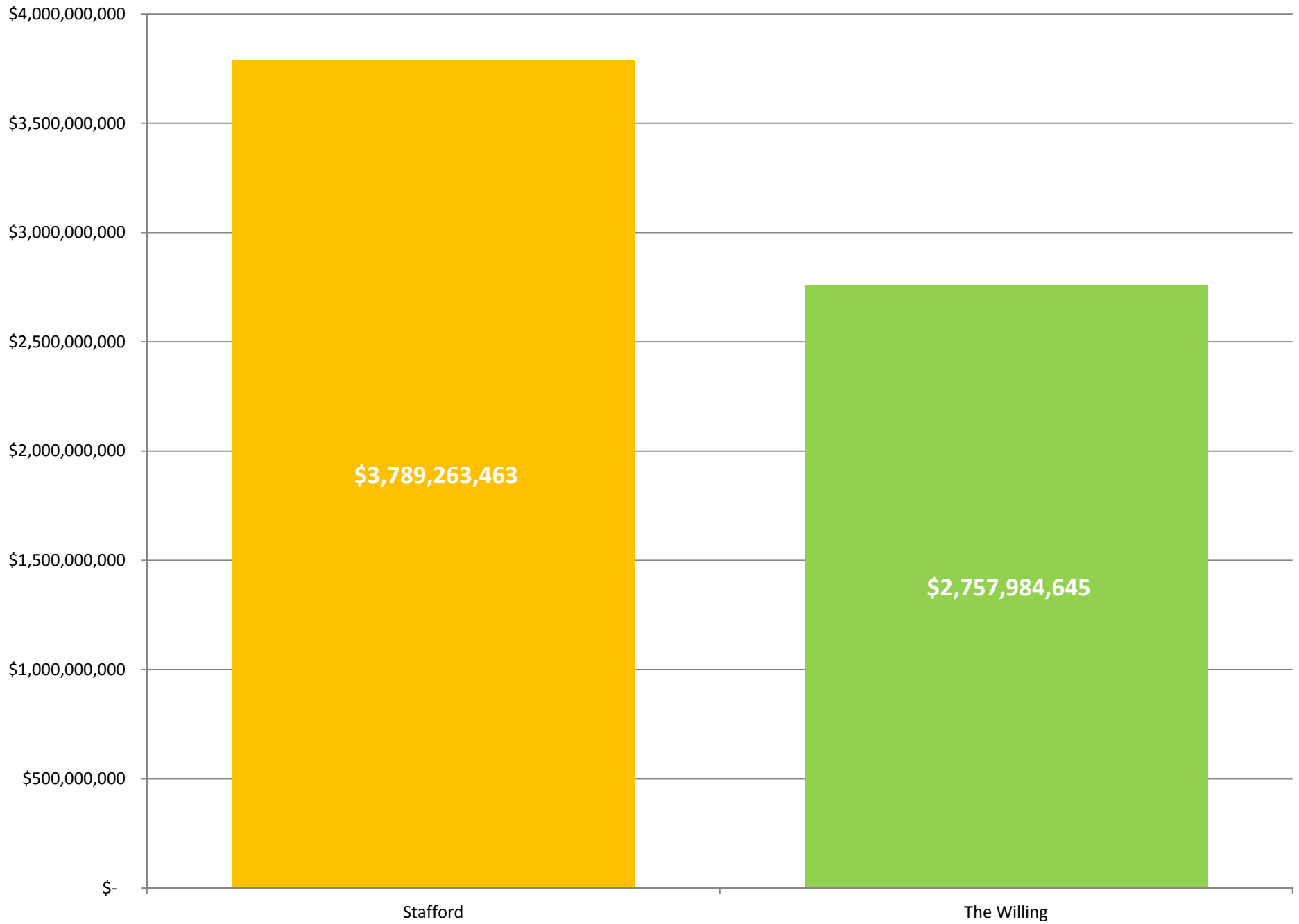
# Employment by Type



# Employment Mix



# Project Value



# **Stafford Basin Transportation Assessment Scope of Services**

- **TASK 1: Area Research and Agency Stakeholder Interviews**
- **TASK 2: Develop an Alternative Land Use and Transportation Concept**
- **TASK 3: Coordination Meeting #1**
- **TASK 4: Transportation Modeling and System Evaluation**
- **TASK 5: Cost Estimating**
- **TASK 6: Coordination Meeting #2**
- **TASK 7: Draft Report**
- **TASK 8: Coordination Meeting #3**
- **TASK 9: Final Report**

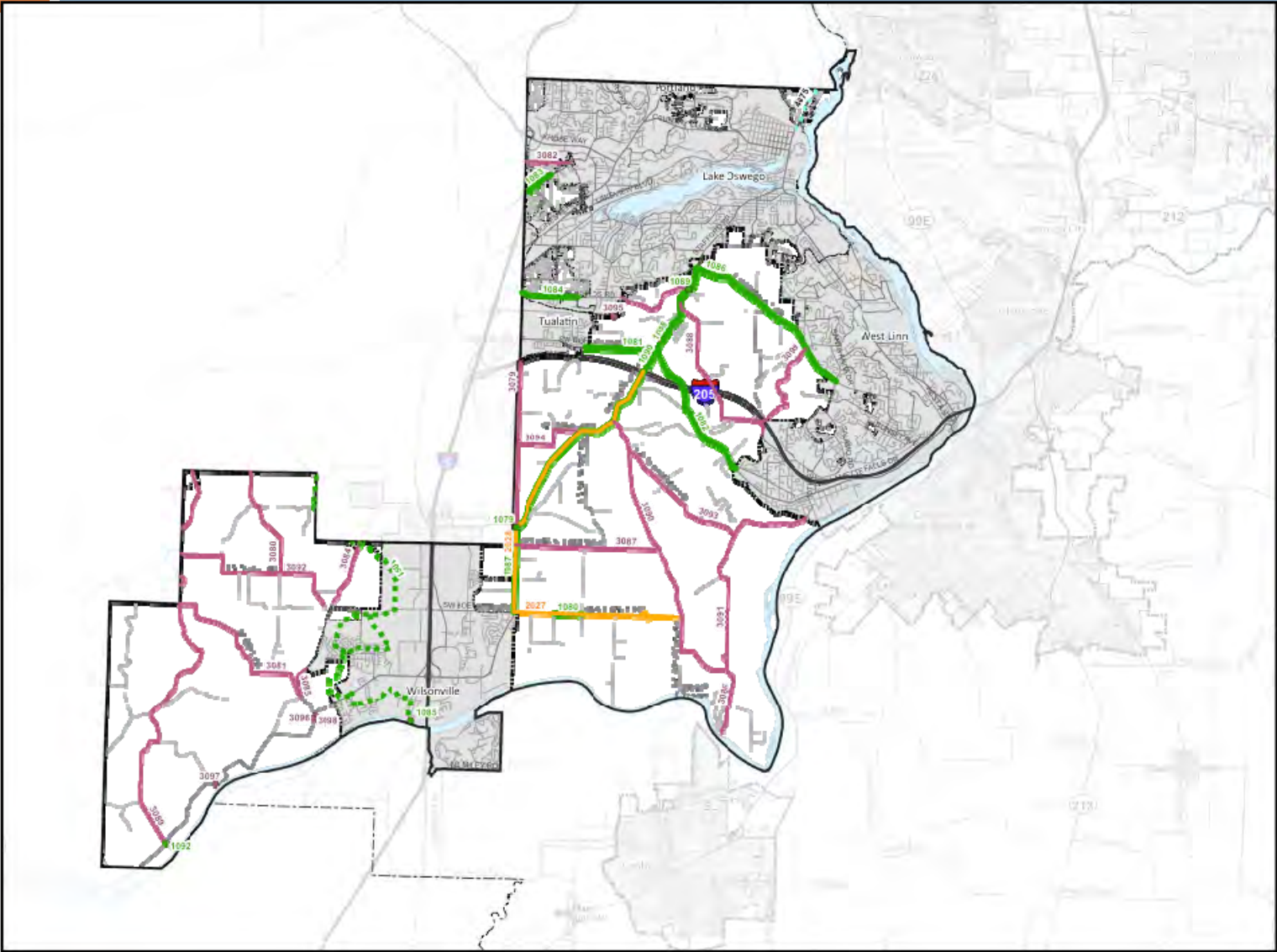




# Transportation Framework Discussion

Stafford Basin Area Planning

# Clackamas County's 2014 Transportation Plan for NW Area



**Capital Improvement Plan**

Clackamas County

- State Capital Projects (Funds 5-30)
- Federal Capital Projects (Funds 5-10)
- Long-Term Capital Projects (Funds 5-10)

**Projects on Non-County Facilities**

- High (Funds 5-10)
- Medium (Funds 5-10)
- Low (Funds 5-10)

City  
 State-Use Road  
 State-Use Road  
 Unimproved Road  
 Waterway  
 North

0 0.5 1 2 Miles

Jan/America March 1, 2014

Department of Transportation & Development

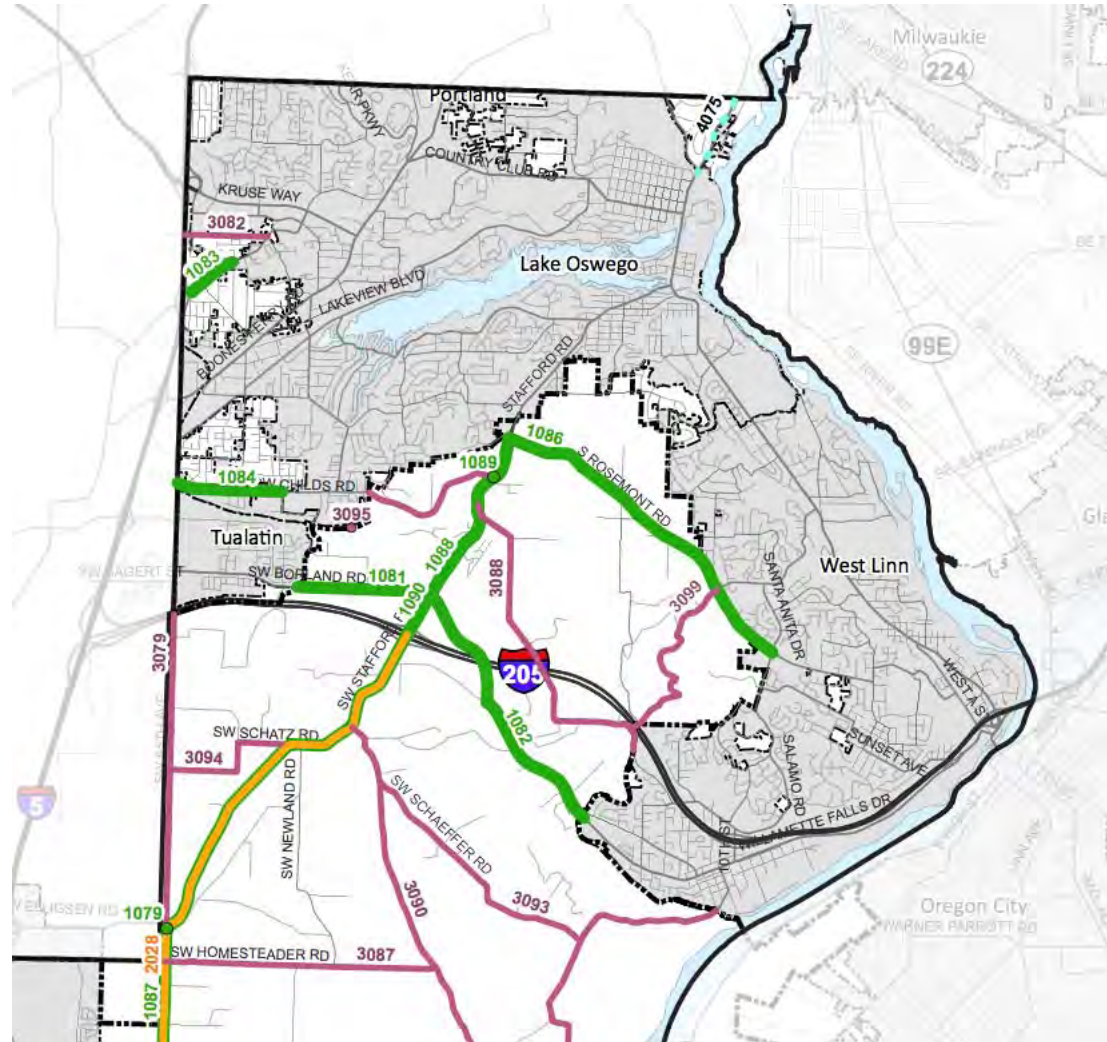
CLACKAMAS COUNTY

MAP 5-11d

# Zooming into Stafford Basin

## What Is In the Plan Now?

- Rural land density through out Basin
- Tier 1 Projects shown in Green
- Borland Road
- Stafford Road
- Rosemont Road
- Shoulder widening & safety improvements
- No new roads



# Transportation Planning Objectives

## In This Study

- Define basic arterial circulation system
- Identify major system constraints and bottlenecks
- Develop sketch level range of transportation infrastructure costs

## Issues To Be Addressed in Future Studies

- Intersection performance
- Facility design
- Multi-modal system needs
- Transit service
- Governance
- Funding / financing
- Other (as identified through the initial work)



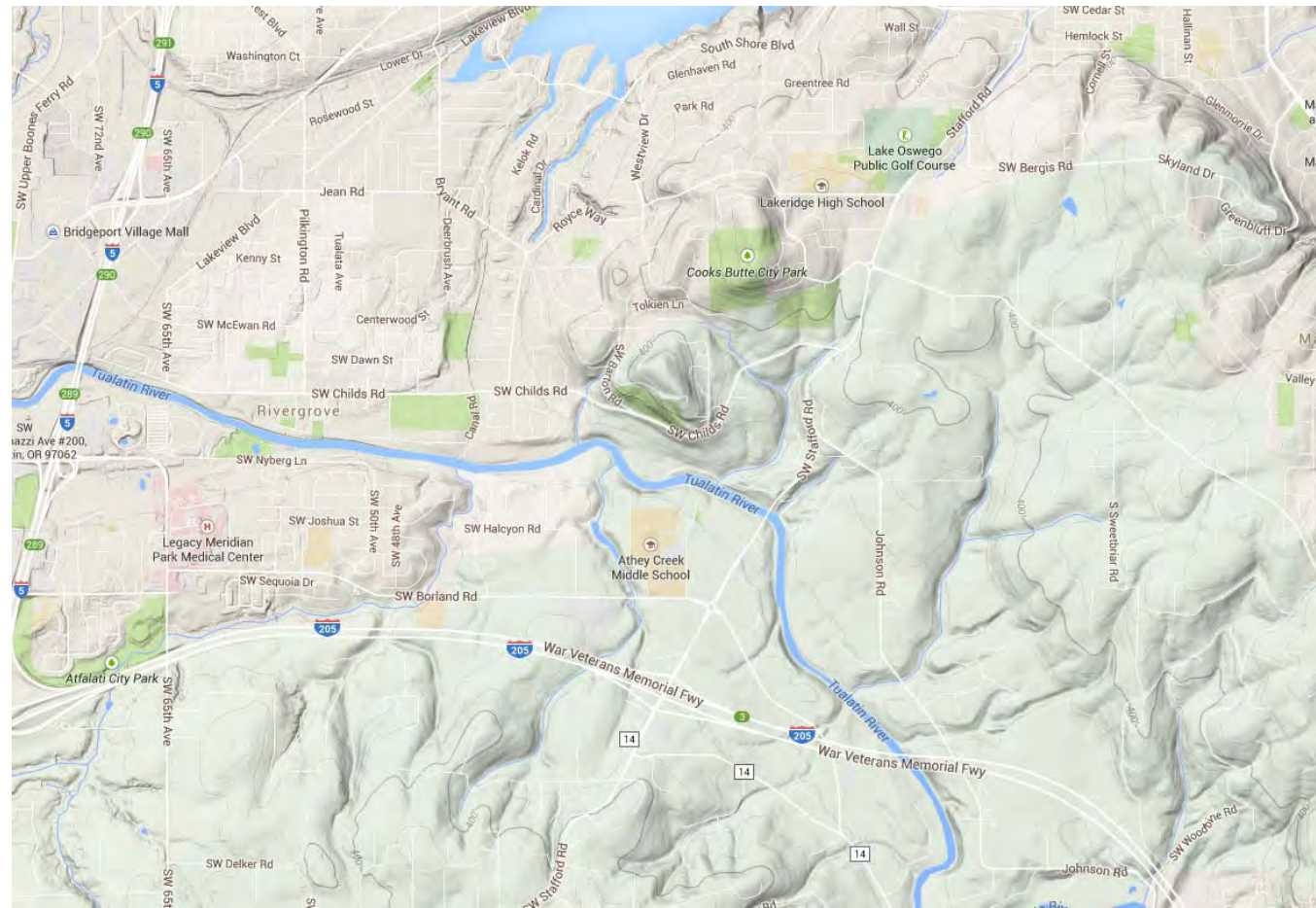
# Initial Study Area Observations And Questions To Consider

Is one freeway interchange enough?

What happens on the regional system?

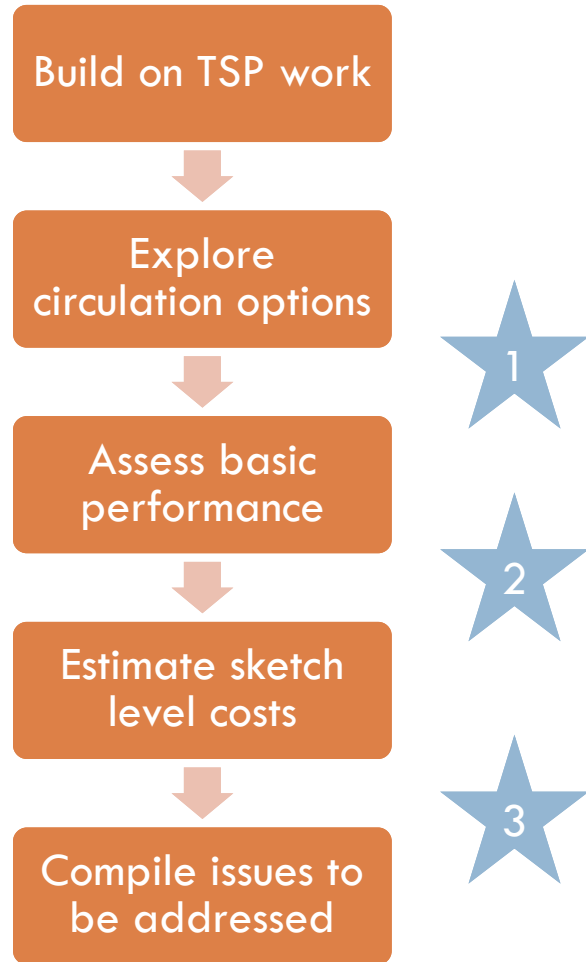
Are two I-205 crossings enough?

Is one river crossing enough?



# Sketch Level Study Approach

- Start with the the County's 2014 TSP
- Add urban growth plan (FA)
- Explore new and expanded circulation options
- Assess urban impacts on basic street performance
- Develop order of magnitude cost range (CH2M)
- Compile issues to be addressed in further studies



 = Steering Committee Discussion



# Borland: Clackamas County's 21<sup>st</sup> Century Mixed-Use Urban Center

PREPARED FOR



**METRO**

Clackamas  
County

PREPARED BY

Borland  
Neighborhood  
Association



LELAND  
CONSULTING  
GROUP

19 APRIL 2011



# A balancing act

Smart growth  
Livability  
Access to nature

Population growth  
Robust economy





# Regional Investment Outcomes

1. Vibrant communities
2. Economic prosperity
3. Safe and reliable transportation
4. Leadership on climate change
5. Clean air and water
6. Equity

(Metro Council, 2008)



# Investing wisely



The Borland Center



\$30 - \$40  
billion needed



# Core Values, Beliefs, and Attitudes

Success at Borland means addressing:

- Personal safety
- Sense of community/neighborliness
- Maintaining good health
- Financial security
- Having control over essential needs
- Having/saving time
- Importance of children
- Importance of helping people in need
- Intergenerational responsibility
- Expression of values

(Metro / Davis, Hibbitts & Midghall 2010)



# Presentation Overview

- Borland 101
- Timeline
- Why Here, Why Now?
- Overcoming the Barriers
- Discussion





# Borland 101



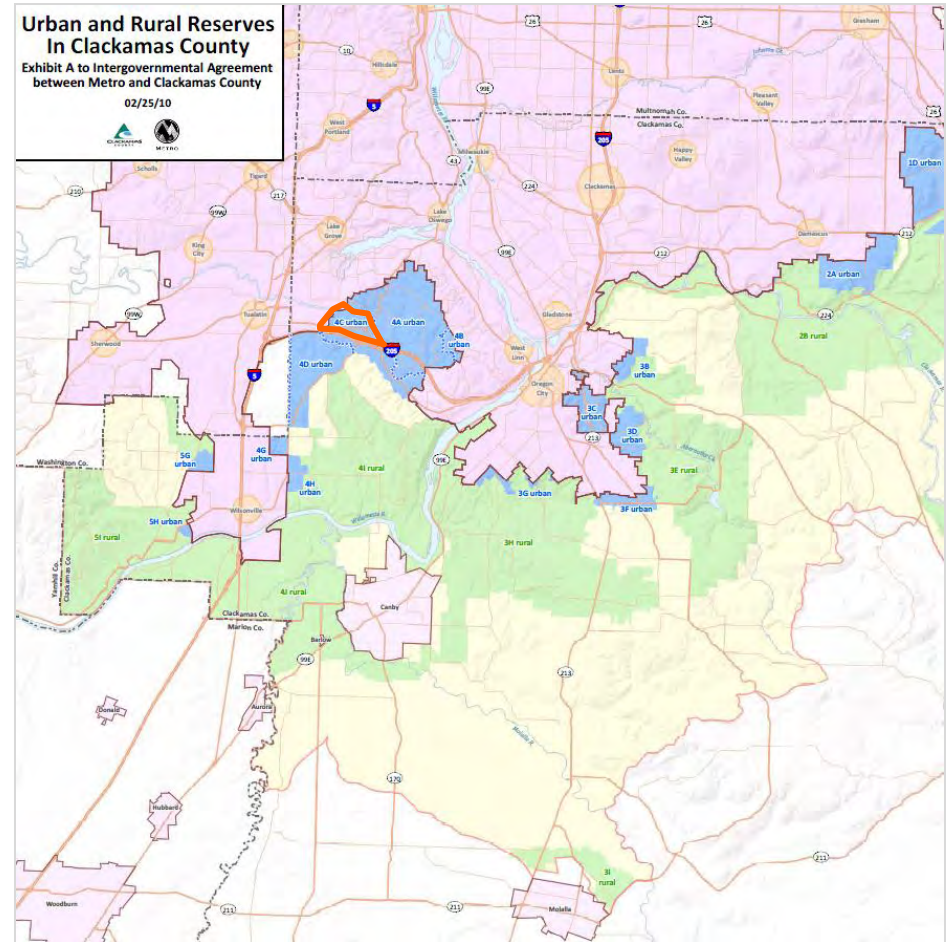






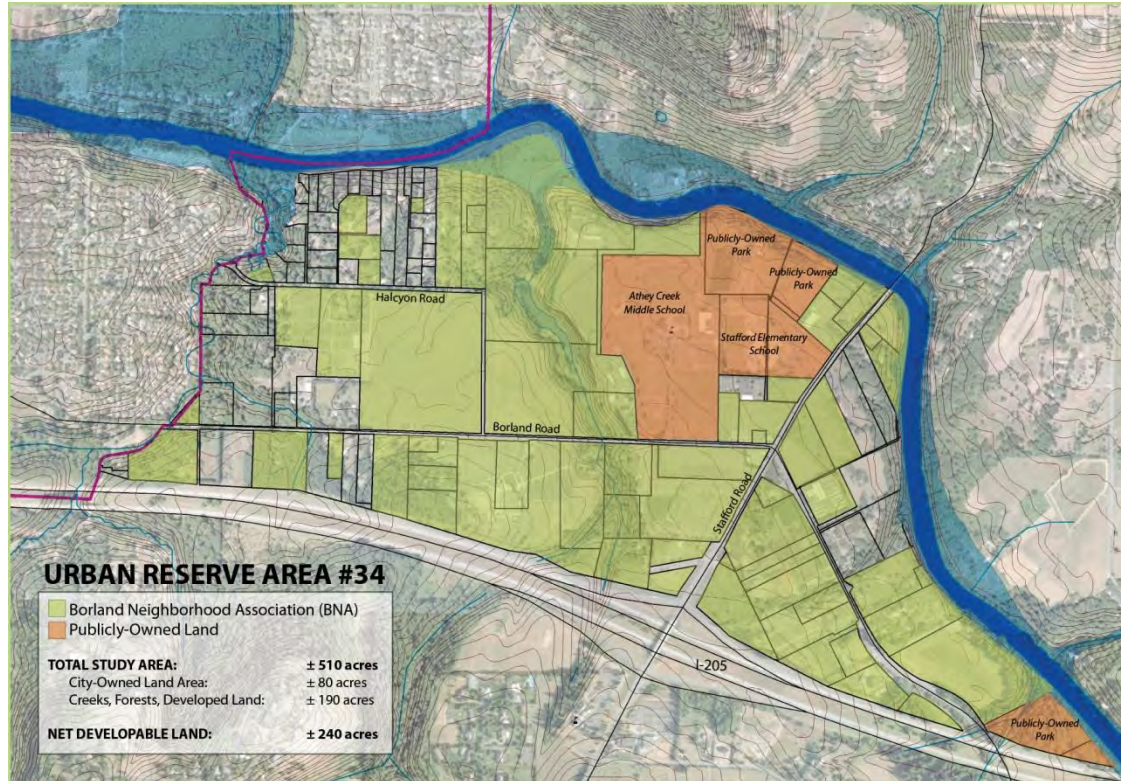
# Borland

- Inside I 205 – 5 loop  
(Only area not in UGB)
- High Capacity Transit Corridor  
(Planned)
- Flat topography
- Southwest – Fast growing sector of the region
- Urban reserve area 4C
- Excellent visibility, access
- Adjacent to cities and utilities



# Borland

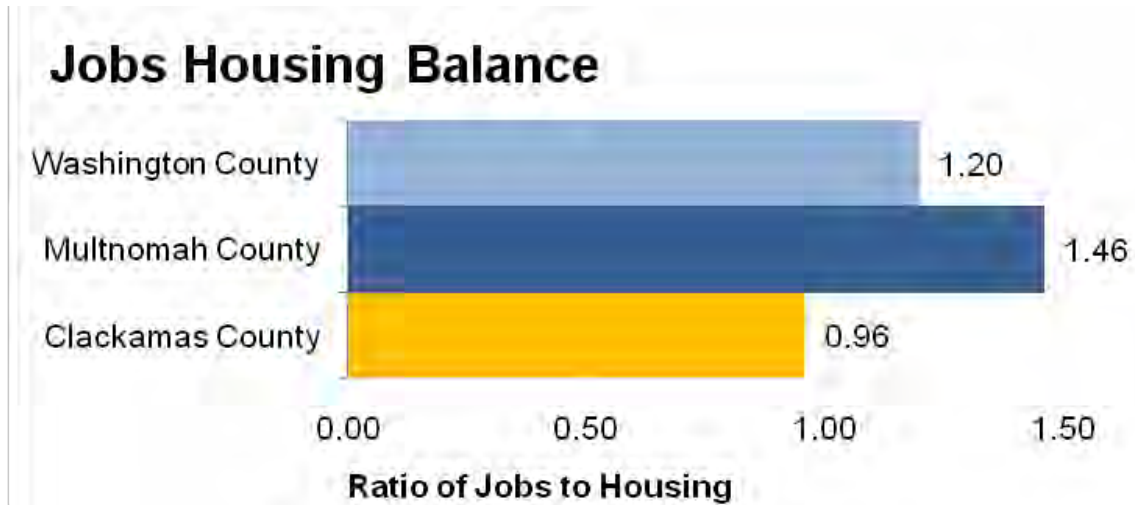
- South of Tualatin River
- North of 205
- 500 gross acres
- Major road infrastructure in place
- Borland Neighborhood Association (BNA): represents 85% of private land
- Owners share agreement and vision





# Role in the Region

- Opportunity to add
  - Jobs
  - Housing
  - Compact center
- Address
  - Employment imbalance
  - Longer commute times
  - Lower wages
- Diversify Clackamas economy



# Timeline



# 1990s

- Metro advocates for Borland's urbanization, inclusion in UGB
- 1995 – 97
  - Designated Urban Reserve #34
  - Metro directive to adjacent cities to fast-track plans for Borland infrastructure
  - Metro anticipates urbanization, purchases park land
  - 2040 Plan finalized





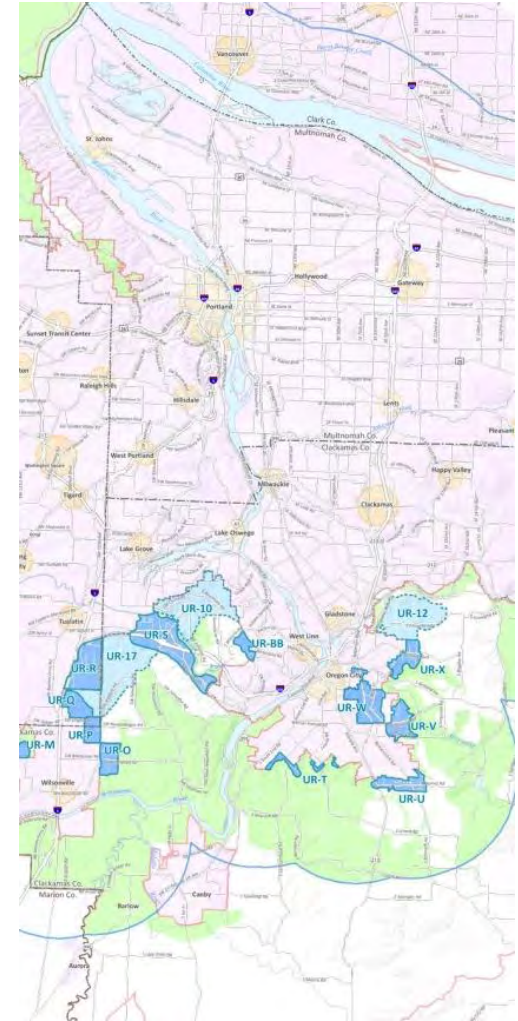
# 2000s

- 2000: Tualatin Fiscal Impact Analysis
  - Net positive impact, even at suburb density
  - 2:1 ratio of municipal revenues:costs
- 2006 – 2008: Stafford Hamlet Values and Vision
  - “Clustering is a desirable style of development”
  - “The Borland area is the most reasonable to develop”
- Subject of Great Communities report
- 2007: Oregon Senate directive
  - A portion of Stafford should be urbanized in 2009 cycle



# 2009 to Present

- Urban Reserves process begins (Jan 2008)
- 1000 Friends (Oct 2009)
  - “We support an urban reserve around Borland Road.”
- State Agencies (Oct 2009)
  - “The Stafford area... it is particularly well-suited for long-term employment purposes.”
- Metro – County IGA (March 2010)
  - The “town center” for North and South Stafford, potentially other areas
  - To be developed at “higher densities,” with “urban uses” as a “mixed use center”

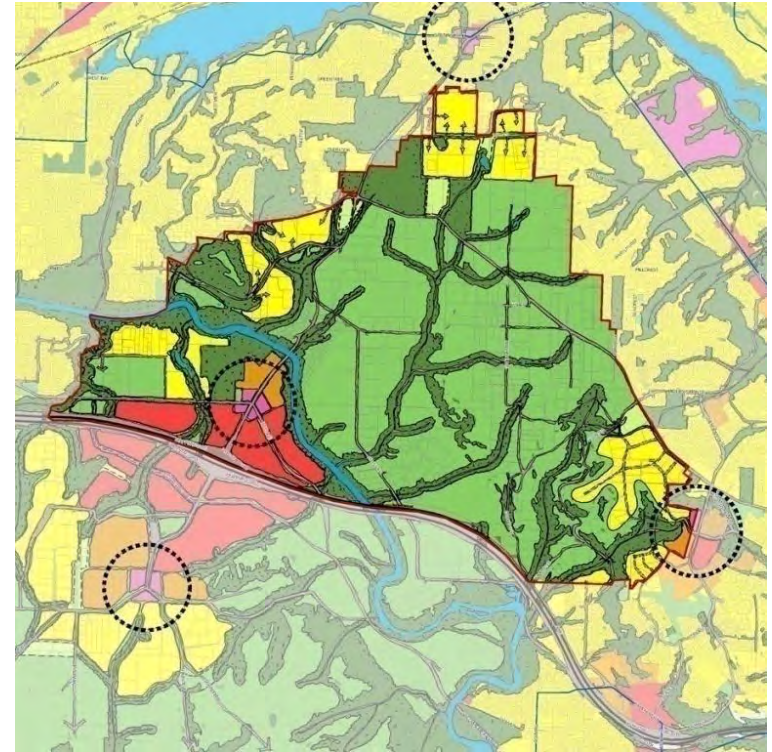


# 2010

- Metro:
  - Request for analysis, urbanization comes from bottom up
- Citizens initiate request to County
- Dialogue and collaboration
  - Metro
  - Clackamas County
  - Borland Neighborhood Assn.
  - Hamlet, cities, state, others



- County Ask to Metro
  - Include Borland in UGB Expansion Areas analysis
  - Study Borland as a Mixed-Use Urban Center
  - Define density transfer
  - If positive, initiate Concept Plan
    - Evaluate uses, intensity, timing
    - Governance, finance, physical plans





# 2011

April	Metro and County finalize regional urban reserve maps.
June	LCDC review of urban reserves Metro: Analysis of Potential UGB Expansion Areas.
August	LCDC releases oral decision on urban reserves.
September – November	Metro council and staff prepare Growth Management and UGB expansion plans.
November 17	Metro adopts Growth Management ordinance, including UGB expansion decision. (Begin Borland Concept Plan.)

# Why Here, Why Now?

An aerial photograph of a rural landscape, likely in a mountainous region. The foreground shows a large, flat, light-colored field, possibly a meadow or pasture. In the middle ground, there are several buildings, including a large, dark-roofed structure and a smaller, white-roofed building. The background is dominated by rolling hills and mountains covered in dense, green forest. A semi-transparent green rectangular box is overlaid on the left side of the image, containing the text "Why Here, Why Now?".

# Why Here, Why Now?

- Strategic location
- A new model for implementing urbanization
- Realize a solution that benefits many parties
- Expand Clackamas County's urbanization capacity

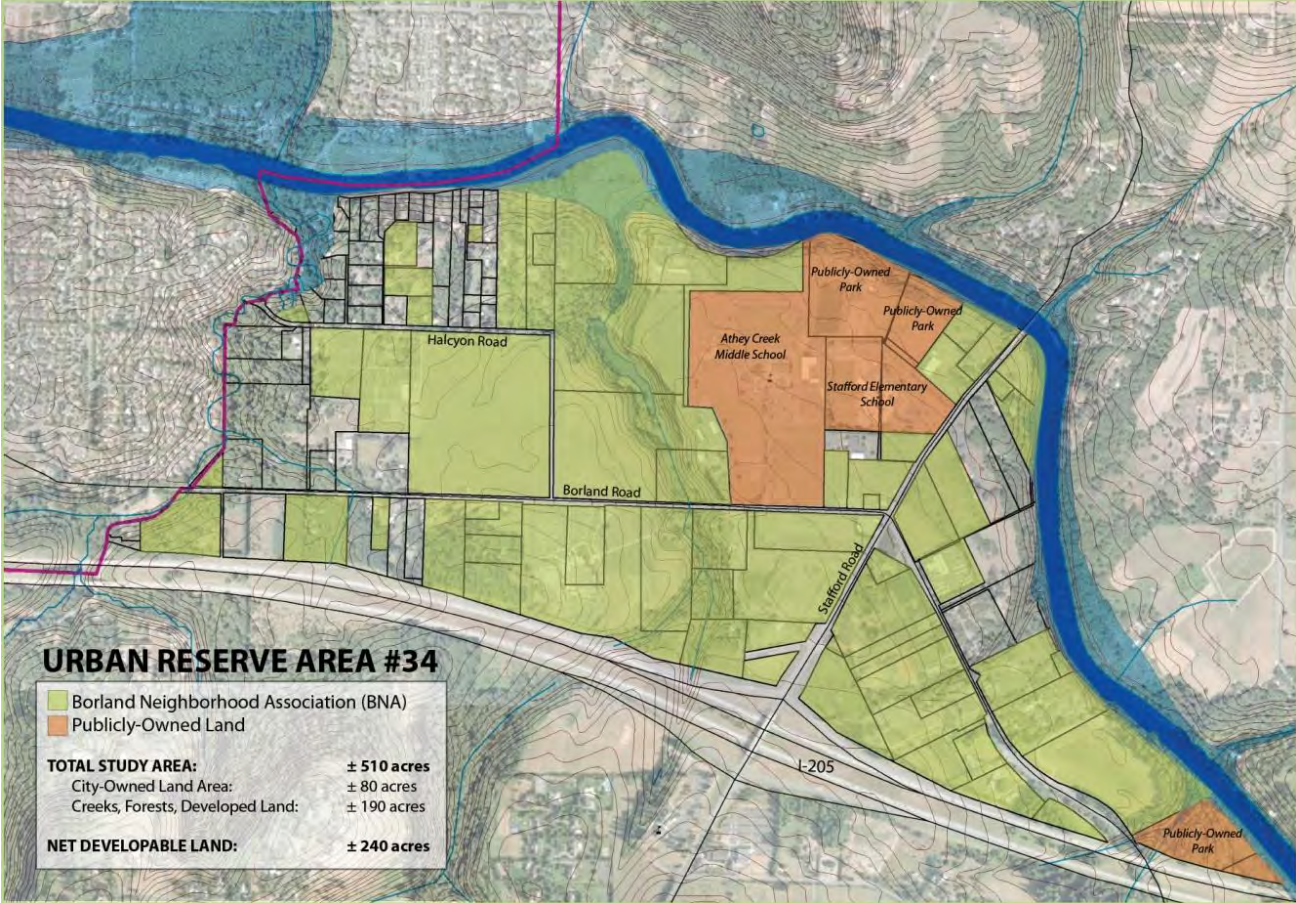




# Development Capacity

## Area (acres)

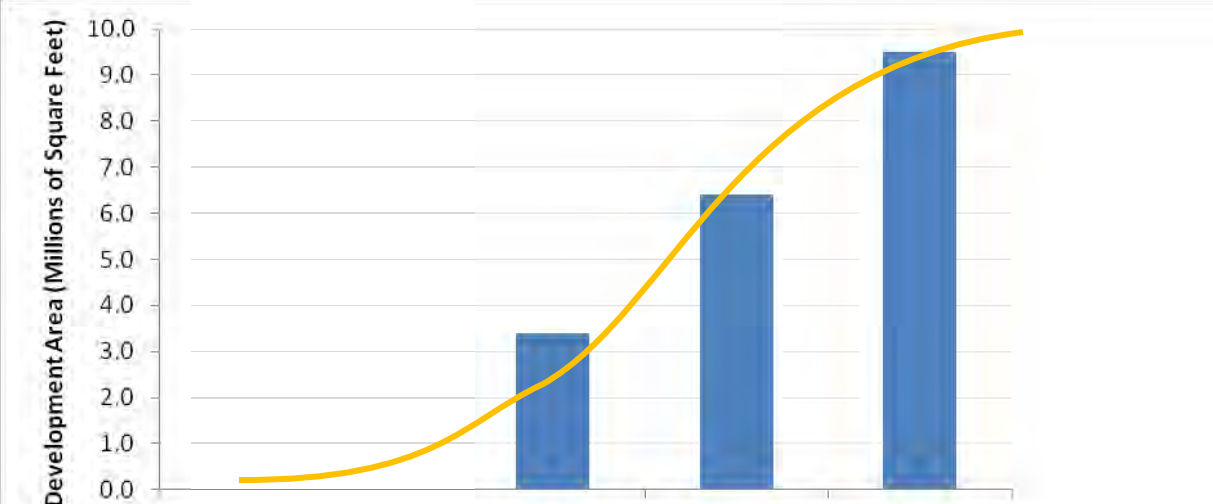
Gross	500
Undevelopable (Includes parks, schools, riparian)	117
Right of Way	153
Net Developable	230





# Conceptual Development Program

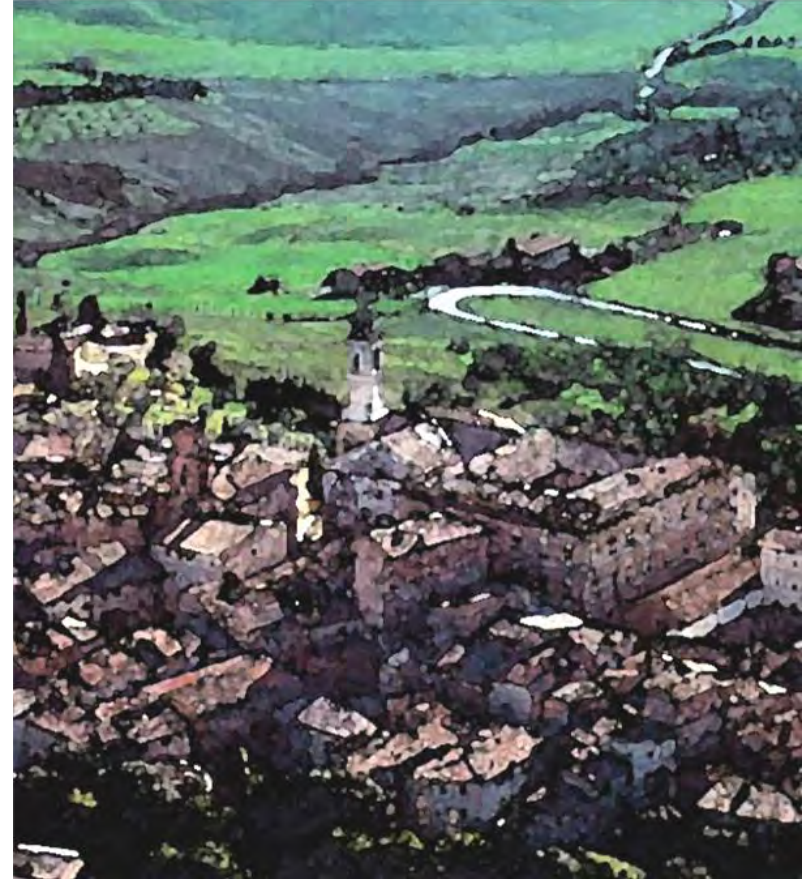
- 9.5 million square feet
- \$2.7 Billion investment
- Supports \$200 million in TIF or bond financing
- Balance jobs and housing



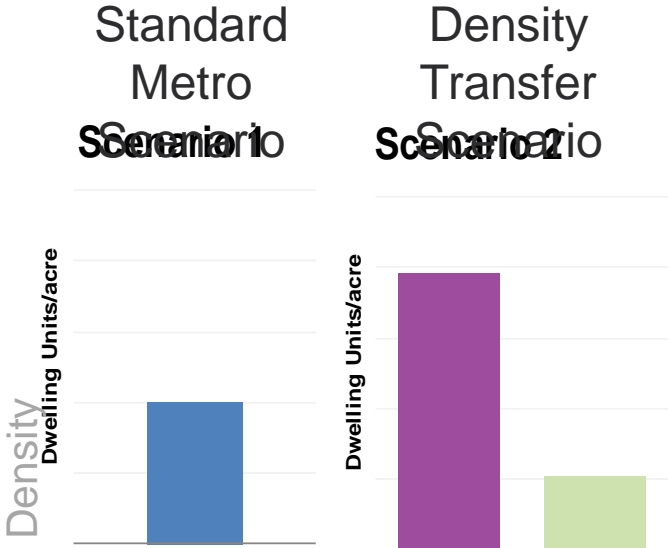
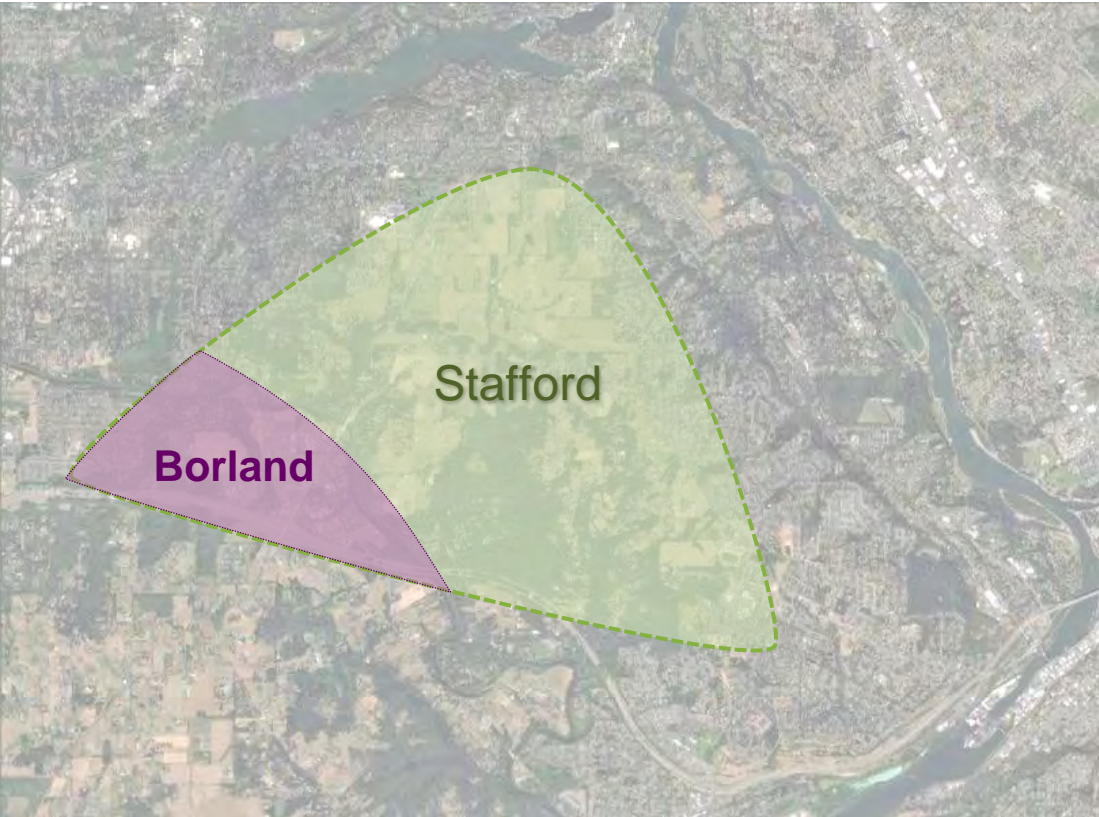
Development Metric	Factor	Development Phase			Buildout
		1	2	3	
<b>Land Development</b>					
Percent of total		45%	30%	25%	100%
Net new (acres)		103	69	57	230
Cumulative (acres)		103	172	230	230
<b>Floor Area Ratio</b>		0.75	1.00	1.25	-
<b>Gross Building Area</b>					
Net new (sf)		3,400,000	3,000,000	3,100,000	9,500,000
Cumulative (sf)		3,400,000	6,400,000	9,500,000	9,500,000
<b>Value (\$ Billion)</b>	\$280	1.0	0.8	0.9	2.7
<b>Jobs</b>	442	5,769	10,860	16,120	16,120

# Why Here, Why Now?

- Density transfer.  
Balancing rural and urban areas.
- A place for housing, jobs, and economic development.  
(One million new residents by 2030)
- Smart growth model.
- A logical and cost effective location for housing and jobs.
- Revenue to municipalities and service districts.
- Regional equity.



# Borland Strategy: Density Transfer





# A Window of Opportunity

- Rare opportunity
- Danger of fragmentation
- Even with a quick policy decision, development takes time



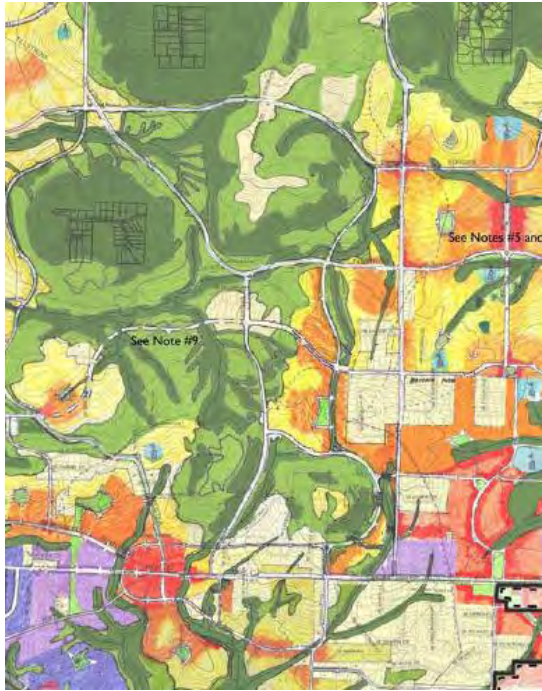
# Overcoming the Barriers

An aerial photograph of a rural landscape, showing a valley with scattered houses and trees. A dark green horizontal bar is overlaid on the upper left portion of the image, containing the text 'Overcoming the Barriers' in white. The background shows a valley with several houses and trees, and a forested hillside in the distance.

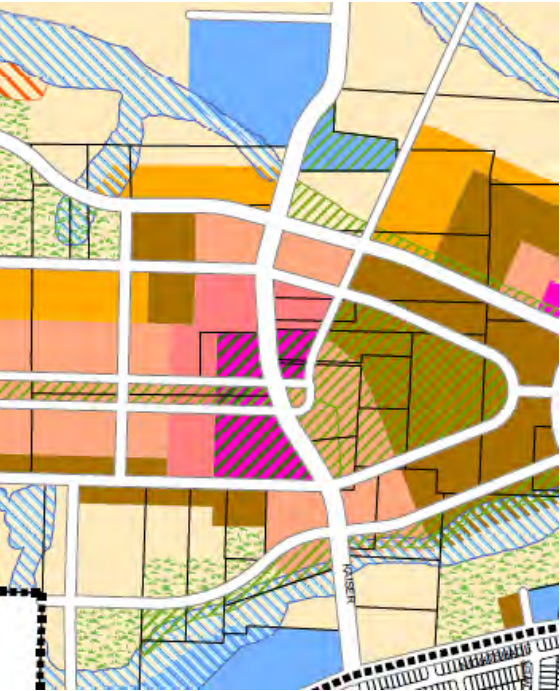


# Barriers - Urban Expansion Areas

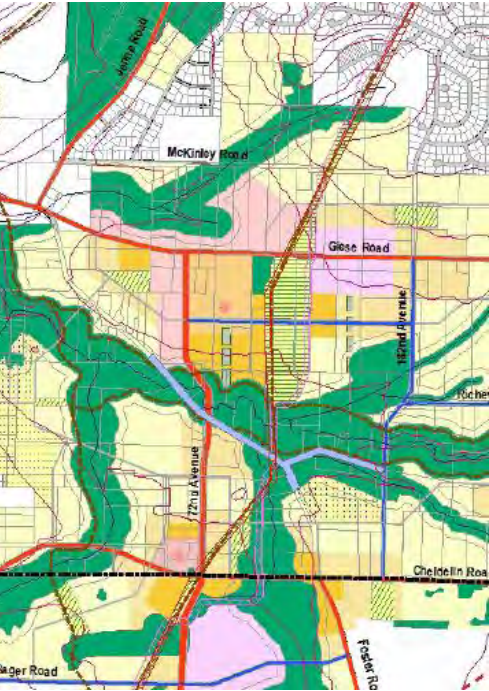
Damascus  
Clackamas County



North Bethany  
Washington County



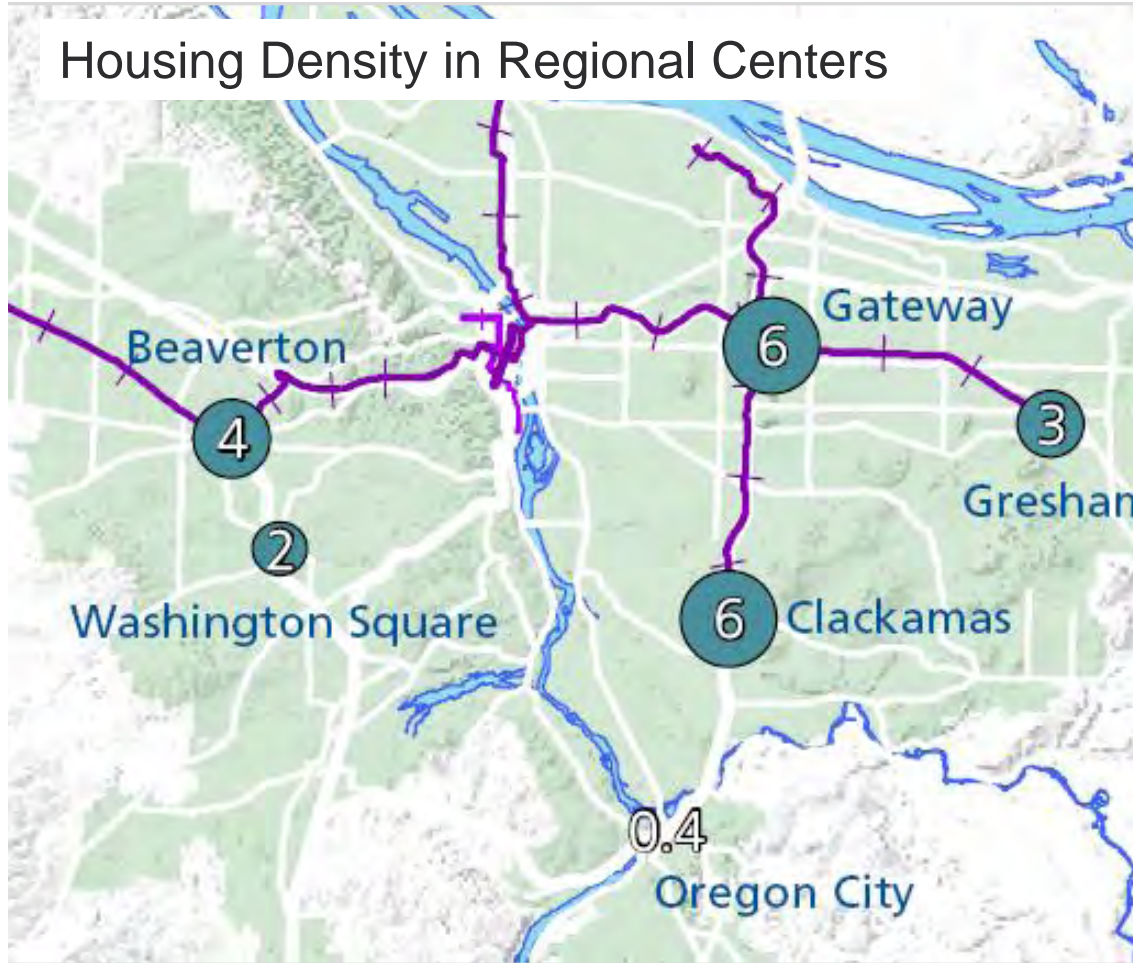
Pleasant Valley  
Multnomah County



70% of first-owner mixed use projects fail or underperform.



# Barriers - Centers



Source: State of the Centers Report, Metro, January 2009.

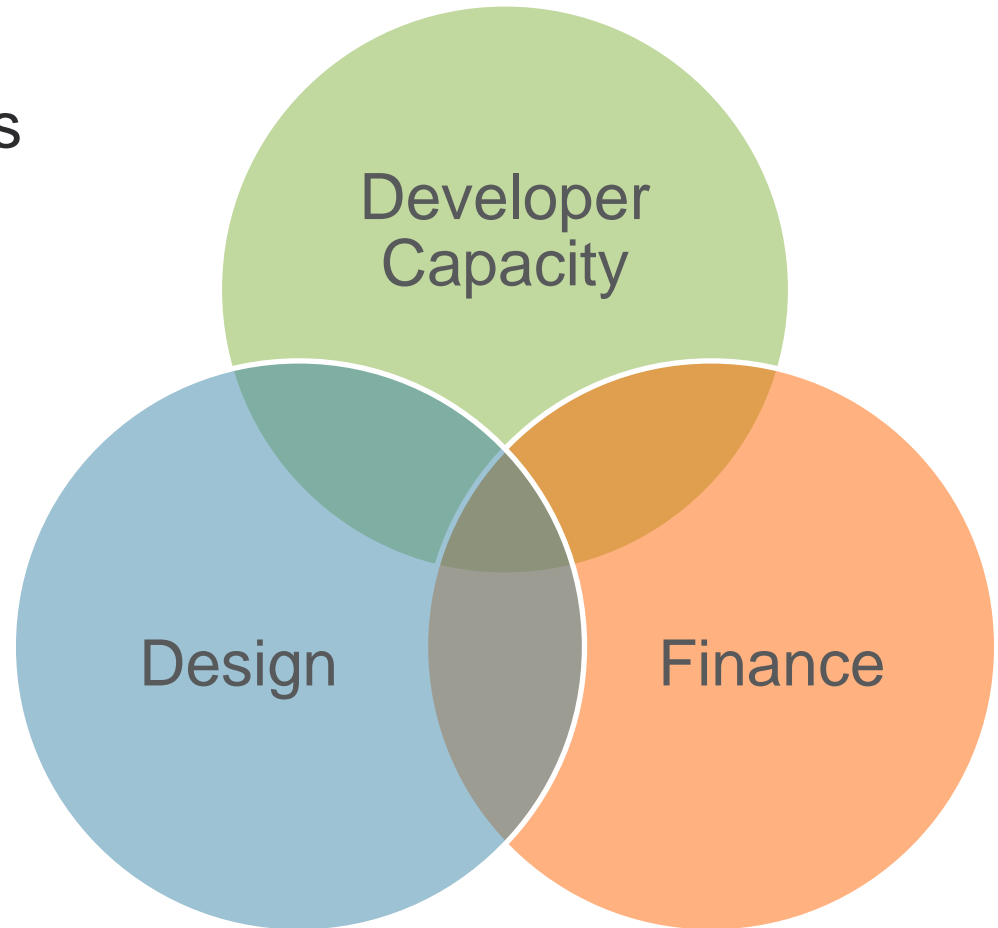
## Barriers

(Metro, 2009)

- Fragmented Property Ownership
- Market
- Zoning/Code
- Design
- PPP capability
- Parking
- Public Amenities
- Transportation Infrastructure

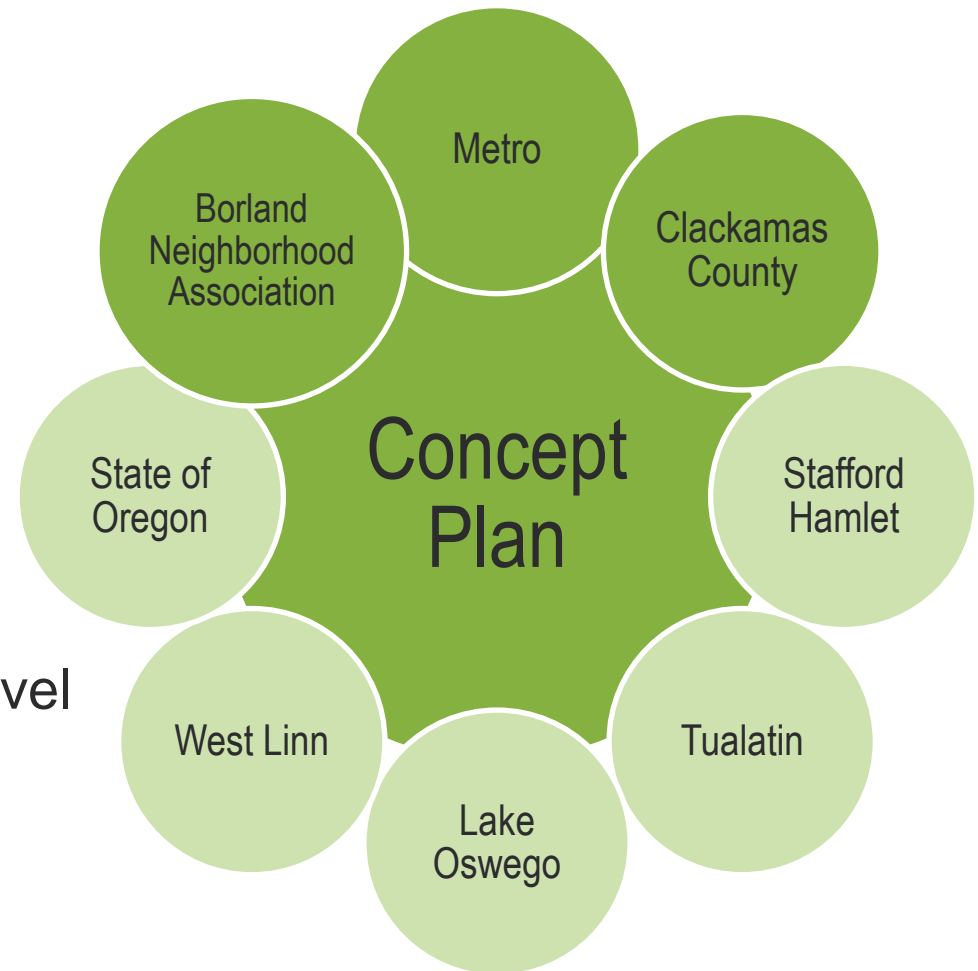
# Barriers: Concept Planning

- Past approach:  
Physical plan drives process
- Afterthoughts
  - Economics and market
  - Property owners
  - Implementation



# A Revised Approach

- Holistic
- Key stakeholders drive decision making
- Real estate economics, negotiation are central
- Compressed time line
  - Urban Land Institute model
  - Reach 80 percent confidence level quickly
  - Focus increases energy, creativity, engagement by key decision makers
  - Finance, governance, physical, etc.





# Discussion



*Thank you.*



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## Table of Contents

- Letter from David Marks, Past President, Clackamas County Business Alliance and Herb Koss
- Resumes
- Site Background
- The Concept Plan
- Satisfaction of HB2011 Criteria
- Summary
- Letter from Clackamas County Board of Commissioners
- Letters to follow:

Clackamas County Business Alliance  
Clackamas County Economic Development Commission  
West Linn/Wilsonville School District

October 29, 2003

Carolyn Sanco, CED  
Economic Revitalization Team  
9101 SE Sunnybrook Road  
Clackamas, OR 97015

RE: Stafford Complete Communities Employment District

Dear Carolyn,

On October 20, 2003, we attended a meeting concerning the implementation of HB 2011. Our expectation was for the Stafford Triangle to be one of those areas considered. Once again however, this major area was not moved forward due to what we believe is lack of political will. This is not the first time we've seen the Stafford Triangle passed over by the public sector.

The I-205 River-to-River Strategy exhibits the accessibility the Triangle has to the high capacity I-205 interchange at Stafford Road. Improvements to Stafford Road are included in the County's CIP. With nearly 400 acres available under few ownerships, this area screams for review under HB 2011.

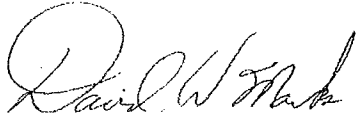
**Location, Location and Location** describes this area within the metro region. Only twenty miles to PDX, five miles to I-5, 15 miles to downtown Portland and less than a mile to I-205. In addition to these superior locational criteria, the District has these outstanding characteristics:

- The site is near city sewer and water services
- Quality housing surrounds the site in Tualatin, West Linn and Lake Oswego
- The school districts serving these communities will attract quality employers
- The business address will attract employers
- The topography will facilitate development
- The site is composed of large sites that are owned by willing sellers
- A small number of owners represent the employment districts
- The plan calls for four great sites each with a unique characteristic for employment opportunities
- The site has many recreational amenities including the planned recreational facilities by Lake Oswego, the river to river walk; passive open space and protected wetlands and stream corridors

Situated between three cities there has not been agreement in the past to include this area for any consideration that would bring significant change. You may be hearing from one

or two of those cities as a result of this proposal. Our request is for the Economic Revitalization Team to review the attributes of the area before being unduly influenced by those who, for whatever reason, have blocked any consideration of the Stafford Triangle in the past.

Sincerely,



David Marks  
Past Chair and Board Member  
Clackamas County Business Alliance



Herb D. Koss, President  
Koss Real Estate Development  
Investment Company



## **Herb D. Koss**

In 1967, upon graduation from Portland State University with a degree in Marketing Management, Herb was employed by US Bank specializing in real estate finance. In 1974, Herb formed a residential home building company. He subsequently developed many residential and commercial projects in the Portland metro area, specializing in planned unit developments.

Herb is currently President of Koss Real Estate Development & Investment Co. (1992 – present). Located in West Linn, Oregon, his firm specializes in mixed use community developments. Services include land development, as well as real estate consulting, investment and brokerage.

### Recent Projects:

- Cascade Summit, West Linn, Oregon – 130 acres
- Grand Oaks Summit, Corvallis, Oregon – 100 acres
- River Canyon Estates, Bend, Oregon – 90 acres
- Lone Ranch, Brookings, Oregon – 640 acres

### Education:

Portland State University, Marketing Management, 1967

## **David W. Marks**

In 1969, David and his brother took over the family metal fabrication business, Marks Metal Technology, started by their father in 1946. They grew the small Clackamas County business until 1997, when they split it into two independent businesses providing for the third generation. Each business is operating in facilities in Clackamas County. David remains active as President of Marks Metal Technology, which provides metal and steel fabrication services to a national market.

In addition, David Marks is active in several industry and community organizations:

- Clackamas County Economic Development Commission; 1997 – present
- Pacific Northwest Steel Fabricators Association – President; 1998 – 2000
- Clackamas County Business Alliance; Past Chair and member 2000 – present
- Oregon Council of Knowledge & Economic Development; 2002 – present

## Site Background

**Location:** The Stafford Complete Communities Employment District (Stafford District) is located between the developed communities of Tualatin, the newly expanded West Linn urban area, (URA 37) and Lake Oswego in the last undeveloped area north of I-205 and the Tualatin River. The study area map illustrates that it is defined by three strong borders, which include the cities of Tualatin and Lake Oswego to the west, the City of West Linn to the east and I-205 to the south. The **Crown Jewel** among the economic opportunities for Clackamas County, the Stafford District is well located to take advantage of the excellent freeway access both for the movement of goods and for the convenience of employees. The site has great access to two of the major Portland Metro area freeways, I-205 and I-5, providing access to the Portland Airport within 25 minutes. In addition this suburban location provides excellent housing opportunities as well primary and secondary schools both in the nearby Tualatin, Lake Oswego and West Linn neighborhoods and the residential community that will be developed around the employment centers. Complementing the livability of the area is the nearby Luscher Farms in Lake Oswego, where active and passive recreational areas are planned.

The cities surrounding The District are primarily residential communities. The addition of 359 acres of developable employment land in this location could reduce the current commute for nearby residents.

**Size:** The community has been designed around the Clackamas County Complete Communities model accommodating the live, work and play design concept. The total community is approximately 1,700 acres. The employment centers which are composed of four primary centers are integrated with mixed use neighborhoods and supporting commercial areas. The table below summarizes the plan for the Stafford District.

**Table One  
Land Uses \***

<i>Land Use</i>	<i>Size (acres)</i>
Commercial	40
Mixed Use	208
Industrial and Traded Sector	359
Civic and Institutional	80
Existing Rural Buffers	1,055
<b>Total</b>	<b>1,742</b>

\* Does not include open space and parks

## **Municipal Cooperation:**

**Metro** – The Stafford District was identified as Urban Reserve Areas 38 through 42 and was considered for inclusion in the 2003 Metro Urban Growth Boundary (UGB) expansion. Although not included in the first round of expansion areas, a portion of the District remains under consideration for inclusion in 2004. The UGB was remanded to Metro for reconsideration by LCDC in 2003 and required to amend the UGB again to include an additional 2,700 gross acres of industrial land. The additional industrial acreage for inclusion in the UGB will be identified by June of 2004. **The Stafford District is under consideration for the UGB expansion in 2004.**

**Tualatin** - The City of Tualatin, which is located within ¼ and a ½ mile of the Stafford District, has the ability to provide sewer and water service to the area.

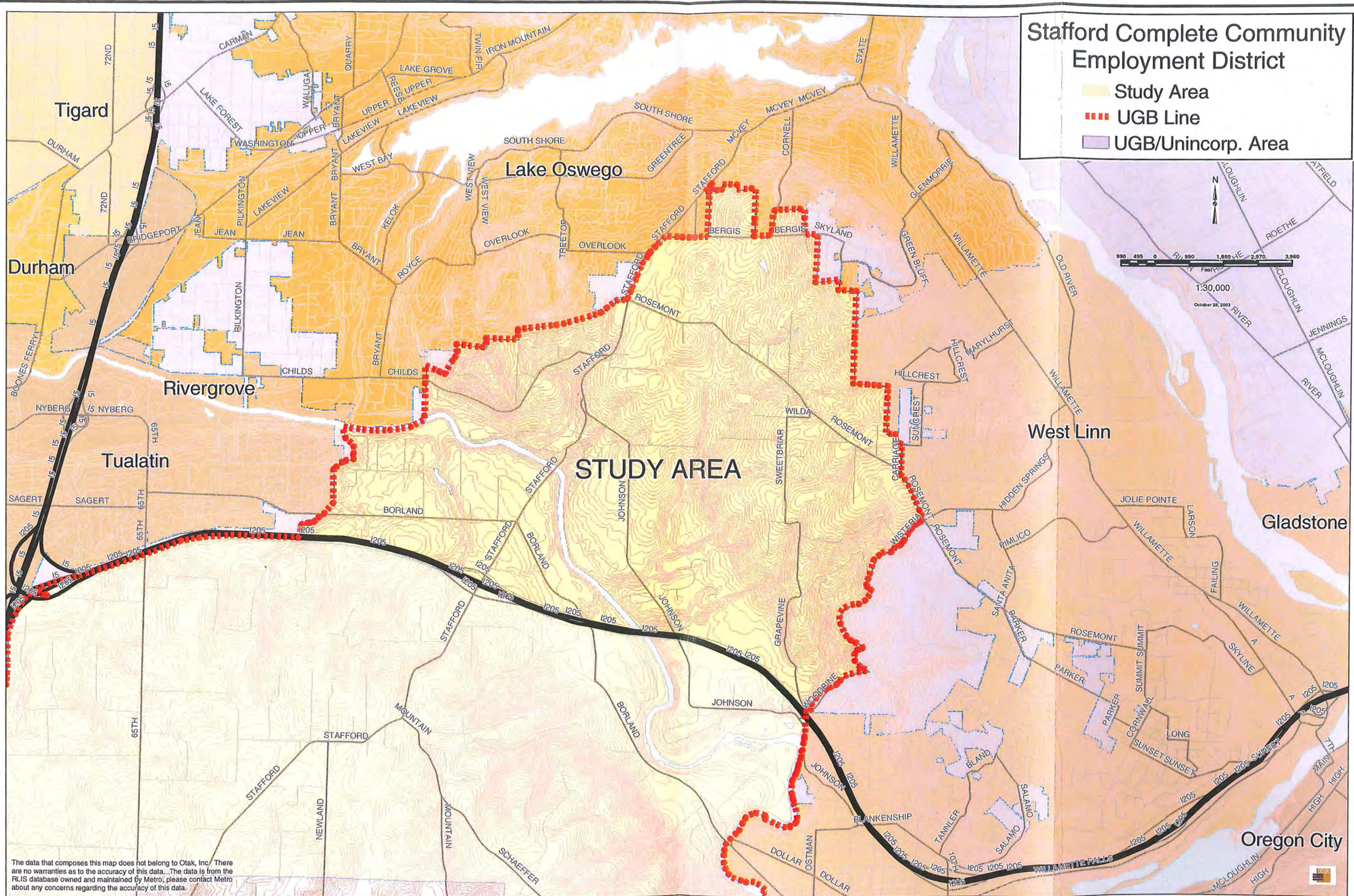
**Clackamas County** - In addition, the District is expressly identified as an area the County has targeted for economic development in the Clackamas County Economic Development Plan (CCEDP). The mission statement for the Economic Development Commission is “Create prosperity by fostering balanced economic development in Clackamas County through a close partnership with government and the private sector.” In the Action portion of the plan the County identifies as a task “Continue to advocate for inclusion of additional land in Metro’s Task 3 process for sites in Stafford, Boring, Noyer Creek...” In this action statement the Stafford area is identified first for inclusion in the UGB.

**Metro and Clackamas County are considering expansion of the UGB to include the Stafford District.**



# Stafford Complete Community Employment District

- Study Area
- UGB Line
- UGB/Unincorp. Area



The data that composes this map does not belong to Otak, Inc. There are no warranties as to the accuracy of this data. The data is from the RLIS database owned and maintained by Metro, please contact Metro about any concerns regarding the accuracy of this data.





## **The Plan**

The Stafford District is comprised of about 1,700 acres of which approximately 359 acres have been designated for employment opportunities. The concept for the District is modeled after the Clackamas County Complete Communities concept and accommodates the live, work and play ideal. Therefore, the balance is composed of residential uses, mixed use and supporting commercial uses and a large amount of open space which is consistent with the I-205 River to River Strategy. The area has been designed to complement the surrounding communities of Tualatin, Lake Oswego and West Linn, while minimizing the impact on the rural areas within the immediate vicinity.

**EMPLOYMENT CENTERS** - The employment centers lie at the heart of the plan and have driven the design. Specifically, the employment centers have been sited on properties with very few environmental constraints. For instance, the developable areas of employment centers are properties that contain slopes of five per cent or less and have no known wetlands. The employment centers are surrounded by open space with the exception of a small amount of existing residential development. A preliminary street plan has divided the employment center into three pods in the interior of the District. One remaining employment center is located along Borland Road near the eastern edge of Tualatin.

**COMMERCIAL AREAS** - Commercial land uses have been located between the nearby I-205/Stafford road freeway interchange, in order to minimize traffic flow through the employment centers. Two commercial centers have been identified within the District. One is located near the I-205/Stafford Road interchange and a smaller commercial area has been located at the intersection of Stafford Road and Rosemont Road. In both cases the commercial areas have been located for easy access to residential and employment areas.

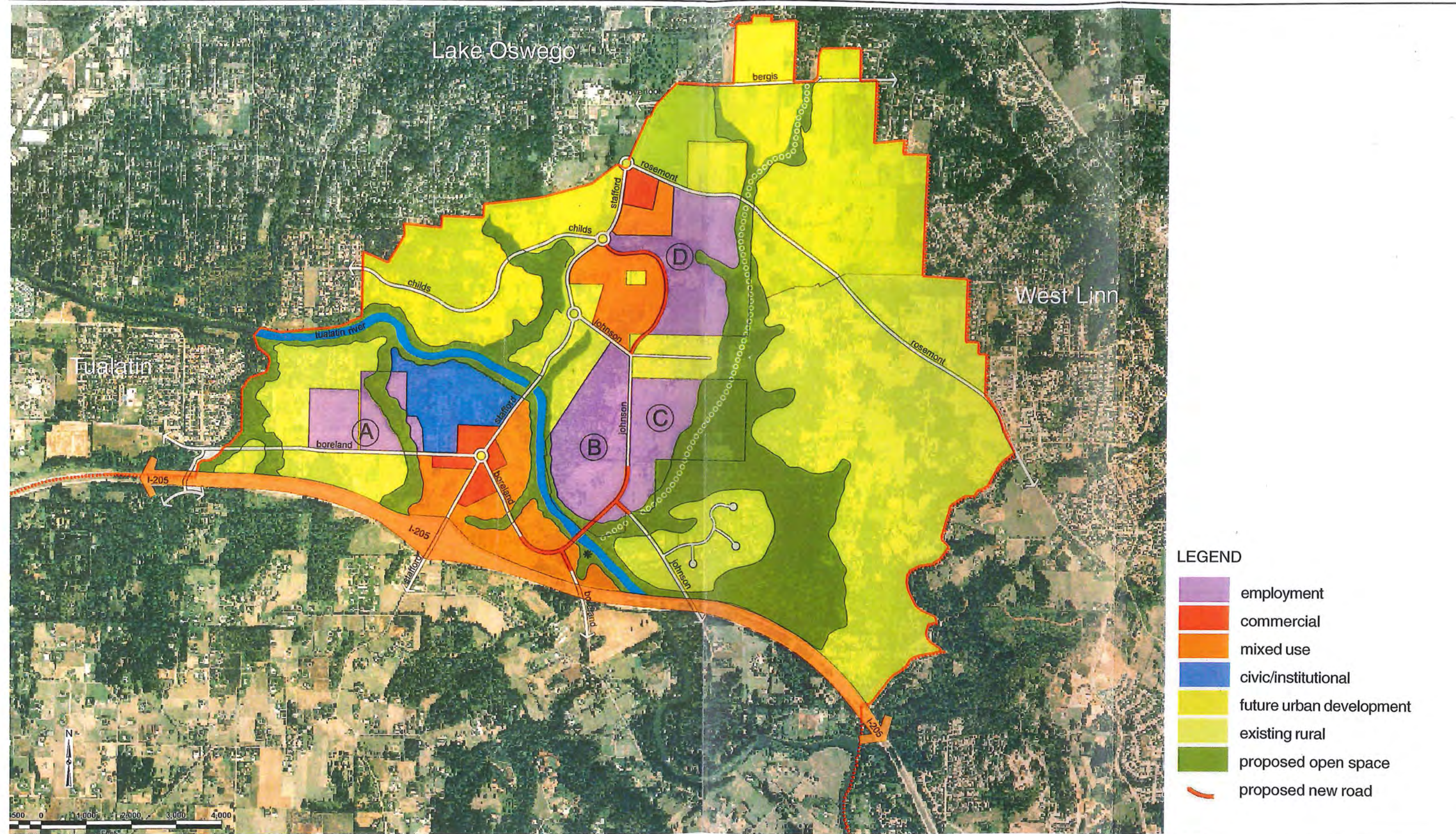
**MIXED USE/RESIDENTIAL AREAS** - Both single family and multi-family neighborhoods are planned within the Stafford District. The residential areas have been identified both for their proximity to commercial services and open space as well as by relying on the existing development pattern. The site plan illustrates that the areas that are now developed as rural residential areas have been retained and new mixed use areas have been proposed around the commercial nodes.

**RECREATIONAL AREAS** - A key feature of the Stafford District is the amount of proposed open space. It is recognized that the area has served as a rural buffer between the communities of Tualatin, West Linn and Lake Oswego. However, given the proximity to the cities and I-205, the area is no longer appropriate for rural development. That doesn't mean that the area cannot be developed with respect to the existing character of the area while creating new employment opportunities for the area. The open space plan shown on the concept plan largely respects the Tualatin River and its drainage system and the topography. At the same time, area has been set aside to create the start of a River to River path system with the hope of some day creating a pathway connecting the Tualatin River to the Willamette River. The plan also takes advantage of the planned

Luscher Farms area on the north side of Rosemont Road. The city of Lake Oswego has planned to turn the area into active recreational uses, including ball parks and soccer fields. This will become a complementary asset to the Stafford District. This area, together with buffer areas, will eventually comprise over 750 acres.



# Stafford Complete Community Employment District



Concept Plan



## SATISFACTION OF HB 2011 CRITERIA

House Bill 2011 created the Economic Revitalization Team and mandated that they, in conjunction with the Economic and Community Development Department, identify and prioritize up to 25 sites to be used for industrial or traded sector uses. The bill states factors to be used in identifying the sites. The factors distinguish between sites to be located in Eastern Oregon as compared to other sites. The Stafford District is well positioned to address the factors identified in HB 2011 as illustrated below.

**The Stafford District is of sufficient size to meet industrial or traded sector needs and is owned and held in a manner that facilitates efficient development.** (*Enrolled HB 2011 Section 12 (2) (a and b)*).

The Stafford District is composed of four 80 to 130 gross acre pods contained within 36 tax lots and by 25 separate owners. Table Two illustrates that the properties can be assembled due to relatively few number of owners, they can be aggregated or partitioned to create smaller or larger sites, and can meet a variety of development needs.

**Table Two  
Employment Parcel Information**

Employment Parcel	Size	Range of tax lot size (acres)	Number of tax lots	Number of owners <sup>1</sup>	Net Developable Acres
A	81	6 – 34	4	2	65
B	131	1 – 33	12	10	113
C	124	½ - 30	11	7	68
D	121	1.5 – 55	9	6	113
<b>Total</b>	<b>457</b>		<b>36</b>	<b>25</b>	<b>359</b>

Of the approximately 460 gross acres designated for industrial development within the Stafford District, about 360 acres are developable. This will allow for flexibility and ease in assembling properties.

**The Stafford District is within the jurisdiction of a local government that shows a willingness to cooperate in siting new development.** (*Enrolled HB 2011 Section 12 (2) (c)*).

The City of Tualatin has participated aggressively in recruiting new business to the Tualatin area. In fact, the city recently participated in a trade mission to Germany in order to attract new business to the State. They have the ability to amend their UGB, as well as annex and rezone the property.

<sup>1</sup> A large number of property owners have been contacted about participating in the Stafford Complete Communities Employment District.

**The Stafford District is served by necessary public facilities and infrastructure, including transportation facilities, or such facilities and infrastructure can be provided within a reasonable period of time. (Enrolled HB 2011 Section 12 (2) (d)).**

As shown by the study area map, the Stafford District is within one-half mile of the existing Tualatin city limits and the Metro Urban Growth Boundary. Their ability to participate in the amendment of the UGB, annex and serve the properties is critical in the timing of the infrastructure provisions. It is important to note that Tualatin has not adopted voter approval for annexation.

In addition, the I-205 freeway is planned for widening within the next seven years, allowing for greater capacity within the highway system.

**The Stafford District is subject to few, if any, environmental constraints, or constraints that can be mitigated within a reasonable period of time. (Enrolled HB 2011 Section 12 (2) (e)).**

The employment centers have been located within the Stafford District in a manner designed to minimize environmental constraints. Therefore, there are no known wetlands on any of the parcels designated on the plan for employment. In addition, a majority of the area within the employment districts contain slopes of five per cent or less.

**The Stafford District can be zoned in a manner that allows the desired industrial or traded sector development within a reasonable period of time.**

Both the city of Tualatin and Clackamas County have a legislative process for the rezoning of property which would allow a more expedited rezoning and comprehensive plan amendment process than typically afforded through the quasi-judicial process. Using the legislative process, it is reasonable to assume that rezoning could occur within twelve months.

## SUMMARY

In summary, the Stafford District can be made to meet all of the selection criteria to become one of the State's premier shovel ready Employment Centers.

<b>Stafford District Attributes</b>	
¼ mile access to Freeway Interchange	✓✓✓
Within 25 minutes of Portland Int'l. Airport	✓✓✓
Majority of slopes of 5% or less	✓✓✓
No known wetlands	✓✓✓
Support of Clackamas County	✓✓✓
Currently Under Consideration for UGB Expansion	✓✓✓



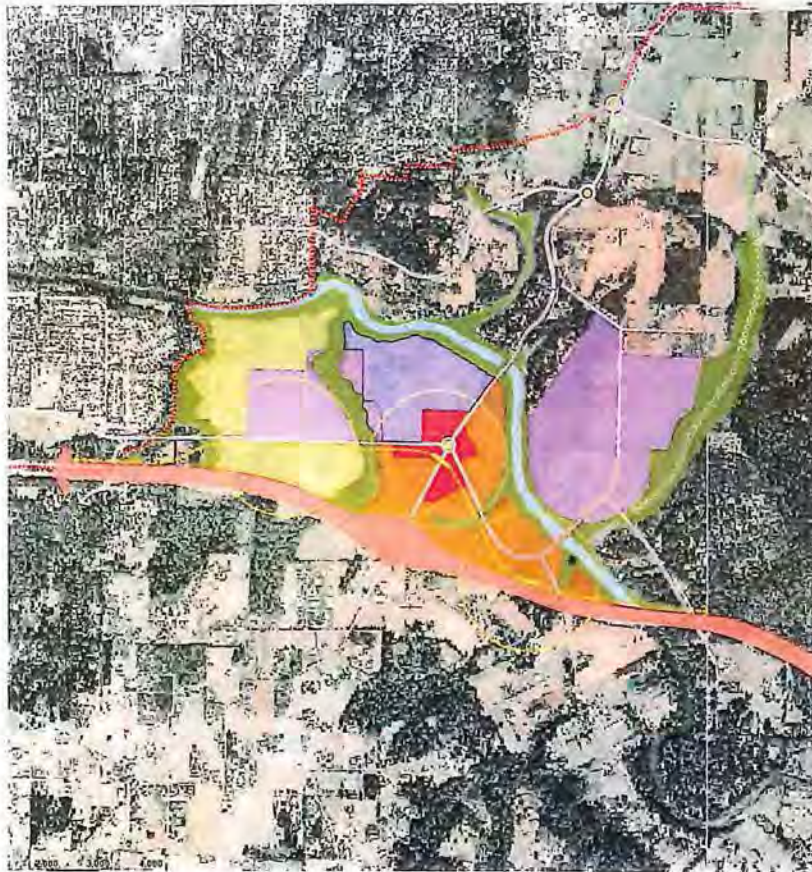
Economic  
Performance

Entrepreneurial  
Opportunities

Prosperity



Community Gathering Place



Between 350-375 acres out of the approximately 1700 acres is proposed for commercial and industrial land uses. Wilson Creek's smart compact development pattern is further defined by the following Project Objectives:

- A. Encourages collaboration, leadership participation among:
  1. Civic and neighborhood organizations
  2. Business leaders, and
  3. Political leaders
- B. Creates jobs (both high paying and service oriented)
- C. Creates a framework for encouraging art, culture and education
- D. Develops a land use pattern which
  1. protects and enhances cultural resources (e.g., Luscher Farms)
  2. emphasizes the preservation of spaces and sensitive areas
  3. takes advantage of easy freeway access and proximity to the airport
  4. takes advantage of existing infrastructure (water and sewer)
  5. creates a sense of place in the F campus (visible street frontages)
  6. hides parking
- E. Emphasizes connectivity and the use of all modes of transportation (including high-capacity bus system)
- F. Creates contiguous open spaces between buildings and sites for both employees and visitors

2004

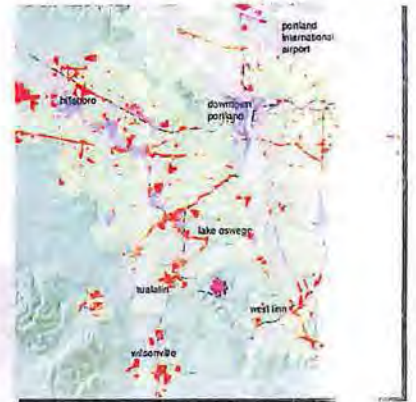


# Wilson Creek Conceptual Framework Plan

Learn

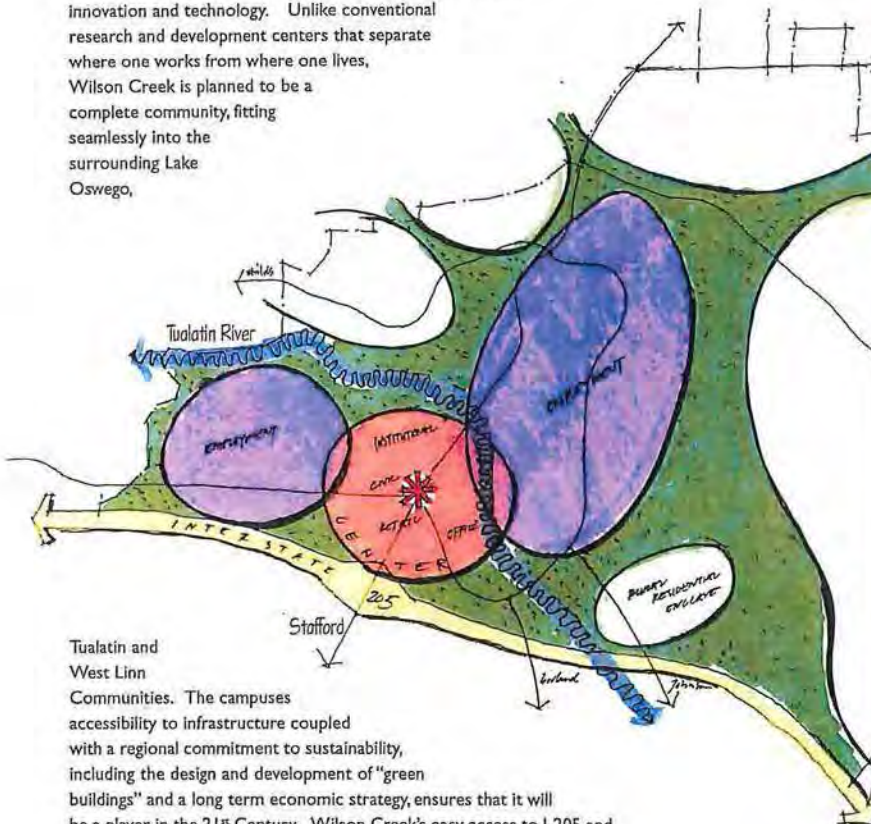
Work

Play



Wilson Creek — Regional Context

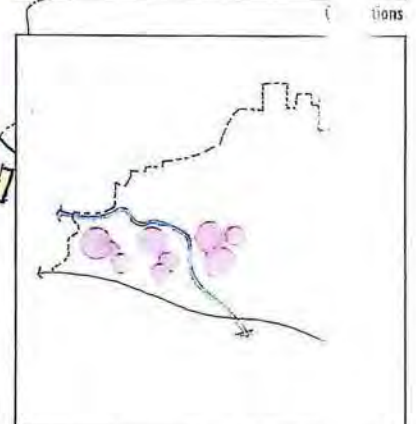
Wilson Creek represents the next chapter in Oregon's development as a leader in creating communities that nourish the creative and entrepreneurial talents of Oregon's most inspired thinkers. Wilson Creek is envisioned to be an "idea-based community" that thrives on innovation and technology. Unlike conventional research and development centers that separate where one works from where one lives, Wilson Creek is planned to be a complete community, fitting seamlessly into the surrounding Lake Oswego,



Tualatin and West Linn Communities. The campuses accessibility to infrastructure coupled with a regional commitment to sustainability, including the design and development of "green buildings" and a long term economic strategy, ensures that it will be a player in the 21<sup>st</sup> Century. Wilson Creek's easy access to I-205 and the airport; downtown Portland, the mountains and the coast will further contribute to its reputation and attractiveness. At home, employees of the Wilson Creek community will enjoy close proximity to quality public schools, entertainment (shopping, restaurants, and movie theaters) and both existing and restored open spaces. By creating a place where people "Learn, Work and Play", Wilson Creek has positioned itself for a bright future.



Green Space



Compact Land-Use Patterns

# **Urban Reserve Area 34 Fiscal Impact Analysis**

## **Final Report**

A Report Prepared for

**The City of Tualatin**

by

### **ECONorthwest**

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November 2000



# Table of Contents

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<b>Executive Summary</b>	<b>i</b>
<b>Section 1: Introduction</b>	<b>1</b>
<b>Section 2: Study Methods</b>	<b>3</b>
<b>Section 3: Preliminary Land Use Assumptions</b>	<b>5</b>
<b>Section 4: Revenue Impacts</b>	<b>9</b>
<b>Section 5: Cost Impacts</b>	<b>16</b>
<b>Section 6: Net Fiscal Impacts</b>	<b>23</b>
<b>Section 7: Annual O&amp;M Costs</b>	<b>33</b>
<b>Section 8: Conclusions</b>	<b>40</b>
<b>Appendix A: Other Service Districts</b>	<b>42</b>
<b>Appendix B: Maps</b>	<b>44</b>

# Executive Summary

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## BACKGROUND

Metro is considering expanding the Urban Growth Boundary (UGB) and is in the process of evaluating several areas for inclusion that were formally designated as Urban Reserve Areas (URA). One of these is URA 34, a 567-acre area located in Clackamas County adjacent to the City of Tualatin. Should URA 34 be brought into the UGB, an important issue for the region is how this area will be developed. Currently, Clackamas County has more housing than jobs while Washington County has more jobs than housing. To address this imbalance, Clackamas County is interested in a development strategy that would increase its employment base. An additional issue is determining who will provide services to URA 34 should it be brought within the UGB. Due to the proximity of URA 34 to the City of Tualatin, the City will likely be the service provider to the area should it be developed. Given the possible responsibility of providing services and the potential fiscal impacts of different development strategies, the City wants to have control over how the area is developed should Metro bring URA 34 into the Urban Growth Boundary.

Given the proximity of URA 34 to I-205 and I-5, the area is a potential location for office, high-tech, and retail job-supporting land uses. The benefit of additional jobs, however, will carry with it fiscal impacts. The City wishes to explore these potential fiscal impacts before deciding to support or oppose a future proposal by Metro to add the area to the UGB. Specifically, the City of Tualatin wishes to understand the following:

- The operations and maintenance costs of providing city services to the area if it is annexed, specifically the fiscal impacts on General Fund Government Services.
- The resulting fiscal impact to the City if the area is annexed, taking into account the costs and revenues as well as the degree of development at several different points in time.
- Estimates of revenues that would accrue from the area if it is annexed and developed, including property taxes, franchise fees, and all other revenue sources.
- An analysis of the maintenance costs associated with sewer, storm sewer, water, and streets and whether existing rate structures are adequate to cover the additional burden on these systems if URA 34 is annexed and developed.

- The impact on other service districts such as the Tualatin Valley Fire and Rescue, Unified Sewer Agency, West Linn – Wilsonville School District, and Clackamas County.

## PRELIMINARY ASSUMPTIONS

General Fund revenue and cost impacts were estimated based on a preliminary land use plan developed by the City of Tualatin and presented in Table E-1 below.

**Table E-1: Land Allocation Under Tualatin's Option B Development Assumption**

Land Use	Acres	
Office	107.9	19.0%
Retail	39.7	7.0
R&D / High Tech	79.7	14.1
Public / Church	76.1	13.4
Residential	22.7	4.0
Stream Buffer	159.3	28.1
Streets, Right-of-Way	81.6	14.4
<b>Total</b>	<b>567.0</b>	

Source: City of Tualatin

Based on these land uses and employment density estimates published by Metro, employment was estimated for each sector assuming full development of URA 34. These employment estimates are shown in Table E-2.

**Table E-2: URA 34 Employment Estimates**

Land Use	Acres	Building SF / Acre	Building SF / Employee	Total
Office	107.9	26,510	366	7,815
Retail	39.7	10,238	587	692
R&D / High-Tech	79.7	21,500	609	2,815
<b>Total Employment</b>				<b>11,323</b>
Residential	22.7			307

Source: Metro 1999 Employment Density Study, City of Tualatin, ECONorthwest



## **REVENUE ESTIMATES**

With the assumed land uses for URA 34 as well as the full development employment and population estimates, the expected revenues from the area can be estimated. For each revenue source, a revenue driver is identified. The revenue driver is that element in the market that determines the amount of revenue generated. For property taxes, franchise fees, and land use fees, the revenue driver used in this analysis is property value. For each calculation, either the real or assessed value is used depending on which value provides a better indicator of potential revenue. Measure 50 requires that property taxes be calculated based on assessed value, other revenue sources are estimated from real market valuation as these provide a better indication of market activity. For business licensing fees and court fines the driver is employment. For all of the state shared revenues, the driver is residential population. Once the revenue driver has been determined, a per unit revenue estimate is obtained based on City of Tualatin budget information. This per unit revenue number is then multiplied by the analogous driver for the area to obtain the revenue estimate for URA 34 under full development. When City of Tualatin budget information is used in these calculations, the numbers are taken from the City's Budget for the year 2000/01 and reflect the amounts budgeted for the 2000/01 fiscal year.

Revenue estimates by source, and assuming full development at the end of a 20-year time horizon and constant year 2000 dollars, are shown in Table E-3

**Table E-3: Annual Revenue Estimates for URA 34 at Full Development**

Revenue Source	Annual Revenue
Property Tax	\$908,463
Franchise Fees	330,344
State Shared Revenues	1,578
Cigarette Tax	626
OLCC	2,604
Hotel / Motel Tax	54,610
Court Fines	54,042
Business License Fees	66,358
Land Use Fees	10,164
<b>Total Annual Revenues</b>	<b>\$1,428,788</b>

## **COST ESTIMATES**

The costs of providing services to URA 34 if the area is annexed and developed are determined in this analysis by examining the costs for providing the current level of service in Tualatin. This analysis focuses on operation and maintenance costs and excludes capital costs associated with providing streets, sewer, water, and storm drainage. These capital costs are being analyzed separately by the City of Tualatin. As discussed previously, those costs that are usually covered by user fees are not addressed in this analysis, as it is assumed that user fees will be set to cover the associated costs. This allows the analysis to focus on those costs that are covered by general fund revenues (rather than restricted funds) and whether the estimated revenues generated from the fully developed URA 34 will be adequate to cover the expected costs of providing services to that area.

The methods used are the same as those used for the revenue estimates. For each cost category, a cost driver is identified that is used to estimate the costs of that service. This information is combined with City of Tualatin budget information to estimate costs for URA 34. These costs are summarized below in Table E-4.

**Table E-4: Annual Cost Summary with URA 34 at Full Development**

Cost Source	Annual Costs
Police	\$450,000
Community Services – Parks	66,997
Community Services – Library and Recreation	8,775
General Gov. Admin.	139,320
Planning	49,912
<b>Total Annual Costs</b>	<b>\$715,004</b>

Two separate development scenarios were analyzed to determine how the timing of development would impact expected revenues and costs. These scenarios assumed two different development schedules and are summarized in Table E-5.

**Table E-5: URA 34 Development Scenario Description**

Building Type	Scenario A	Scenario B
Retail	50 % complete by year 5, 100 % complete by year 20	25 % complete by year 5, 75 % complete by year 10, 100 % complete by year 20
Office	100 % by year 20	100 % by year 20
Manufacturing	100 % by year 20	100 % by year 20

Source: City of Tualatin

These scenarios were also evaluated assuming a 3 percent inflation rate over the entire development period. The net fiscal impacts (annual revenues minus annual costs) are summarized in Table E-6 for different years during the development period.



**Table E-6: Net Fiscal Impact Summary for Development and Inflation Scenarios**

Scenario	Annual Surplus (Deficit) by Year			
	2005	2010	2015	2020
Scenario A (no inflation)	\$ 138,166	\$ 334,811	\$ 476,846	\$ 713,783
Scenario B (no inflation)	114,472	342,709	480,795	713,783
Scenario A (3 % inflation)	124,941	314,013	417,434	659,718
Scenario B (3 % inflation)	99,824	318,377	418,312	656,576

Source: ECONorthwest

## ANNUAL O&M COSTS

The impact of developing URA 34 on O&M costs for providing City services was also addressed in this analysis. The services examined included storm sewer, sanitary sewer, roads, and water. Annual O&M costs for extending these services to URA 34 upon development were estimated at over \$ 1,000,000 annually. These costs are likely to be covered by user fees at the existing rate structure. The exception to this is street maintenance (other than pavement), which is covered by state shared gas tax revenues and are allocated based on residential population. . Given the low levels of residential population, additional gas tax revenues for the area will not cover the additional street maintenance costs. These costs could be covered with expected revenues from the street utility fee, should the City decide to allocate these funds for this purpose.

Due to the low residential population planned for URA 34, anticipated gas tax revenues are not expected to cover street maintenance costs.

## CONCLUSIONS

Annexation and development of URA 34 would not have an adverse affect on the City of Tualatin's general fund given the proposed development plan. Revenues generated from the area, particularly property taxes and franchise fees, are enough to cover the costs of extending general government services to the area. This finding was consistent under a variety of development scenarios, where the timing of development was altered as well as the inflation rate over the twenty-year development horizon.

Analysis findings that help support these conclusions:

- The assessed value of URA 34, assuming the City's land use plan and at full build out, is \$401,974,909. For comparison, the 1999 assessed value for the entire City of Tualatin is \$1,726,074,147. This suggests that annexation and

development of URA 34 will add over 20 percent of assessed value to the City of Tualatin based on 1999 assessed values.

- With high levels of assessed value come high tax revenues. In particular, annual property tax revenues of URA 34 are expected to be \$908,464 at full development, compared with \$3,489,547 in property tax revenues the City is anticipating in the next fiscal year.
- URA 34 would also add significantly to employment levels within the City. Currently, 16,971 people are employed within the City, and URA 34 could add approximately 11,323 employees once fully developed.
- Estimated revenues to the City from a fully developed URA 34 are \$1,428,788 annually, assuming the City's preliminary land use plan and constant year 2000 dollars. Total City administration and direct government service costs will increase by \$715,004 annually, resulting in a net annual surplus of \$713,783. This reflects the base case scenario that assumes zero inflation. Alternative scenarios assuming different inflation rates and development speeds also show a significant surplus.

**BACKGROUND**

Metro is considering expanding the Urban Growth Boundary (UGB) and is in the process of evaluating several areas for inclusion that were formally designated as Urban Reserve Areas (URA). One of these is URA 34, a 567-acre area located in Clackamas County adjacent to the City of Tualatin. Should URA 34 be brought into the UGB, an important issue for the region is how this area will be developed. Currently, Clackamas County has more housing than jobs while Washington County has more jobs than housing. To address this imbalance, Clackamas County is interested in a development strategy that would increase its employment base. An additional issue is determining who will provide services to URA 34 should it be brought within the UGB. Due to the proximity of URA 34 to the City of Tualatin, the City will likely be the service provider to the area should it be developed. Given the possible responsibility of providing services and the potential fiscal impacts of different development strategies, the City wants to have control over how the area is developed should Metro bring URA 34 into the Urban Growth Boundary.

Given the proximity of URA 34 to I-205 and I-5, the area is a potential location for office, high-tech, and retail job-supporting land uses. The benefit of additional jobs, however, will carry with it fiscal impacts. The City wishes to explore these potential fiscal impacts before deciding to support or oppose a future proposal by Metro to add the area to the UGB. Specifically, the City of Tualatin wishes to understand the following:

- The operations and maintenance costs of providing city services to the area if it is annexed, specifically the fiscal impacts on General Fund Government Services.
- The resulting fiscal impact to the City if the area is annexed, taking into account the costs and revenues as well as the degree of development at several different points in time.
- Estimates of revenues that would accrue from the area if it is annexed and developed, including property taxes, franchise fees, and all other revenue sources.
- An analysis of the maintenance costs associated with sewer, storm sewer, water, and streets and whether existing rate structures are adequate to cover the additional burden on these systems if URA 34 is annexed and developed.



- The impact on other service districts such as the Tualatin Valley Fire and Rescue, Unified Sewer Agency, West Linn – Wilsonville School District, and Clackamas County.

This report presents the analysis conducted to address these issues. The report is organized as follows:

- Section 2 provides an overview of the analysis methods used to conduct this fiscal impact analysis.
- Section 3 presents the City's preliminary land use assumptions for URA 34 for the purpose of this fiscal impact analysis. These land use assumptions are used to estimate assessed property values and employment levels for the area at full development.
- Section 4 describes the expected revenue generated by the area at full development for all of the primary revenue sources for the general fund.
- Section 5 presents the cost estimates for extending services to URA 34 if it is annexed.
- Section 6 describes the fiscal impact analysis, where costs and revenues are compared at full development. Two different development timelines are evaluated to assess how the timing of development affects the fiscal impact. These scenarios are also evaluated with and without inflation.
- Section 7 presents a brief discussion of the capital costs associated with providing water, roads, sanitary sewer, and storm sewer service to the area if it is annexed. The impact of maintenance costs on these systems and whether existing rate structures are adequate to cover these costs is also discussed.
- Section 8 presents a summary of the key analysis findings and study conclusions.
- Appendix A presents the results of our research on the potential impacts on other service districts.
- Appendix B provides maps showing the preliminary land use plan developed by the City for URA 34 and a map showing the police districts used in the analysis.

Fiscal impact analysis compares the public costs and public revenues associated with growth and, in this case, a change in the jurisdiction that will provide certain public services. If URA 34 is annexed, it would result in the transfer of general government responsibilities to the City of Tualatin. With the acceptance of increased service responsibilities and costs, the City would receive revenues related to the property values, population, and business activities in the URA 34 area. If costs exceed revenues, a fiscal deficit is incurred; if revenues exceed costs, a surplus is generated.

Our fiscal impact analysis relies on a systematic estimation of both the revenues and costs associated with the area being annexed and subsequently developed in Tualatin. For both costs and revenues, the key generators or “drivers” are identified and serve as the basis for the estimation. In the majority of instances, the drivers used in this analysis are employment, assessed property values, or residential population. This method has been successfully used by ECONorthwest in other fiscal impact analyses and is taken from the *Development Impact Assessment Handbook* published by the Urban Land Institute.<sup>1</sup>

For ease of presentation, the costs and revenues are calculated assuming that the annexed area is fully developed. Once the costs and revenues have been calculated, this assumption is relaxed and the fiscal impacts are examined at various stages of development. Different market scenarios are evaluated that utilize different assumptions about the timing of the development and inflation rates.

Several key assumptions underlie our fiscal impact estimates:

- This analysis focuses exclusively on the fiscal impact associated with the annexation and development of URA 34. The associated costs and revenues are estimated only for changes in employment, property values, land use, and residential population within URA 34. Additional secondary impacts, such as the fiscal effects of increased residential population and business activity within the present City limits that could result from URA 34 annexation and development, are not addressed in this analysis.
- With annexation, the responsibility of providing land use planning, maintenance, law enforcement, and general government services will transfer from Clackamas County to the City of Tualatin.

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<sup>1</sup> See Burchell, Robert W. et.al., *Development Impact Assessment Handbook*, Urban Land Institute, 1997.

- Level of service provided to URA 34 for all City services will be the same as the current level provided to City residents, businesses, and property owners.
- For those services where user fees are charged, such as for streets, water, and sewer systems, the fees will continue to be set so that the fee revenue will cover the additional costs of providing these services. Given this assumption, the analysis focuses on those areas that are covered by general fund revenues rather than user fees. We focus on these areas as the discretionary costs and revenues are more likely to determine the fiscal viability of the annexation.

From these assumptions, our analysis proceeds as follows.

- Determine URA 34 assessed land value, employment, and population levels. Using the assumed land uses and building square footage information provided by the City, the assessed value of URA 34 is determined at full development.
- Estimate revenues associated with the assumed land values, employment and population levels. With the estimates of assessed property value, employment, and population levels, revenues from property taxes, franchise fees, and state shared revenues are determined.
- Estimate costs of service provision based on development scenarios. Employment and residential population estimates are used to estimate the costs associated with providing services to the subject area.
- Compare costs and revenues under several market scenarios. The annual costs and revenues are compared assuming full development. Revenues and costs are then compared assuming two different development paths at five year intervals. Finally, these scenarios are also evaluated assuming inflation over the development period.
- Estimate the impacts of annexation on the costs of sewer, water, storm sewer, and streets for the area. This task involved a sketch analysis of capital costs as well as an evaluation of whether existing rate structures are adequate to cover the additional maintenance costs.
- Assess the likely impact of annexation on other service districts. Representatives from other service districts were called and information was gathered on the likely impact of the annexation.

The remainder of this report is devoted to discussing each of the analysis methods and results in detail.

## **SECTION 3 Preliminary Land Use Assumptions**

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### **INTRODUCTION**

The fiscal impact of a potential annexation is largely dependent upon what type of development will occur in the area, as well as the timeline for development. The City of Tualatin has assumed land uses for the area and has primarily focused on office and research and development/high tech uses rather than residential development. One option, referred to as "Option B" (see attached map included in Appendix B), was used by the City to forecast potential property tax revenues and to forecast employment for use in transportation modeling efforts focusing on URA 34. To be consistent with this research, we assumed this land use allocation for our analysis.

The allocation of land under this development option is presented in Table 1. Under this plan, the focus of development is toward Class A office buildings and also includes high-tech/R&D and retail businesses. Residential land is comprised of the 22.7 acres that is located in the northwest corner of the study area. The assumed land use plan also contains 200 foot stream buffers that are removed from possible development. Finally, 20 percent of the total acreage has been set aside to account for street right of way, which includes roads and utilities.

### **ASSUMED LAND USES**

**Table 1: Land Allocation under Tualatin's Option B Development Assumption**

Land Use	Acres
Office	107.9
Retail	39.7
R&D / High Tech	79.7
Public / Church	76.1
Residential	22.7
Stream Buffer	159.3
Streets, Right-of-way	81.6
<b>Total</b>	<b>567.0</b>

Source: City of Tualatin



## ASSESSED VALUE

Based on the preliminary land use allocation developed by the City of Tualatin, assessed value calculations were made for URA 34. These assessed values are used to determine expected revenues from property taxes and other revenue sources. To determine the assessed values, the City assigned values to the area based on the values of established businesses elsewhere in the City and Metro region that most closely matched the City's assumed land uses for full development.

Table 2 shows the assessed values and building sizes that were taken from other establishments in the region that are being used as models for the URA 34 development.

**Table 2: Assessed Valuation Using Comparison Buildings**

Land Use	1999 AV \$ / Acre	1999 AV \$ / SF	Average Building Sq. footage per Acre	Comparison establishments used for valuation
Office	\$2,429,005	\$87	26,510	Kruse Way
Retail	\$776,472	\$57	10,238	Fred Meyer, Hedges Green Retail
R&D / High Tech	\$1,367,784	\$141	21,500	Successful Money Management Seminars, JAE, Radisys, IDT Mentor Graphics

Source: City of Tualatin

Given the comparison establishments and their assessed values, this information was used to calculate total assessed values for the area. These calculations are shown in Table 3.

**Table 3: AV Calculations by Land Use**

<b>Office</b>				
Building Type	50 % 5 Story	30 % 4 Story	20 % 3 Story	Total
Acres	53.95	32.37	21.58	107.9
1999 \$ AV / Acre	\$2,429,005	\$2,429,005	\$2,429,005	\$2,429,005
Total AV	\$131,044,820	\$78,626,892	\$52,417,928	\$262,089,640
<b>R&amp;D / High-tech</b>				
Building Type	50 % 1 Story	50 % 2 Story		Total
Acres	39.87	39.87		79.74
1999 \$ AV / Acre	\$1,367,784	\$1,367,784		\$1,367,784
Total AV	\$54,533,548	\$54,533,548		\$109,067,096
<b>Retail</b>				
Building Type	50 % Hedges	50 % Fred Meyer		Total
Acres	19.84	19.85		39.69
1999 \$ AV / Acre	\$770,184	\$782,761		\$776,472 (average)
Total AV	\$15,280,451	\$15,537,806		\$30,818,174
Total \$ AV				\$ 401,974,909

Source: City of Tualatin

**EMPLOYMENT AND RESIDENTIAL POPULATION ESTIMATES**

The assessed value estimates presented in Table 3 are combined with employment density estimates from Metro to determine total employment by land use for the area. The results of this analysis are shown in Table 4. Metro provides employment density estimates by region and SIC code. For office use, we assume an average of 366 square feet of building for each employee, which is the Metro average for the entire area. Given the acreage assumption for office buildings in URA 34, this amounts to 7,815 employees at full development. Similar analysis yields employment estimates of 692 for retail and 2,815 for R&D/High-tech uses and a total employment level of 11,323 for the area at full development.

For residential population in the area, the City's land use assumption is that the existing residential land in that area will remain at 22.7 acres. Assuming five single family detached homes per acre (which is a density consistent with other area developments) yields an estimate of 114 homes in the URA 34. Using the Clackamas County average of 2.69 people per household results in a total residential population of 307. For this analysis, the residential population in the study region is assumed to stay unchanged throughout the development period as

the City's initial land use assumptions do not allocate additional lands for residential use.

**Table 4: URA 34 Employment Estimates**

Land Use	Acres	Building SF / Acre	Building SF / Employee	Total
Office	107.9	26,510	366	7,815
Retail	39.7	10,238	587	692
R&D / High-Tech	79.7	21,500	609	2,815
Total Employment				11,323
Residential	22.7			307

Source: Metro 1999 Employment Density Study, City of Tualatin, ECONorthwest

**INTRODUCTION**

With the assumed land uses for URA 34 as well as the full development employment and population estimates, the expected revenues from the area can be estimated. The focus of this analysis is discretionary revenues that contribute to the general fund rather than restricted fund revenues that are generated through user fees. Each of the major revenue sources are addressed in this analysis, including:

- Property taxes
- Franchise fees
- State shared revenues
- Hotel/Motel taxes
- Court fines
- Business licensing fees
- Land use fees

For each revenue source, a revenue driver is identified. The revenue driver is the element in the market that determines the amount of revenue generated. For property taxes, franchise fees, and land use fees, the revenue driver used in this analysis is property value. For each calculation, either the real or assessed value is used depending on which value provides a better indicator of potential revenue. Measure 50 requires that property taxes be calculated based on assessed value, other revenue sources are estimated from real market valuation as these provide a better indication of market activity. For business licensing fees and court fines the driver is employment. For all of the state shared revenues, the driver is residential population. Once the revenue driver has been determined, a per unit revenue estimate is obtained based on City of Tualatin budget information. This per unit revenue number is then multiplied by the analogous driver for the area to obtain the revenue estimate for URA 34 under full development. When City of Tualatin budget information is used in these calculations, the numbers are taken from the City's Budget for the year 2000/01 and reflect the amounts budgeted for the 2000/01 fiscal year.

Each revenue source is discussed separately below.



## PROPERTY TAXES

**Table 5: Annual Property Tax Revenue**

Land Use	\$ AV / 1000	Property Tax Rate per 1000 \$ AV	Annual Property Tax Revenue
Office	\$262,090	2.26	\$592,323
Retail	\$30,818	2.26	\$69,649
R&D / High-Tech	\$109,067	2.26	\$246,492
<b>Total</b>			<b>\$908,464</b>

Source: City of Tualatin

Note: Revenue amounts are in year 2000 dollars and assume full development.

Table 5 shows the property revenue calculations for the area. Using the assessed value numbers from Table 3, these values are scaled to show the assessed valuation in thousands of dollars. From Measure 50, the Tualatin property tax rate is capped at 2.26 cents per thousand dollars of assessed value. Multiplying this rate by the assessed value gives property tax revenue by building type. As shown at the bottom of the table, the total annual property tax revenue is \$908,464 at full development in constant year 2000 dollars. Section 6 *Net Fiscal Impact* presents scenarios where assessed valuations are allowed to increase over time, as well as scenarios showing expected property tax revenues at different stages of development.

## FRANCHISE FEES

**Table 6: Franchise Fees**

Tualatin Franchise Fee Revenue	Tualatin Real Market Value	Fee Per \$ of Property Value	Real Market Value of URA 34 Land	Fee Per \$ of Property Value	Total Annual URA 34 Franchise Fee Revenue
\$1,287,914	\$2,207,298,219	.0005835	\$566,161,844	.0005835	\$330,344

Source: City of Tualatin 2000-1 Budget, ECONorthwest

The City of Tualatin receives a franchise fee as a percent of revenue produced within the City from utilities such as Portland General Electric (3.5%), GTE (4%) and Northwest Natural Gas (5%). While utility franchise fees are not explicitly tied to property values, they typically increase in proportion to property values – assuming utility rates remain constant.<sup>2</sup> For this analysis, franchise fees are estimated from real market values rather than assessed value, as the real market value provides a better indication of revenues than the assessed value numbers that are capped by Measure 50. The franchise fee revenue estimate also assumes that

<sup>2</sup> See Burchell, Robert W. et al, *Development Impact Assessment Handbook*, p. 257, Urban Land Institute, 1997.

the franchise fee rates do not change from the current rates charged in the City of Tualatin. Future changes in the franchise fee rate structure will affect the expected franchise fee revenue from URA 34, should the area be annexed and developed.

Estimated franchise fee revenue for the area is shown in Table 6. For the City of Tualatin, the franchise fee revenue is taken from the City of Tualatin Budget for the 2000/01 fiscal year. The expected franchise fee revenue for the 2000-01 year was budgeted at \$1,412,081. This figure was adjusted down by 8 percent to remove the franchise tax revenue from Metro Area Communication Commission (MACC), a cable TV provider that is primarily residential. Given the commercial focus of the URA 34 development, including these revenues would likely lead to an overstatement of franchise tax revenues.<sup>3</sup> It was not possible given the available information to further distinguish between revenues generated from commercial and residential sources. Using the budget information and this adjustment factor, franchise fees are budgeted to be \$1,287,914 for the City of Tualatin excluding cable TV revenues. Dividing this by the total real market value of the property in Tualatin yields an average of 0.00058 dollars of franchise fee revenue per dollar of property value. This factor is then multiplied by the estimated real market value<sup>4</sup> of \$566,161,844 for the fully-developed URA 34 to get estimated franchise fee revenue of \$330,344 annually.

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<sup>3</sup> Alternatively, if businesses were to go through MACC to receive broadband or other computer-related services, then including MACC franchise fees from commercial customers would be appropriate. It is not clear at the time of this analysis, however, that MACC will be the commercial provider of these services in the future, as other providers such as AT&T are also available. To provide a conservative revenue estimate, MACC has been excluded from the commercial revenue calculations in this analysis.

<sup>4</sup> The real market value of the fully developed URA 34 is estimated from the assessed value estimates for the area from the City of Tualatin and assuming an assessed-to-real-market value ratio of 0.71. This ratio is the average of the values from the properties used by the City of Tualatin to calculate the assessed value for URA 34 at full development.

## STATE SHARED REVENUES

**Table 7: State Shared Revenue Sources**

	Tualatin Shared Revenue	Population	Revenue Per Capita	URA 34 Population	Revenue Per Capita	Total URA 34 Shared Revenue
Shared Revenue	\$109,810	21,345	\$5.14	307	\$5.14	\$1,578
OLCC	\$181,220	21,345	\$8.49	307	\$8.49	\$2,604
Cigarette Tax	\$43,540	21,345	\$2.04	307	\$2.04	\$626
<b>Total</b>	<b>\$334,570</b>		<b>\$15.67</b>			<b>\$4,807</b>

Source: City of Tualatin 2000-01 Budget, ECONorthwest

State shared revenues come from taxes on liquor sales and cigarette taxes as well as other sources. These state shared revenues are shown by source in Table 7. The state also shares gas tax revenues with cities and counties on a per capita basis. However, the gas tax revenues are used to address street maintenance costs and are not included in general fund revenue categories.

Shared revenues are allocated on a per capita basis and across these sources Tualatin receives \$15.67 per person in revenues. Using this per capita factor and the URA 34 population of 307 results in total shared revenues from all sources of \$4,807 per year.

## HOTEL / MOTEL TAXES

**Table 8: Hotel / Motel Taxes**

Average Tax Revenue Per Hotel (Motel 6, Shilo Inn)	URA 34 Area Number of Hotels	Total URA 34 Hotel Tax Revenue
\$27,305	2	\$54,610

Source: City of Tualatin, ECONorthwest

Expected revenue from hotel taxes is presented in Table 8. Currently, the City of Tualatin receives hotel/motel tax revenue from seven hotels located within the city limits. For the area, the assumed land use plan has two hotels located in the retail area of the development.<sup>5</sup> For this analysis, these hotels were assumed to be of

<sup>5</sup> The assessed value of the URA 34 retail area was estimated from existing retail stores such as Fred Meyers rather than hotel/motel land uses. It was assumed that the retail-based assessed value estimate would be a reasonable approximation for most retail applications, including hotels. The hotel/motel tax is revenue collected in addition to the property tax.

similar quality as a Motel 6 and a Shilo Inn that are currently located within the City. Given the range of rates for these two hotels and assuming a 50 percent occupancy rate, the average tax revenue generated is \$27,305 each year per hotel. Assuming two hotels are built in the area with similar rates and occupancy levels yields \$54,610 each year in hotel/motel tax revenues for the area.<sup>6</sup>

## COURT FINES

**Table 9: Court Fines**

Tualatin Fines	Tualatin Employment	Fines Per Employee	URA 34 Area Employment	Revenue Per Employee	Total URA 34 Fine Revenue
\$81,000	16,971	\$4.77	11,323	\$4.77	\$54,042

Source: City of Tualatin 2000-01 Budget, ECONorthwest

The general fund also receives revenues from court fines, which are shown in Table 9. Since many of these revenues are for parking and other traffic violations, employment is used to estimate fine revenues for the area. For the City of Tualatin, fine revenue amounted to \$4.77 per employee on average. As discussed in the *Study Methods* section, the same level of service is assumed for the study area as is currently provided to the City of Tualatin. Consequently, the same level of fine activity is assumed to hold for URA 34 should it be annexed and developed. Given this and using the employment estimate of 11,323, fine revenue from the area is estimated to be \$54,042 annually.

## BUSINESS LICENSES

**Table 10: Business License Fees**

Tualatin Business Licensing Revenue	Tualatin Employment	Fee Per Employee	URA 34 Area Employment	Fee Per Employee	Total URA 34 Business Licensing Revenue
\$99,460	16,971	5.86	11,323	5.86	\$66,358

Source: City of Tualatin 2000-01 Budget, ECONorthwest

Business license fees are fees paid by business to the City when applying for a license to conduct business within the city limits. Revenue from business license fees is presented in Table 10. For the City of Tualatin, business license fees are expected to account for \$99,460 of revenue for the 2000/01 fiscal year. The number of employees was used as the driver to determine the likely volume of business

<sup>6</sup> The current hotel/motel tax revenues are based on Washington County tax share estimates for existing hotels. The hotels that are planned for URA 34 will be in Clackamas County. Although the ultimate revenue distribution may be different between the two counties, it was assumed for this analysis that the Washington County revenue numbers would provide a reasonable approximation of hotel/motel tax revenues in Clackamas County.



license fees for the area. For Tualatin, business license fee revenue averaged \$5.86 per person employed within the City. Given the 11,323 employees expected for the area, estimated business licensing fees amount to \$66,358 under full development.

## LAND USE FEES

**Table 11: Land Use Fees**

Tualatin Land Use Fee	Real Market Value	Fee Per Dollar RMV	URA 34 Area Real Market Value	Fee Per Dollar RMV	Total URA 34 Area Land Use Fee
\$39,627	\$2,207,298,219	0.0000180	\$566,161,844	0.0000180	\$10,164

Source: City of Tualatin 2000-01 Budget, ECONorthwest

Land use fees present an additional source of revenue for the general fund and are shown in Table 11. These fees are collected as part of the general fund from land use applications such as conditional use permits, architectural reviews, sign permits, and variances. Land use fees are calculated based on the value of the projects that they are associated with. Given that this level of detail does not currently exist with the City's initial land use plan for URA 34, land use fees for this analysis are estimated from the real market value, as real property value provides an indication of project value. Based on the real market value of land for Tualatin, the land use fee per dollar of property values is 0.000018. Combining this factor with the value of URA 34 area land at full development results in land use revenues of \$10,164 per year.

## SUMMARY

The preceding discussion covers all of the major revenue sources for the City of Tualatin's general fund. The next step in the analysis is to examine the operating and maintenance costs for extending City services to URA 34 once it is annexed and developed. These cost issues are discussed in the following section.

Table 12 provides a summary of the revenue estimates for URA 34 assuming the City's initial land use plan. Again, these estimates assume full development and do not account for property value increases or inflation. These issues will be addressed in Section 6 of this report.

**Table 12: Annual Revenue Estimates for URA 34 at Full Development**

<b>Revenue Source</b>	<b>Annual Revenue</b>
Property Tax	\$908,463
Franchise Fees	\$330,344
State Shared Revenues	\$1,578
Cigarette Tax	\$626
OLCC	\$2,604
Hotel / Motel Tax	\$54,610
Court Fines	\$54,042
Business License Fees	\$66,358
Land Use Fees	\$10,164
<b>Total Annual Revenues</b>	<b>\$1,428,788</b>

# Cost Impacts

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The costs of providing services to URA 34 if the area is annexed and developed are determined in this analysis by examining the costs for providing the current level of service in Tualatin. This analysis focuses on operation and maintenance costs and excludes capital costs associated with providing streets, sewer, water, and storm drainage. These capital costs are being analyzed separately by the City of Tualatin. As discussed previously, those costs that are usually covered by user fees are not addressed in this analysis, as it is assumed that user fees will be set to cover the associated costs. This allows the analysis to focus on those costs that are covered by general fund revenues (rather than restricted funds) and whether the estimated revenues generated from the fully developed URA 34 will be adequate to cover the expected costs of providing services to that area.

The costs addressed in this analysis cover the following categories:

- Police
- Community Services – Parks
- Community Services – Library and Recreation
- Other General Government Services
- General Government Services – Planning

The methods used are the same as those used for the revenue estimates. For each cost category, a cost driver is identified that is used to estimate the costs of that service. This information is combined with City of Tualatin budget information to estimate costs for URA 34.

Each of the cost categories is discussed below.

## POLICE

**Table 13: Police Department**

Current number of police officers in Tualatin	Estimated additional officers needed for URA 34	Average cost per officer	Total Annual URA 34 Police Costs
30	6	\$75,000	\$450,000

Source: City of Tualatin, ECONorthwest

The additional financial burdens placed on the Tualatin Police Department are shown in Table 13. Discussions with Tualatin Police Chief Steve Winegar indicate that the assumed land uses for URA 34 are most similar to the current Police Reporting District 13 in terms of land use (see map of police districts included in Appendix B). Over a three month period, Police Reporting District 13 accounted for 5.4 percent of all police response calls. URA 34 is almost four times (3.92) the size of Police Reporting District 13, and when adjusted for area the results are an increase of approximately 21 percent in police calls. The current Tualatin police force has 30 officers, and a 21 percent increase in the number of calls would require a comparable increase in the police officers to provide the same level of police protection in the annexed area that the citizens of Tualatin currently enjoy. A 21 percent increase in the size of the force amounts to the addition of 6 new officers. Chief Winegar indicated that each officer costs \$75,000 a year in salaries and equipment. With this cost estimate, the annexation would result in an additional \$450,000 a year in police costs assuming that 6 additional officers are hired.

## COMMUNITY SERVICES -- PARKS

**Table 14: Parks Costs for Undeveloped Park Areas**

Tualatin Materials and Services Costs for Undeveloped Park Acres	Undeveloped Park Acres	Cost Per Acre	URA 34 Area Acres	Cost per Acre	Total URA 34 Area Cost for Undeveloped Acres
\$56,778	135	\$421	159.3	\$421	\$66,997

Source: City of Tualatin, ECONorthwest

Park areas for URA 34 are expected to consist primarily of stream buffers, pathways, and public green space and will not include a fully developed park. This analysis assumes 200 foot stream buffers, which provides a conservative measure of potential park acreage to ensure that park maintenance costs are not underestimated.

Table 14 shows the costs associated with maintaining undeveloped acres for the City of Tualatin. Tualatin currently has 135 acres that are undeveloped<sup>7</sup> park

<sup>7</sup> For park acreage, undeveloped acres refer to those areas such as green spaces that do not have playgrounds or other developed structures and therefore require a minimal amount of maintenance.



acreage that the City is responsible for maintaining. Nonpersonnel costs for the Park Division (labeled materials and services in the FY 2000/01 budget) are estimated to be \$227,100 annually. Conversations with the Tualatin Parks Division indicate that for maintenance costs, approximately 75 percent go to developed parks and the remaining 25 percent are devoted to undeveloped green space acres. This amounts in \$56,778 going to green space maintenance annually, or \$421 per acre. For the area, 159.3 acres are designated as stream buffers and are anticipated to include pathways and a bike path that will require some maintenance. The costs associated with maintaining this area is estimated to be \$66,997 annually.

## COMMUNITY SERVICES – LIBRARY AND RECREATION

**Table 15: Community Services – Library and Recreation**

Tualatin Variable Costs	Population	Costs Per Capita	URA 34 Area Population	Costs Per Capita	Total URA 34 Variable Costs
\$610,763	21,345	\$28.61	307	\$28.61	\$8,775

Source: City of Tualatin 2000-01 Budget, ECONorthwest

Library and recreation services are generally determined on a per capita basis. Given the low levels of residential population in the City's preliminary land use plan, this analysis assumes that no new libraries will be built should URA 34 be annexed and developed. To the extent that employees within the developed area (that do not already live in Tualatin) use the library and participate in recreational activities provided by the City, this assumption will underestimate the costs of providing library and recreation services.

Table 15 shows how these costs are allocated on a per capita basis within the City of Tualatin. From the budget, library and recreation costs are expected to be \$610,763 for the 2000/01 fiscal year. These costs include materials and services as well as salaries for all personnel other than the library manager. This amounts to \$28.61 of spending per resident on personnel and variable materials such as books and recreation supplies. With the addition of 307 residents from the fully developed URA 34, additional library and recreation costs are expected to be \$8,775 annually.

## GENERAL GOVERNMENT ADMINISTRATION

The costs addressed so far are costs for the direct service departments (funded through the General Fund) that have direct contact with the residents and businesses in the City. These include Planning, Police, Parks, and Library and Recreation Departments. General Government Administration (GGA) costs include all of the non-direct service departments that support the direct service areas. The non-direct service departments funded by the General Fund include Administration, Finance, Legal, Fleet, and the Building Maintenance.

If URA 34 were to be annexed and developed, costs in all of the direct service departments are expected to increase. Consequently, costs in the non-direct service departments will also increase as demands on support services increase. For this analysis, changes in employment in the direct service departments were used as the driver to estimate additional costs in the non-direct service departments.

The first step in this process is to calculate the total 'variable' costs in the all of the non-direct service departments. These variable costs are those costs that are likely to change with changes in direct service costs. These costs include materials and services as well as salaries of staff in those positions where additional staff may be hired. To calculate the relevant personnel costs, budget information was used to calculate annual wages excluding upper management salaries, as it is unlikely that additional staff in these positions will likely be hired. For example, the City will probably not hire an additional Finance Director but may hire an additional accountant to deal with the increased workload should URA 34 be annexed and developed.

Total variable costs within the non-direct service departments are shown in Table 16. Costs are divided into materials and service costs and 'variable' personnel costs discussed above. The material and service costs are taken directly from the City budget and reflect budgeted costs for the 2000/01 fiscal year. As shown in Table 16, the total costs that will potentially be impacted in the non-direct service departments is \$1,109,584.

**Table 16: General Government Administration**

Non-Direct Service Departments	Material and Services Costs	Variable Personnel Costs (excluding director and upper management salaries)	Total 'Variable' Non-Direct Service Costs
Administration	\$43,810	\$151,681	\$195,491
Finance	\$42,913	\$277,561	\$320,474
Legal	\$14,885	\$30,748	\$45,633
Fleet	\$142,040	\$78,390	\$220,430
Building Maintenance	\$280,420	\$47,136	\$327,556
<b>Total</b>			<b>\$1,109,584</b>

Source: City of Tualatin 2000-01 Budget, ECONorthwest

Once the variable costs in the non-direct service departments have been identified, the costs per direct service employee can be calculated. This will be used to estimate how administration costs will increase with increases in employment within the direct service departments.

Employment information is given in Table 17. For the direct service departments, budgeted employment is 55.75 FTE across the four departments. As discussed earlier in this section, employment is expected to increase by seven (6 police officers, 1 assistant planner) as a result of annexing and developing URA 34.

**Table 17: Direct Government Services Employment**

Direct Service Department	Current Employment Levels	Predicted Additional Employment
Police	34.75	6
Planning	5	1
Community Service	15.75	
Courts	0.25	
<b>Total</b>	<b>55.75</b>	<b>7</b>

Source: City of Tualatin 2000-01 Budget, ECONorthwest, Otak

Table 18 shows how the increase in employment in the direct service departments will affect the costs in the non-direct service departments. Given the variable costs from Table 16 and the employment numbers shown in Table 17, the non-direct government costs per direct government service employee is \$19,903 annually. That is, for every employee in the direct service departments, the City spends \$19,903 in supporting variable costs (excluding upper management salaries and capital costs). For every additional employee in the direct service departments, administration costs are expected to increase by \$19,903 to cover the administration costs such as payroll, building maintenance, and budgeting. Given the anticipated increase of seven new employees in the direct service departments, general administration costs will increase by \$139,320 annually if URA 34 is annexed and developed. This cost increase includes both salaries of additional staff in the non-direct service departments as well as additional materials costs.

**Table 18: General Government Administration Costs due to URA 34 Annexation and Development**

Total Tualatin GGA Variable Costs	Total Tualatin Employees in Direct Service Departments	GGA Cost Per Employee	URA 34 Employees in Direct Service Departments	GGA Cost Per Employee	Total URA 34 GGA Cost
\$1,109,584	55.75	\$19,903	7	\$19,903	\$139,320

Source: City of Tualatin 2000-01 Budget, ECONorthwest

## PLANNING

The additional fiscal impacts on the City's Planning Department are shown in Table 19. These costs are averaged across the real market value of property as property

value provides a measure of the level of planning that will be associated with development. For the Planning Department, material and service costs are budgeted at \$49,850 for the 2000/01 fiscal year, which amounts to 0.0000226 dollars per dollar of real market property value. For URA 34, this factor translates to a cost of \$12,786 annually in additional materials and service costs for the Planning Department.

Conversations with the City's planning department indicate annexation and development of URA 34 will likely necessitate hiring an additional assistant planner. Based on the budget information for salaries, a new assistant planner will cost an additional \$37,126. This salary combined with the additional material and services costs results in \$49,912 in annual costs to the Planning Department due to the annexation and development of URA 34.

**Table 19: General Government Services - Planning**

Tualatin Planning Costs	Real Market Value	Cost Per Dollar RMV	URA 34 Area Real Market Value	Cost Per Dollar RMV	Asst. Planner Salary	URA 34 Area Planning Cost
\$49,850	\$2,207,298,219	0.0000226	\$566,161,844	0.0000226	\$37,126	\$49,912

Source: City of Tualatin 2000-01 Budget, ECONorthwest

**SUMMARY**

This section has presented operation and maintenance cost estimates for those cost categories that will likely be affected by the annexation and development of URA 34. These costs are summarized below in Table 20.



**Table 20: Annual Cost Summary with URA 34 Full Development**

<b>Cost Source</b>	<b>Annual Costs</b>
Police	\$450,000
Community Services – Parks	66,997
Community Services – Library and Recreation	8,775
General Government Administration	139,320
Planning	49,912
<b>Total Annual Costs</b>	<b>\$715,004</b>

The next section presents how these costs will vary over time based on the timing of URA 34 development as well as changes in other market conditions.

# **Net Fiscal Impacts**

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This section combines the cost and revenue information presented in the preceding sections to show the net fiscal impacts if the area is annexed to the City of Tualatin. In this section, the results are shown first in constant year 2000 dollars and assume full development. Following this, two development scenarios are presented that phase in development over a 20-year time horizon. Finally, the development scenarios are evaluated with inflation. For this analysis, inflation is assumed to be 3 percent annually for each of the scenarios evaluated. Inflation is assumed to affect all costs equally, with the same 3 percent rate used to estimate increases in property values, wages, and material costs over the analysis period.

## **FISCAL FEASIBILITY**

Table 21 summarizes all of the cost and revenue estimates discussed for the URA 34 at full development. As shown, total revenues from all sources total \$1,428,788 annually once the area is fully developed. Annual operations and maintenance costs are presented below revenues and total \$715,004 each year. Comparing costs with revenues, the area will run a surplus of \$713,783 annually at full development.

**Table 21: URA 34 Projected Annual Revenues and Costs**

<b>Revenue Source</b>	<b>Annual 2000 \$</b>
Property Tax	908,463
Franchise Fees	330,344
State Shared	1,548
Cigarette Tax	626
OLCC	2,604
Hotel/Motel	54,610
Fines	54,402
Business Licensing	66,358
Land Use Application fees	10,164
<b>Total Annual Revenues</b>	<b>\$ 1,428,788</b>
<b>Costs</b>	
Police	450,000
Comm. Service – Parks	66,997
Comm. Service – Rec. and Lib.	8,775
General Gov. Admin.	139,320
Planning	49,912
<b>Total Annual Costs</b>	<b>\$ 715,004</b>
<b>Surplus / (Deficit)</b>	<b>\$ 713,783</b>

Source: City of Tualatin 2000-01 Budget, ECONorthwest

Table 21 shows that, at full development, projected revenues cover the costs of extending services to the area. It is important, however, to examine the net fiscal impacts of partial development at selected points on the path to full development. It may be that during the process of development, the City will run a deficit before the development progresses to the point where tax revenues cover the service costs. Depending on the duration of the development period, this deficit period could extend over several years. To address this, the development scenarios were evaluated at different points of completion to determine if there are potential deficit periods.

The City provided two development scenarios for this analysis, each with a 20-year time horizon. These scenarios are summarized in Table 20. Both scenarios use the same land use assumptions and differ only in the timing of the development. Scenario A has 50 percent of the retail development completed by year 5 and the remaining 50 percent of retail being phased in over the remaining 15 years. Office

and manufacturing development occurs at an even rate over the entire 20-year time horizon. Scenario B is similar to Scenario A, but has the retail sector developing at a slightly faster rate in the first half of the project. In Scenario B, 25 percent of retail is completed in the first 5 years, 75 percent completed by year 10, and the remaining 25 percent completed in year 20. As with Scenario A, Scenario B has office and manufacturing development phased in evenly over the 20-year time horizon. For both scenarios, residential population is assumed to grow at a constant pace before reaching the full population of 307 in year 2020. Finally, the two hotels planned for URA 34 are assumed to open in year 2010 once the area has had a significant amount of development.

**Table 22: URA 34 Development Scenarios**

<b>Building Type</b>	<b>Scenario A</b>	<b>Scenario B</b>
Retail	50 % complete by year 5, 100 % complete by year 20	25 % complete by year 5, 75 % complete by year 10, 100 % complete by year 20
Office	100 % by year 20	100 % by year 20
Manufacturing	100 % by year 20	100 % by year 20

Source: City of Tualatin

The annual costs and revenues associated with Scenario A are presented in Table 23. Assuming that 2000 is the first year in the 20-year project time horizon, Table 23 shows the annual costs and revenues for five-year intervals over the development period.



**Table 23: Fiscal Analysis – Scenario A**

<b>Revenue Source</b>	<b>2005</b>	<b>2010</b>	<b>2015</b>	<b>2020</b>
Property Tax	244,528	465,840	687,152	908,463
Franchise Fees	88,918	169,393	249,869	330,344
State Shared	394	789	1,183	1,578
Cigarette Tax	156	313	469	626
OLCC	651	1,302	1,953	2,604
Hotel/Motel	-	54,610	54,610	54,610
Fines	11,377	25,599	39,820	54,042
Business Licensing	13,970	31,433	48,895	66,358
Land Use Application Fees	2,736	5,212	7,688	10,164
<b>Total Annual Revenues</b>	<b>\$ 362,731</b>	<b>\$ 754,490</b>	<b>\$ 1,091,639</b>	<b>\$ 1,428,788</b>
<b>Costs</b>	<b>2005</b>	<b>2010</b>	<b>2015</b>	<b>2020</b>
Police	75,000	225,000	375,000	450,000
Comm. Service – Parks	66,997	66,997	66,997	66,997
Comm. Service – Rec. and Lib.	2,194	4,387	6,581	8,775
General Gov. Admin.	39,806	79,611	119,417	139,320
Planning	40,568	43,683	46,797	49,912
<b>Total Annual Costs</b>	<b>\$ 224,564</b>	<b>\$ 419,679</b>	<b>\$ 614,793</b>	<b>\$ 715,004</b>
<b>Surplus (Deficit)</b>	<b>\$ 138,166</b>	<b>\$ 334,811</b>	<b>\$ 476,846</b>	<b>\$ 713,783</b>

Source: ECONorthwest

Based on the development level at each point in time, the real and assessed land values and employment levels are calculated. The level for these revenue and cost drivers are then used to calculate the projected tax revenues and costs of services for each year. Additional police officers are phased in over time as development progresses, while the additional planner forecasted for the planning department is assumed to be hired at the beginning of the analysis period as planning activities will take place throughout the 20-year development period.

As shown in Table 23, Scenario A shows that the projected revenues will cover costs of extending service even at the early development years. In 2005, revenues from property taxes and franchise fees (the two largest revenue sources) are lower as development is still relatively new. Similarly, costs for government services such as police are also lower in the early years. Both costs and revenues increase over time while maintaining a positive balance between revenues and costs. Again, the analysis at this point does not yet incorporate inflation, which will be addressed at the end of the section.

Scenario B was evaluated in the same manner, and the results are shown in Table 24.

**Table 24: Fiscal Analysis – Scenario B**

Revenue Source	2005	2010	2015	2020
Property Tax	227,116	471,644	690,054	908,463
Franchise Fees	82,586	171,504	250,924	330,344
State Shared	394	789	1,183	1,578
Cigarette Tax	156	313	469	626
OLCC	651	1,302	1,953	2,604
Hotel/Motel	-	54,610	54,610	54,610
Fines	11,377	25,599	39,820	54,042
Business Licensing	13,970	31,433	48,895	66,358
Land Use Application Fees	2,541	5,277	7,721	10,164
<b>Total Annual Revenues</b>	<b>338,792</b>	<b>762,469</b>	<b>1,095,628</b>	<b>1,428,788</b>
Costs	2005	2010	2015	2020
Police	75,000	225,000	375,000	450,000
Comm. Service – Parks	66,997	66,997	66,997	66,997
Comm. Service – Rec. and Lib.	2,194	4,387	6,581	8,775
General Gov. Admin.	39,806	79,611	119,417	139,320
Planning	40,323	43,764	46,838	49,912
<b>Total Annual Costs</b>	<b>224,319</b>	<b>419,760</b>	<b>614,834</b>	<b>715,004</b>
<b>Surplus (Deficit)</b>	<b>114,472</b>	<b>342,709</b>	<b>480,795</b>	<b>713,783</b>

Source: ECONorthwest

Both scenarios result in a financial surplus in each of the development years. Scenario A provides a moderately higher surplus in year 2005 than Scenario B, with a surplus of \$138,166 compared to \$114,472. With the later development years, the pace of retail development is relatively similar across both scenarios, resulting in similar annual surpluses.

## INFLATION

The final factor to consider in this analysis is the role of inflation and how it will affect these costs and revenues over time. Measure 50 caps assessed value increases at 3 percent each year. The degree to which inflation can affect real

market properties is not limited in this manner. Inflation rates higher than 3 percent will create a gap between costs and revenues as salaries and other costs will increase at a faster rate than property tax revenues given the Measure 50 limit of 3 percent.

Conversations with City staff indicate that city employee wages will not rise as fast as inflation. To provide an upper bound for wage cost increases, however, wages were assumed to increase with inflation at 3 percent annually. Annual costs for all other materials and services were also assumed to increase at a rate of 3 percent.

The results of Scenario A assuming a 3 percent inflation rate is shown in Table 25. While both costs and revenues increase across all categories, the surplus in each year is also increasing relative to the no-inflation case. As these surpluses indicate, inflation is not a deciding factor in determining whether the projected revenues from the area will cover the costs of extending services to that region given the current development time horizon.<sup>8</sup>

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<sup>8</sup> A scenario with the general inflation rate set at 5 percent and AV increases limited to 3 percent annually was also evaluated (results not shown). For both development scenarios, there was a surplus for each stage of development. At the twenty-year mark, surpluses were still above \$200,000 annually for both scenarios even when assuming 5 percent general inflation. Costs did increase faster than revenues over time, however, and the overall surplus started to decline at the later parts of the development horizon.



**Table 25: Fiscal Analysis – Scenario A with 3 percent inflation**

<b>Revenue Source</b>	<b>2005</b>	<b>2010</b>	<b>2015</b>	<b>2020</b>
Property Tax	259,647	535,996	856,361	1,227,752
Franchise Fees	94,415	194,904	311,398	446,447
State Shared	457	1,060	1,843	2,849
Cigarette Tax	181	420	731	1,130
OLCC	755	1,749	3,042	4,702
Hotel/Motel	-	73,391	85,080	98,632
Fines	13,189	34,403	62,039	97,605
Business Licensing	13,970	31,433	48,895	66,358
Land Use Application Fees	2,905	5,997	9,581	13,736
<b>Total Annual Revenues</b>	<b>385,519</b>	<b>879,354</b>	<b>1,378,972</b>	<b>1,959,212</b>
<b>Costs</b>	<b>2005</b>	<b>2010</b>	<b>2015</b>	<b>2020</b>
Police	86,946	302,381	584,238	812,750
Comm. Service – Parks	77,668	90,039	104,380	121,005
Comm. Service – Rec. and Lib.	2,543	5,896	10,253	15,848
General Gov. Admin.	46,146	106,991	186,048	251,627
Planning	47,276	60,033	76,619	98,264
<b>Total Annual Costs</b>	<b>260,578</b>	<b>565,340</b>	<b>961,538</b>	<b>1,299,494</b>
<b>Surplus (Deficit)</b>	<b>124,941</b>	<b>314,013</b>	<b>417,434</b>	<b>659,718</b>

Source: ECONorthwest

Scenario B was also evaluated under conditions of 3 percent inflation, and these results are shown in Table 26. As before, there is only a modest difference between the two scenarios at any of the intervals. In both cases, revenues will cover costs when inflation is assumed to affect both over the entire 20-year development period.

**Table 26: Fiscal Analysis – Scenario B with 3 percent inflation**

Revenue Source	2005	2010	2015	2020
Property Tax	241,158	539,214	857,011	1,225,424
Franchise Fees	87,692	196,074	311,634	445,600
State Shared	457	1,060	1,843	2,849
Cigarette Tax	181	420	731	1,130
OLCC	755	1,749	3,042	4,702
Hotel/Motel	-	73,391	85,080	98,632
Fines	13,189	34,403	62,039	97,605
Business Licensing	13,970	31,433	48,895	66,358
Land Use Application Fees	2,698	6,033	9,588	13,710
<b>Total Annual Revenues</b>	<b>360,100</b>	<b>883,778</b>	<b>1,379,864</b>	<b>1,956,010</b>
Costs	2005	2010	2015	2020
Police	86,946	302,381	584,238	812,750
Comm. Service – Parks	77,668	90,039	104,380	121,005
Comm. Service – Rec. and Lib.	2,543	5,896	10,253	15,848
General Gov. Admin.	46,146	106,991	186,048	251,627
Planning	46,974	60,094	76,633	98,204
<b>Total Annual Costs</b>	<b>260,277</b>	<b>565,401</b>	<b>961,552</b>	<b>1,299,435</b>
<b>Surplus (Deficit)</b>	<b>99,824</b>	<b>318,377</b>	<b>418,312</b>	<b>656,576</b>

Source: ECONorthwest

## SUMMARY

The results of the net fiscal impact analysis, taking into account inflation and different development scenarios, are summarized in Table 27. It is clear from the analysis that the preliminary development plan results in a budget surplus for each year. This is primarily due to the fact that revenues generated from property taxes

and franchise fees are more than enough to cover the expected operations and maintenance costs from the City's general fund to extend services to this area. Inflation has an effect on both revenues and costs, but the result is still a surplus for each project year. The timing of the development for the retail sector was also explored, and while changes in the pace of development has some effect on yearly costs and revenues, in general the effect was moderate to minimal on the overall budget surplus.

**Table 27: Net Fiscal Impact Summary for Development and Inflation Scenarios**

Scenario	Annual Surplus (Deficit) by Year			
	2005	2010	2015	2020
Scenario A (no inflation)	\$ 138,166	\$ 334,811	\$ 476,846	\$ 713,783
Scenario B (no inflation)	114,472	342,709	480,795	713,783
Scenario A (3 % inflation)	124,941	314,013	417,434	659,718
Scenario B (3 % inflation)	99,824	318,377	418,312	656,576

## INTRODUCTION

As part of the ECONorthwest project team, Otak is providing assistance to the City of Tualatin in the completion of a fiscal impact analysis of Urban Reserve Area 34. The fiscal impact analysis is necessary to determine the potential local fiscal costs and revenues that are likely to accrue if URA 34 was annexed by the City of Tualatin and subsequently developed.

Otak's work is focused on the following areas:

- Methodology Development;
- Review and assimilation of capital costs;
- Estimation of annual operating and maintenance (O&M) costs for water, sanitary sewer, storm drainage and roads;
- Comment on existing rate structure's ability to accommodate new maintenance requirements; and
- Assistance in summarizing findings.

This section is organized as follows. First, a sketch analysis of the capital costs for water, sanitary sewer, storm drainage, and roads is presented. While the overall analysis is focused on operation and maintenance costs only, a brief analysis of the potential capital costs provides some context for the other cost estimates. The capital cost estimates rely on the work performed for the City of Tualatin by CH2M Hill. Following the sketch analysis of capital costs, an analysis of operation and maintenance costs is presented for extending sewer, storm drainage, and street services to the area. This section concludes with a discussion of the adequacy of the current user fee rate structure to cover maintenance costs for these services.

## CAPITAL COSTS

The annexation and development of URA 34 will require the extension of urban facilities and services in accordance with City of Tualatin design standards. The major capital cost elements will include extensions/upgrades for sanitary and storm sewers, water systems and transportation facilities (roads, traffic signals, sidewalks, etc.).

The methodology used to estimate conceptual capital costs entailed a rough planning level calculation of units (e.g., length of pipe, roads) and unit-price levels. The unit prices are intended to include typical construction costs, design, permitting and land acquisition price levels. Any special or extraordinary studies,



environmental mitigation, and property acquisition activities would be in addition to the conceptual costs assumed at this time.

The following tables summarize the capital cost estimates for the major public infrastructure elements associated with the annexation and urbanization of URA 34. The transportation costs shown in Table 28 are intended to provide a total planning level cost estimate for selected collector and arterial roads, traffic signals, and bridges.

**Table 28: Transportation Improvement Capital Costs**

Item	Unit	Quantity	Unit Cost	Total Cost
Mobilization, Traffic Control, Erosion Control	L.S	All	\$3,117,400	\$3,117,400
Clearing and Grubbing	L.S.	All	1,154,610	1,154,610
Road Construction (3 lane)	L.F.	18,540	239	4,431,060
Road Construction (5 lane)	L.F.	14,335	348	4,988,580
Concrete Sidewalk	S.Y.	19,500	40	780,000
Drainage	L.S.	All	1,754,801	1,754,801
Street Trees	Each	1,115	300	334,500
Irrigation	L.S.	All	167,250	167,250
Misc. (retaining walls, utility relocates)	L.S.	All	996,500	996,500
Electrical (Luminaires)	Each	220	4,000	880,000
Borland/Stafford intersection Signal Poles	L.S.	All	100,000	100,000
Bridges (3 80' spans)	S.F.	15,360	100	1,536,000
Construction Contingency				5,060,200
Engineering, Admin., and Construction Engineering				6,325,225
Right of Way (\$6.00/SF) and Easement (\$3.00/SF)				13,581,960
<b>Total Costs</b>				<b>\$45,208,085</b>

Source: CH2MHill Technical Memo #5, August 30, 2000.

These transportation improvements are expected to cost approximately \$45.2 million (in year 2000 dollars).

Previous studies by CH2M-Hill were used as a basis for estimating sanitary sewer, storm sewer and water system development costs.

There are several alternatives being considered for the extension of sanitary sewer improvements (see Table 29). The main differences stem from the source for

wastewater treatment with options for potential connections to treatment plants at the Durham facility, Tryon Creek facility or the Tri-Cities facility. Depending upon improvement alternative the total conceptual sanitary sewer cost is expected to range from \$5.7 million to \$7.3 million.

**Table 29: Sanitary Sewer Improvement Capital Costs**

Alternative	1/ Pipe Type 2/	Pipe Size (Inches)	Pipe Length	Manholes (total)	Pump Stations	Total Cost		
						3/ Inside Study Area	Outside Study Area	Total
1	Gravity (PVC)	8	17,132	67	4	n/a	n/a	n/a
1	Force Main (HPDE)	4,6,8 & 10	28,855	67	4	\$2,896,000	\$2,812,000	\$5,708,000
2	Gravity (PVC)	8	20,450	72	4	\$2,836,000	\$2,997,000	\$5,833,000
2	Force Main (HPDE)	6 & 10	22,550	72	4	\$2,836,000	\$2,997,000	\$5,833,000
3	Gravity (PVC)	8	20,450	80	4	\$2,836,000	\$4,426,000	\$7,262,000
3	Force Main (HPDE)	6 & 10	45,920	80	4	\$2,836,000	\$4,426,000	\$7,262,000

1/ Alt.1: Durham Wastewater Treatment Plant (WWTP); Alt.2: Tryon WWTP; Alt.3: Tri-Cities WWTP.

2/ PVC = polyvinyl chloride; HDPE = high-density polyethylene.

3/ Assumes two pumps per station; Alternatives 2 and 3 assume two large stations outside study area boundary and two small package stations within study boundary.

Source: CH2MHill, Urban Reserve Growth Area 34--Wastewater System Development, Technical Memo, May 18, 2000.

The conceptual cost estimate for storm water improvements is summarized in Table 30. The estimated total capital cost is approximately \$8.2 million.

**Table 30: Storm Sewer Capital Costs**

Item	Pipe Size (Inches)	Quantity	Units	Unit Cost	Total Cost
Pipe Material and Construction	12	800	LF	\$144	\$115,200
	15	4,190	LF	\$144	\$603,360
	18	2,050	LF	\$150	\$307,500
	24	9,100	LF	\$181	\$1,647,100
	30	2,700	LF	\$205	\$553,500
	36	3,100	LF	\$215	\$666,500
Water Quality Ponds	Size (ac)				
	0.3	1	EA	-	\$432,000
	0.41	1	EA	-	\$589,000
	0.21	1	EA	-	\$298,000
	0.45	1	EA	-	\$650,000
Manholes	-	73		\$3,000	\$219,000
<b>Total Construction Cost</b>					<b>\$6,081,160</b>
Engineering, Admin. & Legal (@35%)					\$2,128,406
<b>Total Capital Cost</b>					<b>\$8,210,000</b>

Source: CH2MHill, Urban Reserve Growth Area 34--Stormwater Analysis, Technical Memorandum, May 4, 2000.

Water system development costs, as described in Table 31, are estimated to cost \$6.8 million. As indicated in the footnote to Table 31 these costs do not include any costs associated with a purchase agreement with the Portland Water Bureau that would be needed to serve this area.

**Table 31: Water System Development Capital Costs**

<b>Item</b>	<b>Pipe Size (inches)</b>	<b>Quantity</b>	<b>Units</b>	<b>Unit Cost</b>	<b>Total Cost</b>
Transmission Line	18	17,420	LF	\$110	\$1,916,200
Distribution Line	15	17,420	LF	\$110	\$1,916,200
Highway Crossing	-	400	LF	Allow	\$100,000
Storage	-	1.85	MG	Allow	\$1,110,000
Construction Subtotal					\$5,042,400
Engineering, Admin. & Legal (@35%)					\$1,764,840
<b>Total Capital Cost</b>					<b>\$6,807,000</b>

\* Based on Alternative 1A from following memorandum. Cost does not include additional purchase agreement with the Portland Water Bureau needed to serve study area.

Source: CH2MHill, Urban Reserve Growth Area 34--Water System Development Technical Memorandum, May 4, 2000.

## **ANNUAL O&M COSTS**

Annual O&M costs are generally more difficult to estimate than capital costs since the "units" include both labor and materials. Also the amount of expense associated with routine maintenance, upkeep, inspection and preventive maintenance (e.g., cleaning and/or replacement of parts) can vary significantly during any given year. For purpose of our analysis, we have relied on FY 2000/01 City of Tualatin departmental budgets to estimate annual O&M costs. We have also coordinated with the Unified Sewerage Agency to obtain their maintenance/service standards for sewer systems.

**Table 32: Selected City Budget Items for Infrastructure Services**

Category	Account No.	Existing System	Budget for Personal Services*	Budget for Materials & Services*	Annual Budget*	Notes:
Water System	012	87 miles pipes, 4 reservoirs, 3 pumps	\$0	\$3,649,880	\$3,649,880	user costs = \$1.35/CCF
Sewer System	013	67 miles pipes, 4900 connections, hundreds of manholes, 10-lift stations (9 USA)	\$0	\$3,859,680	\$3,859,680	Only 1 lift station operated by city.
Road System (Local)	014	60 miles of streets	\$0	\$1,687,660	\$1,687,660	Additional streets/signals maintained by ODOT, Clackamas and Washington counties.
Storm Drain System	015	44 miles pipes, 12 drainage basins, 2500 catch basins, 20 water quality facilities.	\$0	\$1,009,320	\$1,009,320	
Operations Fund Administration Division	004-4010	Management & support to staff in water, street/sewer, fleet, park maintenance & solid waste divisions.	\$240,487	\$33,350	\$273,837	3.55 staff and 1,300 volunteers
Operations Fund--Water Division	004-4020	Inspection/management of water system (see account 012)	\$357,560	\$149,430	\$506,990	Target cost per capita = \$25. 6.0 full time staff.
Operations Fund--Sewer Division	004-4030	Inspection/management of sewer system (see account 013 & 015)	\$145,642	\$101,220	\$246,862	2.5 full time staff
Operations Fund--Streets Division	004-4040	Inspection/management of Pavement Management Program	\$148,957	\$210,560	\$357,517	2.5 full time staff

Notes:  
 \* Based on Approved 2000/01 budget. Excludes capital outlays and related contingencies.  
 Source: City of Tualatin Fiscal Year 2000-2001 Budget.

As indicated on Table 32, individual City of Tualatin departmental budgets are summarized for water, sewer, roads, storm drains, and operations funds (administration division, water division, sewer division, streets division). The budgets used for this analysis are primarily based on approved year 2000/2001 budget amounts. Adjustments were made to exclude any capital expenditures from the budgets to focus on annual O&M costs.

The analysis of O&M costs for the conceptual capital improvements is estimated at \$1,080,000 per year (see Table 33). We anticipate that this will require the addition of 2.0 full time equivalent (FTE) city employees to provide the necessary planning, engineering, code enforcement and administrative requirements. This is intended as a conservative estimate, as the actual amount of local FTE requirements may vary by approximately 0.5 FTE depending upon the negotiated agreements with sewer and water system providers and local ownership/control of roads and pathways. Note that these employees are in addition to the employee estimates discussed earlier that would be paid for with General Fund revenues.



**Table 33: Summary O&M Cost Information for Water, Streets, and Sewer**

O&M Cost Element	Account No.	Budget	Amount	Units	Cost/Unit	Estimated New Units	Additional O&M Cost
Water System	012	\$3,649,880	87	miles	\$41,953	6.6	\$277,000
Sanitary Sewer System	013	\$3,859,680	67	miles	\$57,607	5.5	\$317,000
Road System	014	\$1,687,660	60	miles	\$28,128	3.6	\$101,000
Special Maintenance*						allowance	\$100,000
Storm Drain System	015	\$1,009,320	44	miles	\$22,939	4.2	\$96,000
Operations Fund							
Administration Division	004-4010	\$273,837	3.55	FTE	\$77,137	1.0	\$77,000
Operations Fund-- Water							
Division	004-4020	\$506,990	6.0	FTE	\$84,498	0.3	\$25,000
Operations Fund-- Sewer							
Division	004-4030	\$246,862	2.5	FTE	\$98,745	0.3	\$30,000
Operations Fund-- Streets							
Division	004-4040	\$357,517	2.5	FTE	\$143,007	0.4	\$57,000
<b>Total</b>	<b>-</b>	<b>\$11,591,746</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>\$1,080,000</b>

\* Assumes special budget for street lighting, landscaping and environmental review/compliance.  
Source: Otak, Inc.

## ADEQUACY OF USER FEES

The majority of annual O&M costs associated with water, sewer and storm drainage improvements will likely be covered by user fees with little if any adjustments. Given the current street utility fee (@\$2.20 per 1,000 GSF for Non-residential Group 1 and \$30.77 per 1,000 GSF for Non-Residential Group 4), revenues from assuming the preliminary land use plan for the area amount to \$270,812 per year at full development. These revenues are dedicated for pavement maintenance only, but expected revenues are greater than the total for all the road system maintenance costs shown in Table 33.

Street maintenance costs other than pavement are funded from state shared gas tax revenues (rather than user fees), and these revenues are allocated based on population. The costs that have traditionally been covered with gas tax revenues are the maintenance costs for traffic signals, street lights, bike paths, and landscaped roadside areas. Given the population estimate of 307 for the area and the City's estimated gas tax revenue of \$42.46 per resident (from the City of Tualatin 2000/01 Budget), the City can expect an additional \$13,035 in annual gas tax revenue due to residents in URA 34. This is substantially less than the estimated \$101,000 needed annually for street maintenance, although part of these costs are for pavement maintenance and are covered by the street utility fee revenues. To account for this discrepancy, we have provided a separate line item allowance for "special maintenance" since actual costs cannot be determined until final conceptual planning/design occurs. One possible solution would be to cover these costs out of the \$270,812 expected annually from street utility fee revenues. Given the preliminary land use plan, the expected revenues are more than enough

to cover all of the street maintenance costs should the City decide to allocate some of the street utility fee revenues for this purpose.

# Conclusions

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This report presents the fiscal issues surrounding the potential annexation and development of the Urban Reserve Area 34 to the City of Tualatin. This analysis focuses specifically on the fiscal impacts to the City that occur from changes in URA 34 land use, development, employment, and residential population. Additional secondary impacts, such as the fiscal effect of increased residential population within the current City limits due to the annexation and development, are not addressed in this study.

For the analysis, we use the City's land use plan that emphasizes Class A office buildings in development, but also includes retail and high-tech uses. We assume that user fees charged in the area will continue to be structured so that they cover the associated costs of water, street, and sewer development. Consequently, we focus our analysis on the operations and maintenance costs that are paid for from the general fund as well as revenue sources for the general fund. We focus on these areas as the discretionary costs and revenues are more likely to determine the fiscal impact of annexation and development.

Annexation and development of URA 34 would not have an adverse affect on the City of Tualatin's General Fund given the proposed development plan. Revenues generated from the area, particularly property taxes and franchise fees, are enough to cover the costs of extending general government services to the area. This finding was consistent under a variety of development scenarios, where the timing of development was altered as well as the inflation rate over the twenty-year development horizon.

Additional findings that help support these conclusions:

- The assessed value of URA 34, assuming the City's land use plan and at full build out, is \$401,974,909. For comparison, the 1999 assessed value for the entire City of Tualatin is \$1,726,074,147. This suggests that annexation and development of URA 34 will add over 20 percent of assessed value to the City of Tualatin based on 1999 assessed values.
- With high levels of assessed value come high tax revenues. In particular, annual property tax revenues of URA 34 are expected to be \$908,464 at full development, compared with \$3,489,547 in property tax revenues the City is anticipating in the next fiscal year.
- URA 34 would also add significantly to employment levels within the City. Currently, 16,971 people are employed within the City, and URA 34 could add approximately 11,323 employees once fully developed.

- Estimated revenues to the City from a fully developed URA 34 are \$1,428,788 annually, assuming the City's preliminary land use plan and constant year 2000 dollars. Total City administration and direct government service costs will increase by \$715,004 annually, resulting in a net annual surplus of \$713,783. This reflects the base case scenario that assumes zero inflation. Alternative scenarios assuming different inflation rates and development speeds also show a significant surplus.
- Annual operation and maintenance costs for the capital improvements needed to extend water, sewer, storm drainage to the area are approximately 1 million dollars a year. However, these costs will be covered by user fees, and it appears that the current rate structure will be adequate to cover these additional costs. The one exception is with street maintenance, which is funded by state shared gas tax revenues. Given the low levels of residential population, additional gas tax revenues for the area will not cover the additional street maintenance costs. These costs could be covered with expected revenues from the street utility fee, should the City decide to allocate these funds for this purpose.
- The annexation and development will require an increase in police resources, with an additional 6 officers needed to provide the same level of service to URA 34 that residents in the City of Tualatin currently enjoy.



## Other Service Districts

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As part of this analysis, the City of Tualatin wished to assess the impact that annexation might have on other service districts. Those service districts that would likely be impacted by the annexation were called to gather information on possible effects. The results of these conversations are summarized below.

### **TUALATIN VALLEY FIRE AND RESCUE: ALEC JENSEN, 649-8577**

Annexing URA 34 by the City of Tualatin will impact Tualatin Valley Fire and Rescue. East Tualatin is already difficult to reach due to traffic, and this situation will worsen if the annex is developed. If the URA 34 remains undeveloped, then the Tualatin Valley Fire and Rescue will likely relocate an existing station, probably the Mountain Road station south of Stafford, to cover this area. In general, there will be no need for a new station without development.

Currently, the district is considering building a station that would serve the combined Stafford and Rosemont areas. They are discussing joint financing between the district and Lake Oswego. In this case, a new station would be built without having any fiscal impact on the City of Tualatin.

### **UNIFIED SEWER AGENCY: NORA CURTIS, 846-8621**

The Unified Sewer Agency (USA) is the current agency for the City of Tualatin. However, they do not have any plans for servicing the URA 34. They have conducted some analysis on whether current pipe capacity could handle the additional volume, but none of USA's development plans for the Durham facility anticipate having URA 34 come under their jurisdiction. Cost estimates conducted by CH2M Hill, however, suggest that routing waste to the Durham plant would be cheaper than either the Tryon or the Tri-Cities facility options.

The only factor affecting USA is whether or not they will serve URA 34. Once this issue is decided, whether or not the area is annexed by the City of Tualatin or remains unincorporated will not have any additional fiscal impact on USA.

### **CLACKAMAS COUNTY DEPARTMENT OF TRANSPORTATION AND DEVELOPMENT: JOHN RIST, 650-3763.**

The most prominent effect of annexation on other service districts is the transfer of responsibilities for URA 34 roads. Roads that are currently in URA 34 are under the jurisdiction of Clackamas County, but with annexation would likely become the responsibility of the City. Some work will need to be done regarding sidewalks and

other improvements so that the streets will meet City of Tualatin ordinances. Mr. Rist felt that determining whether Clackamas County or the City of Tualatin would bear the costs of these improvements would be an area of negotiation as part of the annexation process.

**WEST LINN – WILSONVILLE SCHOOL DISTRICT: ROGER WOEHL, 673-7000**

Currently, the URA 34 area is in the West Linn – Wilsonville School District. As a consequence, annexing URA 34 will not impact enrollment levels, as children within the reserve will be in the West Linn – Wilsonville school district regardless of annexation.







Mr. Woehl did mention that traffic associated with developing the area is a concern. This will impact bus transportation to the schools as well as general safety. Other potential impacts are the extension of City services to the district schools within URA 34. There may be costs associated with switching to municipal systems for water, irrigation, or sewer, especially if the City requires that the schools switch from their current septic system.

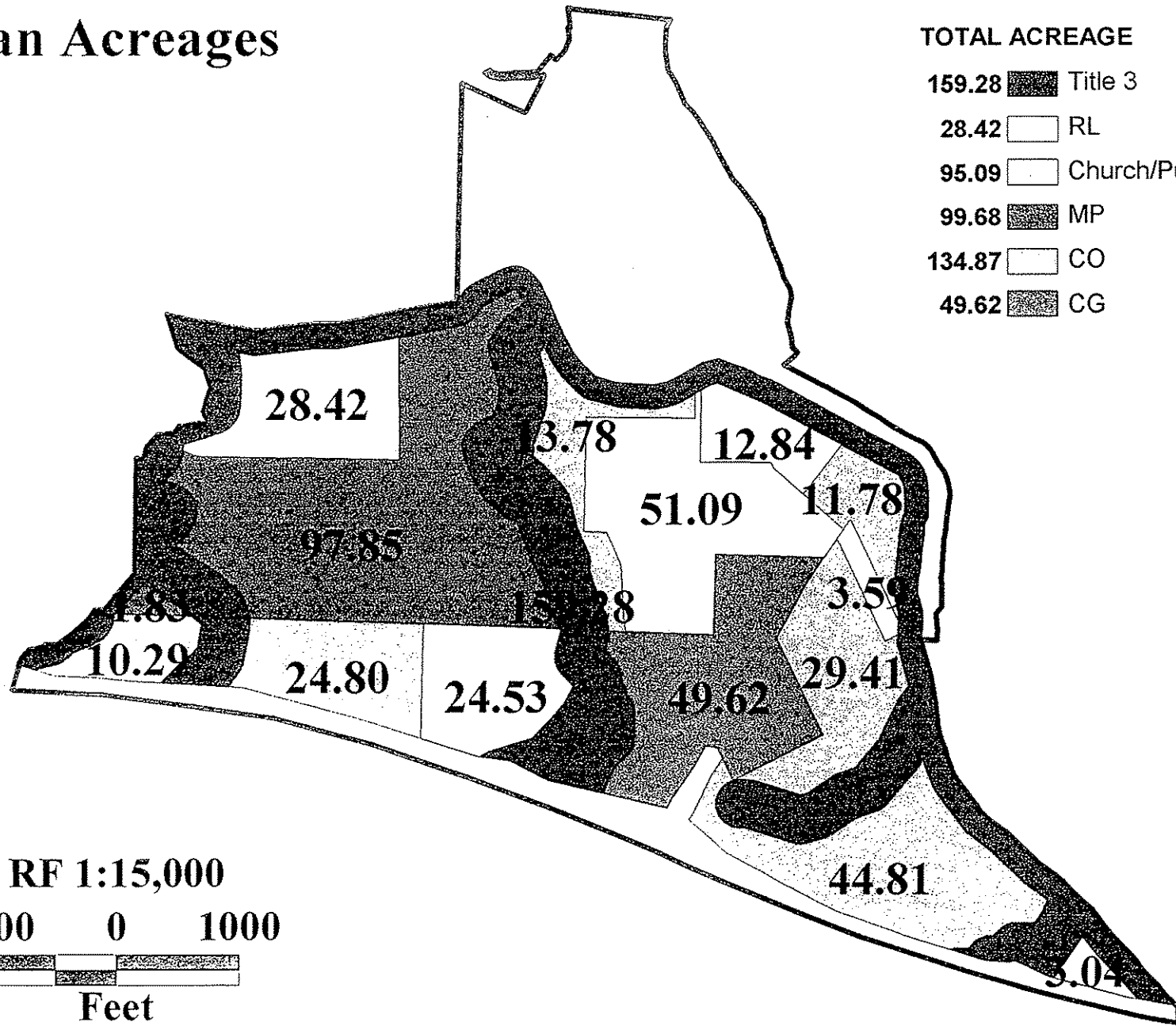
This appendix contains maps that illustrate some of the analysis issues discussed in the main body of the report. The first map shows the City of Tualatin's preliminary land use plan for URA 34 (Option B). Note that the land use acreage totals do include acreage that will eventually be set aside for streets and right-of-ways. The second map highlights the road improvements planned for URA 34 upon development. The third map shows Tualatin Police Reporting Districts, which were used to estimate police costs for URA 34 should the area be annexed and developed (see discussion in *Section 6*).

# Plan Acreages



## TOTAL ACREAGE

- 159.28  Title 3
- 28.42  RL
- 95.09  Church/Public
- 99.68  MP
- 134.87  CO
- 49.62  CG



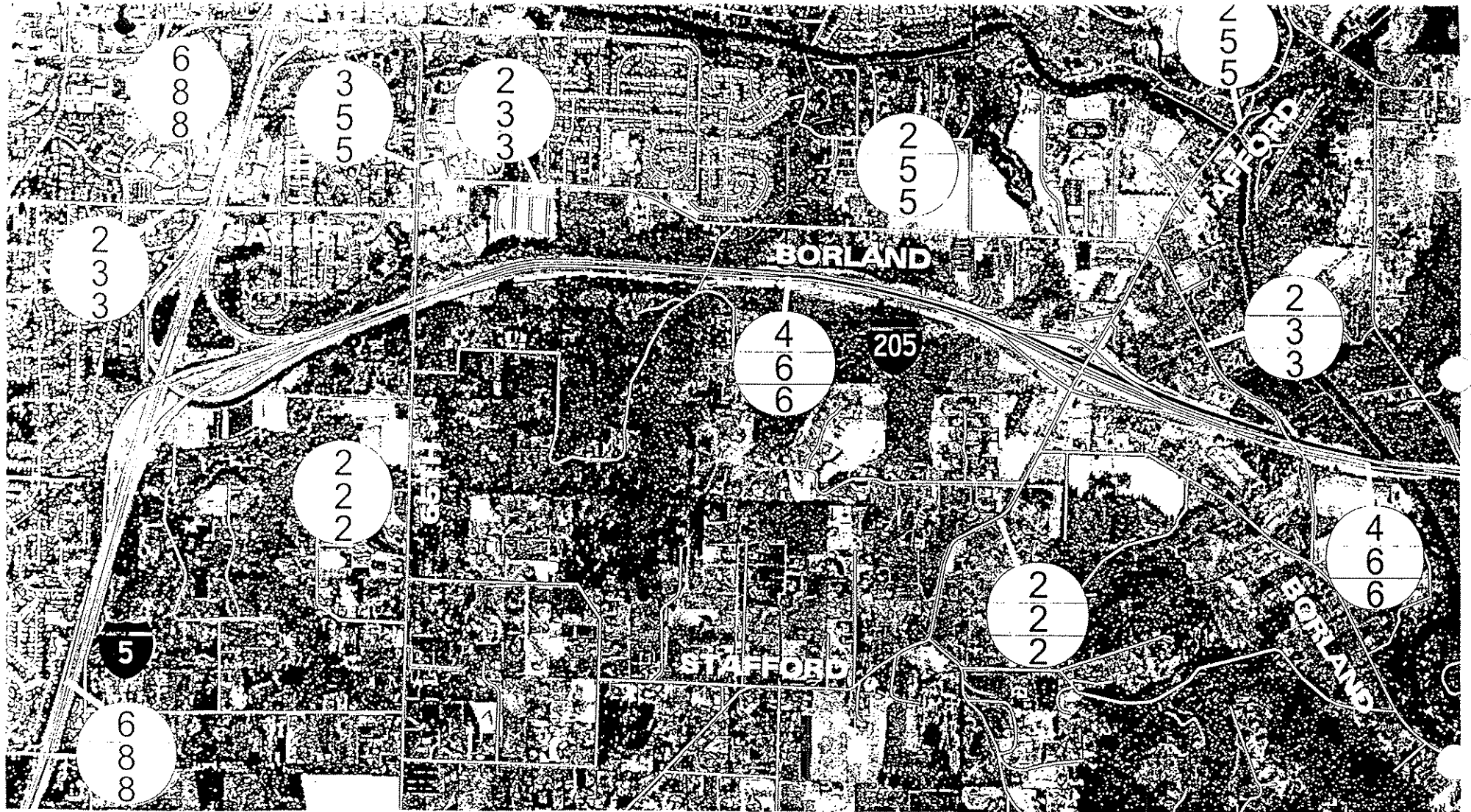
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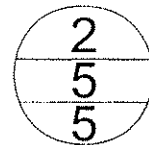
Feet





**CITY OF TUALATIN**

**Urban Reserve Area #34**



**Existing Lanes**

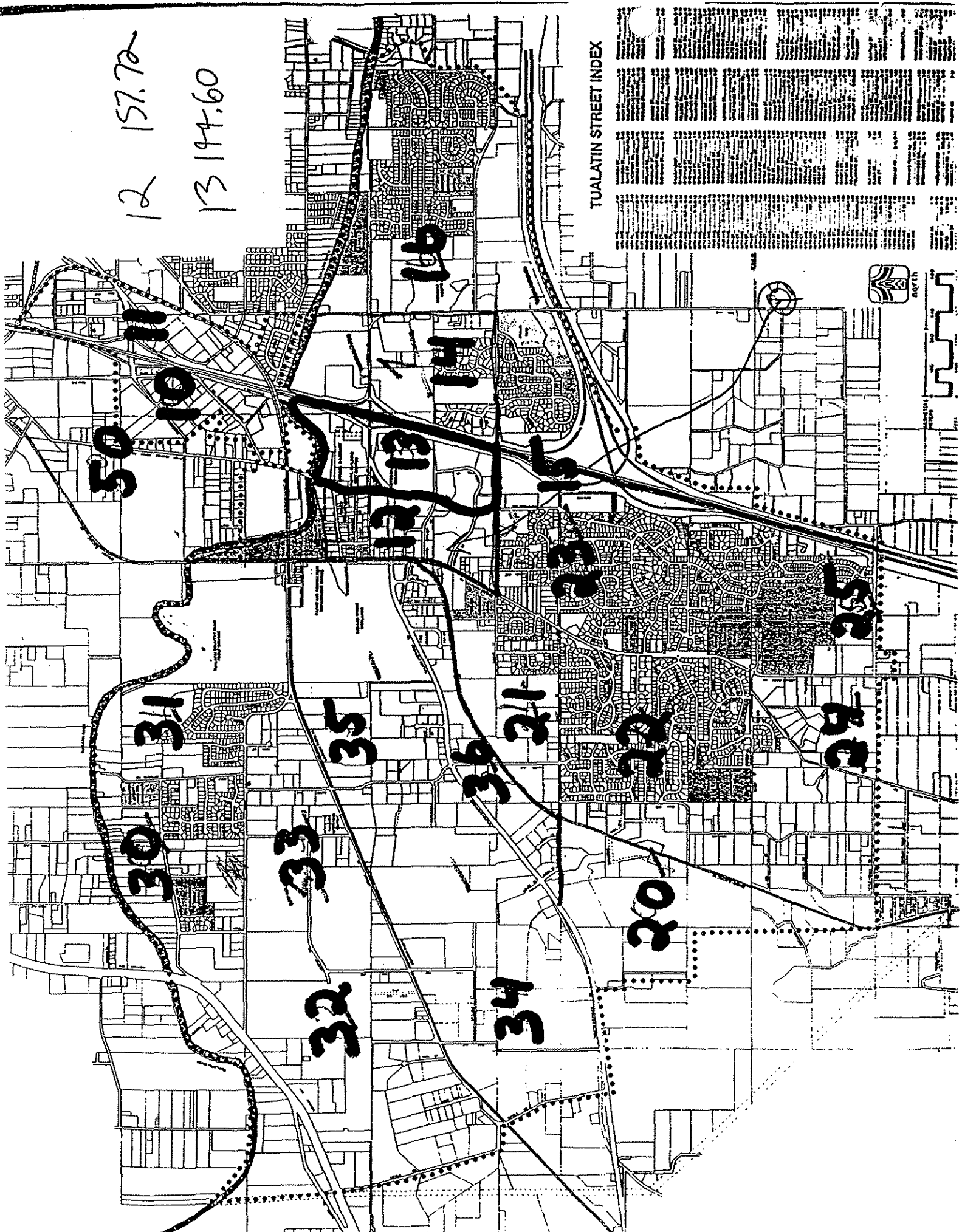
**2020 Lanes Without URA #34**

**2020 Lanes With URA #34**

**— URA #34 Boundary**

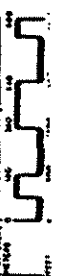


12 157.72  
13 144.60



TUALATIN STREET INDEX

100	101	102	103	104	105	106	107	108	109	110	111	112	113	114	115	116	117	118	119	120	121	122	123	124	125	126	127	128	129	130	131	132	133	134	135	136	137	138	139	140	141	142	143	144	145	146	147	148	149	150	151	152	153	154	155	156	157	158	159	160	161	162	163	164	165	166	167	168	169	170	171	172	173	174	175	176	177	178	179	180	181	182	183	184	185	186	187	188	189	190	191	192	193	194	195	196	197	198	199	200
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# Rosemont Village Proposed Concept Plan

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DISCUSSION DRAFT



PREPARED FOR

The Rosemont Property  
Owners' Association

JULY 21, 1998

# Rosemont Village Proposed Concept Plan

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DISCUSSION DRAFT

**PREPARED FOR**

The Rosemont Property  
Owners' Association

**PROJECT TEAM**

Shapiro & Associates, Inc.  
ECONorthwest, Inc.  
Foster Consultants, Inc.  
Kittelson & Associates, Inc.  
URS Greiner, Inc.

**JULY 21, 1998**



## TABLE OF CONTENTS

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Purpose of the Draft Discussion Concept Plan	Page 1
Background	Page 2
The Rosemont Village Concept	Page 4
Stages Toward Maturity Over Time	Page 6
Who Will Live at Rosemont Village?	Page 8
Conserving and Protecting Natural Features	Page 9
Designing for Local Identity and Long-Term Livability	Page 10
The North Stafford Area and the South Metro Sub-Region	Page 14
Infrastructure Elements and Phasing	Page 16
Schools and Other Local Services - Capital and Operating Needs	Page 20
Feasibility Summary and Financing Opportunities	Page 21
Governance	Page 22
Implementation Steps	Page 23
Where Do We Go From Here?	Page 24
Reader Response Questionnaire	Page 25
Acknowledgments and Credits	Page 27

## PURPOSE OF THE DRAFT DISCUSSION CONCEPT PLAN

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The Rosemont Village Concept Plan is for a 2040 community. It is the first concept plan of its kind under the innovative and nationally recognized Metro regional planning guidelines for more compact, pedestrian friendly growth. It acknowledges that we must develop livable places for our children to live as they grow to have families. They represent the largest growth sector, and we must meet the challenge to plan for them.

The concept plan, while innovative, uses the Lake Oswego tradition of planned development like Westlake, Mountain Park, and Kruse Way as its mentor. Someday, the Rosemont Village community will proudly host concerts in the park for the enjoyment of the community, like the Concert in the Park series that ran summer 1998 in Westlake Park.

This concept plan contains design and process guidance for the initial creation of a new urban village that celebrates the idea that as Oregonians, we must learn to live more compactly, using fewer of the earth's resources, while maintaining a sense of place and livability.

The concept plan area is contiguous with the existing Lake Oswego and West Linn city limits. The concept plan provides direction for its long-term maturation. It is designed to meet the need for planning that demonstrates how a livable new community can be seeded and nurtured over time, while fitting comfortably with existing developed areas, addressing current needs, such as housing and job opportunities, and meeting future regional growth objectives. The keynote of our concept plan is to provide a template for urbanization that builds on the essential aesthetic qualities of these rolling hillsides. We believe that design standards based on our concept plan will retain the rural charm and character of the area, while providing housing for our kids and other future residents and workers.

Rosemont Village is based on the premise that newcomers must pay their fair share and that ac-

commodating newcomers provides tangible benefits to affected communities, including those of us who have given birth to these growing children who demand affordable, livable places to raise their children.

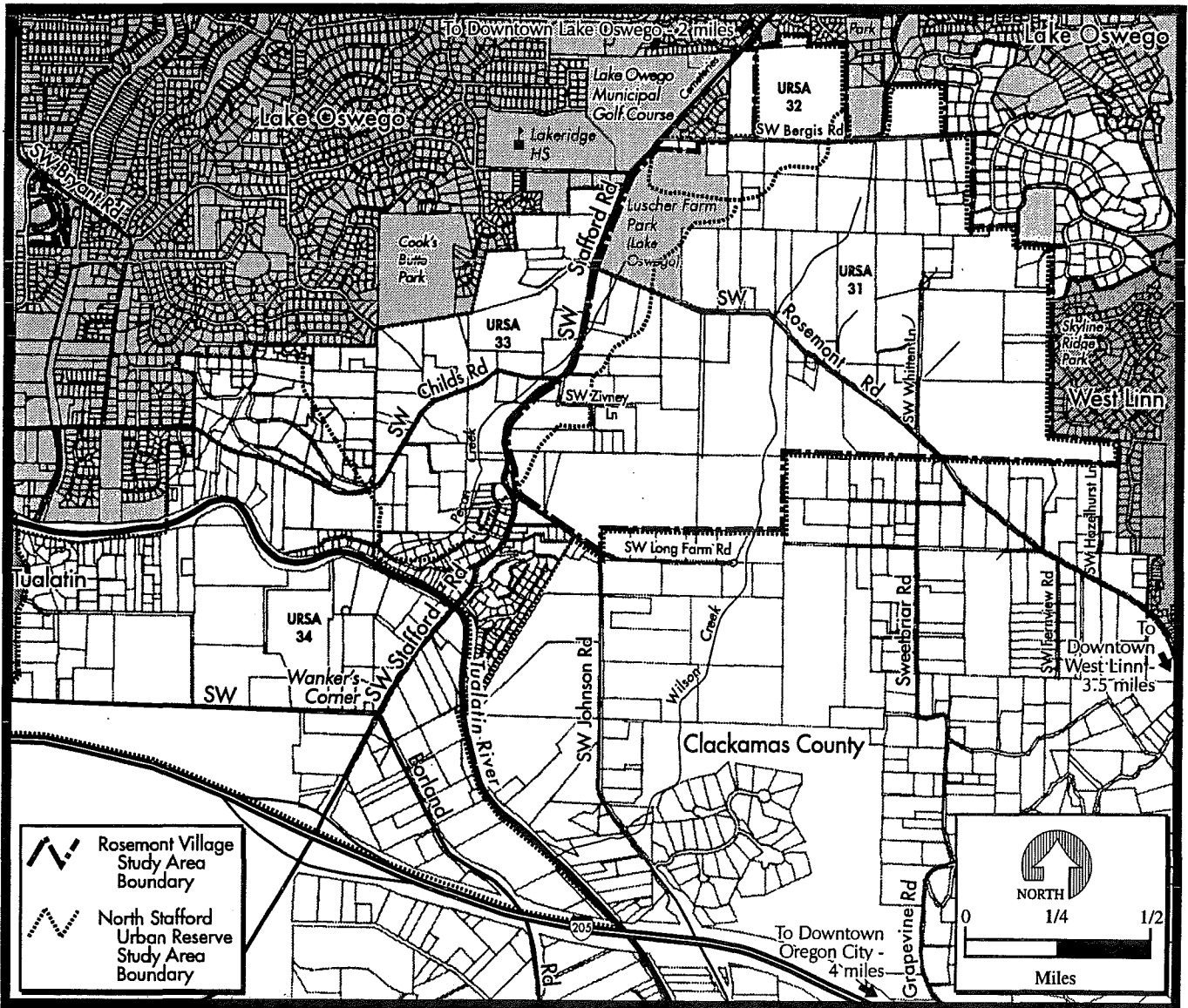
We are scheduled in the coming weeks to firm up service provision. The tax stream from the increases in property values from Rosemont Village will be more than adequate to fund police, fire, school and other such services. Funding of infrastructure for water, sewer, stormwater management, and roads is feasible with existing tools such as bonding, SDC's, and the like. The choice among reasonable, feasible alternatives will ultimately be the choice of the governing jurisdiction. The Rosemont Village Concept Plan will not take the place of planning and implementation by the city and service providers that will govern Rosemont Village. Rather, the concept plan offers a vision of the area's future that can be used as the basis for comprehensive planning, land use zoning, service provider agreements, and development approval procedures that will ensure future development occurs consistent with the concept plan. This Discussion Draft is a first step in getting all the parties to work cooperatively toward a positive approach to local and regional growth.

As with all first steps, flexibility and the ability to adapt this concept plan to accommodate the input of other stakeholders are critical factors in the eventual success of this planning effort. To this end, we invite all stakeholders into a creative dialogue to define the future of this study area. In the final pages of this Discussion Draft Concept Plan, a reader response form is provided to allow reviewers to provide feedback, which will be used to refine the concept plan.

This Discussion Draft, which covers fundamental aspects of the plan, is also a step toward completion of a final concept plan that will address the Urban Reserve Plan approval criteria in the Metro Code, such as housing density and affordability requirements. [Metro Code 3.01.012(e)]

# BACKGROUND

## Rosemont Village Vicinity Map



Sources: Clackamas County Assessor's Office, 1998; METRO, 1998.

## BACKGROUND

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The Rosemont Village project is within an urban area on the urban growth boundary and coterminous city limits of the City of Lake Oswego. A small portion of Rosemont Village touches the city limits of the City of West Linn. Predominantly within URSA 31, also considered in the integrated approach are URSA 32, 33 and 34. The Rosemont Village area has historically been subject to artificial constraints from the significant development pressure the area fosters. Substantial development pressure emerges due to the area's geographic location and existing significant public investments in infrastructure that assume service of an area with a larger population. Specifically, pressure to develop the area emerges in part because the area is located closer to the central city than any other area outside of the existing UGB, has an underutilized federally funded freeway interchange at I-205 and Stafford Road, and is composed of soils which are neither prime nor unique agricultural soils.

Rosemont Village is located next door to the city of Lake Oswego's new flagship park, called Luscher Park. Although the city's park is located outside of the city limits and outside of the existing UGB, it will serve existing and future city needs for recreation, including ballfields as well as the potential for a national-quality museum. Specifically, Luscher Park plans include 1 adult baseball and 3 little league/adult softball fields, 1 adult and 4 junior soccer fields, 3 tennis courts, 2 basketball courts, 2 tot-lot playgrounds, picnic areas and trails, 6 restrooms, and 218 parking spaces.

The present ownership pattern in the Rosemont Village planning area consists of three holdings in excess of 50 acres, several in the 10- to 50-acre range, and relatively few parcels of less than 10 acres. Current land uses include a small Portland General Electric facility at the southeast corner of Stafford and Rosemont Roads (a nursery does business on part of the PGE site) and some single-family homes; most of the land is vacant and not in active farm or forest cultivation use.

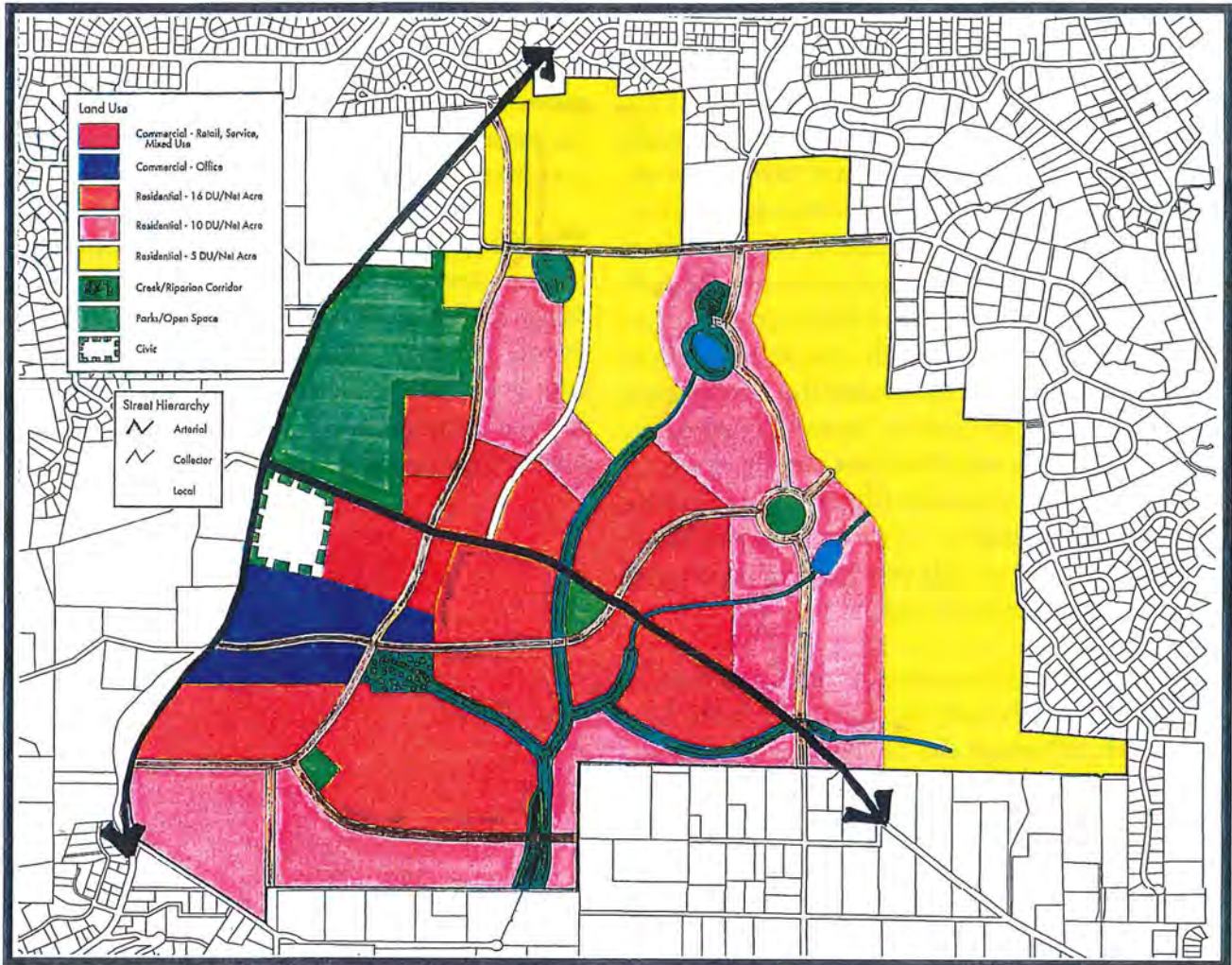
The concept plan focuses most closely on the land use pattern for the Village, its transportation, utility, and stormwater management systems, and its needs for facilities and services, such as schools, recreation, and police and fire protection. In the remainder of the Stafford urban reserves, acreage estimates for future land uses (but not specific land use patterns) are used to forecast demand for transportation and services.

The village study area boundary has been defined to focus attention on important relationships and design issues, such as the appropriate landscape design and lane configuration of Stafford Road over time. As a result, it does not match precisely the boundaries between URSA 31, which generally follow ridgelines and define drainage basins.



# THE ROSEMONT VILLAGE CONCEPT

## Rosemont Village Conceptual Land Use Map



Base map from Clackamas County Assessor's Office, 1998.

## THE ROSEMONT VILLAGE CONCEPT

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Rosemont Village integrates the best aspects of traditional American towns with state-of-the-art environmental design. The pedestrian-friendly Village Center offers a variety of shopping and services, as well as employment in a quality office environment. It will continue the City of Lake Oswego's leadership in the provision of Class "A" office space. Nearby, a series of large and small public open spaces allows active and passive recreational uses, as well as natural area conservation.

A range of densities and types of housing surrounds the Village Center. Closest to the Village Center are condominiums and garden apartments, providing opportunities for housing affordable to employees of Village Center businesses (service, retail, and office support jobs) and existing employment centers in the south metropolitan area (such as the industrial districts of Tualatin and Wilsonville). The housing closest to the Village Center will be similar to the existing multifamily portions of the Mountain Park and Westlake neighborhood areas of Lake Oswego.

Townhouses and attached or detached, small-lot subdivisions are located farther from the Village Center, providing "move-up" opportunities with more space for families. Adjacent to existing single-family homes along the presently developed edges of the Cities of Lake Oswego and West Linn, single-family housing with lot sizes and character similar to existing neighborhoods will create a comfortable transition. Planned average lot size will be over 8,000 square feet in these areas.

Rosemont Village will accommodate households from a broad range of income levels, to help meet the diverse needs of the region's future population. Today, many of the children of families living in Lake Oswego and West Linn are not able to obtain affordable first-time housing in those communities. Rosemont Village will provide this opportunity, helping future residents of all ages find housing suitable for their lifestyle and financial abilities in the Lake Oswego/West Linn area.

The size of the Village Center's retail and service area is designed to meet the needs of Village residents and Village Center employees. Satisfying a significant share of shopping and service needs locally will reduce travel demand on Rosemont and Stafford Roads.

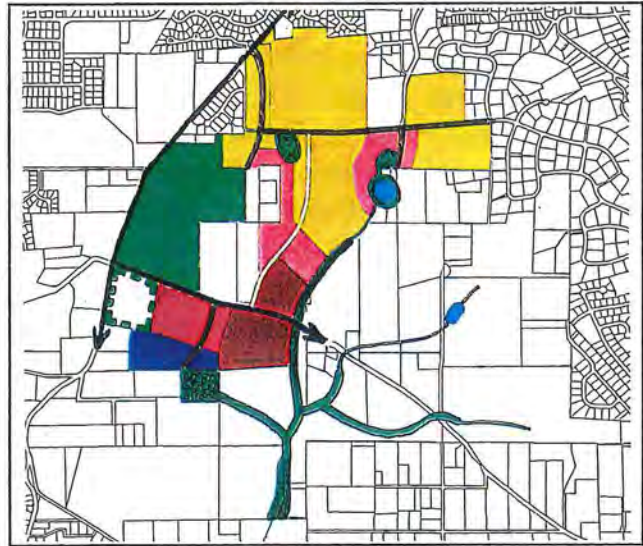
### Planning Objectives

- Create a new "urban village" offering a livable environment where people of all ages can live, work, shop, learn, and recreate.
- Enhance, conserve, and protect natural wetlands and riparian features in ways that contribute to plant, fish, and wildlife habitat values; water quality; and people's appreciation of creeks, wetlands, and riparian features.
- Use environmental design, landscaping, the orientation of streets and buildings, and urban design strategies that reinforce the area's unique land characteristics.
- Provide a program for the phased provision of transportation and utility infrastructure needed to serve developing areas, as well as increasing service demands from surrounding urbanized areas. Ensure that needed infrastructure funding will not create an unfair burden on existing residents.
- Accommodate a fair share of the metropolitan region's needs for housing (including affordable housing) and jobs, based on Metro criteria, such as minimum housing densities and desirable jobs/housing balance ratios.

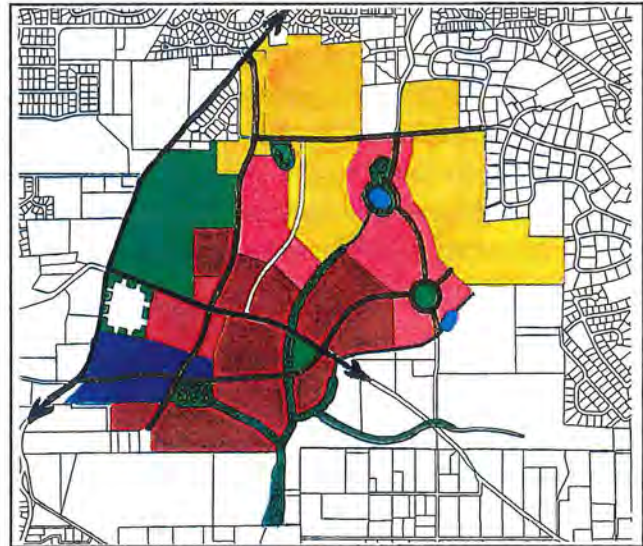


# STAGES TOWARD MATURITY OVER TIME\*

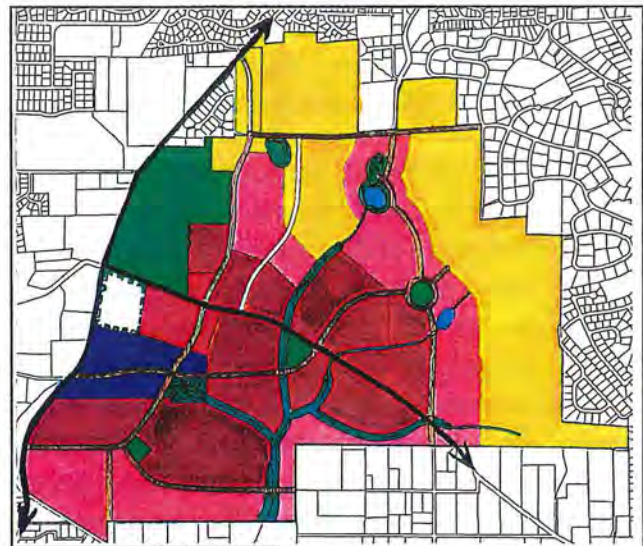
Year 2005



Year 2010



Year 2020



\*Note: Diagrams are conceptual only - timing of phased development could be much quicker depending on local and regional needs. The area can be feasibly fully developed within 5 to 7 years if desired.

## STAGES TOWARD MATURITY OVER TIME

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The Rosemont Village concept is not a development proposal. It is an integrated program to establish a healthy urban village over a period of years, creating positive relationships with surrounding neighborhoods. It is like a template to guide development of infrastructure systems and land uses over time, recognizing that the needs of both the village and the region in which it is located will change. Flexibility and adaptability will be essential for its successful refinement and implementation.

Factors affecting the village's growth over time include the need for extensions of water and sewer utilities. These diagrams illustrate the basic pattern of growth as it might occur at three points in the future: Circa 2005, 2010, and 2020 (representing build-out of the plan). However, it is important to stress the timing of development could be shortened or elongated based on local and regional needs, as there is no barrier which makes any particular timetable essential.

**Circa 2005:** Initial developments include both single-family residential in the northern part of the village area and condominium/apartment housing adjacent to the Village Center, immediately south of Lake Oswego's Luscher Park, where the first office and retail service commercial developments are located. At this stage, north-south access between the northern neighborhoods and the Village Center can be accommodated by a local service street.

**Circa 2010:** The urbanized area has grown to the east and south, extending across Wilson Creek. Additional office and commercial buildings in the village have expanded employment and local shopping to meet the needs of nearby residents. An estimated 2,600 households are located within 1/2 mile of the Village Center, on approximately 185 acres of land, providing a strong local market for a grocery anchor store and supporting shops and restaurants. Local access improvements include the eastward extension of Childs Road and

introduction of a new north-south collector street serving the Village Center. A system of trails along creek buffers forms an independent circulation network for pedestrians and cyclists.

**Circa 2020:** Some of the southernmost portions of the village area are being developed, just as the trees planted along the village's initial streets reach mature heights. At this time, widening and other capacity improvements are needed in Stafford Road as a result of local and sub-regional travel demand.

These diagrams illustrate how Rosemont Village will not, and for many reasons cannot, appear suddenly on the landscape. It will begin modestly, with initial development that will not overburden existing systems or dramatically affect the residents of surrounding neighborhoods. Furthermore, its residents and developers will contribute their fair share of the costs to repair and upgrade community infrastructure elements.



## WHO WILL LIVE AT ROSEMONT VILLAGE?

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Five to ten years from now, the children in our schools will be completing college, launching careers, and starting families. Where in the metropolitan region will they be able to afford to live? Where in Lake Oswego or West Linn? How many miles will current residents have to drive in the future to see younger family members or play with their grandchildren?

Even now, there is a pressing need for housing at rent levels and price ranges affordable to people who work in the many job centers surrounding the Rosemont Village study area. This need will only become worse as the region grows, unless new land becomes available to meet those needs.

Without land planning to counteract trends in the south metropolitan area - in particular, job growth coupled with high demand and limited supply of buildable residential land - two key regional urban growth goals will suffer: housing affordability and jobs/housing balance. In 1997, a report by The Leland Consulting Group found that the average annual wage of jobs available within a 6-mile radius of the intersection of Stafford and Rosemont Roads was \$27,700, with approximately 45% (66,000) paying less. Based on housing costs in Lake Oswego, approximately 78% of jobholders within that 6-mile radius could not afford to live in Lake Oswego.

Rosemont Village, with approximately 150 buildable acres allocated to condo/apartment development at a target density of 16 dwelling units per net acre (DU/net acre), will offer rental and ownership opportunities affordable to a significantly larger number of local job holders, without necessitating public housing subsidies. These units will be similar to condominiums and apartments at Mountain Park and Westlake, which have been part of Lake Oswego for many years. Implementation of the concept plan should include adoption of basic development standards and streamlined approval procedures for residential proposals meeting them, helping reduce process costs and

making market-based affordable housing production realistic.

Approximately 130 acres of land are planned for townhouses and small-lot, single-family homes at a target density of 10 DU/net acre. These areas will provide move-up and first time home buying opportunities, in combinations of attached units and detached, smaller homes on lots in the 4,000- to 4,500-square-foot range.

The Rosemont Village plan provides opportunities for single-family subdivisions abutting the existing West Linn and Lake Oswego subdivisions that surround the east, north, and west sides of the village area. Approximately 160 acres are planned for lots in the 7,000- to 9,000-square-foot range, which will be attractive to higher-income buyers.

Therefore, households from a wide range of economic strata will be able to live in relatively close proximity in a well-planned environment with many practical amenities.

Rosemont Village also will be attractive to individuals and households employed in or near Lake Oswego, West Linn, and surrounding job centers, such as the industrial districts of Tualatin, Wilsonville, and Oregon City. Characteristically, single-person renter households are most likely to relocate to be close to their employment location; garden apartments, condos, and townhouses provide opportunities for this group. "Empty-nesters" and senior citizens often find that townhouses and single-family homes on smaller lots provide amenities without demanding substantial time and effort for maintenance activities. Professionals, whose firms may be located in office buildings in the Village Center, will be able to purchase homes meeting their expectations less than a mile away. One of the points of the Rosemont Village concept is to provide opportunities to live and work close together, reducing single-occupancy-vehicle dependence.

## CONSERVING AND PROTECTING NATURAL FEATURES

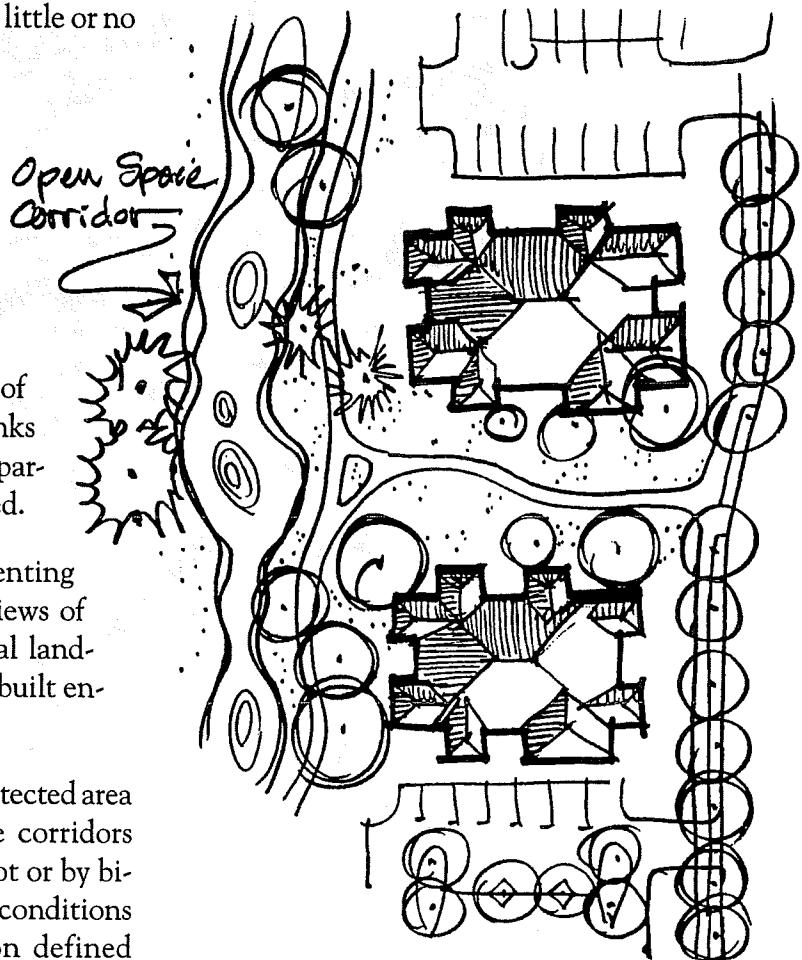
The Rosemont Village study area is located at the top of the Wilson Creek watershed. The creek and its tributaries provide natural storm drainage, forming a network lined with trees and shrubs (i.e., riparian corridors). These natural features are identified as protected resources under Title 3 of the Metro Functional Plan and have been planned as open space in the Rosemont Village Concept Plan; Metro data indicate that about 41 acres within the Rosemont Village study area are subject to Title 3 protection.

However, overgrown Himalayan blackberries currently cover many of the existing stream channels. Blackberry bushes are crowding out layers of natural vegetation that typically would be found along the creek banks, while providing little or no food value to birds and other wildlife.

The Rosemont Village Concept Plan includes the following elements to enhance and protect resources in accordance with Title 3 and recognized best management practices (BMPs):

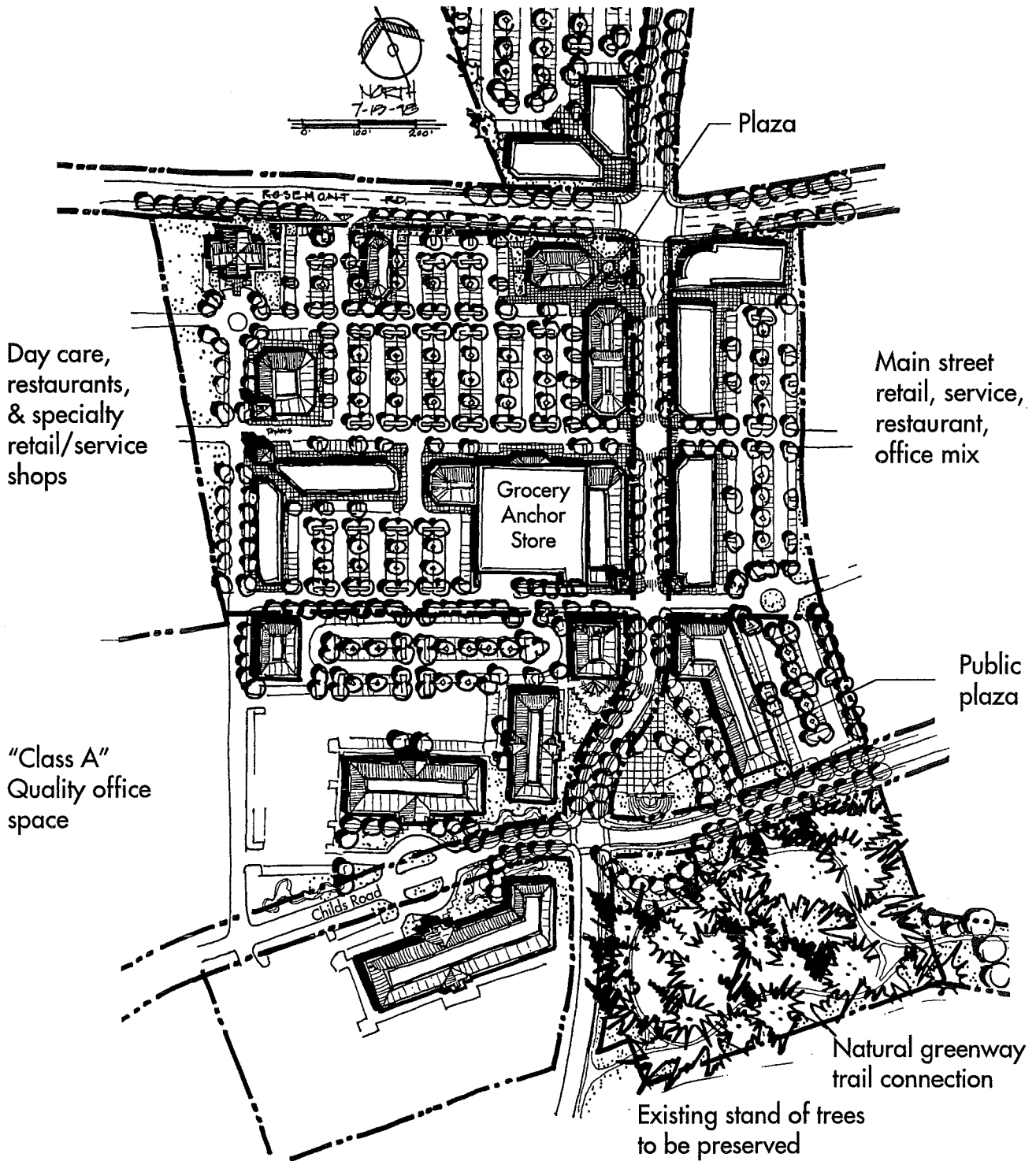
- Blackberry removal and replanting of native vegetation along creek banks and within buffer areas will allow riparian corridor functions to be restored.
- Urban design strategies include orienting streets and buildings to provide views of riparian corridors and other natural landscape features, adding value to the built environment.
- Paths adjacent to, but outside of, protected area buffers allow people to enjoy the corridors while exercising or traveling on foot or by bicycle. Where topography or other conditions require that paths encroach upon defined buffer areas, buffers will be widened to provide no net loss of buffer area.

- A network of small stormwater quality/quantity facilities, installed in conjunction with development, will reduce impacts on streamflow characteristics throughout the watershed, and will avoid the need for large, public stormwater detention facilities. These facilities will be located adjacent to, but generally outside of, stream channel buffers, as required by Title 3. Where topography or other conditions require that water quality/quantity facilities encroach upon defined buffer areas, buffers will be widened to provide no net loss of buffer area.



# DESIGN FOR LOCAL IDENTITY AND LONG-TERM LIVABILITY

## Village Center Plan View

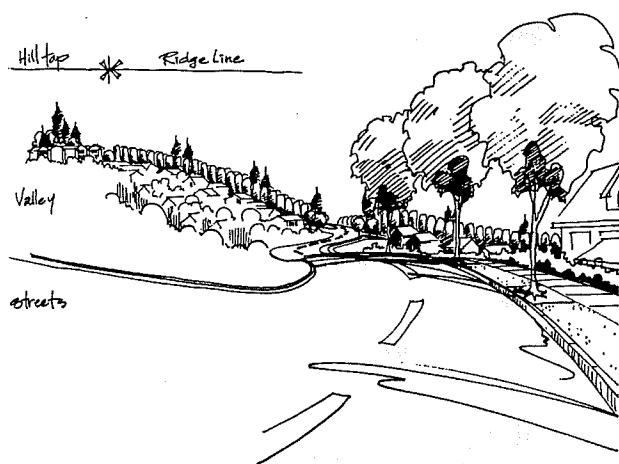


## DESIGN FOR LOCAL IDENTITY AND LONG-TERM LIVABILITY

### Reinforcing Topography and Natural Features

A principal goal of Rosemont Village is to create neighborhoods with distinct identities and good relationships with surrounding neighborhoods and the Village Center. Within the Village, two man-made ponds and a series of ridges and knobs provide unique natural features that offer opportunities to design in harmony with the landscape. These locations can become public spaces and mini-parks around which homes are located. With conservation and planting of tall-growing trees, they will remain aesthetic features visible from points both within and outside Rosemont Village. These amenities provide distinctive identity and neighborhood character, and will contribute to the attractiveness of the area.

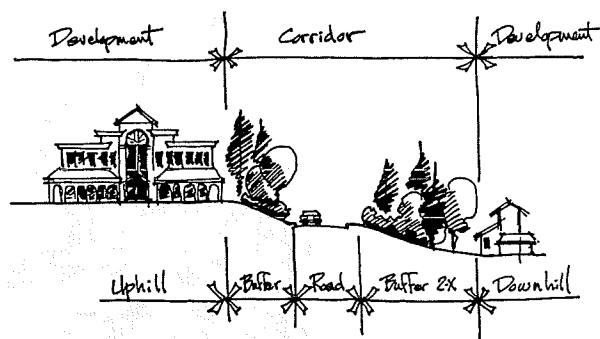
A related strategy is the planting of tall-growing street tree species along key streets that follow ridgelines. The future tree canopy will forever reflect the natural topography of the area.



### Village Center Activity, Identity, and Character

A mixed-use neighborhood center can be beneficial to the neighborhoods that surround it, offering jobs and a variety of goods and services. A balanced mix of uses can help relieve congestion

on principal streets by accommodating a share of commuting, shopping, and other trips locally. For many residents, walking and bicycling to the Village Center will be an attractive transportation option.



A successful and active center depends on having an appropriate mix of complementary land uses, surrounded by sufficient populations of both workers and residents to provide a ready market for goods and services. The combination of quality office employment and condominium/apartment housing immediately surrounding the Village Center will provide the kind of population demographics needed to support retail and service businesses oriented to local needs, with activity during daytime and evening hours. In addition, workers who telecommute or "cyber-commute" will find all the amenities needed to work effectively in this setting.

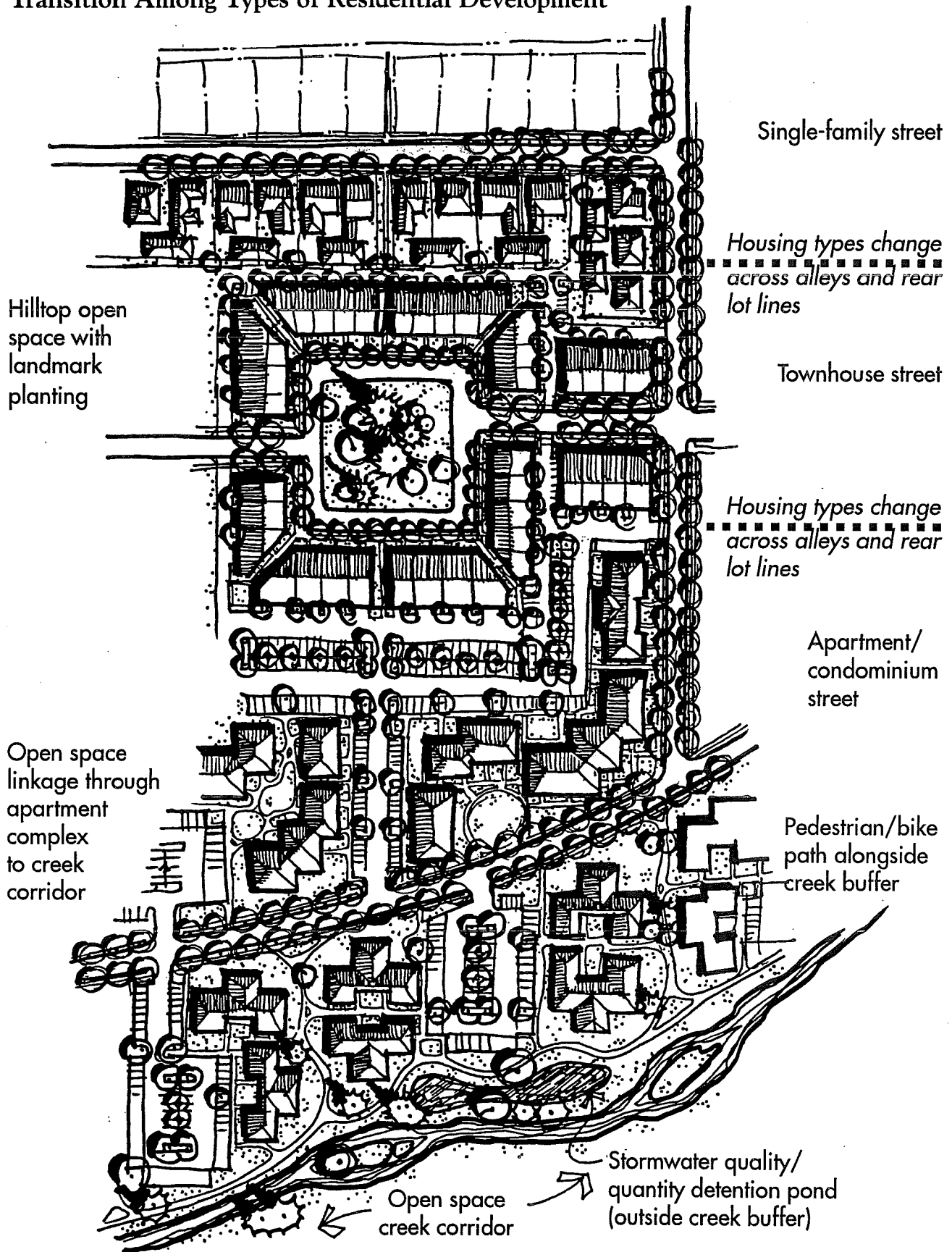
### Residential Densities and Transitions

Successful integration of the new village will depend in part on developing a positive transition to established neighborhood areas of Lake Oswego and West Linn. The concept plan provides for single-family subdivisions at all points adjacent to those cities' existing single-family neighborhoods. The introduction of townhouses and homes on smaller lots will occur well within the Rosemont Village area. As a result, the cities of Lake Oswego and West Linn will not appear simply to grow together in the future; Rosemont Village's design



# DESIGN FOR LOCAL IDENTITY AND LONG-TERM LIVABILITY

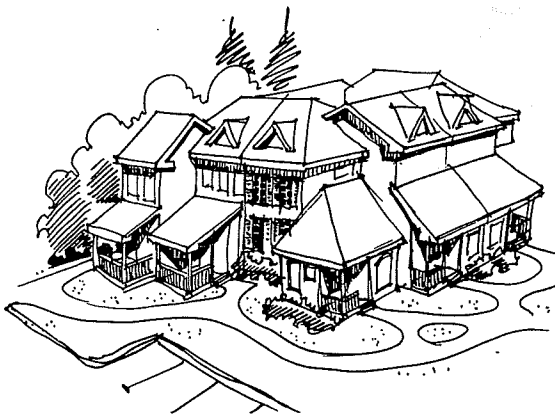
## Transition Among Types of Residential Development



## DESIGN FOR LOCAL IDENTITY AND LONG-TERM LIVABILITY

will ensure well-organized transitions between the two cities.

In addition, land areas are proportioned to allow transitions between different types of residential development to occur primarily along alleys and rear property lines, rather than along streets. As a result, homes generally will face similar homes across the street, yielding residential blocks and neighborhood sub-areas that are consistent in character.



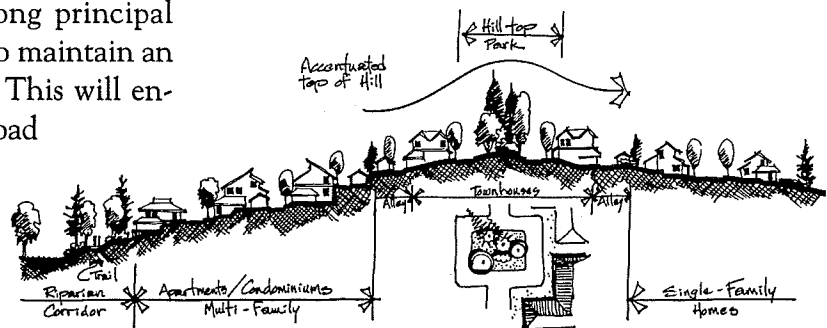
### Key Urban Design Strategies

The urban design techniques used in creating the Rosemont Village Concept Plan can be used as design requirements in the implementation of plans by the adopting city. The principal techniques and their benefits are listed below.

- Provide dense landscaping along principal streets, such as Stafford Road, to maintain an appearance as green corridors. This will ensure that travelers on Stafford Road and Rosemont Road will enjoy a variety of trees and other plantings, rather than driving by fences or walls.
- Avoid forms of development that would contribute to a “strip” character at any location in the Stafford area. Locate the

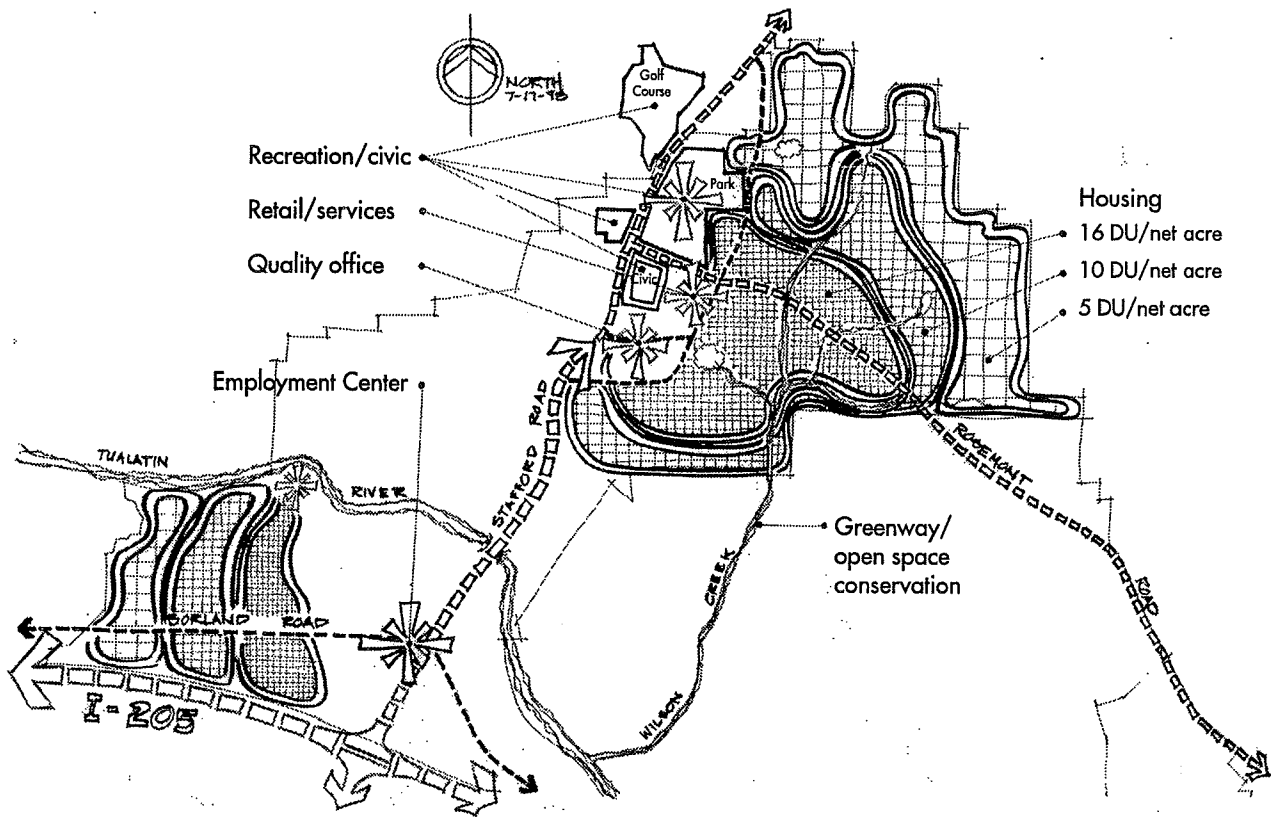
Village Center away from Stafford Road, and organize its principal business street perpendicular to Rosemont Road rather than along it. This, together with the landscaped character of those roadways, will reinforce the perception of the Village Center as a special place with a concentration of people and activity.

- Align tree-lined streets generally along ridge-lines so tree canopies will reinforce the perception of the area’s topography. This will ensure that in the future, area features recall the original land forms.
- Retain hedgerows and riparian corridor features, orienting buildings to frame views of the greenways for residents and passers-by. This will add value to buildings by providing attractive views, and will reinforce the uniqueness of the setting for residents, workers, and visitors.
- Where appropriate for the local circulation network, provide walking/biking trails along drainageway corridors. Except where crossings are needed, trails generally will be located outside stream channel buffers, or the buffer will be widened. This will provide a full complement of aesthetic and functional paths for recreational and practical travel on foot or by bicycle, relieving a share of demand for single-occupant vehicle travel.



# THE NORTH STAFFORD AREA AND THE SOUTH METRO SUB-REGION

## North Stafford Area Concept Diagram



## THE NORTH STAFFORD AREA AND THE SOUTH METRO SUB-REGION

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Rosemont Village will have the most appeal for people who enjoy living and working in the south metropolitan region, where both the need and demand for buildable residential land are present. The Oregon City, Washington Square, and Milwaukie regional centers all are located within a six-mile radius of the study area, and the jobs-rich industrial districts of Tualatin and Wilsonville are within a ten-mile travel distance.

All of these employment centers create the current strong demand for housing in the south metropolitan area, putting increasing pressure on farmland in areas not adjacent to the Portland metropolitan UGB, such as in the Canby, Newberg, and Aurora areas. Rosemont Village is uniquely positioned to address a fair share of this housing demand in ways that provide urban density while keeping the "country" feel that is conspicuously missing from less well-planned communities.

Its location contiguous to the metro UGB and city limits of both Lake Oswego and West Linn will relieve pressure on productive farmland by avoiding "leap-frogging" of development to outlying areas.

With good southern transportation access and currently underutilized capacity at the Stafford Road/Interstate 205 interchange, which provides access to all the major routes serving area job centers, Rosemont Village's residents and workers are likely to rely primarily on travel routes to the south.

This conceptual diagram illustrates how the Rosemont Village Center will be part of a sub-regional strategy to use existing transportation system facilities better, provide access to jobs in the south metropolitan area, and help bring the sub-regional jobs/housing ratio into better balance.

For long-term transportation and infrastructure planning purposes, the concept plan assumes future employment opportunities within URSA 34, on the north side of the Stafford Road/I-205 interchange.



## INFRASTRUCTURE ELEMENTS AND PHASING

Rosemont Village is based on the principle that new community residents should pay their fair share of the costs to provide needed infrastructure and services and accommodate growth. We commit to paying our fair share.

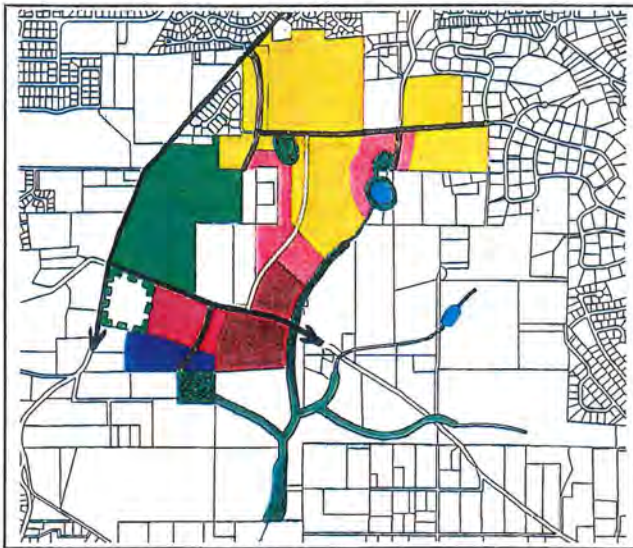
There are several ways the success of Rosemont Village could benefit neighboring cities, whose transportation and utility systems have repair, maintenance, and upgrading needs as a result of aging, regional growth, and other factors:

- Cost savings can be achieved by coordinating the installation of new village utilities with repairs that are or will become necessary over

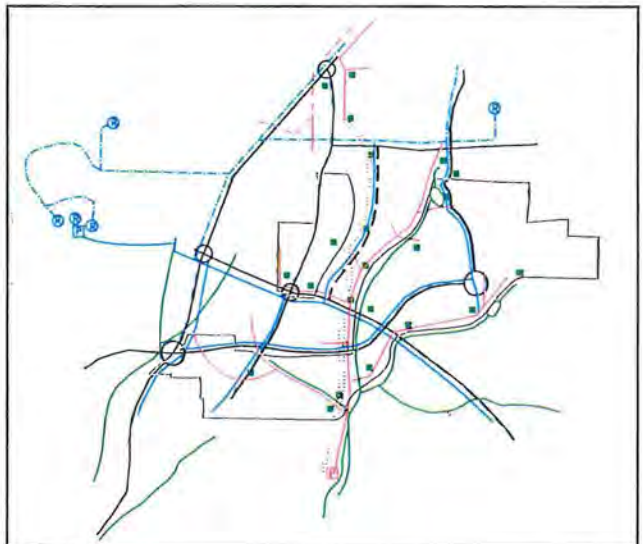
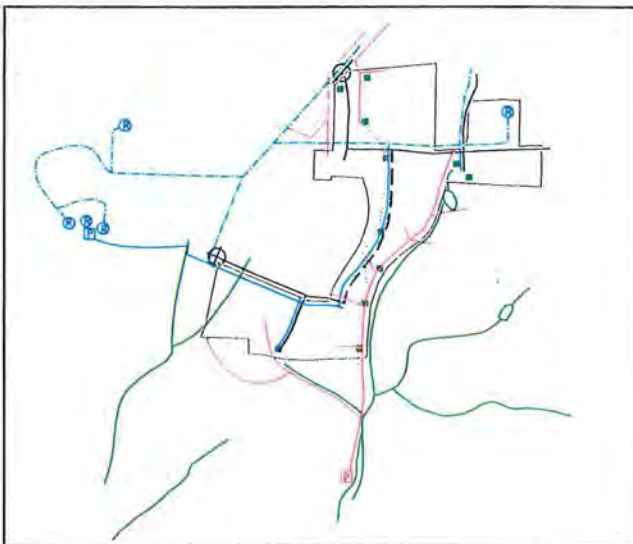
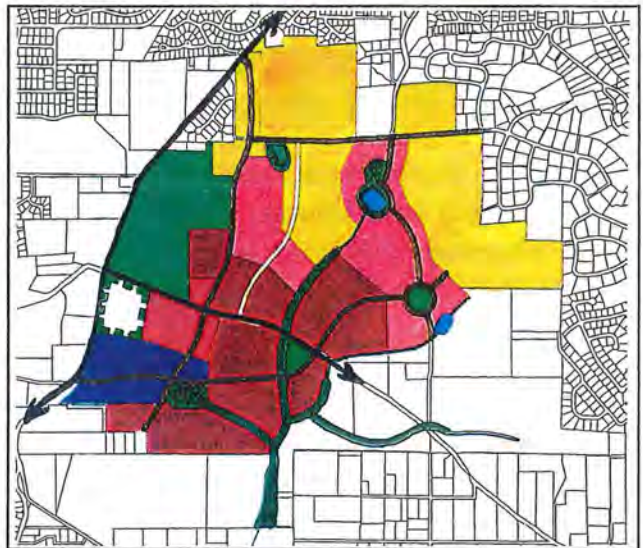
time in existing systems. This more efficient use of capital funds will be reflected in reduced assessments for both existing and new community residents, and may result in lower user fees.

- Inclusion of new water and sewer customers expands the existing rate-payer base, spreading the costs of future system-wide repair and maintenance needs. Most, if not all, existing systems currently have repair and upgrading needs, such as reducing the unacceptably high rates of groundwater inflow/infiltration occurring in the Lake Oswego sanitary sewer system.

Year 2005 - Infrastructure



Year 2010 - Infrastructure



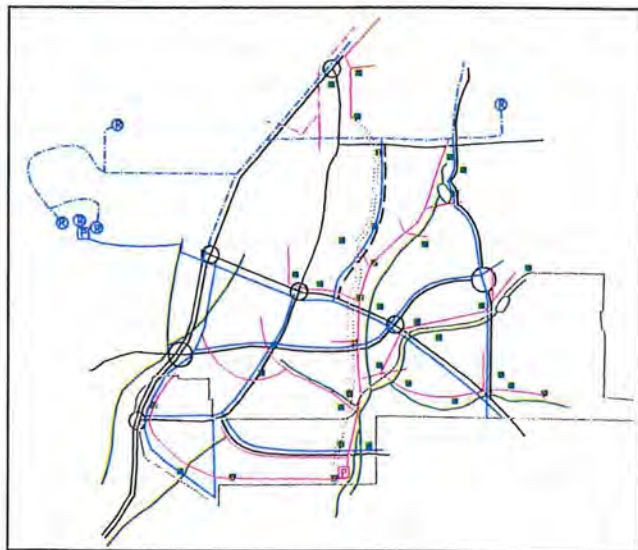
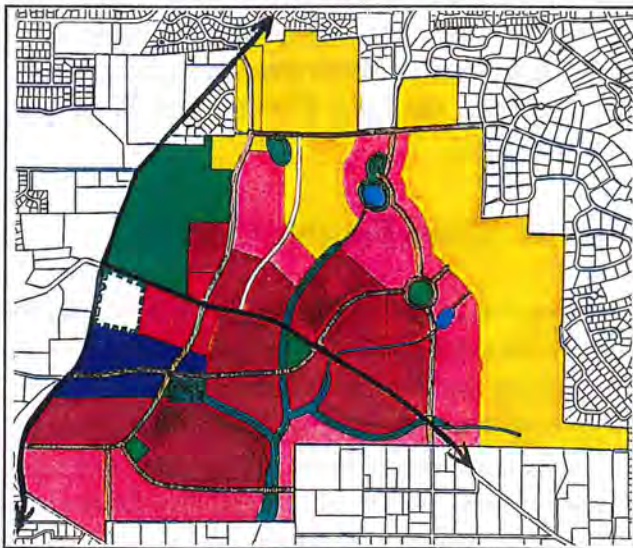


## INFRASTRUCTURE ELEMENTS AND PHASING

- The cost per existing resident of numerous transportation system improvements that will be needed in the Stafford area will be reduced by broadening cost participation. Some improvements are regional in nature and will be required with or without Rosemont Village. Many of these already have been identified in transportation system plans and other studies, to serve the needs of existing residents and improve deficient capacities in the area. A fair and reasonable method of allocating costs among a larger group will benefit present and future residents alike.
- Under Measure 50's fundamental restructuring of Oregon's property tax assessments, the addition of new property to the tax rolls produces a corresponding increase in local property tax revenues available to meet the community's operating requirements.

This Discussion Draft identifies reasonable and feasible strategies for meeting the needs of Rosemont Village, using accepted engineering practices and assumptions. These system diagrams illustrate transportation, water, sewer, and stormwater management systems capable of serving Rosemont Village, which have been used as the basis for feasibility analysis.

### Year 2020 - Infrastructure



These are not the only possibilities. Better solutions, as well as opportunities for "piggybacking" (and reducing the effective cost of) needed repairs and maintenance likely would result from a positive approach to overall system design by all the affected jurisdictions and service providers.

For these reasons, we specifically want to avoid advancing rigid solution proposals until a substantive dialogue with civic partners occurs, and the benefit of this input can be incorporated into this proposal.

	existing	proposed
principal streets		—
local street		- - - -
signalized intersections		⊕
natural drainage ways	—	
water quality/quantity facilities		•
sanitary sewer lines	- - - -	—
sanitary sewer force main		—
pump station		⊠
water lines	- - - -	—
reservoir	⊙	
recharge pump		⊠

### Transportation/Circulation Network - Shared Local and Regional Responsibilities

Like the other areas, including other urban reserves, at the perimeter of the metropolitan region, the Stafford area does not have roads capable of accommodating all the traffic they currently carry. To evaluate transportation system needs in the Stafford area, Kittelson and Associates measured current traffic volume counts at key intersections and used year 2015 Metro trip generation forecasts to identify the roadway and intersection configurations necessary to provide adequate levels of service under projected year 2015 conditions. This analysis indicates that both signalization and widening/lane configuration improvements will be required *independent of Rosemont Village* at the following intersections along Stafford Road: Rosemont Road, Childs Road, Borland Road, and both north- and south-bound ramps to Interstate 205.

Because Rosemont Village will evolve and grow over time, only a few new streets and limited improvements to existing roadways and intersections will be required initially.

Gradually, new collector streets and signals will be needed within the village, and improvements in Stafford Road and Rosemont Road will be required. Ultimately, Stafford Road will require two travel lanes in each direction between Rosemont Road and the I-205 interchange.

### Public Utilities

URS Greiner studied the water, sanitary sewer, and stormwater management needs of Rosemont Village and estimated costs to provide the necessary facilities. Their findings indicate that costs to serve Rosemont Village are similar to or lower than estimated costs to serve other urban reserve areas. Services are feasible and available, but selecting service providers before conducting more detailed discussions of system characteristics and needs would be premature.

### Water - Building on Existing Capacity

The existing City of Lake Oswego water system includes two 12-inch supply lines in the Rosemont Village area: one is located in Bergis Road, and the other extends south in Stafford Road all the way to the Rosemont Road intersection.

The concept plan's design of water system improvements has been based on projected domestic water use, as well as storage and flow capacities necessary to fight fires. One new water tank/recharge pump with sufficient capacity to meet projected needs could be served by existing City of Lake Oswego water lines, including large, underutilized 12" lines already established in the area. New transmission and distribution lines would not only serve the Rosemont Village area, but also could provide an intertie allowing controlled water transfers between the Lake Oswego and West Linn water systems.

### Sewer - Three Feasible Options

Engineering feasibility studies (by KCM, Otak, and URS Greiner) have determined sanitary sewer service for the Stafford urban reserves is feasible, with costs that compare favorably with other potential urban reserve areas. (In fact, as a result of those studies, URSA 31, comprising most of the Rosemont Village study area, was ranked among the least costly to serve compared with all the other potential urban reserves studied.) In those studies, the Tryon Creek treatment plant, operated by the City of Portland Bureau of Environmental Services (BES); the Durham treatment plant in Tigard, operated by the Washington County Unified Sewerage Agency (USA); the Tri-Cities plant at the confluence of the Tualatin and Willamette Rivers; and a hypothetical new treatment plant were considered as alternative potential treatment locations. Each option potentially could serve the Rosemont Village area, but the most cost-effective options appear to be the Portland BES (Tryon Creek) and Washington County USA (Tigard) plants.

## INFRASTRUCTURE ELEMENTS AND PHASING

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Both plants currently serve areas outside their parent jurisdictions. The City of Lake Oswego purchases sanitary treatment capacity from the City of Portland at the Tryon Creek Plant. USA's Durham treatment plant treats sanitary waste from areas within Clackamas County, including portions of the City of Lake Oswego located west of the Rosemont Village area, and land east of 65th Avenue in the City of Tualatin.

BES is in the process of considering alterations in the Portland system that would, among other potential strategies, redirect flows from some areas to other treatment facilities, freeing capacity at Tryon Creek. Similarly, the City of Lake Oswego is making efforts to reduce the volume of inflow/infiltration (non-sanitary wastewater, typically groundwater) that enters the sanitary sewer system, which can account for up to six times the amount of sanitary sewerage flow during rain storm events.

Within the Rosemont Village study area, gravity flows can be achieved to a point at the study area's southern edge, near Wilson Creek. From this point, sanitary waste could either continue a gravity flow to the south, where it would be pumped to reach the USA/Durham plant's interceptor lines, or it could be pumped north to reach the Portland BES/Tryon Creek plant.

Conceptual design of the sanitary sewer system in this Discussion Draft is based on the Tryon Creek alternative. A pump station would collect sanitary sewerage and pump it north into a new gravity sewer line, parallel but not connected to the City of Lake Oswego system. The line simply would extend north from the area to reach the Tryon Creek plant, passing through the McVey sub-basin of the Lake Oswego sewer system.

In the McVey sub-basin, however, the City of Lake Oswego's 1989 Sewer System Master Plan estimates peak inflow/infiltration volumes at 1,992,000 gallons per day, relative to estimated

sanitary flows of 170,000 gallons per day - a very high inflow/infiltration ratio of 11.7:1. As a result, high volumes of stormwater and/or groundwater entering the system consume a substantial share of the Tryon Creek plant's treatment capacity.

The costs existing City of Lake Oswego property owners and rate-payers will have to pay to make repairs reducing inflow/infiltration in the McVey sub-basin is not known at this time. It is reasonable to anticipate that a joint planning and management approach in that sub-basin could yield substantial cost savings for existing resident and Rosemont Village alike, by combining needed upgrading and repair of the existing system with installation of new lines serving Rosemont Village. Sanitary sewer system cost figures used in the Rosemont Village feasibility analysis are based only on the estimated cost to install a separate line, without assumptions about related public cost savings that may become available as a result of an integrated approach.

### Stormwater Management - Complementing Wilson Creek Enhancement

To protect water quality and streamflow characteristics in the Wilson Creek system, a series of small water quantity/quality treatment facilities, such as swales and detention ponds, will be required in conjunction with each development proposal. This method is based on accepted stormwater management BMPs, with the objectives of cleaning water before releasing it into the natural drainageways and maintaining pre-development flow characteristics. A network of small facilities has the additional advantage of managing flows throughout the watershed, without requiring construction of large, public stormwater detention and treatment facilities, with potentially higher costs and impacts on the Wilson Creek system.



## SCHOOLS AND OTHER LOCAL SERVICES - CAPITAL AND OPERATING NEEDS

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Rosemont Village is based on the principle that new community residents should pay their fair share of the costs to provide facilities and services, such as schools, libraries, parks and recreation, fire protection, and police services. Meeting these diverse needs involves both capital improvements and operating budgets for the affected agencies and jurisdictions.

When Ballot Measure 50 overhauled state property taxes, local government property tax revenues converted from a "tax base" system to a "tax rate" system. As a result, new property tax revenues add directly to local operating funds when new development occurs.

The Rosemont Village feasibility analysis, summarized below, determined that capital funding mechanisms and operating revenue streams would be sufficient to pay for development of needed facilities and the administration and operations costs of schools and public services.

A new group of tax- and rate-paying citizens in Rosemont Village will contribute their fair share to the capital and operating budgets of the governing jurisdiction(s), school and special service districts, and other providers who serve the area.

Currently, the boundary between the Lake Oswego and West Linn/Wilsonville School Districts runs east-west through the northern part of the Rosemont Village study area. The two districts face very different circumstances at the present time: Lake Oswego schools are sufficient to meet current needs and have current capacity, while West Linn schools have been working very hard to keep up with demands resulting from recent growth.

We propose to meet with both school districts to determine the number of schools required to serve the Rosemont Village area. The concept plan estimates Rosemont Village will require approximately 32 acres for school facilities, and the concept plan allocates this acreage over the planning

area. We will continue to work with the school districts to solidify the concept plan estimates.

The concept plan envisions integrating school development with the Luscher Park and the concept of community schools. Shared ballfields and other amenities can reduce the need to consume more land. Conserving more land under the community school concept is consistent with the 2040 goal of conserving and efficiently utilizing scarce land resources.

## FEASIBILITY SUMMARY AND FINANCING OPPORTUNITIES

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Randall Pozdena of ECONorthwest examined the predicted property values, population and income demographics, and governmental revenue effects of Rosemont Village in light of comparable property values, using recent market data for portions of Clackamas County. Revenue streams were projected based on land and improvement values for property taxes and other assessments, income and payroll taxes, and transfer payments allocated on a per capita or other basis.

would benefit from the larger base of payers the addition of Rosemont Village would produce.

The analysis yields the following conclusions:

- Projected capital values are sufficient to meet accepted parameters for public and private financing methods available under existing law, which provide an adequate funding structure for needed capital improvements without public subsidies. Examples of available mechanisms include bond funding with amortization through property assessments, systems development charges (SDCs), local improvement districts (LIDs), tax increment-based strategies, or combined mechanisms.
- Projected property values and economic demographics indicate private development in accordance with the proposed Rosemont Village concept plan is feasible.
- Rosemont Village will yield sufficient public revenues to “pay its own way” with respect to operational funding of public services. This conclusion is based on analysis of current tax structures, projected government, school district, and service provider revenues from property, payroll, and income taxes, and intergovernmental revenue redistribution (such as per capita operating funds for schools).
- Other funding strategies have been discussed at the local level for application on a community-wide basis, such as transportation SDCs, local gas taxes, vehicle registration fees, transportation utility fees, payroll taxes, or general obligation bond financing. Most, if not all,

## ACKNOWLEDGMENTS AND CREDITS

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### Rosemont Property Owners Association

#### Project Team:

Shapiro & Associates, Inc.

Foster Consultants, Inc.

ECONorthwest, Inc.

Kittelson & Associates, Inc.

URS Greiner, Inc.

#### Officials and staff of the following governments, agencies, and service providers:

Metro

City of Lake Oswego

City of West Linn

City of Tualatin

Clackamas County

Unified Sewerage District of Washington County  
(USA)

City of Portland Bureau of Environmental Services  
(BES)

Rosemont Village Concept Plan Discussion Draft, July 21, 1998				
Assumed Land Development Over Time				
<b>Study Area (see map)</b>				
Gross Acreage	828.5			
Less: Estimated Title 3 Resources	-41.0			
Less: Estimated Principal ROW's	-58.0			
<b>Net Buildable Acres</b>	<b>729.5</b>			
<b>Land Use Designations</b>	<b>Acres</b>	<b>ROW/WQ/ Schools/ Parks % **</b>	<b>Net Buildable</b>	<b>DU/ Net Ac.</b>
Commercial Office	29.4	8%	27.0	
Commercial Retail & Service	18.4	10%	16.6	
Civic (i.e., Fire, Police, Library) *	12.1	10%	10.9	
Parks	72.0	0%	72.0	
Residential - Single Family 5DU/Net Ac.	236.5	31%	163.2	5
Res'l - Townhouse/Small Lots 10DU/Net Ac.	182.9	30%	128.0	10
Res'l - Condo/Apt. 16DU/Net Ac.	178.2	17%	147.9	16
* Land committed, not necessarily constructed.				
** "ROW/WQ/Schools/Parks %" includes land needed for local streets, water quality/quantity treatment facilities, schools, and neighborhood parks.				

Assumed Land Development Over Time	Cumulative Percent Developed		
	2005	2010	2020
<b>Land Use Designations</b>			
Commercial Office	30%	70%	100%
Commercial Retail & Service	20%	60%	100%
Civic (i.e., Fire, Police, Library) *	50%	80%	100%
Parks	80%	90%	100%
Residential - Single Family 5DU/Net Ac.	40%	70%	100%
Res'l - Townhouse/Small Lots 10DU/Net Ac.	10%	40%	100%
Res'l - Condo/Apt. 16DU/Net Ac.	20%	80%	100%
* Land committed, not necessarily constructed.			

Assumed Residential Development Over Time	Cumulative Units Developed		
	2005	2010	2020
<b>Land Use Designations</b>			
Residential - Single Family 5DU/Net Ac.	326	571	816
Res'l - Townhouse/Small Lots 10DU/Net Ac.	128	512	1,280
Res'l - Condo/Apt. 16DU/Net Ac.	473	1,893	2,366
<b>Total</b>	<b>927</b>	<b>2,976</b>	<b>4,462</b>



**KITTELSON & ASSOCIATES, INC.****TRANSPORTATION PLANNING/TRAFFIC ENGINEERING**

610 SW ALDER, SUITE 700 • PORTLAND, OR 97205 • (503) 228-5230 • FAX (503) 273-8169

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**MEMORANDUM**

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**Date:** July 20, 1998 **Project #:** 3100

**To:** Lee Leighton  
Shapiro & Associates, Inc.  
1650 NW Front Avenue, Ste. 302  
Portland, OR 97209

**From:** Marc Butorac

**Project:** Rosemont Master Plan

**Subject:** Transportation Summary Information

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Pursuant to your request, Kittelson & Associates has prepared a summary of the transportation constraints and necessary infrastructure improvements associated with development under the proposed Rosemont Village Concept Plan. Based on our work conducted to date, we firmly believe that the Rosemont Village area can be effectively served through the upgrading of the Rosemont Road and Stafford Road corridors, and development of an efficient collector and local street system that includes pedestrian, bicycle, and transit improvements. Although these major roadway improvements, coupled with the construction of a collector and local street system, represent a significant infrastructure investment, they are not atypical of the infrastructure improvements that will be required as part of the development of other urban reserve areas designated by Metro in accordance with the Metro urban reserve plan criteria. Those criteria call for introducing urban densities of 10 dwelling units per net residential buildable acre at locations surrounding the metropolitan urban growth boundary, which typically have low capacity, urban fringe infrastructure.

We note that several land use and transportation planning strategies were included as part of the planning for the Rosemont area, in order to reduce the amount of vehicular traffic and limit the construction of new major roadways. For example, the Rosemont Master Plan includes a neighborhood commercial center within the master planning area, providing the area's residents with localized shopping opportunities that will not require travel on arterial streets. In addition, the Rosemont Master Plan includes the provision of several pedestrian and bicycle paths to encourage alternative modes of travel. Transit service to the Rosemont area is also planned, to allow future residents to commute within the local area as well as to other parts of the metropolitan region.

In our analysis, projected transportation improvement needs arise due to a combination of existing

traffic flows, anticipated increases in traffic irrespective of the Rosemont Village Concept Plan, and introduction of new development in accordance with that Concept Plan. This memorandum does not attempt to attribute specific improvement needs to particular areas or causes; our effort is to characterize the transportation improvements that will be needed to satisfactorily meet future transportation demand under year 2015 conditions, in accordance with RTP standards, with the addition of the proposed Rosemont Village. The specific improvements that will be required at the time development consistent with the Rosemont Village Concept Plan occurs are discussed below.

Our preliminary transportation planning work on the Rosemont Master Plan indicates that Urban Reserve Area #31, like other urban reserve areas located on the edge of the Portland Metropolitan Urban Growth Boundary, will require significant transportation improvements to accommodate the development density required by Metro. Rosemont Village's planned average housing density of ten dwelling units per net developable acre, in accordance with Metro urban reserve plan criteria, will introduce vehicular demands on the existing roadway facilities that are atypical of the travel characteristics associated with the low density development in rural areas. When added to existing and anticipated vehicular travel demand, which originates from both rural and urban areas in and around the Stafford basin, it is clear that Rosemont Village will contribute to the need for transportation improvements.

Although several multimodal and transportation-efficient land use strategies are included in the master plan, the Rosemont Road and Stafford Road corridors will need to be improved to urban standards. These roads currently function as urban routes, with unsatisfactory levels of service at some intersections due to their rural configurations. Specifically, Rosemont Road will need to be upgraded to a three-lane roadway section east of Stafford Road through the Rosemont Village area, and Stafford Road will need to be realigned and widened to a five-lane section between Rosemont Road and I-205 at full buildout. As part of the Stafford Road improvements, the Tualatin River Bridge and I-205 interchange will need to be upgraded and several traffic signals will need to be installed in the future to serve streets accessing Stafford Road.

To promote connectivity and accessibility within the Rosemont planning area, a collector and local street system consistent with the Concept Plan's proposed collector streets will also need to be constructed in conjunction with development. These improvements, as well as improvements to the Rosemont Road and Stafford Road corridors, will allow the area to meet the level of service requirements of the Regional Transportation Plan. The coupling of the pedestrian, bicycle, transit, and land use strategies with these roadway improvements will provide for a well-balanced transportation system within the Rosemont Village Concept Plan area. Although the roadway and multimodal transportation improvements represent a sizeable infrastructure investment, they will allow the Rosemont area to transition from a low density, rural area into an area with the urban densities desired under the Metro 2040 plan.

**Jeffrey G. Condit, P.C.**  
jeff.condit@millernash.com  
503.205.2305 direct line

January 14, 2016

Mr. Tom Hughes  
Council President  
and Metro Councilors  
Metro Regional Center  
600 N.E. Grand Avenue  
Portland, Oregon 97232-2736

Subject: Testimony of the Cities of West Linn and Tualatin on Ordinance  
No. 16-1368 (Stafford Urban Reserve Designation)

Dear Council President Hughes and Metro Councilors:

We represent the Cities of Tualatin and West Linn ("Cities"). Please accept this letter and the attached exhibits into the record as the Cities' testimony on the designation of the four Stafford study areas as urban reserve.

### I. ADDITIONAL EVIDENCE

It is the Cities' position that the evidence in the record does not support the designation of Urban Reserve Areas 4A (Stafford), 4B (Rosemont), 4C (Borland), and 4D (Norwood) (collectively, "Stafford") under the eight urban reserve factors set forth in ORS 195.145(5)/OAR 660-027-0050 (the "Factors"). We extensively explained the basis for this position in our November 19, 2015, testimony in which the City of Lake Oswego also joined. We submit additional evidence in support of that determination.

**A. Exhibit A.** The attached Exhibit A is a map showing the parcelization and ownerships in Areas 4A to 4C.<sup>1</sup> Exhibit A supports the Cities' argument that the existing parcelization and ownerships will make it very difficult and expensive to redevelop Stafford into the kind of walkable, connected, and diverse urban landscape envisioned by Factors 1, 2, 3, 4, and 6. More than a third of the 4,700 acres in

<sup>1</sup> Although 4D (Norwood) is not addressed in the legend, it is shown on Exhibit A in the southeast corner showing similar parcelization.



Mr. Tom Hughes  
Metro Council  
January 14, 2016  
Page 2

these areas are subdivided into lots of five acres or less, and almost two-thirds of the areas are subdivided into lots of ten acres or less.

Many of the larger lots are developed or constrained. The City of Lake Oswego and Metro own substantial properties in Area 4A that are designated for parks and/or open space preservation. The large amount of vacant land surrounding the Ashdown Wood development in south Area 4A is owned by the Homeowners Association and is prohibited from development by covenants. Many of the larger parcels in Area 4C (Borland) are occupied by large institutional uses. West Linn - Wilsonville School District operates Arbor School of Arts & Sciences, Athey Creek Middle School, Stafford Primary School, and the District Operations Center on parcels along Borland Road. Rolling Hills Community Church occupies a large property south of Borland Road. Athey Creek Christian Fellowship and the Foursquare Church occupy large properties south of I-205. And the Willamette Christian Church of West Linn occupies a large property in Area 4A that is directly adjacent to Area 4B. These institutional uses are unlikely to redevelop over the 50-year planning period.

**B. Exhibit B.** Exhibit B is an updated map showing Stafford area natural features and constraints, including steep slopes, streams and rivers, and upland habitat areas based upon Metro Code definitions and designations. Of the 4,690 acres in Areas 4A, 4B, and 4C, 2,370 acres are constrained. The Cities submit this evidence in support of their argument that preservation and enhancement of natural ecological systems under Factor 5 will result in insufficient development capacity for the intended purposes under Factors 2 and 6, prohibit efficient and cost-effective public services under Factor 3, and make it very difficult to install walkable and well-connected systems of transportation under Factor 4. The draft findings mischaracterize the Cities' argument on this point.

**C. Exhibits C and D.** Exhibit C is a topographical map showing contours and steep slopes. Specifically, it shows how the Cities of Lake Oswego and West Linn slope up 600 to 700 feet above sea level to their current boundaries and that most of Stafford slopes down from these elevations to the Tualatin River. This evidence is submitted to refute Metro's argument in its staff report and the conclusion in its draft findings that because steeply-sloped lands within the current Lake Oswego and West Linn boundaries have been developed, that means similar lands in Stafford are capable of development. The problem is that Stafford is not steeply sloped in the same direction as areas within the City.



Mr. Tom Hughes  
Metro Council  
January 14, 2016  
Page 3

Exhibit D is a letter from Erica Rooney, P.E., City Engineer of the City of Lake Oswego, describing the City's updated 2012 Wastewater Master Plan. The plan determined that only 267 acres of the Stafford Urban Reserve area adjacent to Lake Oswego could be served by gravity service. Ms. Rooney notes that the improvements for gravity service just to this area would be very costly and that such improvement could create capacity problems for both the Lake Oswego Interceptor System and the Tryon Creek Wastewater Treatment plant. She concludes by noting that service to the rest of Stafford would require significantly more expensive pump stations, as well as millions of dollars of upgrades to expand the treatment plant capacity.

Comparing development on sloped lands in the current City boundaries with sloped lands in Stafford is comparing apples to oranges.<sup>2</sup> As Ms. Rooney's letter indicates, constructing pump stations in the capacity required to serve Stafford would be prohibitively expensive, negatively impacting Factors 1 and 3.

## II. RESPONSE TO OTAK REPORT

At the Metro Council's November 19, 2015, hearing, OTAK, on behalf of the Stafford Property Owners Association, submitted a document entitled "Clackamas County's Next Great Neighborhood," that purports to show how Stafford could be developed. It does not contain a shred of substantial evidence that a reasonable person would believe. It consists entirely of colored maps and proposed site plans that bear no relationship to the topography, environmental constraints, or existing parcelization or development (for example, it designates the Rolling Hills Community Church property as employment land). It describes the Stafford Hamlet, but contains no explanation of how the Hamlet concepts would be implemented or how the Hamlet would be consistent to the proposed plan (or the Factors). It sets forth purported benefits of urbanization with no explanation of how those numbers were derived. Finally, and most importantly, there is no analysis of the types and costs of the infrastructure necessary to serve the Stafford development envisioned in the document: The sole mention of infrastructure development is to a grant received by Clackamas County to study the transportation system. There is nothing in this document that is responsive to

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<sup>2</sup> In addition, as the Cities have testified previously, lands "similarly situated" to lands in Stafford in terms of slopes and natural features are developed at densities of three to four units per acre, not the ten units per acre that Metro and Goal 10 consider to be an "urban" density. This comparison provides support for the Cities' position that Stafford does not contain land suitable for a range of needed housing types per Factor 6 or suitable for walkable and well-connected transportation systems per Factor 4.

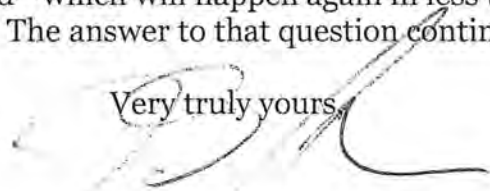
Mr. Tom Hughes  
Metro Council  
January 14, 2016  
Page 4

the analysis required under the Factors. Given the complete lack of substance in that report, the heavy reliance in the draft findings on the OTAK report is not justified under the substantial evidence test.

### III. CONCLUSION

The gravamen of the proposed findings is that Stafford, based upon its size and location, is suitable for designation as urban reserve under the Factors, regardless of the physical constraints, existing and projected inadequate infrastructure, and the high cost of urban services. The proposed findings conclude that these issues and evidence are not relevant given fifty-year planning horizon and because the region will be required to plan for urbanization and service if Stafford is designated. But that is not what the Factors ask: They ask whether the evidence in the record demonstrates that Stafford should become first priority for urbanization the next time an adjustment to the urban growth boundary is considered—which will happen again in less than two years—and then every five years thereafter. The answer to that question continues to be "No."

Very truly yours,



Jeffrey G. Condit, P.C.

Enclosures



# EXHIBIT A

## Stafford Area PARCELS

### Acreage Summary

FOCUS AREA	PARCEL SIZE	ACRES
4690 total acres		
4A: 3200 acres	< 5 acres:	1120 acres
4B: 130 acres	> 5 acres and < 10 acres:	650 acres
4C: 1360 acres	> 10 acres:	1170 acres
	< 5 acres:	20 acres
	> 5 acres and < 10 acres:	40 acres
	> 10 acres:	60 acres
	< 5 acres:	450 acres
	> 5 acres and < 10 acres:	320 acres
	> 10 acres:	370 acres

Other acreage not listed. Right-of-Way and Water/River

### ZONING

4A:	RRFF5 (Rural Residential Farm Forest, 5-Acre):	2020 acres
	EFU (Exclusive Farm Use):	1170 acres
4B:	RRFF5 (Rural Residential Farm Forest, 5-Acre):	130 acres
4C:	RRFF5 (Rural Residential Farm Forest, 5 Acre):	1350 acres
	RC (Rural Commercial):	10 acres

Areas less than 1/2 acre are not included in totals

All acreages are rounded to the nearest 10 acres.

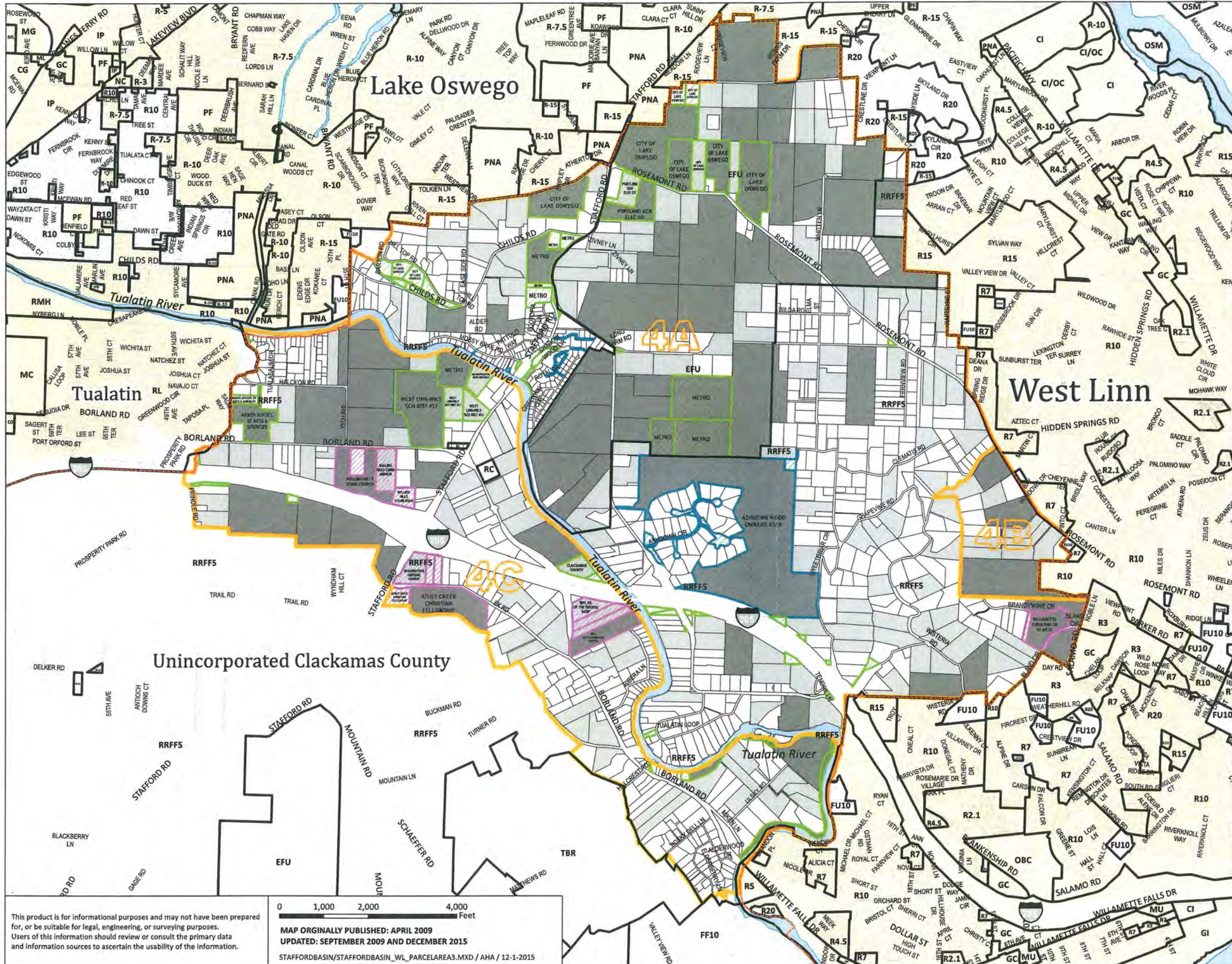
### Legend

- █ Metro Urban Reserves: 4A, 4B, 4C
- █ Metro Urban Growth Boundary
- █ Public or Quasi-Public LABELLED WITH AGENCY NAME
- █ Homeowners Association
- █ Church

### Parcel Land Area inside Focus Area

- < 5 acres
- > 5 acres and < 10 acres
- > 10 acres
- RRFF5 Zoning
- █ Rivers
- Incorporated Areas

West Linn  
**GIS**  
GEOGRAPHIC INFORMATION SYSTEMS  
Data Source: Metro RLJ & West Linn GIS



This product is for informational purposes and may not have been prepared for, or be suitable for, legal, engineering, or surveying purposes. Users of this information should review or consult the primary data and information sources to ascertain the usability of the information.

0 1,000 2,000 4,000 Feet

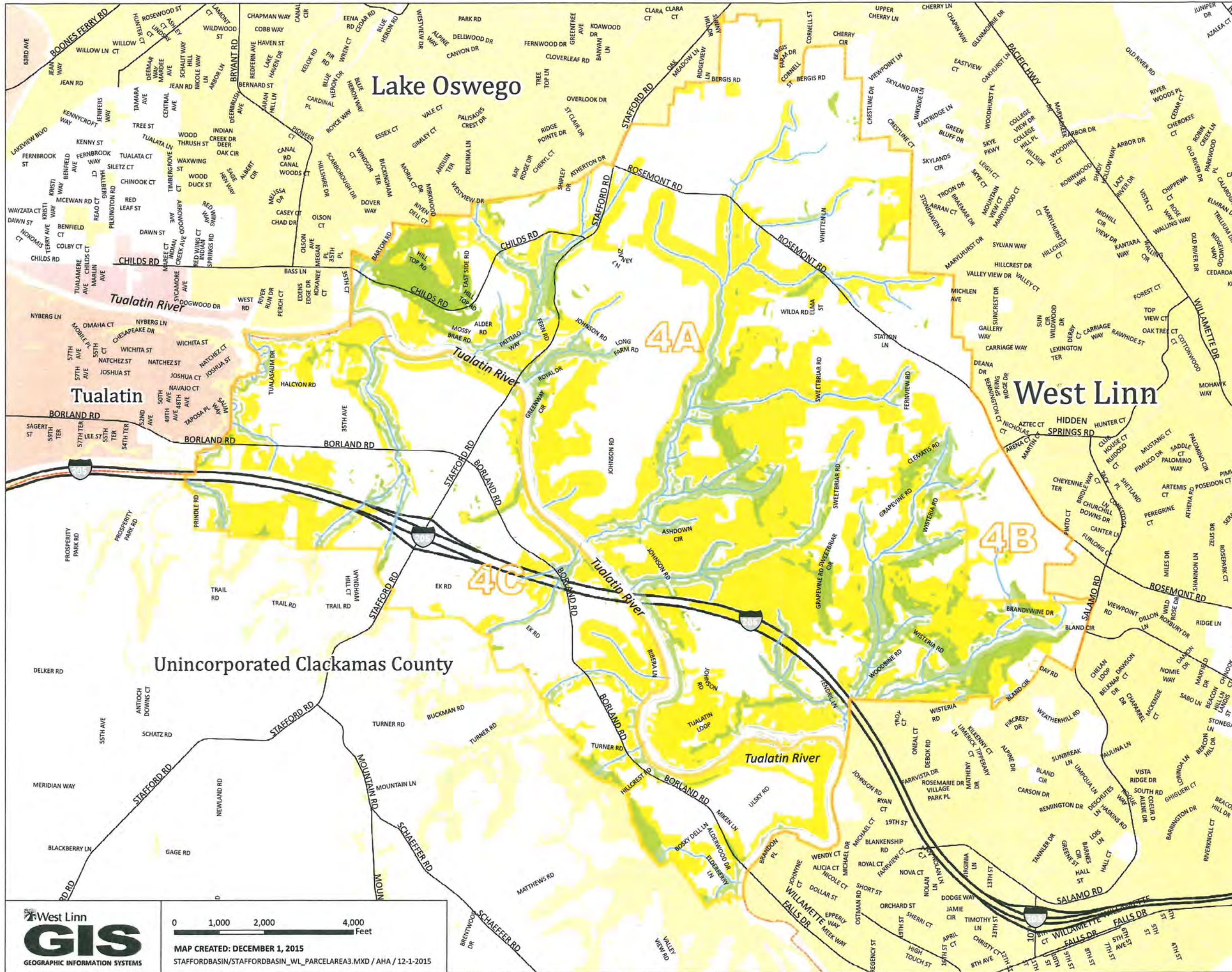
MAP ORIGINALLY PUBLISHED: APRIL 2009  
UPDATED: SEPTEMBER 2009 AND DECEMBER 2015  
STAFFORDBASIN/STAFFORDBASIN\_WL\_PARCELAREA3.MXD / AHA / 12-1-2015



EXHIBIT B

Stafford Area

NATURAL FEATURES



Acreeage Summary

FOCUS AREA	STREAM & RIVER BUFFERS
4690 total acres	4A: Inside buffered areas: 550 acres (17%) Outside buffered areas: 2650 acres (83%)
4A: 3200 acres	4B: Inside buffered areas: 10 acres (8%) Outside buffered areas: 120 acres (92%)
4B: 130 acres	4C: Inside buffered areas: 180 acres (13%) Outside buffered areas: 1180 acres (87%)
4C: 1360 acres	

SLOPES	METRO UPLAND WILDLIFE HABITAT <sup>1</sup>
4A: > 25%: 470 acres (15%) < 25%: 2730 acres (85%)	4A: Inside Habitat Areas: 1000 acres (31%) Outside Habitat Areas: 2200 acres (69%)
4B: > 25%: 10 acres (8%) < 25%: 120 acres (92%)	4B: Inside Habitat Areas: 10 acres (8%) Outside Habitat Areas: 120 acres (92%)
4C: > 25%: 110 acres (8%) < 25%: 1250 acres (92%)	4C: Inside Habitat Areas: 300 acres (22%) Outside Habitat Areas: 1060 acres (78%)

TOTAL CONSTRAINED LAND:

4690 total acres
4A: 1790 acres (56%)
4B: 20 acres (15%)
4C: 560 acres (41%)

All acreages are rounded to the nearest 10 acres.

Legend

- Metro Urban Reserves: 4A, 4B, 4C
- Streams within Focus Area<sup>1</sup>
- 50-200 Foot Buffer along Streams & River in Focus Area<sup>2</sup>
- Metro Upland Wildlife Habitat Areas, Class A & B<sup>3</sup>
- Steep Slopes: Greater than 25%<sup>4</sup>
- Metro Urban Growth Boundary
- Parcel Lines
- Rivers
- Other Metro Area Streams
- West Linn
- Lake Oswego
- Rivergrove
- Tigard
- Tualatin

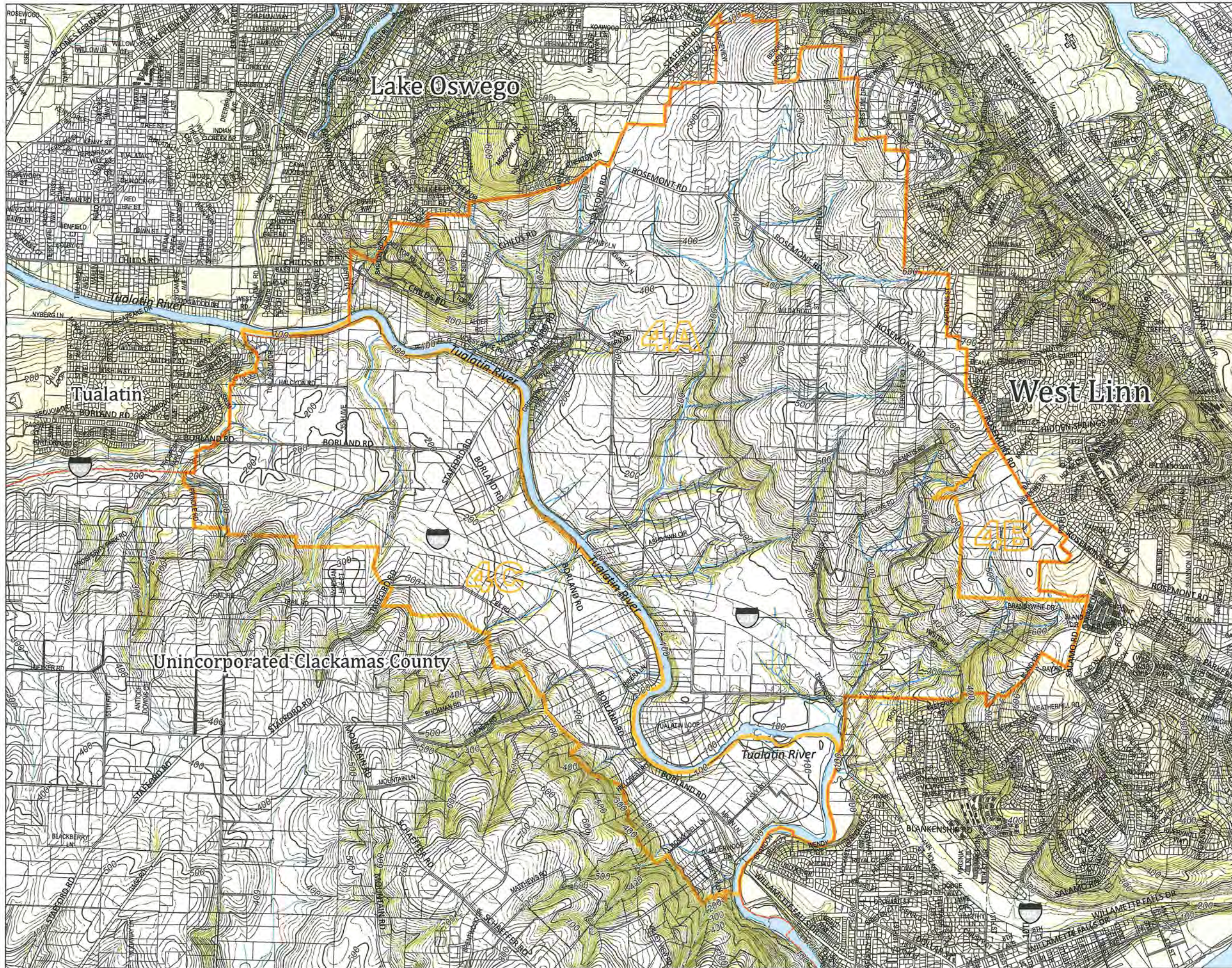
MAP ORIGINALLY PUBLISHED: 2009  
UPDATED: AUGUST 2012 AND DECEMBER 2015



Data Source: Metro RLIS and West Linn GIS  
<sup>1</sup> Streams shown on this map in areas 4A and 4B have been developed by West Linn GIS using 2004 LIDAR surface models. Additionally, Metro's Data Resource Center and the City of Lake Oswego GIS provided reference information to improve the accuracy of the mapping. Please note however that field surveys have not been performed to verify water flow or exact stream locations. For Area 4C, generalized (less detailed) stream mapping was used.  
<sup>2</sup> Metro Code Section 3.07.340(B)(2)(a), Primary Protected Water Features from August 2012 map, updated to include additional areas.  
<sup>3</sup> Map and acreage totals are for Habitat areas outside buffers and steep slopes only.  
<sup>4</sup> Steep Slopes source: Metro Regional Land Information System (RLIS).

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# Stafford Area

## TOPOGRAPHY

### Topography<sup>1</sup>

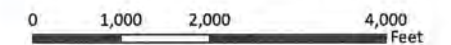
-  Major Contours - 100 ft. Interval
-  Contours - 10 ft. Interval

### Map Legend

-  Metro Urban Reserves: 4A, 4B, 4C
-  Steep Slopes (Greater than 25%)<sup>1</sup>
-  Streams within Focus Area<sup>2</sup>
-  Other Metro Area Streams<sup>2</sup>
-  Rivers
-  Metro Urban Growth Boundary

### Incorporated Areas

MAP ORIGINALLY PUBLISHED: JANUARY 2016



Data Source: Metro RLIS and West Linn GIS

<sup>1</sup> Steep Slopes & Topography: Metro Regional Land Information System (RLIS).  
<sup>2</sup> Streams shown on this map in areas 4A and 4B have been developed by West Linn GIS using 2004 LIDAR surface models. Additionally, Metro's Data Resource Center and the City of Lake Oswego GIS provided reference information to improve the accuracy of the mapping. Please note however that field surveys have not been performed to verify water flow or exact stream locations. For Area 4C, generalized (less detailed) stream mapping was used.

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## EXHIBIT D

ENGINEERING DEPARTMENT

January 13, 2016

METRO  
600 NE Grand Avenue  
Portland, OR 97232

RE: Testimony –Stafford Urban Reserves Remand Hearing  
LCDC Remand Order 14-ACK-001867

Dear President Hughes and Metro Councilors:

The City of Lake Oswego completed an updated Wastewater Master Plan in November 2012. The plan focused on wastewater services within the existing Urbans Services Boundary; however, some analysis was conducted for parts of the Stafford Urban Reserve. It did not analyze the potential for serving the entire Stafford Reserve area.

### **Gravity-Only Service Area Impact**

To determine what parts of the Stafford Reserve had potential for gravity service to Lake Oswego, a few basic assumptions were used to conduct the analysis:

- A. City staff identified areas of the reserve that could possibly flow by gravity to the existing Lake Oswego wastewater collection system. This was based on topographic analysis of the area. The Master Plan called this gravity-flow-only area the "Stafford Wastewater Contributing Areas" for analysis purposes.
- B. The Stafford Wastewater Contributing Areas comprised 267 acres, which is approximately 22 percent of the total Stafford reserve area (no other areas of the reserve were analyzed).
- C. The City used the *Stafford Triangle Development Cost Estimate* prepared for the Clackamas County Business Alliance in January 2010 to determine estimated wastewater flows from the anticipated development.

The master planning effort focused on the potential impacts of adding the area identified above, and then analyzed potential effects to the existing Lake Oswego conveyance and treatment systems. The results were as follows:

- Canal Trunk – 3300 feet of existing pipe would need to be increased from 18 to 20 inch diameter.
- South Shore Trunk – 2700 feet of existing pipe would need to be increased from 8 to 12 inch diameter.

- Bryant Road Pump Station (recently completed in 2013) would have to be modified from current capacity of 2400 gpm to 2600 gpm, and 8% increase.
- The addition of upper Stafford basin to the system may create capacity problems for the LOSI but it is dependent on the timing of when the system is expanded and how much inflow and infiltration is reduced.
- Further analysis of the impacts to the Tryon Creek Waste Water Treatment Plant will be necessary to adequately determine the potential flow and affect to the plant, and whether or not sufficient capacity will be available short and long term.

Cost analysis of these upgrades are not conducted for these potential upgrades; however, they are significant projects and would be considered very costly to pursue. As stated in the adopted City of Lake Oswego Wastewater Master Plan, the potential impacts and system upgrades from the analysis of the Stafford Wastewater Contributing Areas are not included in the capital improvement plans for the City.

#### **Areas Beyond Gravity Service to Lake Oswego**

The City of Lake Oswego did not conduct any further analysis on the remaining 78% of the Stafford Reserve area, because extensive alternatives analysis would need to be conducted to determine pumping options, conveyance direction, and treatment plant impacts. As a general rule and based on experience, serving areas via pump stations is significantly more expensive than serving via gravity conveyance systems. Also, treatment plant upgrades for capacity will cost millions of dollars for design, land, and construction. A master planning effort would need to be conducted in the area to determine planning level costs for exploring different service alternatives.

Sincerely,



Erica Rooney, PE  
City Engineer



CITY MANAGER'S OFFICE

January 14, 2016

President Hughes and Metro Council  
600 NE Grand Avenue  
Portland, OR 97232

Re: Testimony-City of Lake Oswego  
Stafford Area Urban Reserves Remand Hearing  
LCDC Remand Order 14-ACK-001867  
Metro Ordinance No. 16-1368

Dear President Hughes and Metro Council:

The City of Lake Oswego supports the position of the cities of West Linn and Tualatin as expressed in their testimony submitted January 14, 2016, and re-states its opposition to the proposed designation of urban reserves in the Stafford Area.

Sincerely,

Scott Lazenby  
City Manager